

Appendix H5

Assessment of Fair Housing

City of Morgan Hill Housing Element 2023-2031

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City of Morgan Hill Housing Element

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APPENDIX H-5 | Assessment of Fair Housing

5.1 Executive Summary

This Assessment of Fair Housing (AFH) is a component of the Housing Element of the City of Morgan Hill. The AFH is intended to provide a holistic look – informed by data, maps, community input, and policy analysis – into the trends and factors affecting access to housing and opportunity on the basis of protected characteristics under federal and state fair housing laws. The federal Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex, familial status, and disability status. The California Fair Employment and Housing Act adds several additional protected characteristics including, but not limited to, sexual orientation, gender identity, military or veteran status, and source of income. The AFH includes goals and priorities that are intended to foster more integrated communities, reduce disparities in housing (such as higher rates of housing cost burden), and increase access to opportunity by addressing the roots causes of inequality. The City's Housing Element must include an AFH component as a result of A.B. 686, a law passed by the California Legislature in 2018 to incorporate a duty to affirmatively further fair housing (AFFH) into state law. Recipients of federal housing and community development funds have had an AFFH obligation since 1968. Having long received HUD funds as a subgrantee of Santa Clara County, the City's contribution to fair housing planning efforts has historically been channeled through collaboration at the County level.

The City of Morgan Hill is located in the southern portion of Santa Clara County. It is bordered by the unincorporated communities of Coyote to the north and San Martin to the south. The areas to the east and west of the city are primarily comprised of open space. More significantly, downtown Morgan Hill is located just over ten miles north of downtown Gilroy and just over 20 miles south of downtown San Jose. With a population of 44,686 as of the 2015-2019 American Community Survey 5-Year Estimates, Morgan Hill has experienced significant growth in recent decades as Santa Clara County has emerged as the center of the global technology industry.

High and rising housing costs have come with the incredible growth of both Morgan Hill and the Region, and the impact of those high housing costs have not been felt equally by all. Hispanic households, persons with disabilities, and large families all face housing insecurity at higher rates and tend to have less access to the highest resource parts of the Region. Although the Region and Morgan Hill have small Black populations, which makes it difficult to draw some conclusions about disparities, rates of homelessness among the Region's small Black population are shockingly high. For purposes of this AFH, the Region is defined as the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area, which consists of Santa Clara and San Benito Counties combined.

In the Region, the most pronounced disparities tend to arise between cities rather than within them. In general, access to opportunity among White and Asian population is highest in the communities that comprise the West Valley. Housing costs in these communities are often prohibitive for disproportionately low-income Hispanic households, in particular, as well as for younger people with disabilities and large families. By contrast, access to opportunity is relatively lower, and Hispanic population is often higher, in downtown and East San Jose as well as in the eastern portions of Gilroy. Many relatively low resource parts of East San Jose also have significant population of Vietnamese ancestry, a community with disproportionately lower income levels in the Region than other Asian ancestry groups.

In most ways, Morgan Hill is not situated on either extreme of these trends. Income levels are similar to those countywide, housing is slightly more affordable, and access to opportunity is moderate in most neighborhoods. With regard to race and ethnicity, Morgan Hill is slightly more

heavily Hispanic and White than the Region and less heavily Asian. Additionally, within Morgan Hill, housing patterns are not highly segregated. Although the eastern portion of the city is slightly more heavily White and less heavily Hispanic than the downtown area, which is home to a large majority of the city's subsidized housing), those differences are modest in comparison to most communities within the Region. Due to its location in the southern portion of Santa Clara County (often called South County), Morgan Hill residents have somewhat limited access to public transportation, less proximity to job centers, and, as a result, longer and more burdensome commutes than many other residents of the Region. All of these issues are addressed across the sections of this AFH, which discuss patterns of segregation and integration, racially and ethnically concentrated areas of poverty, disparities in access to opportunity, disproportionate housing needs, fair housing issues affecting residents of publicly supported housing, fair housing issues affecting persons with disabilities, and trends in fair housing enforcement and outreach. The AFH also assesses potential "contributing factors" that may be the driver of patterns of segregation, disparities and access to opportunity, and other fair housing issues.

It is incumbent on the City of Morgan Hill to take proactive steps, consistent with its AFFH obligation, to address existing disparities in housing and access to opportunity in regional context and to take steps to prevent the emergence of segregated patterns. The goals and priorities below, which are discussed in much greater detail in that section of the AFH, are a roadmap for doing so.

- I. Increase Affordable Housing Opportunities for Protected Class Members in Eastern and Southwestern Morgan Hill.
 - a. Identify opportunities and sites for affordable housing development in higher resource areas and areas of affluence.
 - b. Make funding available through a Request for Proposals process for site acquisition by nonprofit developers for affordable housing in eastern and southwestern Morgan Hill.
 - c. Adopt an affordable housing overlay district in advance of the next Housing Element cycle.
 - d. Collaborate with the Santa Clara County Authority on landlord outreach in RCAs in Morgan Hill.
 - e. Provide funding to the Santa Clara County Housing Authority to support its Mobility Counseling Efforts, including in Morgan Hill.
 - f. Develop an Affirmative Marketing Plan Template and require below market rate housing providers to develop Marketing Plans based on the template.
 - g. Advocate for the California Tax Credit Allocation Committee to provide the same bonus points to applicants with projects located in RCAs as those provided to applicants with projects located in highest resource areas.
- II. Protect Tenants from the Risk of Future Displacement.
 - a. Adopt a mediation requirement for rent increases of 5% or more.
 - b. Adopt a tenant relocation assistance ordinance.
 - c. Seek funding or develop paths of support for access to counsel in possessory eviction cases.
 - d. Support shared-equity homeownership models.
 - e. Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.
 - f. Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill.
- III. Increase Access to Opportunity for Residents of Downtown Morgan Hill through Place-Based Investments and by Connecting Morgan Hill Residents to Employment Opportunities.

- a. Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA).
- b. Create incentives for local businesses to hire Morgan Hill residents.
- c. Advocate for VTA to expand bus service in Morgan Hill.
- d. Increase pedestrian safety through the preparation and implementation of the Transportation Master Plan update, Capital Improvement Plan (CIP), and Monterey Corridor Form-Based Code.
- e. Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City.

IV. Increase Fair Housing Enforcement, Outreach, and Education in Morgan Hill.

- a. Fund Project Sentinel for fair housing counseling, education, and outreach service throughout the planning period.
- b. Conduct spatial analysis annually to determine where ADU and SB 9 construction is generally aggregating within the City.
- c. 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.

Robust community engagement is essential to the development of an effective AFH, and, in addition to the outreach already conducted, the City welcomes input on this draft and, in particular, on the goals and priorities outlined above. Implementing the City's goals and priorities in the years to come will be a collaborative endeavor on the part of the City, key stakeholders, intergovernmental partners, and, most importantly, residents.

5.2 Community Participation Process

1. The 2022 update of the Housing Element involved an extensive community engagement process. The initial efforts began in May and June of 2021, with a series of workshops that were held to provide a roadmap of past, present, and future housing in Morgan Hill, to communicate how we got here, and to discuss the housing needs of current and future residents. The opportunity was taken to share the mandates for housing production adopted by the State of California in response to the housing crisis, which are geared towards increasing the supply. The initial workshops served as a springboard to leap into a deeper community engagement process. City staff used a variety of methods to solicit public input on the Housing Element update, including distributing three surveys (two pertaining to Assessment of Fair Housing (AFH)), hosting public workshops, providing information at community events, conducting focus groups, giving presentations to the community, and holding several workshops with the community and the Planning Commission. Staff prioritized involvement and engagement of residents and community members that are most directly impacted by the plan and development, especially Latinx, homeless, and other underrepresented or underserved groups.

Community outreach and engagement opportunities were designed to provide a safe engagement process that followed safe public health protocols around COVID-19, and to implement a meaningful engagement process that promoted a sense of ownership and real participation among community members. Staff involved a diverse range of participants, seeking input from the business community, community-based organizations, and other stakeholders.

2. The City of Morgan Hill started the engagement process for the Housing Element in May 2021. Below is a list of meetings and community-based organizations (CBO's) that City staff met with and consulted during the community participation process:

- 5/18/21 What is Affordable Housing 101, Spanish with English (Zoom presentation)
- 5/19/21 All Things Housing Community Workshop (Zoom presentation)
- 5/22/21 All things Housing - In-person
- 5/23/21 Hablando Vivienda con Nuestras Familias En Espanol (Zoom presentation)
- 5/28/21 Agricultural Workforce Housing in South County (Zoom presentation)
- 6/2/21 Community Workshop - State Mandates for Housing Production, City Council Meeting, (Zoom presentation)
- 6/10/21 Town Hall - Creating Inclusive Communities through Design Form, (Zoom presentation)
- 6/16/21 Community Workshop - Housing Affordability, (Zoom presentation)
- 6/23/21 Community Workshop - Housing and Long-term Sustainability, (Zoom presentation)
- 11/11/21 South County Collaborative (Zoom presentation and interactive focus group with 30 CBOs)
- 1/11/22 @ Social Services Agency, South County Staff (Zoom presentation & interactive focus group)
- 1/13/22 Morgan Hill Unified School District (MHUSD) Fawn Meyers HR Director (Zoom interview)
- 1/18/22 Compassion Center Staff (CBO Zoom interactive focus group)
- 1/18/22 COVID Testing day, obtained feedback from attendees
- 1/18/22 Gavilan College South County Basic Needs Staff (CBO Zoom interactive focus group)

- 1/20/22 Parents Helping Parents (CBO Zoom interactive focus group)
- 1/20/22 Digital Nest serving youth in South County (CBO Zoom interactive focus group)
- 1/20/22 Morgan Hill Library (Zoom interactive focus group)
- 1/25/22 Medical Social Worker Valley Health Center and Saint Louise Hospital (Zoom interactive focus group)
- 1/25/22 Richard Prato Director of Human Resources, Christopher Ranch Agriculture Employer (phone interview)
- 1/19/22 Eden Housing (Jasmine Square) Jonathan Crowther James (Affordable Housing Developer Focus Group)
- 1/28/22 St. Vincent De Paul and St. Catherine's (faith based and CBO interactive Zoom interview)
- 1/31/22 Building Back Better, Joint Venture Silicon Valley, Executive Director Quency Phillips (interactive Zoom interview)
- 2/2/22 Catholic Charities, Greg Kepferle (interactive Zoom interview)
- 2/3/22 Employment Development Department (Zoom interview)
- 2/3/22 Saint Joseph's Food Pantry, David Cox (CBO Zoom interview)
- 2/3/22 South County Collaborative Board Members (CBO interactive Zoom focus group)
- 2/3/22 Morgan Hill Bible Church Homeless Safe Park (focus group in person with unhoused families)
- 2/10/22 Townhall Housing Element (Zoom presentation)
- 2/14/22 Silicon Valley Independent Living Center, Patricia Cokes (CBO Zoom interview)
- 2/17/22 Townhall Housing Element (Zoom presentation and community feedback)
- 3/7/22 Silicon Valley @Home (CBO interactive Zoom focus group)
- 3/14/22 Edward Boss Prado Foundation, Cecilia Ponzini (telephone interview)
- 3/21/22 Voices School, (surveying of parents, in-person)
- 3/26/22 Spanish mass at Saint Catherine's (in person surveying)
- 3/27/22 Spanish mass at Saint Catherine's (in person surveying)
- 4/9/22 City Booth at the Farmers' Market/Sidewalk Saturdays

3. The outreach activities elicited broad community participation during the development of the AFH. The City conducted numerous outreach activities to reach all segments of the community and purposely focused on reaching Latinx residents, individuals and families currently housed in affordable housing, homeless, and other underrepresented or underserved groups. The City prioritized outreach by conducting small interactive focus groups with service providers/CBO's via Zoom as outlined above. The City also reached out purposefully to the Latinx community by translating all surveys to Spanish and conducting in person meetings as well as Zoom workshops in Spanish. City staff also conducted outreach during the Spanish mass at St. Catherine's as identified above.

In addition, two AFH surveys were provided (both in English and Spanish), one for Community Based Organizations (in which the City received 25 responses) and another survey geared towards underrepresented or underserved individuals and families (in which the City received 651 responses). The surveys were provided electronically and in hard-copy format to the following organizations and locations:

- Affordable Rental Housing locations

- Cochrane Village
- Crest Avenue Apartments
- The Crossings at Morgan Hill
- The Crossings Monterey
- Depot-Commons
- Jasmine Square
- Murphy Ranch Family Townhomes
- Royal Court Apartments
- San Pedro Gardens
- The Skeel Apartments
- Terracina at Morgan Hill
- The Willows Apartments
- Villa Ciolino
- Orchards Ranch Scattered Sites
- Park Place
- CBOs
 - i. Building Back Better, Joint Venture Silicon Valley
 - ii. Catholic Charities
 - iii. Christopher Ranch
 - iv. Destination Home Silicon Valley
 - v. Digital Nest
 - vi. Employment Development Department
 - vii. Eden Housing
 - viii. Gavilan College
 - ix. Morgan Hill Unified School District
 - x. Parents Helping Parents
 - xi. The Compassion Center
 - xii. Morgan Hill Library
 - xiii. Saint Louise Hospital
 - xiv. St. Vincent De Paul
 - xv. St. Catherine's
 - xvi. Saint Joseph's Food Pantry
 - xvii. Silicon Valley @Home
 - xviii. Silicon Valley Independent Living Center
 - xix. Social Services Agency
 - xx. Valley Health Center
 - xxi. Voices School
- Panaderia bakery
- Morgan Hill Senior Center
- Rotary
- Senior Affordable Rental Housing locations
 - i. Sycamore Glen
 - ii. Horizons
 - iii. Bella Terra Apartments
 - iv. The Lodge at Morgan Hill
 - v. The Huntington
- Unhoused individuals through outreach to encampments

Feedback that the City received regarding the outreach conducted was that material and surveys to non-English speakers was lengthy and therefore non-English speakers may not have been as engaged as English speakers or more educated individuals. Therefore, additional steps that might

improve or increase community participation from non-English speakers could be to decrease the length of surveys or other materials to be more compact. In addition, as part of the Housing Element Update, the City will be conducting additional outreach to non-English speakers in person during a series of open-house style one-on-one or small group meetings called “Cafecito con Edith”.

4. There were several themes that were common among all comments obtained in the community participation process, from both, CBO's as well as individuals.

Comments obtained from CBO's that were developed into Goals for the Housing Element are summarized below:

- Provide a range of housing opportunities affordable to Morgan Hill workforce.
- Promote Extremely Low-Income housing.
- Prevent homelessness and address the housing needs of people experiencing homelessness.
- Establish special needs housing for seniors, persons with disabilities, and veterans.
- Conduct community education/outreach to inform residents about affordable housing and how to seek assistance.

Some specific comments that were brought up by CBO's that were developed into key Policies include:

- An affordable housing overlay district could be used to increase affordable housing.
- Pass a commercial linkage fee ordinance.
- Zone more land and/or change zoning regulations for multi-family to increase affordable housing.
- Pass a rent stabilization ordinance.
- Integrate affordable housing throughout the community.
- Protect residents from displacement.

Common themes obtained in the community participation process among individuals that provided feedback that were developed into Goals or Policies are summarized below:

- Provide a range of housing opportunities affordable to Morgan Hill workforce.
- Prevent homelessness and address the housing needs of people experiencing homelessness.
- Integrate affordable housing throughout the community.
- Ensure that children who grew up in Morgan Hill have housing options so they can live in Morgan Hill as adults.
- Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.
- Pass a rent stabilization ordinance.
- Create an affordable housing overlay district.
- Zone more land to allow multi-family rental housing.
- Increase for housing education, outreach, and enforcement.

One comment or view that was not accepted, or not included, in the Housing Element Update that was common among several CBO's, as well as individuals, was the request to 'pass an affordable

housing bond issue to provide funding to construct multi-family housing'. The City did not include an affordable housing bond as a policy in the Housing Element Update as passing an affordable housing bond is costly, would require voter approval, and other policies and actions were identified that can achieve the same goal of developing multi-family housing, such as studying the creation of an affordable housing overlay, considering a commercial linkage fee, and expand multi-family zoning areas throughout the City.

5.3 Fair Housing Analysis

a. Demographic Summary

This Demographic Summary provides an overview of data concerning race and ethnicity, sex, familial status, disability status, limited English proficiency, national origin, and age. The data included reflects the composition of both the city of Morgan Hill and the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

1. *Describe demographic patterns in the jurisdiction and region, and describe trends over time (since 1990).*

Table 1: Demographics, Morgan Hill and San Jose-Sunnyvale-Santa Clara, CA Region

Race/Ethnicity	Jurisdiction		Region	
	#	%	#	%
White, Non-Hisp.	21,880	49.0%	628,606	31.6%
Black, Non-Hisp.	777	1.7%	45,713	2.3%
Hispanic	13,977	31.3%	527,059	26.5%
Asian/Pacific Island, Non-Hisp.	6,130	13.7%	707,309	35.6%
Native American, Non-Hisp.	13	0.0%	3,552	0.2%
National Origin				
#1 country of origin	Mexico	2,188	4.9%	Mexico
				139,306
				7.0%
#2 country of origin	Vietnam	989	2.2%	India
				128,069
				6.4%
#3 country of origin	Philippines	648	1.5%	Vietnam
				101,246
				5.1%
#4 country of origin	India	481	1.1%	China, Excluding Hong Kong and Taiwan
				85,593
				4.3%
#5 country of origin	China, excluding Hong Kong & Taiwan	357	0.8%	Philippines
				59,640
				3.0%
#6 country of origin	Korea	341	0.8%	Taiwan
				30,893
				1.6%
#7 country of origin	Canada	239	0.5%	Korea
				21,365
				1.1%
#8 country of origin	Iran	220	0.5%	Iran
				15,949
				0.8%
#9 country of origin	Hong Kong	160	0.4%	Japan
				11,786
				0.6%
#10 country of origin	Iraq	135	0.3%	Hong Kong
				11,411
				0.6%
Limited English Proficiency (LEP) Language				
#1 LEP Language	Spanish	2,648	6.9%	Spanish
				142,191
				7.9%
#2 LEP Language	Chinese	353	0.9%	Vietnamese
				72,373
				4.0%
#3 LEP Language	Vietnamese	241	0.6%	Chinese
				67,865
				3.8%
#4 LEP Language	Tagalog	103	0.3%	Tagalog
				20,924
				1.2%

#5 LEP Language	Portuguese	69	0.2%	Korean	11,561	
#6 LEP Language	Korean	68	0.2%	Other Asian Languages	8,186	0.6%
#7 LEP Language	Japanese	64	0.2%	Japanese	6,870	0.4%
#8 LEP Language	German	49	0.1%	Other Indic Languages	6,739	0.4%
#9 LEP Language	Arabic	45	0.1%	Persian	5,514	0.3%
#10 LEP Language	Other Asian Languages	40	0.1%	Russian	5,285	0.3%
Disability Type						
Hearing difficulty		992	2.2%		46,279	2.3%
Vision difficulty		621	1.4%		27,671	1.4%
Cognitive difficulty		1,597	3.9%		61,783	3.3%
Ambulatory difficulty		1,894	4.6%		82,592	4.4%
Self-care difficulty		913	2.2%		38,520	2.1%
Independent living difficulty		1,570	4.8%		69,507	4.5%
Sex						
Male		21,684	48.5%		1,004,573	50.5%
Female		23,002	51.5%		983,273	49.5%
Age						
Under 18		11,606	26.0%		440,060	22.3%
18-64		26,840	60.0%		1,282,083	64.5%
65+		6,240	14.0%		261,703	13.2%
Family Type						
Families with children		5,357	46.7%		214,550	45.8%

Race and Ethnicity

A plurality of the population of Morgan Hill is White, and Hispanic residents are the second largest segment of the city's population, accounting for nearly one-third of residents. Asian and Pacific Islander residents are the third largest group. In comparison to the region, the population of Morgan Hill is much more heavily white, somewhat more heavily Hispanic, and much less heavily Asian and Pacific Islander. Like Morgan Hill itself, the region has low populations of Black and Native American residents.

National Origin

Consistent with the discussion above, individuals of Mexican national origin comprise the largest group of foreign-born residents in Morgan Hill. Among Asian national origin groups, individuals of Vietnamese national origin are the largest followed by Filipino-Americans, Indian-Americans, Chinese-Americans, and Korean-Americans. Lastly, there are small populations of people of Iranian, Canadian, and Iraqi national origin. For purposes of interpreting Census and ACS data, it is important to note that persons of Iranian and Iraqi national origin are generally categorized as White. In Morgan Hill, there are smaller concentrations than in the region of every national origin group that appears in the top ten most populous national origin groups for both the city and the region. The gap is narrower for people of Mexican and Filipino national origin than it is for other groups. It is notable that the percentage of residents of Mexican national origin in Morgan

Hill is lower than in the region despite the percentage of Hispanic residents being higher. The higher concentration of children, who are more likely to have been born in the United States than their parents, in Morgan Hill may explain this apparent disconnect.

Limited English Proficiency

Spanish speakers with limited English proficiency (LEP) are by far the largest group of LEP individuals in Morgan Hill. Speakers of Chinese, Vietnamese, and Tagalog are the next largest groups of LEP residents. There is no other language that more than 100 LEP residents speak in Morgan Hill. This is largely consistent with the national origin data discussed above though it is also clear that some immigrant communities in Morgan Hill are comparatively less likely to be have LEP status than others. In particular, individuals of Indian national origin comprise the fourth largest national origin group in the city, but no South Asian language is among the ten most spoken languages by LEP individuals. There are higher concentrations in the region than in the city of all LEP groups that appear in the top ten LEP groups for both the city and the region. The gap is smallest for LEP Spanish speakers, of whom there is only a slightly higher concentration in the region than in the city.

Disability

In Morgan Hill, the most common types of disabilities are, in order, independent living disabilities, ambulatory disabilities, cognitive disabilities, hearing disabilities, self-care disabilities, and vision disabilities. It is important to note that each of these types of disabilities can be co-occurring with one or more other types of disabilities. Additionally, persons under the age of 18, by definition, cannot have independent living disabilities. With the exception of individuals with hearing disabilities, concentrations of persons with all other types of disabilities are higher in Morgan Hill than in the broader region. The difference is larger for persons with cognitive disabilities than it is for any other category.

Sex

Women comprise a slight majority of the population of Morgan Hill. This is in contrast to the region where men comprise a barer majority of the population. This juxtaposition may be due to the disproportionate employment of men in the technology industry in the northern part of Santa Clara County, on the one hand, and the relatively smaller role of the technology industry in South County.

Age

Non-elderly adults are a majority of the population of Morgan Hill, but that share is smaller than the proportion of the regional population comprised of non-elderly adults. Residents of Morgan Hill are much more likely to be children and are slightly more likely to be elderly adults than are residents of the region.

Familial Status

Just under one half of households in Morgan Hill are families with children. Families with children comprise a slightly larger share of households in Morgan Hill than they do in the region.

Table 2: Demographic Trends

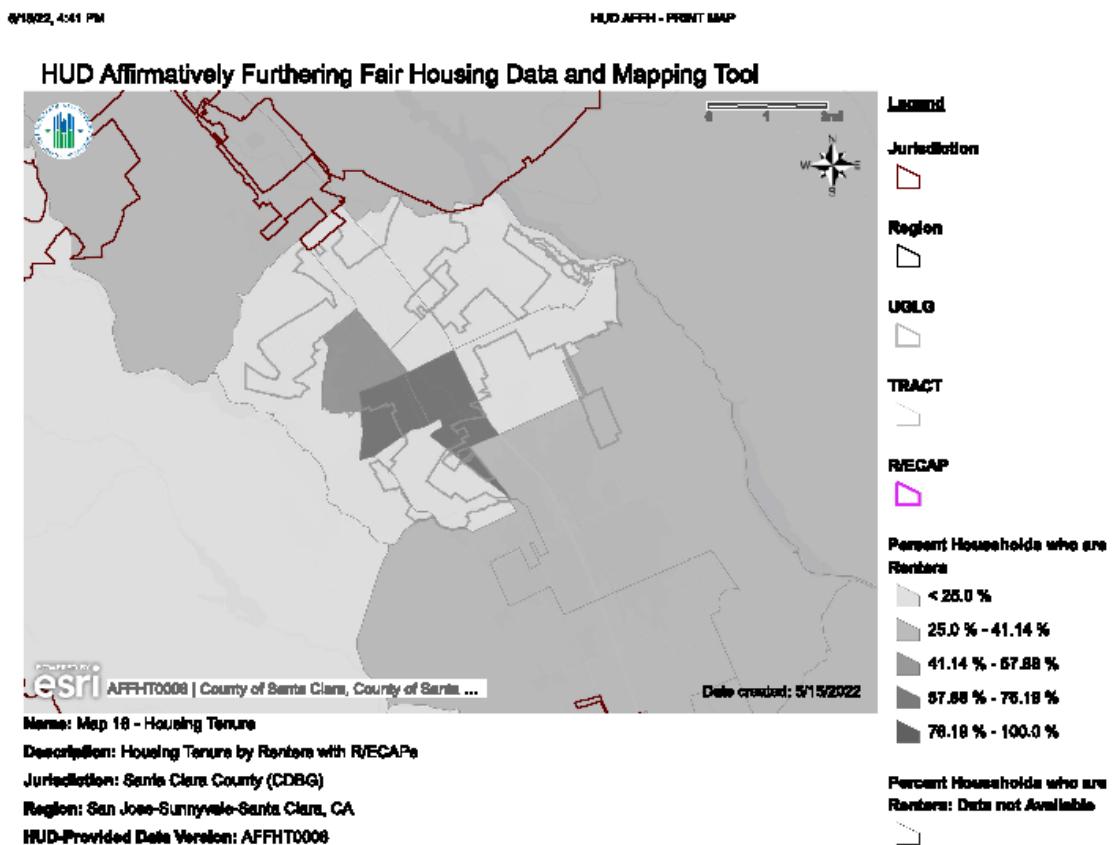
City of Morgan Hill						
	1990 Trend		2000 Trend		2010 Trend	
Race/Ethnicity	#	%	#	%	#	%
White, Non-Hispanic	16,616	69.4%	20,720	61.6%	19,073	50.3%
Black, Non-Hispanic	364	1.5%	421	1.3%	667	1.8%
Hispanic	5,594	23.4%	9,237	27.5%	12,863	34.0%
Asian or Pacific Islander, Non-Hispanic	1,188	5.0%	2,091	6.2%	3,819	10.1%
Native American, Non-Hispanic	120	0.5%	92	0.3%	125	0.3%
National Origin						
Foreign-born	2,639	11.0%	5,104	15.2%	7,585	18.6%
LEP						
Limited English Proficiency	1,680	7.5%	3,104	10.1%	3,855	10.1%
Sex						
Male	26,844	50.1%	16,727	49.7%	18,738	49.5%
Female	11,984	49.9%	16,908	50.3%	19,144	50.5%
Age						
Under 18	7,226	30.2%	10,339	30.7%	10,838	28.6%
18-64	14,874	62.2%	20,898	62.2%	23,446	61.9%
65+	1,828	7.6%	2,398	7.1%	3,598	9.5%
Family Type						
Families with children	3,409	54.9%	4,821	55.9%	5,495	56.7%
(San Jose-Sunnyvale-Santa Clara, CA) Region						
	1990 Trend		2000 Trend		2010 Trend	
Race/Ethnicity	#	%	#	%	#	%
White, Non-Hispanic	888,530	57.90%	768,747	44.29%	648,063	35.28%
Black, Non-Hispanic	52,557	3.42%	52,151	3.00%	52,208	2.84%

Hispanic	331,183	21.58%	428,868	24.71%	510,396	27.79%
Asian or Pacific Islander, Non-Hispanic	251,953	16.42%	459,718	26.48%	611,013	33.26%
Native American, Non-Hispanic	6,717	0.44%	11,780	0.68%	10,290	0.56%
National Origin						
Foreign-born	353,465	23.04%	583,157	33.60%	655,016	35.66%
LEP						
Limited English Proficiency	212,940	13.88%	351,953	20.28%	366,129	19.93%
Sex						
Male	777,230	50.66%	878,445	50.61%	921,480	50.16%
Female	757,116	49.34%	857,377	49.39%	915,431	49.84%
Age						
Under 18	369,600	24.09%	444,818	25.63%	445,611	24.26%
18-64	1,032,260	67.28%	1,127,524	64.96%	1,188,996	64.73%
65+	132,486	8.63%	163,480	9.42%	202,304	11.01%
Family Type						
Families with children	180,450	48.31%	180,388	49.79%	217,181	49.33%

Since 1990, the population of Morgan Hill has become less heavily White and more heavily Hispanic and Asian or Pacific Islander while the Black and Native American population concentrations have been relatively stable. These changes have occurred over a period of significant population growth in Morgan Hill, and, accordingly, the total White population has not actually declined since 1990 (though it did slightly between 2000 and 2010 before increasing again between 2010 and the 2015-2019 American Community Survey). Both the foreign-born population and the population of people with limited English proficiency have increased though the latter increased more significantly between 1990 and 2000 than it has in recent years. The population of older adults has increased over time while the proportions of the population comprised of working-age adults and children have declined slightly. There has been little change in population by sex, and there has been a slight increase in the proportion of families that include minor children. Regional trends largely mirror changes seen in Morgan Hill with the exception that there has been a small but notable decrease in Black population regionally (though not in Morgan Hill).

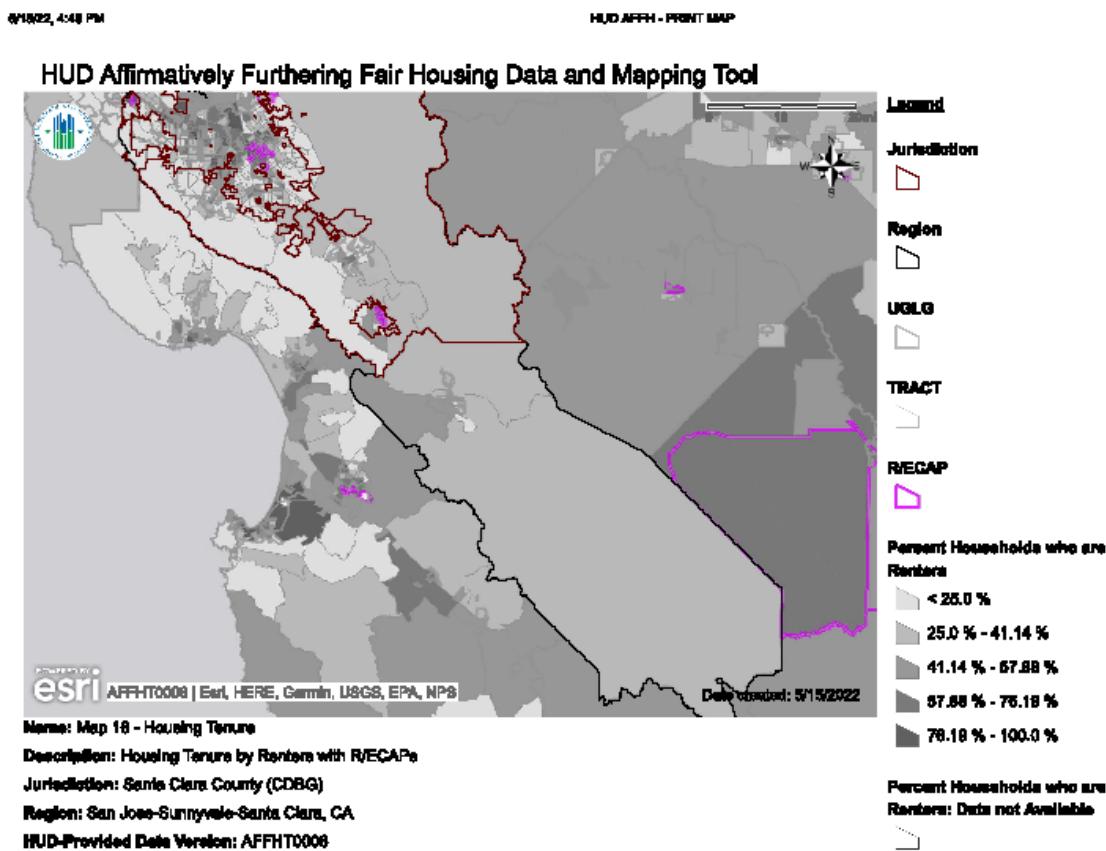
2. *Describe the location of homeowners and renters in the jurisdiction and region, and describe trends over time.*

Map 1: Housing Tenure, Morgan Hill



In Morgan Hill, renters are relatively concentrated in the downtown area, which is in the south-central and southwestern portions of the city. The eastern half of the city is heavily owner-occupied.

Map 2: Housing Tenure, Region



In the region, renters are heavily concentrated in the downtown, northern, and eastern portions of San Jose and in the northern portions of Santa Clara, Sunnyvale, and Mountain View. Homeowners are concentrated in the West Valley.

b. General Issues

i. Segregation/Integration

1.a. Describe and compare segregation levels in the jurisdiction and region. Identify the racial/ethnic groups that experience the highest levels of segregation.

Dissimilarity Index

	Value	Level of Segregation
Dissimilarity Index Value (0-100)	0-40	Low Segregation
	41-54	Moderate Segregation
	55-100	High Segregation

Table 1: Dissimilarity Index Values by Race and Ethnicity for Morgan Hill.

Racial/Ethnic Dissimilarity Index	1990 Trend	2000 Trend	2010 Trend	2020 Trend
Black/White	10.2	16.6	17.2	16.1
Hispanic/White	16.6	29.3	27.3	24.4
Asian/White	9.7	6.0	16.6	13.9

Source: HUD AFFH Tool Table 3 – Racial/Ethnic Dissimilarity Trends

Table 2: Dissimilarity Index Values by Race and Ethnicity for San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

Racial/Ethnic Dissimilarity Index	1990 Trend	2000 Trend	2010 Trend	2020 Trend
Black/White	43.4	40	38.6	35.3
Hispanic/White	48	50.8	47.6	45.4
Asian/White	39	42.1	43	39.8

Source: HUD AFFH Tool Table 3 – Racial/Ethnic Dissimilarity Trends

The tables above reflect the Dissimilarity Indices for Morgan Hill and the San José-Sunnyvale-Santa Clara, MSA. The Dissimilarity Index measures the percentage of a certain group's population that would have to move to a different census tract in order to be evenly distributed within a city or metropolitan area in relation to another group. The higher the Dissimilarity Index, the higher the extent of the segregation.

Morgan Hill has low levels of segregation across all racial and ethnic groups. In the broader region, there are higher levels of segregation for all groups than in Morgan Hill. In particular, Hispanic residents are subject to moderate levels of segregation in relation to White residents, and, while segregation for Black and Asian residents are lower, index levels for Asians are at the highest extreme of the low range and index levels for Blacks indicate moderate segregation.

In addition to the Dissimilarity Index, social scientists also use the Isolation and Exposure Indices to measure segregation. These indices, when taken together, capture the neighborhood demographics experienced, on average, by members of a particular racial or ethnic group within a city or metropolitan area. The Isolation Index measures what percentage of the census tract in which a person of a certain racial identity is exposed only to other persons of that same racial/ethnic group. Values for the Isolation Index range from 0 to 100. The Exposure Index is a

group's exposure to all racial groups. Values for the Exposure Index also range from 0 to 100. A larger value means that the average group member lives in a census tract with a higher percentage of people from another group.

Table 3: Isolation Index Values by Race and Ethnicity in Morgan Hill

Isolation Index	1990	2000	2010	2020
White/White	69.8	63.5	53.0	45.9
Black/Black	1.6	2.1	2.5	3.1
Hispanic/Hispanic	25.4	32.7	38.9	36.9
Asian/Asian	5.4	8.1	13.7	19.0

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

Table 4: Exposure Index Values for Morgan Hill

Exposure Index	1990	2000	2010	2020
Black/White	70.9	59.0	48.6	42.9
Hispanic/White	67.9	56.5	46.2	41.1
Asian/White	70.9	62.8	51.2	44.5
White/Black	1.6	1.9	2.3	2.8
Hispanic/Black	1.4	2.1	2.5	3.0
Asian/Black	1.6	1.9	2.4	2.9
White/Hispanic	22.9	25.3	31.2	30.9
Black/Hispanic	21.4	29.8	35.7	34.2
Asian/Hispanic	21.4	25.5	31.6	31.2
White/Asian	5.1	7.7	12.5	17.8
Black/Asian	5.3	7.4	12.1	17.4
Hispanic/Asian	4.6	6.9	11.4	16.6

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

As the tables above show, all groups reside in neighborhoods that are plurality White. In general, an individual Morgan Hill resident's race or ethnicity does not suggest a likelihood of living in materially more segregated conditions. Additionally, while the Isolation Index for White residents is higher than all other groups, it is only slightly higher than the Exposure Indices for Asian, Black, and Hispanic residents. Isolation and exposure indexes for White and Hispanic residents have been reduced over the past decade.

Table 4: Isolation Index Values by Race and Ethnicity in San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

Isolation Index	1990	2000	2010	2020
White/White	67	56.5	47.6	39.1
Black/Black	5.3	4.2	4	3.8
Hispanic/Hispanic	37	41.7	43.4	41.1
Asian/Asian	24.3	37.6	45.4	51.1

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

Table 4: Exposure Index Values for San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area

Exposure Index	1990	2000	2010	2020
Black/White	48.1	38.8	32.8	28.1
Hispanic/White	42	31.2	26.7	23.3
Asian/White	49.6	37.1	29.4	24.9
White/Black	2.8	2.6	2.6	2.7
Hispanic/Black	4.1	3.3	3	3
Asian/Black	4.3	3.2	2.8	2.6
White/Hispanic	15.6	17.3	21.1	21.3
Black/Hispanic	25.5	27.1	29.7	28.8
Asian/Hispanic	21.3	20.8	21.7	20.1
White/Asian	14	22.1	27.8	35.1
Black/Asian	20.4	28.5	32.7	37.5
Hispanic/Asian	16.2	22.4	26.1	31

Source: Diversity and Disparities, Spatial Structures in the Social Sciences, Brown University

As with the Dissimilarity Index, regional Isolation and Exposure Index data reflects more segregated patterns than are evident within Morgan Hill. It is clear that White (74.2%) and Asian (76%) residents are more likely to live in neighborhoods that have higher combined concentrations of White and Asian residents than are Hispanic (54.3%) residents, in particular, and Black (65.6%) residents, to a lesser extent.

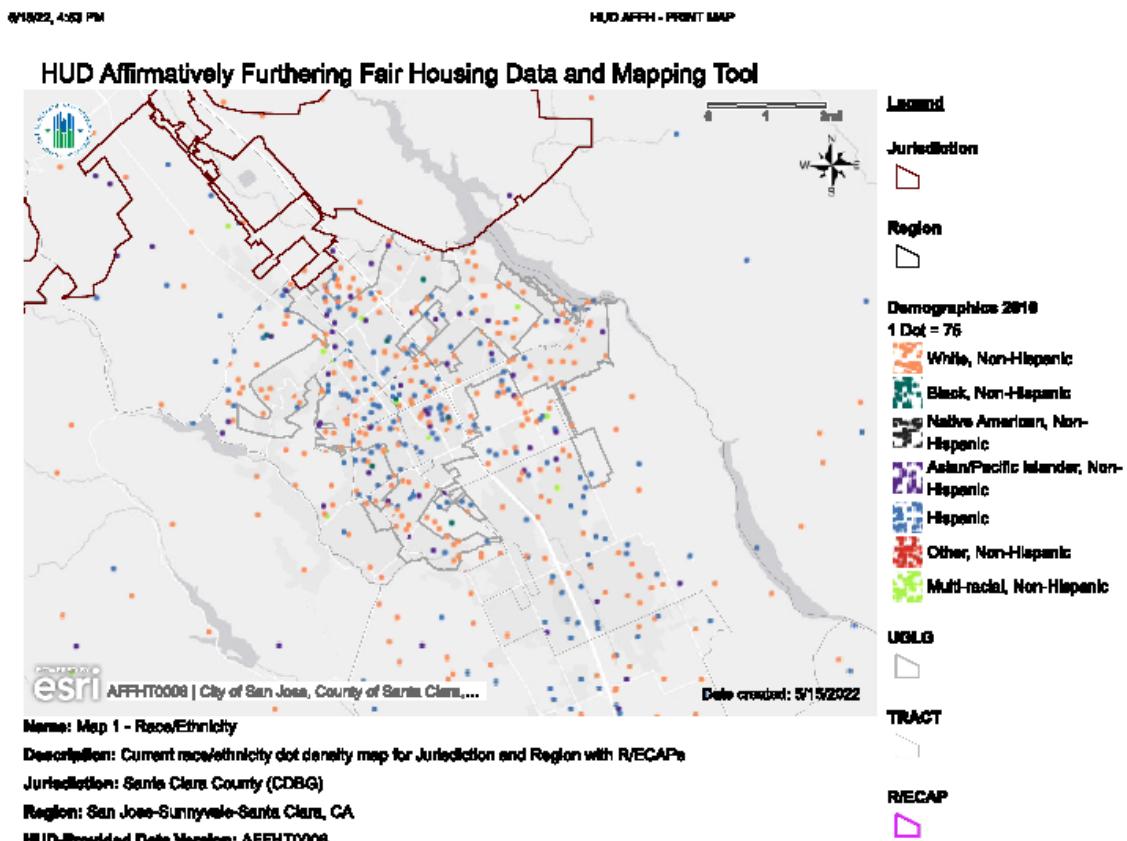
1.b. Explain how these segregation levels have changed over time (since 1990).

With respect to Dissimilarity Index data and the Isolation and Exposure Indices, there has been a decrease in the levels of segregation among White and Hispanic residents over the past decade. There has been a slight increase in isolation among Black and Asian residents.

In the region, Dissimilarity Index levels for Black residents in relation to White residents have decreased over time while Dissimilarity Index levels for Hispanic and Asian residents, respectively, in relation to White residents have been little changed. Exposure to White residents (and isolation for White residents) has decreased over time for all groups while exposure to Asian residents (and isolation for Asian residents) has increased over time for all groups. Exposure to Hispanic residents (and isolation for Hispanic residents) has been relatively unchanged. For Black residents, the trend has been toward decreased exposure (and isolation for Black residents), but exposure to Black residents for White residents is an exception, being largely unchanged.

1.c. Identify areas in the jurisdiction and region with relatively high segregation and integration by race/ethnicity, national origin, or LEP group, and indicate the predominant groups living in each area.

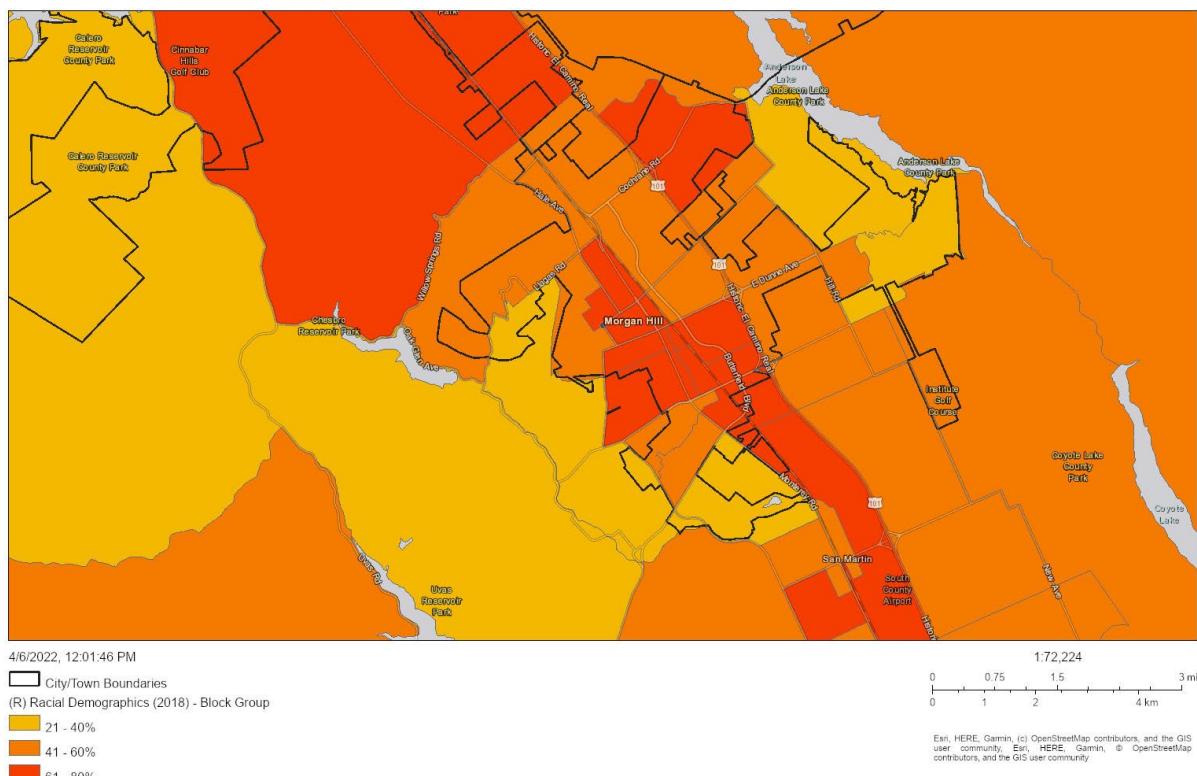
Map 1: Race/Ethnicity, Morgan Hill



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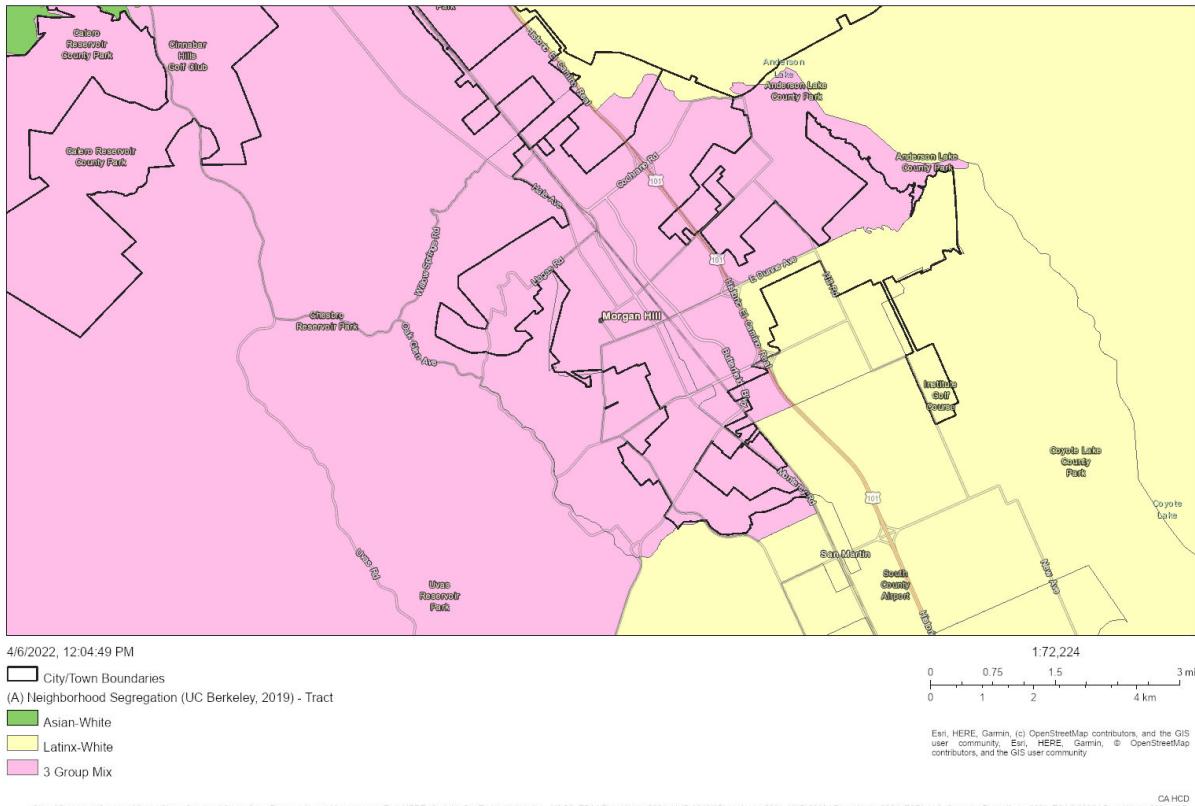
Map 2: Racial Demographics, Morgan Hill

Morgan Hill Racial Demographics



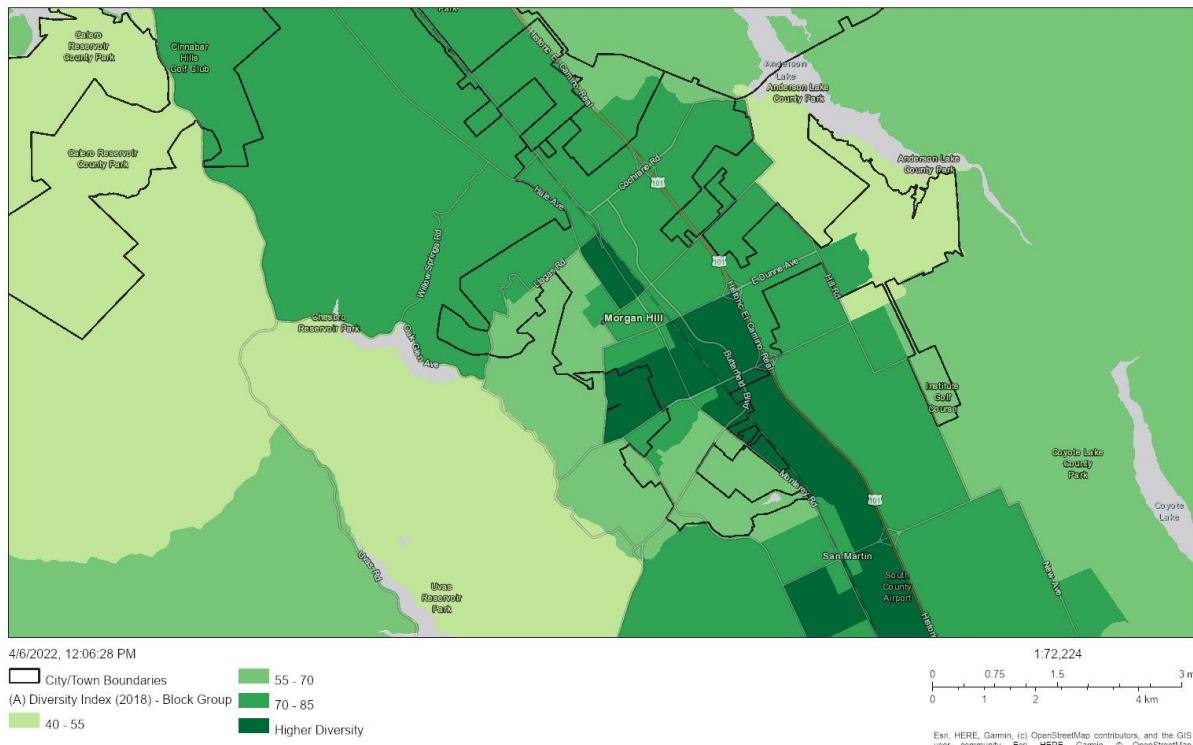
Map 3: Neighborhood Segregation, Morgan Hill

