

City of Morgan Hill

Housing Element

Adopted January 25, 2023

Table of Contents

City of Morgan Hill Housing Element

CHAPTER 1 Introduction	1
Morgan Hill's Eight-Year Housing Strategy	1
State Requirements	2
Housing Element Organization	3
General Plan Consistency	5
CHAPTER 2 Community Engagement	6
Summary of Outreach Activities	7
CHAPTER 3 Summary of Land Available for Housing	10
Regional Housing Needs Allocation	10
Inventory of Housing Capacity	12
Capacity to Accommodate the RHNA	14
CHAPTER 4 Goals and Policies	15
Goal 1: Provide a diversified housing stock to meet the full range of future community housing needs	16
Goal 2: Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing	18
Goal 3: Advance equity and inclusion throughout the City	22
Goal 4: Preserve and rehabilitate existing housing supply	24
Goal 5: Promote Housing for people experiencing homelessness	27
Goal 6: Provide adequate housing for groups with special needs	29
Goal 7: Increase community outreach and promote education of affordable housing	32
CHAPTER 5 Implementation	34
Implementation Programs/Actions	35
Quantified Objectives	65
APPENDICIES	
H-1 Housing Needs Assessment	
H-2 Site Inventory	
H-3 Opportunities for Energy Conservation	
H-4 Constraints Analysis	
H-5 Assessment of Fair Housing	
H-6 Evaluation of Past Performance	
H-7 Public Participation	

Figures

Figure 1-1	Morgan Hill General Plan Land Use Map	5
Figure 3-1	Morgan Hill Residential Entitled & Proposed Projects	13
Figure 4-1	Cost-Burdened by Tenure in Morgan Hill, 2019	19
Figure 4-2	Cost-Burdened by Income Level in Morgan Hill, 2019	19

Tables

Table 3-1	Regional Housing Needs Allocation, City of Morgan Hill 2023-2031.....	11
Table 3-2	HCD Income Limits based on Persons per Household, 2022	11
Table 3-3	Total Pipeline Development Potential, by Income Category.....	13
Table 3-4	Summary of Residential Capacity/Potential Compared to 6 th Cycle RHNA by Income, City of Morgan Hill, January 31, 2023 to January 31, 2031	14
Table 4-1	Housing Stock by Year Built	23
Table 5-1	Quantified Objectives.....	52



CHAPTER 1 | Introduction

Housing continues to be one of the biggest challenges in Morgan Hill and throughout California.

With Morgan Hill seeing some of the highest increases in rent in recent years and home prices continuing to rise, the City is facing an unprecedented housing crisis. As housing becomes less affordable and the supply of housing continues to not meet demand, it is becoming harder for residents, especially low- and middle-income families and individuals, to afford housing.

Gentrification and displacement pressures have intensified, and homelessness continues to increase in the City. Morgan Hill's most vulnerable communities, including low- and middle-income households and communities of color, continue to be disproportionately affected by the housing crisis.

The City has taken a number of actions to accelerate the production of housing and to address the housing issues of current residents, but a more holistic plan is needed to address this complex issue.

Morgan Hill's Eight-Year Housing Strategy

This Housing Element is the City's eight-year housing strategy and commitment for how it will meet the housing needs of everyone in the community. This housing strategy, which covers the planning period of January 31, 2023, to January 31, 2031, will help address the housing crisis in Morgan Hill through a number of goals, policies, and actions that focus on expanding the housing stock and offering a wider range of housing choices for everyone in the City.

The Housing Element is mandated by State law and is part of the City's General Plan. It outlines the City's strategy for housing and how it will comprehensively address the existing and projected housing needs of everyone in the City for the next eight years (2023-2031).

This Housing Element presents an important opportunity for the City to address housing issues in a comprehensive manner and develop a bold and implementable housing strategy.

The Regional Housing Needs Allocation (RHNA) projection period is January 31, 2023, to January 31, 2031 (see Chapter 3 for more details).

Equity, inclusion, and diversity are themes that are woven throughout the document and reflected in a number of policies and actions. The City aims to ensure that Morgan Hill is an equitable and inclusive city by protecting and providing opportunities to those residents who are most vulnerable.

State Requirements

State law recognizes the vital role local governments play in the supply and affordability of housing. Each local government in California is required to adopt a housing element, which is one of the eight mandated elements of the General Plan. The City is required to prepare an annual progress report on the status and progress of implementing its housing element.

The purpose of this Housing Element is to:

- ❖ Identify the City's housing needs;
- ❖ State the community's goals and objectives with regard to housing production, rehabilitation, and conservation to meet those needs; and
- ❖ Define the policies and programs that will be implemented to achieve goals and objectives.

State law (Government Code Section 65583) requires the City to adopt a Housing Element that addresses the needs of everyone in the community, at all income levels.

HOUSING ELEMENT REQUIREMENTS

- ❖ An analysis of existing and projected housing needs
- ❖ An inventory of land suitable for housing
- ❖ An analysis of potential constraints on housing
- ❖ A fair housing analysis
- ❖ An analysis of any special housing needs
- ❖ Identification of zone(s) where emergency shelters are allowed by-right
- ❖ An evaluation of the previous element
- ❖ An analysis of opportunities for residential energy conservation
- ❖ An analysis of assisted housing developments that are "at-risk" and eligible to change from low-income housing uses
- ❖ Goals, policies, and implementation programs

In order for the private market to adequately address the housing needs and demand of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain), housing development. As a result, housing policy in California rests largely on the effective implementation of local general plans and, in particular, local housing elements.

- California Department of Housing and Community Development (HCD)

Housing Element Organization

This Housing Element and associated appendices satisfy the requirements of State law (Government Code Section 65583(a)) and are organized as follows:

Housing Element Contents

The Housing Element is divided into the following chapters:

1. Introduction provides an overview of the Housing Element, State requirements, and a summary of the organization of the Housing Element.

2. Community Engagement describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

3. Summary of Land Available for Housing presents a summary of the City's Regional Housing Needs Allocation and the inventory of sites within Morgan Hill City Limits that are suitable for residential development during the planning period.

4. Goals and Policies contains the City's housing goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes seven goals that create the framework for how the City will address housing needs.

5. Implementation contains the implementation programs (actions) that the City and its partner agencies are committed to implementing over the planning period. A summary of the City's quantified objectives for housing development, rehabilitation, and conservation is also included.



HOUSING ELEMENT GOALS

- Goal 1.** Provide a diversified housing stock to meet the full range of future community housing needs.
- Goal 2.** Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing.
- Goal 3.** Advance equity and inclusion throughout the City.
- Goal 4.** Preserve and rehabilitate existing housing supply.
- Goal 5.** Promote housing for people experiencing homelessness.
- Goal 6.** Provide adequate housing for groups with special needs.
- Goal 7.** Increase community outreach and promote education of affordable housing.

Appendices

The following appendices contain important information and analysis to inform and support the Housing Element. They provide the foundation for the goals, policies, and actions.

H-1 Housing Needs Assessment

describes the characteristics of Morgan Hill's population and housing that are essential to understanding the City's housing needs including population and household characteristics, income and employment, housing costs and affordability, special housing needs, and at-risk housing.

H-2 Site Inventory presents the detailed results of the inventory of sites within the City that are suitable for residential development during the eight-year planning period. It includes a description of the City's RHNA, number of residential units in the pipeline of planned and entitled projects, and a summary of capacity/potential to accommodate the City's RHNA.

H-3 Opportunities for Energy Conservation summarizes the ways the City is currently addressing the conservation of energy resources as part of larger climate action and adaptation planning processes.

H-4 Constraints Analysis identifies nongovernmental and governmental constraints that inhibit the development, maintenance, or improvement of housing.

H-5 Assessment of Fair Housing provides an assessment of fair housing practices in Morgan Hill and a summary of strategies to affirmatively further fair housing within Morgan Hill.

H-6 Evaluation of Past Housing Element summarizes the City's achievements in implementing programs under the previous (2015-2023) Housing Element.

H-7 Public Participation includes the compilation of community input and feedback received during the various meetings and engagement events.

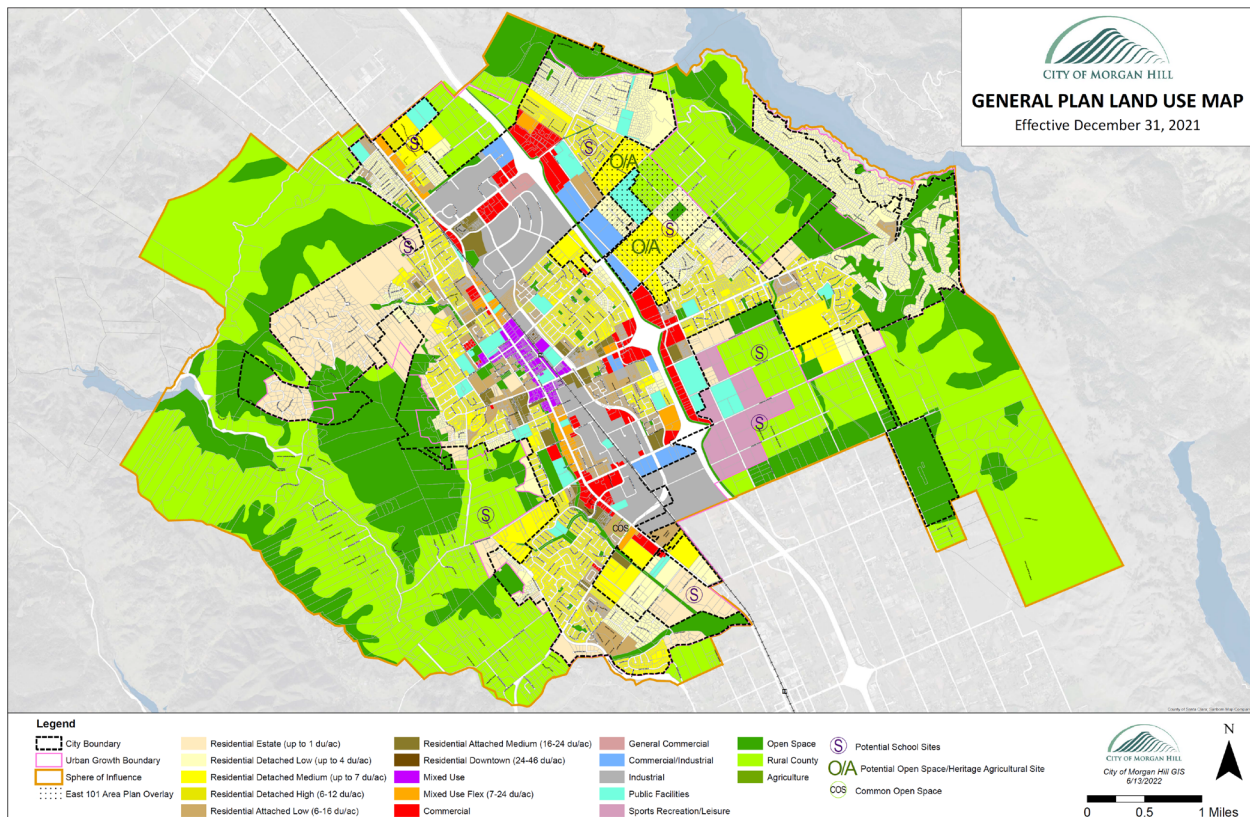
General Plan Consistency

The City of Morgan Hill is a General Law City and is subject to the requirements of State law. One of the State's planning law requirements is that all of the goals and policies of the City's General Plan elements must be internally consistent. Internal consistency of Morgan Hill's General Plan has been achieved by ensuring that all elements are mutually supportive. Further, consistency is provided by assuring that all elements of the General Plan meet State law requirements. The Housing Element addresses all State requirements, including relevant legislation enacted subsequent to adoption of the previous Element. It contains information on housing constraints and actions to deal with constraints; and reflects recent population, housing, land use, environmental, and employment data.

The Housing Element includes information on the number of units required to meet Morgan Hill's housing needs, and its share of the regional housing need (RHNA). Sites with development potential that align with the City's housing needs are evaluated, consistent with the land use designations contained in the General Plan. The entire General Plan, including this revised Housing Element, reaffirms City goals by: (1) acting as a guide for municipal decisions which affect the quality and quantity of housing; and, (2) maintaining Morgan Hill's present quality of life by balancing the availability of housing with other considerations.

The Housing Element is also consistent with Morgan Hill's Downtown Specific Plan, which was adopted in November 2009.

Figure 1-1 Morgan Hill General Plan Land Use Map





CHAPTER 2 | Community Engagement

This Housing Element has been prepared with extensive community input and a robust public participation plan to ensure a wide range of input and feedback was received on key components of the plan.

