

Appendix H2

Site Inventory

City of Morgan Hill Housing Element 2023-2031

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City of Morgan Hill Housing Element

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APPENDIX H-2 | Site Inventory

2.1 Introduction

California law (Government Code Sections 65583 (a)(3)) requires that the Housing Element contain an inventory of land suitable for residential development, that can be developed for housing within the planning period and nonvacant (i.e., underutilized) sites having potential for redevelopment. State law also requires an analysis of the relationship of zoning and public facilities and services to these sites. In addition, Assembly Bill 686, Statutes 2018, requires that a jurisdiction identify sites throughout the community, in a manner that is consistent with its duty to affirmatively further fair housing (AFFH) pursuant to Government Code Section 65583. In the context of AFFH, the site identification requirement involves not only an analysis of site capacity to accommodate the RHNA, but also an analysis and conclusion of whether the identified sites improve or exacerbate conditions for each of the fair housing areas as outlined in Appendix H-5 Assessment of Fair Housing.

Pursuant to the California Department of Housing and Community Development (HCD) Housing Element Inventory Guidebook, projects that have been approved, permitted, or received a certificate of occupancy since the beginning of the Regional Housing Needs Allocation (RHNA) project period may be credited toward meeting the RHNA allocation based on the affordability and unit count of the development.

This appendix presents residential projects within Morgan Hill city limits that are expected to be developed and occupied during the planning period of this Housing Element, January 31, 2023 to January 31, 2031. The analysis presented in this appendix chapter demonstrates there is an adequate supply of residential projects in the “Pipeline” to accommodate the City’s housing allocation of 1,037 units, including housing at all income levels. The analysis also demonstrates that a limited number of residential projects in the “Pipeline” allowing for higher density development are located within existing communities considered “low resource”. There are 1,183 acres of low resource area within the City boundary, which is approximately 14 percent of the City. Consequently, there are no areas within the City of Morgan Hill which are classified as “high resource”.

The appendix starts with a description of the City’s housing target for the 2023-2031 planning period, called the Regional Housing Needs Allocation (RHNA). It then describes the number of residential units in the “Pipeline”, consisting of both planned and entitled projects. The appendix then provides information on the availability of infrastructure to support development of housing.

2.2 Regional Housing Needs Allocation

RHNA is the California State-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The process is split into the following three steps:

1. **Regional Determination:** The California Department of Housing and Community Development (HCD) provides each region a Regional Determination of housing need, which includes a total number of units split into four income categories. The City of Morgan Hill is within the region covered by the Association of Bay Area Governments (ABAG). HCD provided ABAG a Regional Determination of 441,176 units for the 6th Cycle RHNA (2023-2031). This is the total number of units that the cities and counties in the ABAG region must collectively plan to accommodate.
2. **RHNA Methodology:** Councils of Governments (COG), including ABAG, are responsible

for developing a RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. This methodology must further specific state objectives, including but not limited to: promoting infill, equity, and environmental protection; ensuring jobs-housing balance; and affirmatively furthering fair housing.

3. **Housing Element Updates:** Each city and county must then adopt a housing element that demonstrates how the jurisdiction can accommodate its assigned RHNA through its zoning. HCD reviews each jurisdiction's housing element for compliance with state law.

The City of Morgan Hill's share of the regional housing need was determined by a methodology prepared by ABAG as part of the Regional Housing Needs Plan, adopted in December 2021. For the low- and very low-income allocations, the methodology used three adjustments: access to high opportunity areas, job proximity by automobile, and job proximity by transit. For the moderate and above moderate allocations, the methodology used two adjustments: access to high opportunity areas, and job proximity by automobile. Lastly, the methodology applied an equity adjustment that identified 49 jurisdictions that exhibited higher racial segregation and high median incomes than regional averages. As a result, Morgan Hill's RHNA was reduced by 10 units due to the equity adjustment.