Morgan Hill Neighborhood Segregation



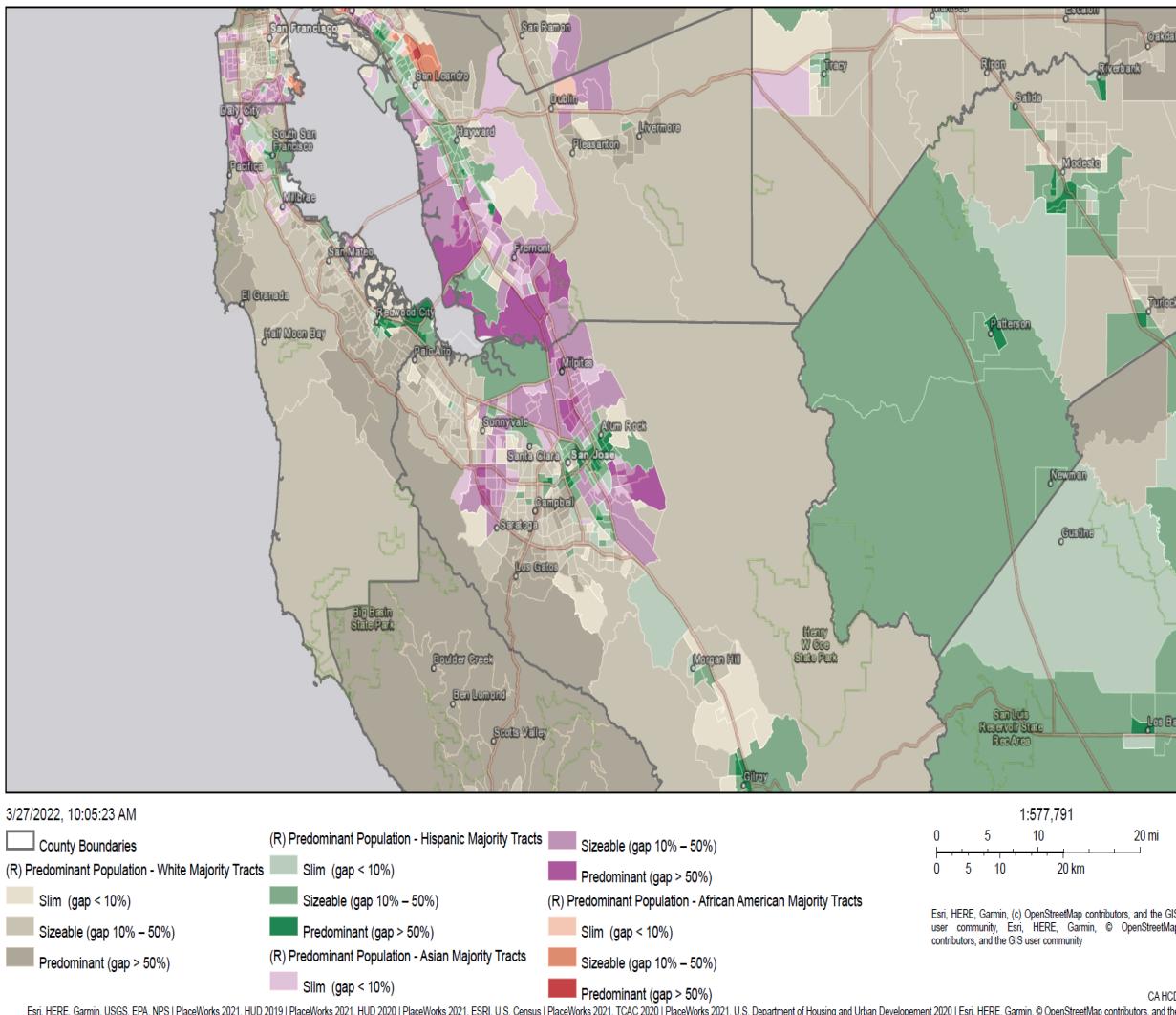
Map 4: Diversity Index, Morgan Hill

Morgan Hill Diversity Index

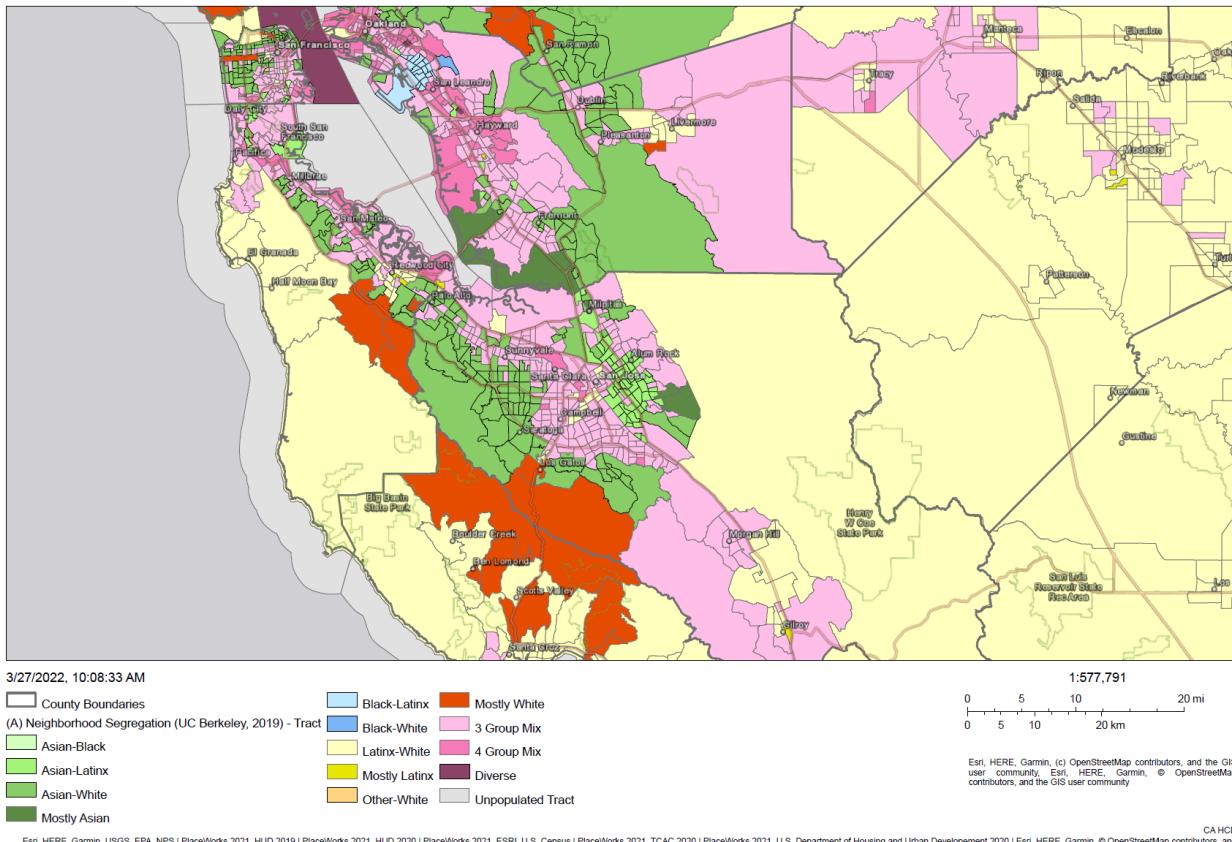


The maps above reflect that Morgan Hill has a low level of segregation. White, Asian, and Hispanic residents are interspersed in the city, while the eastern portion of the city as well as adjoining unincorporated areas are less integrated. North and east of the city have minimal residential development, and tend to be populated by White and Hispanic residents.

Map 5: Predominant Population by Race, Region



Map 6: Neighborhood Segregation, Region



The map above reflects more substantial patterns of segregation in the region. There are at least two different ways of conceptualizing the region. First, consistent with most regional data presented in this Assessment, the San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area, which consists of Santa Clara and San Benito Counties, can be thought of as the region. Second, Morgan Hill can be situated in the broader Bay Area.

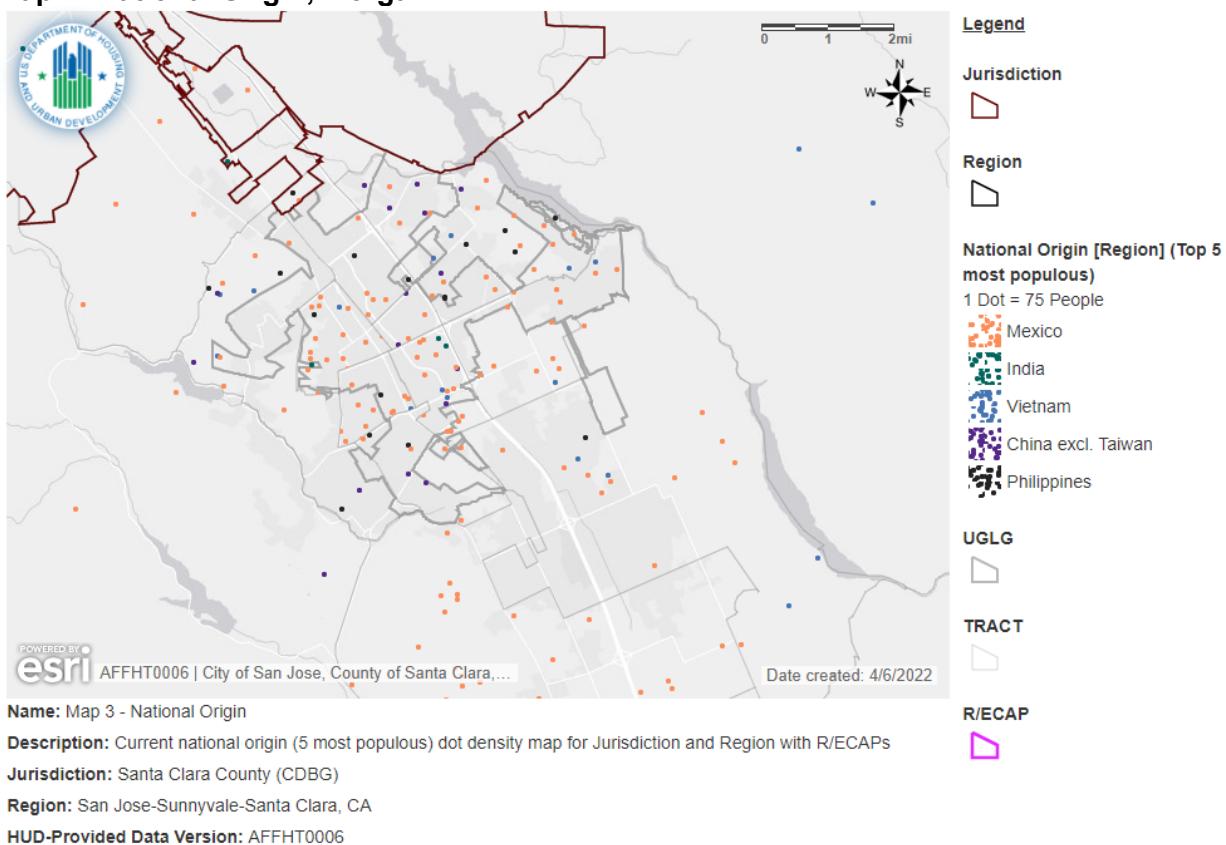
Under the narrower conception, areas of White population concentration consist primarily of portions of South and West San José, smaller cities in the West Valley, and portions of Mountain View and Palo Alto, along with some rural portions of San Benito County. There are no areas of Black population concentration within the more narrowly defined region. Areas of Hispanic population concentration consist of parts of Downtown, East, and South San José, part of Morgan Hill, most of Gilroy and Hollister, and small portions of Santa Clara and Sunnyvale. Outside of Morgan Hill itself, areas of Asian population concentration include parts of East, North, and West San José, virtually all of Cupertino, most of Sunnyvale, and parts of Santa Clara.

Broadening the scope of analysis, it is clear that there are areas of Black population concentration in East and West Oakland, the Bayview-Hunter's Point neighborhood of San Francisco, Richmond, and small parts of Dublin, Pittsburg, and Vallejo. Additional areas of White population concentration include much of central Contra Costa County, the Oakland Hills, Berkeley, much of northern and western San Francisco, most of Marin County, and parts of San Mateo County such as Belmont, Menlo Park, San Carlos, and Woodside. Additional areas of Hispanic population concentration include much of Hayward, parts of East Oakland, the Mission District in San Francisco, much of Richmond and adjoining San Pablo in western Contra Costa County, much of

Bay Point and Pittsburg in eastern Contra Costa County, and East Palo Alto in San Mateo County. Additional areas of Asian population concentration include Fremont, Union City, and southern San Leandro; Downtown Oakland; Hercules; Daly City and Foster City; and much of southeastern and western San Francisco, along with the more centrally located Chinatown area.

National Origin & Limited English Proficiency

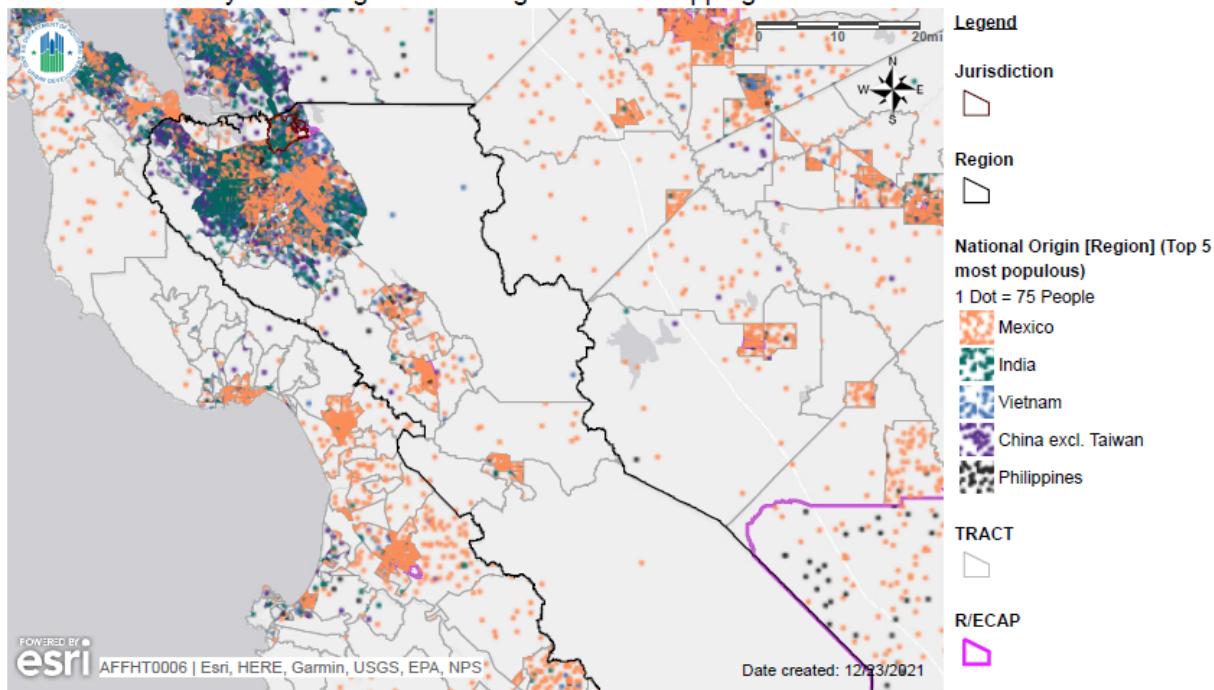
Map 7: National Origin, Morgan Hill



Within Morgan Hill, people of Mexican national origin live throughout the city with slightly higher concentrations in the center of the city. People of Indian national origin live throughout the city, People of Vietnamese national origin live primarily in the eastern portion of the city. People of Chinese national origin live in the eastern portions of the city, and people with Filipino national origin are located throughout the city.

Map 8: National Origin, Region

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Name: Map 3 - National Origin

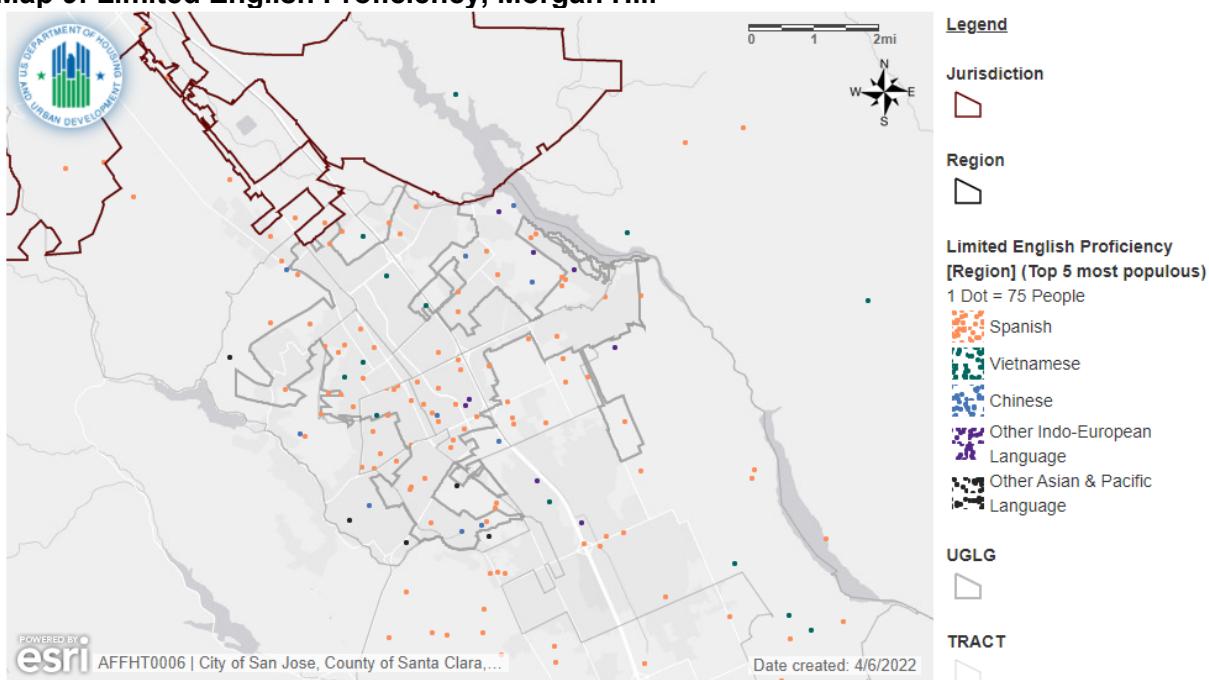
Description: Current national origin (5 most populous) dot density map for Jurisdiction and Region with R/ECAPs

Jurisdiction: Milpitas City (CDBG)

Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0006

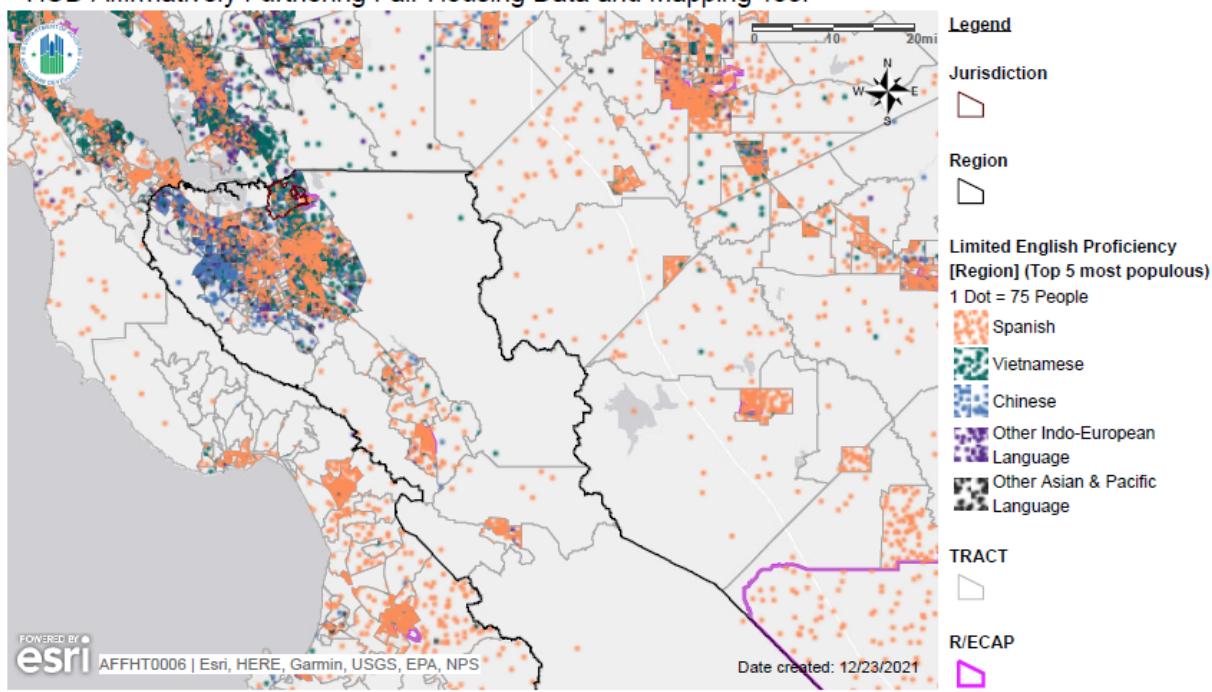
Regionally, people of Mexican national origin are concentrated in Downtown, South, and East San José and in parts of Morgan Hill, Gilroy, and Hollister. People of Indian national origin are concentrated in Sunnyvale and Santa Clara, as well as North San José. People of Vietnamese national origin are concentrated in East San José and Milpitas. People of Chinese national origin are concentrated in Cupertino, Mountain View, and both West and North San José. People of Filipino national origin are not highly concentrated in particular areas.

Map 9: Limited English Proficiency, Morgan Hill**Name:** Map 4 - LEP**Description:** LEP persons (5 most commonly used languages) for Jurisdiction and Region with R/ECAPs**Jurisdiction:** Santa Clara County (CDBG)**Region:** San Jose-Sunnyvale-Santa Clara, CA**HUD-Provided Data Version:** AFFHT0006

Within Morgan Hill, persons with limited English proficiency (LEP) who speak Spanish as their primary language are dispersed throughout the city and in the southern outskirts, while those who speak Vietnamese and Chinese are located throughout the city.

Map 10: Limited English Proficiency, Region

HUD Affirmatively Furthering Fair Housing Data and Mapping Tool



Name: Map 4 - LEP

Description: LEP persons (5 most commonly used languages) for Jurisdiction and Region with R/ECAPs

Jurisdiction: Milpitas City (CDBG)

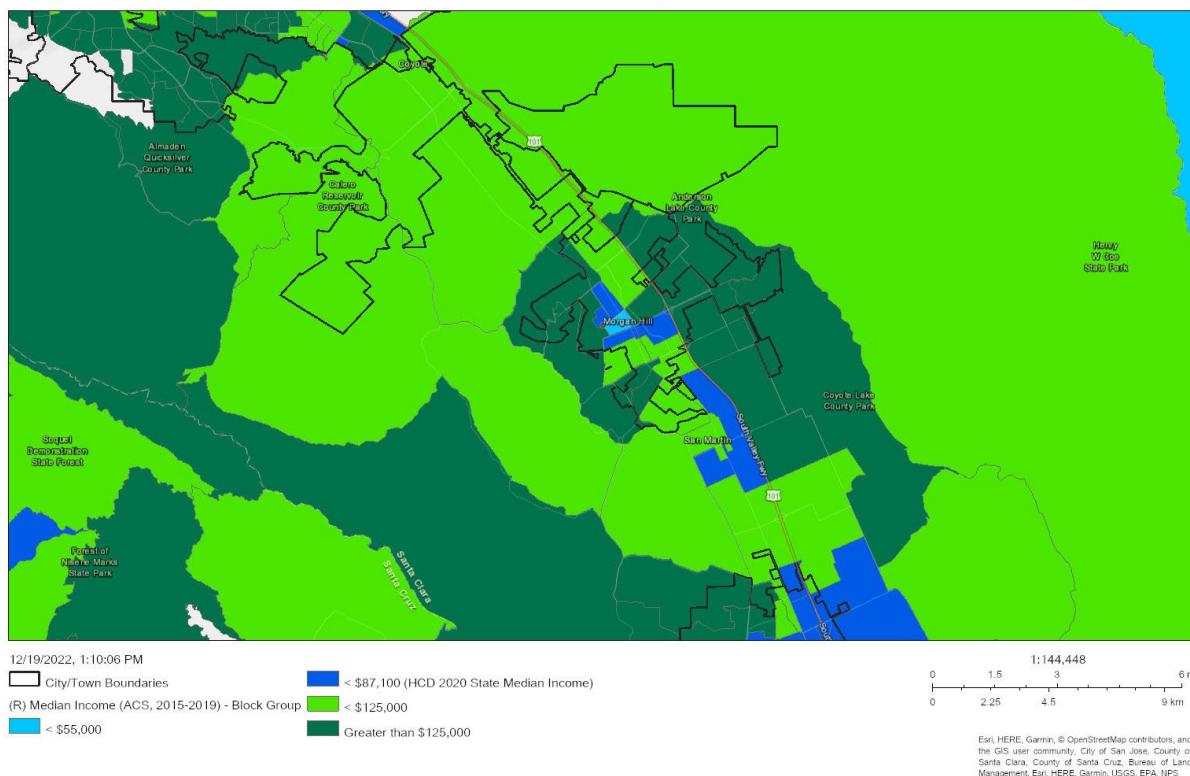
Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0006

In the region, LEP Spanish speakers are concentrated in Downtown, South, and East San José as well as in Morgan Hill, Gilroy, and Hollister. LEP Vietnamese speakers are concentrated in East San José and Milpitas. LEP Chinese speakers are concentrated in Cupertino and West San José. There do not appear to be significant concentrations of LEP speakers of other languages.

Map 11: Median Income, Morgan Hill

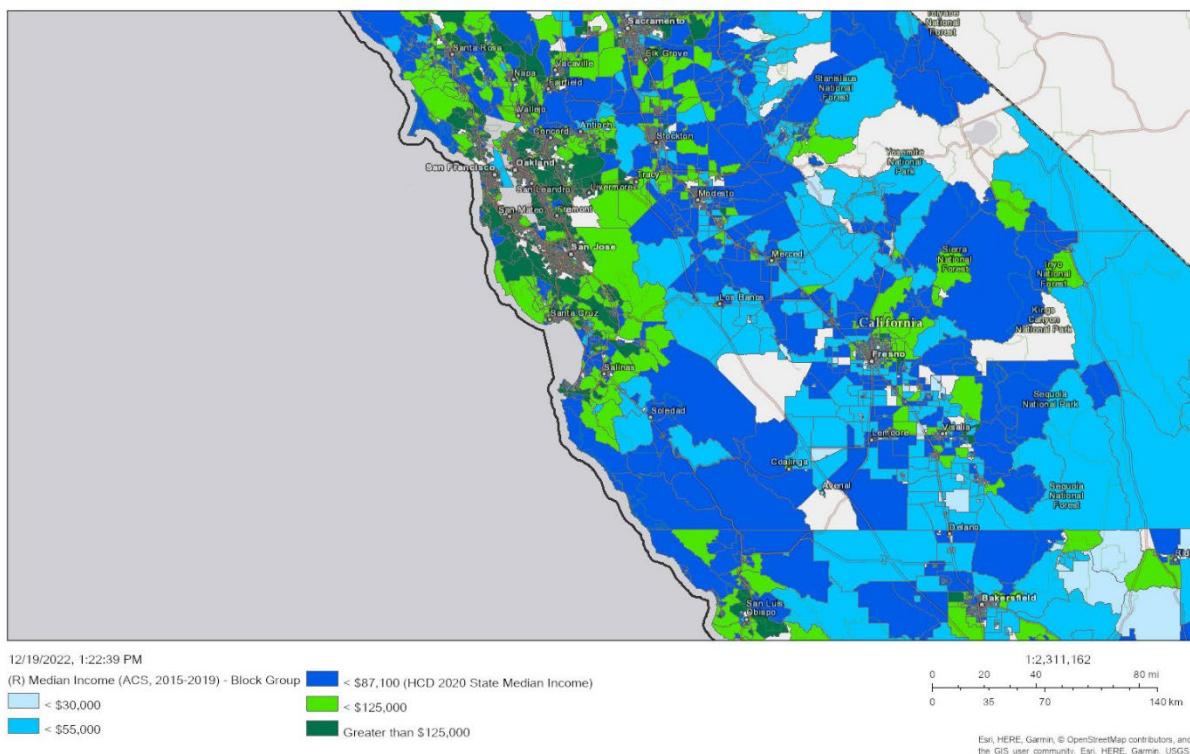
AFFH Analysis



As the map above reflects, higher income households are more likely to live on the western and especially the eastern edges of the city while relatively lower income households are more concentrated in the city's downtown. This is, in part, reflective of actual differences in economic status among the city's neighborhoods and, in part, reflective of differences in where households live based on household size, with larger households that are more likely to have two income earners living in eastern Morgan Hill and smaller households, more of which may have one income earner, living closer to downtown.

Map 12: Median Income, Region

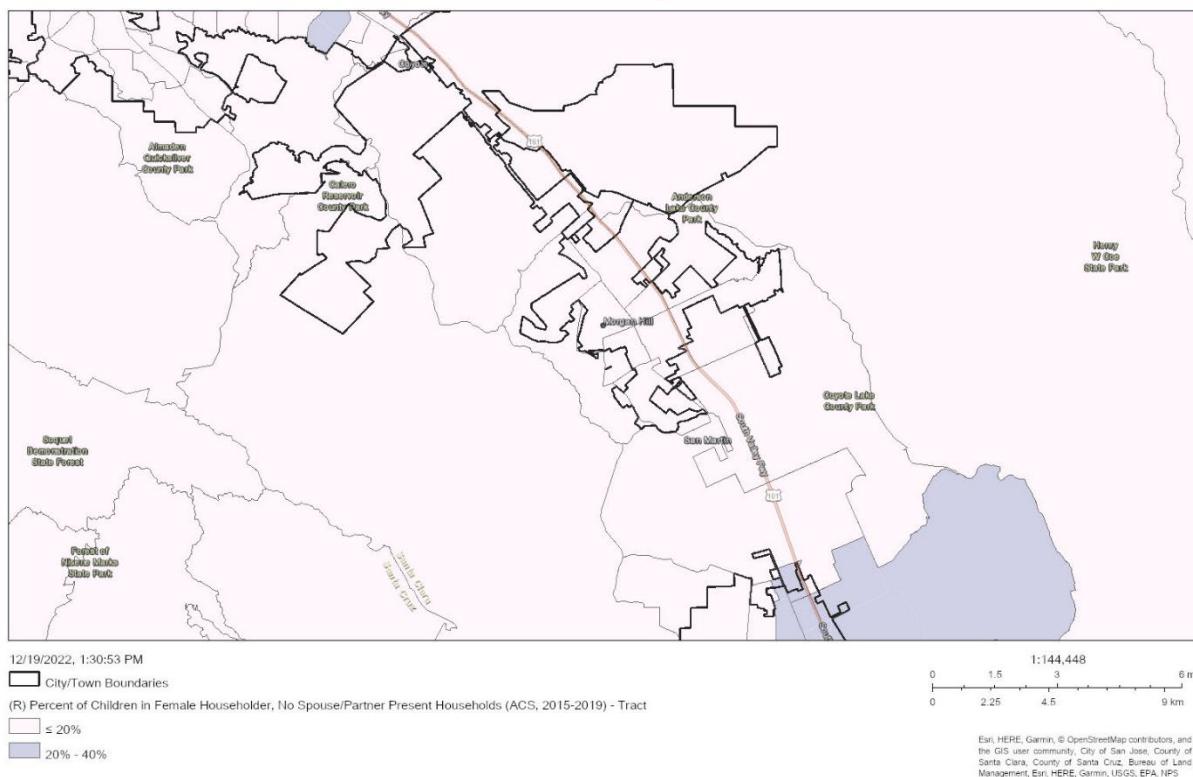
AFFH Analysis



In the broader region, the highest income households are concentrated in the West Valley portion of northwestern Santa Clara County while the lowest income households are most likely to live in Downtown and East San José and the eastern portion of the city of Gilroy. San Benito County, which comprises the portion of the region not accounted for by Santa Clara County, is relatively lower income than Santa Clara County. Lower income portions of the region tend to be more heavily Hispanic and, in some cases, Vietnamese than higher income areas, which are more heavily White, Asian Indian, and Chinese.

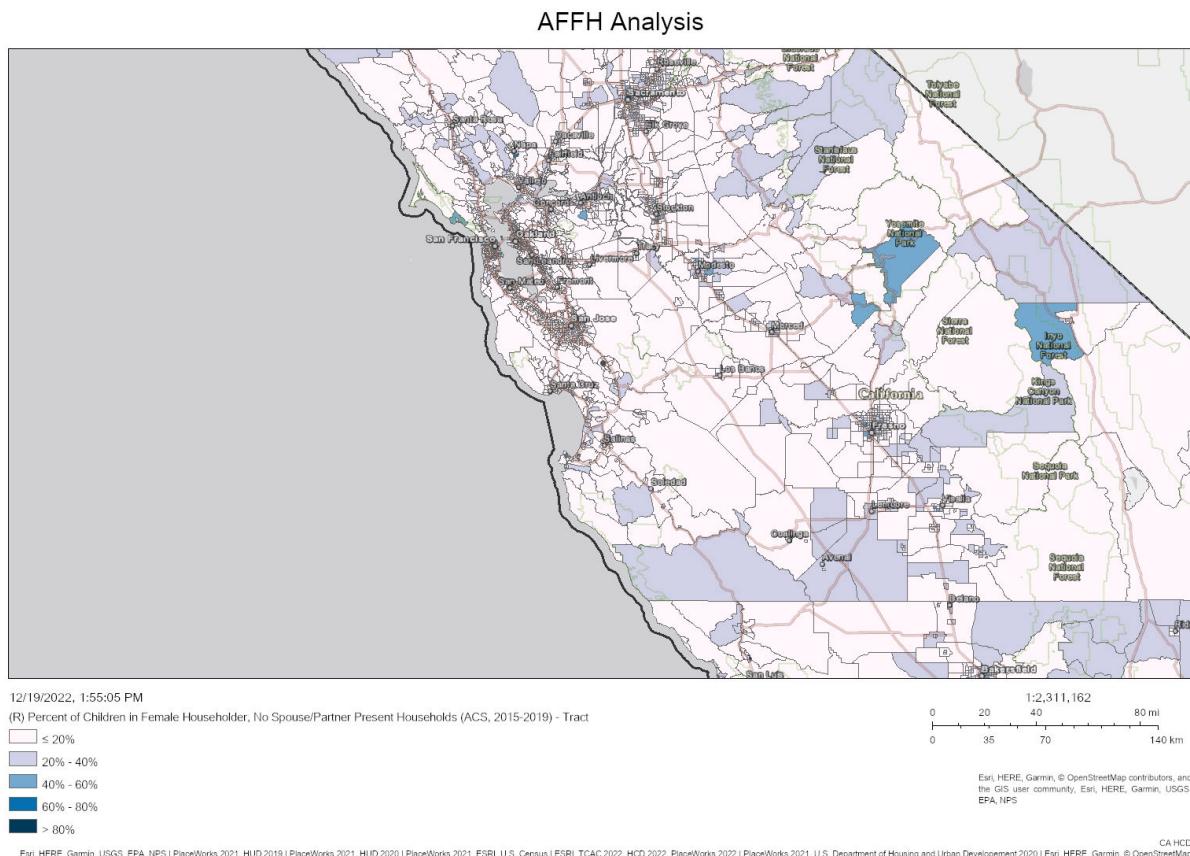
Map 13: Percentage of Children in Female Householder, No Spouse/Partner Present Households, Morgan Hill

AFFH Analysis



The proportion of children living in households with female householders and no spouses or partners present is uniformly low across the city of Morgan Hill.

Map 14: Percentage of Children in Female Householder, No Spouse/Partner Present Households, Region

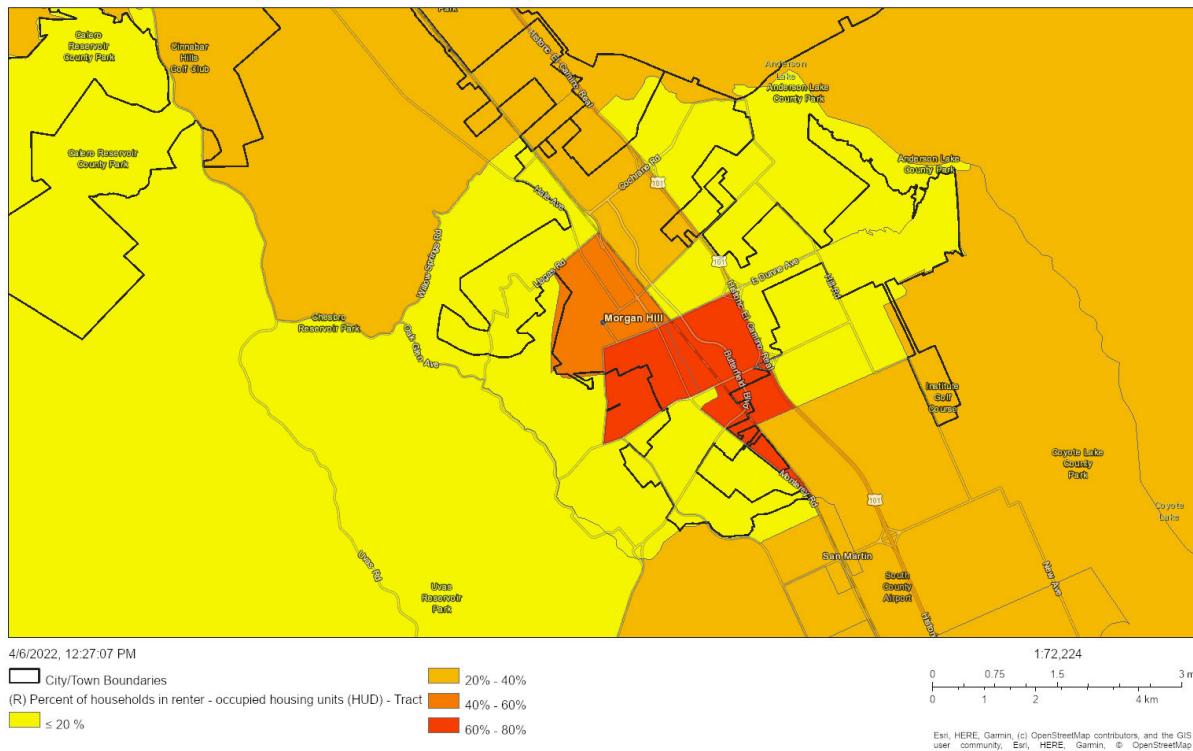


In the region, there are slightly higher concentrations of children living in households with female householders and no spouses or partners present in Gilroy and in Downtown and East San José than in the balance of the region where concentrations are broadly low. Areas with higher concentrations tend to be those with relatively higher concentrations of Hispanic residents.

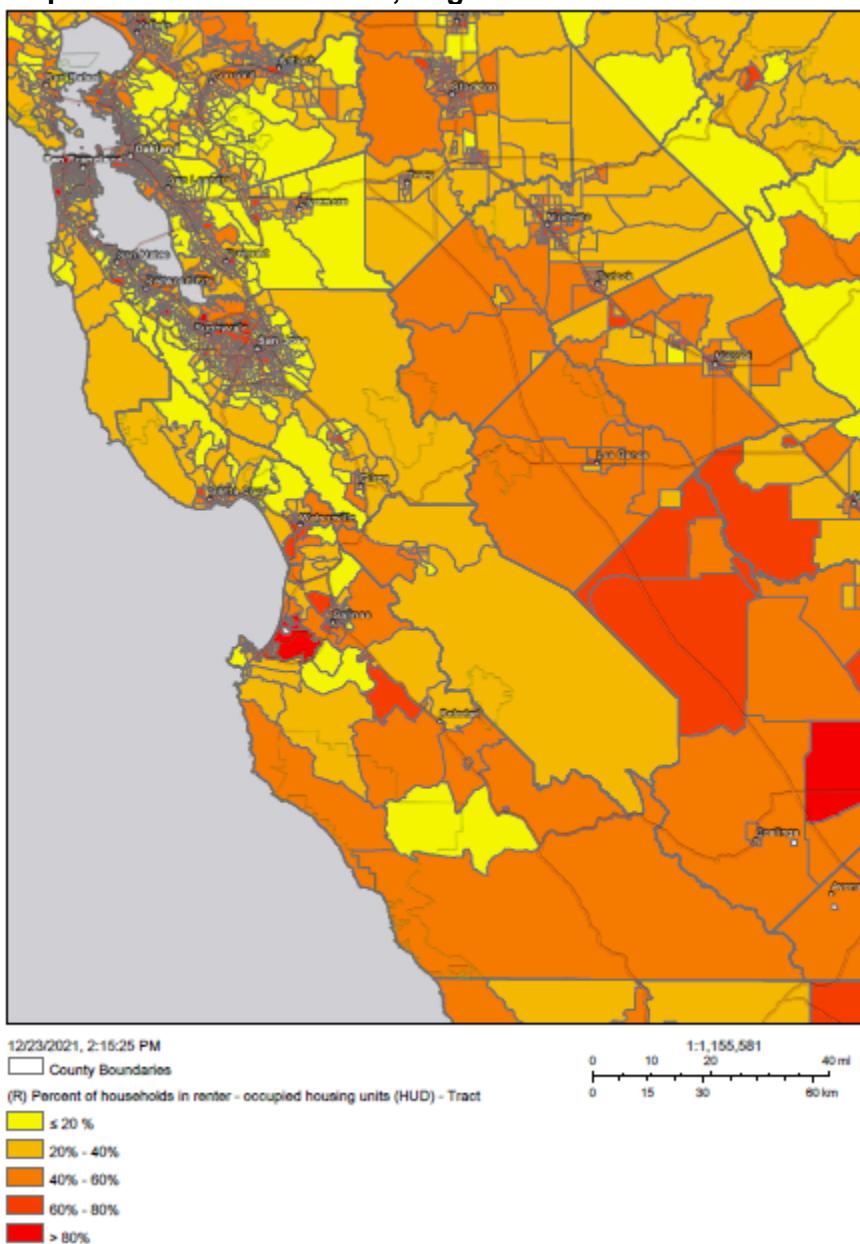
1.d. Consider and describe the location of owner and renter occupied housing in the jurisdiction and region in determining whether such housing is located in segregated or integrated areas, and describe trends over time.

Map 15: Percent of Households in Renter Occupied Housing Units, Morgan Hill

Morgan Hill Percent of Households in Renter-Occupied Housing Units



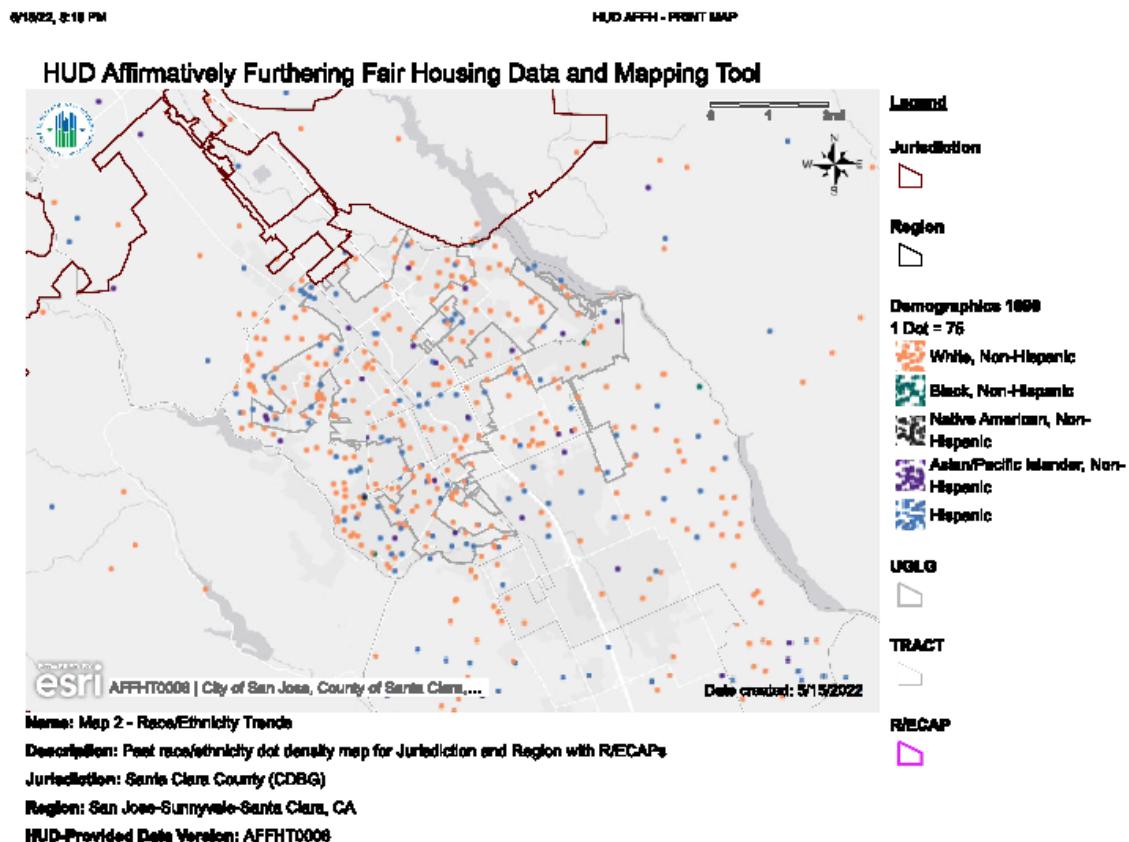
Within Morgan Hill, areas with higher concentrations of renters include the central city and the western center. Higher concentrations of homeowners are located in the eastern, northwestern, and southwestern portions of the city and the western outskirts. The areas with the lower rates of homeownership tend to have a higher percentage of Hispanic residents.

Map 16: Renter Households, Region

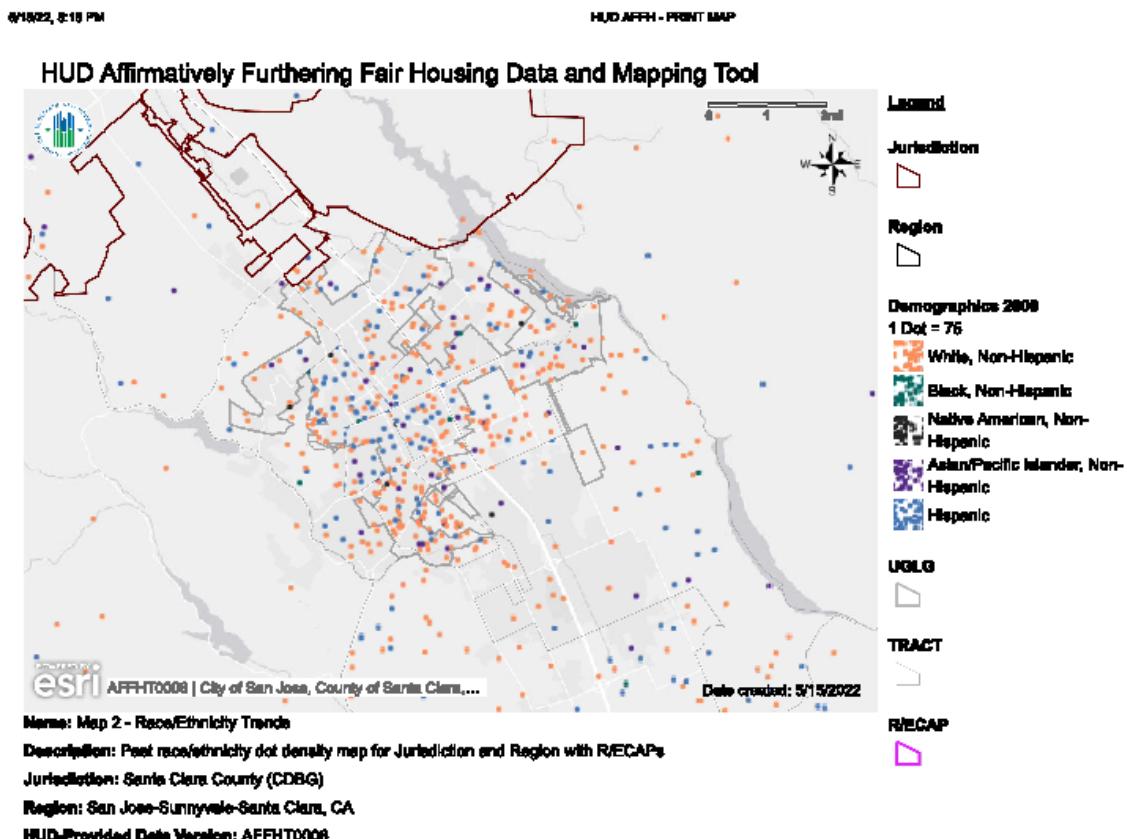
In the region, areas with the highest concentration of renters include Downtown and North San José; the northern portions of Mountain View, Sunnyvale, and Santa Clara; and the eastern portion of Gilroy. Areas with high concentrations of homeowners include the West Valley and large portions of South San José. In general, areas with concentrations of renters are more heavily Hispanic than the region as a whole, and areas with concentrations of homeowners are more heavily White than the region as a whole. Most of the region's R/ECAPs feature concentrations of renters.

1.e. Discuss how patterns of segregation have changed over time (since 1990).

