



PLANNING COMMISSION SPECIAL MEETING AGENDA

Thursday, April 20, 2023 | 6:00 PM

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA 95020

Chair: Manny Bhandal:
manny.bhandal@cityofgilroy.org

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Staff Liaison: Sharon Goei, Community Development Director | sharon.goei@cityofgilroy.org

Written comments can be submitted by email to at planningdivision@cityofgilroy.org Please note that written comments will not be read out loud, but will be part of the written record.

Comments by the public will be taken on any agenda item before action is taken by the Planning Commission. Persons speaking on any matter are asked to state their name and address for the record. Public testimony is subject to reasonable regulations, including but not limited to time restrictions on particular issues and for each individual speaker. A minimum of 12 copies of materials should be provided to the Clerk for distribution to the Commission and Staff. Public comments are limited to no more than three-minutes, at the Chair's discretion.

Comments on any agenda item may be emailed to the Planning Division at planningdivision@cityofgilroy.org or mailed to the City of Gilroy, Community Development Department at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the Planning Division by 1:00pm on the day of a Planning Commission meeting will be distributed to the Planning Commissioners prior to or at the meeting and are available for public inspection at the Planning Division counter at City Hall, 7351 Rosanna Street. Any correspondence received will be incorporated into the meeting record. Items received after the 1:00pm deadline will be provided to the Planning Commission as soon as practicable.

In compliance with the American Disabilities Act (ADA), the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (408) 846-0491. A sound enhancement system is available in the City Council Chambers.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

Persons who wish to speak on matters set for Public Hearing will be heard when the presiding officer calls for comments from those persons who are in support of or in opposition thereto. After persons have spoken, the hearing is closed and brought to the Planning Commission level for discussion and action. There is no further comment permitted from the audience unless requested by the Planning Commission.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9(b)(1) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to an item on this agenda submitted to the Planning Commission after distribution of the agenda packet are available for public inspection with the agenda packet in the lobby of Administration at City Hall, 7351 Rosanna Street during normal business hours. These materials are also available with the agenda packet on the City website at www.cityofgilroy.org

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204 or by email at cityclerk@cityofgilroy.org.

1. **OPENING**
2. **PLEDGE OF ALLEGIANCE**
3. **REPORT ON POSTING THE AGENDA AND ROLL CALL**
4. **PUBLIC COMMENTS**

(Three-minute time limit). This portion of the meeting is reserved for persons desiring to address the Planning Commission on matters not on the agenda. The law does not permit the Planning Commission action or extended discussion of any item not on the agenda except under special circumstances. If Planning Commission action is requested, the Planning Commission may place the matter on a future agenda. Comments on any agenda item may be emailed to the Planning Division at planningdivision@cityofgilroy.org or mailed to Community Development Department at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the Planning Division by 1:00pm on the day of a Planning Commission meeting will be distributed to the Planning Commission prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of

Planning Division at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondences received will be incorporated into the meeting record. Items received after 1:00pm deadline will be provided to the Planning Commission as soon as practicable. All statements that require a response will be referred to staff for reply in writing.

PUBLIC HEARINGS FOR RELATED PROJECT APPLICATIONS WILL BE HEARD CONCURRENTLY AND ACTION WILL BE TAKEN INDIVIDUALLY. COMPANION PROJECTS UNDER NEW BUSINESS WILL BE TAKEN UP FOR ACTION PRIOR TO, OR IMMEDIATELY FOLLOWING THE RELATED PUBLIC HEARING. THIS REQUIRES DEVIATION IN THE ORDER OF BUSINESS AS NOTED WITHIN THE AGENDA.

5. **CONSENT AGENDA**

No items.

6. **PUBLIC HEARINGS**

6.1. Emergency Shelters Zoning Amendment

1. Staff Report: Cindy McCormick, Customer Service Manager
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Staff has analyzed the proposed project, and recommends that the Planning Commission:

a) Recommend that the City Council, based on its independent analysis, find that approval of the Emergency Shelters Zoning Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Emergency Shelters Zoning Amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

b) Adopt a resolution recommending that the City Council adopt an Ordinance (Z 23-03), approving amendments to the Gilroy City Code, Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific Provisions—Emergency Shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10C (Residential Use Table) regarding Emergency Shelters

6.2. Adoption of Gilroy 2023 - 2031 Housing Element

1. Staff Report: Cindy McCormick, Customer Service Manager
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Staff has analyzed the proposed project, and recommends that the Planning Commission:

a) Recommend that the City Council, based on its independent analysis, find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review

under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

b) Adopt a resolution recommending that the City Council adopt a Resolution (GPA 22-01), adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law.