In accordance with ABAG's Regional Housing Needs Plan, the City must plan to accommodate a total of 1,037 housing units between January 31, 2023, and January 31, 2031. This is equal to a yearly average of 130 housing units. Table H 2-1 below shows the City's RHNA by income category. Of the 1,037 total units, the City must plan to accommodate 262 units for very low-income households, 151 units for low-income households, 174 units for moderate-income households, and 450 units for above moderate-income households.

Table H 2-1 City of Morgan Hill Regional Housing Needs Allocation, 2023-2031		
Income Category	Units	Percent of Total
Very Low-Income	262	25.3%
Low-Income	151	14.6%
Moderate-Income	174	16.8%
Above Moderate-Income	450	43.4%
TOTAL	1,037	100.0%

Source: Association of Bay Area Governments, Regional Housing Needs Plan, 2023-2031. Adopted December 2021.

State law also requires the City to identify the projected need for extremely low-income housing. The City assumes that 50 percent of the very low-income housing need is equal to the extremely low-income housing need. As such, there is a projected need for 131 extremely low-income housing units.

2.3 Planned and Entitled Projects

2.3.1 Overview

Morgan Hill has a significant pipeline of development projects that are seeking entitlements or are entitled and actively pursuing construction. Table H 2-2 summarizes the current inventory of residential and mixed-use projects with submitted or active entitlements. As of March 1, 2022, there were an estimated 1,819 housing units in the pipeline that are counted toward meeting the RHNA, which include single-family dwellings, deed-restricted affordable units, market rate condominiums and multi-unit development, and individual affordable housing developments. These projects range in size from smaller infill projects with fewer than 100 units, to larger developments with hundreds of units.

There are 545 units in the pipeline that will provide affordable housing for lower-income households. The inventory includes several individual affordable housing developments in the pipeline, including a 249-unit affordable development at 18960 Monterey Road; a 66-unit affordable development at 17965 Monterey Road; a 73-unit affordable development at 15440 Monterey Road; and an 82-unit affordable development at 16685 Church Street.

2.3.2 Summary of Pipeline Residential Development

In total, there are 1,819 units in planned and entitled projects that are counted toward meeting the RHNA. Based on affordability restrictions, the projects listed in Table H 2-2 are anticipated to provide 545 affordable lower-income units consisting of 158 extremely low-income units, 149 very low-income units, and 238 low-income units. In addition to the affordable lower-income units, there are 445 moderate-income units in the pipeline and 833 above moderate-income units.

Project Name	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Units
SR2020-0017 Monterey-Lucky Shing Manzinita Park (APN 725-010-18) ²	57	10	-	-	-	67
SR2018-0020 E. Dunne- Young (Andalusia) (APNs 726-020-51 & 726-020-52) ³	42	1	3	-	-	46
SR2021-0003 Dakota-Dunne (APN 726-090-24) ³	3	3	-	-	-	6
SR2019-0003 Depot-Latala (Hale Lumber) (APN 726-130-49) ³	49	-	-	-	-	49
SR2019-0026 Monterey-City Ventures (APN 726-250-06) ³	86	15	-	-	-	101
SR2019-0015 Jarvis-MH Apartments (Braddock & Logan) (APN 726-250-95) ³	-	311	-	78	-	389
SR2020-0027 Monterey-Minor (Jemcor) (APN 726-360-59) ³	-	3	196	25	25	249
SR2021-0014 Monterey-Kerley (DeNova Homes) (APNs 726-420-01 & 726-420-02) ²	79	14	-	-	-	93