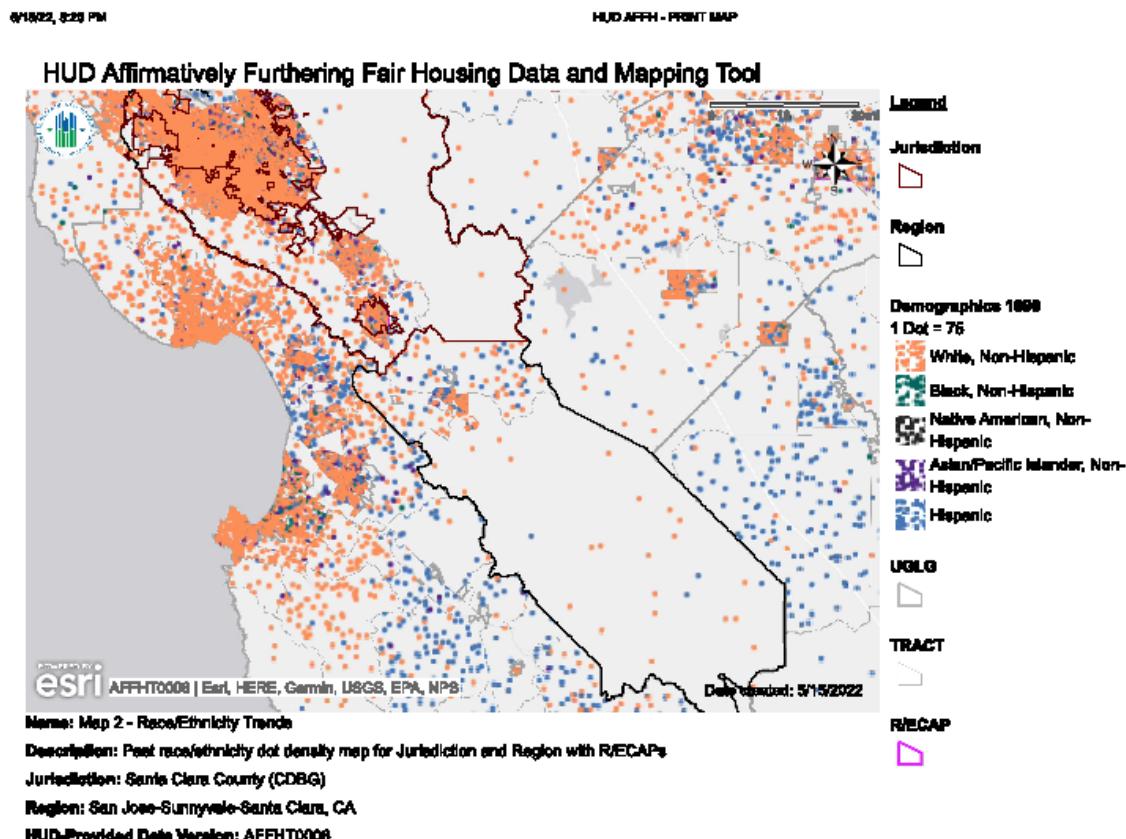
Map 17: Race/Ethnicity in 1990, Morgan Hill



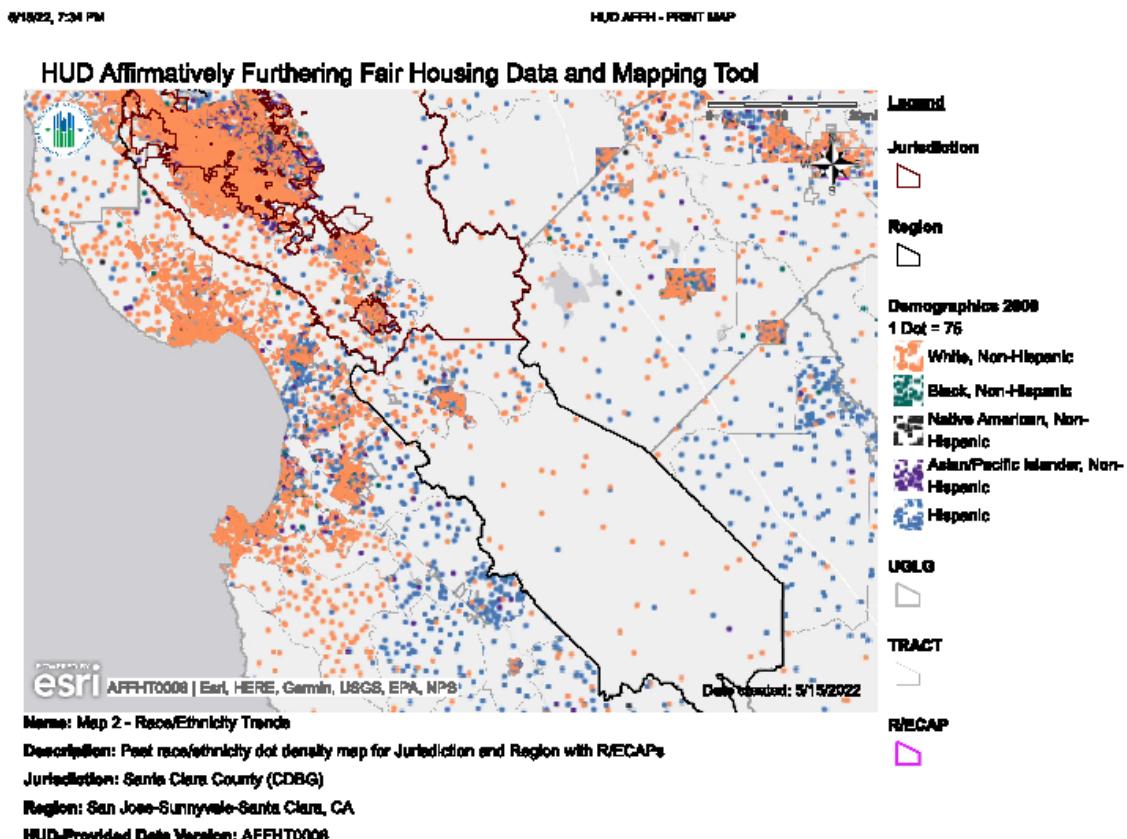
Map 18: Race/Ethnicity in 2000, Morgan Hill



There have been subtle demographic changes between 1990-2000. The White population has decreased in tandem with increases in Mexican and Asian populations across the city. There has been greater integration throughout the city over the last decade.

Map 19: Racial Demographics in 1990, Region

Map 20: Racial Demographics in 2000, Region



Regionally, the most evident trends since 1990 include significant reductions in White population in Milpitas, Cupertino, Santa Clara, Sunnyvale, and areas through San José, paired with significant increases in Asian population throughout those areas. When a broader view of the region is adopted, there have also been significant reductions in Black population in historical centers like East Palo Alto, East and West Oakland, the Western Addition in San Francisco, and Richmond, along with increases in Black population in eastern Contra Costa County and Vallejo.

Contributing Factors of Segregation

Consider the listed factors and any other factors affecting the jurisdiction and Region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of segregation.

Please see the Appendix for the following Contributing Factors to Segregation:

- Community opposition
- Displacement of residents due to economic pressures
- Lack of community revitalization strategies
- Lack of private investment in specific neighborhoods
- Lack of public investment in specific, neighborhoods, including services and amenities
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination
- Location and type of affordable housing
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination
- Lack of public investment in specific, neighborhoods, including services and amenities

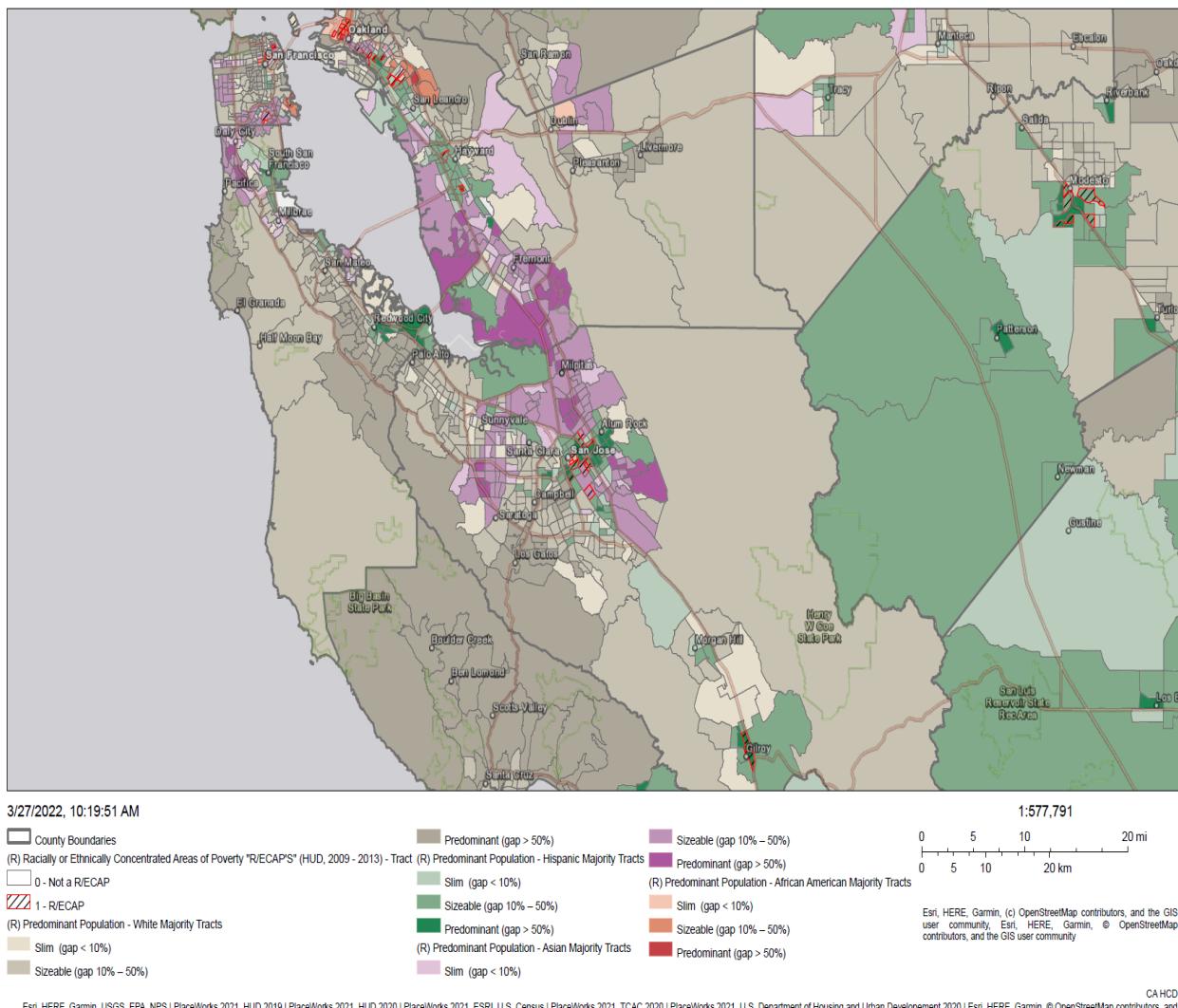
ii. Racially or Ethnically Concentrated Areas of Poverty and Racially Concentrated Areas of Affluence

R/ECAPs are geographic areas with significant concentrations of poverty and minority populations. HUD has developed a census-tract based definition of R/ECAPs. In terms of racial or ethnic concentration, R/ECAPs are areas with a non-White population of 50 percent or more. With regards to poverty, R/ECAPs are census tracts in which 40 percent or more of individuals are living at or below the poverty limit or that have a poverty rate three times the average poverty rate for the metropolitan area, whichever threshold is lower. Racially Concentrated Areas of Affluence (RCAAs) are areas with concentrations of White residents and higher income residents. The California Department of Housing and Community Development (HCD) defines RCAAs as having a non-Hispanic White population concentration of at least 1.25 times that of the council of governments region in which a municipality is located and a median household income of at least 1.5 times that of the relevant council of governments region.

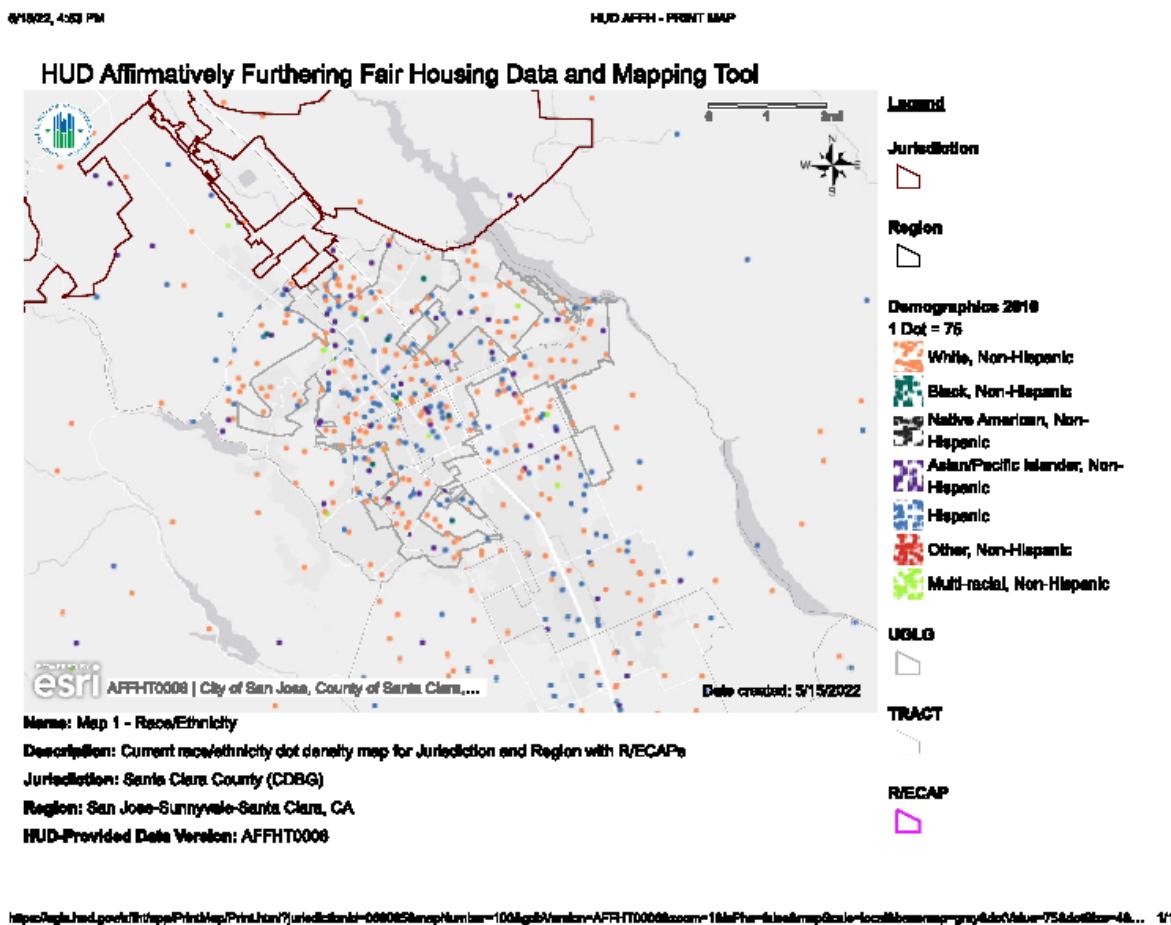
Where one lives has a substantial effect on mental and physical health, education, crime levels, and economic opportunity. Urban areas that are more residentially segregated by race and income tend to have lower levels of upward economic mobility than other areas. Research has found that racial inequality is thus amplified by residential segregation. Concentrated poverty is also associated with higher crime rates and worse health outcomes. However, these areas may also offer some opportunities as well. Individuals may actively choose to settle in neighborhoods containing R/ECAPs due to proximity to job centers. Ethnic enclaves in particular may help immigrants build a sense of community and adapt to life in the U.S. The businesses, social networks, and institutions in ethnic enclaves may help immigrants preserve their cultural identities while providing a variety of services that allow them to establish themselves in their new homes. Overall, identifying R/ECAPs facilitates understanding of entrenched patterns of segregation and poverty. RCAAs may be home to concentrated advantage across a range of opportunity indicators, and many RCAAs developed as they did, in part, as a result of historic housing segregation and explicitly discriminatory practices.

1.a. Identify any R/ECAPs and RCAs or groupings of R/ECAP and RCAA tracts within the jurisdiction and region.

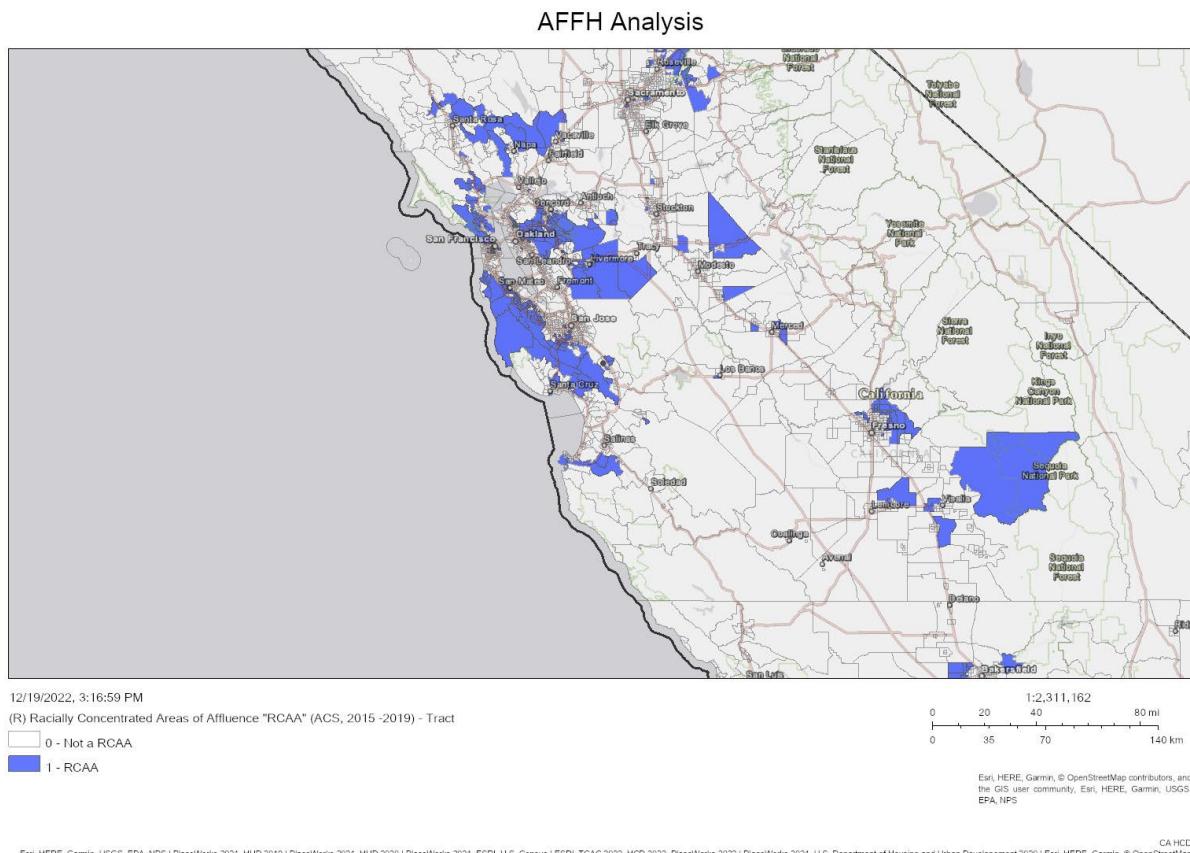
Map 1: Regional R/ECAPs with Predominant Race/Ethnicity Population (2009-2013 data)



Map 2: R/ECAP in Morgan Hill with Race/Ethnicity

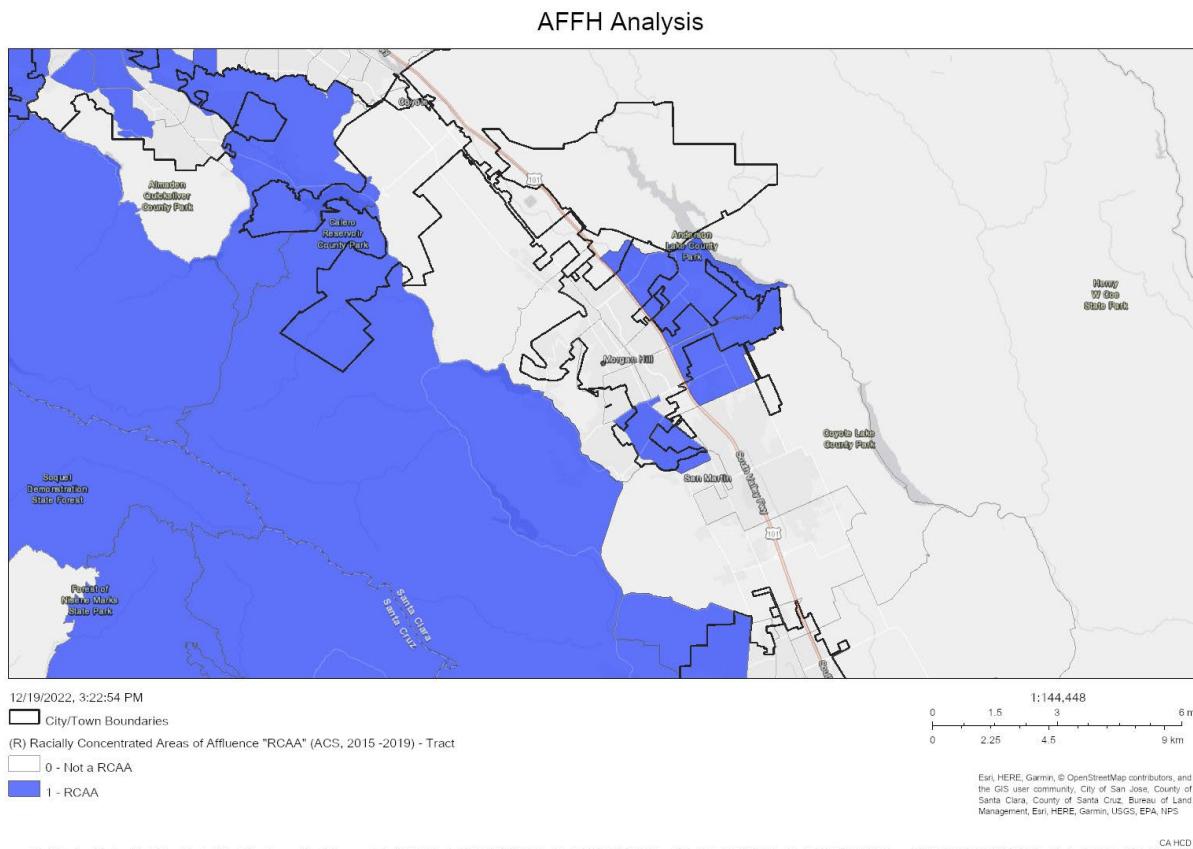


R/ECAPs in the region are concentrated in downtown and east San José, and there are more isolated R/ECAPs in Stanford, Milpitas, and Gilroy, as well. In general, areas with R/ECAPs tend to have higher Hispanic population concentrations than the region as a whole though Stanford is an outlier.

Map 3: RCAAs, Region

In the region, RCAAs are concentrated in the West Valley as well as in parts of South San José. There is also one RCAA in Ridgemark, an unincorporated place just south of Hollister in San Benito County.

Map 4: RCAs, Morgan Hill



In Morgan Hill, much of the eastern portion of the city as well as a small portion of the southwestern corner of the city are categorized as RCAs. These areas have relatively higher household incomes, relatively higher concentrations of White residents, and relatively lower concentrations of Hispanic residents than the rest of Morgan Hill. Asian and Pacific Islander population concentration in the RCAs is actually higher than in the rest of Morgan Hill but, unlike in places like Cupertino and Saratoga, not to such a degree as to prevent those census tracts from qualifying as RCAs. With regard to access to opportunity and in comparison to the remainder of the city, access to proficient schools is notably higher in Morgan Hill's RCAs, particularly in the eastern portion of the city, and access to transportation is significantly lower. Housing cost burden and overcrowding are generally less pronounced in the RCAs in eastern Morgan Hill than they are in the rest of the city, but the RCA in southwestern Morgan Hill has similar rates of overcrowding and cost burden among renters as does the rest of the city (although a lower rate of cost burden among homeowners).

At the same time, rather than being places where development patterns were established by historical patterns of segregation, these areas are ones in which relatively recent, greenfield single-family homes predominate. The relative lack of multifamily housing in these areas likely plays some role in their race and socioeconomic status demographics but not to the same extent as the age of the housing. It is also important to note that, although these areas meet the definition of RCAs, they actually have much lower household incomes than the most affluent parts of the region, some of which are not RCAs. This is because a number of the highest income census tracts in the region, located in Cupertino and Saratoga, in particular, have relatively low White population concentrations and majority Asian and Pacific Islander populations. RCAs in Morgan

Hill often have higher combined Black and Hispanic population concentrations than non-RCAA census tracts in the West Valley but much lower Asian and Pacific Islander populations. This is consistent with non-RCAA census tracts throughout South County, including in other parts of Morgan Hill, in San Martin, and in Gilroy. Morgan Hill's relatively low Asian and Pacific Islander population, as well as that of the rest of South County, may be more attributable to its lack of proximity to major technology sector employment hubs than to patterns of discrimination. Additionally, policy interventions that might have the effect of increasing Asian and Pacific Islander populations in Morgan Hill might have the perverse effect of increasing displacement of Hispanic households and increasing those census tracts' median incomes relative to the region. It would not be consistent with the purposes of the Fair Housing Act and the California Fair Employment Act to eliminate Morgan Hill's RCAs through actions that would displace low-income communities of color. Although the City Council's enactment of an Inclusionary Housing Ordinance in 2018 has the potential to increase the availability of affordable units in Morgan Hill's RCAs and thereby to increase the racial, ethnic, and socioeconomic diversity of those areas, the enactment of that ordinance came too late to leverage the significant wave of development that occurred in the city between 1970 and 2018. Going forward, the City Council's decision to require a higher set-aside in inclusionary developments outside of downtown – in other words, in areas that include but are not limited to RCAs – is a positive one from the standpoint of mitigating fair housing issues associated with RCAs. Lastly, it is important to note that none of Morgan Hill's RCAA's are categorized as high or highest resource by TCAC, thus limiting the financial feasibility of affordable housing development in those areas through means other than the Inclusionary Housing Ordinance.

1.b Describe and identify the predominant protected classes residing in R/ECAPs in the jurisdiction and region. How do these demographics of the R/ECAPs compare with the demographics of the jurisdiction and region?

Table 1: R/ECAP Race/Ethnicity Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill		San Jose-Sunnyvale-Santa Clara Region	
R/ECAP Race/Ethnicity	#	%	#	%
Total Population in R/ECAPs	N/A	N/A	62,428	-
White, Non-Hispanic	N/A	N/A	10,865	17.40%
Black, Non-Hispanic	N/A	N/A	1,338	2.14%
Hispanic	N/A	N/A	29,552	47.34%
Asian or Pacific Islander, Non-Hispanic	N/A	N/A	18,924	30.31%
Native American, Non-Hispanic	N/A	N/A	85	0.14%
Other, Non-Hispanic	N/A	N/A	1,664	2.67%

There are no R/ECAPs in Morgan Hill. In the region, Hispanic residents make up the plurality of R/ECAP populations, at 47.34%. Asian and Pacific Islander, Non-Hispanic residents in the broader region make up 30.31% of the R/ECAP populations.

Table 2: R/ECAP Familial Status Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill		San Jose-Sunnyvale-Santa Clara Region	
R/ECAP Family Type				
Total Families in R/ECAPs	N/A	N/A	16,308	-

Families with children	N/A	N/A	5,701	34.96%
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In the R/ECAP in the region, households are less likely to be families with children than they are in either the city as a whole or in R/ECAPs in the broader region.

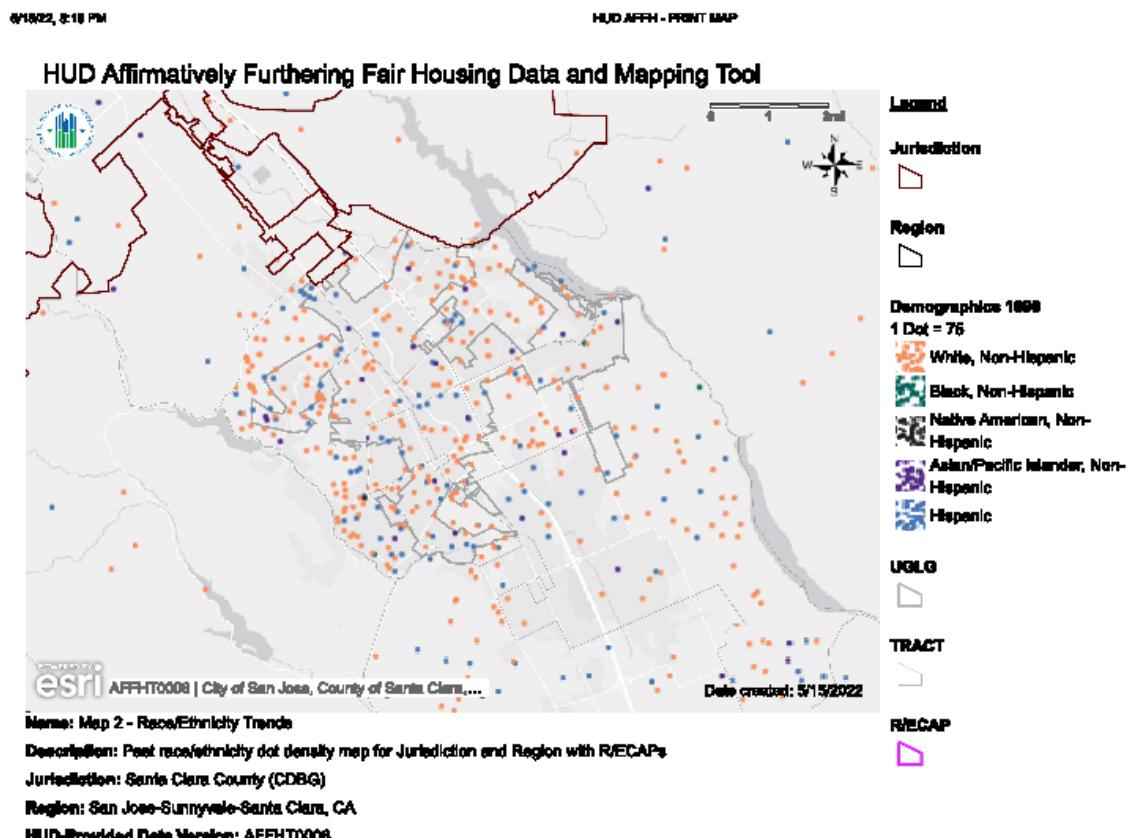
Table 3: R/ECAP National Origin Demographics for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area.

	Morgan Hill			San Jose-Sunnyvale-Santa Clara Region		
R/ECAP National Origin						
Total Population in R/ECAPs	N/A		N/A	25,056		-
#1 country of origin	N/A	N/A	N/A	Mexico	9,736	38.86%
#2 country of origin	N/A	N/A	N/A	Vietnam	6,491	25.91%
#3 country of origin	N/A	N/A	N/A	China, excl. Hong Kong and Taiwan	1,579	6.30%
#4 country of origin	N/A	N/A	N/A	Philippines	1,344	5.36%
#5 country of origin	N/A	N/A	N/A	India	1,033	4.12%
#6 country of origin	N/A	N/A	N/A	EI Salvador	396	1.58%
#7 country of origin	N/A	N/A	N/A	Taiwan	373	1.49%
#8 country of origin	N/A	N/A	N/A	Korea	289	1.15%
#9 country of origin	N/A	N/A	N/A	Cambodia	212	0.85%
#10 country of origin	N/A	N/A	N/A	Brazil	196	0.78%

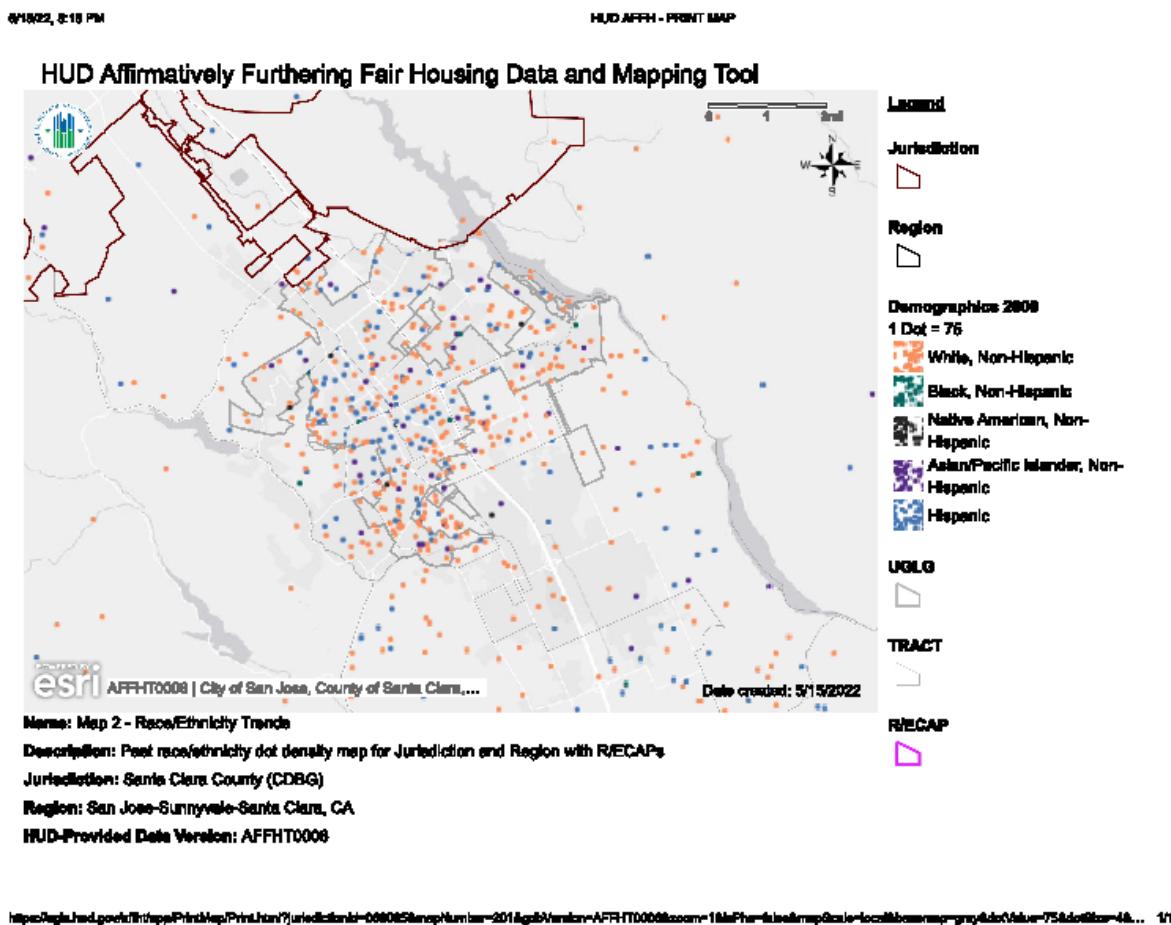
There are no R/ECAPs in Morgan Hill. In the R/ECAPs in the region, a significant majority of residents live in San Jose, are predominantly Mexican or Vietnamese national origin, and are more likely to be of Filipino, Taiwanese, or Indian national origin.

1.c. Describe how R/ECAPs have changed over time in the jurisdiction and region (since 1990).

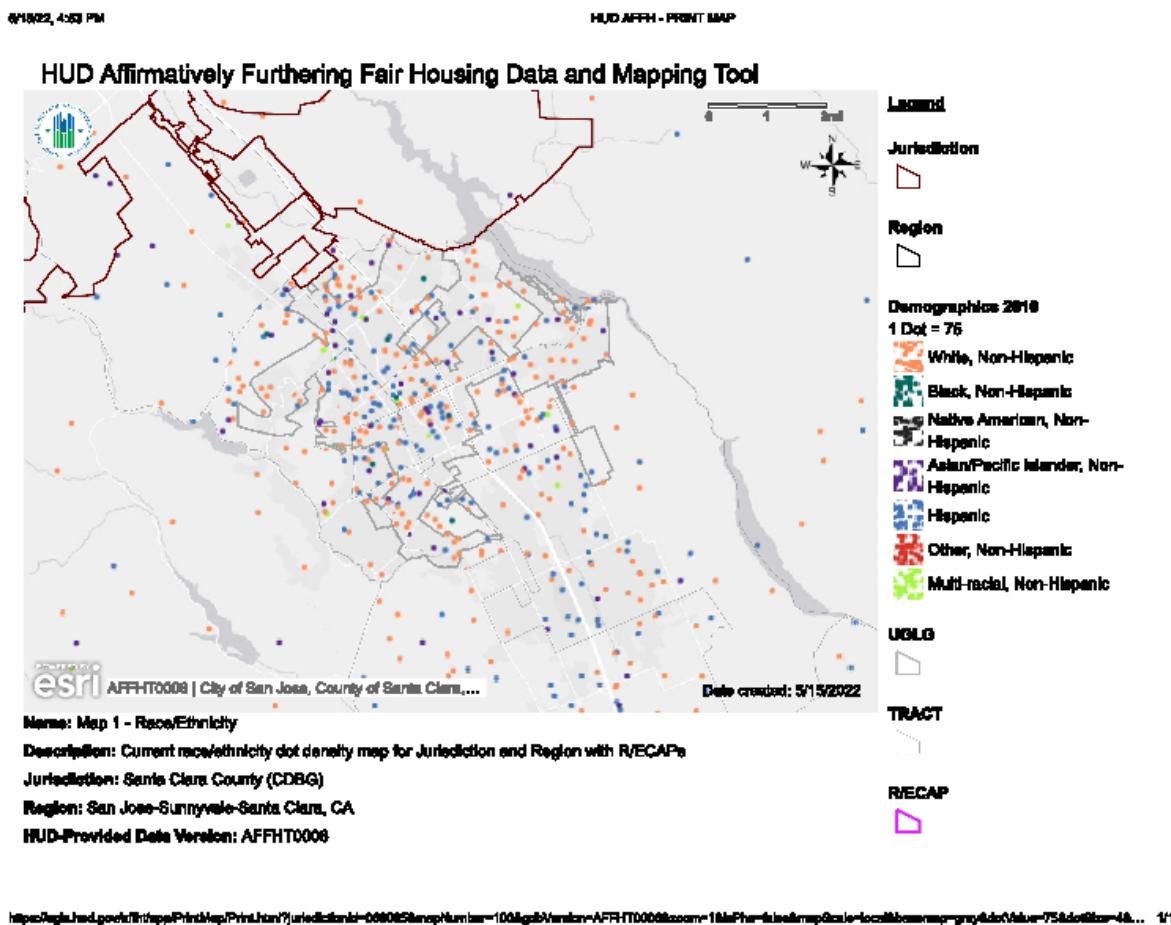
Map 5: R/ECAPs in 1990, Morgan Hill



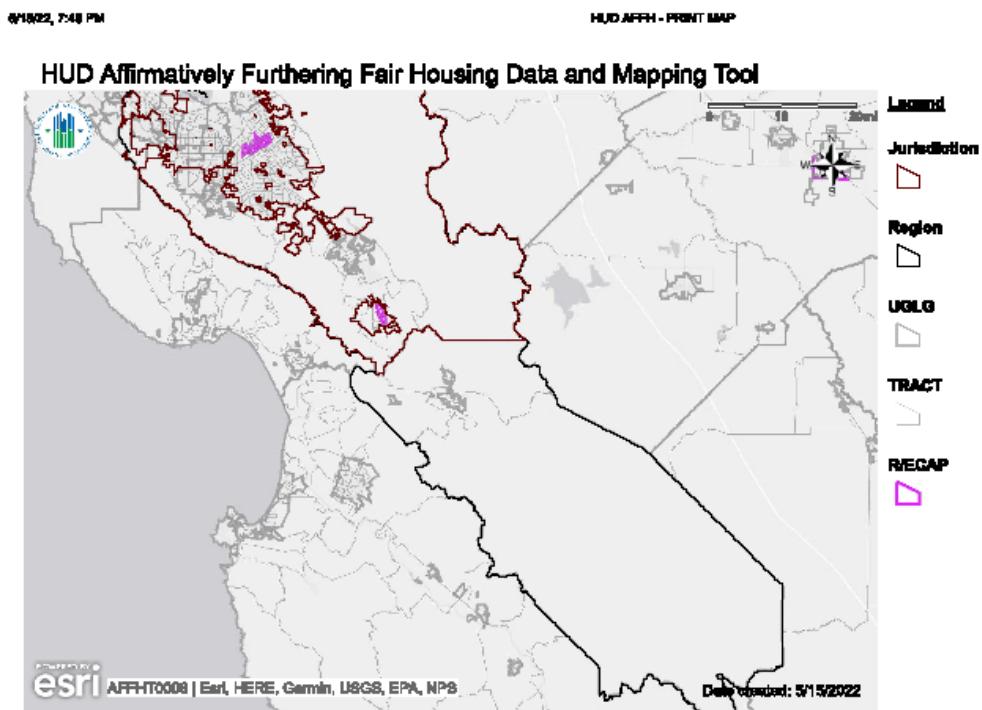
Map 6: R/ECAPs in 2000, Morgan Hill



Map 7: R/ECAPs in 2010, Morgan Hill



There were no R/ECAPs in Morgan Hill in 1990, 2000, and 2010,

Map 8: R/ECAPs in 1990, San Jose-Sunnyvale-Santa Clara Region

Name: Map 2 - Race/Ethnicity Trends

Description: Past race/ethnicity dot density map for Jurisdiction and Region with R/ECAPs.

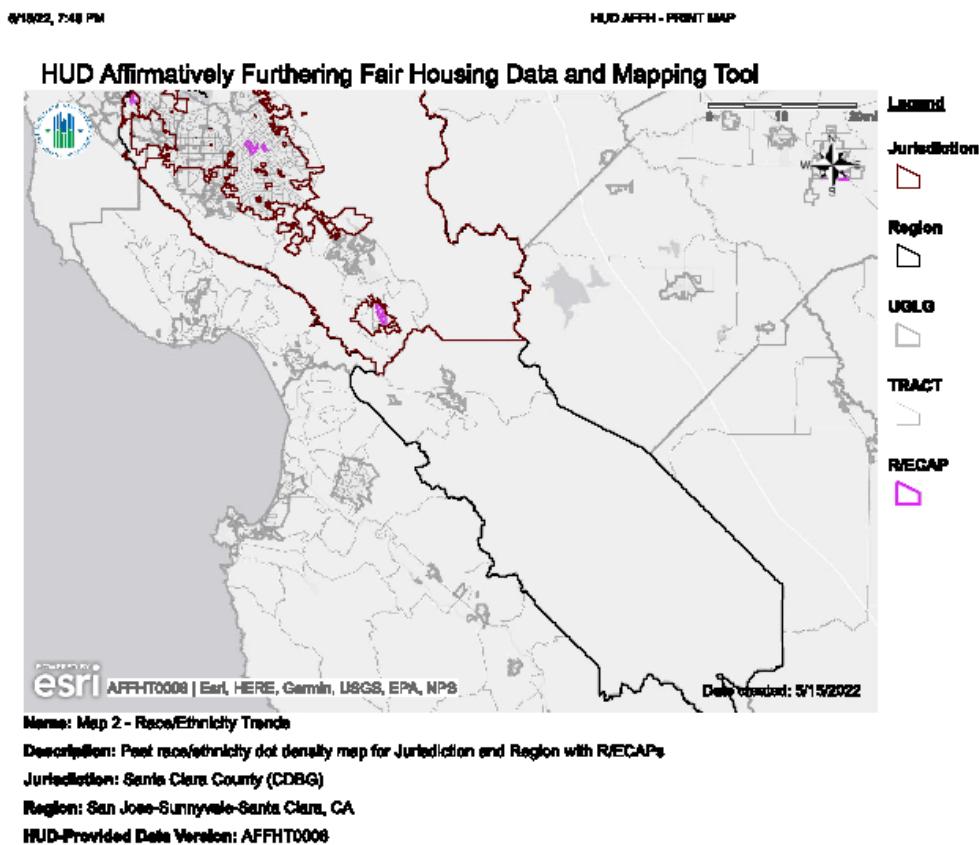
Jurisdiction: Santa Clara County (CDBG)

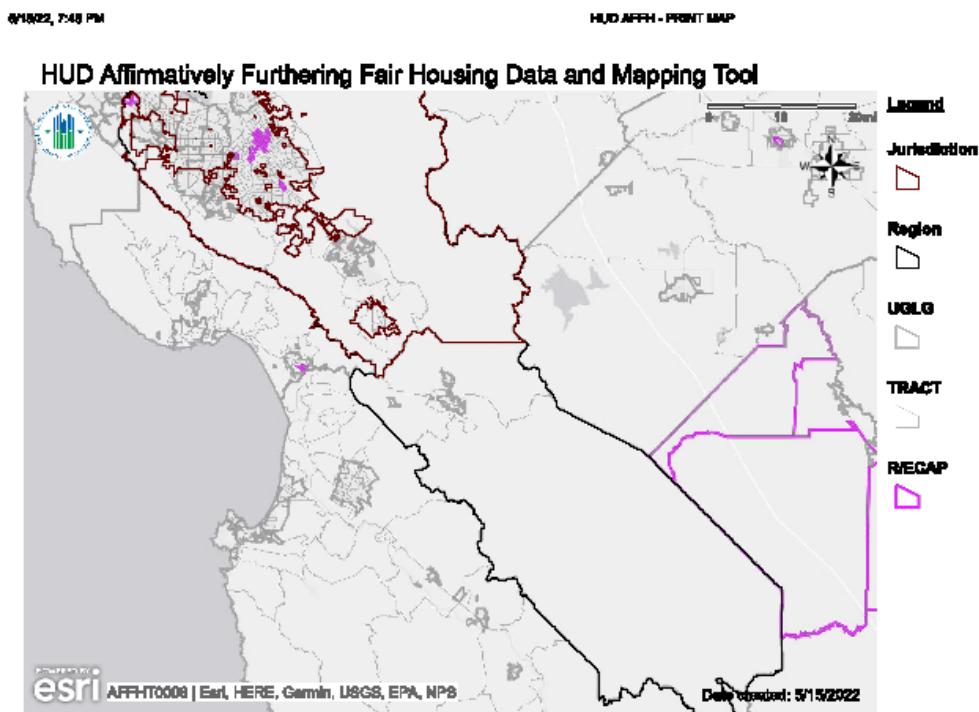
Region: San Jose-Sunnyvale-Santa Clara, CA

HUD-Provided Data Version: AFFHT0006

<https://egis.hud.gov/affh/PrintMap/PrintJunc?jurisdictionId=000005&mapNumber=200&gdVersion=AFFHT0006&zoom=2&mapType=dot&mapScale=local&mapType=gray&dotValue=75&dotSize=4&...> 1/1

Map 9: R/ECAPs in 2000, San Jose-Sunnyvale-Santa Clara Region



Map 10: R/ECAPs in 2010, San Jose-Sunnyvale-Santa Clara Region

<https://geospatial.hud.gov/GeospatialPrintMapPrint.htm?jurisdictionID=000005&mapNumber=20230504/ndw-AFFHT0008&zoom=2&lat=37.31&lon=-121.95&scale=1000000&mapScale=1000000&gray40Value=75&dotSize=4&...> 1/1

The San José-Sunnyvale-Santa Clara Region has seen significant change since 1990. In the cluster of R/ECAPs in San José, Hispanic residents have become a greater concentration of the population as White residents have moved outwards. In contrast, the two census tracts designated as R/ECAPs in Gilroy in 2000 were no longer designated as census tracts in 2010, despite having a greater concentration of Hispanic residents than earlier. However, those two census tracts have been re-designated as R/ECAPs as of the latest data. In the northwest corner of the region, Stanford University has been designated as a R/ECAP since 2000, but this change likely comes from the fact that the university's student population has included a smaller proportion of White residents over time.

Contributing Factors of R/ECAPs

Please see the Appendix for the following Contributing Factors to R/ECAPs:

- Community opposition
- Deteriorated and abandoned properties
- Displacement of residents due to economic pressures
- Lack of community revitalization strategies
- Lack of local or regional cooperation
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Land use and zoning laws
- Location and type of affordable housing
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination

iii. Disparities in Access to Opportunity

a. Disparities in Access to Opportunity – Education

i. Describe any disparities in access to proficient schools in the jurisdiction and region.

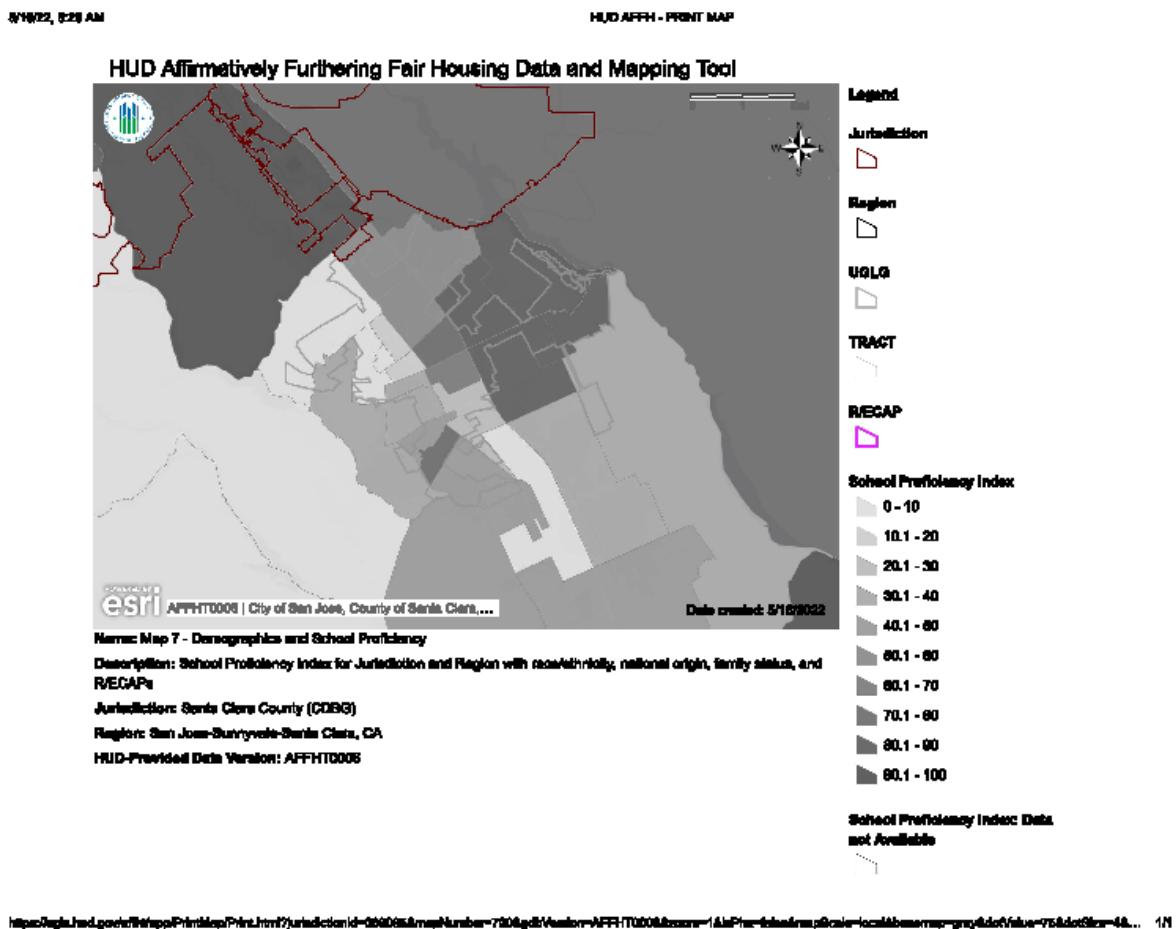
Table 1: School Proficiency Index for Morgan Hill and San José-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area

Jurisdiction	Morgan Hill	Region
Total Population		
White, Non-Hispanic	53.85	76.43
Black, Non-Hispanic	53.24	64.99
Hispanic	47.91	59.06
Asian or Pacific Islander, Non-Hispanic	46.87	71.48
Native American, Non-Hispanic	N/A	65.33

In Morgan Hill, the School Proficiency Index reflects extremely slight disparities in access to proficient schools with White and Black students having somewhat greater access to proficient schools than Hispanic and Asian students, respectively. Regionally, the slight disparities found in Morgan Hill are magnified, with White and Asian or Pacific Islander students having significantly greater access to proficient schools than Native American, Hispanic and Black students.

ii. Describe how the disparities in access to proficient schools relate to residential living patterns in the jurisdiction and region.