7. **NEW BUSINESS**

No Items.

8. **ADJOURNMENT** To the Next Meeting of May 4, 2023 at 6:00 PM.



Community Development Department

Sharon Goei
DIRECTOR

7351 Rosanna Street, Gilroy, CA 95020-6197
Telephone: (408) 846-0451 | Fax: (408) 846-0429
cityofgilroy.org | planningdivision@cityofgilroy.org

DATE: April 20, 2023
TO: Planning Commission
FROM: Cindy McCormick, Customer Service Manager
SUBJECT: Emergency Shelters Zoning Amendment

RECOMMENDATION

Staff has analyzed the proposed project, and recommends that the Planning Commission:

- a) Recommend that the City Council, based on its independent analysis, find that approval of the Emergency Shelters Zoning Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Emergency Shelters Zoning Amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and
- b) Adopt a resolution recommending that the City Council adopt an Ordinance (Z 23-03), approving amendments to the Gilroy City Code, Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific Provisions—Emergency Shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10C (Residential Use Table) regarding Emergency Shelters.

PROJECT DESCRIPTION

Government Code Section 65583 requires that the housing element identify adequate sites for housing, including emergency shelters, and further regulates development standards for emergency shelters. The proposed amendment to sections 30.41.32, 30.2.20, and 30.11.10C would bring the Gilroy City Code into conformance with these regulations.

BACKGROUND

On January 27, 2023, the City of Gilroy received comments from the California Department of Housing and Community Development regarding the draft Gilroy 2023-2031 Housing Element. Among other comments, HCD staff noted that the draft Housing Element cannot be found in compliance with State law until the City's zoning regulations regarding emergency shelters are modified.

Existing City Code: The Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II. 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) currently regulate emergency

shelters within the city. Since these regulations were adopted, state legislation has modified how cities and counties regulate emergency shelters.

Environmental Assessment: The City of Gilroy Planning Division has determined that there is no substantial evidence that the proposed Zoning Amendment (“Project”) would have a significant effect on the environment, and therefore the Project is exempt from the California Environmental Quality Act (“CEQA”). Pursuant to CEQA Guidelines Section 15061(B)(3), the Project is exempt from CEQA under the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

DISCUSSION AND ANALYSIS

Chapter 654, Statutes of 2022 (AB 2339) was approved by the Governor and filed with the Secretary of State on September 28, 2022. AB 2339 amends Sections 65583 and 65863 of the Government Code; adding specificity on how jurisdictions regulate and plan for emergency shelters in their housing elements. AB 2339 expands the definition of “emergency shelters” to include other interim interventions, including but not limited to, navigation centers, bridge housing, and respite or recuperative care. The Bill also requires jurisdictions to identify zoning designations that allow emergency shelters as a permitted use without a conditional use or other discretionary permit, including residential and mixed-use residential zones.

Furthermore, pursuant to Government Code Section 65583, emergency shelters shall only be subject to the following written, objective standards:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.
- The size and location of exterior and interior onsite waiting and client intake areas.
- The provision of onsite management.
- The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

The following table provides a summary of the proposed amendments. The draft Ordinance which includes tracked changes is attached as Exhibit A to the Planning Commission resolution.

Draft Ordinance Summary
On-Site Management and Security. This section was modified to remove the requirements for a management plan, since the City no longer has discretionary approval through a conditional use permit. This section now requires on-site management and security during all hours that the emergency shelter is in operation. The code did not previously require on-site security; however, this is permitted under state law.
Maximum Number of Beds. This section was modified to include more specificity, including information needed for a ministerial building permit application since the City can no longer require a conditional use permit.
Exterior and Interior Onsite Waiting and Client Intake Area. Subjective language such as “sufficient size” was removed from this section and replaced with provisions required under the California Building Code.
Parking. Parking requirements tied to the number of beds was removed since state law only allows the requirement of parking for staff. State caveats regarding other residential or commercial uses within the same zone were also added.
Lighting. No changes were needed.
Length of Stay. This provision was carried over from the City’s current definition of an emergency shelter.
Proximity to Other Emergency Shelters. This new provision is allowed per state law.
Location. This new provision is needed to illustrate compliance with state law requiring identification of zoning designations that allow emergency shelters as a permitted use without a conditional use or other discretionary permit.
Definitions (Section 30.2.20). The definition of emergency shelter was amended to include “other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care”. A new definition for “Emergency bridge housing” was added pursuant to Gov. Code sec. 8698(e). It means any new or existing facilities, including, but not limited to, housing in temporary structures, including, but not limited to, emergency sleeping cabins consistent with the requirements of subdivision (h) of Section 8698.3 that are reserved for homeless persons and families, together with community support facilities, including, but not limited to, showers and bathrooms adequate to serve the