Table H 2-2 Pipeline Residential Projects (cont.)						
Project Name	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Units
SR2020-0010 Half-Dividend (Crosswinds) (APNs 728-300-01 through 728-300-04) ¹	229	40	-	-	-	269
SR2021-0011 Cochrane-Toll Brothers (APNs 728-340-32 & 728-340-33) ³	114	25	-	-	-	139
SR2021-0005 Monterey-First Community Housing (Magnolias) (APN 764-120-06) ²	-	1	14	9	42	66
AAE2021-0002 Old Monterey-Appletree (Kelly Vo) (APN 764-240-61) ³	5	2	-	-	-	7
SR2020-0028 Spring-Ginacola (APN 767-110-30) ³	19	3	-	-	-	22
SR2022-0001 Edes-Alcini (TTLC Morgan Hill) (APN 767-180-46) ¹	18	3	-	-	-	21
SR2018-0025 Llagas-Strolata Properties (Silvas) (APN 773-320-13) ²	4	-	-	-	-	4
SR2020-0023 Watsonville-Hordness (Crossings at Monterey/Royal Oaks Village) (APN 779-040-75) ³	-	1	-	24	48	73
SR2020-0005 Monterey-Morgan Hill Senior Housing (APN 817-020-67) ³	-	1	25	13	43	82
SR2020-0014 Tennant-Osito Holdings (APN 817-040-59) ³	14	2	-	-	-	16
SR2022-0002 (Lillian Commons/Rosewood) (APN 817-090-41) ³	111	9	-	-	-	120
Subtotal	830	444	238	149	158	1,819

Source: City of Morgan Hill Development Services Department, December 1, 2022.

Notes: ¹ Pending project based on the affordability and unit count within the proposed project expected to be built within the 2023-2031 planning period.

² Entitled project based on the affordability and unit count of the approved development expected to be built within the 2023-2031 planning period.

³ Affordability and unit count of the approved development based on Building Permits submitted to City of Morgan Hill and expected to be built within the 2023-2031 planning period.

The City of Morgan Hill received Building Permit applications for a majority of the projects identified in Table H 2-2 totaling 1,392 units. Since Building Permit applications have been submitted to the City, the entitlements associated with these Building Permits have been activated and therefore these projects are not subject to expiration. These projects include: 1. SR2018-0020 E. Dunne-Young (Andalusia) (APNs 726-020-51 & 726-020-52); 2. SR2021-0003 Dakota-Dunne (APN 726-090-24); 3. SR2019-0003 Depot-Latala (Hale Lumber) (APN 726-130-49); 4. SR2019-0026 Monterey-City Ventures (APN 726-250-06); 5. SR2019-0015 Jarvis-MH Apartments (Braddock & Logan) (APN 726-250-95); 6. SR2020-0027 Monterey-Minor (Jemcor) (APN 726-360-59); 7. SR2021-0011 Cochrane-Toll Brothers (APNs 728-340-32 & 728-340-33);

8. AAE2021-0002 Old-Monterey-Appletree (Kelly Vo) (APN 764-240-61); 9. SR2020-0028 Spring-Ginacola (APN 767-110-30); 10. SR2020-0023 Watsonville-Hordness (Crossings at Monterey/Royal Oaks Village) (APN 779-040-75); 11. SR2020-0005 Monterey-Morgan Hill Senior Housing (APN 817-020-67); 12. SR2020-0014 Tennant-Osito Holdings (APN 817-040-59); and 13. SR2020-0002 (Lillian Commons/Rosewood) (APN 817-090-41).

Of the six remaining pipeline residential projects identified in Table H 2-2, four have obtained entitlements but have not submitted Building Permits, therefore the entitlements are subject to expiration pursuant to Section 18.104.210 (Time Limits and Extensions) of the Morgan Hill Municipal Code which states a permit not exercised within two years shall expire and become void, except where an extension of time is approved. These projects include: 1. SR2020-0017 Monterey-Lucky Shing Manzinita Park (APN 725-010-18) which is subject to expiration on March 22, 2024; 2. SR2021-0014 Monterey-Kerley (DeNova Homes) (APNs 726-420-01 & 726-420-02) which is subject to expiration on November 16, 2024; 3. SR2021-0005 Monterey-First Community Housing (Magnolias) (APN 764-120-06) which is subject to expiration on November 23, 2023; and 4. SR2018-0025 Llagas-Strolata Properties (Silvas) (APN 773-320-13) which is subject to expiration on June 15, 2024.