This chapter describes the City's efforts to engage all segments of the community during the preparation of the Housing Element, including the numerous individuals, organizations, and agencies with which the City consulted, and the methods of community outreach.

State law (Section 65583[c][7]) of the California Government Code) requires cities and counties to make a diligent effort to achieve public participation that includes all economic segments of the community.

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 the past, present, and future housing in Morgan Hill, to communicate how we got here, and to discuss the housing needs for current and future residents. The opportunity was taken to share the State mandates for housing production that are in response to the housing crisis and 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 survey's (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. Key themes of feedback received from community members were consistent with the findings of Appendix H-1 Housing Needs Assessment and were used to guide new policies and programs in this Housing Element.

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.

PUBLIC ENGAGEMENT SUMMARY

9	2021 Housing Conversation Workshops
7	Workshops with the Planning Commission
25	Stakeholder Focus Group Meetings
977	Responses to Housing Surveys
2	Town Hall Meetings
2	Regional Meetings

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.

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.

Provide a range of housing opportunities and preventing homelessness were emerging themes amongst resident and stakeholder concerns and feedback.

Summary of Outreach Activities

The City of Morgan Hill started the engagement process for the Housing Element in May 2021. Summary notes from the various community engagement efforts are compiled in Appendix H-7.

Analysis of Impediments to Fair Housing

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. The City also reached out purposefully to the Latinx community by translating all surveys to

Stakeholder Focus Group Meetings

The City held 25 virtual stakeholder focus group meetings from January 2022 through March 2022 to gather input from various stakeholders, including developers, home builders, non-profit organizations, advocacy groups, and public agencies on key housing issues. The City also issued a follow-up survey to the stakeholders to address barriers to accessing decent, safe, affordable housing and which housing priorities are most important for Morgan Hill.

Key themes of feedback received from the focus group meetings were incorporated into the Housing Element Update and used to guide new policies and programs. Appendix H-7 contains summaries of the Stakeholder survey results.

List of Attendees and Organizations Represented

Throughout the process of updating the Housing Element, many different organizations and groups have provided input. This list includes some of those organizations and residents of affordable housing apartments but is not exhaustive and does not include the many individual citizens who also participated.

- 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
- Building Back Better, Joint Venture Silicon Valley
- Catholic Charities
- Christopher Ranch
- Destination Home Silicon Valley
- Digital Nest
- Employment Development Department
- Eden Housing
- Gavilan College
- Morgan Hill Unified School District
- Parents Helping Parents
- The Compassion Center
- Morgan Hill Library
- Saint Louise Hospital
- St. Vincent De Paul
- St. Catherine's
- Saint Joseph's Food Pantry
- Silicon Valley @Home
- Silicon Valley Independent Living Center
- Social Services Agency
- Valley Health Center
- Voices School
- Unhoused individuals

KEY THEMES OF COMMUNITY FEEDBACK

- ❖ Provide a range of housing opportunities affordable to Morgan Hill workforce.
- ❖ Prevent homelessness and address the housing needs of people experiencing homelessness.
- ❖ Promote Extremely Low-Income housing.
- ❖ 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.
- ❖ 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.
- ❖ Create an affordable housing overlay district.
- ❖ Zone more land and/or change zoning regulations for multi-family to increase affordable housing.
- ❖ Pass a commercial linkage fee ordinance.
- ❖ Pass a rent stabilization ordinance.



Citywide Town Hall Workshop on Draft Housing Element

The City held a virtual Citywide Town Hall in June 2022 to accompany release of the Public Draft Housing Element. City staff was available to take phone calls and e-mails for participants who lack internet access or who are visually impaired.

Workshops and Public Hearings

The City held workshops with the Planning Commission on January 25th, February 22nd, March 8th, April 12th, April 26th, May 10th, and May 24th to share work progress to date and obtain early direction and feedback. A subsequent public hearing was held with the Planning Commission on July 26th to recommend submittal of the draft Housing Element to the City Council and the California Department of Housing and Community Development (HCD). In August the City Council held a public meeting on the Draft Housing Element authorizing submittal of the Draft Housing Element to HCD for their 90-day review.

Planning Commission Workshops

- ❖ On **January 25, 2022**, the Planning Commission held an **Introduction to the 2023-2031 Housing Element Update** workshop.
- ❖ On **February 22, 2022**, staff presented and gathered feedback on the preliminary draft **Site Inventory** and methodology for the Housing Element.
- ❖ On **March 8, 2022**, staff presented on the **Evaluation of Past Performance** and gathered feedback from the Planning Commission.
- ❖ On **April 12, 2022**, the Planning Commission provided feedback on preliminary draft **Goals & Policies**.
- ❖ On **April 26, 2022**, staff presented on **Affirmatively Furthering Fair Housing (AFFH)** and gathered feedback from the Planning Commission.
- ❖ On **May 10, 2022**, staff presented and gathered feedback on the **Constraints Analysis** for the Housing Element.
- ❖ On **May 24, 2022**, staff gave an overall presentation on the **2023-2031 Housing Element Update** and discussed the Housing Element Completeness Checklist.
- ❖ On **July 26, 2022** the Planning Commission reviewed, provided feedback, and recommended approval of the **Draft Housing Element**.





CHAPTER 3 | Summary of Land Available for Housing

A key component of the Housing Element is demonstrating how the City will meet its fair share of the regional housing need.

Regional Housing Needs Allocation

The Regional Housing Needs Assessment (RHNA) is the California State- required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. The State assigns each region in California a regionwide housing target that is distributed to jurisdictions through a methodology prepared by the regional councils of Government. The City of Morgan Hill is within the region covered by the Association of Bay Area Governments (ABAG). For this 2023-2031 Housing Element, the State issued a target of 441,176 housing units for the entire ABAG Region. This is the total number of units that the cities and counties in the ABAG region must collectively plan to accommodate.

The City of Morgan Hill's share of the regional housing need was determined through a methodology prepared by the Association of Bay Area Governments (ABAG). The City must plan to accommodate a total of 1,037 housing units between January 31, 2023 and January 31, 2031. This is equal to a yearly average of 130 housing units. Table 3-1 below shows the City's RHNA by income category.

Of the 1,037 total units, the City must plan to accommodate 262 units for extremely low- and very low-income households, 151 units for low-income households, 174 units for moderate-income households, and 450 units for above moderate-income households.

Table 3-1 Regional Housing Needs Allocation, City of Morgan Hill 2023-2031		
<i>Income Category</i>	<i>Units</i>	<i>Percent of Total</i>
Extremely Low- and Very Low-Income	262	25.3%
Low-Income	151	14.6%
Moderate-Income	174	16.8%
Above Moderate-Income	450	43.4%
TOTAL	1,037	100.0%

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

INCOME LEVELS AND ABILITY TO PAY

State law defines affordability in terms of target household incomes and the relative percentage these households must pay to purchase or rent decent and safe housing. Affordability is therefore relative to both household income and housing unit cost. In most cases, affordable housing is defined as housing and related costs (e.g., utilities, insurance, property taxes for owner-occupied properties) that requires no more than 30 percent of a household's gross income.

The income categories (e.g., extremely low-, very low-, low-, or moderate- income) and relative ability to pay for housing are determined in relation to the median household income for the City, adjusted by household size. Table 3-2 below shows the 2022 State and Federal income limits for Santa Clara County based on household size. The area median income (AMI) for a four-person household in Santa Clara County was \$168,500 in 2022.

Table 3-2 HCD Income Limits based on Persons per Household, 2022					
<i>Income Categories</i>	<i>Persons per Households</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Extremely Low-Income (<=30% AMI)	\$35,400	\$40,250	\$45,500	\$50,500	\$54,600
Very Low-Income (31-50% AMI)	\$59,000	\$67,400	\$75,850	\$84,250	\$91,000
Low-Income (51-80% AMI)	\$92,250	\$105,400	\$118,600	\$131,750	\$142,300
Median-Income (100% AMI)	\$117,950	\$134,800	\$151,650	\$168,500	\$182,000
Moderate-Income (81-120% AMI)	\$141,550	\$161,750	\$182,000	\$202,200	\$218,400

Source: CA Department of Housing and Community Development (HCD), 2022.

Inventory of Housing Capacity

State law requires the City to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. In addition, Assembly Bill 686, Statutes 2018, requires that a jurisdiction identify sites throughout the community, in a manner that is consistent with its duty to affirmatively further fair housing (AFFH) pursuant to Government Code Section 65583. In the context of AFFH, the site identification requirement involves not only an analysis of site capacity to accommodate the RHNA, but also an analysis and conclusion of whether the identified sites improve or exacerbate conditions for each of the fair housing areas as outlined in Appendix H-5 Assessment of Fair Housing. However, pursuant to Government Code Section 65583 and HCD's Housing Element Site Inventory Guidebook, the fair housing analysis does not apply to pending, approved, or permitted development.

As part of this Housing Element update, City staff conducted a comprehensive inventory of residential units in the pipeline (i.e., pending, approved or permitted) and evaluated the capacity to accommodate the RHNA for each income level within the Housing Element planning period, 2023-2031.

Planned and Entitled Projects

Morgan Hill has a significant pipeline of development projects that are seeking entitlements or are entitled and actively pursuing construction. As of March 1, 2022, there were an estimated 1,819 housing units in the pipeline that are counted toward meeting the RHNA. About 30 percent of the units in the pipeline will provide affordable housing for lower-income households. More than 24 percent of the units in the pipeline will provide affordable housing for moderate-income households, and the remaining 46 percent of the units consist of lower-density single-unit above moderate-income units. Based on affordability restrictions, the projects are anticipated to provide 545

affordable lower-income units consisting of 158 extremely low-income units, 149 very low-income units, and 238 low-income units. In addition to the affordable lower-income units, there are 444 moderate-income units in the pipeline and 830 above moderate-income units. The inventory includes several individual affordable housing developments in the pipeline, including a 249-unit affordable development at 18960 Monterey Road; a 66-unit affordable development at 17965 Monterey Road; a 73-unit affordable development at 15440 Monterey Road; and an 82-unit affordable development at 16685 Church Street.

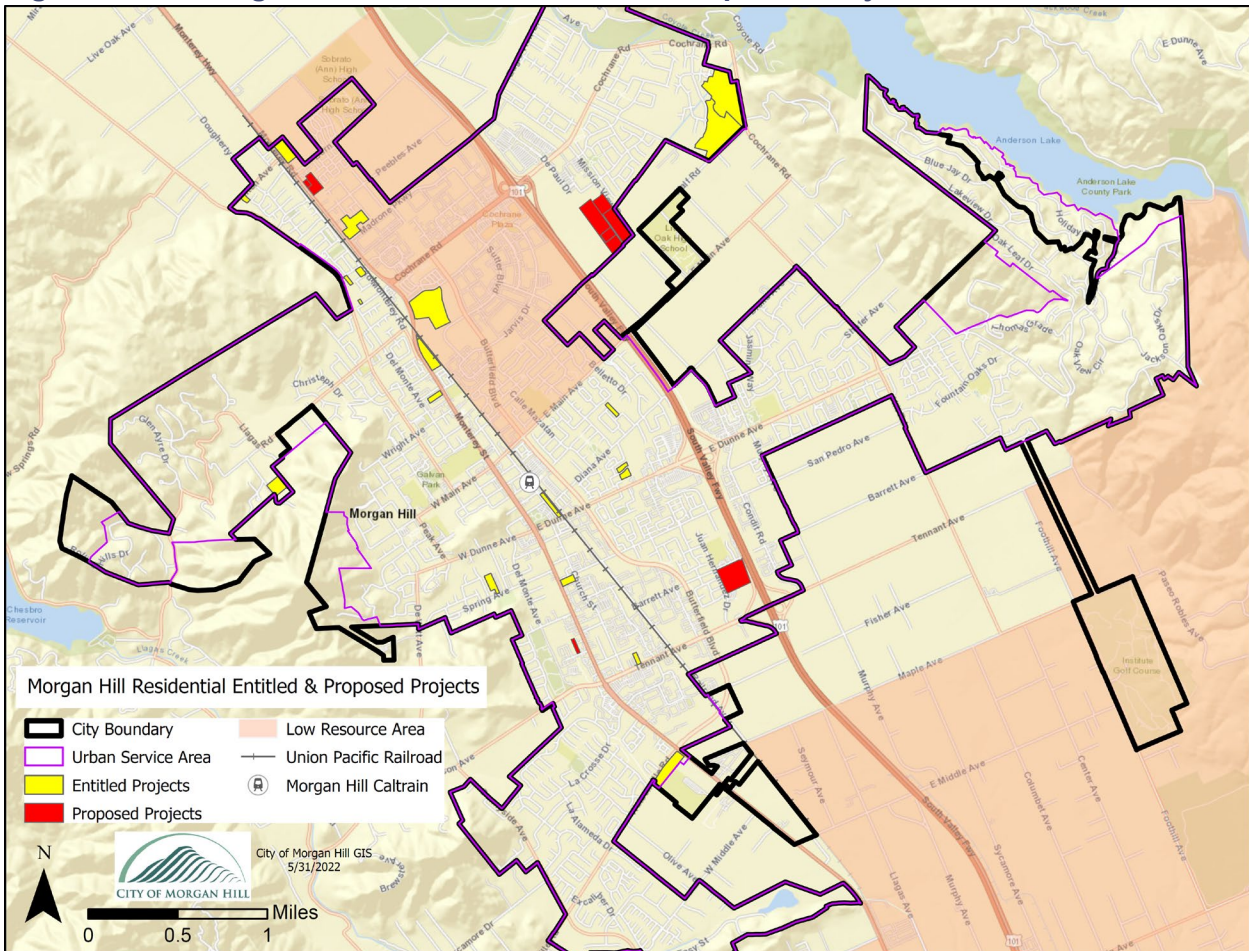
To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects during the 5th cycle (2015 through 2022). For discretionary entitlements, completion rates were found by drawing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

Table 3-3 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are based on the actual proposed affordability level requested or approved as part of the entitlement request.

