



Annual Progress Report

2018

March 20, 2019

City Council Resolution No. 19-015

1. Introduction

On July 27, 2016 the Morgan Hill 2035 General Plan was adopted by City Council [Resolution No. 16-128](#). The Morgan Hill 2035 General Plan is a comprehensive update of the City's 2001 General Plan.

The General Plan incorporates the City's Housing Element, which was adopted by City Council on February 18, 2015 and certified by the State Housing and Community Development Department (HCD) in April 2015.

With voter approval of Measure S, the City's Residential Development Control System (RDCS) on November 8, 2016, the RDCS Ordinance (Ordinance No. 2229 New Series) became effective. The RDCS Ordinance amended the General Plan text to be consistent with the provisions of Measure S.

On December 6, 2017 the City Council adopted [Resolution No. 17-098](#) approving General Plan Land Use and Text Amendments (File Nos. GPA2017-0001 and GPA2017-0002) to correct miscellaneous Land Use Map, figure, and text errors.

Government Code Section 65400 mandates that certain cities and all 58 counties submit an annual progress report (APR) on the status of the General Plan and progress on its implementation to their legislative bodies, the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1 of each year.

APRs must be presented to the local legislative body for its review and acceptance, usually as a consent or discussion item on a regular agenda.

2. Implementation Highlights by General Plan Element

CITY AND NEIGHBORHOOD FORM ELEMENT

Development Services - Planning

- Adopted comprehensive Zoning ([Title 18](#)) Update June 6, 2018.
Goal CNF-1 An improved, effective, efficient, fair, equitable, flexible, and user-friendly planning and decision-making process.
- Initiated preparation of “Annexation EIR” May 2018.
Goal CNF-4 Orderly and limited expansion of City boundaries.
- Completed Monterey Corridor Market Study and Implementation Options April 2018 and near-term Block-Level Master Plan initiated for Mixed-Use Flex designated portions of Corridor August 2018.
Goal CNF-13 Mixed use flex developments that include a variety of uses and forms to foster a dynamic urban environment.

Geographic Information Services

- Completed update of new City [zoning map](#) and updated zoning-related ordinance information.
Goal CNF-1 An improved, effective, efficient, fair, equitable, flexible, and user-friendly planning and decision-making process.

HOUSING ELEMENT

- See Attached Housing Element Annual Progress Report

Development Services - Housing

- Evaluated the Housing Accountability Act and the relationship to the Residential Development Control System (RDCS) and placed an increased priority on the production of affordable housing units at assigned income levels by increasing affordability goals within the existing RDCS process.
- Evaluated Regional Housing Needs Allocation (RHNA) goals and RDCS projects in pipeline and determined the remaining housing goal for the current Housing Element Cycle is 115 Very Low Income.
- Modified RDCS Manual to support RHNA Goals unit deficit.
- Adopted a 15% Inclusionary Housing Ordinance, 10% required within the Downtown.

- Increased Housing In-Lieu Fees.
- Monitored and refined of the Below Market Rate (BMR) Homeownership Program, adopted new guidelines, created BMR Program Application and Participation Guide – addressed transfers, owner’s minimum return on down payment, ownership, and estate planning.

Goal HE-1 Adequate new housing to meet the full range of future community housing needs, including affordability and accessibility.

- Monitored Park Place rehabilitation near completion – a 112-unit multifamily development home to 420 people. As turn-over occurs, some units are set aside for families transitioning out of temporary housing freeing-up nearby temporary units that are available for homeless families.
- Approved Eden Housing, Inc. recast and re-subordination of existing City loan for rehabilitation of Sycamore Glen Senior Affordable Housing apartment community which houses senior residents and consists of 20 one-bedroom units; estimate of repairs and upgrades approximately \$2.3 million.
- Approved Eden Housing, Inc. recast and re-subordination of existing City loans and ground leases for the future major rehabilitation of four affordable apartment communities: Skeels, Villa Ciolino, Willows, and Depot Commons.
- BMR Homeownership activities:
 - Preserved two BMR units from foreclosure and bank sale
 - Rehabilitated five re-sale BMR units prior to sale to new, qualified owners
 - Held 20 BMR homebuyer orientation workshops for 563 attendees, which led to 225 lottery submissions (395 pre-application files opened)
 - Held seven BMR homeowner workshops for 24 attendees
 - Prepared BMR ownership restricted valuation calculations as requested for County Assessor
 - Qualified 27 interested households for BMR ownership
 - Prepared six re-subordination agreements to accommodate re-financing
 - Held 15 lotteries for sale of 22 new BMR units, and eight lotteries for five resales
 - Purchased 17545 Depot Street for use as temporary parking and eventual housing