The two remaining pipeline residential projects are currently pursuing the entitlement application process. The SR2020-0010 Half-Dividend (Crosswinds) (APNs 728-300-01 through 728-300-04) project currently has the Draft Environmental Impact Report (EIR) available for a 60-day review and comment period in accordance with CEQA from November 4, 2022, through January 3, 2023. After completion of the Draft EIR public review period, a Final EIR will be prepared prior to holding public hearings with the Planning Commission and City Council for approval. This project is anticipated to have final entitlement approval by April 2023. The SR2022-0001 Edes-Alcini (TTLC Morgan Hill) (APN 767-180-46) project is currently on-hold as an updated flood analysis is required for the project as well as resubmittal of plans in compliance with on-site detention requirements. This project is anticipated to have final entitlement approval by December 2023 as environmental review, in accordance with CEQA, has not been initiated yet.

To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects during the 5th cycle (2015 through 2022). For discretionary entitlements, completion rates were found by drawing upon all planning entitlement applications and approvals and finding the percentage of those projects which have obtained a building permit and therefore reached completion. This analysis found that entitlement applications had a completion rate of 88.7%, while approved entitlements had a completion rate of 91.7%. For building permit applications and approved permits, completion rates were established based on evaluating all residential building permits issued for new residential units, as well as all issued building permits that have been finalized/received a certificate of occupancy, from January 1, 2015, through December 31, 2020. The report found that building permits have a 99.2% completion rate for issued permits. Those completion rates were then applied to the current pipeline to determine the number that would be expected to be completed within the next eight years.

Table H 2-3 Summary of Expected Pipeline Residential Projects			
Project Type by Income Category	Proposed Units Added	% Units Expected to be Completed	Units Expected to be Completed
Active Planning Entitlements			
Lower Income	-	-	-
Moderate Income	43	88.7%	38
Above Moderate Income	247	88.7%	219
Total Units	290	88.7%	257
Approved Planning Entitlements with No Building Permit			
Lower Income	65	91.7%	60
Moderate Income	25	91.7%	23
Above Moderate Income	140	91.7%	128
Total Units	230	91.7%	211
Building Permit Applications			
Lower Income	480	99.2%	476
Moderate Income	376	99.2%	373
Above Moderate Income	443	99.2%	439
Total Units	1,299	99.2%	1,288

Table H 2-4 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are determined based on the actual proposed affordability level requested or approved as part of the entitlement request and are deed restricted for either 45 years for ownership units or 55 years for rental units. In addition, an affordable agreement is recorded with the County and subsequently on Title.

Table H 2-4 Total Pipeline Development Potential, by Income Category						
	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Development Potential
Active Planning Entitlements	219	38	-	-	-	257
Approved Planning Entitlements with No Building Permit	128	23	13	8	39	211
Building Permit Applications	439	373	222	139	115	1,288
Total Pipeline Development Projects	786	434	235	147	154	1,756

The City is relying on the development of 19 (pipeline) residential projects to satisfy its 2023-2031 RHNA. All of these pipeline residential projects have been proceeding through various stages of the development process – entitlement application, CEQA clearance, building permit, and construction. As such, various assistance is beneficial at times to ensure that these projects continue to move forward. The City will play an active role in facilitating the timely approval and

development of each of these projects. To ensure timely completion, the City commits to continue proactively working with developers and property owners throughout each step of the process. If projects are not completed in a timely manner, the City will undertake measures to find additional sites or projects. Therefore, the Housing Element includes the following implementation program to facilitate and monitor the approvals of the pipeline projects to ensure the City meets its RHNA obligation.