Map 1: School Proficiency, Morgan Hill



Within Morgan Hill, there is some disparity between access to proficient schools relative to the concentration of Hispanic, Asian American, Black, and Native American residents. The portion of the city with the greatest access to proficient schools are in the eastern part of the city, which has a higher rate of White residents. Hispanic and Asian residents are more likely to live in other portions of the city with access to less proficient schools. There does not appear to be a relationship between access to proficient schools and familial status in Morgan Hill.

Regionally, disparities in access to proficient schools and race, ethnicity, and national origin are closely linked though, again, familial status does not appear to be correlated with access to proficient schools. The areas with the least access to proficient schools are concentrated in Downtown and East San José, including areas with concentrations of Hispanic residents as well as residents of Mexican and Vietnamese ancestry.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss programs, policies, or funding mechanisms that affect disparities in access to proficient schools.

In addition to the data discussed above, one key observation about disparities in access to proficient schools is that school districts in the broader region are highly fragmented. Not only does each city within Santa Clara County generally have its own school district, but many cities

are part of multiple school districts. This fragmentation hampers efforts to promote student mobility from areas with schools facing severe challenges to highly-resourced schools.

Morgan Hill also has a number of private schools for affluent families such as the Oakwood School, which has a tuition of almost \$28,000 per year.

b. Disparities in Access to Opportunity – Employment

i. Describe any disparities in access to jobs and labor markets by protected class groups in the jurisdiction and region.

The Labor Market Engagement Index and the Jobs Proximity Index are used to measure the strength of the labor market and location of available jobs within a location. The Labor Market Engagement Index provides a summary of the relative intensity of labor market engagement and human capital in a neighborhood. The Jobs Proximity Index quantifies a location's accessibility to employment. The indexes scores range from 0-100. A higher score correlates to greater access to employment.

Table 2: Labor Market and Jobs Proximity Indices, Morgan Hill and the Region

Morgan Hill	Labor Market Index	Jobs Proximity Index
Total Population		
White, Non-Hispanic	65.54	39.61
Black, Non-Hispanic	67.44	44.52
Hispanic	63.05	41.69
Asian or Pacific Islander, Non-Hispanic	64.27	44.76
Native American, Non-Hispanic	N/A	N/A
Region		
Total Population		
White, Non-Hispanic	77.72	51.47
Black, Non-Hispanic	66.37	49.26
Hispanic	54.64	40.37

Asian or Pacific Islander, Non-Hispanic	72.36	50.40
Native American, Non-Hispanic	64.12	46.65
Population below federal poverty line		
White, Non-Hispanics	72.46	54.66
Black, Non-Hispanic	61.15	47.46
Hispanic	49.31	41.30
Asian or Pacific Islander, Non-Hispanic	61.63	48.66
Native American, Non-Hispanic	54.76	49.93

In the city of Morgan Hill, Black residents have the highest Labor Market Engagement Index value when compared to other residents across racial/ethnic categories. Black residents experience a Labor Market Engagement Index value of 67.44, followed by White residents at 65.54, Asian or Pacific Islander residents at 64.27. Conversely, Hispanic residents have the lowest Labor Market Engagement Index values at 63.05. However, the range of indices across racial and ethnic categories is quite narrow.

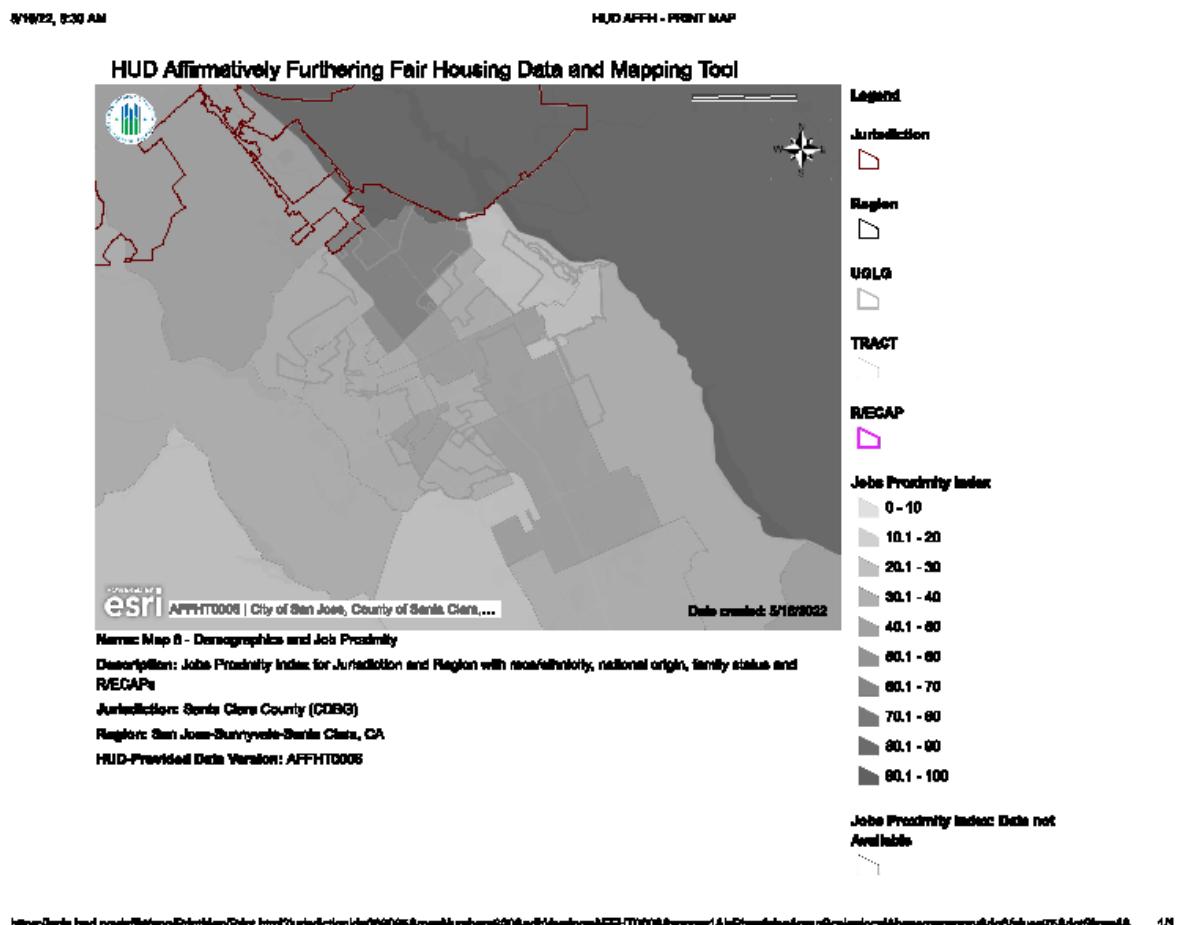
Regionally, White residents have the highest Labor Market Engagement Index value when compared to other residents across racial/ethnic categories, and these disparities are greater regionally than in the City of Morgan Hill. White residents in the San Jose-Sunnyvale-Santa Clara, CA region experience a Labor Market Engagement Index value of 77.72, followed Asian or Pacific Islander residents at 72.36. Hispanic residents have the lowest Labor Market Engagement Index values across racial/ethnic categories in the San Jose-Sunnyvale-Santa Clara, CA region. Further, with the exception of Hispanic residents, non-White racial/ethnic groups have lower Labor Market Engagement Index values across the board when compared to Morgan Hill. Regionally, Hispanic residents experience a Labor Market Engagement Index value of 54.64, followed by Native American residents at 64.12, Black residents at 66.37.

In the city of Morgan Hill, Asian or Pacific Islander have the highest Jobs Proximity Index value at 44.76, followed by Black residents at 44.52 and Hispanic residents at 41.69. White residents have the lowest Jobs Proximity Index value at 39.61.

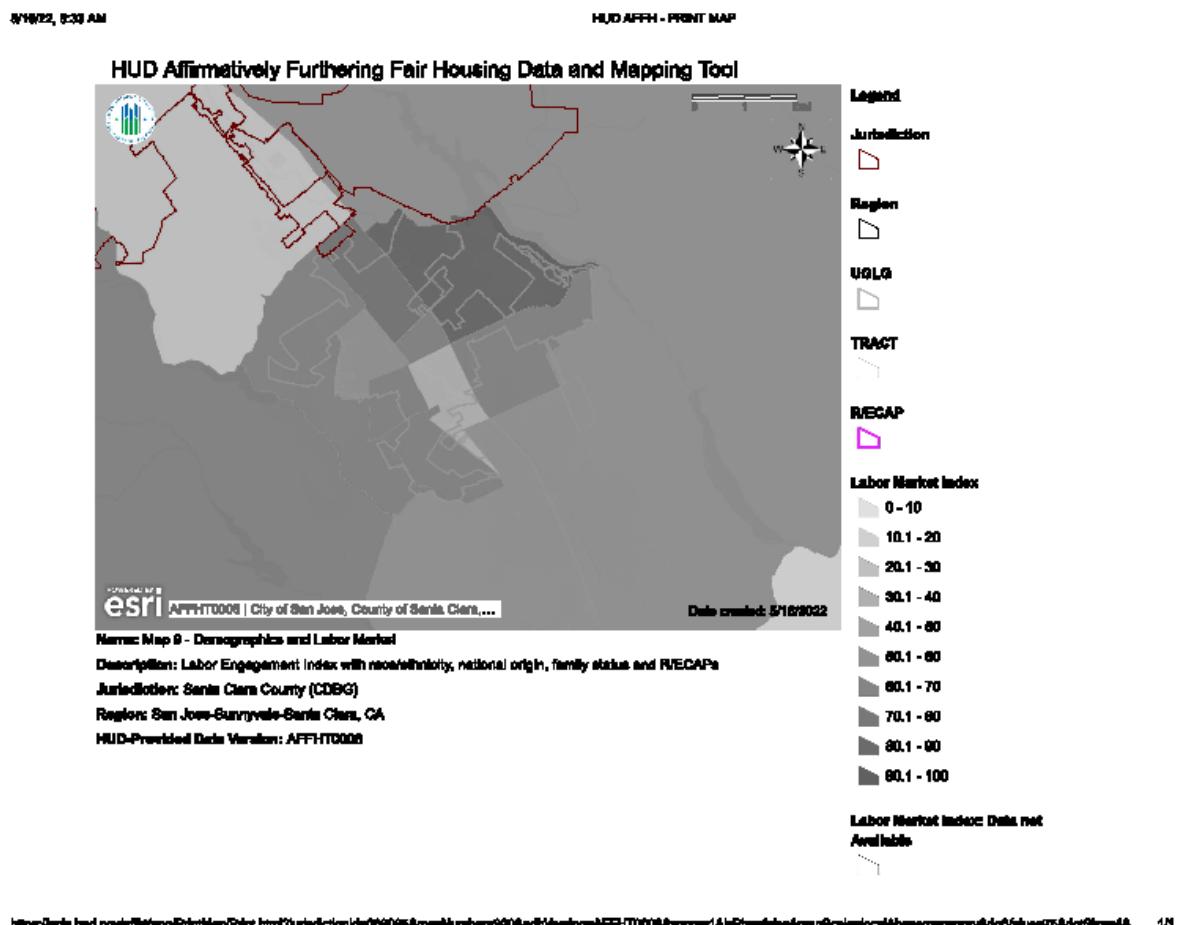
Regionally, all racial/ethnic groups experience higher Job Proximity Index values than the city of Morgan Hill except for Hispanic residents. In the San Jose-Sunnyvale-Santa Clara, CA region, White residents have a Jobs Proximity Index value of 51.47, followed by Asian or Pacific Islander residents at 50.40, Black residents at 49.26, Native American residents at 46.65 and Hispanic residents 40.37. In the City of Morgan, the racial/ethnic groups with the closest proximity to employment experience the highest engagement with the labor market except for White residents.

ii. For the protected class groups HUD has provided data, describe how disparities in access to employment relate to residential living patterns in the jurisdiction and region.

Map 2: Jobs Proximity, Morgan Hill

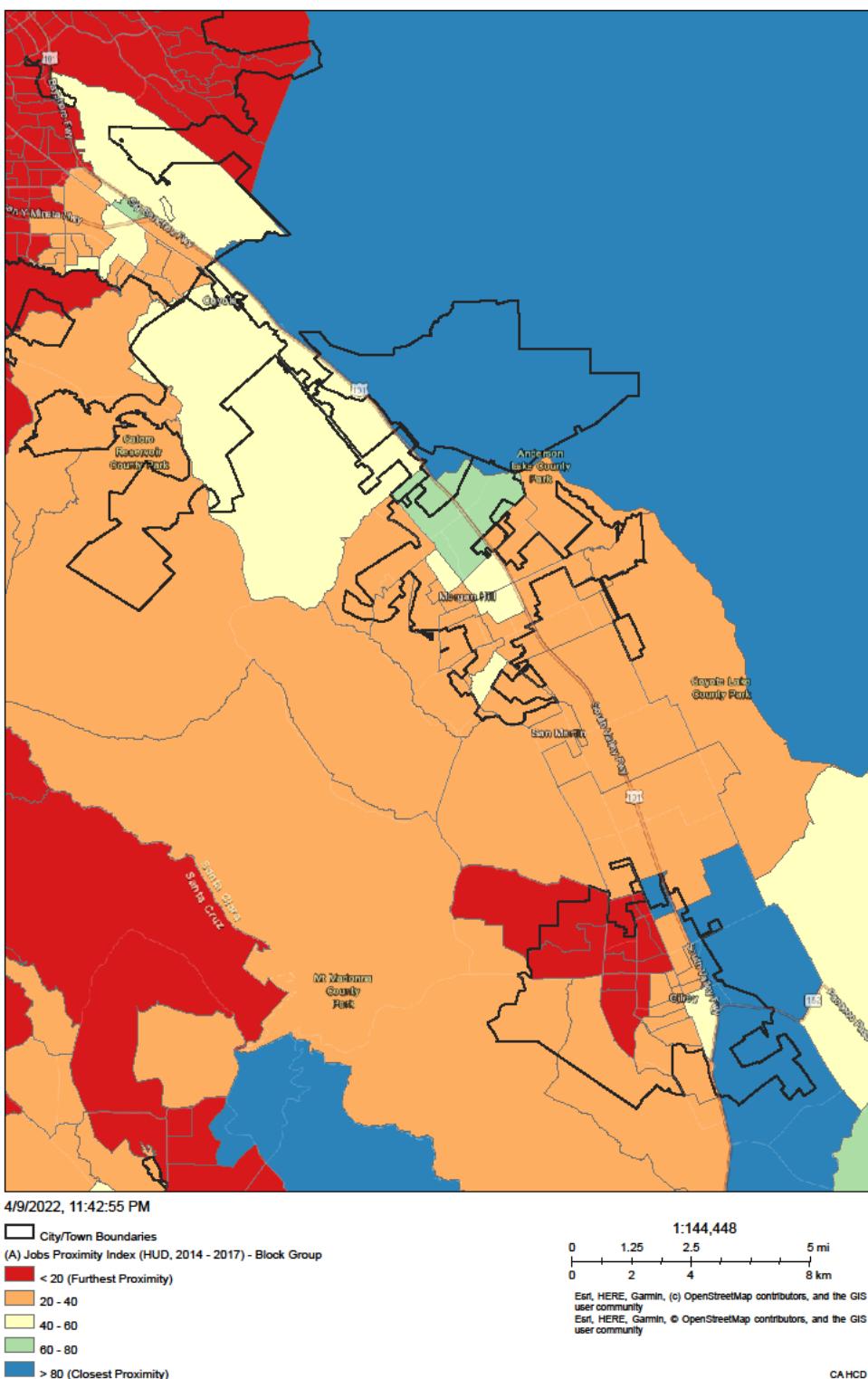


Map 3: Labor Market, Morgan Hill

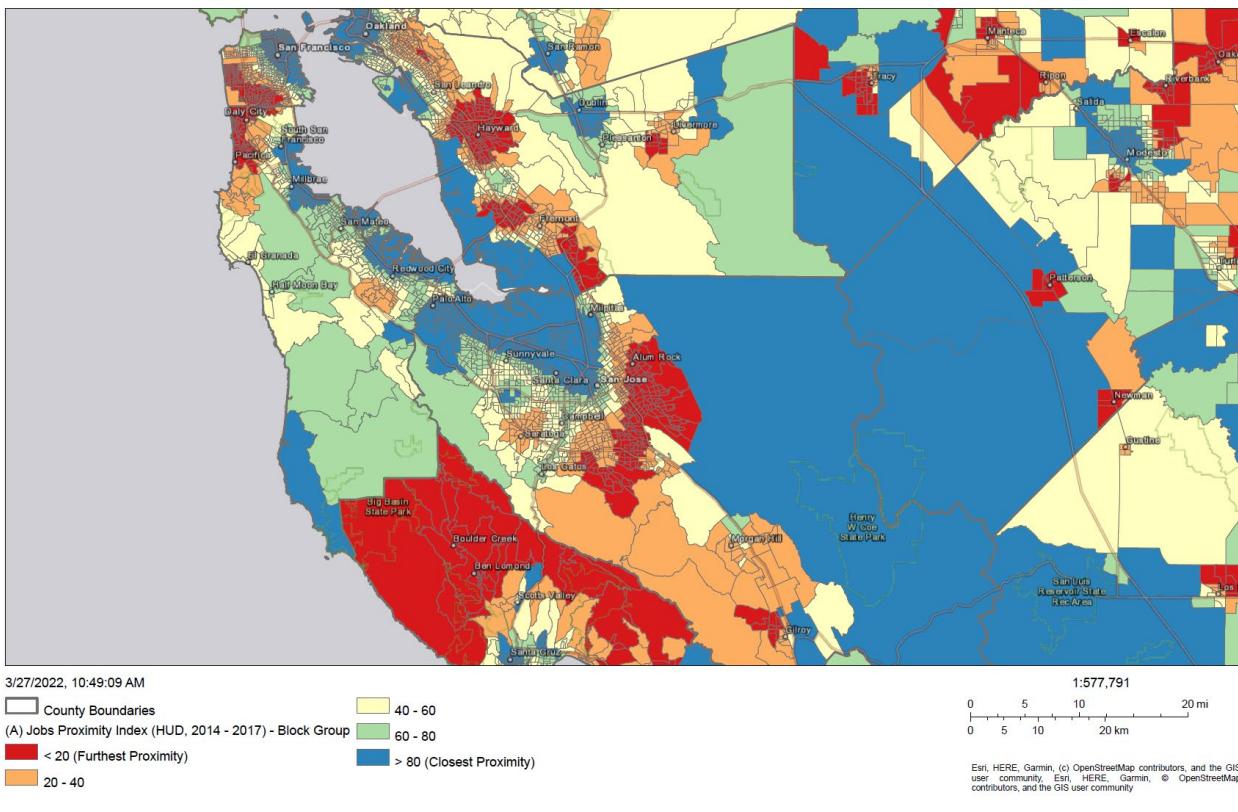


Map 4: Jobs Proximity Index, Morgan Hill

AFFH Analysis



Map 5: Job Proximity Index, Region



In Morgan Hill, disparities in both job proximity and labor-market engagement are small, and patterns of segregation do not appear to play a significant role in explaining them. Throughout the city there are similar jobs proximity and labor engagement. There is also similar jobs proximity throughout the city, with the northern section having a slightly higher jobs proximity. Regionally, however, the concentration of Hispanic, both in parts of East San José and in South County, which have low jobs proximity, does appear to explain disparities in jobs proximity. Additionally, the concentration of Hispanic residents in similar areas, including in R/ECAPs, partially explains the lack of social capital associated with lower labor market engagement.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to employment.

Although Morgan Hill is home to some employers, it lacks the major employment centers of San Jose and northern Santa Clara County, which are home to major technology companies as well as higher education institutions and more government offices. The location of employers thus results in many Morgan Hill residents having long and costly commutes. According to the 2015-2019 American Community Survey, 22.7% of Morgan Hill workers have commutes of 60 minutes or longer as opposed to just 10.6% of Santa Clara County workers. The costs of these long commutes are more difficult for lower wage workers, who are disproportionately Hispanic, to bear than they are for others.

c. Disparities in Access to Opportunity – Transportation

i. For the protected class groups HUD has provided data, describe any disparities in access to transportation related to costs and access to public transit in the jurisdiction and region.

The Low Transportation Cost Index and Transit Trips Index are used to measure access to transportation within a location. The Low Transportation Cost Index measures access to low-cost transportation services, and the Transit Trips Index measures how often residents take transit trips. The index scores range from 0-100. A higher score correlates to greater transportation access.

Table 3: Transit and Low Transportation Cost Indices, Morgan Hill and the Region

Morgan Hill	Transit Index	Low Transportation Cost Index
Total Population		
White, Non-Hispanic	56.81	89.24
Black, Non-Hispanic	56.44	89.86
Hispanic	57.13	90.14
Asian or Pacific Islander, Non-Hispanic	56.82	89.39
Native American, Non-Hispanic	N/A	N/A
Region		
Total Population		
White, Non-Hispanic	75.69	93.05
Black, Non-Hispanic	79.03	94.25
Hispanic	76.70	93.43
Asian or Pacific Islander, Non-Hispanic	78.43	93.54

Native American, Non-Hispanic	76.14	93.31
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In Morgan Hill, there is not much variance between Transit Trip Index values among racial/ethnic groups. Hispanic residents have the highest Transit Index value at 57.13, followed closely by Asian or Pacific Islander residents at 56.82, White residents at 56.81, and Black residents at 56.44. There is less than one point on the Transit Trip Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transit trips among those groups.

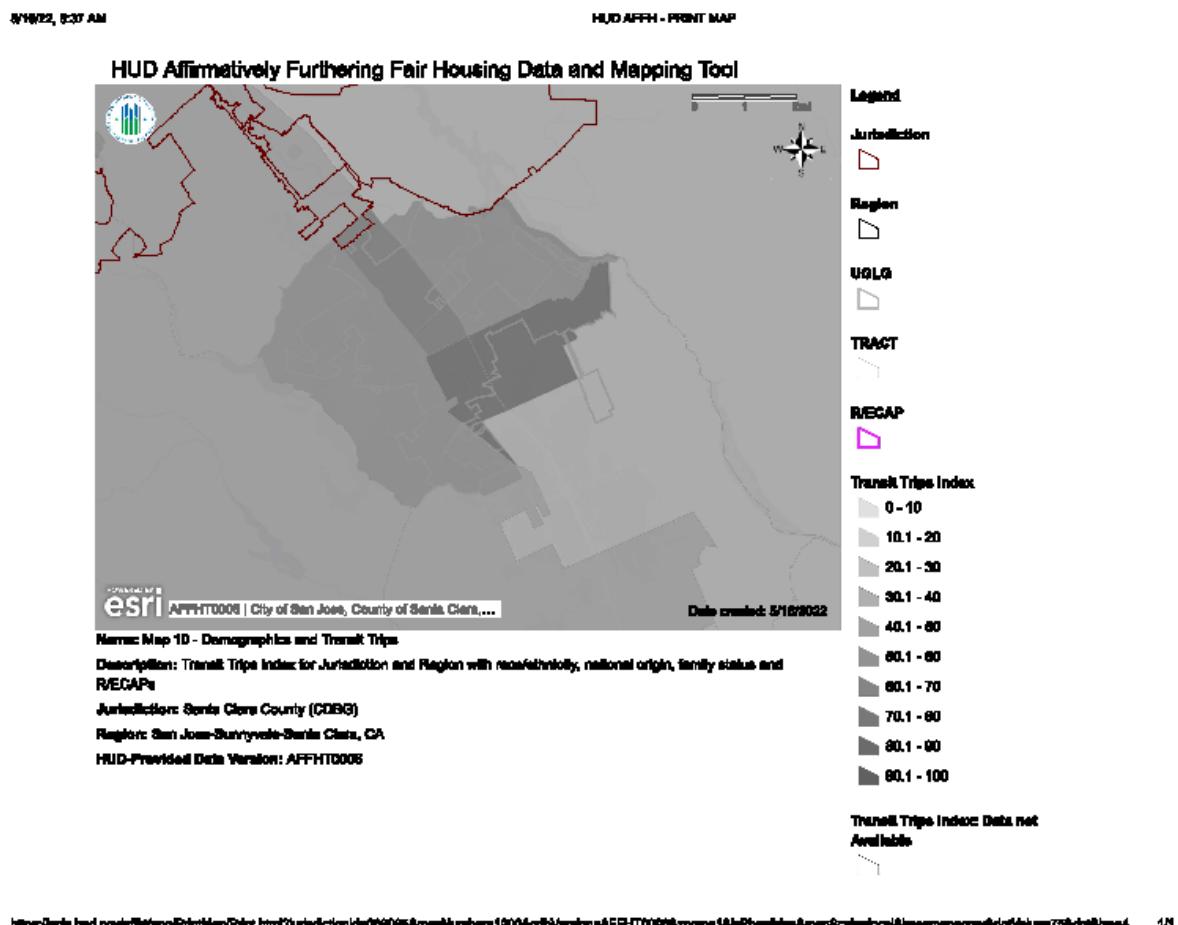
Similarly, in Morgan Hill there is not much variance between Low Transportation Cost Index values among racial/ethnic groups. Hispanic residents have the highest Low Transportation Cost Index value at 90.14, closely followed by Black residents at 89.86, Asian or Pacific Islander residents at 89.39, and White residents at 89.24. There is less than one point on the Low Transportation Cost Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transportation costs among those groups.

Regionally, in the San Jose-Sunnyvale-Santa Clara, CA region there is not much variance between Transit Trip Index values among racial/ethnic groups. Black residents have the highest Transit Trip Index value at 79.03, followed by Asian or Pacific Islanders at 78.43, Hispanic residents at 76.70, Native American residents at 76.14, and White residents at 75.69.

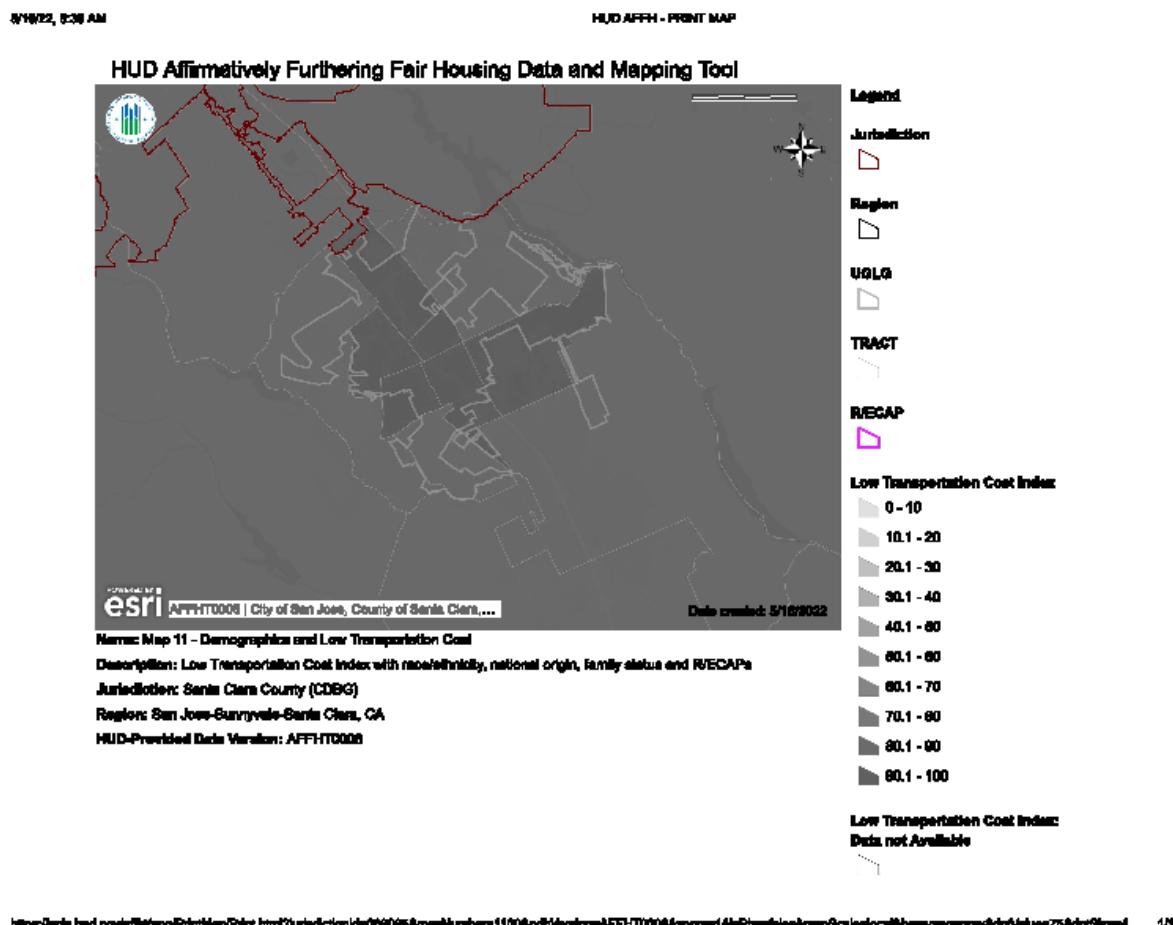
Similarly, Low Transportation Cost Index values are also consistent among racial/ethnic groups. Black residents have the highest Low Transportation Cost Index value at 94.25, followed by Asian or Pacific Islanders 93.54, Hispanic residents at 93.51, and Native American residents at 93.31, Asian or Pacific Islanders 93.22 and White residents at 93.05. There is approximately one point on the Low Transportation Cost Index separating the highest and lowest racial/ethnic groups which speaks to the consistency of transportation costs among those groups. These regional values are also all within 5 points of their respective Morgan Hill values, which at least superficially highlights the consistency in transportation cost among the city of Morgan Hill and the surrounding region.

ii. For the protected class groups HUD has provided data, describe how disparities in access to transportation related to residential living patterns in the jurisdiction and region.

Map 6: Transit Trips, Morgan Hill



Map 7: Low Transportation Cost, Morgan Hill



As discussed above, there do not appear to be significant disparities in transit access based on race and ethnicity in either Morgan Hill or the broader region. Therefore, patterns of segregation do not appear to be fueling disparities, which are not present. With that said, some of the highest resource communities in the region – like those in the West Valley – have extremely limited transit access. Although this does not fuel disparities in access to transit among groups that are less likely to be able to live in these cities, their lack of transit may fuel exclusion by, for instance, decreasing the viability of mixed-income transit-oriented development that would help diversify communities.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to transportation.

Public transportation is extremely limited in Morgan Hill. Caltrain¹ and VTA² offer regional service between Morgan Hill and San Jose, but that service is relatively infrequent. Additionally, Caltrain fares are unaffordable for some low-income commuters. VTA also operates local bus service in Morgan Hill, but that service also suffers from geographic coverage gaps in the eastern part of the city and long headways.³

d. Disparities in Access to Opportunity – Access to Low Poverty Neighborhoods

i. For the protected class groups HUD has provided data, describe any disparities in access to low poverty neighborhoods in the jurisdiction and region.

Table 4: Low Poverty Index, Morgan Hill and the Region

Morgan Hill	Low Poverty Index
Total Population	
White, Non-Hispanic	67.46
Black, Non-Hispanic	61.99
Hispanic	62.56
Asian or Pacific Islander, Non-Hispanic	67.12
Native American, Non-Hispanic	N/A
Region	
Total Population	
White, Non-Hispanic	75.89
Black, Non-Hispanic	64.86
Hispanic	56.33
Asian or Pacific Islander, Non-Hispanic	71.81

¹ <https://www.caltrain.com/stations/systemmap.html>

² <https://www.vta.org/go/routes/68>

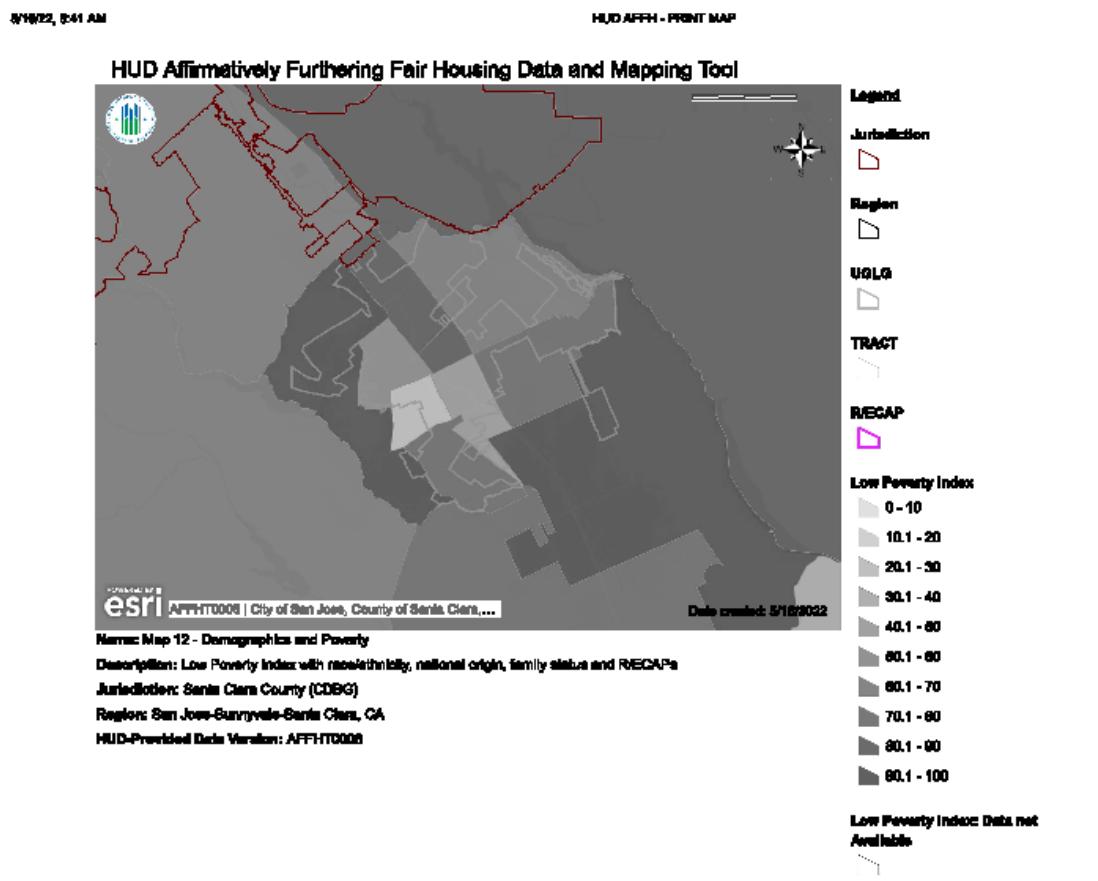
³ <https://www.vta.org/go/routes/87>

Native American, Non-Hispanic	65.04
Population below federal poverty line	
White, Non-Hispanics	69.23
Black, Non-Hispanic	63.00
Hispanic	49.41
Asian or Pacific Islander, Non-Hispanic	62.03
Native American, Non-Hispanic	60.52

In Morgan Hill, there are minimal disparities among protected class groups with respect to access to low poverty neighborhoods, although Hispanic and Black households have slightly less access to low poverty neighborhoods than do other groups. Regionally, disparities are much more pronounced, and Hispanic households, in particular, and Black and Native American households, to a lesser extent, have much lower access to low poverty neighborhoods than do White and Asian or Pacific Islander households.

ii. For the protected class groups HUD has provided data, describe how disparities in access to low poverty neighborhoods relate to residential living patterns of those groups in the jurisdiction and region.

Map 8, Low Poverty Neighborhoods, Morgan Hill



In Morgan Hill, Census Tract 5123.13 has a Low Poverty Indices of 28, the lowest in the city. In that census tract, Hispanics residents comprise over sixty percent of residents, which is considerably higher than the rest of the city. The predominant national origin in that census tract is Mexican-American. There are two census tracts with a high Low Poverty Indices. One tract, 5123.10, is located on the east side of the City adjacent to the lowest poverty tract and has a White population of almost seventy percent. The other census tract with a high Low Poverty Indices is located in a majority-White unincorporated area to the south of the city. Regionally, the association between areas with limited access to low poverty neighborhoods and disproportionately Hispanic areas is even stronger, and areas with more concentrated population of Vietnamese national origin also have somewhat lower levels of access to low poverty neighborhoods. Families with children do not appear to be cut off from access to low poverty neighborhoods, whether in Morgan Hill or the broader region.

iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to low poverty neighborhoods.

As indicated within Appendix H-1 Housing Needs Assessment, the housing stock of Morgan Hill is made up of 76.7% single family homes, 15.3% multi-family homes and 8% mobile homes with the largest proportion of the housing stock being built from 1960 to 1999, with over 10,000 units constructed during this period. The community's concern of the amount and pace of residential growth and its impacts on city services and infrastructure sparked the voters to adopt the Residential Development Control System (RDCS), a smart growth residential pacing policy, in 1977. For 40 years, RDCS worked as a "de facto" Inclusionary Housing Ordinance, incentivizing the creation of high-quality, affordable housing throughout the city. Through RDCS, Morgan Hill has been able to obtain a significant amount of affordable housing, primarily below market rate for-sale single-family housing. Historically the City has built a model Program with one in every eight units being affordable and income restricted. In 2018 RDCS was suspended with the enactment of Senate Bill 330 ("SB 330") which went into law, effective as of January 1, 2020. Through the community participation process, there were several themes that were common among community-based organizations and individuals, the top two themes were: (1) provide a range of housing opportunities affordable to Morgan Hill workforce; and (2) promote extremely low-income housing. Although many community-based organizations commended the City on the amount of affordable housing the City produces, these organizations indicated the need for more affordable rental housing, particularly for extremely low-income households.

Morgan Hill has both local bus service and connections to San Jose through VTA bus lines, but local service is limited, both in terms of areas served and frequency, and hours of service. The City does not have control over VTA's bus network. Although Morgan Hill has a Caltrain Station within downtown, the station is only served during weekday peak hours, with three northbound trains in the morning and three southbound trains in the evening. In addition, bus service is also limited within Morgan Hill, with only one line, bus Route 68, that has 15-minute headways, which runs along Monterey Road, from Gilroy to San Jose. Due to the limited public transit in Morgan Hill, the usage of personal automobiles is heavily relied on. Advocates and stakeholders reported that the VTA's bus network is spread too thin and has too few buses and/or wait times between buses to efficiently and effectively meet people's needs. In turn, those problems reduce ridership, resulting in decreased fare revenue and a justification for cutting service further.

Efforts by Morgan Hill to foster the development of affordable housing for families are likely to reduce disparities in access to low poverty neighborhoods. The city is fairly well integrated and has developed numerous affordable housing units. The limited public transportation options and lack of local job centers present limitations in truly increasing opportunities for all.

e. Disparities in Access to Opportunity – Access to Environmentally Healthy Neighborhoods

i. For the protected class groups for which HUD has provided data, describe any disparities in access to environmentally healthy neighborhoods in the jurisdiction and region.

Table 5: Environmental Health Index, Morgan Hill and the Region

Morgan Hill	Environmental Health Index

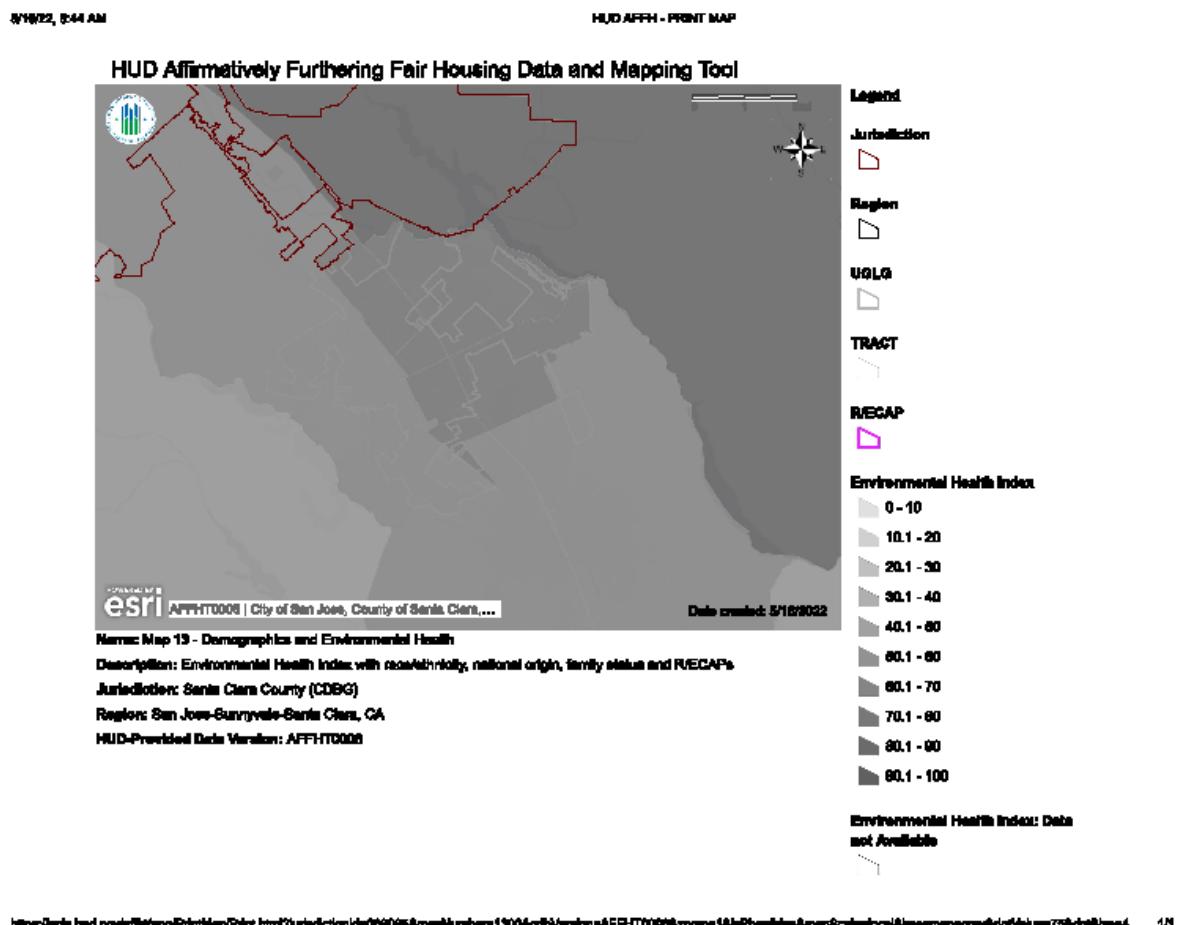
Total Population	
White, Non-Hispanic	62.46
Black, Non-Hispanic	63.08
Hispanic	61.90
Asian or Pacific Islander, Non-Hispanic	62.16
Native American, Non-Hispanic	N/A
Region	
Total Population	
White, Non-Hispanic	46.93
Black, Non-Hispanic	41.34
Hispanic	42.87
Asian or Pacific Islander, Non-Hispanic	47.20
Native American, Non-Hispanic	44.16
Population below federal poverty line	
White, Non-Hispanics	44.03
Black, Non-Hispanic	41.98
Hispanic	41.17
Asian or Pacific Islander, Non-Hispanic	43.23
Native American, Non-Hispanic	45.72

In Morgan Hill, any disparities in access to environmentally healthy neighborhoods are practically imperceptible. Regionally, disparities still are not vast, but they are wide enough to signify that

Hispanic and Asian American residents have slightly lower access to environmentally healthy neighborhoods than do White and Asian or Pacific Islander residents. It is also worth noting that the Environmental Health Index is significantly higher in Morgan Hill than it is region-wide. Morgan Hill's 2035 General Plan's Natural Resources and Environment Element lays out numerous strategies for preserving open space, agricultural uses, hillsides, riparian areas, wildlife habitat, and other natural features.

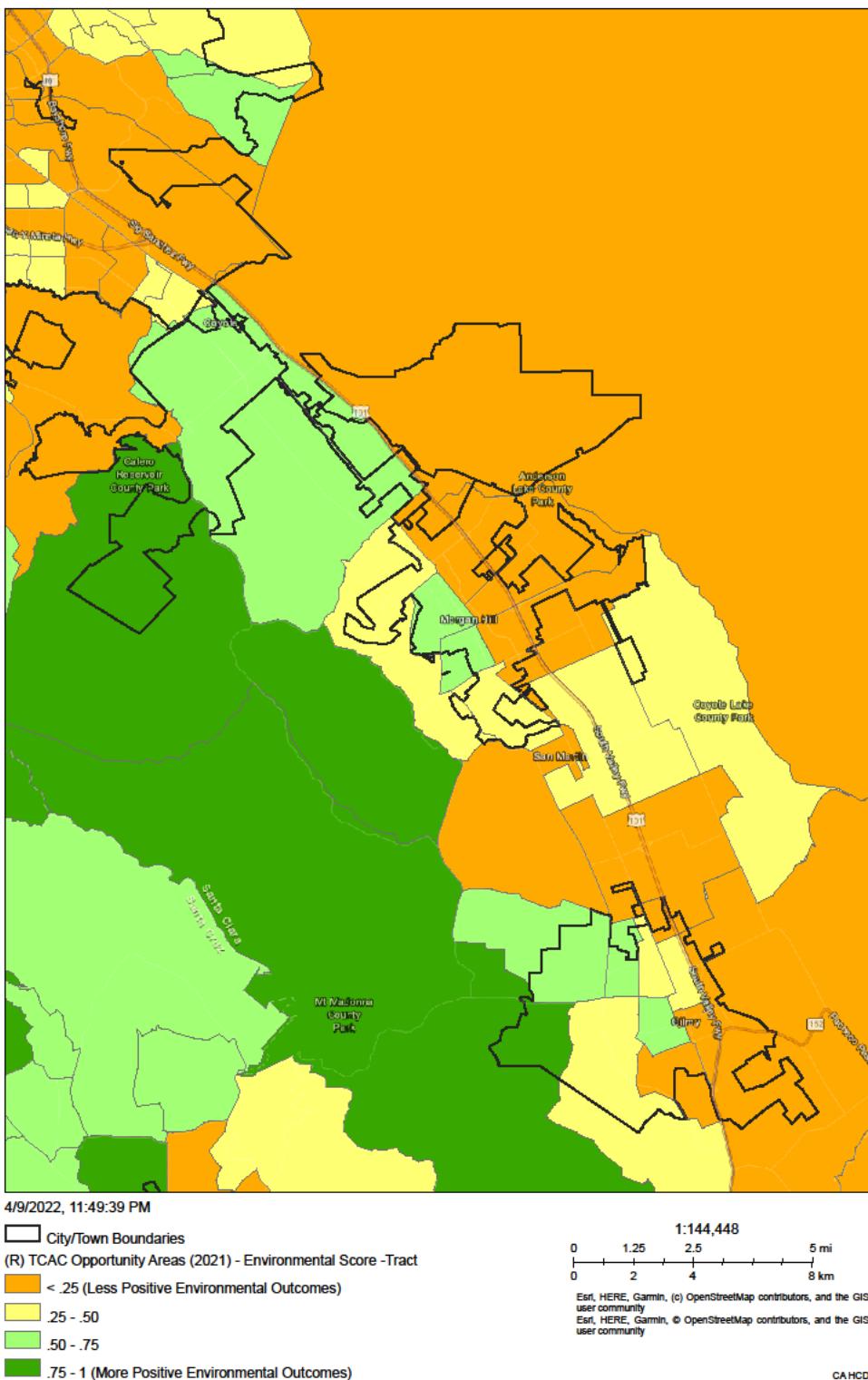
ii. For the protected class groups for which HUD has provided data, describe how disparities in access to environmentally healthy neighborhoods relate to residential living patterns in the jurisdiction and region.

Map 9: Environmental Health, Morgan Hill



Map 10: Environmental Score, Morgan Hill

AFFH Analysis



In Morgan Hill, patterns of segregation do not appear to fuel disparities in access to environmentally healthy neighborhoods as, again, such disparities do not exist. There is minimal racial and ethnic segregation in Morgan Hill. In the region, by contrast, patterns of segregation of Hispanic residents in San José, in particular, do appear to contribute to disparities in access to environmentally healthy neighborhoods.

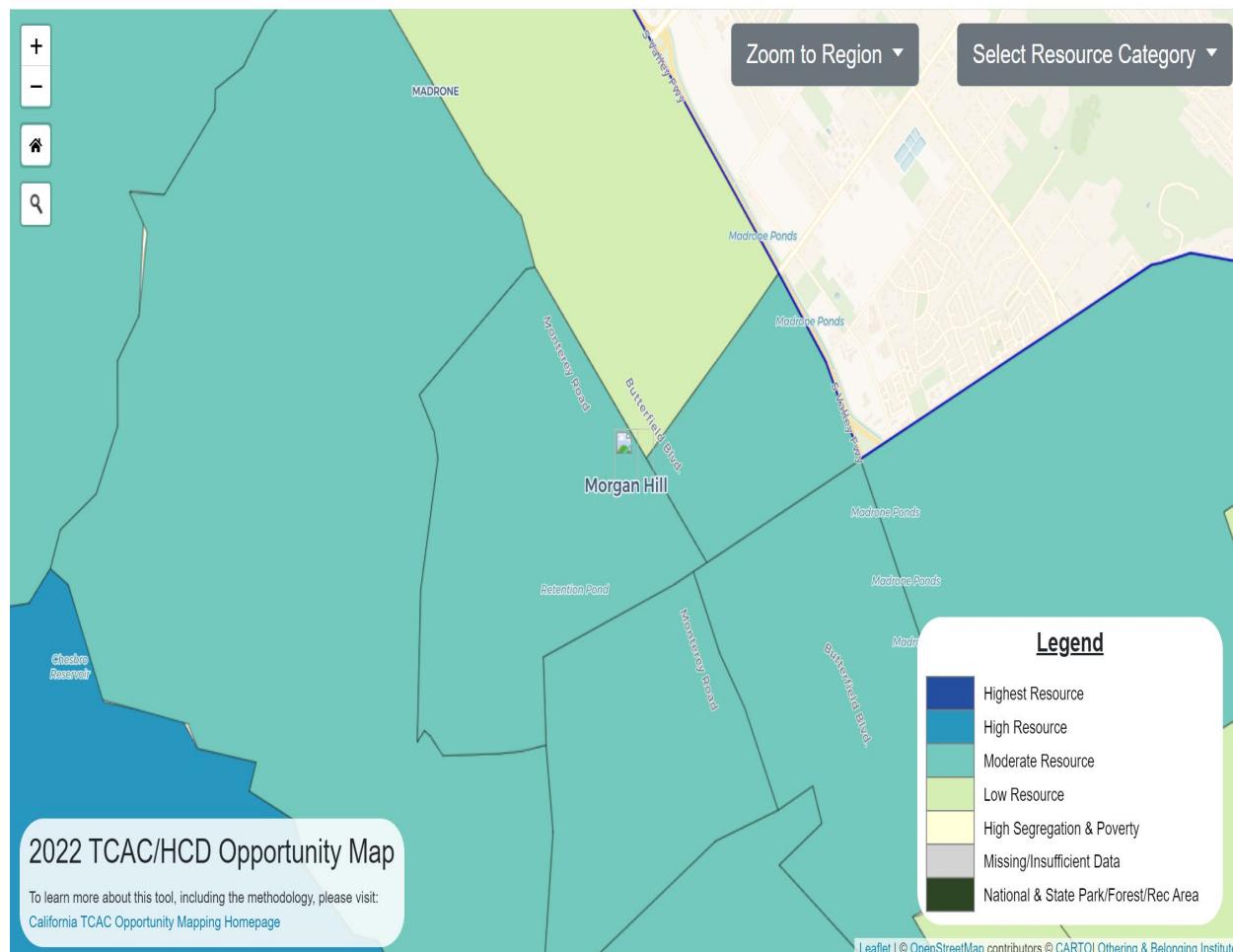
iii. Informed by community participation, any consultation with other relevant government agencies, and the participant's own local data and local knowledge, discuss whether there are programs, policies, or funding mechanisms that affect disparities in access to environmentally healthy neighborhoods.