Table 3-3 Total Pipeline Development Potential, by Income Category						
	Above Mod. Income Units	Moderate Income Units	Low-Income Units	Very Low-Income Units	Extremely Low-Income Units	Total Development Potential
Active Planning Entitlements	219	38	-	-	-	257
Approved Planning Entitlements with No Building Permit Applications	128	23	13	8	39	211
Total Pipeline Development Projects	786	434	235	147	154	1,756

Source: City of Morgan Hill, 2022.

Figure 3-1 Morgan Hill Residential Entitled & Proposed Projects



Source: City of Morgan Hill, 2022.

Capacity to Accommodate the RHNA

Table 3-4 below provides a summary of total residential capacity included in the site inventory compared to the City's 6th Cycle RHNA. As shown in the table, the City has a total capacity for 1,756 units within pipeline residential developments (a total success potential of over 95%), which is sufficient capacity to accommodate the RHNA of 1,037 units. The land inventory includes capacity for 536 lower-income units (i.e., extremely low-, very low-, and low-income units), 235 moderate income units, and 786 above moderate-income units. It is important to note that the City did not analyze accessory dwelling units (ADUs) within this Housing Element; therefore, ADUs were not counted towards the identified residential capacity in Morgan Hill.

	Extremely Low-Income Units	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
RHNA	131	131	151	174	450	1,037
Pipeline Residential Capacity	158	149	238	444	830	1,819
Pipeline Residential Potential	154	147	235	434	786	1,756
Surplus(+)/Deficit(-)	+23	+16	+84	+260	+336	+719

Source: City of Morgan Hill 2022.





CHAPTER 4 | Goals and Policies

The goals and policies provide direction to help the City reach its housing goals.

The Housing Element includes seven goals that create the framework for how the City of Morgan Hill will address housing needs during the planning period. Within each goal section, the policies provide direction for how the City will achieve that goal.

The goals and policies were developed with extensive community input and reflect the City's ambition to create equitable and inclusive neighborhoods and to provide opportunities for a variety of housing at all levels of affordability to meet the current and future needs of all residents.

HOUSING ELEMENT GOALS

- Goal 1.** Provide a diversified housing stock to meet the full range of future community housing needs.
- Goal 2.** Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing.
- Goal 3.** Advance equity and inclusion throughout the City.
- Goal 4.** Preserve and rehabilitate existing housing supply.
- Goal 5.** Promote housing for people experiencing homelessness.
- Goal 6.** Provide adequate housing for groups with special needs.
- Goal 7.** Increase community outreach and promote education of affordable housing.

Goal 1. Provide a diversified housing stock to meet the full range of future community housing needs



Facilitate the construction of 1,037 new housing units by 2031 by providing a range of housing types for all age groups, served by transit, recreational amenities, shopping, and health and personal services, that allow residents to age in place.

Morgan Hill, like most communities in California, is facing a housing crisis.

Housing demand continues to outpace supply. This lack of supply drives up housing costs, greatly impacting affordability. Through the Housing Element update process, every city and county in the state is given a target number of housing units it must plan to accommodate, called the Regional Housing Needs Allocation (RHNA). **The City's target for this Housing Element is 1,037 units over the next eight years, an average of about 130 housing units annually.**

Policies

HE-1.1 Adequate Land for New Development. Ensure that an adequate amount of land is available for new residential development, zoned for a range of residential densities and a variety of housing types.

HE-1.2 Capital Improvement Programming. Give high priority in the annual Capital Improvement Program to providing adequate public facilities for residentially zoned land needed to accommodate the City's ABAG projected regional housing needs allocation (RHNA).

HE-1.3 Flexible Housing. Encourage and design alternative housing solutions that support affordable and intergenerational housing, including micro-unit housing, attached or detached accessory dwelling units, home sharing, and cohousing to help meet the housing needs of aging

adults, students, and lower-income individuals and growing families.

HE-1.4 Market Rate Developments. Encourage income-diverse neighborhoods and promote extremely low-, very low-, low-, median-, and moderate-income households within new market rate development.

HE-1.5 Accessory Dwelling Units. Encourage development of accessory dwelling units.

HE-1.6 Advocate with Local Legislators. Advocate with local legislatures and provide input to the State Legislature to ensure that State programs and legislation meet local housing needs, support local housing programs, and encourage capacity building opportunities to implement the Housing Element work program.

HE-1.7 Housing Assistance Funds. Provide housing assistance funds in the form of loans wherever possible so that the funds will eventually return to the City for future housing use.

HE-1.8 Annual Monitoring. Monitor housing development and RHNA housing needs annually to ensure that goals and quantified objectives are being met.

HE-1.9 Review Potential Governmental Constraints to Housing. Review governmental constraints to ensure that they do not pose an undue impediment to the provision of new housing or the rehabilitation of

- existing housing.
- HE-1.10 Sales Prices and Rental Rates.** Require developers to report initial sales price and rents of new units prior to occupancy approval.
- HE-1.11 Downtown Specific Plan.** Continue to implement the Downtown Specific Plan by encouraging a vibrant mix of residential and commercial development in the Mixed Use-Neighborhood (MU-N) zoning district.
- HE-1.12 Impact Fee Credits for Previous Uses.** Allow projects to receive a credit of impact fees, based on the previous uses.
- HE-1.13 Land Acquisition for Affordable Housing.** Pursue opportunities for land acquisition for future affordable housing development in areas zoned for multi-family or areas that permit mixed projects, either through acquisition by the City or by nonprofit housing developers.
- HE-1.14 Facilitate Land Assembly.** Facilitate assembling parcels to develop residential projects to yield multi-family and affordable units by making the Available Land Inventory available to developers.
- HE-1.15 Variety of Single-family Homes.** Support the creation of smaller single-family lot sizes to encourage home ownership for a wider range of income levels.
- HE-1.16 Housing Coordinated with**
- Transportation.** Seek to ensure new housing developments are connected to pedestrian and bicycle routes and amenities.
- HE-1.17 Relocation Assistance.** Require relocation assistance in the event of displacement of extremely low, very low-, low-, or moderate-income residents.
- HE-1.18 Rental Assistance Programs.** Educate and encourage landlords of the requirement to accept rental assistance programs, such as housing vouchers and Section 8 vouchers administered by the Housing Authority of Santa Clara County and emergency rental assistance.
- HE-1.19 Neighborhood Character.** Maintain and enhance the quality of life within residential neighborhoods, including those identified as low resource and/or disadvantaged, through responsible development and investment by providing adequate maintenance to streets, sidewalks, alleys, parks, and other community facilities.
- HE-1.20 Expand Housing Types Throughout the City.** Expand multiple-family zoning areas throughout the City, and revise design standards, to allow for a greater array of housing types throughout the city to create more inclusive and equitable neighborhoods.

Goal 2: Encourage Extremely Low-Income (ELI) housing production, increasing availability of affordable and workforce housing



Support the production of 413 new lower-income housing units by 2031 and increase other affordable housing opportunities within the existing housing stock.

Morgan Hill housing costs have skyrocketed in recent years, making it especially hard for lower-income households to afford housing.

The short supply of affordable and workforce housing coupled with increasing costs of housing not only have negative impacts on the City's lower-income households, but they also have a destabilizing impact on the overall economy as fewer household financial resources are able to be spent on other sectors of the economy. Many lower-income families must choose between paying rent or paying for other basic needs like healthcare, food, and transportation. Others are forced into overcrowded or substandard housing conditions or join the increasingly large population of people experiencing homelessness.

KEY FACTS

- ❖ As defined by the U.S. Department of Housing and Urban Development (HUD), **lower-income households** are those that earn **less than 80% of area median income (AMI)**, or \$131,750 for a family of four within Santa Clara County in 2022.
- ❖ The **median home sale price** in the Morgan Hill has increased from about \$472,850 in 2001 to **over \$1,055,000 in 2021**.
- ❖ **Less than 65% of homes** in Morgan Hill are sold at prices affordable for a household regardless of income in 2020.

Housing is considered "affordable" if no more than 30 percent of a household's gross monthly income is spent on rent and utilities. Households are considered "cost burdened" if they spend more than 30 percent of their income on housing costs, and "severely cost burdened" if they spend more than 50 percent.

DEFINITIONS

- ❖ **Affordable Housing:** Under State and federal statutes, housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and related costs.
- ❖ **Workforce Housing:** housing that is affordable to households earning between 60 and 120 percent of area median income (AMI). Workforce housing targets middle-income workers including teachers, health care workers, retail clerks, young professionals, and more.

As shown below in Figures 4-1 and 4-2, 35.4 percent of all Morgan Hill households were considered cost burdened in 2019, and 15.3 percent of households were considered severely cost-burdened. Lower-income families were more likely than others to overpay for housing.

Figure 4-1 Cost-Burdened by Tenure in Morgan Hill, 2019

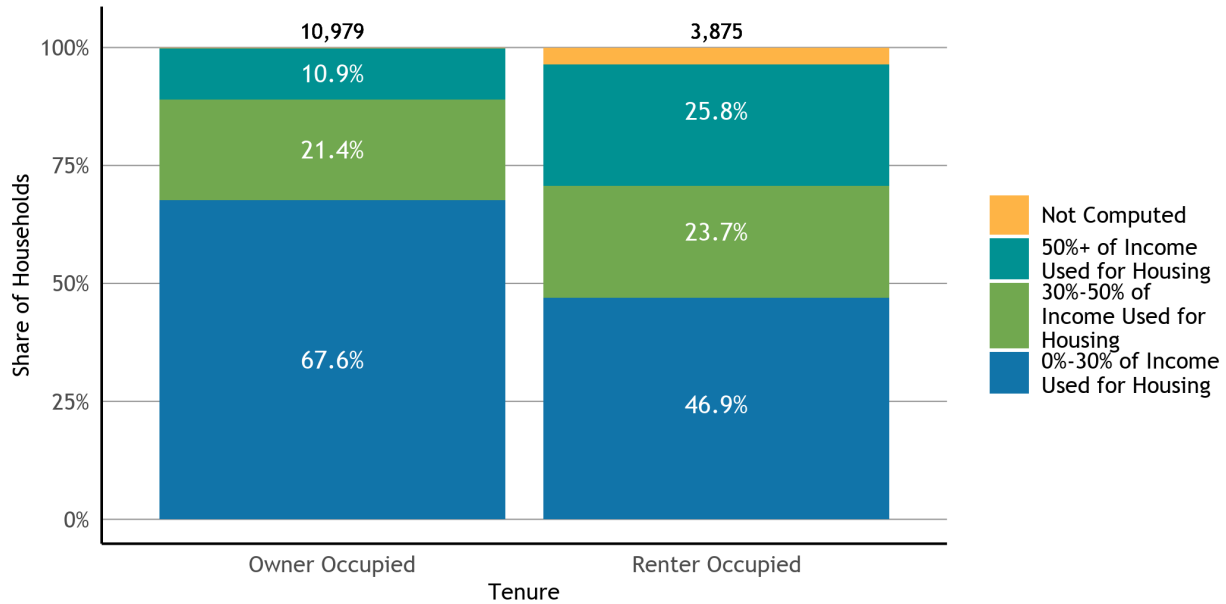
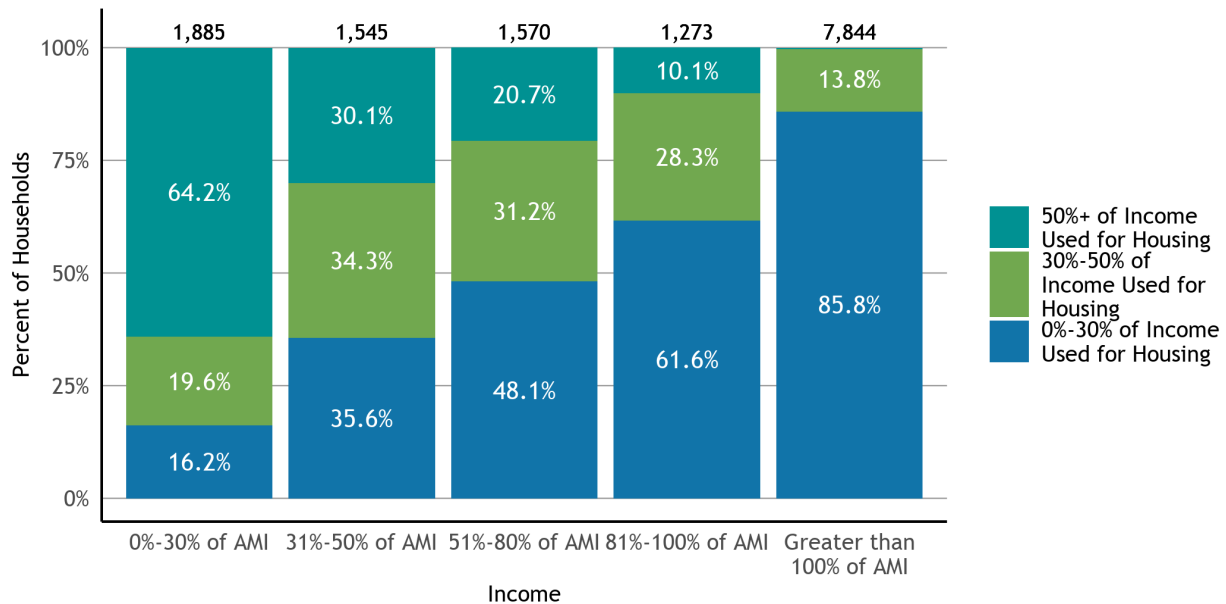