Goal HE-2 Preservation and rehabilitation of the existing housing supply and Goal HE-3 Adequate housing for groups with special needs.

- Residents moved into EAH affordable housing development scattered site – 41 new units designated for families and Transitional Age Youth (TAY) aging out of foster care and at risk of homelessness.

- Urban Housing Communities (UHC) began construction of 39-unit affordable family housing development The Crossings.
- Evaluated potential opportunities for farmworker agricultural housing in South County with the County Planning Department and the Office of Supportive Housing on a potential City owned site.
- Worked closely with Code Compliance to approve the use of housing funds (maximum \$7,000) to be used for a three-day emergency hotel stay in the event that a household receives a notice of violation or “red tag” from City Code Compliance, resulting in a temporary and immediate homeless situation.
- Coordinated with two part-time County Homeless Outreach Workers to conduct interviews and assessments with homeless individuals within the City.
- Coordinated with County Rapid Rehousing Program, a Homeless Prevention (rental assistance) Program, to target families with children in the school district at risk of homelessness.
- Continued operation of the Safe Park Program (FOCUS), a collaboration and regional partnership with City Housing and Police teammates, Santa Clara County, Gilroy Compassion Center, and faith-based community volunteers. The program provides coordinated assessments and offers overnight accommodations at a local church for up to eight homeless families (25 people max) living in their cars.
- Assisted Catholic Charities with new Countywide House Sharing Program, a free roommate matching program that matches community members with underutilized homes with other residents who need an affordable option, usually in need of renting a room or house sharing.

Goal HE-3 Adequate housing for groups with special needs.

Police

- Continued Safe Parking Program in partnership with the faith-based community and Housing Division.

Goal HE-3 Adequate housing for groups with special needs.

ECONOMIC DEVELOPMENT ELEMENT

Community Services

- Supported [public art installation by Leadership Morgan Hill](#) on eleven utility boxes throughout the City.
- Safely operated the Morgan Hill Aquatics Center for over 57,000 visitors during the summer of 2018.

Goal ED-4 A vibrant, enhanced, visible, and well-promoted tourist industry that draws on Morgan Hill's unique character and variety of amenities.

Economic Development

- Hosted a real estate breakfast to more than 50 brokers highlighting the more than 20 projects under development in Morgan Hill to attract additional businesses and other building/land investment opportunities.
- Business Attraction/Expansion and Retention: Towbin Dodge, My Pizza, Kelly Brewing, Digital View, Tropos Technologies, Yoga Source, SuperTech, Shoe Palace, Carpenter's Training Union, Fairfield Inn, Home2Suites, Music as Language, Roundtable Pizza, Aragen Biosciences, and Siam Thai.
- Established a Tourism Based Improvement District (TBID) that will annually generate over \$400,000 to promote the area for sports/recreation events and tourism.
- Launched new business attraction website, ChooseMorganHill.com
- Kicked-off marketing campaign highlighting Morgan Hill and the Economic Blueprint – implementing digital and print media advertorials with the Silicon Valley Business Journal and Hearst Media.
- Led the planning and implementation of the 2018 Economic Development Symposium
- Hosted Morgan Hill Manufacturing Day, which included a panel presentation by local manufacturing companies, company tours, and participation from 54 students.
- Negotiated and coordinated four Impact Fee Freeze agreements supporting the development of over 731,000 square feet of development.
- Hosted an Americans with Disabilities Training session for businesses in Morgan Hill.
- Developed a parklet pilot program in Downtown Morgan Hill to provide greater street activation for businesses.
- Launched an e-services kiosk in City Hall featuring "[Open Counter](#)" and other City online business services for the community.