anticipated number of residents all of which may be located on property leased or owned by a political subdivision. An emergency bridge housing community shall include supportive and self-sufficiency development services, have the ultimate goal of moving homeless persons to permanent housing as quickly as reasonably possible, and limit rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development's requirements for subsidized housing for low-income persons.

A new definition for "Navigation center" was added pursuant to Health and Safety Code sec. 50216. It means Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.

Residential Use Table (Section 30.11.10C). This section was amended to allow emergency shelters by right in the R4 zoning district. Since the City has not yet adopted a "First Street Corridor mixed use" zoning designation, this code section references the adopted General Plan Mixed Use land use designation.

The proposed Zoning Text Amendment requires approval by the City Council upon recommendation of the Planning Commission. The following staff analysis demonstrates that the amendment carries out the general purpose of the Zoning Ordinance and applicable General Plan goals and policies. As such, the draft Planning Commission resolution includes a recommendation for approval.

General Plan Consistency: The proposed project is consistent with the Gilroy 2040 General Plan Land Use Goal LU 3 to provide a variety of housing types that offer choices for Gilroy residents and create complete, livable neighborhoods; Gilroy 2015-2023 Housing Element Goal H-1 (Housing Production) to provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types; and Gilroy 2015-2023 Housing Element Goal H-2 (Affordable Housing) to encourage and support the provision of affordable housing in Gilroy.

Zoning Ordinance Purpose: The Zoning Ordinance is the primary tool by which the city implements the policies of the General Plan. The Zoning Ordinance is, among other purposes, intended to guide and regulate each development in accordance with the general plan and the objectives and standards set forth therein. The City's Performance standards and specific provisions regarding emergency shelters were written to ensure that emergency shelters are operated in a manner that appropriately addresses the needs of homeless individuals and families, consistent with the requirements of Government Code Section 65583.

Zoning Text Amendment Review: Pursuant to City Code Section 30.52.40, the Planning Commission may recommend approval, recommend modifications, or deny the proposed ordinance amendment. The attached draft Resolution includes findings demonstrating that the amendment is necessary to carry out the general purpose of the Zoning

Ordinance and applicable General Plan goals and policies. Pursuant to Section 30.52.60, the City Council may approve, modify, or disapprove a proposed ordinance amendment. The action by the City Council shall be final and conclusive.

PUBLIC NOTICING

A notice of the April 20, 2023 Planning Commission meeting was advertised in The Gilroy Dispatch on Friday, April 7, 2023 (no less than 10 days prior to the meeting). The Planning Commission public hearing packets are available through the City's webpage. No public comments have been received on the proposed amendment.

CONCLUSION AND NEXT STEPS

Staff recommends that the Planning Commission recommend approval of the draft changes to City Code. Alternatively, the Planning Commission can deny the zoning amendment or recommend modifications to the Ordinance. However, this is not recommended since the City would remain out of compliance with State law.

The recommendation of the Planning Commission shall be forwarded to the City Council. A Council hearing date is tentatively scheduled for May 1, 2023. If denied by the Council, the decision would be final. If approved by the Council, the Ordinance would take effect 30 days following the second reading of the Ordinance. The effective date would occur before the end of HCD's 60-day review period.

APPEAL PROCEDURE

In accordance with Section 30.51.50 of the Gilroy City Code, the Planning Commission's decision may be appealed, in writing, to the City Council within 20 days of adoption of the resolution. Appeal forms may be obtained from the City Clerk and must be submitted with the appropriate fee before the end of the appeal period.