Figure 4-2 Cost-Burdened by Income Level in Morgan Hill, 2019



The private market has largely been unable to produce homes affordable to lower-income households since affordable rents do not cover the cost to construct these housing units. Between 2015- 2019, the City constructed an average of 41 lower-income housing units per year, which represents less than 14 percent of all housing permitted within Morgan Hill.

There are several barriers to developing affordable housing in Morgan Hill and in California. A historical focus on building single family homes and neighborhoods has made it harder to build housing for lower-income households throughout the City. That, coupled with high construction and land costs and the severe disinvestment in affordable housing subsidies from the state and federal governments, has created major challenges to building new affordable housing. However, the City can play a part in supporting the production of more affordable housing units.

As part of California's 6th Cycle Housing Element, the City of Morgan Hill must adequately plan for and accommodate a total of 413 new lower-income housing units by 2031, which represents 40 percent of the City's overall RHNA.

- ❖ Within that 413 figure, 262 units should be affordable to very low-income households making less than 50 percent AMI, and the remaining 151 units should be affordable to low-income households making between 50-80 percent AMI.
- ❖ The allocation is equivalent to producing 52 lower-income units annually over the next eight years.

Policies

HE-2.1 Affordable Housing Strategy Implementation. Encourage the production of rental housing, including housing for extremely low-income households, through available funds, banked land, and community partnerships.

HE-2.2 Funds for Affordable Units. Prioritize housing funds to finance affordable projects for extremely low-income households.

HE-2.3 Rental Housing Incentives. Assist for-profit and nonprofit developers in developing affordable rental housing.

HE-2.4 Programs Providing Extremely Low-, Very Low-, and Low-Income Housing. Participate in programs that assist extremely low-, very low-, and low-income households to secure adequate housing.

HE-2.5 Santa Clara County Housing Programs. Collaborate with the County of Santa Clara Office of Supportive Housing, Destination Home, Housing Trust of Silicon Valley, and Housing providers to promote housing programs.

HE-2.6 Leverage Funding. Leverage

housing assistance funds whenever possible by combining them with funds from State, Federal, County, and other sources.

HE-2.7 Below Market Rate (BMR) Occupancy. Require all BMR units to be income-restricted to ensure their use as affordable housing as required by funding source or the Inclusionary Housing Ordinance and facilitate rehabilitation and resales of the BMR ownership units to new income-qualified first-time homebuyers.

HE-2.8 BMR Deed Restrictions. Continue to require the recordation of deed restrictions for all affordable units except accessory dwelling

HE-2.9 Assist in the Development of Extremely Low and Very Low-Income Affordable Housing. Assist affordable housing developments through site identification, direct funding, supporting funding applications, land donation, and other incentives.

HE-2.10 Create Additional Local Funding for Affordable Housing. Strive to create additional local funding for affordable housing.

HE-2.11 Advocate for State and Federal Legislative Changes. Advocate for additional financial resources and legislative changes from the State and Federal government to support the funding and production of affordable housing.

HE-2.12 Commercial Linkage Fee. Consider new commercial and industrial development to meet the housing demand they generate, particularly the need for affordable housing for lower-income workers, through a Commercial Linkage Fee Ordinance or similar mechanism only when the City has met a job-resident worker balance of 1:1 ratio.

HE-2.13 Support Innovative Construction Methods. Support and encourage the development and construction industries to implement new technologies and opportunities to build housing that is more affordable by design.

HE-2.14 Support Farmworker Housing. Establish farmworker housing as an affordable housing need within the City.

HE-2.15 Farm Worker Housing Advocacy. Advocate for federal, State, and County funding for

farmworker/agricultural employee housing, including housing that meets the needs of the County's agricultural industry and its workers.

HE-2.16 Partner with Developers. Collaborate with developers and employers to develop innovative housing solutions for farmworkers and agricultural employees and identify and pursue all potential funding sources and assist owners and developers in applying for funding.

Goal 3: Advance equity and inclusion throughout the City



Create more equitable and inclusive neighborhoods.

Where we live directly impacts our health and our ability to achieve our full potential. Equitable housing must be more than affordable; it must also connect residents to the jobs, schools, services, and community assets that will enable them to thrive and be healthy.

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.

Within Morgan Hill, 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.

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 policies identified below, which are discussed in much greater detail Appendix H-5, are a roadmap for doing so.

Policies

The City is committed to creating more opportunities for affordable housing dispersed more equitably throughout the City; as neighborhood investments increase, protecting existing residents from displacement; connecting Morgan Hill residents to employment opportunities; and, expanding outreach and education to better reach vulnerable and at-risk households and to demystify affordable housing.

HE-3.1 Increase Affordable Housing Opportunities.

Increase affordable housing opportunities for protected class members in eastern and southwestern Morgan Hill.

HE-3.2 Displacement. Protect tenants from the risk of future displacement.

HE-3.3 Employment Opportunities.

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

HE-3.4 Fair Housing Education. Increase Fair Housing

enforcement, outreach, and
education in Morgan Hill.

Goal 4: Preserve and rehabilitate existing housing supply



Preserve, maintain, and rehabilitate existing housing to ensure neighborhood livability and promote continued housing affordability.

The policies in this section focus on preserving the existing housing stock, with an emphasis on preserving affordable housing.

The City of Morgan Hill is home to 1,160 deed-restricted affordable units, not including privately owned deed-restricted affordable units. In general, once the period of restricted rent/occupancy expires, a property owner may charge market rents for the previously restricted units. State law requires that housing elements include an inventory of all publicly assisted multi-unit rental housing projects within the local jurisdiction that are at risk of conversion to uses other than low-income residential during the next 10 years from the start of the housing element planning period (i.e., January 31, 2023). No units are at-risk of converting to market rate by 2031. The preservation of affordable units is not only more cost effective than building replacement units, but it is a key element of anti-displacement policy.

Beyond subsidized affordable housing, there is a need to maintain and improve the quality of existing marketrate housing. While the age of housing, by itself, does not necessarily equate with poor housing conditions, a neighborhood with a large stock of older housing (particularly older non-subsidized rental housing) occupied by a high percentage of lower-income households has a much greater potential for housing problems than an affluent neighborhood with older housing.

If not properly maintained, housing can exhibit obvious signs of “wear and tear” after 30 years (or even less, depending on the quality of materials and construction). The housing stock of Morgan Hill in 2020 was made up of 59.0% single family detached homes, 17.7% single family attached homes, 5.5% multifamily homes with 2 to 4 units, 9.8% multifamily homes with 5 or more units,

and 8.0% mobile homes. In Morgan Hill, the housing type that experienced the most growth between 2010 and 2020 was *Single-Family Home: Detached*.

Production has not kept up with housing demand for several decades in the Bay Area, as the total number of units built and available has not yet come close to meeting the population and job growth experienced throughout the region. In Morgan Hill, the largest proportion of the housing stock was built from 1980 to 1999, with 5,632 units constructed during this period (see Table 4-1). Since 2010, 11.6% of the current housing stock was built, which is 1,761 units.

The City takes a proactive approach toward housing conditions through housing rehabilitation programs. The City has participated in the Urban Counties Consortium Community Development Block Grant (CDBG) funds to provide rehabilitation assistance. Over the last housing element period, from January 1, 2015 through January 1, 2020, 159 units were rehabilitated within the City of Morgan Hill.

KEY FACTS

- ❖ **None of the 1,160 subsidized affordable units are at risk** of converting to market rate by 2031.
- ❖ The housing stock of Morgan Hill comprises of **76.7% Single-Family homes**.
- ❖ **74%** of Morgan Hill homes were built before 2000.

Table 4-1 Housing Stock by Year Built

Year Built	Number of Units	% of Total
2010-or later	1,761	11.6%
2000-2009	2,252	14.8%
1980-1999	5,632	37.0%
1960-1979	4,803	31.5%
1940-1959	525	3.4%
1939 or earlier	260	1.7%
Total	15,233	100%

Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

Policies

HE-4.1 Preserve At-Risk Units.

Preserve as many below market rate ownership and rental units as possible.

HE-4.2 Affordability Controls.

Continue to extend the affordability restrictions as part of the next sale to eligible buyers and, if necessary, exercise the City's right of first refusal to purchase BMR units to ensure they remain affordable.

HE-4.3 Assist Non-profits in Acquisition of At-Risk Units.

Assist non-profit housing organizations in acquiring and/or rehabilitating existing affordable rental housing through financial assistance in exchange for extending the affordability period as required by the applicable funding source.

HE-4.4 Preservation of Existing Affordable Housing Stock.

Preserve and grow the existing affordable housing stock through the acquisition, conversion, rehabilitation, and replacement of affordable units. Monitor and report progress of affordable housing stock to the State Housing and Community Development Department.

HE-4.5 Code Enforcement.

Support the long-term maintenance and improvement of existing housing through code enforcement with emphasis on rental units, assistance in maintaining affordability, and non-displacement of existing tenants.

HE-4.6 Renovations under the Downtown Specific Plan.

Encourage the renovation of buildings consistent with the Downtown Specific Plan.

HE-4.7 Rehabilitation Loan Programs.

Support Housing Rehabilitation Loan Programs that provide home improvements and rehabilitation assistance using CDBG and City housing funds.

HE-4.8 Capital Improvement Program.

Coordinate the planning and funding of neighborhood infrastructure improvements by integrating the Capital Improvement Program goals, the Housing Element Policies and the opportunities that are available through the Urban County Community Develop Block Grant Program.

HE-4.9 Overcrowding.

Support the addition of bedrooms and other expansions as an eligible rehabilitation activity to alleviate overcrowding.

HE-4.10 Preserve Existing Mobile Home Parks.

Support efforts by tenants and nonprofits to preserve existing mobile home parks.

HE-4.11 Rent Stabilization Ordinance.

Maintain the City's rent stabilization ordinance for mobile home parks.

HE-4.12 Rehabilitation and Sustainability.

Ensure that all housing units rehabilitated with City assistance are environmentally friendly and energy-efficient.

HE-4.13 Protection and Preservation of Existing Affordable Housing.

Work with property owners, tenants, and nonprofit purchasers to preserve assisted rental and ownership housing and implement a strong affordable housing monitoring program.

HE-4.14 No Net Loss of Housing Stock.

Ensure that affordable housing sites identified in the Housing

Element Pipeline do not result in a net reduction of affordable housing units if they are redeveloped.

HE-4.15 Conversions to Affordable Housing. Explore new strategies to convert abandoned and blighted properties into affordable housing.