Goal ED-3 A high-quality business community with established roots in Morgan Hill.

- Received 2018 Silicon Valley Structures Award for "Public Projects" for the development of three Downtown Parks.

Goal ED-4 A vibrant, enhanced, visible, and well-promoted tourist industry that draws on Morgan Hill's unique character and variety of amenities and Goal ED-5 A downtown

where residents and visitors of all ages can live, work, meet, shop, dine, participate in public celebrations, discover the story and past of our city, and share in the richness of Morgan Hill's community life.

- Supported the Monterey Corridor Study – including completing a retail capacity study.
Goal ED-6 A mix of uses along Monterey Corridor that supports the Downtown and encourages walking and biking.

HEALTHY COMMUNITY ELEMENT

Community Services

- Applied for and received numerous grants for various projects, including the [Magical Bridge Morgan Hill Playground](#) and West Little Llagas Creek Trail.
- Supported the redesign concepts for the [Magical Bridge Morgan Hill Playground](#) moving the project forward for bidding and construction in 2019.
- Implemented a Volunteer Driver Program that has grown to ten active drivers and provided 448 rides in 2018.
- Hosted a Healthy Aging Week in partnership with the Chamber of Commerce, culminating with a Senior Resource Fair linking hundreds of attendees with dozens of service providers.
- Launched and updated various facility use partnerships with nonprofit organizations to support services for Morgan Hill residents, including new partnerships with Community Christian, National Center for Youth Law, Rebekah Children's Service, and the Center for Employment Training, along with updating partnerships with the Healthier Kids Foundation and the American Red Cross.

Goal HC-2 A built environment and community services that serve the special needs of youth and seniors, allowing residents to age in place and Goal HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.

- Implemented plan for maintenance of new Downtown Parks into overall downtown maintenance.
- Completed project to seal and restripe the Outdoor Sports Center Parking Lot and existing Butterfield Linear Trail.
- Provided significant support to clean public property following the removal of multiple homeless encampments ensuring safety and community cleanliness.

- Completed numerous maintenance projects to support City infrastructure:
 - Replaced Playhouse seating
 - Replaced carpeting at multiple City facilities
 - Completed a sidewalk repair project replacing 840 linear feet of sidewalks
 - Rehabilitated the pool play structure at the Centennial Recreation Center
 - Upgraded and repaired major HVAC components at City facilities
- Successfully increased the assessment for one Landscape Assessment District Sub-area allowing for increased funding for maintenance of the area.
- Maintained CRC membership levels through 2018 completing the year with approximately 4,900 membership units and over 15,000 members.

Goal HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.

- Processed permits for and helped to facilitate 38 community special events.
- Coordinated Hispanic Heritage month activities at various City facilities.

Goal HC-4 Support for culture and the arts as key assets for a unique and authentic community.

Engineering and Utilities

- Completed the Galvan Park Handball Courts Project.
- Successfully replaced the artificial turf at the Outdoor Sports Center with limited impact to users.

Goal HC-3 Usable, complete, well-maintained, safe, and high-quality activities and amenities, including active and passive parks and recreational facilities, community gardens, and trails that are accessible to all ages, functional abilities, and socio-economic groups.

TRANSPORTATION ELEMENT

Engineering and Utilities

- Completed overlay projects on Sutter Road and Hill Road, providing new pavement on both roadways.
- Completed slurry seal on residential neighborhoods off Llagas Road, providing preventative maintenance to the streets.

Goal TR-1 A balanced, safe, and efficient circulation system for all segments of the community, meeting local needs and accommodating projected regional and sub-regional traffic while protecting neighborhoods.

- Made significant progress on the Hale Avenue Extension project property acquisition and concluded 2018 with all necessary properties acquired or in the process of acquisition.

Goal TR-4 Emphasis on transportation improvements in the Butterfield, Hale/Santa Teresa, and Monterey corridors.