In Morgan Hill, highways and vehicle emissions are by far the most significant driver of poor environmental health. There are ongoing efforts to reduce vehicle trips through transit expansion – including the Morgan Hill Transit Center, which currently consists of VTA rail service and VTA bus service. Consistent with State Law, the city adopted a Morgan Hill Community-Based Transportation Plan (CBTP) to improve transit access and reduce car emissions and is implementing SB 743 on a project-by-project basis.

f. Disparities in Access to Opportunity – Patterns in Disparities in Access to Opportunity

i. For the protected class groups for which HUD has provided data, identify and discuss any overarching patterns of access to exposure to adverse community factors. Include how these patterns compare to patterns of segregation, integration, and R/ECAPs. Describe these patterns for the jurisdiction and region.

Map 11, TCAC Opportunity Areas, Morgan Hill



Overall, in Morgan Hill, most areas of the city generally have high access to opportunity and limited exposure to adverse community factors, but there are some nuances within the city. The California Tax Credit Allocation Committee's 2022 map of Opportunity Areas rates all residentially developed portions of Morgan Hill as Moderate or Low Resource. The north portion of the city is considered low resource while the rest of the city is considered moderate resource. This is likely due to the lack of good transportation and limited access to local jobs.

Many of these trends are replicated regionally. With some notable exceptions, such as jobs-rich Cupertino, areas with greater transit and job access tend to be those with worse environmental health. Additionally, areas with less transit and job access tend to be those with greater access to proficient schools and low poverty neighborhoods. This mirrors patterns of segregation and R/ECAPs in the region. R/ECAPs, which tend to be disproportionately Hispanic, generally have higher access to transportation and higher job proximity (which does not necessarily mean that neighborhood residents are able to secure those jobs) and less access to proficient schools, environmentally healthy neighborhoods, and low poverty neighborhoods.

ii. Based on the opportunity indicators assessed above, identify areas that experience (A) high access; and (b) low access across multiple indicators.

In Morgan Hill, disparities between neighborhoods are generally slight with respect to most indicators except for the Low Poverty Index and the School Proficiency Index. With respect to those two indices, downtown Morgan Hill has less access to opportunity than other parts of the city, and eastern Morgan Hill has more access. Regionally, job proximity and transit access are greatest in the northern part of Santa Clara County though access is lower in the West Valley than it is in the cities of Santa Clara, Sunnyvale, Mountain View, and Palo Alto. Access to proficient school and low poverty neighborhoods is highest in the West Valley as well as in the parts of larger North County cities that are further south and west of U.S. Route 101. South County generally has higher access to environmentally healthy neighborhoods.

Contributing Factors of Disparities in Access to Opportunity

Please see the Appendix for the following Contributing Factors to Disparities in Access to Opportunity:

- Access to financial services
- Availability, type, frequency, and reliability of public transportation
- Impediments to mobility
- Lack of access to opportunity due to high housing costs
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination
- Location and type of affordable housing
- Location of employers
- Location of environmental health hazards
- Location of proficient schools and school assignment policies
- Loss of affordable housing
- Occupancy codes and restrictions
- Private discrimination
- Source of income discrimination

iv. Disproportionate Housing Needs

1.a Which groups (by race/ethnicity and family status) experience higher rates of housing cost burden, overcrowding, or substandard housing when compared to other groups? Which groups also experience higher rates of severe housing burdens when compared to other groups?

As shown in the tables below, a slightly greater percent of households in Morgan Hill experience housing problems than in the region generally. White and Asian American Households in Morgan Hill, but not Hispanic or Black households, are less likely to experience housing problems than in the region as a whole. However, almost one-half of Hispanic households in Morgan Hill experience housing problems.

Non-family households and larger families, comprised of five or more people in a household, also experience high rates of housing problems (54.7% and 45.7% respectively) in comparison to smaller family households.

Table 1: Demographics of Households with Disproportionate Housing Needs. Morgan Hill and the Region

Disproportionate Housing Needs	Morgan Hill			Region		
	# with problems	total # households	% with problems	# with problems	total # households	% with problems
Households experiencing any of 4 housing problems						
Total	5,565	14,670	37.9%	234,515	653,265	35.9%
White, Non-Hispanic	2,935	8,785	33.4%	79,900	270,985	29.5%
Black, Non-Hispanic	145	355	40.8%	7,345	15,835	46.4%
Hispanic	1,695	3,515	48.2%	69,000	128,450	53.7%
Asian or Pacific Islander, Non-Hispanic	600	1,645	36.5%	71,917	220,540	32.6%
Family households, <5 people	2,945	9,585	30.7%	90,400	350,225	25.8%
Family households, 5+ people	860	1,880	45.7%	28,475	64,170	44.4%
Non-family households	1,750	3,200	54.7%	31,315	127,410	24.6%

Households experiencing any of 4 Severe Housing Problems	# with severe problems	total # households	% with severe problems	# with severe problems	total # households	% with severe problems
Total	2,775	14,670	18.9%	148,550	653,265	22.7%
White, Non-Hispanic	1,325	8,785	15.1%	44,145	270,985	16.3%
Black, Non-Hispanic	45	355	12.7%	4,690	15,835	29.6%
Hispanic	984	3,515	28.0%	48,175	128,450	37.5%
Asian or Pacific Islander, Non-Hispanic	345	1,645	21.0%	47,952	220,540	21.7%
Note 1: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.						
Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.						
Note 3: Data Sources: CHAS						
Note 4: Refer to the Data Documentation for details (www.hudexchange.info/resource/4848/affh-data-documentation).						

The disparities in severe housing problems across races show that 28% of Hispanic households and 21% of Asian American households in Morgan Hill experience severe housing problems. Over 15% of White households and over twelve percent of Black households experience severe housing problems.

Table 2: Demographics of Households with Severe Housing Cost Burden

Households with Severe Housing Cost Burden	Morgan Hill			Region		
	Race/Ethnicity	# with severe cost burden	# households	% with severe cost burden	# with severe cost burden	# households
Total	2,145	14,670	14.6%	43,535	653,265	6.7%
White, Non-Hispanic	1,165	8,785	13.3%	20,070	270,985	7.4%

Black, Non-Hispanic	45	355	12.7%	770	15,835	4.9%
Hispanic	620	3,515	17.6%	8,460	128,450	6.6%
Asian or Pacific Islander, Non-Hispanic	250	1,645	15.2%	13,365	220,540	6.1%
Household Type and Size						
Family households, <5 people	1,030	9,680	10.6%	53,045	350,225	15.1%
Family households, 5+ people	284	1,785	15.9%	9,025	64,170	14.1%
Non-family households	828	3,199	25.9%	42,113	127,410	33.1%
Note 1: Severe housing cost burden is defined as greater than 50% of income.						
Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.						
Note 3: The # households is the denominator for the % with problems, and may differ from the # households for the table on severe housing problems.						
Note 4: Data Sources: CHAS						
Note 5: Refer to the Data Documentation for details (www.hudexchange.info/resource/4848/affh-data-documentation).						

In Morgan Hill, Hispanic households are most likely to experience severe housing cost burden, followed by Asian American families. In fact, all groups in Morgan Hill have higher levels of severe cost burden than the region. Between 12.7% and 17% of households have a high cost burden in Morgan Hill versus a range of 4.9% to 7.4% in the region.

Non-family households in both Morgan Hill and the region are most likely to have a high cost burden. In Morgan Hill, large family households have the second highest percentage of cost burdened households, followed by small family households. In the region, small family households have a slightly higher percentage of severe cost-burdened households, followed by large families.

Table 3: Percentage of Overcrowded Households by Race or Ethnicity, Morgan Hill

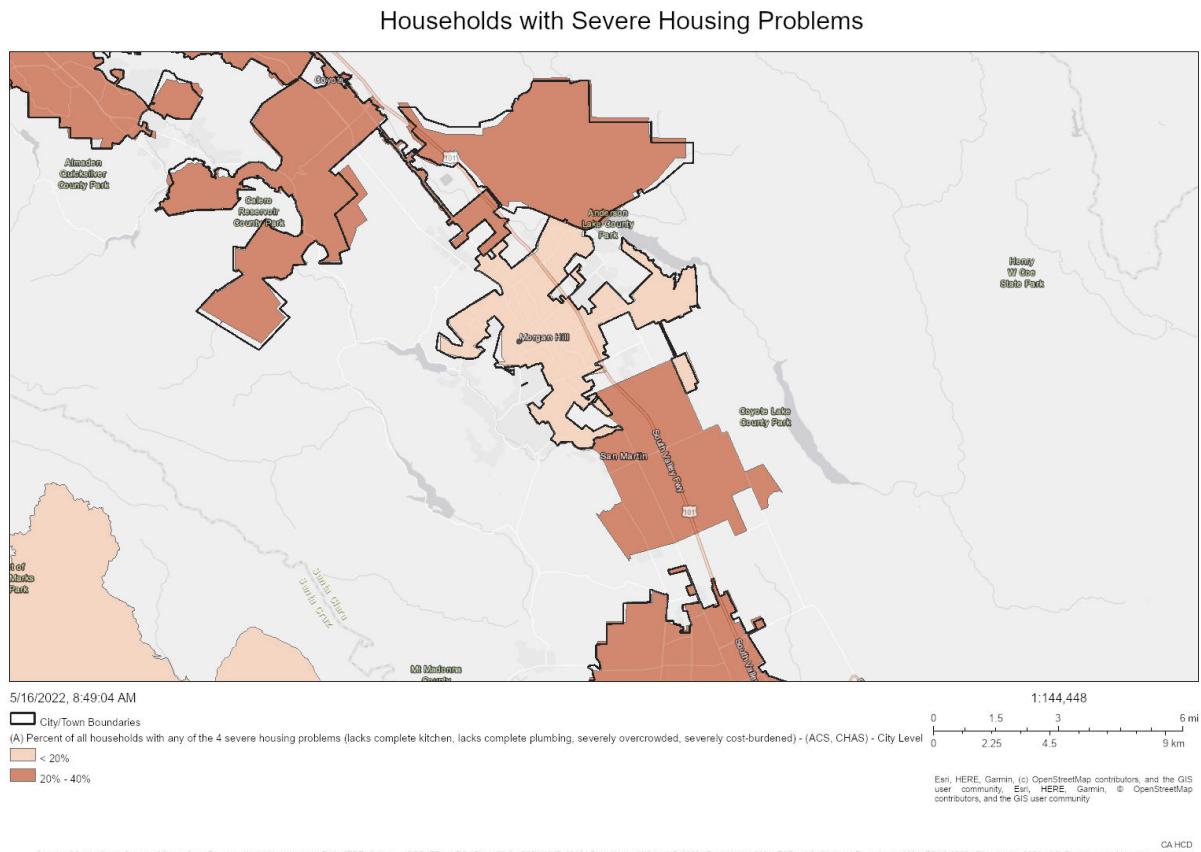
	Non-Hispanic White Households	Black Households	Asian American or Pacific Islander Households	Hispanic Households
Morgan Hill	1.7%	0%	5.3%	13.9%

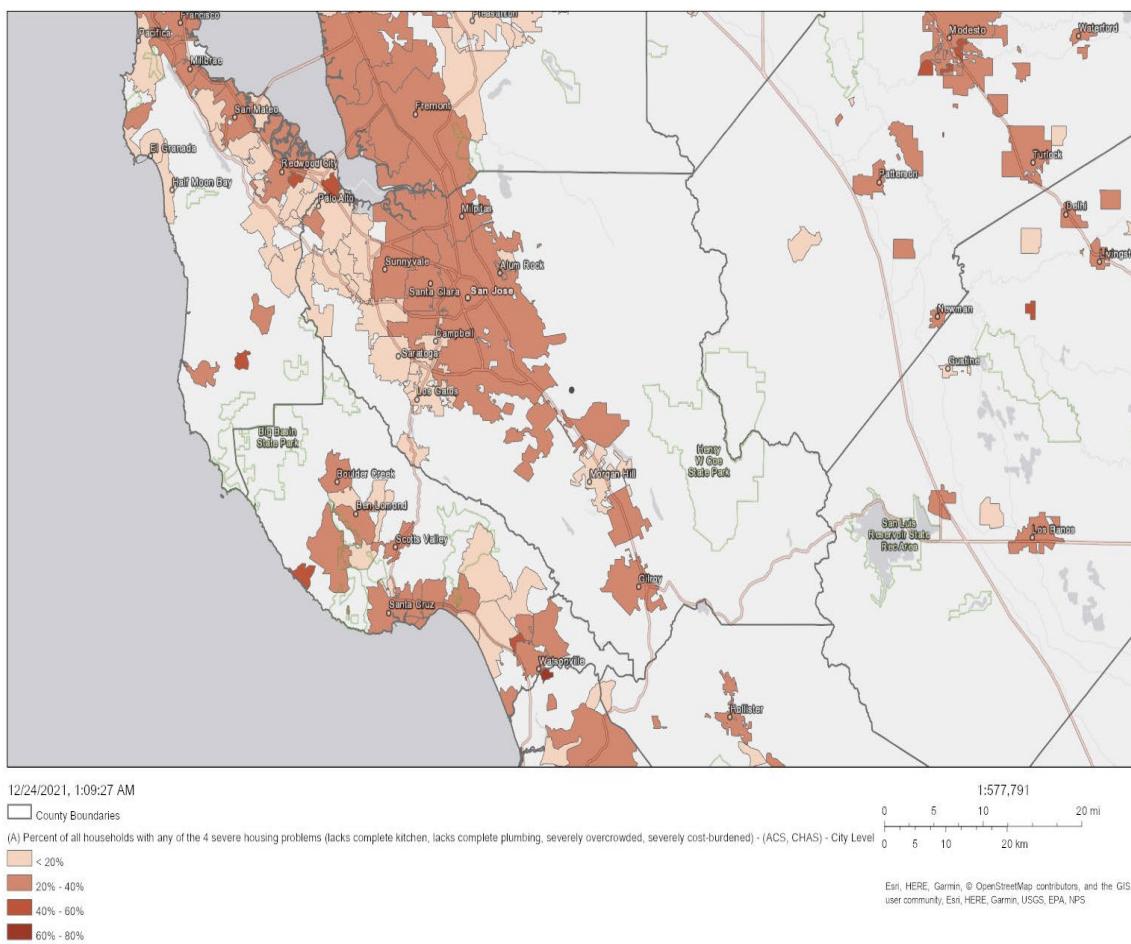
Region	2.6%	7.3%	8.4%	17.1%
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In addition to the data provided by HUD above, the American Community Survey also provides data detailing the numbers of households subject to overcrowding or incomplete plumbing and kitchen facilities. 13.9% Hispanic households experience overcrowding, followed by 5.3% of Asian American households. In the region, Hispanic and Asian Americans are also most likely to experience overcrowding. Overcrowding is not a common issue for White or Black households in Morgan Hill.

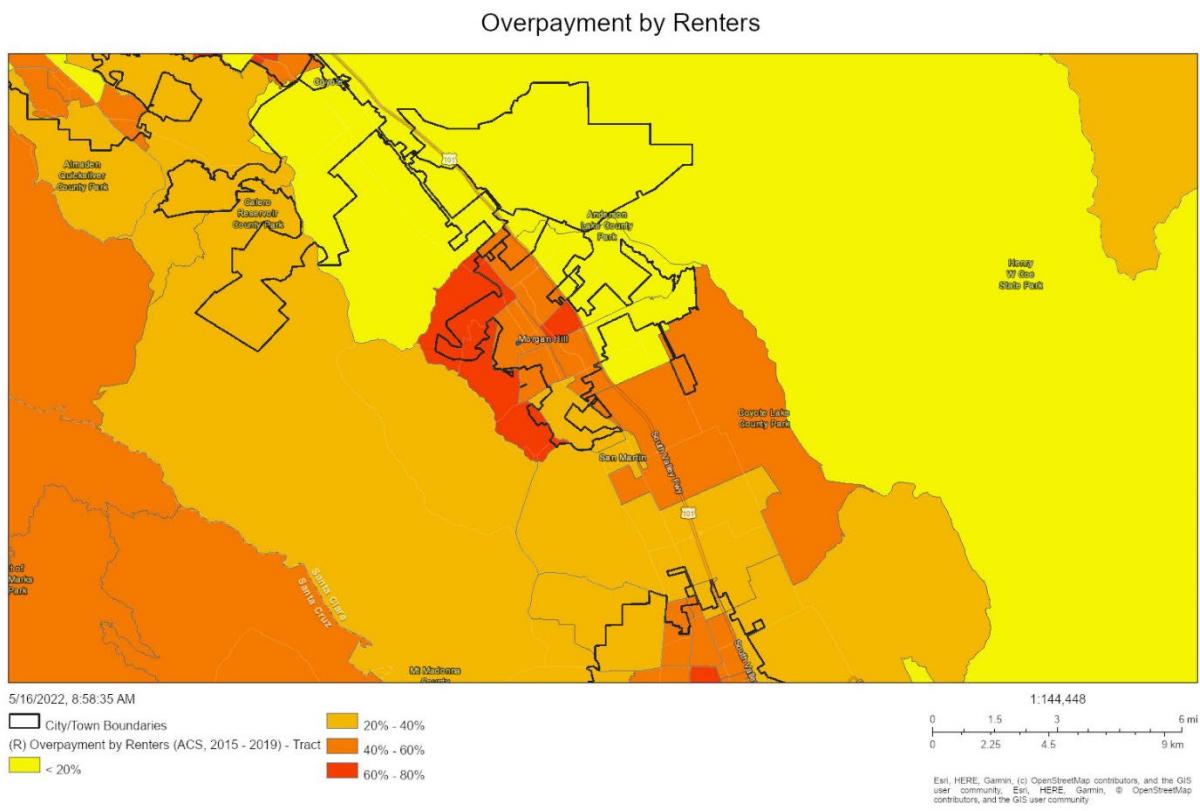
1.b. Which areas in the jurisdiction and Region experience the greatest housing burdens? Which of these areas align with segregated areas, integrated areas, or R/ECAPs and what are the predominant race/ethnicity or national origin groups in such areas?

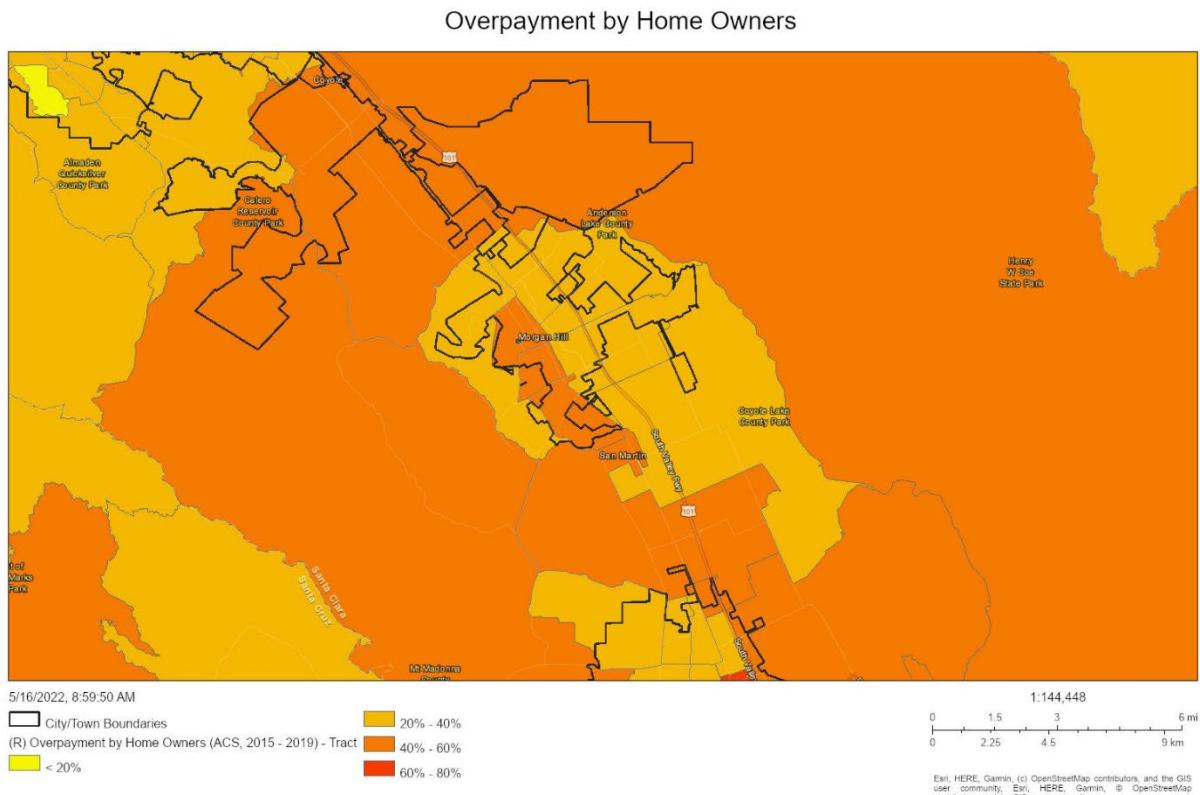
Map 1: Percent of Households with Any of the Four Housing Problems, Morgan Hill



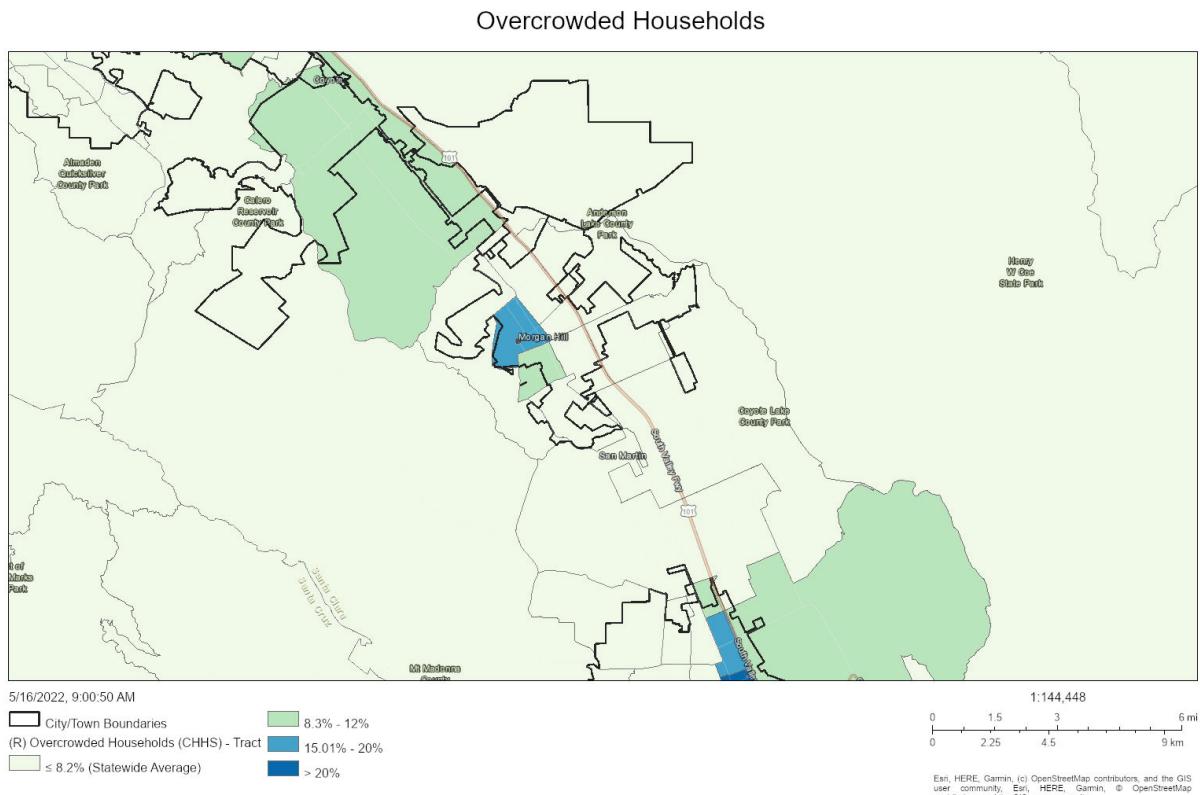
Map 2: Percent of Households with Any of the Four Housing Problems, Region

Map 3: Overpayment by Renters, Morgan Hill



Map 4: Overpayment by Home Owners, Morgan Hill

Map 5: Overcrowded Households, Morgan Hill



In Morgan Hill, there are higher concentrations of households with housing problems in the downtown area of the city, including in areas that are more heavily Hispanic and Asian American than the city as a whole. Regionally, the highest concentrations of households with housing problems are found in Downtown and East San José, both areas with more heavily Hispanic populations than the region as a whole.

1.c. Compare the needs of families with children for housing units with two, and three or more bedrooms with the available existing housing stock in each category of publicly supported housing for the jurisdiction and region.

Table 4: Publicly Supported Housing by Program Category: Units by Number of Bedrooms and Number of Children, Morgan Hill

	Households in 0-1 Bedroom Units	Households in 2 Bedroom Units	Households in 3+ Bedroom Units	Households with Children
Housing Type	%	%	%	%
Public Housing	N/A	N/A	N/A	N/a
Project-Based Section 8	64%	0%	36%	18%
Other Multifamily	N/A	N/A	N/A	N/A
HCV Program	29%	37%	34%	42%

In Morgan Hill, there are more housing opportunities for families with children in the Housing Choice Voucher program than in the Project-Based Section 8 program. There are no public housing or Other Multifamily units in Morgan Hill. Public housing refers to subsidized housing that is operated by the local housing authority under Section 9 of the U.S. Housing Act of 1937. Other Multifamily units refer primarily to HUD-subsidized housing designated for the elderly (Section 202) and people with disabilities (Section 811) but also include some less common programs like the Section 221(d)(4) loan guarantee program.

1.d. Describe the differences in rates of renter and owner-occupied housing by race/ethnicity in the jurisdiction and Region.

Table 5: Housing Tenure by Race, Morgan Hill and the Region

Housing Tenure	Morgan Hill				Region			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	#	%	#	%	#	%	#	%
Total	10,979	73.9%	3,875	26.1%	372,659	56.6%	285,691	43.4%
White, Non-Hispanic	6,993	80.6%	1,681	19.4%	161,091	61.8%	99,462	38.2%
Black	142	46.3%	165	53.7%	5,329	31.2%	11,736	68.8%
Hispanic	1,895	53.3%	1,658	46.7%	48,341	37.6%	80,092	62.4%

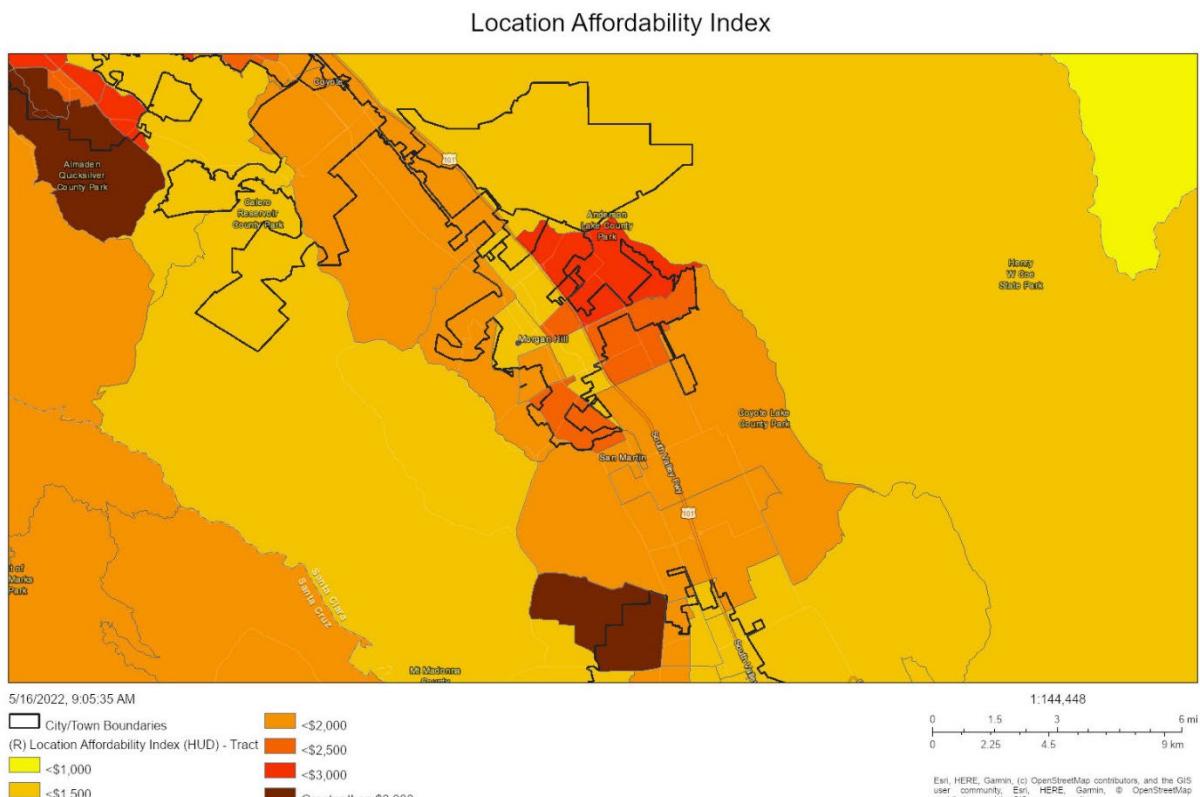
Asian or Pacific Islander	1,644	83.9%	315	16.1%	142,664	60.2%	94,250	39.8%
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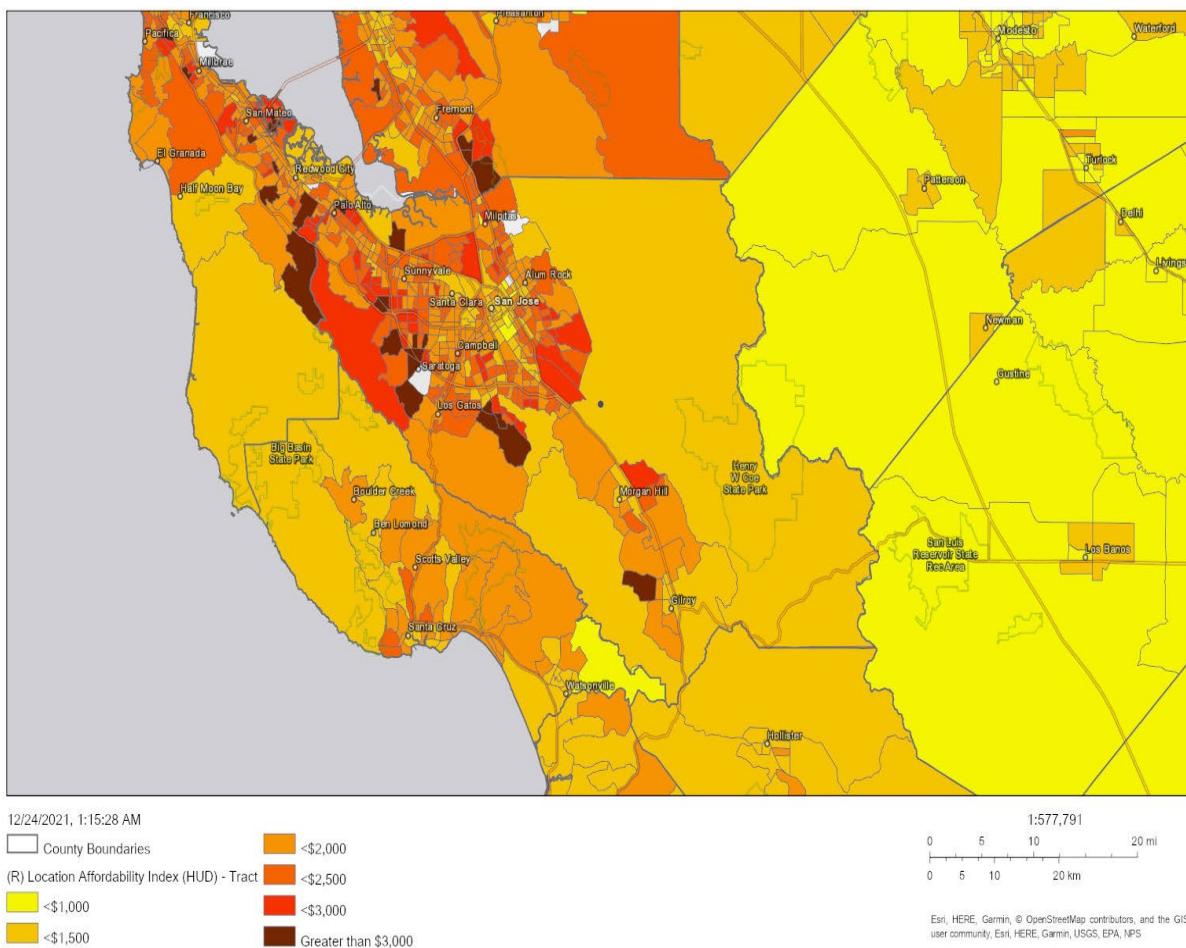
Homeownership rates are generally higher in Morgan Hill than in the region as a whole. Black and Hispanic households are least likely to be homeowners than Asian American and White households. This also holds true in the region. In Morgan Hill, almost 84% of Asian American households and over 80% of White households are homeowners. By contrast over 53% of Black households and over 46% of Hispanic households rent rather than own their homes in Morgan Hill, and these percentages are even higher in the region.

Additional Information

2.a. Beyond the HUD-provided data, provide additional relevant information, if any, about disproportionate housing needs in the jurisdiction and Region affecting groups with other protected characteristics.

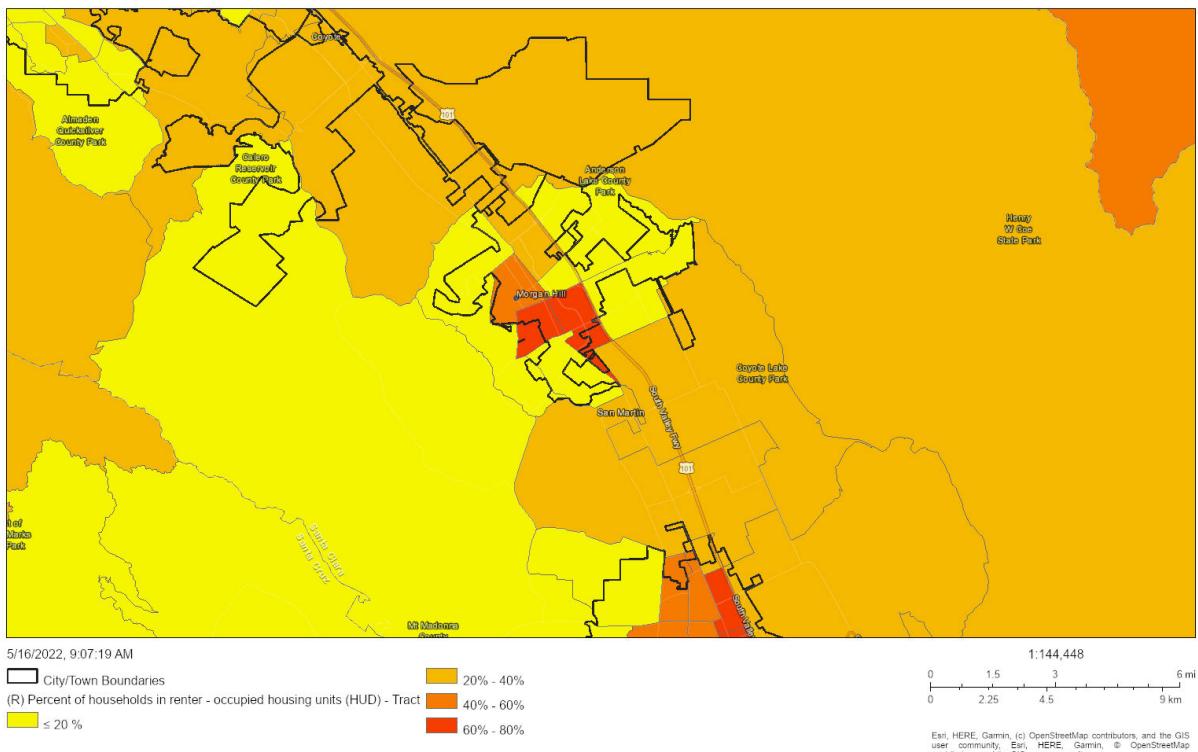
Map 6: Location Affordability, Morgan Hill



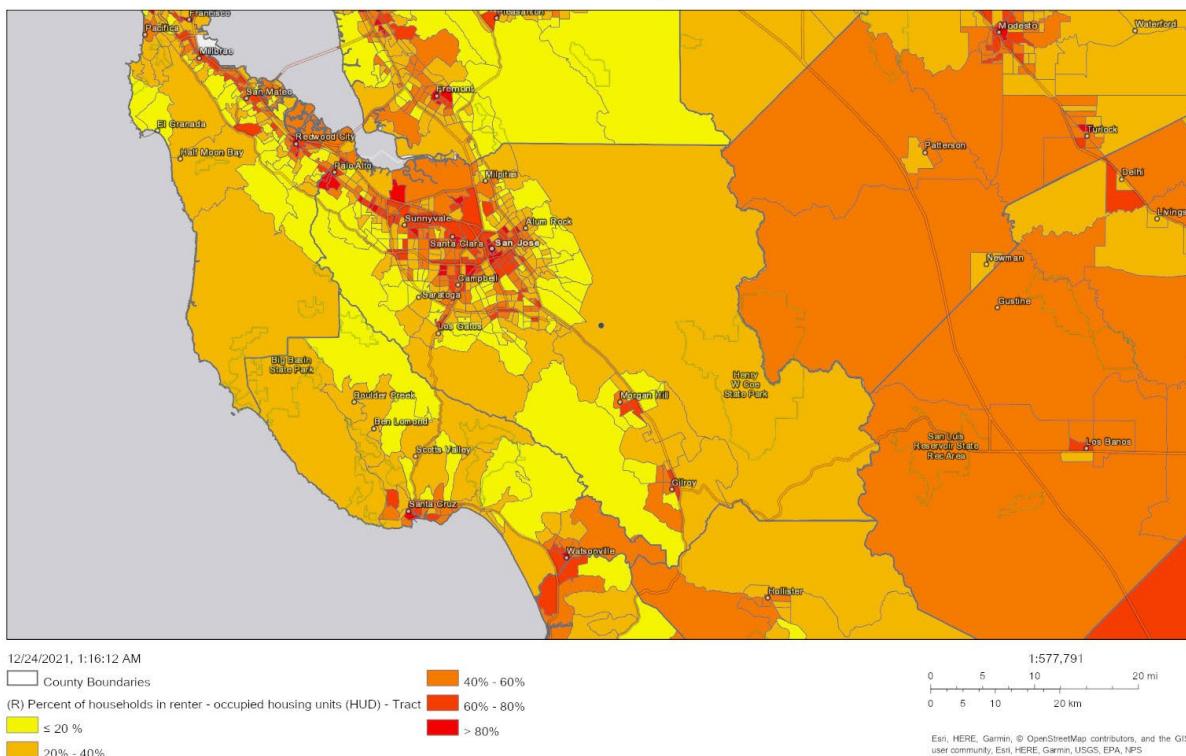
Map 7: Location Affordability, Region

Map 8: Percent Renter Occupied Households, Morgan Hill

Percent of Households in Renter-Occupied Housing Units



Map 9: Percent Renter Occupied Households, Region



The eastern portion of Morgan Hill has the least affordable housing according to the Location Affordability Index. This area also has a low rate of renter-occupied housing. By contrast, the city center has a relatively higher concentration of renters and more affordable housing. The southwest portion has a higher concentration of renters and less affordable housing.

Local data from the City of Morgan Hill reflecting code enforcement violations involving health and safety issues from 2019 through March 2022 showed that, out of 19 code enforcement violations, 18 were at properties in the central and western portions of Morgan Hill and only one was in eastern Morgan Hill. Although the overall number of violations was not high, violations were concentrated in the most heavily Hispanic parts of the city. Among the 18 violations in the central and western portions of Morgan Hill, a majority were in properties located in and near downtown Morgan Hill.

According to Santa Clara County's 2022 Point-in-Time Count, there were 60 unsheltered, unhoused people in Morgan Hill, a decrease from 114 in 2019. No sheltered, unhoused residents were reported for Morgan Hill in either year. At the same time that homelessness appears to have been decreasing in Morgan Hill, it increased modestly countywide, with the rate of increase being much lower than it was between 2017 and 2019. Demographic data on the unhoused population in Santa Clara County is not broken down by municipality, but, in the county as a whole, unhoused residents are highly disproportionately likely to be Black and male. 14% of survey respondents were Black as opposed to just 2% of the county's population. They are slightly disproportionately likely to be Hispanic. The unsheltered, unhoused population is more heavily male than the sheltered, unhoused population. Although Asian and Pacific Islander residents remain disproportionately unlikely to be unhoused, their share of the unhoused population has increased since 2019. People with disabilities, in general, and persons with severe mental illness, in particular, experience homelessness in Santa Clara at steeply disproportionate rates.

Because Morgan Hill does not have a year-round shelter for unhoused residents and because encampments frequently relocate, it is difficult to precisely analyze spatial patterns in where unhoused residents live and the relationship between those patterns and access to services and amenities, including transportation. With that said, most known encampments are located along the Monterey Road corridor and therefore have ready access to VTA bus service. In addition, there is one recognized “safe parking” site located in the far southern portion of the city. It is along a corridor with bus service but appears to be located about one-mile from the nearest bus stop. Particularly for unhoused residents with mobility disabilities, it may be difficult to access public services from that location. Leaving aside, that location, most of the remainder of the services available for unhoused people in Morgan Hill appear to be concentrated just to the west of Downtown. These include Morgan Hill’s cold weather shelter as well as most but not all of the religious congregations that participate in the Morgan Hill Faith-Based Supper Program. This is the most transit-accessible portion of the city, with not only bus services but with access to Caltrain, as well. At the same time, it is important to note that overall transit service in Morgan Hill is limited, especially in comparison to that available in northern Santa Clara County. As such, unhoused residents who live in and receive services in the area to the west of Downtown Morgan Hill may still face significant transportation barriers.

2.b. The program participant may also describe other information relevant to its assessment of disproportionate housing needs. For PHAs, such information may include a PHA’s overriding housing needs analysis.

The Santa Clara County Housing Authority has shifted its hard unit portfolio from public housing to Project-Based Vouchers. A “hard unit” is defined as affordable rental housing resulting from new construction, substantial rehabilitation, acquisition, or existing housing stock. Hard units do not include unsubsidized units in which households use tenant-based rental assistance such as Housing Choice Vouchers. Layering more Project-Based Vouchers into multifamily housing developments in Morgan Hill, particularly those including family-sized units, could be an effective means of reducing disproportionate housing needs in the city.

Contributing Factors of Disproportionate Housing Needs

Please see the Appendix for the following Contributing Factors to Disproportionate Housing Needs:

- Availability of affordable units in a range of sizes
- Displacement of residents due to economic pressures
- Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
- Lack of access to opportunity due to high housing costs
- Lack of private investments in specific neighborhoods
- Lack of public investments in specific neighborhoods, including services or amenities
- Land use and zoning laws
- Lending discrimination
- Loss of affordable housing
- Source of income discrimination

c. Publicly Supported Housing Analysis

1. Analysis

a. Publicly Supported Housing Demographics

Table 1: Publicly Supported Housing Units by Program Category, Morgan Hill

		Morgan Hill	
Housing Units	#	%	
Total housing units	15,233		N/A
Public Housing	0		0%
Project-based Section 8	30		0.2%
Other Multifamily	0		0%
HCV Program	336		2.2%

i. Are certain racial/ethnic groups more likely to be residing in one program category of publicly supported housing than other program categories (public housing, project-based Section 8, Other Multifamily Assisted developments, and Housing Choice Voucher (HCV) in the jurisdiction?

Table 2: Publicly Supported Housing Demographics

Jurisdiction	White	Black	Hispanic	Asian or Pacific Islander
Housing Type	%	%	%	%
Public Housing	-	-	-	-
Project-Based Section 8	18%	7%	64%	11%
Other Multifamily	-	-	-	-
HCV Program	24%	8%	62%	5%
Total Households	8,785	355	3,515	1,645
0-30% of AMI	51.2%	2.9%	31.6%	11.5%
0-50% of AMI	49.6%	1.6%	35.1%	10.9%
0-80% of AMI	52.5%	1.3%	33.9%	9.4%
Region	White	Black	Hispanic	Asian or Pacific Islander
Housing Type	%	%	%	%
Public Housing	-	-	-	-
Project-Based Section 8	26.08%	3.41%	15.07%	47.40%
Other Multifamily	26.59%	3.02%	22.05%	47.13%
HCV Program	17.44%	12.66%	32.01%	37.20%
Total Households	276,844	16,174	128,660	206,367
0-30% of AMI	33.36%	4.02%	30.80%	29.24%
0-50% of AMI	35.03%	3.62%	32.38%	26.55%
0-80% of AMI	35.60%	3.45%	32.09%	26.42%

In Morgan Hill, Hispanic households account for a majority of households occupying Project-Based Section 8 housing and utilizing Housing Choice Vouchers. White households represent the second highest percentage of households occupying Project-Based Section 8 housing and

utilizing Housing Choice Vouchers. There is no public housing or Other Multifamily housing in Morgan Hill. The vast majority of publicly supported housing units are Low Income Housing Tax Credit (LIHTC) units.

- ii. Compare the racial/ethnic demographics of each program category of publicly supported housing for the jurisdiction to the demographics of the same program category in the region.*

Compared to the region, for the categories of publicly supported housing present in Morgan Hill, a higher proportion of residents in Morgan Hill are Hispanic and a lower proportion are Asian or Pacific Islander. This is true for both the Project-Based Section 8 and Housing Choice Voucher programs and is consistent with the demographics of the city in relation to the region.