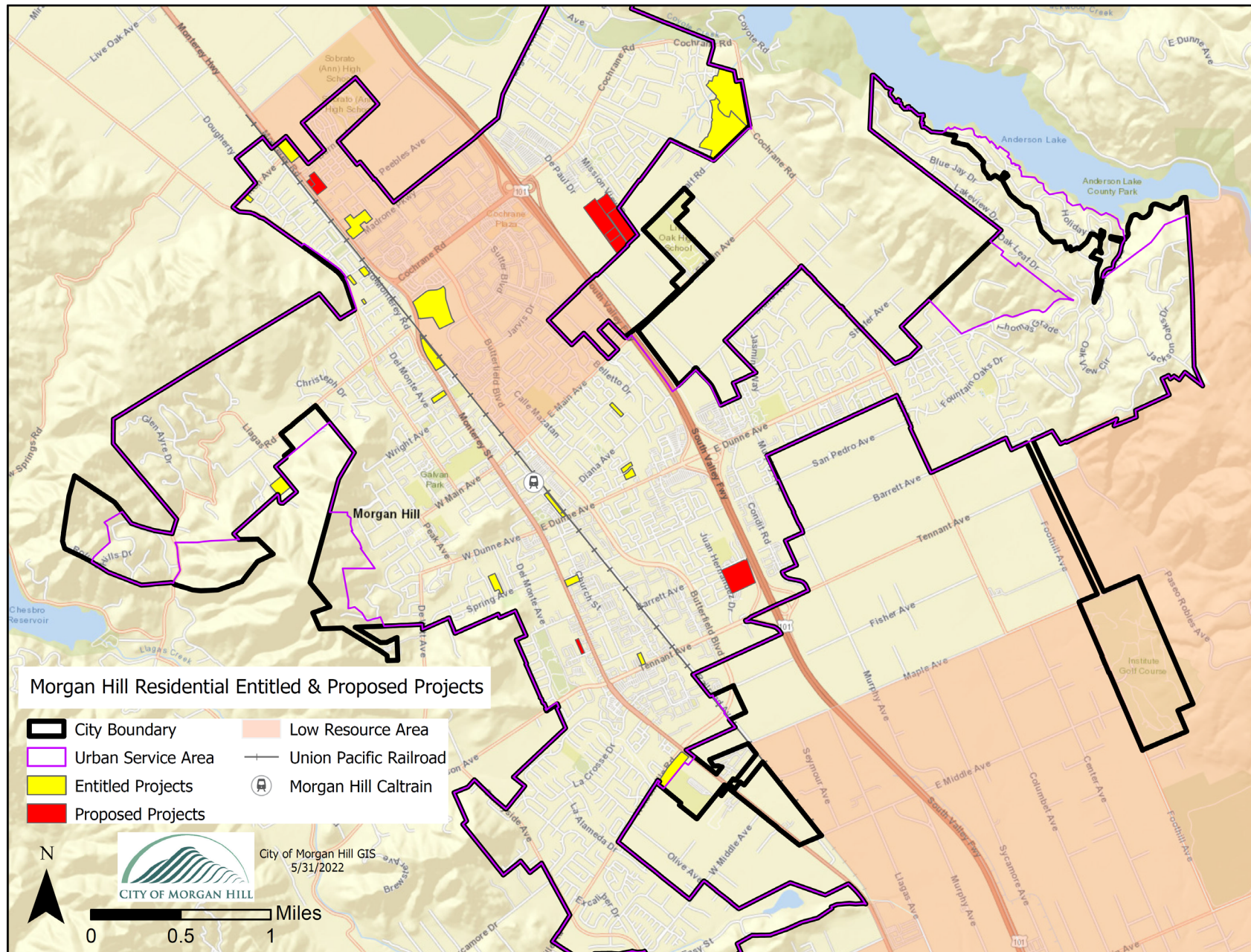
- Action HE-1.1** Outreach to property owners and developers of pipeline projects not under construction annually as a means to identify and address constraints and potential obstacles to developing their property, and support funding applications (e.g., tax credit, bonds, etc.) to help applicants be awarded local, state, and federal monies. Coordinate with applicants to approve remaining entitlements and expediting approvals. Rezone or identify additional sites should the applications not be approved or if approved entitlements expire.