Goal 5: Promote Housing for people experiencing homelessness



Prevent the occurrences of homelessness and address the housing needs of people experiencing homelessness.

Similar to other regions in California with increases in reported homelessness, the Santa Clara County region is in the middle of a homelessness crisis.

The 2022 Santa Clara County Point-in-Time (PIT) Homeless Count reinforces what we already know: Homelessness remains a severe crisis in our community. While the PIT count is an imperfect way to measure homelessness in our community, it can provide key insight into year-over-year trends. The preliminary data shows that from 2019-2022:

- The overall number of homeless people remain relatively steady countywide. Santa Clara County saw a 3% increase (to 10,028); while San Jose saw a 11% increase (to 6,739) during that time.
- At the same time, the number of unsheltered individuals decreased, with a 3% decrease (down to 7,708) in Santa Clara County; and a 2% decrease (down to 5,031) in San Jose.

KEY FACTS

- ❖ From 2019 to 2022, Santa Clara County saw a **3%** increase of people experiencing homelessness on any given night.
- ❖ About **77%** of people experiencing homelessness on any given night are unsheltered.
- ❖ **11.5%** of people experiencing homelessness are youth.

The homelessness population includes veterans, women, children, persons with disabilities, older adults, and other vulnerable groups. These individuals lack adequate sanitary facilities and are at risk from theft, crime, and extreme weather conditions. These

conditions threaten the physical and mental health and safety of those experiencing homelessness and these conditions pose a threat to the public health and well-being of the entire community.

The crisis of unsheltered homelessness is one that impacts the entire Morgan Hill community; both those experiencing homelessness and the broader community of housed residents, businesses, and neighborhoods. As residential rents continue to climb, many housed residents also face the threat of homelessness due to lack of access to affordable housing.

The Housing Element includes a variety of policies to help the City address the homelessness crisis. Policies range from working with the County and partner agencies on a regional approach, removing barriers to emergency shelter access, and to improve data quality and regularly report on metrics.

Policies

HE-5.1 Housing First Principles.

Encourage ongoing supportive services as needed and prioritize solutions that are consistent with the notion that stable housing is the first, critical step towards addressing human needs.

HE-5.2 Support Homeless and Service Agencies.

Meet the needs of residents who are homeless or at risk of homelessness by collaborating with agencies providing emergency shelter for homeless Morgan Hill residents. When appropriate and possible, provide funding.

HE-5.3 Work with Santa Clara County Agencies.

Collaborate with Santa

Clara County agencies and nonprofits to address homelessness and other housing or community service-related issues, such as the ongoing implementation of the Countywide Community Plan to End Homelessness.

HE-5.4 Religious Institutions Shelters.

Allow religious institutions to operate small emergency shelters and transitional facilities as an ancillary part of their regular operations with no additional local permitting requirements.

HE-5.5 Youth Experiencing Homelessness.

Coordinate and create partnerships to increase accessibility of safety net services through outreach and communication, to effectively link youth experiencing homelessness to housing and service solutions.

HE-5.6 Regional Coordination.

Coordinate with the region and work with the Continuum of Care, Santa Clara County, and partner agencies to develop strategies that address homelessness through a shared vision, coordinated programs, and joint funding opportunities.

HE-5.7 Innovative Solutions.

Employ innovative solutions that further collaboration and coordination of the homeless continuum of care. This will include effective responses and best practices for prevention services, emergency shelters, interim housing, permanent housing, and ongoing housing stability to address the homelessness crisis.

HE-5.8 Permanent Supportive Housing.

Partner with other agencies to facilitate and provide permanent supportive housing options that offer appropriate services and case managers so that people experiencing chronic homelessness

can maintain permanent housing.

HE-5.9 Prevention Resources.

Use data to focus on impactful solutions, long-term outcomes, and strategies that target those most at risk of homelessness by connecting them to affordable housing, prevention resources, workforce training, and supportive services that will help prevent them from losing their homes (e.g., rental assistance programs, tenant protections, and job assistance).

HE-5.10 Rental Housing Assistance.

Prioritize and facilitate programs and strategies that work to help those experiencing homelessness, or who are at risk of homelessness, find appropriate rental housing and prevention services.

HE-5.11 Diversion Approach.

Work with and provide resources to partner organizations to prevent people from seeking shelter by helping them identify immediate alternate housing arrangements and connecting them with services and financial assistance to help them return to permanent housing.

HE-5.12 Improve Connections Between Shelters and Housing.

Expand and improve the collaboration and connection between emergency shelters, temporary housing, and permanent housing in order to decrease the duration of homelessness and rehouse individuals quickly.

HE-5.13 Regular Reporting.

Use metrics and improve data quality to track and improve the efficacy of homeless services, programs, and investments.

Goal 6: Provide adequate housing for groups with special needs



ACCESSIBILITY

Promote greater universal access in housing and support efforts that provide older adults and people with disabilities the option to stay in their homes and neighborhoods.

The goals of the Housing Element reflect empowerment and inclusion for the broad range of human ability represented in Morgan Hill.

Individuals with disabilities have special needs related to relatively low incomes, housing accessibility, self-care, access to transit, and proximity to health care and supportive services. Disabilities can be both visible and invisible. It is important that there is just and fair inclusion throughout the city and that conditions create an environment where everyone can participate, prosper, and reach his or her full potential.

In 2019, over 4,000 Morgan Hill residents over age five had one or more disability. This number represents about 9 percent of the City's population over age five. In Morgan Hill, of the population with a developmental disability, children under the age of 18 make up 31.8%, while adults account for 68.7%.

Because disabilities include a wide range and severity of sensory, physical, mental, and developmental conditions, the special needs of persons with disabilities are wide ranging, as well. In addition to affordable and accessible housing opportunities in proximity of transportation and other services, persons with disabilities may also need on-site support or even full-time care in a group home environment.

Persons living with disabilities, especially with severe living or self-care difficulties, generally live with low to extremely low incomes. 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. Median earnings for people without disabilities in Morgan Hill is \$58,721, while it is only \$34,700 for people with disabilities. 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 not indicate how much overlap there is between these categories, nor does the data say how many of those individuals need accessible units.

Older adults (persons age 65 or more) are a special needs group because a high percentage of them have relatively low incomes and decreasing mobility, which limit their housing options. Many older adults own homes that no longer meet their needs; their homes are too large, not located near health and social services, and/or need repairs or accessibility modifications. In Morgan Hill, the older adult population is rising rapidly. As of 2019, there were about 6,240 older adults living in the City, up nearly 150 percent since 2000. Older adults also represent an increasing proportion of the total population, from 7.5 percent in 2010 to 14 percent in 2019.

Older adults, as a group, have lower incomes than the population at large. Older adults who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups. The largest proportion of older adult households who rent make *0%-30% of AMI*, while the largest proportion of older adult households who are homeowners falls in the income group *Greater than 100% of AMI*.

Although most older adults own their homes, often unencumbered by debt, many may be in a situation characterized as “house rich and cash poor.” In other words, a person may have large equity in a home, but still be forced to live on a minimal fixed income. Selling the home may not be an available option, because the cost to rent a housing unit may override the income made available by the home sale.

The vast majority of older adults and persons with disabilities desire to live an independent lifestyle as long as possible. The independent living movement supports the idea that individuals with disabilities can make their own decisions about living, working, and interacting with the surrounding community. Housing and assistance programs for older adults and those with disabilities should put priority on independent living, attempting first to maintain these persons in their own homes and to age in place. Other housing options are accessory dwelling units and duplexes that allow older adults to live near extended families while maintaining privacy.

As Morgan Hill’s population continues to age, there will be increasing demand for age-friendly housing built with universal design principles. A few universal design elements include: zero-step entrances, single-floor living, wide hallways and doorways, and electronic controls reachable from a wheelchair. Housing design features that increase accessibility and safety can allow those with mobility disabilities much more independent in their home.

The Housing Element contains policies to support the independent living movement by helping older adults and people with disabilities stay in their homes and promoting universal design and accessibility in housing throughout

the city.

KEY FACTS

- ❖ Approximately **4,000** Morgan Hill residents have a disability (about **9.1%** of the population).
- ❖ Of the total population of people with disabilities, over **100** Morgan Hill residents between the age of 20 to 64 have incomes below the poverty line (about **\$34,700**); in contrast 852 individuals below the poverty line do not have a disability.
- ❖ In 2019, seniors accounted for **14%** of the population in Morgan Hill.
- ❖ The senior population has increased nearly **150%** between 2000 and 2019.
- ❖ In 2019, **80%** of older adults were homeowners.

DEFINITIONS

- ❖ **Universal Design.** The design of buildings, products, and environments that make them accessible and safe to all people regardless of age, size, ability, or disability.

Policies

HE-6.1 Housing for Seniors and Persons with Disabilities. Promote housing that is appropriate for seniors and accessible to persons living with disabilities where appropriate, such as areas near amenities, shopping, and transit.

HE-6.2 State and Federal Accessibility Requirements. Continue to enforce State and federal requirements for accessibility to the disabled in new multi-family units.

HE-6.3 Work with Other Agencies. Continue to work with outside agencies and organizations to maximize housing opportunities for the full spectrum of housing needs.

HE-6.4 Use CDBG and Other Funding. Use CDBG and other available funds to support the provision of housing

related services for groups with special needs such as the elderly, single parents with children, and survivors of gender-based violence.

HE-6.5 Preferential Handling of Special Needs Populations. Provide preferential handling of special needs populations, such as survivors of gender-based violence cases, youth aging out of foster care, the developmentally disabled, single parents, farmworkers, the unhoused, veterans, etc., in the management plans and regulatory agreements of funded projects.

HE-6.6 Universal Design in New Housing. Strive to achieve universal design in new residential housing units to maximize visitability and provide housing for people with disabilities and allow older adults to age in place (for example, have a bedroom and bathroom on the ground floor, or have the entire unit contained within a single floor).

HE-6.7 Reasonable Accommodation Ordinance. Ensure people with disabilities have equal opportunity to use and enjoy their housing by providing a process to request modification to a land use or zoning standard, regulation, policy, or

procedure.

HE-6.8 Encourage Accessible Housing Near Transit and Amenities. Encourage the development, rehabilitation, and preservation of accessible housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

HE-6.9 Financial Assistance for Accessible Affordable Housing. Seek opportunities to provide financial assistance and other incentives for affordable housing and permanent supportive housing projects that exceed the minimum accessibility provisions of State and Federal law.

HE-6.10 Partner with Community Based Non-profit Organizations. Support and partner with community-based organizations that develop affordable housing, retrofit existing housing, and provide supportive services for older adults and people with disabilities.

HE-6.11 Emergency Home Repairs and Accessibility Retrofits. Continue to provide low- and very low-income residents, seniors, and persons with disabilities with loans for emergency repairs and/or accessibility modifications to their homes.

Goal 7: Increase community outreach and promote education of affordable housing



Implement a community engagement and awareness campaign around affordable housing with the intent to raise awareness of Housing Programs, Housing Search, and to demystify Affordable Housing.

The City is committed to expanding outreach and education to better reach vulnerable and at-risk households and to demystify affordable housing.

During the public outreach component of the Housing Element Update it became apparent that there is not enough education or outreach about affordable housing within Morgan Hill and the South County as a whole. Nearly all of the stakeholder focus group meetings that City staff held, all groups indicated that there is not enough information available to families and individuals about affordable housing assistance; in particular, more outreach is needed for people experiencing homelessness or at-risk of homelessness.

Stakeholders indicated that many forms of education are needed; as their clients seek information for financial education, digital education, availability of affordable housing programs, accessory dwelling units. Another common theme that was brought up by stakeholders is the need for a Single Source Database to streamline affordable housing searches and to apply for affordable housing at multiple locations.

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. Santa Clara County provides CDBG funds to Project Sentinel to serve a geographic area that includes Morgan Hill. However, this private fair housing outreach and enforcement may not be sufficient.

Through the multiple survey processes the City conducted, 24 percent of stakeholders indicated that the City needs to increase funding for fair housing education, outreach, and enforcement; and 36 percent of stakeholders indicated that the City needs to conduct additional community education and outreach to inform residents about affordable housing and how to seek assistance. In contrast, 29 percent of individuals who responded to the survey indicated the City needs to increase affordable housing education and outreach.

Policies

HE-7.1 Local Needs. Educate and market Housing programs to local residents and local employees on how to access housing programs, services and affordable housing opportunities throughout the City.

HE-7.2 Publicity for City Programs. Publicize and broaden understanding of City housing programs, including the discrimination complaints procedure, making special outreach efforts to the non-English speaking community and underserved/underrepresented populations.