Economic Development

- Participated in Caltrain Business Plan technical meetings and coordination for South County.

Goal TR-6 A safe and efficient transit system that reduces congestion by providing viable non-automotive modes of transportation.

- Held an all-day Community Awareness and Engagement Day on the High-Speed Rail project which engaged over 100 residents and stakeholders and included two meetings, a tour, and lunch.
- Responded to the High-Speed Rail Engineering Drawings for the newest at-grade alternative.

Goal TR-7 Well-planned High-Speed Rail service that minimizes negative local impacts.

NATURAL RESOURCES AND ENVIRONMENT ELEMENT

Community Services

- Finalized the purchase of property for the first local agricultural easement procured by the City of Morgan Hill, a ten-acre site off Maple Avenue.

Goal NRE-1 Preservation of open space areas and natural features, Goal NRE-3 A stable, long-term City boundary reinforced by a greenbelt, and Goal NRE-4 A viable agricultural industry.

- Supported an outreach and involvement process for the development of an Urban Forestry Management Plan scheduled for completion in 2019.

Goal NRE-15 An adaptive and resilient community that responds to climate change.

- Coordinated the implementation of new energy management systems to improve energy efficiency at the Council Chambers Building and Police Department.

Goal NRE-16 Conservation of energy resources.

Development Services - Building

- Issued 449 “same day” solar permits, an increase of 39, or 9% over 2017.

Goal NRE-16 Conservation of energy resources.

Development Services - Planning

- Served on the implementation board of the Santa Clara Valley Habitat Agency.

Goal NRE-6 Protection of native plants, animals, and sensitive habitats.

Engineering and Utilities

- Enhanced school site water testing for lead.

Goal NRE-7 Conservation of water resources.

SAFETY, SERVICES, AND INFRASTRUCTURE ELEMENT

Fire

- Participated in Weed Abatement Assessment hearings – largely uncontested.
- Completed all mandated fire inspections for the year and pursued complaints against an unlicensed contractor responsible for a structure fire and against a contractor responsible for illegal dumping of hazardous waste.
- Proposed changes to City Landscape and Street Tree Standards to reduce the use of fire-prone non-native plants and combustible groundcover materials.
- Continued coordination between PG&E and City to reduce wildfire risks and ensure local preparedness for blackout event.

Goal SSI-3 Minimal threat to persons, property, and the environment from fire hazards.

- Developed and received approval on a fire services development strategy for 2018-2023 and executed a five-year cooperative agreement with the CAL FIRE teammates for administration, fire marshalling, and fire operations.

Goal SSI-11 Efficient police, fire, and emergency medical response and services, and access to local medical facilities.

- Developed and received approval from Council to complete a three-department Fire Study and Standards of Coverage for Morgan Hill in cooperation with South Santa Clara Fire and Gilroy Fire.
- Supported development and participated in full scale EOC drills simulating a large wildfire event within the City.
- Continued involvement in Santa Clara County Firesafe Council. Delivered several community wildfire preparation and evacuation presentations in partnership with Firesafe and CERT/OES.

Goal SSI-12 Reduce risk to life and property associated with emergencies and natural and manmade disasters.

Engineering and Utilities

- Storm Drainage Infrastructure Master Plan approved September 2018.

Goal SSI-13 Infrastructure and urban development that adapts and evolves to respond to a changing climate and Goal SSI-16 Minimized adverse effects on property, natural resources, and ground and surface water quality from stormwater runoff.

- Successfully updated the City's Sanitary Sewer Management Plan and produced detailed standard operating procedures for the Wastewater Division.

Goal SSI-15 Efficient, effective, and sustainable wastewater treatment.

Administrative Services

- Promoted the City's WaterSmart feature, allowing customers to monitor their water consumption in real time.

Goal SSI-14 High quality water resources, managed effectively.

- Continued to promote paperless billing and electronic payment enrollment. Over 57% of Citywide accounts are now enrolled online, of which, 63% are enrolled in paperless statements and 50% are now enrolled in autopay.