2.4 Summary of Capacity/Potential to Accommodate the RHNA

State law requires each jurisdiction to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level throughout the planning period and any remaining unaccommodated portion of the regional housing need from the prior planning period. On June 27, 2023, HCD determined that the City of Morgan Hill has met its prorated Lower (Very-Low and Low) and Above-Moderate Income Regional Housing Needs Assessment (RHNA) for the City's 5th Cycle Reporting Period. Therefore, the City of Morgan Hill does not have any remaining unaccommodated portion of the regional housing need from the prior planning period. Table H 2-5 below provides a summary of total residential development capacity and potential included in the site inventory compared to the City's 6th Cycle RHNA. As shown in the table, the City has a total residential development pipeline capacity for 1,823 units. After incorporating the success criteria percentages identified in Table H 2-3 above, the City has a total residential development pipeline potential of 1,738 units, which is sufficient capacity to accommodate the RHNA of 1,037 units. The site inventory includes capacity for 413 lower-income units (i.e., extremely low-, very low-, and low-income units), 174 moderate income units, and 450 above moderate-income units.

Table H 2-5 Summary of Residential Capacity/Potential Compared to 6th Cycle RHNA by Income, City of Morgan Hill, January 31, 2023 to January 31, 2031						
	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
RHNA	131	131	151	174	450	1,037
Pipeline Residential Capacity	158	149	238	444	830	1,819
Pipeline Residential Potential	154	147	235	434	786	1,756
Surplus(+)/Deficit(-)	+23	+16	+84	+260	+336	+719

Figure H 2-1: Morgan Hill Residential Entitled & Proposed Projects



2.5 Infrastructure Availability

This section addresses the availability of infrastructure to accommodate planned residential growth throughout the Housing Element planning period (2023-2031). The Housing Element includes programs to help support infrastructure improvements in areas targeted for development to ensure that there is enough water, sewer, and dry utility capacity to meet housing units projected in the RHNA.

As development occurs throughout the city, upgrades to water and wastewater conveyance facilities may be required. The precise location and connection would need to be determined at the time development is proposed. Any future line size modifications or connections would be designed in accordance with applicable provisions of the Morgan Hill Municipal Code and to the satisfaction of the City Engineer. Increased development density has the potential to impact the capacities of local utilities infrastructure, which may require the expansion or construction of new facilities. However, all new development is subject to its own CEQA process where project-specific impacts associated with water supply and wastewater would be analyzed.

The availability of adequate public facilities and services in relation to the pending pipeline residential projects identified in Table H 2-2 has been evaluated, and the City has determined there are no public facilities or service constraints that would impede development of housing units to meet Morgan Hill's allocation. Existing water delivery and wastewater collection infrastructure is available to all properties located in the City's Urban Service Area, which includes all the pipeline residential projects identified in Table H 2-2, and the City has adequate water and wastewater capacity to accommodate the RHNA of 1,037 units. All of the pipeline residential projects are adjacent to existing public roadways and are serviceable by the City's police and fire departments, as well as private companies that provide telephone, cable, gas, and electric service.

Senate Bill (SB) 1087, effective January 2006, requires water and sewer providers to grant priority for service allocations to proposed developments that include units affordable to lower income households. Pursuant to these statutes, upon adoption of its Housing Element, the City of Morgan Hill will immediately deliver the Housing Element to local water and sewer providers, along with a summary of its RHNA.