HE-7.3 Single Source Database. Explore opportunities to streamline housing search, consider supporting a single source affordable housing database/portal that allows residents to submit a single application for multiple affordable housing developments.

HE-7.4 Unhoused and Homelessness Prevention Program Outreach.

Create opportunities to increase community knowledge of the existing range of service for the unhoused and homelessness prevention resources, including direct outreach and engagement with the unhoused community.

HE-7.5 Awareness and Support. Work to increase community knowledge of the shortage of housing statewide, the need for awareness, and work to harness support for affordable housing citywide.

HE-7.6 Community Education. Create opportunities for community discussions and education about homelessness, housing insecurity, and affordable housing, to achieve an atmosphere of acceptance and understanding.



CHAPTER 5 | Implementation

This Housing Element addresses the City's housing issues with a comprehensive and bold strategy.

The City is committed to implementing the programs outlined in this chapter over the eight-year planning period. These implementation programs/actions have been developed with extensive community input and with thoughtful consideration for what the City could feasibly accomplish during the planning period with current staff resources.

The result is a set of implementation programs/actions that prioritize what will be the most effective in terms of moving the needle and getting more housing, particularly affordable housing, built in Morgan Hill. Identification of actions is the first step towards implementing the City's housing strategy; successful implementation will require ongoing management, oversight, and collaboration. The City will continually monitor progress and report on these programs annually to the City Council and to the California Department of Housing and Community Development (HCD).

The implementation programs are first organized below by the overarching Goal. Each program then describes the proposed action, the policy(ies) it implements, the timeframe for accomplishing the action, and the City departments primarily responsible for implementing the program.

The Quantified objectives lay out the number of housing units that the City expects to be constructed, maintained, and preserved within the planning period. These numbers are based largely on the implementation actions, particularly the ones with measurable outcomes.

Implementation Programs/Actions

Action HE-1.A Evaluate Land Availability Annually



Evaluate annually the amount of land available for development and update the General Plan and zoning as necessary to accommodate the future housing needs of the City, such as additional multi-family residential.

- ❖ **Implements which Policy(ies):** HE-1.1
- ❖ **Timeframe:** Initiate in 2024 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Plan Update Fee
- ❖ **Quantified Objective:** Evaluate land available for development annually, with a focus on land available for multi-family residential.
- ❖ **Geographical Targeting:** Target area is citywide, with a focus of multi-family residential within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).

Action HE-1.B Coordination with Capital Improvement Plan



Evaluate annually submitted development projects and coordination with the Capital Improvement Program to assure adequate public facilities are provided for each development.

- ❖ **Implements which Policy(ies):** HE-1.2
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Engineering and Utilities Department
- ❖ **Source of Funding:** Capital Projects Funds
- ❖ **Quantified Objective:** Evaluate development projects annually in coordination with the Capital Improvement Program.

Action HE-1.C Smaller Lot Sizes



Evaluate the creation of smaller lot sizes through the Zoning Code to reduce the cost of single-family housing units obtainable to lower income households.

- ❖ **Implements which Policy(ies):** HE-1.3; HE-1.15
- ❖ **Timeframe:** 2023-2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Amend the Zoning Code to create smaller lot sizes for single-family dwelling units.
- ❖ **Geographical Targeting:** Target area is citywide, but focus targets within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).

Action HE-1.D Update Funding Information



Annually identify State, federal, and local funding programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing and housing programs in the city. Apply for one grant every two years. Subsequently, pending an award, seek City Council's acceptance of the grant, and proceed to implement the program or development.

- ❖ **Implements which Policy(ies):** HE-1.6
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Apply for at least one grant every two years to fund affordable housing and housing programs.

Action HE-1.E Housing Rehabilitation



Examine opportunities to modify existing loan terms to support substantial housing rehabilitation to property owners with extremely low-, very low-, or low-income tenants in exchange for longer term affordability by contacting affordable housing developers biannually with existing affordable units in the City and inquire interest in rehabilitation of those units. Pending City Council approval of any modifications to existing loan terms, move to develop and implement a new agreement that is satisfactory to both parties. Subsequently, conduct rehabilitation work and extend the affordability term.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** Initiate in 2023 and biannually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Community Development Block Grant
- ❖ **Quantified Objective:** Contact affordable housing developers biannually.

Action HE-1.F First-Time Homebuyer Program



Partner with the County of Santa Clara and The Housing Trust of Silicon Valley and other stakeholders to host two annual Homebuyer Educational workshops in person and virtually at City Hall. The City's role is to host these workshops and market them to English and Spanish speakers to increase local attendance. Marketing efforts include the implementation of the City's communication plan with a goal to have a minimum of 30 attendees at each workshop and to secure DPA for a minimum of 16 families or two per year.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services

Department

- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Host at least two workshops annually with a goal to have a minimum of 30 attendees at each workshop and to secure DPA for a minimum of 16 families or two per year.

Action HE-1.G Promote Extremely Low-Income Housing



Partner with Destination Home and the County Office of Supportive Housing to issue a joint request for proposal to jointly fund and select development and service provider partners within two years; upon selection proceed to process and entitle two affordable housing developments and/or 80 extremely low-income units within six years.

- ❖ **Implements which Policy(ies):** HE-1.7
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Process and entitle two affordable housing developments and/or 80 extremely low-income units within six years.
- ❖ **Geographical Targeting:** Target area is within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).
- ❖ **Strategy:** Housing Mobility

Action HE-1.H Downtown Specific Plan



Update the Downtown Specific Plan to accommodate the expanded Priority Development Area.

- ❖ **Implements which Policy(ies):** HE-1.11
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund.
- ❖ **Quantified Objective:** Prepare and adopt an update to the Downtown Specific Plan.
- ❖ **Geographical Targeting:** Target area is within the Downtown Morgan Hill Priority Development Area.
- ❖ **Strategy:** Place-Based

Action HE-1.I Facilitate and Monitor Pipeline Projects



Outreach to property owners and developers of pipeline projects not under construction annually as a means to identify and address constraints and

potential obstacles to developing their property, and support funding applications (e.g., tax credit, bonds, etc.) to help applicants be awarded local, state, and federal monies. Coordinate with applicants to approve remaining entitlements and expediting approvals. Rezone or identify additional sites should the applications not be approved or if approved entitlements expire.

- ❖ **Implements which Policy(ies):** HE-1.8, HE-2.5; HE-2.9; HE-4.14
- ❖ **Timeframe:** Annual
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund; Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** No net loss of RHNA requirement during the planning period.

Action HE-1.J Accessory Dwelling Unit (ADU) Guide



Develop an ADU guidebook by 2024 consisting of a comprehensive step-by-step resource for building an ADU, including detailed resources, an online ADU calculator, and case studies.

- ❖ **Implements which Policy(ies):** HE-1.3, HE-1.5
- ❖ **Timeframe:** 2023
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Develop an ADU guidebook by 2024 to increase production of affordable housing within the City.
- ❖ **Strategy:** Housing Mobility

Action HE-1.K Parking for Smaller Bedroom Units



Amend the Zoning Code by 2024 to modify parking standards for studio and one-bedroom units for multi-family dwellings to require one covered parking space per unit plus one parking space for every four units for guest parking (a total of one to 1.25 parking spaces per unit).

- ❖ **Implements which Policy(ies):** HE-1.9
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Amend the Zoning Code by 2024 to modify parking standards for studio and one-bedroom units for multi-family dwellings.

- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-1.L Track Project Processing



Continue to track project processing to ensure that an environmental determination is made pursuant to PRC §21080.1, within the timeframes of the PRC §21080.2 and Gov't Code 65950(a)(5) (e.g., State law).

- ❖ **Implements which Policy(ies):** HE-1.8, HE-1.9
- ❖ **Timeframe:** Annual
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund
- ❖ **Quantified Objective:** Decrease permit processing time.

Action HE-2.A Support Measure A Applications



Continue to support development, rehabilitation, and downpayment assistance applications for the Measure A Affordable Housing Bond and/or future bonds, Community Development Block Grant Funds, HOME funds, and Project HomeKey by identifying a project within Morgan Hill by 2024 and process and entitle 120 affordable units at 80% AMI and below by 2027.

- ❖ **Implements which Policy(ies):** HE-2.3
- ❖ **Timeframe:** 2024-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund; Development Services Fund
- ❖ **Quantified Objective:** Process and entitle 120 affordable units at 80% AMI and below by 2027.
- ❖ **Geographical Targeting:** Target area is citywide, with a focus on RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).
- ❖ **Strategy:** Housing Mobility

Action HE-2.B Strategically Urban Housing Development Incentives



Research incentives for residential and mixed-use development at major transit nodes, along transit corridors, and in other locations suitable for high-density housing development, as appropriate by 2026. Implement feasible incentives through revisions of the Zoning Code, Inclusionary Housing Ordinance, or other mechanisms identified by 2028.

- ❖ **Implements which Policy(ies):** HE-2.3
- ❖ **Timeframe:** 2025-2028
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund

Action HE-2.C Community Plan to End Homelessness



Implement the Countywide Community Plan to End Homelessness adopted by the Santa Clara County Continuum of Care (CoC) to support the development of Extremely Low Income (ELI) units and to ensure that adequate services are provided to those experiencing homelessness by hosting bi-monthly service provider meetings to identify barriers to accessing housing and provide support for increased coordination amongst its service providers.

- ❖ **Implements which Policy(ies):** HE-2.5; HE-5.1; 5.3
- ❖ **Timeframe:** 2024 and annually
- ❖ **Responsible Department or Agency:** Development Services

Department

- ❖ **Source of Funding:** Low to Moderate Housing Fund, Housing In-lieu Fund, and Destination Home Grant
- ❖ **Quantified Objective:** Host bi-monthly service provider meetings to identify barriers to accessing housing. Develop a local resource matrix of services and identify gaps in service by 2024. Develop and implement solutions to the identified gaps and evaluate annually.

Action HE-2.D Host Down Payment Homebuyers Workshops



The City will continue to assist first time home buyers by participating in the County's Mortgage Credit Certificate (MCC) and Down Payment Assistance (DPA) programs, which provides down payment assistance to low- and moderate-income first-time homebuyers, and homebuyer workshops. The City will host one annual workshop and will advertise these programs through its website and various communication channels to increase awareness of housing mobility opportunities.

- ❖ **Implements which Policy(ies):** HE-2.5
- ❖ **Timeframe:** 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-2.E Commercial Linkage Fee



Develop a Commercial Linkage Fee Ordinance or similar mechanism when the City has met a job-resident worker balance of 1:1 ratio.

- ❖ **Implements which Policy(ies):** HE-2.12
- ❖ **Timeframe:** 2024-2029
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Develop a Commercial Linkage Fee Ordinance.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-2.F Agricultural Labor Accommodations



Amend the Zoning Code by 2024 to facilitate by-right Agricultural Labor Accommodations within the OS (Open Space) zoning district consistent with Section 17021.6 of the California Health and Safety Code.

- ❖ **Implements which Policy(ies):** HE-2.14
- ❖ **Timeframe:** 2024

- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Allow Agricultural Labor Accommodations by-right within the OS (Open Space) zoning district by 2024.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-2.G Farmworker Housing



Produce a Farmworker Housing Development Program with the County of Santa Clara through a Memorandum of Understanding. Identify development opportunities by 2025 and partner with the County of Santa Clara to apply for funding, upon receipt issue a joint request for proposals to select development and service provider partners; upon selection, proceed to process an application and entitle one farmworker housing project and/or 30 units by 2029.

- ❖ **Implements which Policy(ies):** HE-2.14; HE-2.15; HE-2.16
- ❖ **Timeframe:** 2024-2029
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Produce a Farmworker Housing Development Program. Process and entitle a farmworker housing project and/or 30 units by 2029.
- ❖ **Geographical Targeting:** Target area is within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).
- ❖ **Strategy:** Housing Mobility

Action HE-2.H Development of Extremely Low-Income Housing



Conduct a review of the Housing funds annually and determine a specific amount of funding that is available for acquisition and development for affordable housing. Any new affordable housing development funded by the City shall have a minimum of 30% of the units dedicated for extremely low-income households.

- ❖ **Implements which Policy(ies):** HE-2.1; HE-2.2
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Affordable housing development funded by the City shall have a minimum of 30% of the units dedicated for extremely

low-income households.

- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-2.I Facilitate Extremely Low-Income Housing



Facilitate and encourage the construction of housing affordable to extremely low-income households by assisting non-profit and for-profit developers with financial and/or technical assistance in a manner that is consistent with the City's identified housing needs.