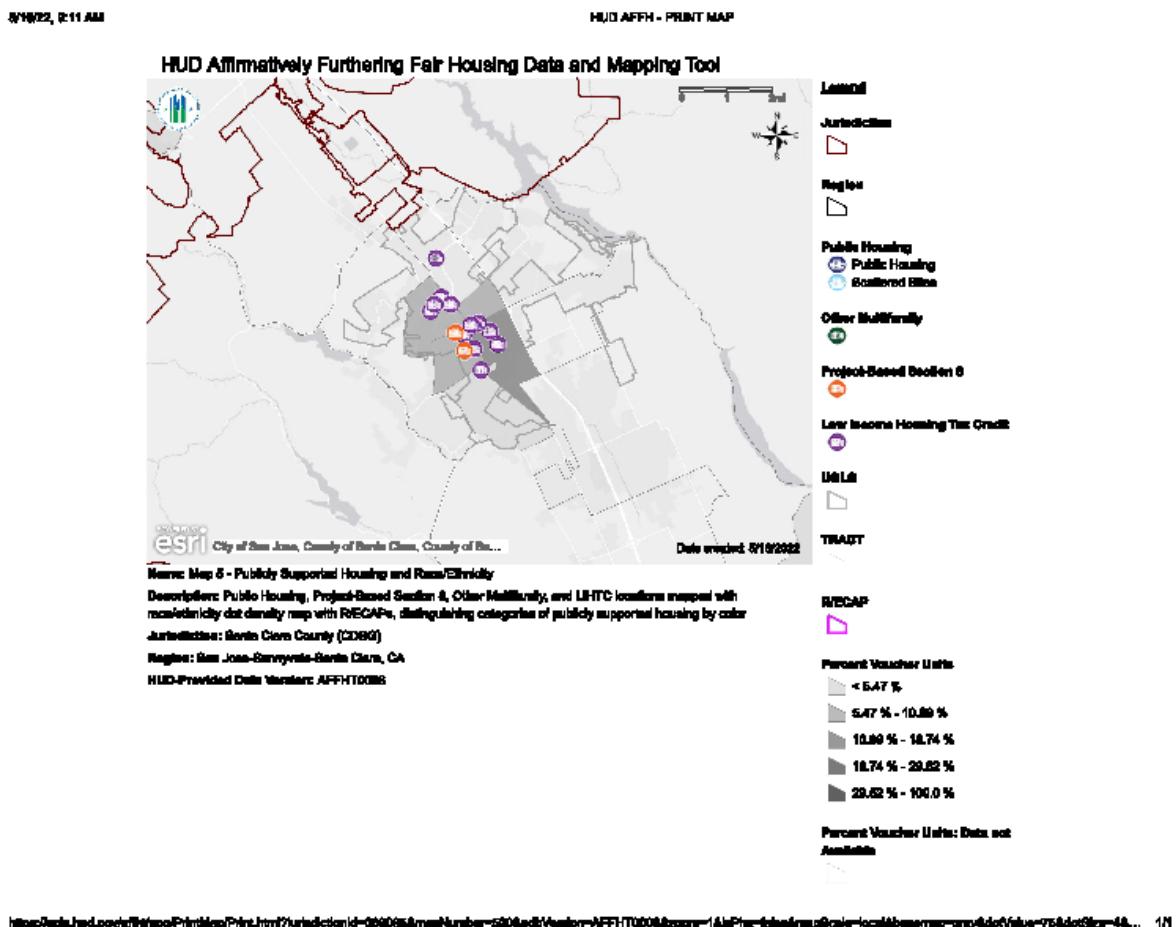
- iii. Compare the demographics, in terms of protected class, of residents of each program category of publicly supported housing (public housing, project-based Section 8, Other Multifamily Assisted developments, and HCV) to the population in general, and persons who meet the income eligibility requirements for the relevant program category of publicly supported housing in the jurisdiction and region. Include in the comparison, a description of whether there is a higher or lower proportion of groups based on protected class.*

In Morgan Hill, White households appear to be underrepresented in Project-Based Section 8 housing and as HCV holders in comparison to the income-eligible population. Black and Hispanic households are overrepresented in Project-Based Section 8 housing and as HCV holders in comparison to the income-eligible population. Asian or Pacific Islander households comprise similar proportions of households in Project-Based Section 8 housing and as HCV holders compared to their share of the income eligible population.

b. Publicly Supported Housing Location and Occupancy

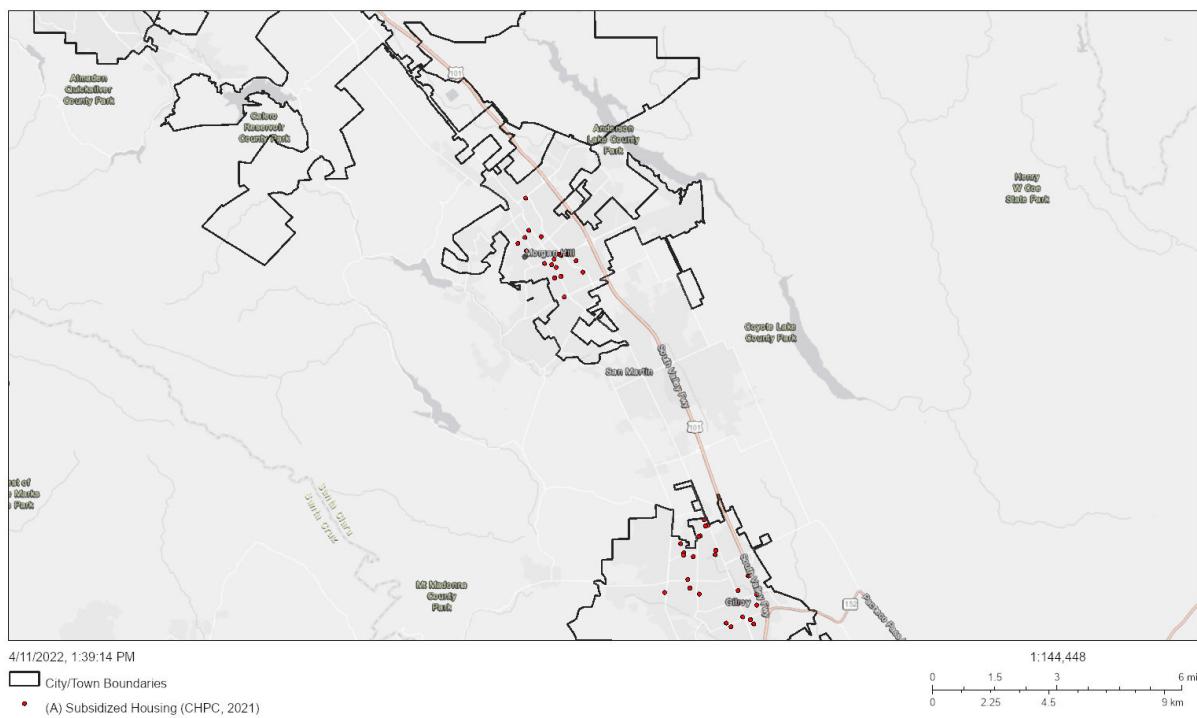
- i. Describe patterns in the geographic location of publicly supported housing by program category (public housing, project-based Section 8, Other Multifamily Assisted developments, HCV, and LIHTC) in relation to previously discussed segregated areas and R/ECAPs in the jurisdiction and region.*

Map 1: Publicly Supported Housing. Morgan Hill



Map 2: Subsidized Housing, Morgan Hill

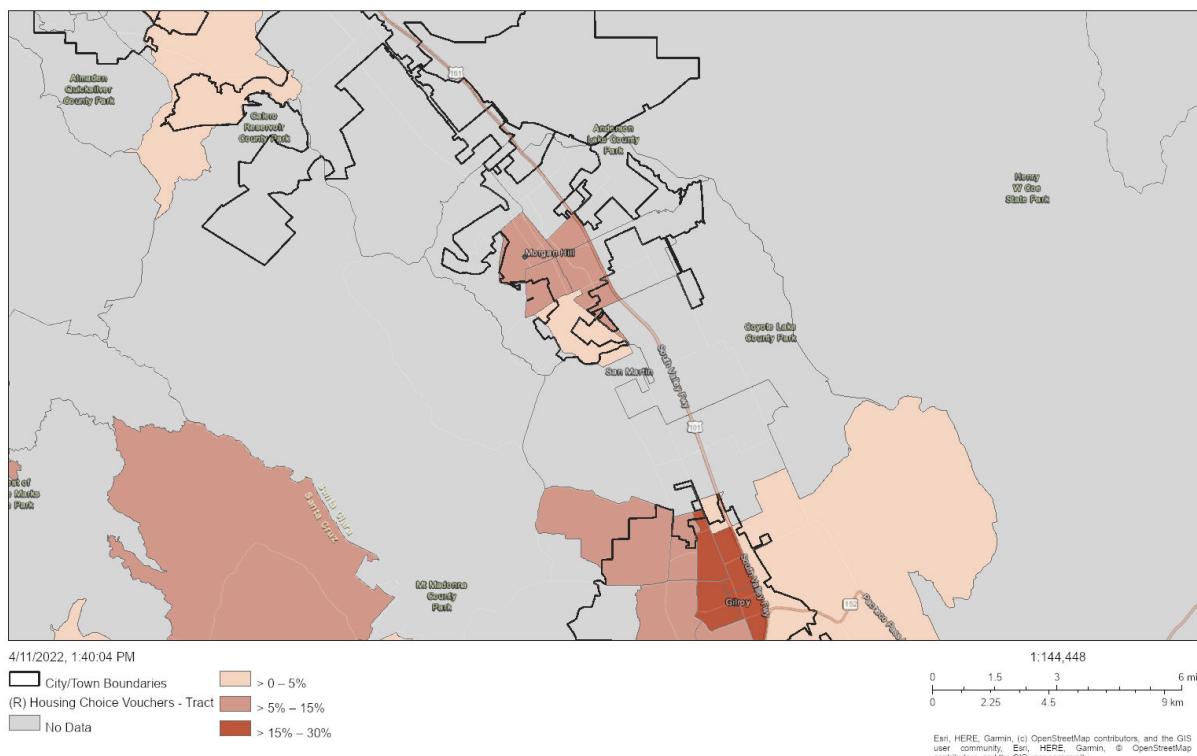
Subsidized Housing



County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

Map 3: Housing Choice Voucher Concentration, Morgan Hill

Housing Choice Vouchers - Tract



In Morgan Hill, hard units of publicly supported are concentrated in the center of the city. There are zero hard units east of the South Valley Freeway (Highway 101). The same holds true of HCV holders. HCV holders are also concentrated in the center of the city and zero HCV holders east of the south valley freeway (Highway 101).

i. *Describe patterns in the geographic location for publicly supported housing that primarily serves families with children, elderly persons, or persons with disabilities in relation to previously discussed segregated areas or R/ECAPs in the jurisdiction and region.*

There are no R/ECAPs in Morgan Hill.

ii. *How does the demographic composition of occupants of publicly supported housing in R/ECAPs compare to the demographic composition of occupants of publicly supported housing outside of R/ECAPs in the jurisdiction and region?*

Table 3: Publicly Supported Housing Demographics by R/ECAP and Non R/ECAP Tracts

Jurisdiction	Total # units (occupied)	% White	% Black	% Hispanic	% Asian or Pacific Islander	% Families with children	% Elderly	% with a disability

Public Housing								
R/ECAP tracts	N/A							
Non R/ECAP tracts	N/A							
Project-based Section 8								
R/ECAP tracts	N/A							
Non-R/ECAP tracts	29	18%	7%	64%	11%	18%	79%	7%
Other Multifamily								
R/ECAP tracts	N/A							
Non R/ECAP tracts	N/A							
HCV Program								
R/ECAP tracts	N/A							
Non R/ECAP tracts	336	24%	8%	62%	5%	42%	36%	19%

i. *Do any developments of public housing, properties converted under the RAD, and LIHTC developments have a significantly different demographic composition, in terms of protected class, than other developments of the same category for the jurisdiction? Describe how these developments differ.*

Table 4: Publicly Supported Housing Demographics

Project-Based Section 8						
Jurisdiction						
	# Units	White	Black	Hispanic	Asian	Households with Children
Park Place	10	* ⁴	*	*	*	*
Sycamore Glen	20	32%	0%	52%	16%	0%

In Morgan Hill, the Park Place housing development, which is a Project-Based Section 8 housing, is much more White than other Project-Based Section 8 housing in the city. Hispanic households make up the majority of Project-Based Section 8 households throughout the city. The Sycamore Glen housing development, which is also Project-Based Section 8 housing, has a higher percentage of White and Asian or Pacific Islander households when compared to other Project-Based Section 8 housing in the city. Conversely, Black and Hispanic households are underrepresented in Sycamore Glen when compared to Project-Based Section 8 housing.

⁴ Data suppressed because of small number of units.

throughout the city. Data regarding the occupancy of Park Place is suppressed due to the small number of units, but it can be inferred that a higher percentage of residents are Black or Hispanic than at Sycamore Glen. This is the case because there are just two Project-Based Section 8 developments in the city, so Park Place, by necessity, must comprise the units that make of the remainder of the citywide aggregate figures for the program after Sycamore Glen is considered.

i. Provide additional relevant information, if any, about occupancy, by protected class, in other types of publicly supported housing for the jurisdiction and region.

Demographic information about LIHTC housing in Morgan Hill is not available though it is likely that a greater proportion of such housing is available to families with children than is true for Project-Based Section 8 and Other Multifamily housing.

Additionally, in 2021, Morgan Hill updated its Inclusionary Housing Ordinance which requires that any new housing development of two or more units reserve at least 10% or 15% (depending on location) of units for occupancy by very low, low, and moderate-income households. The updated ordinance also clarifies whether ownership or rental units are required based on income levels. The City currently has a balance of \$5,712,128.73 in in-lieu fees and of \$4,315,833.75 redevelopment successor agency funds. Such financial resources are essential for efforts to create extremely low-income units, which typically cannot be produced through cross-subsidization in inclusionary developments alone.

i. Compare the demographics of occupants of developments in the jurisdiction, for each category of publicly supported housing (public housing, project-based Section 8, Other Multifamily Assisted developments, properties converted under RAD, and LIHTC) to the demographic composition of the areas in which they are located. For the jurisdiction, describe whether developments that are primarily occupied by one race/ethnicity are located in areas occupied largely by the same race/ethnicity. Describe any differences for housing that primarily serves families with children, elderly persons, or persons with disabilities.

Table 5: Publicly Supported Housing Demographics and Surrounding Census Tract Demographics

Program Type	Project Name	Units in Project	Property White (%)	Property Black (%)	Property Hispanic (%)	Property Asian (%)	Housing Units with children in the development	Census Tract Number	Tract White %	Tract Black (%)	Tract Hispanic (%)	Tract Asian (%)	Census Tract Poverty Rate
PBR A	Park Place	10	-	-	-	-	-	5123 .13	29.7 %	3.6 %	52.7 %	10.7%	9.0 %
PBR A	Sycamore Glen	20	32 %	0%	52 %	16 %	0%	5123 .13	29.7 %	3.6 %	52.7 %	10.7%	9.0 %

It is likely that the Park Place housing development is located in a census tract that is less White than the housing development. The census tract has more Black, Hispanic and Asian or Pacific Islander households than the Park Place housing development likely has.

The Sycamore Glen housing development is located in a census tract that is less White and Asian or Pacific Islander than the housing development. Sycamore Glen also has a lower percentage of Black households than the census tract in which it is located. The percentages of Hispanic households are similar between the Sycamore Glen development and its census tract.

c. Disparities in Access to Opportunity

i. Describe any disparities in access to opportunity for residents of publicly supported housing in the jurisdiction and region, including within different program categories (public housing, project-based Section 8, Other Multifamily Assisted Developments, HCV, and LIHTC) and between types (housing primarily serving families with children, elderly persons, and persons with disabilities) of publicly supported housing.

Overall, publicly supported housing in Morgan Hill is concentrated in the center of the city. There is little to no publicly supported housing in the eastern portion of the city. The eastern portion of Morgan Hill has the greatest access to proficient schools. The center portion of the city has low access to proficient schools. Therefore, in Morgan Hill, households living in publicly supported housing are more likely to live in areas with lower access to proficient schools.

Contributing Factors of Publicly Supported Housing Location and Occupancy

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to publicly supported housing, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Publicly Supported Housing Location and Occupancy:

- Admissions and occupancy policies and procedures, including preferences in publicly supported housing
- Community opposition
- Displacement of residents due to economic pressures
- Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
- Impediments to mobility
- Lack of access to opportunity due to high housing costs
- Lack of meaningful language access for individuals with limited English proficiency
- Lack of local or regional cooperation
- Lack of private investment in specific neighborhoods
- Lack of public investment in specific neighborhoods, including services and amenities
- Land use and zoning laws
- Loss of affordable housing

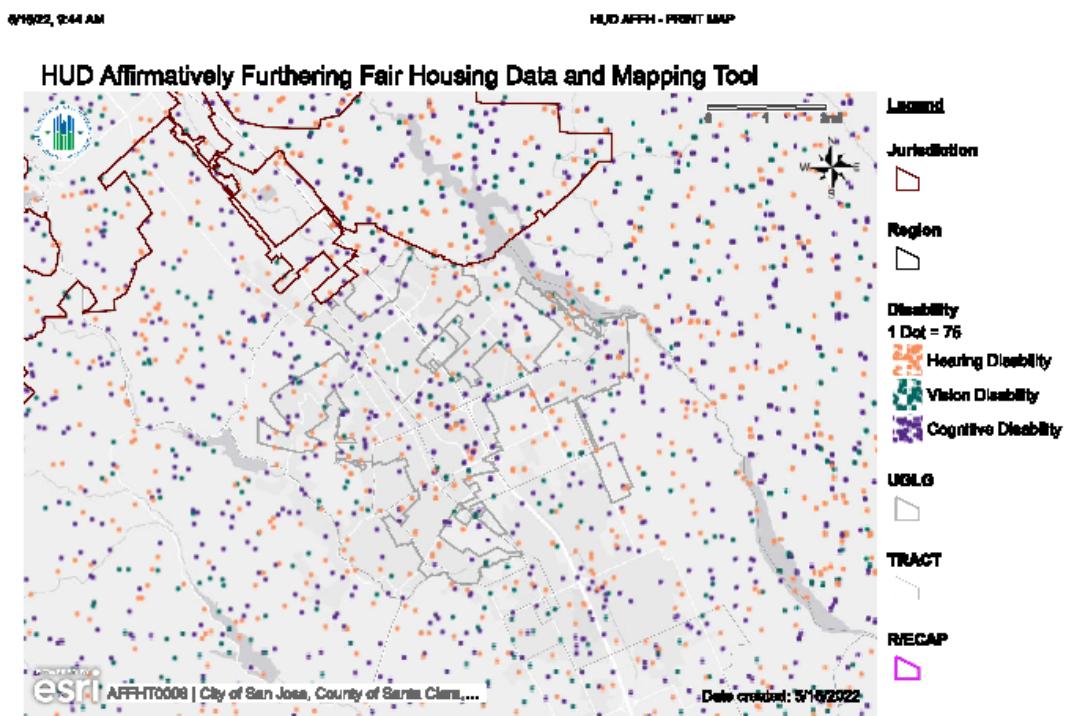
- Occupancy codes and restrictions
- Quality of affordable housing information programs
- Siting selection policies, practices, and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs
- Source of income discrimination

d. Disability and Access Analysis

In 1988, Congress extended the Fair Housing Act's protections against housing discrimination to people with disabilities. In addition to protection against intentional discrimination and unjustified policies that have disproportionate effects, the Fair Housing Act includes three provisions that are unique to persons with disabilities. First, the Fair Housing Act prohibits the denial of requests for reasonable accommodations for persons with disabilities if said accommodations are necessary to afford an individual equal opportunity to use and enjoy a dwelling. Reasonable accommodations are departures from facially neutral policies and are generally available, so long as granting the accommodation request would not place an undue burden on the party providing the accommodation or result in a direct threat to the health or safety of others. Permitting an individual with an anxiety disorder to have a dog in their rental unit as an emotional support animal despite a broad "no pets" policy is an example of a reasonable accommodation. Second, the Act also prohibits the denial of reasonable modification requests. Modifications involve physical alterations to a unit, such as the construction of a ramp or the widening of a door frame, and must be paid for by the person requesting the accommodation unless the unit receives federal financial assistance and is subject to Section 504 of the Rehabilitation Act. Lastly, the design and construction provision of the Fair Housing Act requires most multi-family housing constructed since 1991 to have certain accessibility features. This section of the Assessment looks at the housing barriers faced by persons with disabilities, including those that result in the segregation of persons with disabilities in institutions and other congregate settings.

1. Population Profile

Map 1: Disability by Type (Hearing, Vision, Cognitive), Morgan Hill

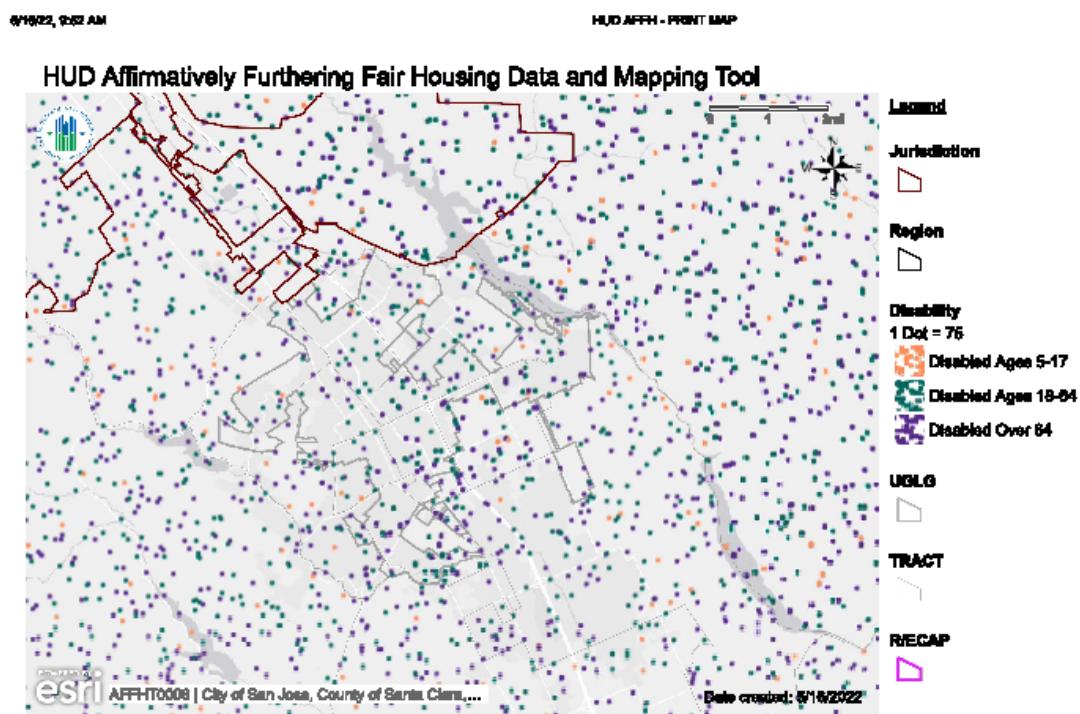


<https://geohub.hud.gov/api/3.0/printmap/PrintMap?jurisdiction=000005&mapNumber=1400&gdbVersion=AFFHT0008&zoom=1&lat=37.3515&lon=-121.8235&map=gray&dotValue=75&dotSize=4...> 1/1

Map 2: Disability by Type (Ambulatory, Self-Care, Independent), Morgan Hill



Map 3: Disability by Age, Morgan Hill



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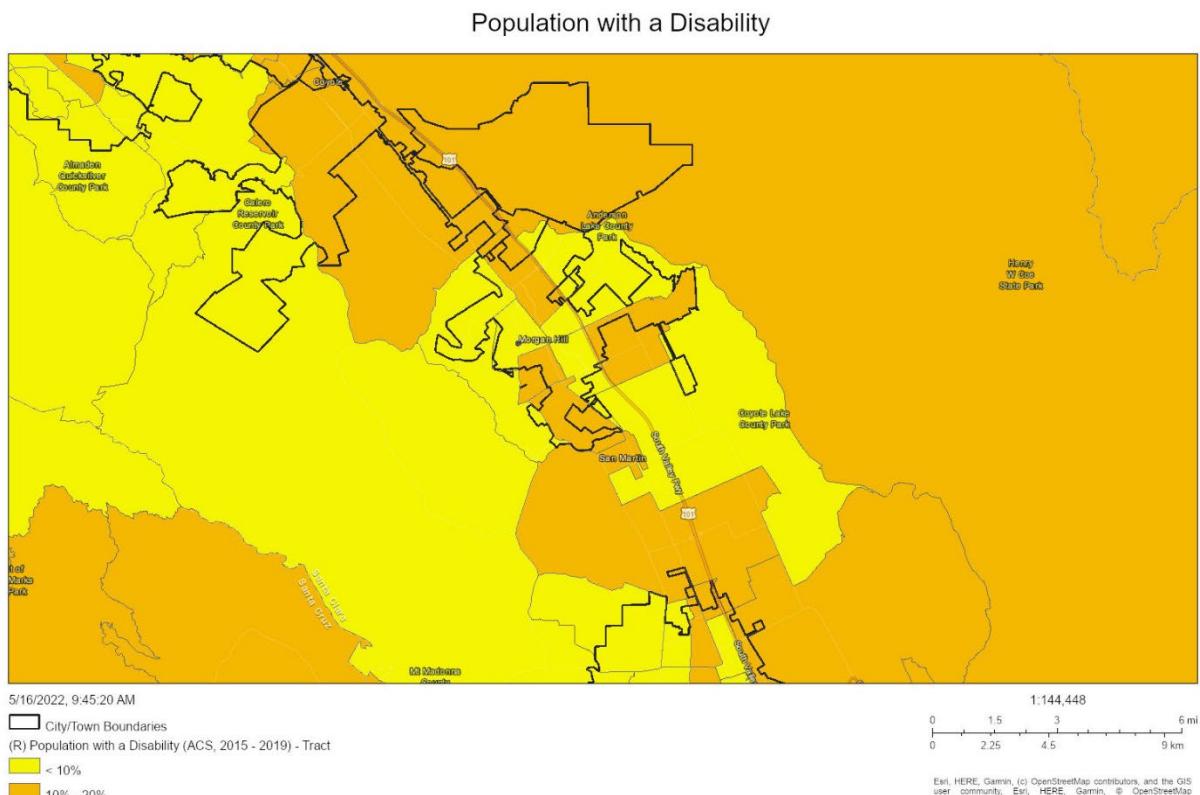
Map 4: Population with a Disability, Morgan Hill

Table 1: Disability by Type, Morgan Hill

Disability Type	#	%
Hearing Difficulty	1,282	2.9%
Vision Difficulty	725	1.6%
Cognitive Difficulty	1,509	3.6%
Ambulatory Difficulty	1,881	4.5%
Self-Care Difficulty	885	2.1%
Independent Living Difficulty	1,381	4.2%

1.a. How are people with disabilities geographically dispersed or concentrated in the jurisdiction and region, including R/ECAPs and other segregated areas identified in previous sections?

ACS Disability Information

Morgan Hill has a moderate proportion of residents with disabilities. According to the 2019 American Community Survey (ACS) 5-Year Estimate, roughly 4,033 residents of Morgan Hill have disabilities—9.1% of the total population.⁵ Of the non-institutionalized residents, 1,881 have ambulatory difficulties⁶; 1,282 have hearing difficulties; 1,381 have independent living difficulties, 1,509 have cognitive difficulties; 885 have self-care difficulties, and 725 have vision difficulties.⁷

Of the total population of people with disabilities, 106 individuals or approximately 2.6 percent of people with disabilities in Morgan Hill between the age of 20 to 64 have incomes below the poverty line, by contrast, 852 individuals below the poverty line do not have a disability.⁸ Median earnings for people without disabilities in Morgan Hill is \$58,721, while it is only \$34,700 for people with disabilities.⁹ This disparity in income between individuals with or without a disability means that individuals without a disability have median earnings that are \$20,000 dollars more than those with a disability. The economic gap for people with disabilities is likely even greater in reality, as the data does not include institutionalized individuals. There is not census data categorized by disability type for individuals living below the poverty line in Morgan Hill, so it is difficult to ascertain how many residents are in need of accessible and affordable units. Furthermore, the data does

⁵<https://data.census.gov/cedsci/table?q=morgan%20hill&t=Disability&tid=ACSST5Y2019.S1810>

⁶ The definition of ambulatory disabilities is “having serious difficulty walking or climbing stairs.” People with ambulatory disabilities may not need a fully accessible unit, particularly if they do not use wheelchairs. They may require a unit on the ground floor or in an elevator building, perhaps with some architectural modifications. Therefore, ambulatory disabilities is not a perfect indicator of the number of accessible mobility units needed since some people with ambulatory disabilities do not necessarily move to a wheelchair.

⁷ <https://data.census.gov/cedsci/table?q=morgan%20hill&t=Disability&tid=ACSST5Y2019.S1810>

⁸<https://data.census.gov/cedsci/table?q=Morgan%20Hill,%20California%20Income%20and%20Poverty&t=Disability&tid=ACSDT5Y2020.B23024>

⁹<https://data.census.gov/cedsci/table?q=Morgan%20Hill,%20California%20Income%20and%20Poverty&t=Disability>

not indicate how much overlap there is between these categories, nor does the data say how many of those individuals need accessible units.¹⁰

Geographic Concentration and Patterns

People with disabilities in Morgan Hill are relatively evenly dispersed throughout the city but more individuals with hearing or cognitive difficulties tend to be concentrated in two census tracts: 5123.14 and 5123.09, while individuals with ambulatory and independent living difficulties are more concentrated in the central and western portions of the city with some residents dispersed throughout the eastside, however, very few residents with these types of disabilities live near the central corridor. No R/ECAPs are displayed on the map of Morgan Hill.

1.b. Describe whether these geographic patterns vary for people with each type of disability or for people with disabilities in different age ranges for the jurisdiction and region.

Individuals with ambulatory disabilities are most numerous but are dispersed relatively evenly throughout the city. All categories of disabilities become more prevalent as individuals age, with the number of people in the region 65 and over (4,001) with a disability outnumbering the amount of people under 65 (2,265) with a disability. People above 65 with disabilities are also relatively evenly distributed throughout the city. In terms of age, individuals between the age of 18 to 64 are mostly concentrated in the norther side of the City, individuals over 64 tend to be clustered in the central and western portions of the city and the few individuals below the age of 18 appear to be scattered throughout in no discernible pattern.

2. Housing Accessibility

2.a. Describe whether the jurisdiction and region have sufficient affordable, accessible housing in a range of unit sizes.

Accessibility Requirement for Federally-Funded Housing

HUD's implementation of Section 504 of the Rehabilitation Act of 1973 (24 CFR Part 8) requires that publicly supported federal housing developments make 1) five percent (5%) of total units accessible to individuals with mobility impairments and 2) an additional two percent (2%) of total units accessible to individuals with sensory disabilities.¹¹ It requires that each property, including site and common areas, meet the Federal Uniform Accessibility Standards (UFAS) or HUD's Alternative Accessibility Standard. Public Housing and Project-Based Section 8 units are both considered to be Publicly Supported Housing subject to its mandate.

In Morgan Hill, there are 0 public housing units and 30 Project-Based Section 8 units, all of which are subject to Section 504 of the Rehabilitation Act. As of 2020, 7% of residents living in Project-Based Section 8 units in Morgan Hill are persons with disabilities, but it is unknown how many of the Project-Based Section 8 units are accessible or what portion of the 7% require accessible units. It is also possible that more than 7% of Project-Based Section 8 residents have disabilities but that there is an undercount because publicly supported housing developments often classify residents as elderly or as having a disability but not as both. This occurs even though elderly individuals are more likely to have disabilities than the broader population. Assuming that each of

¹¹ 24 CFR § 8.22 (b).

Morgan Hill's two Project-Based Section 8 developments has the number of accessible units required by Section 504, there would be two units accessible to individuals with mobility disabilities and two units accessible to individuals with sensory disabilities in the city – one of each type of accessible unit in each development.

Low Income Housing Tax Credit (LIHTC) Units

According to data from HUD's LIHTC database, there are 1,009 low-income units in LIHTC-financed developments in Morgan Hill.

The question of whether Section 504 or Title II of the Americans with Disabilities Act applies to LIHTC developments has not been resolved by the courts.¹² However, in 2015, the California Tax Credit Allocation Committee (CTCAC) issued guidance stating that the California Building Code (CBC) for public housing (Chapter 11B) accessibility requirements also apply to LIHTC developments. Chapter 11B is the California equivalent of the 2010 ADA Standards. Section 1.9.1.2.1. of the CBC states that the accessibility requirements apply to "any building, structure, facility, complex . . . used by the general public." Facilities made available to the public, include privately owned buildings. CTCAC has even increased the ADA's required number of units: 10% of total units in a LIHTC development must be accessible to people with mobility disabilities and 4% must be accessible to people with sensory (hearing/vision) disabilities. All but one of Morgan Hill's LIHTC developments predate these requirements, so it is difficult to say if any units are fully accessible for building constructed prior to 2015 (though all of the city's LIHTC developments were subject to the Fair Housing Act's less extensive design and construction standards at the time of construction). The only site post-dating this law is the Morgan Hill Family-Scattered Site newly constructed in 2018 which offer four bedrooms accessible to individuals with mobility impairments and one unit for individuals with sensory impairments.

Also, effective 2015, CTCAC requires that 50% of total units in a new construction project and 25% of all units in a rehabilitation project located on an accessible path be mobility accessible units in accordance with CBC Chapter 11B. CTCAC also provides incentives for developers to include additional accessible units through its Qualified Allocation Plan. Morgan Hill does not have readily available information on new construction or rehabilitation projects on accessible paths, so there is some uncertainty in calculating a definitive number of units.

Housing Choice Vouchers

Housing Choice Vouchers make otherwise unaffordable housing in the private market, which may or may not be accessible, available to low-income people, including those with disabilities. There are 336 Housing Choice Vouchers in use in Morgan Hill. Of this total, 19% of individuals in households with vouchers are people with disabilities. However, this does not represent a proxy for actual accessible units, as it is not certain that the 19% of tenants with disabilities actually live in accessible units within the publicly supported housing. Unless another source of federal financial assistance is present, units assisted with Housing Choice Vouchers are not subject to Section 504. Of course, participating landlords remain subject to the Fair Housing Act's duty to provide reasonable accommodations and to allow tenants to make reasonable modifications at their own expense. Even assuming that all 19% of people with disabilities using vouchers have

¹² Title II of the ADA prohibits discrimination on the basis of disability in all service, programs, and activities provided to the public by non-federal governmental entities except transportation services. The 2010 ADA Standards (ADAS) differ from Section 504 in some respects but essentially, they contain the same types of requirements including the requirement for 5% mobility units and 2% hearing/vision units.

accessible units, which is almost certainly an overestimation, the absolute number of accessible units is 64.

Fair Housing Amendments Act Units

The Fair Housing Amendments Act of 1988 (FHAA) covers all multifamily buildings of four or more units that were first occupied on or after March 13, 1991 – not just affordable housing developments. The FHAA added protections for people with disabilities and prescribed certain basic accessibility standards, such as having at least one building entrance that is accessible; an accessible route throughout the development; and public rooms and common rooms that are accessible. 42 U.S.C. § 3604(f)(3)(c). Although these accessibility requirements are not as extensive as those of Section 504, they were an important first step in making many apartment developments accessible to people with disabilities. Given its broad application to housing, regardless of federal funding, the FHAA has benefited many middle-income and upper-income people with disabilities who also need accessible housing. Notwithstanding the fact that units subject to the FHAA are not fully accessible, these units are an important source of housing for people with disabilities.

In Morgan Hill, there are 580 units in structures with five or more units that have been built from 2000 to the present and a further 596 built from 1980 through 1999. Because the FHAA does not mandate a certain number of accessible units like Section 504 or ADA Title II, it cannot be utilized as a proxy for the number of accessible housing units available. Additionally, it is not possible to determine the number of units in structures with exactly four units built from 1991 to the present as the American Community Survey reports individual units in four-unit structures in a combined category with duplexes and triplexes.

Accessible Units for Families with Children.

Unfortunately, data breaking down the number of private affordable, accessible units by number of bedrooms is not available. For Publicly Supported Housing, most (64%) of Project-Based Section 8 units are studios or one-bedroom units while 36% have three or more units. This suggests that one of the two developments in the city is oriented towards seniors while the other is family-occupancy. For Housing Choice Vouchers, there is a more even distribution of unit sizes for families, as 29% of HCVs holders live in studio or one-bedroom units, while 37% live in two-bedroom units, and 34% live in units with three or more bedrooms.

Table 2, Publicly Supported Housing by Units and Households with Children

	Households in 0-1 Bedroom Units	Households in 2 Bedroom Units	Households in 3+ Bedroom Units	Households with Children
Housing Type	%	%	%	%
Public Housing	N/A	N/A	N/A	N/a
Project-Based Section 8	64%	0%	36%	18%
Other Multifamily	N/A	N/A	N/A	N/A

HCV Program	29%	37%	34%	42%
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Summary

The supply of affordable, accessible units in Morgan Hill is insufficient to meet the need. In the city, some 1,282 residents have a hearing difficulty, 725 residents have a vision difficulty, and 1,881 residents have an ambulatory difficulty, potentially requiring the use of accessible units. Assuming full compliance with federal law and regulations, the only accessible units that can be confirmed with certainty are the four Section 8 units subject to Section 504's requirements and the 5 LIHTC units mandated by its California regulatory equivalent.

2.b. Describe the areas where affordable, accessible housing units are located in the jurisdiction and region. Do they align with R/ECAPs or other areas that are segregated?

Affordable, accessible housing is mostly concentrated in neighborhoods adjacent to Monterey Road. This area has the highest percentage of voucher holders and LIHTC developments. Morgan Hill does not have any R/ECAPS, however, there is a large concentration of Hispanic residents living in the same area where voucher holders are present in higher numbers.

2.c. To what extent are people with different disabilities able to access and live in the different categories of publicly supported housing in the jurisdiction and region?

Table 3: Disability by Publicly Supported Housing Program Category

Morgan Hill	People with a Disability
	%
Public Housing	N/A
Project-Based Section 8	7%
Other Multifamily	N/A
HCV Program	19%

The American Community Survey does not facilitate the disaggregation of the population of people with disabilities by income, so it is impossible to determine what percentage of households that are income-eligible for Publicly Supported Housing include one or more people with disabilities. As the table above reflects, the portion of people with disabilities appears to be overrepresented in HCVs and underrepresented at project-based-voucher properties.

3. Integration of People with Disabilities Living in Institutions and Other Segregated Settings

3.a. To what extent do people with disabilities in or from the jurisdiction or region reside in segregated or integrated settings?

Up until a wave of policy reforms and court decisions in the 1960s and 1970s, states, including California, primarily housed people with intellectual and developmental disabilities and individuals with psychiatric disabilities in large state-run institutions. In California, institutions for people with intellectual and developmental disabilities are called developmental centers, and institutions for people with psychiatric disabilities are called state hospitals. Within these institutions, people with disabilities have had few opportunities for meaningful interaction with individuals without disabilities, limited access to education and employment, and a lack of individual autonomy.

The transition away from housing people with disabilities in institutional settings and toward providing housing and services in home and community-based settings accelerated with the passage of the Americans with Disabilities Act in 1991 and the U.S. Supreme Court's landmark decision in *Olmstead v. L.C.* in 1999. In *Olmstead*, the Supreme Court held that, under the regulations of the U.S. Department of Justice (DOJ) implementing Title II of the Americans with Disabilities Act (ADA), if a state or local government provides supportive services to people with disabilities, it must do so in the most integrated setting appropriate to the needs of a person with a disability and consistent with their informed choice. This obligation is not absolute and is subject to the ADA defense that providing services in a more integrated setting would constitute a fundamental alteration of the state or local government's programs.

The transition from widespread institutionalization to community integration has not always been linear, and concepts of what comprises a home and community-based setting have evolved over time. Although it is clear that developmental centers and state hospitals are segregated settings and that an individual's own house or apartment in a development where the vast majority of residents are individuals without disabilities is an integrated setting, significant ambiguities remain. Nursing homes and intermediate care facilities are clearly segregated though not to the same degree as state institutions. Group homes fall somewhere between truly integrated supported housing and such segregated settings, and the degree of integration present in group homes often corresponds to their size.

Below, this assessment includes detailed information about the degree to which people with intellectual and developmental disabilities and individuals with psychiatric disabilities reside in integrated or segregated settings. The selection of these two areas of focus does not mean that people with other types of disabilities are never subject to segregation. Although the State of California did not operate analogous institutions on the same scale for people with ambulatory or sensory disabilities, for example, many people with disabilities of varying types face segregation in nursing homes. Data concerning people with various disabilities residing in nursing homes is not as available as data relating specifically to people with intellectual and developmental disabilities and people with psychiatric disabilities.

Table 4: Intellectual and Developmental Disabilities, Performance of Tri-Counties Regional Center, December 2018

Dec. 2018 Performance Reports	Fewer consumers live in developmental centers	More children live with families	More adults live in home settings	Fewer children live in large facilities (more)	Fewer adults live in large facilities (more)

				than 6 people)	than 6 people)
State Average	0.21%	99.32%	79.61%	0.04%	2.47%
San Andreas Regional Center	0.04%	98.95%	78.32%	0.04%	1.58%

In California, a system of regional centers is responsible for coordinating the delivery of supportive services primarily to individuals with intellectual and developmental disabilities. The regional centers serve individuals with intellectual disabilities, individuals with autism spectrum disorder, individuals with epilepsy, and cerebral palsy. These disabilities may be co-occurring. Although there is some variation from regional center to regional center, individuals with intellectual disabilities and individuals with autism spectrum disorder predominate among consumers. All data regarding the regional centers is drawn from their annual performance reports.

In the region, there is one regional center – the San Andreas Regional Center – that serves all of Santa Clara County and San Benito County, as well as Monterey and Santa Cruz Counties just to the south and southwest of the region. Unfortunately, the San Andreas Regional Center does not disaggregate its publicly reported data by county or city to allow a Santa Clara County-specific or city-specific analysis. Nonetheless, since Santa Clara County is significantly larger than the other three counties combined, most of what is reflected in data from the San Andreas Regional Center reflects conditions in Santa Clara County, though Morgan Hill is not representative of Santa Clara county as a whole.

On an annual basis, these regional centers report to the California Department of Developmental Services on their performance in relation to benchmarks for achieving community integration of persons with intellectual and developmental disabilities. As reflected in the table above, the San Andreas Regional Center simultaneously has lower rates of persons with developmental disabilities living in institutional settings but also lower rates of persons with developmental disabilities living in home or family-based settings than statewide. In some cases, disparities between the San Andreas Regional Center and the state are very small and may not support an inference that structural factors are playing a particularly acute role in perpetuating the segregation of persons with intellectual and developmental disabilities in the region.

California is in the process of closing all development centers to transition these residents into the community. At the end of 2018, the California Department of Developmental Services closed the Sonoma Developmental Center, which was the last remaining large, state-run institution for persons with developmental disabilities in the Bay Area. Porterville Developmental Center, located in the Central Valley, is the closest remaining institution to Morgan Hill. The facility was scheduled to close by the end of 2021 but remains open with no new closure date announced. As of November 2019, there were between 1 and 10 individuals from the area served by the San Andreas Regional Center residing in developmental centers like the Porterville Developmental Center.

The San Andreas Regional Center reports the number of individuals served by type of setting by race or ethnicity. The categories included are Home, Residential, ILS/SLS, Institutions, Med/Rehab/Psych, and Other. The category of Home includes the home of a parent or guardian,

a foster home for children, and a family home for adults. The category of Residential includes community care facilities and intermediate care facilities (ICFs) and continuous nursing. The category of ILS/SLS solely includes independent living and supported living. Institutions include developmental centers, state hospitals, and correctional institutions. The category of Med/Rehab/Psych includes skilled nursing facilities, psychiatric treatment facilities, rehabilitation centers, sub-acute care, and community treatment facilities. The Other category includes individuals who are homeless as well as individuals who do not fall into any category (and one individual living outside of California). In general, Home and ILS/SLS settings are the most integrated, and Institutions and Med/Rehab/Psych are the most segregated. Residential settings fall somewhere in between with community care facilities being more integrated than ICFs within the category. Clearly, homelessness is not consistent with meaningful community integration. The table below reflects the percentage of individuals with intellectual or developmental disabilities served in each type of setting.

Table 5 – Type of Setting by Race or Ethnicity, San Andreas Regional Center, 2018-2019

Type of Setting	Total Served	% Non-Hispanic White	% Black	% Asian or Pacific Islander	% Hispanic	% Other or Multi-Racial
Home	17,265	20.7%	1.6%	21.1%	42.7%	13.1%
Residential	1,859	59.0%	3.8%	11.3%	19.3%	6.2%
ILS/SLS	1,229	62.2%	4.8%	6.5%	20.6%	5.6%
Institutions	20	25.0%	5.0%	20.0%	35.0%	15.0%
Med/Rehab/Psych	81	40.7%	3.7%	18.5%	28.4%	7.4%
Other	65	40.0%	9.2%	4.6%	33.8%	12.3%

In the service area of the San Andreas Regional Center, Asian or Pacific Islander residents appear to be underrepresented in the population receiving services for intellectual and developmental disabilities. With respect to individual types of settings, Hispanic residents are most likely to reside in home-based settings while White residents have the greatest access to independent living and supported living environments. Black residents are overrepresented in Institutions and Other, which includes homelessness. This data suggests that, for Black individuals with intellectual and developmental disabilities, the effects of mass incarceration on their prospects for integration may be compounded by both race and disability status. The high representation of Hispanic residents in home-based settings and their low concentration in independent living and supported living settings may suggest a need for planning around helping adults with developmental disabilities who are living with their parents gain access to and transition to independent living when their parents are no longer able to serve as care providers.

Overall, this data shows that, within the County and the region, persons with intellectual and developmental disabilities are typically at least slightly less likely to be segregated in institutional settings than statewide. The data shows that a minority of adults with intellectual and developmental disabilities, in particular, reside in comparatively segregated, congregate settings. It is highly likely that not all persons with intellectual and developmental disabilities who would like to live in integrated settings in the County, the cities of Cupertino, Gilroy, Mountain View, Palo

Alto, San Jose, Santa Clara, and Sunnyvale, and the region have the opportunity to do so. The trend in Morgan Hill closely follows the pattern for the region as a whole with more individuals with developmental disabilities living in home settings versus institutionalized ones. Based on its latest Housing Element, Morgan Hill has 158 adult residents who live at home with a guardian, 43 adult residents living in licensed facilities, and 21 adult residents living in an apartment with supportive services.¹³

Psychiatric Disabilities

Napa State Hospital is the primary large institution for individuals with psychiatric disabilities serving the part of California including Morgan Hill. As of November 2016, the facility had 1,267 patients, slightly over its official capacity of 1,255 beds. The hospital's website breaks down the patient population among four categories of admittees. 47% were committed by virtue of being found not guilty of a crime by reason of insanity. 30% were committed because they had been found incompetent to stand trial. 17% were civilly committed. Lastly, 6% were classified as mentally disordered offenders. Thus, a significant majority of individuals with psychiatric disabilities institutionalized within Northern California reside in institutions because of contact with the criminal justice.

The Department of State Hospitals does not disaggregate publicly available data about patients by county of origin nor does it disaggregate detailed demographic data about patients by hospital. Nonetheless, some system-wide information is useful. Across California, those institutionalized in state hospitals are disproportionately male (87%), Black (25%), and have low levels of educational attainment (79% lack a high school diploma). This data is consistent with the fact that the criminal justice system is the primary gateway into the state hospital system. 4.3% of all residents of state hospitals and participants in jail-based mental health treatment statewide are from Santa Clara County. The most common diagnosis for patients (40%) is schizophrenia followed by schizoaffective disorder (24%). Interventions, like those offered through the Santa Clara County Behavioral Health Services' Criminal Justice Services program, that target non-punitive services to children and transition-age youth in overpoliced, disproportionately Hispanic and Black communities in the County could advance efforts to reduce the institutionalization of persons with psychiatric disabilities in state hospitals, jails, and prisons.

Santa Clara County Behavioral Health Services is responsible for coordinating the provision of supportive services for persons with psychiatric disabilities in Santa Clara County, including Morgan Hill. The only facility in Morgan Hill that provides residential psychiatric services is Community Solutions La Casa Del Puente Treatment Center, there are also facilities nearby in San Jose and Santa Cruz. Gradually phasing out the use of these inpatient settings and reducing their scale while increasing the availability of supportive housing, with intensive services and supports if needed and chosen by the patient, would increase the integration of persons with psychiatric disabilities in Santa Clara County.

3.b. Describe the range of options for people with disabilities to access affordable housing and supportive services in the jurisdiction and region.

Morgan Hill does not have specific programs to assist people with disabilities in accessing housing. Through its partnership with Housekeys, the City administers the below market rate rental program to assist low-income individuals in becoming homeowners, which would

¹³ https://www.morgan-hill.ca.gov/DocumentCenter/View/40365/DRAFT-H1_MH-HE_Housing_Needs_Assessment?bId=

theoretically help people with disabilities, given their on-average lower earnings. The City also partners with a number of organizations that help seniors obtain housing, who are more likely to have disabilities. The City also provides a database on its website that links to various low-income housing resources including a list of existing and planned affordable housing and supportive services throughout the City and region.¹⁴

In Santa Clara County, the primary source of affordable housing available to persons with disabilities consists of permanent supportive housing built with the assistance of Measure A bond funds. The County's Office of Supportive Housing has prioritized the use of Measure A funds for permanent supportive housing, specifically seeking developments in which at least 50% of units are permanent supportive housing through its notice of funding availability. Although early funded developments focused most heavily on meeting the housing needs of chronically homeless individuals with disabilities who frequently have psychiatric disabilities, the County's most recent notice of funding availability includes a set-aside of funds for development of permanent supportive housing for persons with developmental disabilities. One concern is that 50% is a higher concentration of persons with disabilities than is typically considered truly integrated when developing permanent supportive housing. Reducing that target to 25% would foster community integration while still yielding a large number of units. Still, the Measure A Bond have been somewhat successful in expanding affordable accessible housing with at least 1,690 units approved for construction to meet the needs of the chronically homeless and persons with disabilities and their families.¹⁵

Additionally, the Santa Clara County Housing Authority has multiple waiting list preferences that have the effect of increasing access to affordable housing for persons with disabilities. These include its Chronically Homeless Direct Referral Program, Special Needs Population Direct Referral Program, Veterans Affairs Supportive Housing Program, and Mainstream Voucher Program. These programs likely contribute to the higher levels of access that persons with disabilities have to the Housing Choice Voucher program in Santa Clara County and its cities than they do to other publicly supported housing programs.

Morgan Hill has been able to construct one building with supportive housing units and is planning to develop a second project through funding provided by Measure A bonds.¹⁶ Opened since January 2020, the Crossings on Monterrey is an affordable housing development offering 39 affordable units, 20 of which are reserved for supportive housing needs. The other development, Royal Oak Village, will provide 71 units with 18 reserved for supportive housing at completion. The City also has several affordable housing developments targeting seniors including: Sycamore Glen, Horizons, Bella Terra Apartments, the Lodge at Morgan Hill, and the Huntington. Because seniors will often have disabilities as well, these developments also provide affordable housing for elderly residents with disabilities.¹⁷

4. Disparities in Access to Opportunity

¹⁴ <https://www.morgan-hill.ca.gov/DocumentCenter/View/19598/Housing-Resource-Guide-Updated-08-20-2021?bidId=>

¹⁵ <https://osh.sccgov.org/sites/g/files/exjcpb671/files/documents/Measure%20A%201-pager%202022%20-%20Final.pdf>

¹⁶ <https://housingtoolkit.sccgov.org/tools/supportive-housing-map>

¹⁷ <https://www.morgan-hill.ca.gov/DocumentCenter/View/19598/Housing-Resource-Guide-Updated-08-20-2021?bidId=>

4.a. To what extent are people with disabilities able to access the following in the jurisdiction and region? Identify major barriers faced concerning:

i. Government services and facilities

Morgan Hill's website does not provide information on its accessibility policies, except for stating its guarantee that its website itself is accessible and compliant with Section 508 of the Rehabilitation Act. There does not appear to be information about filing a complaint or grievance related to disabilities. If the City has an ADA/504 coordinator, they have not made that information easily accessible. The City's zoning code does provide a procedure to request a reasonable accommodation in land use, zoning, and building regulations for individuals with a disability.¹⁸ Notice of an individual's right to request a reasonable accommodation will be posted in City Hall and forms to apply for one will also be available there.

ii. Public infrastructure (e.g., sidewalks, pedestrian crossings, pedestrian signals)

Although the City does not have ordinances related to accessible public infrastructure requirements, it has passed several community development policies that touch upon this issue. First, recreational activities must be accessible to individuals with a disability.¹⁹ Second, "all facilities shall comply with State and Federal accessibility codes and standards" including the Americans with Disability Act (ADA) and California Access Code (Title 24, California Code of Regulation).²⁰

iii. Transportation

Morgan Hill is part of the regional Community Based Transportation Plan and recently conducted a study to identify the transportation needs of its residents with a particular focus on vulnerable communities.²¹ One project designed to further transit access is the Morgan Hill Transit Center, a regional transportation hub in the southern part of Santa Clara County. Presently the site provides a designated area for individuals with disabilities to board the train and shaded waiting areas. Two accommodations that provide easier and safer access to transit. In its downtown area, the City plans to build several pedestrian improvements including more accessible sidewalks for residents. Additional transportation supports for individuals with disabilities are available through the VTA which provides paratransit services though those services can be expensive and time-consuming.

iv. Proficient schools and educational programs

The Morgan Hill Unified School District provides a range of disability services for residents up to the age of 22. Such programming includes "Individualized Education Planning," which is a plan designed to meet the individual needs of the student based on adequate assessment.²² The District also offers an employment training program called the "Transition Partnership Program to students ranging from 14 to 22, that gives mentorship, general training, and job opportunities to program participants. Despite these available services, students with disabilities in Morgan Hill

¹⁸ Morgan Hill Muni. Code, § 18.118.010.