2.6 Affirmatively Furthering Fair Housing

The parcels included in the Site Inventory are located across the breadth of Morgan Hill's neighborhoods. Although more are located within downtown Morgan Hill than in other neighborhoods, the total land area of sites identified in other neighborhoods, including in eastern Morgan Hill, better reflects a balanced approach from a fair housing perspective. As illustrated in the Assessment of Fair Housing appendix to the Housing Element, eastern Morgan Hill generally has higher income levels, higher access to proficient schools, and lower Hispanic population concentration than the city as a whole. Eastern Morgan Hill also has census tracts designated as racially concentrated areas of affluence (RCAAs). At the same time, some of these advantages lesser access to transportation and therefore to jobs in eastern Morgan Hill. Additionally, some of the differences in access to opportunity to proficient schools between census tracts may be overstated because the underlying data for that analysis solely relates to elementary school test scores. For Morgan Hill's two principal high schools, both are proficient schools and, to the extent that Ann Sobrato High School might afford greater access to opportunity than Live Oak High School, both have attendance zones that include parts of both eastern and western Morgan Hill. Sobrato High School serves northern Morgan Hill whereas Live Oak High School serves southern Morgan Hill – a distinction less aligned with demographic differences between parts of the city.

Although the land area covered by identified sites in eastern Morgan Hill is comparable to that in

other parts of the city, the projects planned for that area are less likely to include units affordable to low-income and very low-income households than are the projects planned for downtown. The two significant projects anticipated in eastern Morgan Hill, Half-Dividend (Crosswinds) and Cochrane-Toll Brothers, are anticipated to yield 408 total units, of which 343 would be for above-moderate-income households and 65 would be for moderate-income households. Because the anticipated housing would consist of single-family homes, it is likely to be of sufficient size to accommodate families with children. The City's Inclusionary Housing Ordinance will ensure the affordability of those 65 units for moderate-income households, but changes to the IHO would be necessary to ensure deeper affordability in single-family developments in the future. It is important to note that, although these sites are located in an RCAA, they are located in moderate rather than high resource areas. Of the four planned affordable housing developments mentioned in Section 2.3.1 that comprise over four-fifths of the affordable units anticipated, all are located in downtown Morgan Hill, with some units anticipated to be in a low resource area and some in a moderate resource area. Additionally, Jarvis-MH Apartments, a mixed-income development that accounts for most of the remaining low-income units, is located in a similar part of town.

Given the proportion of above-moderate-income units to more affordable units in sites identified in downtown and western Morgan Hill, it is unlikely that the proposed projects will make areas of relatively higher concentration of Hispanic residents more segregated. Instead, the inclusion of affordable units in otherwise market-rate developments and the completion of some, generally relatively smaller, 100% affordable developments alongside mixed-income ones, is more likely to have the effect of preventing displacement and resegregation. Likewise, the development of moderate-income single-family homes in eastern Morgan Hill, even if not as ambitious as the development of housing for lower-income households in that part of the city, still may contribute to the diversification of RCAAs. Thus, although there is more that the City could do in the future to foster integration, it is likely that the projects proposed at the identified sites will make conditions incrementally better, setting the stage for even more effective action in the future.

However, it is important to note that land owned by Santa Clara County within Morgan Hill city limits adjacent to the De Paul Heath Center, which is located on the eastern side of Morgan Hill, near the Crosswinds and Toll Brothers projects identified above, is expected to be developed in the near future with affordable housing which would further contribute to the diversification of the RCAA. In addition, although the above analysis only evaluates housing projects within the development pipeline mentioned in Section 2.3, there are other residential land development applications not identified within the pipeline, including discretionary projects consisting of General Plan Amendments or Zoning Amendments. Conversely, there are two such projects located in eastern Morgan Hill, Cochrane Commons Phase 2 and New Horizons, which propose a total of 818 residential units, of which, at a minimum, would be required to provide 15% of the units as affordable housing pursuant to the City's Inclusionary Housing Ordinance. Therefore, these additional units would also further contribute to the diversification of the RCAA.