- ❖ **Implements which Policy(ies):** HE-2.1; HE-2.2
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-3.A Increased Opportunity in Higher Resource Areas and Areas of Affluence



Increase geographic equity and opportunities for residents by identifying and facilitating areas appropriate for medium and high residential densities, specifically in higher resource areas designated as “Moderate Resource” or “High Resource” on the TCAC Opportunity Maps, and in areas identified as Racially Concentrated Areas of Affluence (RCAA), which will increase new housing choices, affordability, and upward mobility through access to opportunity and integration.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2023-2027
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund, Low to Moderate Housing Fund, and Housing In-lieu Fund
- ❖ **Quantified Objective:** Facilitate entitlement approval and construction of at least 160 dwelling units with a minimum density of at least 24 dwelling units per acre by year four by conducting outreach, analyzing opportunities, completing a CEQA analysis and entitlement approvals, and provide technical assistance and priority processing for affordable housing projects and building permits.
- ❖ **Geographical Targeting:** Facilitate entitlement approval and construction in higher resource areas designated as “Moderate Resource” or “High Resource” on the TCAC Opportunity Maps, and in areas identified as Racially Concentrated Areas of Affluence (RCAA), located in Census Tract(s) 5123.07, 5123.08, and/or 5123.09.
- ❖ **Strategy:** Housing Mobility

Action HE-3.B Funding for Affordable Housing in RCAAs



Make funding available through a Request for Proposals process for site acquisition by nonprofit developers for affordable housing in Racially Concentrated Areas of Affluence (RCAA). Make \$500,000 in funds available to assist with acquisition costs that would result in the development of at least 25 very low-income units.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2024-2028
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund
- ❖ **Quantified Objective:** Increase production and reduce cost for medium and high residential development projects. Facilitate construction of at least 25 very low-income dwelling units. RFP to be issued within two years; units to be available within 5 years.

- ❖ **Geographical Targeting:** Provide funding for acquisition costs located in Census Tract(s) 5123.07, 5123.08, and/or 5123.09.
- ❖ **Strategy:** Housing Mobility

Action HE-3.C Affordable Housing Overlay Districts



Study the creation of affordable housing overlay districts in advance of the next Housing Element cycle. If study recommends adoption of overlay districts, draft ordinance prior to next Housing Element cycle.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2026-2029
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Strategy:** Housing Mobility

Action HE-3.D Landlord Outreach in RCAAs



Collaborate with the Santa Clara County Housing Authority on landlord outreach in racially concentrated areas of affluence (RCAAs) in Morgan Hill.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Conduct outreach to at least 10 new landlords that do not currently rent to Housing Choice Voucher holders per year. At least 1% of rental units in each RCAA in Morgan Hill should be rented to a voucher holder.
- ❖ **Geographical Targeting:** Target outreach within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09) by encouraging landlords to participate in the HCV program and connect those landlords to SCCHA staff working with voucher holders to improve mobility.
- ❖ **Strategy:** Housing Mobility

Action HE-3.E Support Mobility Counseling Efforts



Provide \$50,000 annually in funding for the provision of Housing Mobility Efforts in Morgan Hill to include: Housing Mobility Counseling Efforts to Santa Clara County Housing Authority (SCCHA) Housing Choice Voucher holders to 10 households annually within Morgan Hill. Target marketing within RCAAs by providing education regarding housing choice (Section 8) vouchers, ADUs, and SB 9.

- ❖ **Implements which Policy(ies):** HE-3.1; HE-3.2; HE-3.4
- ❖ **Timeframe:** 2024-2031

- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Support the provision of services to 10 households with vouchers annually within Morgan Hill. Begin implementation within year 2. Efforts will include housing counseling and property owner outreach to help educate families with housing choice voucher (HCVs) access a wide range of housing options and to better enable HCV program participants to access and maintain residency in Opportunity Areas.
- ❖ **Geographical Targeting:** Target marketing within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09) by providing education regarding housing choice (Section 8) vouchers, ADUs, and SB 9.
- ❖ **Strategy:** Housing Mobility

Action HE-3.F Affirmative Marketing Plan



Develop an Affirmative Marketing Plan Template and require below market rate housing providers to develop Marketing Plans based on the template to reduce patterns of segregation and encourage integration in housing by promoting housing choices and opportunities regardless of one's protected characteristics, such as race, color, religion, national origin, or disability.

- ❖ **Implements which Policy(ies):** HE-3.1; HE-3.2
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Develop Affirmative Marketing Plan Template within 2 years to promote housing choices throughout the City; require adoption of plans by providers within 3 years; monitor compliance in years 4-8.
- ❖ **Strategy:** Housing Mobility

Action HE-3.G Advocate for Projects Located in RCAAs



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.

- ❖ **Implements which Policy(ies):** HE-3.1
- ❖ **Timeframe:** Provide comments during draft guidelines are released by CTCAC
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-

lieu Fund

- ❖ **Geographical Targeting:** Target area is within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).
- ❖ **Strategy:** Housing Mobility

Action HE-3.H Rent Increase Mediation



Adopt a mediation requirement for rent increases of 5% or more. Complete mediation requirement study within two years and, draft ordinance within four years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2024-2026
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Adopt Rent Increase Mediation ordinance. Assist at least 16 households annually in rent increase mediation within Morgan Hill. Complete mediation requirement study within two years. Draft and adopt ordinance within four years.
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Anti-displacement

Action HE-3.I Tenant Relocation Assistance Ordinance



Adopt a tenant relocation assistance ordinance that clarifies the state's laws, rules, and process that relates to tenant relocation including state density bonus law, SB330, and any other applicable material within four years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2024-2026
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Adopt Tenant Relocation Assistance ordinance. Assist at least 16 households annually for tenant relocation assistance within Morgan Hill. Draft and adopt ordinance within four years. Create a checklist notice that is issued to the developer to ensure that they are aware of the process that will be adhered to.
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Anti-displacement

Action HE-3.J Eviction Counsel



Seek funding or develop paths of support for access to counsel in possessory eviction cases. Identify at least \$50,000 in dedicated annual support for eviction defense in Morgan Hill. Complete possible funding mechanisms study by year two with annual funding beginning within three years. Annual funding level of \$50,000 reached within five years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2024-2026
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Identify \$50,000 annually to support eviction defense in Morgan Hill. Complete funding mechanisms study by year two with annual funding beginning within three years.
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Anti-displacement

Action HE-3.K Shared-equity Homeownership Models



Support shared-equity homeownership models. Annual funding or in-kind (land) donations of \$100,000 dedicated to shared-equity homeownership models. Annual support level reached within three years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Identify annual funding or in-kind (land) donations of \$100,000. Annual support level reached within three years.
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Anti-displacement

Action HE-3.L Review Inclusionary Housing Ordinance



Review the Inclusionary Housing Ordinance to provide deeper for-sale affordability beyond the updated 2021 Inclusionary Housing Ordinance. Complete review by year six; revise ordinance by eight years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2026-2029
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Review the Inclusionary Housing Ordinance by year six; revise ordinance by year eight to provide below market rate for-sale units affordable to lower-income households.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Anti-displacement

Action HE-3.M Preferences for Displaced Tenants



Adopt preferences for tenants who have been displaced from rental housing in Morgan Hill within three years.

- ❖ **Implements which Policy(ies):** HE-3.2
- ❖ **Timeframe:** 2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Strategy:** Anti-displacement

Action HE-3.N Create Jobs within Downtown Morgan Hill Priority Development Area



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) by expanding employment uses (that strike a balance between decent wages and low barriers to entry) through the adoption of a Form-Based Code for the Monterey Corridor. Incorporate local workforce development strategies into Specific Plans for the Priority Development Area within two years.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2023-2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund
- ❖ **Quantified Objective:** At least 250 jobs created through incentives and by expanding employment uses through the adoption of a Form-Based Code.
- ❖ **Geographical Targeting:** Target area is within the Downtown Morgan Hill Priority Development Area along the Monterey Road corridor.

- ❖ **Strategy:** Place-Based

Action HE-3.O Incentives to Hire Morgan Hill Residents



Create incentives for local businesses to hire Morgan Hill residents. Identify possible incentives and incorporate into Specific Plans for the Priority Development Area within 2 years; adopt incentives within the Specific Plan within three years.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund
- ❖ **Quantified Objective:** At least 250 jobs created through incentives and by expanding employment uses through the adoption of a Form-Based Code.
- ❖ **Geographical Targeting:** Target area is within the Downtown Morgan Hill Priority Development Area along the Monterey Road corridor.
- ❖ **Strategy:** Place-Based

Action HE-3.P Expand Bus Service & Create Walkable Communities



Advocate for VTA to expand bus service in Morgan Hill and adopt a Form-Based Code for the Monterey Corridor emphasizing pedestrian-oriented building form and streamlined housing development to support the need of transit. Document communications with VTA regarding bus service needs (i.e. headways reduced to a maximum of 15 minutes on all routes during peak times; one additional route created).

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** General Fund
- ❖ **Quantified Objective:** Adopt a Form-Based Code for the Monterey Corridor.
- ❖ **Geographical Targeting:** Target area is citywide and along the Monterey Road corridor.
- ❖ **Strategy:** Place-Based

Action HE-3.Q Place-Based Strategies for Low Resource Communities



Improve community assets and increase pedestrian safety through the preparation and implementation of the Transportation Master Plan update, Capital Improvement Plan (CIP), and Monterey Corridor Form-Based Code

within “Low Resource” areas identified on the TCAC Opportunity Maps to achieve measurable decrease in traffic accidents and serious injuries.

- ❖ **Implements which Policy(ies):** HE-3.1; HE-3.2
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund and Capital Improvements Fund
- ❖ **Quantified Objective:** Achieve measurable decreases in traffic accidents and serious injuries by conducting the following neighborhood improvements within Census Tract 5123.11 during the planning period:
 - Develop a public park, Sutter Park, along Sutter Boulevard;
 - Expand the Fisher Basin Storm System and related improvements;
 - Conduct improvements/expansion for the Villa Mira Monte as a park facility;
 - Conduct pavement rehabilitation for Monterey Road, consisting of safety improvements, pavement rehab, sidewalk gap closures, and bikeway improvements;
 - Conduct bicycle, pedestrian, and traffic safety improvements along Sutter Blvd. and Jarvis Drive;
 - Conduct sidewalk repairs;
 - Repair and replace sewer system/line.
- ❖ **Geographical Targeting:** Target improvements and pedestrian safety within “Low Resource” areas (Census Tract 5123.11) identified on the TCAC Opportunity Maps.
- ❖ **Strategy:** Place-Based

Action HE-3.R Local First Mile/Last Mile Transit Service



Study local first mile/last mile transit service solutions in Morgan Hill building on lessons learned from the first on-call shuttle service (MoGo) established within the City. Dedicate funds consistent with reasonable study recommendations to continue facilitating MoGo in future years.

- ❖ **Implements which Policy(ies):** HE-3.3
- ❖ **Timeframe:** 2026-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Capital Projects Fund and General Fund
- ❖ **Strategy:** Place-Based

Action HE-3.S Monitor ADU and SB 9 Construction



Conduct spatial analysis annually to determine where ADU and SB 9 construction is generally aggregating within the City. Specifically, assess whether such development/construction is occurring within identified RCAAs and higher resource/lower density areas. In the event such development/construction is decreasing annually within identified RCAAs and higher resource/lower density areas, the City will increase targeted education within these identified areas to target an additional 10 affordable units annually, in order to expand the availability of affordable housing in resource-rich areas, higher-income neighborhoods, and decrease segregation. As part of the ADU and SB 9 analysis, evaluate the effectiveness of Action HE-1.J and implement changes and targeted education to the ADU Guidebook as appropriate.

- ❖ **Implements which Policy(ies):** HE-3.1; HE-3.2; HE-3.4
- ❖ **Timeframe:** 2024-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund, Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** 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.
- ❖ **Geographical Targeting:** Increase targeted education for ADUs, SB 9 development, and housing choice vouchers within identified RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09) and higher resource/lower density areas.
- ❖ **Strategy:** Housing Mobility

Action HE-3.T Elevate Morgan Hill



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.

- ❖ **Implements which Policy(ies):** HE-3.1; 3.3
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund, Housing In-lieu Fund, and General Fund
- ❖ **Quantified Objective:** Develop a Gap and Opportunity Analysis connecting Spanish-speaking and lower income community members to jobs and housing resources.
- ❖ **Geographical Targeting:** Target area is lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.

❖ **Strategy:** Housing Mobility

Action HE-4.A Annual Monitoring of Potential At-Risk BMR Units



Annually monitor the status of at-risk BMR housing units. Contact current property owners of at-risk units to determine their financial objectives and appropriate financial assistance needed to meet those objectives.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Annually monitor at-risk BMR housing units.
- ❖ **Geographical Targeting:** Target area is.