¹⁹ C.D. 18.a

²⁰ C.D. 18.e

²¹ https://www.vta.org/sites/default/files/2021-05/Morgan%20Hill_CBTP_Report%20Final.pdf

²² <https://www.cde.ca.gov/sp/se/as/caselpas.asp>

rank 15th out of 28 districts in math and reading comprehension with only 18% of these students deemed proficient in English and only 12% deemed proficient in math.²³

v. Jobs

Data in Morgan Hill shows that for the most part very few individuals with disabilities are employed, comprising less than 3.4% of the total labor force.²⁴ The data also shows that the median wage for these employees is also nearly 20,000 dollars less than for individuals without a disability. When compared to the County as a whole, there is a significant disparity in employment opportunities for individuals with disabilities in Morgan Hill with a notably lower percentage of residents actively employed. It is clear that people with disabilities face many barriers in obtaining employment. It should be noted that the table includes elderly individuals in the population assessed. That may make this data seem more dramatic than it truly is, but low levels of access to employment for people with disabilities nonetheless remain a problem.

Few job training programs are available locally in Morgan Hill, but there is a vocational services program called Social Vocational Services in San Jose that provides educational training and supports for those with cognitive impairments.²⁵

Table 6: 2013-2017 ACS 5-year Estimates, civilian noninstitutionalized population with disabilities aged 16 and over, employment and disability

	% in Labor Force	% Employed
Santa Clara County	24.4%	21.4%
San Jose-Sunnyvale, Santa Clara, CA Region	24.5%	21.5%
Morgan Hill	3.6%	3.4%

The table below corroborates this trend, showing low levels of employment for persons with developmental disabilities who receive services through the San Andreas Regional Center. The San Andreas Regional Center appears to slightly lag statewide averages with respect to the percentage of individuals with earned income but part of that gap may result from a lower proportion of individuals working in segregated settings like sheltered workshops.

Table 7: 2016 Employment Metrics for Adults with Intellectual and Developmental Disabilities, San Andreas Regional Center

²³ <https://innovateschools.org/wp-content/uploads/2021/01/2017-Spotlight-on-Students-with-Disabilities-in-Schools-within-SJUSD.pdf>

²⁴ <https://data.census.gov/cedsci/table?q=Morgan%20Hill&t=Disability&tid=ACSDT5Y2020.C18120>

²⁵ <https://socialvocationalservices.org/>

Regional Center	Percentage of Adults Earning Below Minimum Wage	Percentage of Consumers with Earned Income	Percentage of Adults with a Paid Job in a Community-Based Setting	Percentage of Adults with Integrated Employment As a Goal in Their Individual Program Plan	Percentage of Adults Current Unemployed But Wanting a Job in the Community
State Average	57%	14.2%	13%	27%	45%
San Andreas Regional Center	54%	11.3%	13%	23%	45%

4.b. Describe the processes that exist in the jurisdiction and region for people with disabilities to request and obtain reasonable accommodations and accessibility modifications to address the barriers discussed above.

i. Government services and facilities

Morgan Hill's website includes readily identifiable accessibility pages that provide key information regarding website accessibility and the process for requests related to that subject.²⁶ The website does not have easily identifiable resources regarding how to submit a reasonable accommodation more broadly.

The code of ordinances does provide for a process for applying for a reasonable accommodation in regulations related to zoning and land use. In addition, the City's website provides information on how to request an accommodation for public hearings and meetings.

ii. Public infrastructure (e.g., sidewalks, pedestrian crossings, pedestrian signals)

Morgan Hill does not have a readily identifiable online tool for requesting accessibility improvements, such as curb cuts.

iii. Transportation

The VTA, which serves Morgan Hill, has a clear, dedicated page that describes its reasonable accommodations process, though it is not specific to Morgan Hill. The VTA's policy appears to be consistent with legal requirements and best practices.

iv. Proficient schools and educational programs

Morgan Hill school district's website provides a wealth of information for parents and families in need of special education services. Not only does it provide information on how to access supportive services, the website also offers information on students' rights and the array of programs available to students in need of special supports. But no information is posted about

²⁶ <https://www.morgan-hill.ca.gov/site/accessibility>

how to request a reasonable accommodation or the districts' policies regarding the evaluation of requests. This leaves a gap with respect to students who simultaneously have disabilities, such as mobility impairments, but may not require ongoing special education services. School districts should add content describing their reasonable accommodation policies to their websites.

v. Jobs

It is generally very difficult to find information online regarding employers' reasonable accommodation policies and practices, but the ADA requires most private employers and all state and local entities to provide reasonable accommodations if the requester satisfies the legal conditions for an accommodation.

4.c. *Describe any difficulties in achieving homeownership experienced by people with disabilities and by people with different types of disabilities in the jurisdiction and region.*

The American Community Survey does not disaggregate disability status by housing tenure. Accordingly, it is not possible to precisely determine the homeownership rate for people with disabilities. Additionally, this Assessment did not reveal any local studies on homeownership among people with disabilities or lending discrimination against people with disabilities in Morgan Hill. Nationally, people with disabilities often face specific barriers in the mortgage lending process, including disparate treatment by mortgage brokers and failures to treat disability income as income. Despite the shortcomings in the California Fair Employment and Housing Act's source of income protections, as interpreted by the courts, that law unambiguously prohibits discrimination in mortgage lending on the basis of receipt of Supplemental Security Income or Social Security Disability Income. Thus, people with disabilities have more protection from lending discrimination in California than they do in many other states.

Contributing Factors of Disability and Access

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to disability and access, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Disability and Access:

- Access for persons with disabilities to proficient schools
- Access to publicly supported housing for persons with disabilities
- Access to transportation for persons with disabilities
- Inaccessible public or private infrastructure
- Lack of access to opportunity due to high housing costs
- Lack of affordable, accessible housing in range of unit sizes
- Lack of affordable in-home or community-based supportive services;
- Lack of affordable, integrated housing for individuals who need supportive services
- Lack of assistance for transitioning from institutional settings to integrated housing;
- Lack of local or regional cooperation
- Land use and zoning laws
- Lending discrimination

- Location of accessible housing
- Loss of Affordable Housing
- Occupancy codes and restrictions
- Regulatory barriers to providing housing and supportive services for persons with disabilities
- Source of income discrimination
- State or local laws, policies, or practices that discourage or prohibit individuals with disabilities from living in apartments, family homes, supportive housing, shared housing and other integrated settings

e. Fair Housing Enforcement, Outreach Capacity and Resources

List and summarize any of the following that have not been resolved:

- A charge or letter of finding from HUD concerning a violation of a civil rights-related law;
- A cause determination from a substantially equivalent state or local fair housing agency concerning a violation of a state or local fair housing law;
- Any voluntary compliance agreements, conciliation agreements, or settlement agreements entered into with HUD or the Department of Justice;
- A letter of findings issued by or lawsuit filed or joined by the Department of Justice alleging a pattern or practice or systemic violation of a fair housing or civil rights law;
- A claim under the False Claims Act related to fair housing, nondiscrimination, or civil rights generally, including an alleged failure to affirmatively further fair housing;
- Pending administrative complaints or lawsuits against the locality alleging fair housing violations or discrimination.

There are no pending, unresolved charges, letters of findings, cause determinations, voluntary compliance agreements, conciliation agreements, settlement agreements, False Claims Act lawsuits, or pending administrative complaints or lawsuits against the City of Morgan Hill alleging violations of the Fair Housing Act, the California Fair Employment and Housing Act, or other relevant civil rights laws. Presently, no outstanding fair housing complaints are unresolved in Morgan Hill, however, California's Department of Housing and Community Development AFFH Mapping Tool indicates that 12 complaints were made since 2013.²⁷ Of the total complaints, three were for disability discrimination, two were for racial discrimination, and 1 was for familial status discrimination, but no violation was found for any of these 12 complaints.²⁸ Given the relatively small proportion of complaints made, fair housing discrimination is not a pronounced issue here, however, this data alone does not show whether violations occurred but only whether a complaint for the violation was made. Therefore, the information provided should be viewed with this consideration in mind.

Describe any state or local fair housing laws. What characteristics are protected under each law?

California Laws

The State Department of Fair Employment and Housing (DFEH) enforces California laws that provide protection and monetary relief to victims of unlawful housing practices. The Fair Employment and Housing Act (FEHA) (Government Code Section 12955 et seq.) prohibits discrimination and harassment in housing practices, including:

- Advertising
- Application and selection process
- Unlawful evictions
- Terms and conditions of tenancy
- Privileges of occupancy
- Mortgage loans and insurance
- Public and private land use practices

²⁷ <https://www.arcgis.com/apps/webappviewer/index.html?id=4d43b384957d4366b09aeeae3c5a1f60>

²⁸ *Id.*

- Unlawful restrictive covenants

The following categories are protected by FEHA:

- Race or color
- Ancestry or national origin
- Sex, including Gender, Gender Identity, and Gender Expression
- Marital status
- Source of income
- Sexual orientation
- Familial status (households with children under 18 years of age)
- Religion
- Mental/physical disability
- Medical condition
- Age
- Genetic information

Although an individual with a criminal record is not considered a protected class under the law, new protections are in place to prevent a *per se* ban on individuals with criminal records. In 2021, California's Housing and Community Development agency issued regulations regarding the use of criminal records in housing applications. The regulation forbids "any practice of a person that includes seeking information about, consideration of, or use of criminal history information" when it results in a discriminatory effect or constitutes intentional discrimination, or a discriminatory statement. 2 C.C.R. § 12265. It also prohibits a housing provider's use of blanket bans on tenants with criminal histories and instead, requires the provider to use a multi-factor test to evaluate the applicant. 2 C.C.R. § 12269(5). Additionally, arrests or charges that did not lead to a conviction cannot be used in this criminal history review. 2 C.C.R. § 12265(a-b).

In addition, FEHA contains similar reasonable accommodations, reasonable modifications, and accessibility provisions as the Federal Fair Housing Amendments Act. FEHA explicitly provides that violations can be proven through evidence of the unjustified disparate impact of challenged actions and inactions and establishes the burden-shifting framework that courts and the Department of Fair Employment and Housing must use in evaluating disparate impact claims.

The Unruh Civil Rights Act provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation. While the Unruh Civil Rights Act specifically lists "sex, race, color, religion, ancestry, national origin, disability, and medical condition" as protected classes, the California Supreme Court has held that protections under the Unruh Act are not necessarily restricted to these characteristics. In practice, this has meant that the law protects against arbitrary discrimination, including discrimination on the basis of personal appearance.

Furthermore, the Ralph Civil Rights Act (California Civil Code Section 51.7) forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute. Hate

violence can include: verbal or written threats; physical assault or attempted assault; and graffiti, vandalism, or property damage.

The Bane Civil Rights Act (California Civil Code Section 52.1) provides another layer of protection for fair housing choice by protecting all people in California from interference by force or threat of force with an individual's constitutional or statutory rights, including a right to equal access to housing. The Bane Act also includes criminal penalties for hate crimes; however, convictions under the Act may not be imposed for speech alone unless that speech itself threatened violence.

Finally, California Civil Code Section 1940.3 prohibits landlords from questioning potential residents about their immigration or citizenship status. In addition, this law forbids local jurisdictions from passing laws that direct landlords to make inquiries about a person's citizenship or immigration status.

In addition to these acts, Government Code Sections 11135, 65008, and 65580-65589.8 prohibit discrimination in programs funded by the State and in any land use decisions. Specifically, changes to Sections 65580-65589.8 require local jurisdictions to address the provision of housing options for special needs groups, including:

- Housing for persons with disabilities (SB 520)
- Housing for homeless persons, including emergency shelters, transitional housing, and supportive housing (SB 2)
- Housing for extremely low income households, including single-room occupancy units (AB 2634)
- Housing for persons with developmental disabilities (SB 812)

Although the FEHA purports to protect against source of income discrimination, the provision has been largely toothless. In October of 2019, the governor of California signed into law SB 329, prohibiting discrimination in housing based on source of income statewide.

Jurisdiction Ordinances

The City has passed several ordinances to expand the supply of affordable housing. In 2016, the City passed the Below Market Rate law that implements a program to preserve and increase the construction of affordable housing. The ordinance imposes deed restrictions on owner-based and rental-based properties, identifies eligible participants, and sets out the procedures to register and monitor these units as well as an enforcement provision for violations of the law.²⁹ To supplement and strengthen this law, the City enacted its inclusionary zoning ordinance in 2018. The new law requires that any new housing development of two or more units reserve at least ten percent of units for occupancy by very low, low, and moderate-income households.³⁰ But like other jurisdictions, the City allows for alternative means of satisfying this mandate including the payment of in-lieu fees, the construction of housing off-site or the donation of land for the construction of affordable units.³¹ The fees collected are exclusively earmarked for expenditures related to funding affordable housing.³²

²⁹ Morgan Hill Muni. Code, 14.12.10.

³⁰ Morgan Hill Muni. Code, 14.04.010.

³¹ Morgan Hill Muni. Code, 14.08.010; 14.04.070.

³² Morgan Hill Muni. Code, 14.04.080.

The City's existing zoning code also raised potential fair housing related concerns. Previously, the predominating challenge to the expansion of affordable housing in Morgan Hill was its Residential Development and Control Ordinance that limited housing growth and did not exempt affordable housing units from this residential growth cap.³³ But in 2020, the State of California passed Senate Bill 330 suspending local ordinances that restrict housing construction until 2030. Since this law is relatively new, the impact of it on local growth cannot be discerned presently. Moreover, currently, most of the City is zoned for single family homes, and very few districts offer multi-family housing to residents, and of the multi-family housing available, even fewer units are reserved for households in need of low-cost housing.³⁴ This is likely to have a disparate impact on communities of color, individuals on a fixed income such as persons with disabilities, and larger families who are low-income.

Similarly, the City restricts employee housing on agricultural land to "transient labor" meaning agricultural laborers who permanently reside in the area cannot rely on this housing source.³⁵ This is likely to indirectly lead to national origin discrimination because work related immigration status may impact one's own and one's family's access to housing.

The City does provide a reasonable accommodation provision in its zoning code that describes the process for requesting a modification of existing zoning standards.³⁶ This ordinance furthers Fair Housing goals.

Identify any local and regional agencies and organizations that provide fair housing information, outreach, and enforcement, including their capacity and the resources available to them.

Information about service and information providers in Morgan Hill is provided below. There appears to be a gap between the availability of these organizations' services and public awareness of them. Over half of respondents to a survey conducted by the City of Morgan Hill as part of the community engagement process for this Assessment reported not knowing where they could get help if they experienced housing discrimination, and, of those who said that they did know where to turn, very few referenced the service providers listed below by name.

Morgan Hills Housekeys

Housekeys Inc. is a private company hired by the City to administer its affordable housing program. Housekeys assists residents with affordable home ownership and rental and also educates and assists developers or other entities with the permitting and processing involved in the development of affordable housing. The entity does not provide advocacy related to fair housing but does post fair housing information on its website including several FAQs and Know Your Rights pamphlets.³⁷ Because Housekeys is the primary administrator for affordable housing but offers few supports for individuals concerned with fair housing issues, its range of services are inadequate to meet the fair housing needs of local residents.

Project Sentinel

Project Sentinel is the primary Fair Housing contact in Morgan Hill and is the sole entity identified on the City's website. It is a non-profit organization focused on assisting in housing discrimination

³³ Morgan Hill Muni. Code, 18.156.010.

³⁴ Morgan Hill Zoning Map, <https://www.morgan-hill.ca.gov/DocumentCenter/View/328/Zoning-Map>.

³⁵ Morgan Hill Muni. Code, 18.124.020.

³⁶ Morgan Hill Muni. Code, 18.118.010

³⁷ <https://www.housekeys1.com/fair-housing-information>

matters, dispute resolution, and housing counseling. Project Sentinel's housing practice assists individuals with housing problems such as discrimination, mortgage foreclosure and delinquency, rental issues including repairs, deposits, privacy, dispute resolution, home buyer education, post purchase education, and reverse mortgages. Additionally, their Fair Housing Center provides education and counseling to community members, housing providers, and tenants about fair housing laws, and investigate complaints and advocate for those who have experienced housing discrimination. The City's website only identifies Project Sentinel as a resource for fair housing advocacy.

Bay Area Legal Aid

BALA represents low- and very low-income residents within their seven county service area, which includes Santa Clara County. Their housing practice provides legal assistance regarding public, subsidized (including Section 8 and other HUD subsidized projects) and private housing, fair housing and housing discrimination, housing conditions, rent control, eviction defense, lock-outs and utility shut-offs, residential hotels, and training advocates and community organizations. It's important to note that Legal Aid is restricted from representing undocumented clients.

Law Foundation of Silicon Valley

The Law Foundation of Silicon Valley provides free legal advice and representation to low-income individuals in Santa Clara County. In their housing practice, they assist with defending eviction lawsuits, housing discrimination issues such as reasonable accommodation requests for individuals with disabilities, enforcing the San Jose Tenant Protection Ordinance, legal outreach and support for renter organizing/campaigns, help with housing authority hearings, Section 8 and other low-income housing issues like terminations and eligibility determinations, legal advice and information to tenants regarding notices, and advice and information about foreclosure prevention.

Senior Adults Legal Assistance

SALA is a nonprofit elder law office, providing free legal services to residents of Santa Clara County who are age 60 and older. SALA provides legal services across multiple, non-housing contexts, and in the housing context SALA provides legal assistance in landlord-tenant matters, subsidized/senior housing matters, and mobile home residency matters.

Asian Law Alliance

The Asian Law Alliance provides services at a free or low cost basis to Asian/Pacific and low income people, and offers services in Mandarin, Cantonese, Spanish, Vietnamese, Tagalog, Korean, and other languages as needed. In the housing realm, their mission is to ensure access to decent housing, and prevent and combat illegal and discriminatory housing practices.

Santa Clara County Self-Service Center/Family Law Facilitators Office

The Santa Clara County Self-Service Center is a program based out of San Jose that provides information on court procedures and referrals to organizations that can provide legal assistance in emergency circumstances including individuals facing eviction. The Center does not provide direct representation nor provide legal advice based on an individual plaintiff's case, however, it will assist a pro-se individual with filling out paper work and navigating the court system generally.

Department of Fair Employment and Housing

The California DFEH is a state agency dedicated to enforcing California's civil rights laws. Its mission targets unlawful discrimination in employment, housing and public accommodations, hate violence, and human trafficking. Victims of discrimination can submit complaints directly to the department.

Additional Information

Provide additional relevant information, if any, about fair housing enforcement, outreach capacity, and resources in the jurisdiction and region.

This Assessment did not reveal any additional relevant information.

Contributing Factors of Fair Housing Enforcement

Consider the listed factors and any other factors affecting the jurisdiction and region. Identify factors that significantly create, contribute to, perpetuate, or increase the severity of fair housing issues related to fair housing enforcement, including Segregation, R/ECAPs, Disparities in Access to Opportunity, and Disproportionate Housing Needs. For each contributing factor that is significant, note which fair housing issue(s) the selected contributing factor relates to.

Please see the Appendix for the following Contributing Factors to Fair Housing Enforcement, Outreach and Resources:

- Lack of local private fair housing outreach and enforcement
- Lack of local public fair housing enforcement
- Lack of resources for fair housing agencies and organizations
- Lack of state or local fair housing laws
- Unresolved violations of fair housing or civil rights law
- Other

5.4 Fair Housing Goals and Priorities

- I. Increase Affordable Housing Opportunities for Protected Class Members in Eastern and Southwestern Morgan Hill.

Although Morgan Hill is a relatively integrated city, affordable housing is not evenly distributed throughout it, with the city's large number of Low Income Housing Tax Credit (LIHTC) units clustered in or near downtown Morgan Hill. The downtown portions of Morgan Hill tend to have higher concentrations of Hispanic residents and relatively lower access to proficient schools than do areas to the east. Additionally, an outsized share of undeveloped land that is within the City's sphere of influence is in the eastern part of the city or in neighboring unincorporated areas. As these areas are likely to see significant market-rate development, ensuring the availability of affordable housing in these areas will help ensure inclusion and access to opportunity.

Goal	Priority	Strategy	Fair Housing Issues	Contributing Factors	Metrics, Milestones, Timeframe for Achievement
1.a	High	Identify opportunities and sites for affordable housing development in higher resource areas and areas of affluence	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	The availability of affordable units in a range of sizes; Lack of access to opportunity due to high housing costs; Lack of affordable, accessible housing in a range of unit sizes; Location of Proficient schools and school assignment policies; Location and type of affordable housing	Facilitate entitlement approval and construction of at least 160 units with a minimum density of 24 units per acre for affordable housing to be located in RCAs in eastern and south western Morgan Hill; 5 years
1.b	High	Make funding available through a Request for Proposals process for site acquisition by	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	The availability of affordable units in a range of sizes; Lack of access to	Make \$500,000 in funds available to assist with acquisition costs; Select one or more

		nonprofit developers for affordable housing in eastern and southwestern Morgan Hill		opportunity due to high housing costs; Lack of affordable, accessible housing in a range of unit sizes; Location of Proficient schools and school assignment policies; Location and type of affordable housing	proposals for funding that would result in the development of at least 25 very low-income units; Eligible sites to be located in Census Tracts 5123.07, 5123.08 and/or 5123.09; RFP to be issued within 2 years; Units to be available within 5 years
1.c	Medium	Study the creation of affordable housing overlay district in advance of the next Housing Element cycle	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	The availability of affordable units in a range of sizes; Lack of access to opportunity due to high housing costs; Lack of affordable, accessible housing in a range of unit sizes; Land use and zoning laws; Location of Proficient schools and school assignment policies; Location and type of affordable housing	Study of potential overlay district options completed; if report recommends adoption of overlay districts, ordinance text developed; 4 year time period for study completion; 6 year time period for drafting of legislative text
1.d	Medium	Collaborate with the Santa Clara County Housing Authority on	Segregation; RCAAs; Disparities in	Impediments to Mobility; Quality of Affordable	Conduct outreach to at least 10 new landlords that do

		Landlord Outreach RCAs in in Morgan Hill.	Access Opportunity to	Housing Information Programs; Source of Income Discrimination	not currently rent to Housing Choice Voucher holders per year, encourage those landlords to participate in the HCV program, and connect those landlords to SCCHA staff working with voucher holders to improve mobility; At least 1% of rental units in each RCAA in Morgan Hill should be rented to a voucher holder; Begin implementation within 1 year of start of any SCCHA program
1.e	Medium	Provide Funding to the Santa Clara County Housing Authority to Support Its Mobility Counseling Efforts, Including in Morgan Hill	Segregation; RCAs; Disparities in Access Opportunity	Impediments to Mobility; Quality of Affordable Housing Information Programs; Source of Income Discrimination	Provide \$50,000 in funding annually to SCCHA for the provision of mobility counseling services to Housing Choice Voucher holders; Support the provision of services to 10 households with vouchers annually; Begin implementation within year 2 of start of any SCCHA program
1.f	Low	Develop an Affirmative Marketing Plan Template and Require Below Market Rate	Segregation; Disparities in Access Opportunity	Impediments to Mobility; Quality of Affordable Housing Information	Develop Affirmative Marketing Plan Template to reduce patterns of segregation

		Housing Providers to Develop Marketing Plans Based on the Template		Programs; Source of Income Discrimination	and encourage integration in housing by promoting housing choices and opportunities regardless of one's protected characteristics; Develop template within 2 years; Require adoption of plans by providers within 3 years; Monitor compliance in years 4-8
1.g	Low	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.	Segregation; RCAAs; Disparities in Access to Opportunity	Lack of Access to Opportunity Due to High Housing Costs; Location and Type of Affordable Housing; Siting selection policies, practices, and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs	Submit comment letter to CTCAC within 1 year

- a. Identify opportunities and sites for affordable housing development in higher resources area and area of affluence.

Although the City of Morgan Hill has sufficient permitted development in its pipeline to ensure that it does not need to identify additional sites to meet its RHNA targets, identifying sites in eastern and southwestern Morgan Hill would advance the goal of fostering greater integration and ensure a steady supply of affordable housing in the future. Additionally, identifying sites for affordable housing in eastern and southwestern Morgan Hill could increase the likelihood of 100% affordable housing developments and units for extremely low-income households created separately from affordable housing created through mandatory inclusionary housing. Prioritize the housing subsidies in eastern Morgan Hill to achieve affordability set-asides and depth of affordability exceeding the requirements of the Inclusionary Housing Ordinance.

For developments that are in the pipeline but for which the final mix of affordability levels is not yet determined, the City should prioritize making funds available to developments in eastern and southwestern Morgan Hill where a higher percentage of affordable units and units affordable at lower income levels would help foster greater integration and access to proficient schools.

- b. Make funding available through a Request for Proposals process for site acquisition by nonprofit developers for affordable housing in eastern and southwestern Morgan Hill.

In addition to the City's proactive identification of sites as described in Strategy 1.a above, the City will leverage the interest of nonprofit affordable housing developers in building affordable housing in higher opportunity areas by issuing a request for proposals (RFP) that would make money available for site acquisition in such areas. The terms of the RFP would ensure that successful bidders are committed to providing housing for very low-income households and that the sites for which acquisition assistance is provided are in the highest opportunity parts of the city, including within the city's RCAs.

- c. Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle.

For future Housing Element cycles, zoning changes may be necessary in Morgan Hill. Affordable housing overlay districts are a tool that can help meet the need for units for very low- and extremely low-income households while avoiding the opportunity cost of scarce rezoned sites being snatched up for predominantly market-rate development.

- d. Collaborate with the Santa Clara County Housing Authority on Landlord Outreach in RCAs in Morgan Hill.

The SCCHA does not currently administer a mobility counseling program for households with HCVs but is considering doing so in the near future. The City of Morgan Hill should be an active partner in the roll-out of any such program. Because City staff have local knowledge and on-the-ground relationships, they are ideally situated to conduct outreach to landlords in RCAs in the eastern portion of Morgan Hill regarding the benefits of participation in the HCV program. The HUD data reviewed for this Assessment revealed no voucher holders living in those census tracts, so it should be feasible to achieve a measurable improvement in the proportion of rental units being leased to voucher holders. That rents in the higher cost areas of Morgan Hill are still lower than in the higher cost parts of northern Santa Clara County should be of further assistance as the landlords targeted through this outreach are likely to have some units within SCCHA's payment standards for the HCV program.

- e. Provide Funding to the Santa Clara County Housing Authority to Support Its Mobility Counseling Efforts, Including in Morgan Hill.

In addition to using the programmatic resources of the City to help identify landlords to participate in the Housing Choice Voucher program, the City should also contribute funds to SCCHA to aid in the staffing of a nascent mobility counseling program. By doing so, the City would position itself to be able to inform the content of SCCHA's mobility counseling in such a way as to make it responsive both to the needs of voucher holders living in Morgan Hill and to the possible opportunities that might exist for voucher holders seeking to move to Morgan Hill and especially to RCAs, such as eastern Morgan Hill.

- f. Develop an Affirmative Marketing Plan Template and Require Below Market Rate Housing Providers to Develop Marketing Plans Based on the Template.

Affirmative marketing is an effective strategy for ensuring that, when affordable housing is built in higher opportunity areas, such housing realizes its full potential for fostering residential integration. Despite the well-developed framework for affirmative marketing in federally-assisted affordable housing, there is a lack of clear parameters for affirmative marketing in affordable housing assisted with local funds. The City will both require its Below Market Rate housing providers – multi-family rental developers and their landlords and single-family developers of owner-occupied housing – to adopt affirmative marketing plans and arm those providers with a plan template that positions them to succeed. Additionally, the City will have visibility into all application and selection activity through its online program portal powered by its program administrator, HouseKeys. Over time, this should result in occupancy demographics for affordable housing in Morgan Hill that reflect the demographics of the income-eligible population of the region though it is difficult to quantify that as a goal in light of the current lack of data about the demographics of Below Market Rate housing residents. The template will require developers to inform the City how they plan on affirmatively marketing the property. In addition, the City will provide a list of publications to advertise in and a list of organizations to reach out to.

- g. Advocate for the California Tax Credit Allocation Committee to Provide the Same Bonus Points to Applicants with Projects Located in RCAs as Those Provided to Applicants with Projects Located in Highest Resource Areas.

II. The application scoring criteria of the California Tax Credit Allocation Committee (CTCAC) currently place proposed projects in eastern Morgan Hill, including the RCAs in that area, at a significant competitive disadvantage. Such projects are unlikely to receive incentives available for transit-oriented development or for proximity to community amenities that may be available to proposed projects in Downtown Morgan Hill. Such projects also will not receive the incentives available for proposed projects in higher opportunity areas that score better on the opportunity mapping that CTCAC relies upon to identify high and highest resource areas. If CTCAC were to provide the same scoring incentives that it does for projects in highest resource areas to projects located in RCAs, which are sometimes but, as in the case of Morgan Hill, not always the same places, that would make LIHTC development in eastern Morgan Hill much more feasible. The City of Morgan Hill ultimately cannot control whether CTCAC would make changes to its Qualified Allocation Plan (QAP) in response to comments, but the submission of comments is a step that is within the power of the City to execute. Additionally, CTCAC may have some incentive to seriously consider this proposed change, because undertaking the change would better align CTCAC's

implementation of its programs and activities with that of California HCD. Protect Tenants from the Risk of Future Displacement.

Morgan Hill has a significant homeownership gap with 80.6% of White households owning their homes as opposed to just 53.3% of Hispanic households. While homeownership can protect residents from the impact of rising housing costs, tenants are left vulnerable. A.B. 1482 limits extremely high rent increases, but even allowable increases can still push tenants out, especially if repeated year-after-year. In addition to Hispanic families, adults ages 18 through 64 who have disabilities are also disproportionately likely to rent.³⁸ Although families with children are not disproportionately likely to rent, the impact of displacement on families that do rent can be particularly acute due to disruption to school assignment and attendance. Morgan Hill should deploy a variety of policy tools to curb displacement.

Goal	Priority	Strategy	Fair Housing Issues	Contributing Factors	Metrics, Milestones, Timeframe for Achievement
2.a	High	Adopt a mediation requirement for rent increases of 5% or more	Disproportionate Housing Needs	Displacement of residents due to economic pressures	Completion of study of mediation requirement; adoption of mediation requirement, drafting of ordinance text to create requirement; Study completed within year 2 and text drafted within 4 years
2.b	High	Adopt a tenant relocation assistance ordinance	Disproportionate Housing Needs	Displacement of residents due to economic pressures	Completion of study of possible relocation assistance ordinance; adoption of relocation assistance ordinance, drafting of ordinance text to create requirement; Study completed within year 2 and

³⁸ Overall, persons with disabilities are not disproportionately likely to rent because the population of persons with disabilities is disproportionately older and older adults are disproportionately likely to be homeowners.

					text drafted within 4 years
2.c	High	Seek funding or develop paths of support for access to counsel in possessory eviction cases	Disproportionate Housing Needs	Displacement of residents due to economic pressures; Private discrimination; Source of income discrimination	Study of possible funding mechanisms completed; Identification of at least \$50,000 in dedicated annual support for eviction defense in Morgan Hill; Study completed within year 2; Annual funding begins within 3 years; Annual funding level of \$50,000 reached within 5 years
2.d	Medium	Support shared-equity homeownership models	Disproportionate Housing Needs	Displacement of residents due to economic pressures; Lending discrimination	Annual funding or in-kind (land) donations of \$100,000 dedicated to shared-equity homeownership models; Annual support level reached within 3 years
2.e	Medium	Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	The availability of affordable units in a range of sizes; Displacement of residents due to economic pressures; Lack of access to opportunity due to high housing costs; Lending discrimination; Location and type of	Review completed; If recommendations revisions flow from review, proposal of draft amendments to the Inclusionary Housing Ordinance; Review completed within year 4; Possible revisions drafted within 6 years

				affordable housing	
2.f	Low	Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill	Disproportionate Housing Needs	Displacement of residents due to economic pressures	Adoption of preference for City-funded affordable housing developments; Adoption of preference within 3 years

- a. Adopt a mediation requirement for rent increases of 5% or more.

California's Costa-Hawkins Act preempts the application of local rent stabilization ordinances to single-family homes, condominiums, and homes built after February 1, 1995. As a city that has roughly doubled in population since 1990, that means that a significant proportion of Morgan Hill's relatively modest stock of multifamily housing would be exempt from any rent stabilization ordinance. As a result, the costs of administering rent stabilization may outweigh the benefits that it would deliver to tenants. By contrast, the Costa-Hawkins Act does not prevent California cities from adopting rent increase mediation requirements as some other jurisdictions in the Bay Area have. A mediation requirement might seek to encourage landlords to forgo the opportunity to raise rents by levels that exceed what might be allowed under nearby rent stabilization ordinances (5% in San Jose) but that are not unlawful under A.B. 1482 (10% due to recent increases in inflation).

- b. Adopt a tenant relocation assistance ordinance.

California cities are able to adopt tenant relocation assistance ordinances that require landlords to provide financial assistance to low- and moderate-income tenants displaced as a result of the landlords' actions. The City of Morgan Hill should study the value and feasibility of adopting such a policy locally, looking at (1) the frequency with which tenants are displaced in Morgan Hill through the types of actions that could be triggering events for relocation assistance, (2) the amount of relocation benefits that would be necessary to enable Morgan Hill residents at income levels typical for affected buildings to be able to remain in the city, and (3) the efficacy of relocation assistance ordinances in other cities in the Bay Area at enabling displaced tenants to find new housing near their former homes.

- c. Seek funding or develop paths of support for access to counsel in possessory eviction cases.

Access to counsel has a significant impact on tenant outcomes in possessory eviction cases, potentially preventing eviction but also having the potential to facilitate better relocation outcomes for tenants who do end up relocating. By providing additional funding to close the gap between the current capacity of legal services providers and the total need for representation in possessory eviction cases. Increased access to counsel may have particular benefits for tenants with disabilities who may have additional defenses available to them in eviction cases that are unavailable to others.

- d. Support shared-equity homeownership models.

Another way of protecting protected class members who are tenants from displacement is to create opportunities for them to access homeownership. Although creating homeownership opportunities for very low- and extremely low-income households can be difficult, shared-equity models like limited equity cooperatives and community land trusts have proven track records. The City could seek to support these models both through land donation and through the commitment of subsidy dollars. Shared-equity homeownership models may also provide opportunities for the creation of affordable housing in locations that are not realistic candidates for major rezoning. Single-family homes on small lots may be a viable housing type for a shared-equity homeownership effort.

- e. Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance.

Currently, the City's Inclusionary Housing Ordinance requires the provision of units affordable to moderate-income households in for-sale developments. Requiring that developers achieve deeper owner-occupied affordability through cross-subsidization and existing incentives may not be effective. However, the City could seek to bridge the gap between inclusionary for-sale units and low-income households by providing financial support. Additionally, in light of the homeownership gap in Morgan Hill, the City should require developers to affirmatively market for-sale inclusionary units to Hispanic households.

- f. Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill.

The City should consider implementing an admissions preferences for affordable housing for tenants who have recently been displaced. These tenants are more likely to be members of protected classes. Such a preference could apply both in inclusionary developments and in affordable developments that receive City funds.

III. Increase Access to Opportunity for Residents of Downtown Morgan Hill through Place-Based Investments and by Connecting Morgan Hill Residents to Employment Opportunities.

In general, access to a wide range of types of opportunity are available to residents of Morgan Hill. Although school proficiency is not equal across the city, there are high-performing schools in the city. Access to environmental health is generally higher than in much of the region. Key related exceptions involve transportation and job access. Morgan Hill does not have the abundance of job opportunities that exist further north in Santa Clara County. The disconnect between where Morgan Hill residents – a population that is more heavily Hispanic than the broader region – live and where jobs are concentrated can be addressed in two broad ways. First, the City can seek to increase employment opportunities in Morgan Hill itself. Second, the City can seek to address transportation gaps in order to make it easier for residents to reach jobs in northern Santa Clara County. In addition to addressing that mismatch, the City can also improve quality of life for residents of Downtown Morgan Hill through place-based investments.

Goal	Priority	Strategy	Fair Housing Issues	Contributing Factors	Metrics, Milestones, Timeframe for Achievement

3.a	High	Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA)	Disparities in Access to Opportunity	Location of employers	Incorporation of local workforce development strategies into specific plans for the Priority Development Area; Strategies included within 2 years
3.b	Medium	Create incentives for local businesses to hire Morgan Hill residents	Disparities in Access to Opportunity	Location of employers	Identification of possible incentives; Adoption of incentives; At least 250 jobs created through incentives; Identification of incentives within 2 years; Adoption of incentives within 3 years; Jobs created within 8 years
3.c	High	Advocate for VTA to expand bus service in Morgan Hill	Disparities in Access to Opportunity	The availability, type, frequency, and reliability of public transportation; Location of employers	Documented communications – including correspondence and meetings – with VTA regarding bus service needs; Headways reduced to a maximum of 15 minutes on all routes during peak times; One additional route created; Intensive communication and outreach to VTA within 2 years; Service expansions within 8 years

3.d	Medium	Increase pedestrian safety through the preparation and implementation of the Transportation Master Plan update, Capital Improvement Plan (CIP), and Monterey Corridor Form-Based Code	Disparities in Access Opportunity	Lack of Community Revitalization Strategies; Lack of Public Investments in Specific Neighborhoods, Including Services and Amenities	Implement changes specified in plan; Measurable decrease in traffic accidents and serious injuries; Implementation complete within 1 year
3.e	Low	Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City	Disparities in Access Opportunity	The availability, type, frequency, and reliability of public transportation	Study of first mile/last mile solutions; Dedication of funds consistent with reasonable study recommendations; Study completed within 3 years; Funds dedicated within 5 years

- Prioritize the creation of jobs that are accessible to low- and very low-income workers who reside within the Downtown Morgan Hill Priority Development Area (PDA).

The burden of long commutes to northern Santa Clara County does not fall evenly on all workers. Employees in high-paying technology and other professional jobs are better able to absorb the cost of relatively high fares on Caltrain or car maintenance and gas (or the expense of buying an electric or more fuel-efficient vehicle). Additionally, they are more likely to have jobs that allow them to work at home some or all of the time. For lower income workers, often living in downtown Morgan Hill, in service, retail, manufacturing, and logistics jobs, high transportation costs may be a significant burden with the potential to cancel out the reduced housing costs of living in Morgan Hill rather than northern Santa Clara County. When making zoning decisions with implications for types of job creation and determining how to utilize limited resources for incentivizing job creation, the City should prioritize the creation of jobs that strike a balance between decent wages and low barriers to entry (in terms of educational attainment and other credentials).

- Create incentives for local businesses to hire Morgan Hill residents.

For jobs that exist in Morgan Hill, increasing the likelihood that Morgan Hill residents obtain those jobs would help to reduce disparities in access to employment faced by Hispanic residents. These incentives could include expedited processing of permit applications, a tax break or some other subsidy for each job filled by a Morgan Hill resident.

- c. Advocate for VTA to expand bus service in Morgan Hill.

Morgan Hill has both local bus service and connections to San Jose through VTA bus lines, but local service is limited, both in terms of areas served and frequency, and hours of service. The City does not have control over VTA's bus network but should encourage expansions of service that make commuting by bus a more realistic option for workers in Morgan Hill, including service and retail workers who are more likely to work evenings and weekends. In particular, the corridor along Dunne Avenue has significant development but lacks local bus service.

- d. Increase pedestrian safety through the preparation and implementation of the Transportation Master Plan update, Capital Improvement Plan (CIP), and Monterey Corridor Form-Based Code.

The Capital Improvement Program (CIP) is the primary tool that local governments use to plan for major capital projects and acquisitions. It identifies major capital needs over a multi-year forecast period and reflects the overall priorities of the City. The CIP focuses on large capital projects and acquisitions with long useful lives that have significant impact on the health, safety, and vibrancy of the community. The CIP supports the implementation of the City's General Plan and includes projects that expand or maintain various City functions including the Water System, Wastewater System, Storm Drain System, Roadways and Sidewalks, Public Facilities, and Parks and Recreation. The Monterey Corridor Form-Based Code will transform the Monterey Road corridor north and south of Downtown from its current predominantly strip commercial character to a vibrant mixed-use corridor that encourages walking and biking with buildings fronting onto the street and a range of commercial and office uses located close to new and existing residential development. The Monterey Corridor Form-Based Code establishes development standards that are objective and implement the community vision, emphasizing pedestrian-oriented building form and streamlined housing development with an appropriate mix of uses. The Code will ultimately shape the relationship between building facades and the public realm (i.e., the public and private space between buildings), the form and mass of buildings in relation to one another, and the scale and type of blocks.

In addition, the City of Morgan Hill is currently initiating an update to the Transportation Master Plan which will determine where other safety improvements might be needed within Census Tract 5123.11, by identifying improvements to public transit and pedestrian/bike facilities as well as Travel Demand Management (TDM) policies that may provide alternatives to vehicular travel to improve mobility for people of all ages and abilities; and consider the service and safety of all modes of transportation through a robust community engagement effort, and implement Vision Zero and Complete Street policies and street design guidelines.

By implementing the CIP, Monterey Corridor Form-Based Code, and the Transportation Master Plan update, the City will be conserving, revitalizing, conserving, and improving assets within the "Low Resource" area identified on the TCAC Opportunity Maps, Census Tract 5123.11, by targeting investment in areas of most need focused on improving community assets such as parks, active transportation, and infrastructure, and increase pedestrian safety.

- e. Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service established within the City.

To the extent that VTA or Caltrain services expansion are both outside the City's control and may be unlikely to occur, the City can still focus on the development of first mile/last mile options that connect residents to Caltrain and regional bus service. If the City is successful in facilitating

affordable housing development in the eastern portion of the city, which has less access to regional transportation networks, it will be critical ensure that first mile/last mile solutions are coordinated with such development.

IV. Increase Fair Housing Enforcement, Outreach, and Education in Morgan Hill.

Goal	Priority	Strategy	Fair Housing Issues	Contributing Factors	Metrics, Milestones, Timeframe for Achievement
4.a	High	Increase fair housing enforcement, outreach, and education in Morgan Hill	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	Lending discrimination; Private discrimination; Source of income discrimination	Achieve annual funding level for fair housing services of at least \$50,000; Annual funding level of \$50,000 achieved by year 3 and each year after
4.b	Medium	Conduct spatial analysis annually to determine where ADU and SB 9 construction is generally aggregating within the City	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	Impediments to Mobility; Private discrimination; Source of income discrimination	Increase the number of new ADUs and SB 9 development within RCAAs and higher resource/lower density areas by an additional 10 affordable units annually; Increase targeted education for ADUs, SB 9 development, and housing choice vouchers within identified RCAAs and higher resource/lower density areas
4.c	High	Develop a Gap and Opportunity Analysis with specific strategies to further the goals of connecting Spanish-	Segregation; Disproportionate Housing Needs; Disparities in Access to Opportunity	Impediments to Mobility; Lending discrimination; Private discrimination; Source of	Implement changes specified in plan; Strategies completed within 2 years; Implementation

		speaking and lower income community members to jobs and housing resources		income discrimination	started year 2	within
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- a. Fund Project Sentinel for fair housing counseling, education, and outreach service throughout the planning period.

Santa Clara County contracts with Project Sentinel, a private, nonprofit organization, to provide fair housing services throughout the Santa Clara Urban County, which includes Morgan Hill. As the largest city in the Urban County, however, it is likely that Morgan Hill could benefit from more geographically targeted enforcement, outreach, and education efforts to counter housing discrimination. Such efforts might focus on discrimination against Housing Choice Voucher holders, which only became unlawful as of January 2020. The City might consider either entering into a separate contract with Project Sentinel or providing funds to Santa Clara County to increase its contract amount and target some portion of Project Sentinel's efforts to Morgan Hill specifically.

- b. Conduct spatial analysis annually to determine where ADU and SB 9 construction is generally aggregating within the City.

Over the last several years the State legislature has passed a series of bills aimed at encouraging single-family homeowners to add Accessory Dwelling Units (“ADUs” also known as “second units” or “granny flats”) to their property by requiring local jurisdictions to adopt regulations to facilitate their production and streamline their approval. ADUs are complete independent housing units that can be either detached or attached from an existing single-family or multi-family residence. In December 2019, the Morgan Hill City Council adopted Ordinance No. 2313 amending Chapter 18.84 (Accessory Dwelling Units) of the Zoning Ordinance consistent with State laws. In addition, in order to promote the development of ADUs, the City will develop and adopt programs that promotes the creation of ADUs that can be offered at an affordable rent for extremely low-, very low-, low-, or moderate-income households or households with special housing needs.

In addition, the City reviews, approves, and tracks the timely review of ADU building permit applications. The Development Services Department collects data annually on building permit issuance and construction of ADUs for the Housing Element Annual Progress Report. As part of this program, the City commits to continued monitoring of ADU development, including approved affordability of each unit.

Further, the City will develop an ADU guidebook consisting of a comprehensive step-by-step resource for building an ADU, including detailed resources, an online ADU calculator, and case studies. The ADU guidebook will assist with the promotion and streamlining of the production of ADUs by providing information in one location along with guidance on navigating the permit process. The City will conduct robust outreach by promoting the ADU guidebook to the community through social media, the City’s website, e-newsletter, notification to housing groups/advocates, and meetings with various business groups (e.g., Chamber of Commerce).

The City will also conduct outreach and education to ADU owners and Senate Bill (SB) 9 applicants regarding compliance with fair housing and tenant protection laws, including SB 329

and SB 222, which prohibit discrimination against tenants using Housing Choice (Section 8) vouchers to pay rent.

- c. 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.

The City of Morgan Hill in partnership with ICMA is advancing an economic mobility program called Elevate Morgan Hill. The goal of the program is to develop a strategy that would connect Spanish-speaking and lower income community members to jobs and housing resources, while also increasing their sense of belonging to the greater community. ICMA through the Gates Foundation is supporting this effort to help Morgan Hill collect data necessary to understand the needs of the Spanish-speaking and lower income residents in Morgan Hill, engage service providers, employers and educational institutions to develop a strategy to advance the goals Elevate Morgan Hill.

The Elevate Morgan Hill outcomes include the following:

1. Identify Community Needs: Identify community needs to community surveys, focus group, data collection from local providers and creation of targeted demographic data analysis.
2. Convene a Resource Asset Network: Convene stakeholders such as local employers, service providers, and educational institutions to identify hiring trends and opportunities, apprenticeship, and certification programs as well as resources offered by local services.
3. Develop Elevate Morgan Hill Strategy: 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.

5.5 Contributing Factors Appendix

Access to financial services – Not a Contributing Factor

This analysis of access to financial services is measured by physical access to bank branch locations. The FDIC provides information on the location of banks by physical addresses, cities and towns, counties, and states. According to the FDIC dataset, Morgan Hill has nine FDIC-Regulated Full-Service Brick and Mortar Branches³⁹ for their population of just over 45,000 people.⁴⁰ This is relatively consistent with the amount of financial services offered throughout other municipalities in Santa Clara County. Although the existence of physical financial services does not examine discriminatory practices within these services, it does suggest that many residents have sufficient access to financial services.

Access to proficient schools for persons with disabilities – Medium Priority

Morgan Hill Unified School District (MHUSD) offers special education services to 1,072 students with disabilities. Programs include WorkAbility, a training program for special education students ages 14.9-22 that provides career awareness and exploration in addition to secondary education.⁴¹ MHUSD's Local Control and Accountability Plan (LCAP) provides strategic and intensive interventions in support to underperforming student groups such as Low Socioeconomic Status, English Learner, Migrant, and Foster/Homeless.⁴²

Students with disabilities in MHUSD disproportionately face suspension, with the average suspension rate being 5% in 2018-2019 (pre-COVID, when schools were open), but the rate for students with disabilities being almost double the rate at 9.7%.⁴³ Disproportionate student punishment can be an additional barrier for students with disabilities from accessing and staying within proficient schools.

Across Santa Clara County, students are not easily able to transfer between school districts without actually changing residences, and access to high-quality programs that may not be available in their home district generally is not grounds for inter-district transfer. Disparities in school discipline also decrease access to proficient schools and to any education whatsoever. Across Santa Clara County, the suspension rate for students with disabilities is over three times the rate for students who do not have disabilities. This is a higher rate of disparity than the statewide rate.

Access to publicly supported housing for persons with disabilities – High Priority

Data from HUD shows that, across jurisdictions in Santa Clara County, persons with disabilities are underrepresented in Project-Based Section 8 developments in relation to their proportion of the income-eligible populations. Because local governments in the area do not play a direct role in the administration of Project-Based Section 8 developments, support for fair housing organizations to engage in testing of these developments may be the most effective way of

³⁹ All FDIC-related data derived from: *Download Data*, FEDERAL DEPOSIT INSURANCE CORPORATION, <https://banks.data.fdic.gov/bankfind-suite/bankfind?activeStatus=0%20OR%201&branchOffices=true&city=Morgan%20Hill&pageNumber=1&resultLimit=25&stalp=CA>

⁴⁰ All population and minority population data derived from: *QuickFacts*, UNITED STATES CENSUS BUREAU, <https://www.census.gov/quickfacts/fact/table/morganhillcitycalifornia/BZA010219>.

⁴¹ DataQuest, California Department of Education, Morgan Hill Unified Report, 2019-20 Enrollment by Subgroup for Charter and Non-Charter Schools <https://dq.cde.ca.gov/dataquest/dacensus/EnrCharterSub.aspx?cds=4369583&agglevel=district&year=2019-20&ro=y>

⁴² MHUSA LCAP Plan, https://drive.google.com/file/d/1wQ7bfUZcUZ5_r-CCqanA1KnkGndBI_u/view

⁴³ Morgan Hill Unified School District, Local Control Accountability Plan and Annual Update (LCAP) Template (2018).

addressing this underrepresentation. Based on local context, it is also possible that persons with disabilities actually reside in Project-Based Section 8 units at higher rates than reflected in the HUD data. With respect to Sycamore Glen, it may be subject to a common error in demographic data collection for publicly supported housing whereby residents are either categorized as elderly or as having a disability but not as both. Of course, not only can someone both be elderly and have a disability, elderly individuals are more likely to have disabilities than non-elderly individuals. With respect to Park Place, data reflecting the disability status of residents there may be suppressed in the overall Project-Based Section 8 occupancy data because only ten units at the property are assisted with that form of subsidy. Additionally, although there is need for larger units for persons with disabilities, persons with disabilities are disproportionately likely to reside in one-bedroom units, and there are no one-bedroom units at Park Place. Although the data does not reflect similar disparities for other types of publicly supported housing, low-income persons with disabilities may also have limited access to Low Income Housing Tax Credit (LIHTC) units due to the way rents are set in those developments.

Morgan Hill has a moderate proportion of residents with disabilities. According to the 2019 American Community Survey (ACS) 5-Year Estimate, roughly 4,033 residents of Morgan Hill have disabilities, amounted to 9.1% of the total population. In contrast, approximately 8.0% of county residents have a disability. Organizations supporting people living with disabilities in housing matters in Morgan Hill are not based in the city itself. Instead, disability housing services are mostly based in San José, or other areas.