Although, over the long term, it would be desirable for more development of affordable units to occur in the eastern part of Morgan Hill and, in particular, in RCAAs in that portion of the city, the parcels identified in the Site Inventory are ones on which development efforts were initiated by outside partners prior to the commencement of the City's work on this Housing Element. Those sites, without the identification of further sites, would satisfy the City's RHNA. Moreover, although the City will work to identify sites in eastern Morgan Hill for affordable housing development between cycles, sites in eastern Morgan Hill are at a competitive disadvantage in regards to affordable housing subsidies. Despite being the highest opportunity section of Morgan Hill, eastern Morgan Hill is characterized as moderate resource by CTCAC thus limiting the potential of applications in that area to secure points for projects in higher opportunity areas. At the same time, because that portion of the city is less dense than downtown, proposed projects there would

be less likely to obtain points for proximity to location-based amenities like transit-service and grocery stores. Given the limited financial resources available to the City for affordable housing development, there is a clear logic to prioritizing projects that facilitate subsidy layering, which is difficult in eastern Morgan Hill. That, notwithstanding, the City will seek to reduce any imbalance in the location of affordable units over time. Therefore, to promote housing mobility and increasing housing opportunities within RCAAs and the east side of the City, the Housing Element includes the following implementation programs:

- Action HE-3.A** Increase geographic equity and opportunities for residents by identifying and facilitating areas appropriate for medium and high residential densities, specifically in higher resource areas designated as “Moderate Resource” or “High Resource” on the TCAC Opportunity Maps, and in areas identified as Racially Concentrated Areas of Affluence (RCAA), which will increase new housing choices, affordability, and upward mobility through access to opportunity and integration.
- Action HE-3.B** Make funding available through a Request for Proposals process for site acquisition by nonprofit developers for affordable housing in Racially Concentrated Areas of Affluence (RCAA). Make \$500,000 in funds available to assist with acquisition costs that would result in the development of at least 25 very low-income units.
- Action HE-3.D** Collaborate with the Santa Clara County Housing Authority on landlord outreach in racially concentrated areas of affluence (RCAAs) in Morgan Hill.
- Action HE-3.E** Provide \$50,000 annually in funding for the provision of Housing Mobility Efforts in Morgan Hill to include: Housing Mobility Counseling Efforts to Santa Clara County Housing Authority (SCCHA) Housing Choice Voucher holders to 10 households annually within Morgan Hill. Target marketing within RCAAs by providing education regarding housing choice (Section 8) vouchers, ADUs, and SB 9.
- Action HE-3.F** Develop an Affirmative Marketing Plan Template and require below market rate housing providers to develop Marketing Plans based on the template to reduce patterns of segregation and encourage integration in housing by promoting housing choices and opportunities regardless of one’s protected characteristics, such as race, color, religion, national origin, or disability.
- Action HE-3.G** Advocate for the California Tax Credit Allocation Committee to provide the same bonus points to applicants with projects located in RCAAs as those provided to applicants with projects located in Highest Resource Areas.
- Action HE-3.S** Conduct spatial analysis annually to determine where ADU and SB 9 construction is generally aggregating within the City. Specifically, assess whether such development/construction is occurring within identified RCAAs and higher resource/lower density areas. In the event such development/construction is decreasing annually within identified RCAAs and higher resource/lower density areas, the City will increase targeted education within these identified areas to target an additional 10 affordable units annually, in order to expand the availability of affordable housing in resource-rich areas, higher-income neighborhoods, and decrease segregation. As part of the ADU and SB 9 analysis, evaluate the effectiveness of Action HE-1.J and implement changes and targeted

education to the ADU Guidebook as appropriate.

Action HE-3.T Develop a Gap and Opportunity Analysis with specific strategies to further the goals of connecting Spanish-speaking and lower income community members to jobs and housing resources, while also increasing their sense of belonging to the greater community.

Action HE-6.F The City will work with housing developers to expand opportunities for affordable lower-income housing for special-needs groups—including persons with physical and developmental disabilities, female-headed households, large families, extremely low-income households, and persons experiencing homelessness—by creating partnerships, providing incentives, and pursuing funding opportunities. Prioritize projects that promote housing mobility for target populations in Racially Concentrated Areas of Affluence (RCAAs), such as in eastern Morgan Hill, or reduce displacement risk due to overcrowding, overpayment, or other burdens.