Action HE-4.B Preserve Affordable Housing



Prioritize the preservation of existing affordable housing at risk of loss of affordability covenants by working with housing developers to provide technical assistance in support of opportunities to rehabilitate affordable lower income housing. Contact Affordable Housing Developers annually with existing affordable units in the city and inquire for interest in rehabilitation of those units. Pending City Council approval of any modifications to existing loan terms, move to develop and implement a new agreement that is satisfactory to both parties. Subsequently, conduct rehabilitation work and extend the affordability term.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Contact Affordable Housing Developers annually. Develop and implement new agreements.
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-4.C Rehabilitation



The City will annually host two South County Rebuilding Together Silicon Valley rehabilitation grant program workshops or webinars.

- ❖ **Implements which Policy(ies):** HE-4.1
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department

- ❖ **Source of Funding:** Community Development Block Grant
- ❖ **Quantified Objective:** Annually host two South County Rebuilding Together Silicon Valley workshops/webinars.
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach within the Downtown Morgan Hill Priority Development Area and to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Place-Based

Action HE-5.A Low Barrier Navigation Centers



Amend the Zoning Code by 2024 to facilitate by-right processing procedures for Low Barrier Navigation Centers consistent with Assembly Bill 101.

- ❖ **Implements which Policy(ies):** HE-5.1
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Allow Low Barrier Navigation Centers by-right consistent with AB 101 by 2024.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-5.B End and Prevent Homelessness in Morgan Hill



Support the affordable housing development community to locate, construct, and manage housing facilities for the Unhoused by providing funding by year four towards a project that constructs at least 20 extremely low-income units for people who are experiencing homelessness and/or at-risk of being unhoused.

- ❖ **Implements which Policy(ies):** HE-5.1
- ❖ **Timeframe:** Ongoing; biannually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Provide funding by year four towards a project that constructs at least 20 extremely low-income units for people who are experiencing homelessness and/or at-risk of being unhoused. Provide three educational opportunities for the community annually to dialogue and learn about root causes of homelessness, effective strategies to preventing and ending homelessness, and how they can help to correct misconceptions.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-5.C Homeless Prevention



Promote and fund Homeless prevention, placement, and support programs by annually providing rental assistance through a consortium of homeless prevention service providers year-round in coordination with the School District. The City's role is to provide funding for rental assistance that is leveraged with other agencies and to directly case manage families.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.5; HE-5.6

- ❖ **Timeframe:** 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Provide up to 15 households per year with rental assistance.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-5.D Safe Park Program



Operate a Safe Park Program with the faith-based community offering an eight space, pet friendly overnight respite at a local church for eight homeless families living in their cars. The City's role is to provide funding for the restrooms, hand washing stations, and case management.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.4
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Provide funding for the Safe Park Program for up to 8 families.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-5.E Inclement Cold Weather Shelter Program



Coordinate the Inclement Cold Weather Shelter operation with the faith-based community by providing supplies, coordinate volunteers and funding for a security guards.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.2; HE-5.4
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.F Provide Direct Services to the Unhoused and Those At Risk of Homelessness



Provide direct services, case management, and homeless outreach through the City's Unhoused Specialist to engage and offer support and basic needs to our homeless residents.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.3; HE-5.5; HE-5.12
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Destination Home Grant
- ❖ **Quantified Objective:** Provide outreach to 100 residents annually who are homeless or at-risk of becoming homeless.
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-5.G By-right Transitional and Supportive Housing



Amend the Zoning Code by 2024 to facilitate by-right transitional and supportive housing and residential care facilities where residential uses are permitted. In addition, amend zoning and processes to comply with Assembly Bill 2162 which requires that supportive housing be considered a use by-right in zones that allow multifamily and adhere to timing provisions.

- ❖ **Implements which Policy(ies):** HE-5.1; HE-5.4; HE-5.7; HE-5.8; HE-6.9; HE-6.10
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Allow transitional and supportive housing by-right where multi-unit and mixed-use development is permitted by 2024.
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-5.H Shelter Bed Hotline



Participate and promote the countywide coordinated shelter bed hotline by notifying homeless residents of shelter beds through direct service and outreach.

- ❖ **Implements which Policy(ies):** HE-5.12
- ❖ **Timeframe:** Ongoing
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-5.I Emergency Shelters Parking



Amend the Zoning Code by 2024 to clarify and modify parking standards for emergency shelters consistent with Government Code Section 65583(a)(4)(B)(ii).

- ❖ **Implements which Policy(ies):** HE-5.2

- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Modify parking standards for emergency shelters consistent with Government Code Section 65583(a)(4)(B)(ii).
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-5.J Emergency Shelters



Amend the Zoning Code within one year of the adoption of the Housing Element to allow emergency shelters as a permitted use by-right within one or more zoning designations that are either zoned for residential use or allow residential development; amend the definition of emergency shelters to include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care; and identify sites where emergency shelters are allowed to accommodate a minimum of 60 unsheltered individuals consistent with the standards listed in AB 2339 and Government Code Section 65583(a)(4).

- ❖ **Implements which Policy(ies):** HE-5.2
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Allow emergency shelters by-right within one or more zoning designations that are either zoned for residential use or allow residential development. Identify sites where emergency shelters are allowed to accommodate a minimum of 60 unsheltered individuals.
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-5.K Emergency Homeless Shelter Plan



Develop and implement a plan to establish an emergency homeless shelter.

- ❖ **Implements which Policy(ies):** HE-5.2
- ❖ **Timeframe:** 2024-2026
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Develop an emergency homeless shelter plan.

Action HE-6.A Assistance for Persons with Developmental Disabilities



Coordinate with the San Andreas Regional Center to inform families of the resources available to them and to explore incentives so that a larger number of future housing units include features that meet the needs of persons with developmental disabilities and other special needs.

- ❖ **Implements which Policy(ies):** HE-6.2
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Support the development of small group homes that serve developmentally disabled adults and work with the nonprofit community to encourage the inclusion of units for persons with developmental disabilities in future affordable housing developments.
- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-6.B Emergency Voucher Program



Implement a one-time emergency voucher program to assist residents displaced by criminal activity, natural disasters, or other emergencies. Coordinate with social service providers.

- ❖ **Implements which Policy(ies):** HE-6.5
- ❖ **Timeframe:** 2024-2025
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-6.C Residential Accommodation Ordinance



Amend Section 18.118.070 (Criteria for Decision) of Chapter 18.118 (Reasonable Accommodations) of the Zoning Code by 2024 to remove the “potential impacts on surrounding uses” as a factor of approval or denial for a reasonable accommodation request.

- ❖ **Implements which Policy(ies):** HE-6.7
- ❖ **Timeframe:** 2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Remove the “potential impacts on surrounding uses” as a factor of approval or denial for a reasonable

accommodation request within the Zoning Code by 2024.

- ❖ **Geographical Targeting:** Target area is citywide.
- ❖ **Strategy:** Housing Mobility

Action HE-6.D Universal Design Ordinance



Study, and if appropriate, adopt a universal design ordinance or policies or objective standards to encourage the inclusion of universal design features in new construction. Options include identifying minimum, cost-effective amenities for all new construction.

- ❖ **Implements which Policy(ies):** HE-6.6
- ❖ **Timeframe:** 2026-2028
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund

Action HE-6.E Residential Care Facilities



Amend the Zoning Code by 2024 to permit Group Housing and Residential Care Facilities as a permitted use by-right in all residential zoning districts, consistent with State law and HCDs December 2022 “Group Home Technical Advisory”.

- ❖ **Implements which Policy(ies):** HE-6.1
- ❖ **Timeframe:** 2023-2024
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Long Range Planning Fund
- ❖ **Quantified Objective:** Allow group housing by-right in the RAL, RAM, RAH, MU-N, and MU-F zoning districts by 2024.
- ❖ **Geographical Targeting:** Target area is citywide.

Action HE-6.F Expand Housing for Special-Needs Groups within RCAAs



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

- ❖ **Implements which Policy(ies):** HE-6.1; HE-6.3; HE-6.4; HE-6.5; HE-6.9
- ❖ **Timeframe:** 2023-2031
- ❖ **Responsible Department or Agency:** Development Services

Department

- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Increase housing choice and mobility for special needs households.
- ❖ **Geographical Targeting:** Target area is within RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09).
- ❖ **Strategy:** Housing Mobility

Action HE-6.G Support Special-Needs Groups in Single-Family Zones



Support affordable housing development for special-needs groups throughout the city, including in areas that are predominantly single-family residential. The target populations include seniors; persons with disabilities, including developmental disabilities; female-headed households; and homeless persons to reduce the displacement risk for these residents from their existing homes and communities.

- ❖ **Implements which Policy(ies):** HE-6.1; HE-6.3; HE-6.5
- ❖ **Timeframe:** 2023-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Geographical Targeting:** Target area is citywide, but also ensure marketing/outreach to lower income households within Census Tracts 5123.07, 5123.10, 5123.11, 5123.13, and 5123.14.
- ❖ **Strategy:** Anti-displacement

Action HE-6.H Prioritize Special-Needs Housing Applications



Give priority to permit processing for projects providing affordable housing for extremely low-income and special-needs groups as they are proposed.

- ❖ **Implements which Policy(ies):** HE-6.1; HE-6.3; HE-6.5
- ❖ **Timeframe:** 2023-2031
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund

Action HE-7.A Educational Campaign



Implement a community engagement and awareness campaign around affordable housing by facilitating a minimum of four housing educational opportunities each year with the intent to raise awareness of the Housing Crisis, housing resources, and to demystify Affordable Housing.

- ❖ **Implements which Policy(ies):** HE-3.4; HE-7.1; HE-7.2; HE-7.3; HE-7.4; HE-7.5; HE-7.6
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund and Housing In-lieu Fund
- ❖ **Quantified Objective:** Facilitate a minimum of four housing educational opportunities each year.

Action HE-7.B Promote and Facilitate Accessory Dwelling Unit (ADU) Programs



Promote and facilitate education and awareness of Accessory Dwelling Unit (ADU) programs to homeowners and partner with Community Development Financial Institutions (CDFIs) to market existing loan programs available for ADUs. Implement an ADU website and proactive outreach campaign to encourage residents to construct ADUs, inform property owners of ADU standards, permitting procedures, financing options, and the value for ADUs in the community. Update promotional materials and flyers regarding ADUs and make available at the Planning and Building counter.

- ❖ **Implements which Policy(ies):** HE-1.3; HE-1.5; HE-7.1; HE-7.2; HE-7.5; HE-7.6
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Development Services Fund, Low to Moderate Housing Fund, and Housing In-lieu Fund
- ❖ **Quantified Objective:** Increase the number of new ADUs development within RCAAs and higher resource/lower density areas by an additional 10 affordable units annually.
- ❖ **Geographical Targeting:** Increase targeted education for ADUs within identified RCAAs (Census Tracts 5123.07, 5123.08, or 5123.09) and higher resource/lower density areas.
- ❖ **Strategy:** Housing Mobility

Action HE-7.C Fair Housing Counseling, Education, and Outreach



Fund Project Sentinel for fair housing counseling, education, and outreach service throughout the planning period.

- ❖ **Implements which Policy(ies):** HE-3.4; HE-7.1; HE-7.2; HE-7.3; HE-7.4; HE-7.5; HE-7.6
- ❖ **Timeframe:** Initiate in 2023 and annually
- ❖ **Responsible Department or Agency:** Development Services Department
- ❖ **Source of Funding:** Low to Moderate Housing Fund, and Housing In-lieu Fund
- ❖ **Quantified Objective:** Outreach will occur at least twice per year, and will include the following actions:
 - Partner with community-based organizations (CBOs) that serve these areas to identify and implement the most effective outreach methods.
 - Release bilingual (English and Spanish) communications at least twice per year, and within 60 days of any new fair housing programs or policies becoming effective.
 - Hold at least three in-person education and information meetings with Spanish translation during the planning period, and at least one meeting entirely in Spanish.
 - Promote voucher mobility by informing residents of laws against source of income discrimination.
- ❖ **Geographical Targeting:** Outreach shall be multilingual, place-based, and targeted toward low-resource areas with high rates of racial/ethnic diversity and poverty.

Quantified Objectives

State law (California Government Code Section 65583[b]) requires that housing elements contain quantified objectives for the maintenance, preservation, and construction of housing. The quantified objectives set a target goal for Morgan Hill to strive for based on needs, resources, and constraints.

Table 5-1 Quantified Objectives						
	<i>Extremely Low Income</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>TOTAL</i>
New Construction ¹	131	131	151	174	450	1,037
Rehabilitation	23	34	43	N/A	N/A	100
Conservation/ Preservation	N/A	N/A	N/A	N/A	N/A	N/A

¹ New construction objective is equal to the RHNA.