Access to transportation for persons with disabilities – Medium Priority

In Santa Clara County, VTA Access Paratransit (a non-profit organization) works with the county's Valley Transit Authority to provide rides to seniors and adults under the American Disabilities Act (ADA) who cannot drive. A person must only have a partial disability and live in the county to become eligible for VTA Access service. It costs \$4.00 for a one-way trip of any distance.⁴⁴ This is cheaper than rideshare services. The person must schedule their ride one to three days in advance, and their pickup and drop-off locations have to be in the county. The person must also go through their eligibility certification process, which includes a one-page Data Card and a phone interview. The Data Card asks for basic personal information, such as the person's birthdate, addresses, primary language; explanation of the person's primary disability; and information regarding any mobility aids or specialized equipment.⁴⁵

Morgan Hill has a Caltrain stop at 17300 Depot Street in Morgan Hill. This station is in Zone 6, and it takes approximately two hours to reach San Francisco

Ken Transportation is also available for all residents of Santa Clara County who need non-emergency rides. It is intended for people in wheelchairs or that need assistance using vehicles.⁴⁶

The barrier to access to transportation for persons with disabilities, which is closely tied to broader issues with transportation in the area, is an overall lack of public transportation. Due to their disproportionately low incomes and the decreased likelihood of being able to use private vehicles for transportation, persons with disabilities bear the brunt of deficiencies in the system. Lack of

⁴⁴ Paratransit and elder transport services, Sarah Care of Campbell, <https://sarahcarecampbell.com/paratransit-services.php> (last visited Jun 10, 2021).

⁴⁵ Personal Data Card, Certification and Authorization for Release of Protected Health Information, EnglishApp_2017.pdf, http://vtaorgcontent.s3-us-west-1.amazonaws.com/Site_Content/EnglishApp_2017.pdf (last visited Jun 10, 2021).

⁴⁶ Ken Transportation | A Medical Transportation Provider in San Jose, California | About Us, <http://www.kentransport.com/medical-transportation-about-us> (last visited Jun 10, 2021).

transportation is connected to health and employment outcomes as low-income persons with disabilities often need public transportation to get to medical appointments or to workplaces.

Admissions and occupancy policies and procedures, including preferences in publicly supported housing – Low Priority

The Santa Clara County Housing Authority (SCCHA) administers admissions and occupancy policies and procedures for Housing Choice Voucher holders in Morgan Hill. SCCHA lists only one local preference for its Housing Choice Voucher Program: income eligible families displaced as a result of a federally-declared disaster. Additionally, SCCHA states in its HCV Administrative Plan that it will issue available 59-Mainstream vouchers to eligible people on the Section 8 Waiting List who have a disabled (elderly or non-elderly) head of household, spouse, and/or co-head. SCCHA receives direct applicant referrals from partnering agencies for the following programs: Chronically Homeless Direct Referral Program, Special Needs Population Direct Referral Program, and Veterans Affairs Supportive Housing Program. Those who are referred from these programs are able to bypass the Section 8 or Project-Based Voucher waiting lists. Finally, SCCHA may draw from the waiting list and/or receive direct referrals from the Santa Clara County Office of Supportive Housing for the Mainstream Voucher Program

SCCHA also applies criminal background screening policies which are fairly consistent with fair housing best practices. The Housing Authority applies a reasonable lookback period of just three years. However, their policy also states that they *may* terminate assistance “if a household member has engaged in criminal activity (by preponderance of evidence) regardless of whether the member has been arrested or convicted.” Still, in determining whether to deny or terminate assistance, the Housing Authority considers a multitude of factors, including the seriousness of the case, the effect of termination on other household members, the participation or culpability of other household members, the time elapsed, recent history, and likelihood of favorable conduct in the future.

The availability of affordable units in a range of sizes – High Priority

Morgan Hill has a substantial supply of LIHTC and BMR housing but few units produced through other programs. There are no 3+ bedroom BMR units in the city.⁴⁷ At the same time, at least 366 LIHTC units in Morgan Hill (more than one-third of the total supply) appear to have three or more bedrooms.⁴⁸ Park Place, which also includes Project-Based Section 8 units, is among the LIHTC developments that have larger units with up to five bedrooms, a unit type that is increasingly rare but extremely valuable for low-income families with children. A lack of affordable units in a range of sizes can cause overcrowding as families are forced to share smaller units. In Morgan Hill, 14% of renter households experience overcrowding (the same rate as renters in the county). 0% of Black, 0% of Native American, 5% of White, 5% of Asian American or Pacific Islander, and 14% of Hispanic residents of the city experience overcrowding. (These racial categories are all referring to individuals of that race alone, except Hispanic which is referring to Hispanic people of all races.) This issue is compounded by the lack of 3+ bedroom BMR housing. The Morgan Hill Family – Scattered Site project is a new construction 41-unit apartment project located in the Morgan Hill. Altogether, 18 of these units are 3-bedroom units (including one reserved for a staff manager).⁴⁹ Besides the manager unit, all units are reserved for Project-Based Voucher holders. SCCHA’s Housing Choice Voucher waiting list last formally opened in 2006 and the average wait for a household to receive a housing voucher is 8-10 years. However, SCCHA has begun opening “interest lists” for HCV assistance, and households are able to sign up for the interest list at this

⁴⁷ City of Morgan Hill, [BMR Rental List - Updated October 2021](#).

⁴⁸ <https://lihtc.huduser.gov/>

⁴⁹ [MORGAN HILL FAMILY APARTMENTS, 41 UNITS \(A SCATTERED SITE PROJECT\)](#).

time. In future years, the Inclusionary Housing Ordinance, which was only enacted in 2018, should help increase the availability of affordable units with more bedrooms because it applies to for-sale developments. Owner-occupied, single-family or townhome developments in Morgan Hill are more likely to have three or more bedrooms than are apartment developments (which most BMR developments are).

The availability, type, frequency, and reliability of public transportation – High Priority

Public transportation is extremely limited in Morgan Hill. Caltrain⁵⁰ and VTA⁵¹ offer regional service between Morgan Hill and San Jose, but that service is relatively infrequent. Additionally, Caltrain fares are unaffordable for some low-income commuters. VTA also operates local bus service in Morgan Hill, but that service also suffers from geographic coverage gaps in the eastern part of the city and long headways.⁵²

The public transportation system in Santa Clara County has significant gaps that render existing systems, including those of the Valley Transportation Authority and Caltrain less usable to low-income individuals who are disproportionately members of protected classes. Specifically, bus service is extremely limited in many parts of the county, particularly outside of San Jose, with some major arterial streets lacking any service. Even where service exists, 30-minute headways or wait times between buses are common. Transportation between South County and San Jose can be extremely time-consuming with trip times of nearly two hours, not accounting for unexpected traffic, between Gilroy and San José. Faster forms of transportation, such as Caltrain, are often too expensive for daily use by members of protected classes, and the Valley Transportation Authority's light rail system is limited in scope, not traveling past Mountain View to Palo Alto, not connecting to Cupertino, and not connecting to South County. Advocates and stakeholders reported that the VTA's bus network is spread too thin and has too few buses and/or wait times between buses to efficiently and effectively meet people's needs. In turn, those problems reduce ridership, resulting in decreased fare revenue and a justification for cutting service further.

Community opposition – Low Priority

Community opposition has not derailed or delayed the development of affordable housing to nearly the extent of some other cities in Santa Clara County and the broader Bay Area. Morgan Hill's large supply of LIHTC and BMR units, as well as the fact that it already has sufficient permitted units to meet its RHNA allocation for the next Housing Element cycle are all indicative of community support for affordable housing. Examples of NIMBYism in Morgan Hill are rare, and the one example that this Assessment revealed neither related to multifamily housing nor resulted in the City taking action to block the group homes for persons with disabilities in question.⁵³ By contrast, particularly in the highest resource portions of the region, housing production, and affordable housing production in particular, has lagged, in part due to community opposition.

Deteriorated and abandoned properties – Not a Contributing Factor

Between its relatively young housing stock and the high demand for housing in both the city and the region,⁵⁴ Morgan Hill has few issues with deteriorated and abandoned properties. For the

⁵⁰ <https://www.caltrain.com/stations/systemmap.html>

⁵¹ <https://www.vta.org/go/routes/68>

⁵² <https://www.vta.org/go/routes/87>

⁵³ Morgan Hill Times Staff, *Residents Embark on NIMBY Crusade*, THE MORGAN HILL TIMES (Apr. 13, 2007), <https://morganhilltimes.com/residents-embark-on-nimby-crusade/>.

⁵⁴ COUNTY OF SANTA CLARA, HOUSING ELEMENT UPDATE 2015-2022, 29 (2014), https://www.sccgov.org/sites/dpd/DocsForms/Documents/HealthElement_2015_Adopted_Final.pdf.

most part, that high demand in the region ensures that housing is turned over and rehabilitated frequently. This demand has created gentrification that, in turn, has led to a rapid increase in high-end, luxury buildings replacing deteriorated older housing – creating cost difficulties for existing neighborhood residents and leading a large proportion of households to be rent-burdened. At the same time, this gentrification has ensured housing stock is rarely on the market long enough to become deteriorated or abandoned.⁵⁵ Gentrification and displacement risk in Morgan Hill are of concern but not to the same extent as in other cities in the region that have higher concentrations of renters and more renters living in non-deed restricted older units.

Displacement and lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking – Medium Priority

Domestic violence (DV) remains a notable issue within Morgan Hill. Santa Clara County, where Morgan Hill is located, averages 9 deaths a year due to domestic violence with many more people being affected by non-fatal forms of interpersonal violence⁵⁶. Across the country and within Morgan Hill, victims and survivors of domestic violence are forced to make the decision between remaining within a physically or emotionally abusive relationship or household to ensure themselves access to housing or to adopt the risk of losing such shelter in order to escape this violence. The accessibility of domestic violence shelters within Santa Clara County is notably limited when compared to the number of survivors in need of housing support; 2,500 people are turned away from such shelters annually within the area. Data from Santa Clara County's 2022 Point-in-Time County corroborates the relationship between domestic violence in the region. 8% of unhoused people in the count reported current abuse, and 25% of respondents reported abuse over their lifetimes.⁵⁷

The U.S. Department of Housing and Urban Development (HUD) and the County of Santa Clara Office of Supportive Housing are aware of the dangerous decision that many people, disproportionately women, are forced to make, and included within a larger 2019 grant to combat homelessness within the area, the county received \$1 million in federal funding to be allocated to housing support for survivors of domestic violence.⁵⁸ As accessible and affordable housing continues to be a priority within Morgan Hill and Santa Clara County, it is imperative that there are intentional steps taken to ensure this accessibility remains true for domestic violence survivors.

Additionally, California state law protects victims of domestic violence, sexual assault, stalking, human trafficking, or abused elder or dependent adult who terminates their lease early.⁵⁹ The tenant must provide written notice to the landlord, along with a copy of a temporary restraining order, emergency protective order, or protective order that protects the household member from further domestic violence, sexual assault, stalking, human trafficking, or abuse of an elder or dependent adult. Alternatively, proof may be shown by submitting a copy of a written report by a peace officer stating that the victim has filed an official report, or documentation from a qualified

⁵⁵ Bruce Colbert, *Resolving California's Housing and Homeless Crisis*, NEW GEOGRAPHY (Nov. 15, 2018), <https://www.newgeography.com/content/006142-resolving-californias-housing-and-homeless-crisis> (discussing the effects of gentrification, including reductions in deteriorated housing).

⁵⁶ Emanuel Lee, Domestic Violence Cases Decrease During Pandemic San Jose Inside (2020), <https://www.sanjoseinside.com/news/domestic-violence-cases-decrease-during-pandemic/> (last visited Jun 23, 2021).

⁵⁷

<https://osh.sccgov.org/sites/g/files/exjcpb671/files/documents/2022%20PIT%20Report%20Santa%20Clara%20County.pdf>

⁵⁸ Laurel Anderson & Marina Hinestrona, County of Santa Clara Receives over \$21 Million in Federal Funding for Homeless Housing Programs County News (2019), <https://www.sccgov.org/sites/opa/newsroom/Pages/federalfundingforhomelesshousingprograms.aspx> (last visited Jun 23, 2021).

⁵⁹ Cal. Civ. Code § 1946.7

third party acting in their professional capacity to indicate the resident is seeking assistance for physical or mental injuries or abuse stemming from the abuse at issue. Notice to terminate the tenancy must be given within 180 days of the issuance date of the qualifying order or within 180 days of the date that any qualifying written report is made.

Displacement of residents due to economic pressures – High Priority

For the most part, the high demand for housing in Santa Clara County,⁶⁰ including in Morgan Hill, ensures that housing is turned over and rehabilitated frequently. This demand has created gentrification that, in turn, has led to a rapid increase in high-end, luxury buildings replacing deteriorated older housing – creating cost difficulties for existing neighborhood residents and leading to cost-burden and severe cost-burden. Morgan Hill has not experienced decline in its population of people of color, likely as a result of its strong affordable housing production and relatively lower housing costs than in northern Santa Clara County. There is a need for strong anti-displacement policies in Morgan Hill to prevent low-income residents, who are disproportionately likely to be Hispanic and/or to have disabilities, from being pushed out of the city, if housing costs in Morgan Hill rise to the levels of northern Santa Clara County or if affordability covenants for deed-restricted units expire.

Impediments to mobility – Medium Priority

There are no mobility counseling programs in Santa Clara County, including in Morgan Hill.

Santa Clara County utilizes exception payment standards to bring more apartments in high opportunity areas within reach of Housing Choice Voucher holders. For example, the payment standard for a one-bedroom unit is \$2,360. A Zillow search conducted during this Assessment of Fair Housing process revealed 20 advertised units within that price range. The payment standard for a two-bedroom unit is \$2,851. A Zillow search again revealed 20 available units under that price.

Santa Clara County uses separate waiting lists for its various affordable housing programs and has a policy of absorbing all incoming vouchers porting into the county. The City of Morgan Hill uses a single partner – Housekeys – to administer the lease-up process for all of its BMR properties, which, in turn, makes it easier for tenants to find affordable units in the city regardless of location.

Inaccessible buildings, sidewalks, pedestrian crossings, or other public or private infrastructure – Low Priority

This Assessment did not reveal any current or ongoing concerns about inaccessibility within government facilities and services within Morgan Hill. Santa Clara County has additional measures to ensure that government facilities and services are accessible. This includes the position of a Coordinator of Programs for the Disabled whose role is to ensure accommodations and field complaints of accessibility violations within the county,⁶¹ as well as a newly established Office of Disability Affairs who will ensure compliance and equitableness within county accessibility.⁶² This is a positive sign that the government facility and services within the City of

⁶⁰ COUNTY OF SANTA CLARA, HOUSING ELEMENT UPDATE 2015-2022, 29 (2014), https://www.sccgov.org/sites/dpd/DocsForms/Documents/HealthElement_2015_Adopted_Final.pdf.

⁶¹ Public Access functional for Under the Americans with Disabilities Act, Public Access Under the Americans with Disabilities Act - County of Santa Clara, <https://www.sccgov.org/sites/scc/Pages/public-access-americans-disabilities-act.aspx> (last visited Jun 25, 2021).

⁶² Katie Lauer, Santa Clara County Creates Office of Disability Affairs to Improve Accessibility San Jose Inside (2021), <https://www.sanjoseinside.com/news/santa-clara-county-creates-office-of-disability-affairs-to-improve-accessibility/> (last visited Jun 25, 2021).

Morgan Hill will match this accessibility, as there are otherwise county-wide measures to hold them accountable if they do not.

Inaccessible government facilities or services – Low Priority

This Assessment did not reveal any current or ongoing concerns about inaccessibility within government facilities and services within Morgan Hill. The city website is accessible to persons with disabilities (particularly users with vision impairments) as required with Section 508 of the Rehabilitation Act.⁶³

Lack of access to opportunity due to high housing costs – High Priority

In Morgan Hill, the average home value is \$1,399,720, which has increased by 26.4% between 2021 and 2022.⁶⁴ The median rent for a one-bedroom apartment is \$2,841, which is a 17% year-over-year change from 2020.⁶⁵ Although breaking down Zillow listings by sub-parts of Morgan Hill is not feasible due to the city comprising a single zip code and there being no neighborhoods recognized by Zillow within the city, it appears that, in general, listings for homes in eastern Morgan Hill, an area which includes most of the city's RCAs as well as the parts of the city with the greatest access to proficient schools, are more expensive than in the western and downtown portions of the city. New construction homes in eastern Morgan Hill are especially expensive with listings in Borello Ranch Estates by Toll Brothers starting at over \$2.5 million.⁶⁶ By contrast, the Jasper by Trumark, a new construction offering in western Morgan Hill, has listings starting at less than \$900,000, still very expensive but potentially more accessible to some middle-income families.⁶⁷ These high housing costs are out of reach for households at many income levels but particularly for extremely low- and very-low income households that are disproportionately Hispanic and that disproportionately include persons with disabilities. High housing costs make it difficult to move to Morgan Hill, and, within Morgan Hill, they make the downtown area, where the vast majority of deed-restricted affordable housing is located, the primary viable living option. However, downtown Morgan Hill may not afford residents as high access to proficient schools as eastern Morgan Hill where housing costs are even more out of reach. These issues are in many ways even more intense in the broader region as northern Santa Clara County – particularly the West Valley – has many areas with extremely high housing costs as well as abundant educational and employment opportunities.

Lack of affordable, accessible housing in a range of unit sizes – High Priority

Although Morgan Hill has been successful in its efforts to foster significant development of LIHTC and BMR housing in recent years, BMR development has included relatively more one- and two-bedroom units than three-bedroom units. There appear to be no available three-bedroom BMR units whatsoever.⁶⁸ As discussed above, with at least 366 LIHTC units with three or more bedrooms, larger LIHTC units are relatively more available than are larger BMR units. Because most affordable multifamily development in Morgan Hill has been fairly recent, most such units were subject to accessibility requirements.

⁶³ <https://www.morgan-hill.ca.gov/accessibility>

⁶⁴ <https://www.zillow.com/morgan-hill-ca/home-values/>

⁶⁵ <https://www.zumper.com/rent-research/morgan-hill-ca>

⁶⁶ https://www.tollbrothers.com/luxury-homes-for-sale/California/Borello-Ranch-Estates?campaignid=9835146713&adgroupid=109006929268&targetid=kwd-394442986772&keyword=borello%20ranch%20estates&loc_interest=9032145&loc_physical=9007540&matchtype=e&gclid=CjOKCQjwwvIBhCFARIsADvYi7L2dNCwF5FoemF8bm5M2f1xpsYLwwOqTXxUgf1kuwYev4-7MKXj4A8aAi6iEALw_wcB

⁶⁷ <https://trumarkhomes.com/new-homes/ca/morgan-hill/jasper/>

⁶⁸ <https://www.morgan-hill.ca.gov/DocumentCenter/View/24873/BMR-Rental-Unit-List-October-2021-PDF>

It is also imperative that not only is there a sufficient amount of affordable housing, but that there are also enough units across a range of unit sizes so that these developments are accessible to groups or families of all numbers. A lack of affordable units in a range of sizes can cause overcrowding as families are forced to share smaller units. Overcrowding is already an issue in Santa Clara County, especially among Hispanic households. The 2015-2019 American Community Survey shows that Hispanic households experience overcrowding at a rate of 17.9%. This is almost double the rate of the next-highest group, which is Asian American households (9.2%).

Lack of affordable in-home or community-based supportive services – Medium Priority

Much of the infrastructure for in-home and community-based supportive services in Morgan Hill consists of private businesses and small nonprofit organizations rather than government or public services, and few nonprofit or governmental services are based in Morgan Hill itself. For example, the San Andreas Regional Center, a nonprofit that serves individuals with developmental disabilities and their families, operates in Monterey, San Benito, Santa Clara, and Santa Cruz Counties. Similarly, resources regarding in-home and community-based supportive services are provided primarily at the county level rather than the city level. At the county level, due to the absence of any waiting list for Home and Community-Based Services for persons with developmental disabilities, this issue primarily affects people with psychiatric disabilities. A robust array of services, including the most intensive models of community-based services like Assertive Community Treatment, are available. Additionally, across types of disabilities, undocumented adults face barriers due to federal restrictions of Medicaid assistance for undocumented people. The California Legislature has approved state funding for Medi-Cal services for undocumented people until they reach the age of 26, a critical investment that exceeds that of any other state, but there remains a funding gap for services for most undocumented adults.

Lack of affordable, integrated housing for individuals who need supportive services – High Priority

There is a large overall shortage of affordable housing in Morgan Hill, as suggested by the large proportion of households that are rent-burdened. Without more overall affordable housing, it is impossible to provide more affordable, integrated housing for individuals who need supportive services. Morgan Hill is home to one development assisted with Measure A funds – Crossings on Monterey – and has one more in the pipeline – Royal Oak Village.⁶⁹ These developments either have or are planned to have fewer units than most Measure A developments assisted by Santa Clara County. Housing for individuals who need supportive services in Santa Clara County is largely located outside of Morgan Hill—for example, in San José. As a consequence, only around 5% of those in need of supportive services qualify for Permanent Supportive Housing, which has led to increasing homelessness in the region, which affects Morgan Hill alongside its neighbors.

Lack of assistance for housing accessibility modifications – Medium Priority

The City of Morgan Hill provides funding to Rebuilding Together to assist with home rehabilitation, which often includes accessibility modifications.⁷⁰

Farewell to Falls is a free, home-based program intended to prevent seniors from falling in their homes in Santa Clara County (and San Mateo County). The program focuses on home

⁶⁹ <https://osh.sccgov.org/housing-community-development/2016-measure-affordable-housing-bond/2016-measure-housing-bond>

⁷⁰ <https://www.morgan-hill.ca.gov/316/Housing-Rehabilitation>

modifications. Farewell to Falls works through the Trauma Service and Emergency Department at Stanford University Medical Center.⁷¹

Home Safety Services provides home modifications, such as grab bars, stair railings and wheelchair ramps, for seniors. Rebuilding Together *Silicon Valley* also aid with home modifications for low-income homeowners in Morgan Hill, among other cities and unincorporated areas of Santa Clara County.⁷²

Lack of assistance for transitioning from institutional settings to integrated housing – Medium Priority

Much of the Morgan Hill assistance available to those from marginalized communities attempting to transition from an institutional setting to integrated housing is non-specific to the city and instead operates at a county level for all of Santa Clara. This does allow for the assistance to be more robust and cover more groups in need of transition help. For disabled adults, the Silicon Valley Independent Living Center offers resources and supportive housing-related services. The Santa Clara Resource Reentry Center offers housing assistance and referrals for individuals attempting to reintegrate into society after leaving the criminal justice system. Although not an institutional setting, there are attempts to help homeless individuals transition into integrated housing as well such as through the Community Plan to End Homelessness⁷³ which has been endorsed by Morgan Hill.⁷⁴

Lack of community revitalization strategies – Not a Contributing Factor

The City of Morgan Hill does not lack community revitalization strategies. The city's downtown area is the most racially, ethnically, and socioeconomic part of the city, as well as the part of the city that has the highest concentration of residents in greater need of access to opportunity. The Downtown Specific Plan presents a holistic vision for ensuring that the downtown area is economically vibrant and affords residents access to opportunity.⁷⁵ Regionally, there also does not appear to be a lack of place-based revitalization planning. Areas such as East San José and the eastern portion of Gilroy may have greater revitalization needs than other parts of the region but are also prioritized by their city governments for responsive efforts.

Lack of local private fair housing outreach and enforcement – Medium Priority

There are multiple fair housing organizations serving Morgan Hill. The organization most directly focused on fair housing is Project Sentinel, a non-profit based in Santa Clara (but serving the entire county) which aims to promote fair housing through fair housing testing, the filing of administrative complaints, and landlord-tenant mediation.⁷⁶ Santa Clara County provides CDBG funds to Project Sentinel to serve a geographic area that includes Morgan Hill.⁷⁷ Other organizations include Bay Area Legal Aid, Law Foundation of Silicon Valley, Senior Adults Legal Assistance, Legal Aid Society of Santa Clara County, and Asian Law Alliance, each of which provides some variation of fair housing services to different communities within Morgan Hill, the County, and the surrounding region.

⁷¹ Senior & Aging Adult Resources - Santa Clara County Fire Department, <https://www.sccfd.org/education-and-preparedness-overview/safety-information-referral-assistance/senior-aging-resources> (last visited Jun 24, 2021).

⁷² Ibid.

⁷³ Santa Clara County, Santa Clara County Community Plan to End Homelessness 2020-2025 (2020).

⁷⁴ <https://www.morgan-hill.ca.gov/DocumentCenter/View/37598/20-069-Endorsing-2020-Community-Plan-to-End-Homelessness?bidId=>

⁷⁵ <https://www.morgan-hill.ca.gov/668/Downtown-Specific-Plan>

⁷⁶ <https://www.housing.org/about>

⁷⁷ <https://www.morgan-hill.ca.gov/1859/Fair-Housing>

However, this private fair housing outreach and enforcement may not be sufficient. Almost all of these fair housing organizations and outreach/enforcement efforts are conducted at a county-wide or regional level rather than being specifically for Morgan Hill, and organizations generally do not have offices in Morgan Hill (though Project Sentinel has a satellite office in Gilroy). Although this is understandable as there may not be sufficient resources to support Morgan Hill-specific work, it does raise concerns about private efforts insufficiently addressing Morgan Hill-specific issues in favor of larger issues.

Lack of local public fair housing enforcement – Low Priority

The California Department of Fair Employment and Housing (DFEH) conducts public fair housing enforcement in Morgan Hill. Residents may submit complaints to the agency, which they will investigate and determine whether or not the complainant has a right to sue. Santa Clara-wide, community engagement has indicated that advocates prefer to file complaints with HUD over DFEH, because the intake process can be lengthy. DFEH tends to have a high volume of cases, with advocates reporting intake interviews sometimes taking place up to four months after filing a complaint. There has also been inconsistent reporting among various investigations. DFEH tends to achieve better results if there is more evidence provided upfront, and/or if the site of the complaint is near their offices. Santa Clara County, of which Morgan Hill is a part, was responsible for over 600 received complaints. While there is not segregated data for the cities within Santa Clara County to determine how many of these complaints originated from Morgan Hill, the high total number does suggest that there are likely many complaints of discrimination in Morgan Hill causing individuals and families to reach out to agencies such as DFEH and HUD.

Lack of meaningful language access for individuals with limited English proficiency – Low Priority

Many documents on Morgan Hill's website are translated from English into Spanish, and some documents are translated into Asian languages, including Vietnamese and/or Tagalog. Given that Spanish may be the only required language for translation under HUD's criteria, the City's efforts appear to exceed those required by law of CDBG subrecipients. Nonetheless, the development of a formal Language Access Plan may help ensure greater consistency in translation practices. There is reason for concern about the potential for unfair practices among private landlords that only provide information and documents to LEP tenants in English.

Lack of private investment in specific neighborhoods – Not a Contributing Factor

As previously mentioned, downtown Morgan Hill is the most racially, ethnically, and socioeconomically diverse part of the city. It is also the part of the city regarding which it is important that the City remain on guard against possible disinvestment. Nonetheless, there does not appear to be any lack of private investment in downtown Morgan Hill, as many of the significant developments in the pipeline in Morgan Hill are located in that area.⁷⁸

Lack of public investment in specific neighborhoods, including services or amenities – Not a Contributing Factor

Likewise, lack of public investment in specific neighborhoods, including services or amenities, is not a contributing factor to fair housing issues in Morgan Hill. Many of the projects in the development pipelines referred to above are assisted with both private and public investment. Additionally, the Downtown Specific Plan demonstrates a holistic approach to pairing land use

⁷⁸ <https://www.morgan-hill.ca.gov/DocumentCenter/View/40380/Significant-Projects---January-2022>

changes with infrastructure investments in the most racially, ethnically, and socioeconomically diverse part of Morgan Hill.

Lack of local or regional cooperation – Low Priority

Morgan Hill does have notable connections to the remainder of the county and region in a number of areas. Firstly, it is a member of the Cities Association of Santa Clara County (SCASCC) along with 14 other cities in the region who share a policy priority of housing/unhoused advocacy⁷⁹ as outlined in their Housing Position Paper.⁸⁰ The City of Morgan Hill also not only formally endorsed the Santa Clara County Community Plan to End Homelessness, its staff participated directly in the Community Plan Work Group.⁸¹ Beyond housing, Morgan Hill is connected to the remainder of the region within areas such as transportation, orchestrated by the VTA, as well as by relying on other county services particular to housing such as through governmental organizations like the Santa Clara Housing Authority and through external organizations like the Silicon Valley Independent Living Center (housing assistance for disabled adults within the county).

With that being said, there are significant ways in which insufficient regional cooperation exacerbates fair housing issues in Morgan Hill. Namely, some high resource cities have not facilitated the production of sufficient housing at a range of income levels to meet their share of regional need. Cities like Morgan Hill that are more accepting of new residential development pick up the slack. Such growth is positive for Morgan Hill and helps to make it a more vibrant community, but there are trade-offs, including more traffic and higher housing costs that result from the inaction of other cities.

Lack of resources for fair housing agencies and organizations – Medium Priority

Santa Clara County has a wealth of private fair housing enforcement organizations, many of which are at least partly funded by entitlement cities and the county. Multiple fair housing organizations in the County receive or have received Fair Housing Initiative Program (FHIP) funds from HUD, and also benefit from Community Development Block Grant funds. Participants in the community engagement process have reported that it can be difficult to hire and/or retain staff due to the high cost of living in the area. Across the various fair housing organizations in the County, each has a particular focus, with participants from community engagement reporting that the Law Foundation of Silicon Valley focuses on evictions, Bay Area Legal Aid focuses on subsidized housing, Asian Law Alliance does some fair housing work but focuses mostly on San José administrative hearings, and SALA is only able to take on a small caseload.

As mentioned above, Santa Clara County provides funding to Project Sentinel to provide fair housing services in Morgan Hill (as well as other cities that are not direct HUD grantees and the unincorporated county). Increased resources for these organizations may enable them to increase their on-the-ground presence in South County, more broadly, and in Morgan Hill, in particular. In early phases of expanding that work, increased in-person community outreach may be more feasible than the opening of new office locations.

Lack of state or local fair housing laws – Low Priority

City of Morgan Hill

⁷⁹ <https://citiesassociation.org/policy/>

⁸⁰ <https://storage.googleapis.com/proudcity/santaclaracountycacities/uploads/2019/04/2020-05-14-CASCC-Final-Approved-Housing-Position-Paper.pdf>

⁸¹ https://housingtoolkit.sccgov.org/sites/g/files/exjcpb501/files/CommunityPlan_2020.pdf

The City of Morgan Hill does not have any local fair housing laws, but residents benefit from the broad range of protections afforded by the State of California, which far surpass those available under federal law.

State of California

Passed in 1959, California's Fair Employment and Housing Act (FEHA) protects many forms of discrimination against tenants and homeowners based on their “race, color religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information.” This law targets owners of any housing accommodation, banks, mortgage companies, and other financial institutions accused of discrimination.⁸²

This law prohibits cities, counties, and all other local government agencies from having zoning or land-use policies that discriminate against people for any of the traits listed above. FEHA also addresses many forms of discrimination, such as denying someone a home loan or homeowner's insurance, sexual harassment for housing rights or privileges, refusing to provide reasonable and necessary modifications for a tenant with a disability, etc.⁸³ This law also targets practices that have a discriminatory effect, which result in a disparate impact on a particular group of people or creates or reinforces segregated housing patterns.⁸⁴ The law also includes financial assistance practices with discriminatory effects, such as creating terms or conditions of financial assistance that result in discrimination, failing to provide information about access to financial assistance, etc.⁸⁵ This law also applies to discrimination in land use practices.⁸⁶

California recently passed a statewide source of income protections. California also has a robust set of statewide antidiscrimination laws, including the Unruh Civil Rights Act, Ralph Civil Rights Act, Bane Civil Rights Act, the Fair Employment and Housing Act, California Civil Code Section 1940.3, and Government Code Sections 11135, 65008, and 65580-65589.8. Whether complaints regarding these laws can be fully and timely pursued, however, is a different matter. Advocates have commented favorably on recent changes to unlawful detainer laws, which increased the time period from five calendar days to five business days.

Land use and zoning laws – Medium Priority

Morgan Hill is illustrative of how the availability of sufficient sites for multifamily development can outweigh zoning regulations as a determining factor of whether such development – including affordable housing occurs. As the City's zoning map below reflects, most of the City's residentially zoned land is zoned for single-family homes. Nonetheless, multifamily zoned areas are sufficient to ensure that there are enough permitted developments in the pipeline for Morgan Hill to meet its RHNA targets at all income levels for the next Housing Element cycle. At the same time, the relative lack of land zoned for multifamily housing in the more heavily White and higher-income eastern portion of the City is a concern, and relatively stringent maximum heights and density limits for multifamily housing could curb multifamily housing development and affordable housing

⁸² Fair Employment and Housing Act (FEHA), 12955–12957 GOV (1959), https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=2.8.&chapter=6.&article=2 (last visited Jun 22, 2021).

⁸³ Housing | DFEH, <https://www.dfeh.ca.gov/housing/> (last visited Jun 22, 2021).

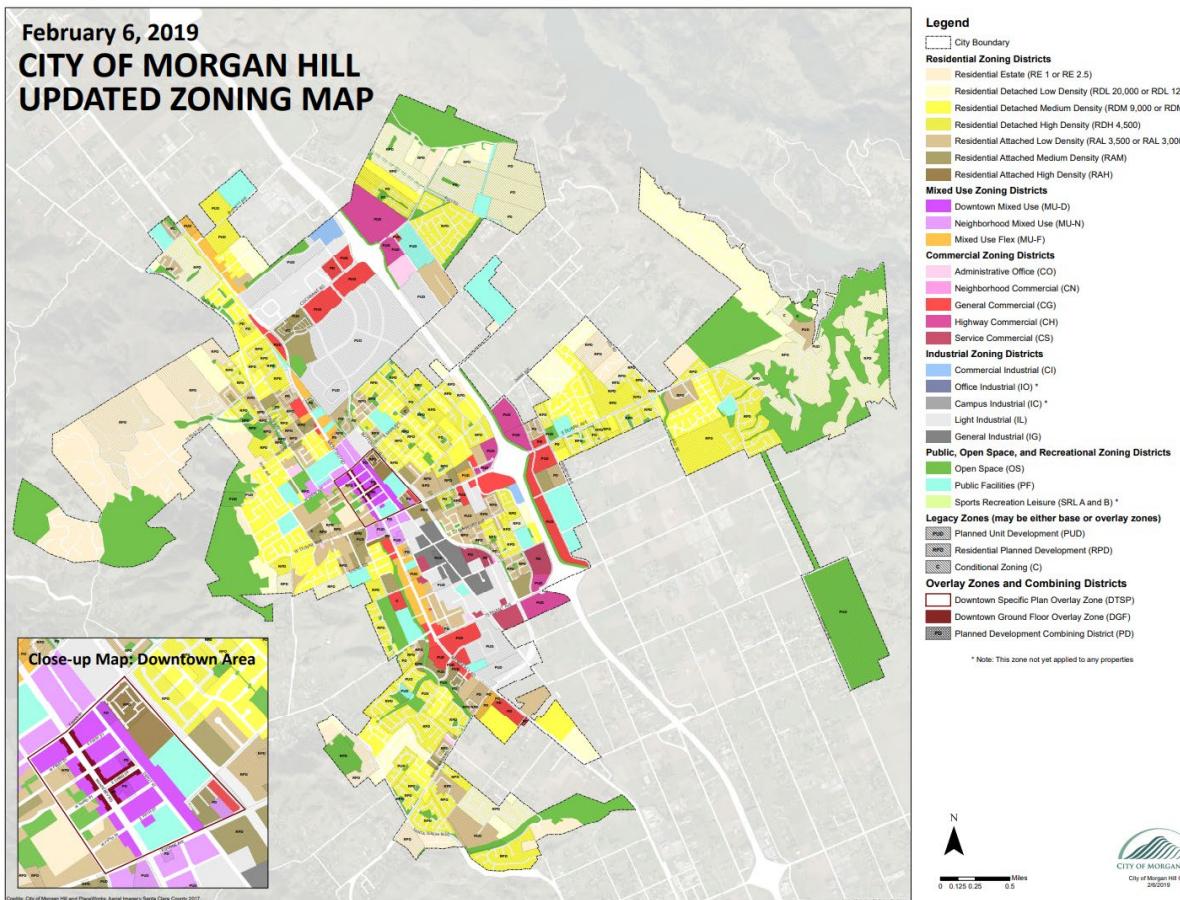
⁸⁴ PRACTICES WITH A DISCRIMINATORY EFFECT, 12060 2 CCR,

[https://govt.westlaw.com/calregs/Document/16B716F755D0E4E5683D6FABF3ADF9751?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Document/16B716F755D0E4E5683D6FABF3ADF9751?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default)) (last visited Jun 22, 2021).

⁸⁵ Ibid.

⁸⁶ Ibid.

development in the future if developers' cost constraints change.⁸⁷ Thus, the City should seek ways to create opportunities for affordable housing development in the eastern portions of the city and may need to consider changes to multifamily development standards at some point in the future. Regionally, exclusionary zoning is a much more significant issue as many high resource cities accommodate far less multifamily development than Morgan Hill has.



Lending Discrimination – Medium Priority

The data below show that White and Asian applicants are far more likely to be successful in getting a loan approved, and less likely to be given a subprime loan, than Black or Hispanic/Latino applicants across each category of loan in Santa Clara County. This Assessment did not reveal information suggesting different trends in lending patterns in Morgan Hill than those evident countywide. The differential rates vary across categories and across racial/ethnic groups, but for the most part, the difference between the highest and lowest percentage in each category fits into the commonly accepted 4/5ths disparate impact test, and should therefore be considered a practically significant disparate impact across the racial/ethnic groups.

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https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_C18.18REATZODI_18.18.030DEST

Percentage of Loan Applications Resulting in Originated Loans by Race or Ethnicity and Loan Purpose in Santa Clara County, 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Home Purchase	Refinancing	Home Improvement
White, Not Hispanic	70.34%	62.50%	66.63%
Black, Not Hispanic	61.65%	49.98%	55.43%
Asian, Not Hispanic	70.27%	64.88%	62.11%
Hispanic/Latino	57.84%	50.51%	52.68%

Across home purchase, refinancing, and home improvement, White and Asian loan rates tend to cluster on the high end of the spectrum, with Black and Hispanic loan rates clustered at the bottom. The largest gap between the highest and lowest rates in a category is about 14 percentage points. Using the 4/5ths test, the difference between Asian and Black refinancing loans, for instance, clearly falls below the 4/5ths ratio, as does the differential between Hispanic and White home improvement loans. The gap between White and Hispanic home purchase loans falls barely within the 4/5ths ratio.

Percentage of Loan Applications Denied by Race or Ethnicity and Loan Purpose in Santa Clara County 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Home Purchase	Refinancing	Home Improvement
White, Not Hispanic	7.70%	14.26%	14.63%
Black, Not Hispanic	12.30%	21.61%	26.09%
Asian, Not Hispanic	9.33%	12.96%	18.05%
Hispanic/Latino	14.04%	21.11%	26.23%

When it comes to denials of loan applications, Hispanics have the highest rate of denial in both home purchase and home improvement, while Black applicants have the highest rate of denial for refinancing. However, the Black and Hispanic rates for these three categories are very similar, differ by about two percentage points at most. Meanwhile, White and Asian applicants outpace Black and Hispanic applicants in every category. The differential rates are more concerning for denials than for approvals, with Hispanics being denied for home purchase loans at twice the rate of White applicants. While not as extreme, the differentials in refinancing and home improvement also fall below the 4/5ths ratio.

Percentage of Originated Loans That Were High-Cost by Race or Ethnicity in Santa Clara County, 2014-2017 Home Mortgage Disclosure Act Data

Race or Ethnicity	Number of Loans Originated	Percentage High-Cost
White, Not Hispanic	62,431	1.80%
Black, Not Hispanic	1,689	3.37%
Asian, Not Hispanic	73,926	1.23%
Hispanic/Latino	14,275	4.79%

The statistics for subprime loans may not seem like cause for concern, since each percentage is so low. However, the low percentages are due to the extremely costly market in Santa Clara County. The differences between racial/ethnic groups is striking, even at these levels. The Hispanic/Latino subprime rate, 4.79%, is nearly four times the rate of Asian subprime loans, 1.23. These discrepancies also related to the wealth gap and economic and employment disparities which also have racial underpinnings.

Location of accessible housing – Low Priority

Although it is not possible to precisely map the location of accessible housing in the city, it tends to exist where there are concentrations of new, multifamily housing and where there are concentrations of publicly supported housing. The American Community Survey does not facilitate the disaggregation of housing units by the number of units in a structure and the year a structure is built together, but it does allow a look at those two data points separately. It is likely that the downtown area and the Monterey Road corridor, which has seen the most significant growth in recent multifamily development, has an outsized share of Morgan Hill's accessible housing. These areas have greater access to transportation and public services than, for example, the eastern portion of the city and less access to proficient schools. At the same time, the types of mobility disabilities that necessitate accessibility features in housing are relatively less common in school-age children and parents of school-age children than they are among elderly individuals. For most households in need of accessible housing in Morgan Hill, the areas in which accessible housing is located may provide access to the dimensions of opportunity that are most meaningful for those households. Regionally, the location of accessible housing is a more significant problem. In particular, the U.S. Department of Veterans Affairs (VA) Hospital in Palo Alto is a key service provider for persons with mobility disabilities, but the surrounding area has relatively limited multifamily housing and therefore relatively limited accessible housing.

Location of employers – High Priority

Although Morgan Hill is home to some employers, it lacks the major employment centers of San Jose and northern Santa Clara County, which are home to major technology companies as well as higher education institutions and more government offices. The location of employers thus results in many Morgan Hill residents having long and costly commutes. According to the 2015-2019 American Community Survey, 22.7% of Morgan Hill workers have commutes of 60 minutes or longer as opposed to just 10.6% of Santa Clara County workers. The costs of these long

commutes are more difficult for lower wage workers, who are disproportionately Hispanic, to bear than they are for others. On the other hand, Morgan Hill is located in relatively close proximity to some of the agricultural employers of South County, a factor that contributes to some farmworkers living in Morgan Hill. Farmworkers have unique housing challenges due to their low pay, the at times seasonal nature of their work, and the physically strenuous and often dangerous nature of their work. This makes Morgan Hill's ongoing collaboration with Santa Clara County on developments like Royal Oak Village, which includes dedicated units for farmworkers, all the more important.⁸⁸

Location of environmental health hazards – Low Priority

The geographic relationship of environmental health hazards to housing is an important component of fair housing choice. When environmental health hazards are concentrated in particular areas, neighborhood health and safety may be compromised, and patterns of segregation entrenched.

Relevant factors to consider include the type and number of hazards, the degree of concentration or dispersion, and health effects such as asthma, cancer clusters, obesity, etc. Additionally, industrial siting policies and incentives for the location of housing may be relevant to this factor.

There are no Superfund sites in Morgan Hill in contrast to areas further to the north and west in Silicon Valley that have several.⁸⁹ In light of Morgan Hill's lack of heavy industrial facilities, vehicle emissions are the main source of potential environmental harm, thereby reinforcing the importance of transit improvements in South County.

Location of proficient schools and school assignment policies – Medium Priority

Morgan Hill only has one school district, the Morgan Hill Unified School District.⁹⁰ The district serves neighboring portions of South San Jose and unincorporated San Martin, which reduces concerns that the proliferation of school districts contributes to segregated school attendance patterns in the area, an issue that is of greater concern in northern Santa Clara County. There do, however, appear to be disparities in school proficiency between schools within the district, and schools in the more heavily White eastern portions of the city may afford students better educational outcomes than those in more diverse downtown Morgan Hill.⁹¹ Creating more flexibility for students from downtown Morgan Hill to attend schools in eastern Morgan Hill as well as investing in affordable housing in eastern Morgan Hill are potentially mutually reinforcing strategies for overcoming these trends.

Location and type of affordable housing – Medium Priority

Virtually all affordable housing in Morgan Hill is located in and around downtown Morgan Hill, and LIHTC units account for the largest share of affordable units. The lack of affordable housing in eastern Morgan Hill may reduce protected class members' access to opportunities present in those parts of the city. LIHTC units, in contrast to Project-Based Section 8 units, generally are not affordable to extremely low-income households without Housing Choice Vouchers. Because it likely is not feasible to build new Project-Based Section 8 or Public Housing, attaching Project-Based Vouchers to new and existing LIHTC units is the most likely way to increase the lowest income residents' access to affordable housing in the city. Housing that is affordable to extremely

⁸⁸ <https://news.sccgov.org/affordable-housing-project-will-include-units-agricultural-workers>

⁸⁹ <https://www.epa.gov/superfund/search-superfund-sites-where-you-live>

⁹⁰ <https://www.mhusd.org/about>

⁹¹ <https://www.greatschools.org/california/morgan-hill/morgan-hill-unified-school-district/schools/?gradeLevels%5B%5D=e>

low-income households is essential to meeting the needs of persons with disabilities, particularly those who rely on SSI as their primary source of income.

Loss of affordable housing – High Priority

Loss of affordable housing is a significant problem in Morgan Hill though the City's Inclusionary Housing Ordinance goes some length towards warding off the issue through robust affordability terms. According to data from the National Housing Preservation Database, subsidies recently expired for San Pedro Gardens and The Willows.⁹² It is possible that the database has not been updated to reflect recapitalization of these properties, but, if it is not, support to their tenants who would now be at risk may be necessary. The issue of expiring subsidies is of significant concern throughout Santa Clara County and the broader region.

Occupancy codes and restrictions – Not a Contributing Factor

The State of California has not adopted the Universal Building Code. Instead, they have enacted the California Building Code, which also incorporates the International Building Code. The California Building Code has a rather broad definition of family, in that it does not only limit a family to "an individual or two or more persons who are related by blood or marriage," but expands the definition to any persons who "otherwise live together in a dwelling unit."⁹³ This definition is not restrictive in a way that would negatively affect access to housing.

Santa Clara County also defines family broadly, as "one or more persons . . . living as a single . . . household," explicitly excluding only those "operating a hotel, club, fraternity or sorority house."⁹⁴ Moreover, the code explicitly deems "necessary domestic help" as included within the definition of family.⁹⁵ Morgan Hill retains the expansive, non-restrictive view adopted by both California and Santa Clara County.⁹⁶ Accordingly, occupancy codes and restrictions are not a major factor in reducing access to fair housing in Morgan Hill.

Private Discrimination – High Priority

According to the California Department of Fair Employment and Housing (DFEH) Annual Report, there were 597 complaints in Santa Clara County in 2019.⁹⁷ Broken down by category, there were 206 employment complaints, 28 housing complaints, 4 under the Ralph Civil Rights Act, and 14 under the Unruh Civil Rights Act. 340 of the complaints were investigated and determined actionable. This data was not broken down by city to specifically reflect levels of complaint activity in Morgan Hill.

Quality of affordable housing information programs – Medium Priority

There does not appear to be any general-eligibility mobility counseling programs for Housing Choice Voucher holders in Morgan Hill; however, the City has done well by having a single website portal for information about and applying to BMR housing within Morgan Hill.⁹⁸

It is also important to note that residents of Morgan Hill have access to the same affordable housing information programs as Santa Clara County. While Santa Clara County also lacks

⁹² <https://nhpd.preservationdatabase.org/Data>

⁹³ CAL., BUILDING CODE § 202.

⁹⁴ SANTA CLARA COUNTY, CAL., CODE § 1.30.030.

⁹⁵ *Id.*

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https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_C_H18.128GETE_18.128.020DE

⁹⁷ https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2020/10/DFEH_2019AnnualReport.pdf

⁹⁸ <https://www.housekeys1.com/>

general-eligibility mobility counseling programs, it does offer some discrete programs for particular populations within the county, such as the Welfare to Work information program for Welfare to Work clients and the Silicon Valley Independent Living Center counseling program for developmentally disabled adults.

Regulatory barriers to providing housing and supportive services for persons with disabilities – Not a Contributing Factor

This Assessment did not reveal regulatory barriers to providing housing and services for persons with disabilities in Morgan Hill and the broader region beyond those addressed above with respect to land use and zoning laws. Even those land use and zoning laws primarily impede the provision of housing for persons with disabilities by reducing opportunities to develop multifamily housing rather than by singling out housing types dedicated to persons with disabilities for adverse treatment.

Siting selection policies, practices and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs – Medium Priority

The term “siting selection” refers here to the placement of new publicly supported housing developments. Placement of new housing refers to new construction or acquisition with rehabilitation of previously unsubsidized housing. State and local policies, practices, and decisions can significantly affect the location of new publicly supported housing. Local policies, practices, and decisions that may influence where developments are sited include, but are not limited to, local funding approval processes, zoning and land use laws, local approval of LIHTC applications, and donations of land and other municipal contributions. For example, for LIHTC developments, the priorities and requirements set out in the governing Qualified Allocation Plan (QAP) influence where developments are located through significant provisions in QAPs such as local veto or support requirements and criteria and points awarded for project location.

The main policy-driven factor related to the siting of publicly supported housing is the heavy focus of affordable housing development efforts throughout the state on transit-oriented development. Overall, there is very high access to transportation throughout Santa Clara County. When real affordability is built into transit-oriented development, these investments may have a positive effect on stable integration in areas undergoing gentrification by arresting the process of displacement.

The California Tax Credit Allocation Committee’s (CTCAC) QAP heavily incentivizes family-occupancy LIHTC development in what it terms “High Resource” or “Highest Resource” areas. None of Morgan Hill falls within High Resource areas. This is the case despite high income levels and access to proficient schools in eastern Morgan Hill. LIHTC development in these areas would contribute to greater residential racial integration. In light of the significant incentives for LIHTC development in High Resource and Highest Resource areas, CTCAC’s current identification of high resource areas undermines efforts to foster integration in Morgan Hill and presents a missed opportunity. The QAP includes set-aside pools for the South and West Bay Region (San Mateo and Santa Clara Counties) of 6%, which is roughly equal to its share in the population of the state.

Source of income discrimination – Medium Priority

In 2019, the California Legislature passed S.B. 329, a bill that prohibited discrimination against Housing Choice Voucher holders.⁹⁹ It is likely that source of income discrimination still occurs on a frequent basis despite these protections, thus reinforcing the importance of investments in fair

⁹⁹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB329

housing enforcement. Although Morgan Hill does not have its own local source of income protections, some of its neighbors do as well as Santa Clara County with respect to the unincorporated areas.

State or local laws, policies, or practices that discourage individuals with disabilities from being placed in or living in apartments, family homes, and other integrated settings – Not a Contributing Factor

State or local laws, policies, or practices that discourage individuals with disabilities from living in apartments, family homes, supportive housing, and other integrated settings are not a significant contributing factor to fair housing issues in Morgan Hill or Santa Clara County. A severe shortage of available, integrated affordable housing is the primary driver of the segregation of persons with disabilities, rather than laws, policies, or practices that discourage persons with disabilities from living in integrated housing.

Unresolved violations of fair housing or civil rights law – Not a Contributing Factor

This Assessment did not reveal any unresolved violations of fair housing or civil rights law in Morgan Hill.