Goal SSI-17 Reduced generation of solid waste and increased diversion of waste from landfills.

Geographic Information Services

- Tested and improved GIS capabilities at Emergency Operations Center (EOC) and trained EOC teammates on new procedures.

Goal SSI-12 Reduce risk to life and property associated with emergencies and natural and manmade disasters.

City Manager

- Executed a five-year cooperative agreement with the CalFire teammates for administration, fire marshalling, and fire operations.

Goal SSI-3 Minimal threat to persons, property, and the environment from fire hazards.

Community Services

- Introduced a pilot project for the elimination of the use of rodenticides on all City owned property.

Goal SSI-4 Avoidance of exposure to hazardous substances.

- Coordinated efforts to encourage local businesses to meet state law in recycling.

Goal SSI-17 Reduced generation of solid waste and increase diversion of waste from landfills.

Economic Development

- Approved and encroachment permit for the installation of telecommunication fiber to provide access to the Paradise Valley community.

Goal SSI-18 State-of-the-art telecommunications services for all segments of the community to foster fiscal and environmental sustainability, support an innovating economy, and meet the needs of the community.

Development Services – Land Development Engineering

- Provided annual City Council evaluation report for FY 2015-16 (Year 1) and FY 2016-17 (Year 2) on the flood risk reduction outreach activities performed by the City and other partner agencies as part of the countywide Multi-Jurisdictional Program for Public Information (PPI)

Goal SSI-6 Adequate, safe, and environmentally responsible drainage and flood control.

- Completed a Landscape Gap/Opportunity Analysis (with AHBL, Inc.) to identify any modifications and/or additions necessary to fill gaps and remove impediments to City's effective implementation of the Central Coast Regional Water Quality Control Board's post-construction stormwater management requirements for development projects.

Goal SSI-16 Minimized adverse effects on property, natural resources, and ground and surface water quality from stormwater runoff.

Engineering and Utilities

- Completed an Inflow and Infiltration Project, repairing wastewater pipes in various locations throughout the City to reduce inflow and infiltration of stormwater into the wastewater system.

Goal SSI-15 Efficient, effective, and sustainable wastewater treatment.

- Supported the adoption of an updated Stormwater Drainage System Master Plan

Goal SSI-16 Minimized adverse effects on property, natural resources, and ground and surface water quality from stormwater runoff.

Police

- Held one table top exercise for EOC team for a simulated wildland fire.
- Upgraded network to provide fault tolerant communications and consistent connectivity at all locations.
- Upgraded server and storage systems to meet expanded storage and disaster recovery requirements.

Goal SSI-12 Reduce risk to life and property associated with emergencies and natural and manmade disasters.

3. General Plan Amendment Applications

GPA2018-0001: E DUNNE-ROSS

General Plan Land Use Map Amendment – Residential Estate to Residential Detached Low on an 8.34 gross acre parcel located at the northerly terminus of Sorrel Way and Saddleback Drive. <Denied February 6, 2019>

GPA2018-0002: MONTEREY-GLENROCK

General Plan Land Use Map Amendment – Residential Detached Low to Commercial/Industrial on a 7.8 gross acre site located on the east side of Monterey Road, approximately 750 feet northerly of E Middle Avenue. <Incomplete>

GPA2018-0003: COCHRANE-LLAGAS LLC

General Plan Land Use Map Amendment – Commercial and Commercial/Industrial to Residential Attached Medium and Residential Detached High on approximately 60 acres located on the west side of De Paul Drive between Cochrane Road and Half Road. <Withdrawn April 9, 2018>

GPA2018-0004: W DUNNE-BETPOLICE

General Plan Land Use Map Amendment – Residential Estate to Residential Attached Low on a portion of the site located on the north side of W Dunne Avenue, approximately 825-feet easterly of Peak Avenue. <Pending>

GPA2018-0005: DEPOT STREET-MORGAN HILL

General Plan Land Use Map Amendment – Public Facilities to Mixed Use on an approximately 0.29-acre portion of Depot Street north of intersection with E Dunne Avenue and re-alignment of Depot Street. <Approved October 3, 2018>