ATTACHMENTS

1. Draft Resolution and proposed Ordinance (Exhibit A)

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GILROY RECOMMENDING THE CITY COUNCIL APPROVE AMENDMENTS TO THE GILROY CITY CODE, CHAPTER 30 (ZONING), ARTICLE XLI SECTION 30.41.32 (SPECIFIC PROVISIONS—EMERGENCY SHELTERS), ARTICLE II SECTION 30.2.20 (DEFINITIONS), AND ARTICLE XI SECTION 30.11.10(C) (RESIDENTIAL USE TABLE) REGARDING EMERGENCY SHELTERS

WHEREAS, the Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II. 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) currently regulate emergency shelters within the city; and

WHEREAS, State Planning and Zoning Law requires the City of Gilroy to adopt a comprehensive, long-term general plan for the physical development of the city that includes a housing element; and

WHEREAS, State law requires that the housing element identify adequate sites for housing, including emergency shelters; and

WHEREAS, Assembly Bill No. 2339, CHAPTER 654 was approved by the Governor and filed with the Secretary of State on September 28, 2022, and amended Sections 65583 and 65863 of the Government Code; and

WHEREAS, Assembly Bill No. 2339 revises the requirements of the housing element, in connection with zoning designations that allow residential use, including mixed use, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit; and

WHEREAS, Assembly Bill No. 2339 requires that emergency shelters only be subject to specified written, objective standards; and

WHEREAS, Assembly Bill No. 2339 specifies that the definition of emergency shelter shall include other interim intervention, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care; and

WHEREAS, Assembly Bill No. 2339 requires an amendment to Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table); and

WHEREAS, the adoption of the Zoning Ordinance text amendment is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Zoning Ordinance text amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

WHEREAS, on April 20, 2023 the Planning Commission held a duly noticed public meeting, at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the proposed Zoning Amendment (Z 23-03); and

WHEREAS, the Planning Commission of the City of Gilroy has determined that the proposed Zoning Ordinance text amendment is necessary to carry out the general purpose of the Zoning Ordinance and to ensure that emergency shelters are operated in a manner that appropriately addresses the needs of homeless individuals and families, consistent with the requirements of Government Code Section 65583; and

WHEREAS, the Planning Commission of the City of Gilroy has determined that the proposed Zoning Ordinance text amendment is necessary to carry out applicable General Plan goals and policies including Gilroy 2040 General Plan Land Use Goal LU 3 to provide a variety of housing types that offer choices for Gilroy residents and create complete, livable neighborhoods; Gilroy 2015-2023 Housing Element Goal H-1 (Housing Production) to provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types; and Gilroy 2015-2023 Housing Element Goal H-2 (Affordable Housing) to encourage and support the provision of affordable housing in Gilroy; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the Community Development Department, Planning Division.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Gilroy hereby recommends to the City Council approval of application Z 23-03 for a Zoning Amendment amending Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table).

PASSED AND ADOPTED this 20th day of April, 2023 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sharon Goei,
Community Development Director

Manny Bhandal,
Chairperson

Exhibit A

ORDINANCE NO. 2023-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE GILROY CITY CODE, CHAPTER 30 (ZONING), ARTICLE XLI SECTION 30.41.32 (SPECIFIC PROVISIONS—EMERGENCY SHELTERS), ARTICLE II SECTION 30.2.20 (DEFINITIONS), AND ARTICLE XI SECTION 30.11.10(C) (RESIDENTIAL USE TABLE) REGARDING EMERGENCY SHELTERS

WHEREAS, the Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) currently regulate emergency shelters within the city; and

WHEREAS, State Planning and Zoning Law requires the City of Gilroy to adopt a comprehensive, long-term general plan for the physical development of the city that includes a housing element; and

WHEREAS, State law requires that the housing element identify adequate sites for housing, including emergency shelters; and

WHEREAS, Assembly Bill No. 2339, CHAPTER 654 was approved by the Governor and filed with the Secretary of State on September 28, 2022, and amended Sections 65583 and 65863 of the Government Code; and

WHEREAS, Assembly Bill No. 2339 revises the requirements of the housing element, in connection with zoning designations that allow residential use, including mixed use, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit; and

WHEREAS, Assembly Bill No. 2339 requires that emergency shelters only be subject to specified written, objective standards; and

WHEREAS, Assembly Bill No. 2339 specifies that the definition of emergency shelter shall include other interim intervention, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care; and

WHEREAS, Assembly Bill No. 2339 requires an amendment to Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table); and

WHEREAS, the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set

forth in CEQA Guidelines Section 15300.2 applies; and

WHEREAS, on April 20, 2023 the Planning Commission held a duly noticed public meeting, at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the proposed Zoning Amendment (Z 23-03); and

WHEREAS, on April 20, 2023 the Planning Commission recommended the City Council approve Zoning Amendment X 23-03 amending Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) regarding emergency shelters; and

WHEREAS, the City Council held a duly noticed public hearing on May 1, 2023, at which time the City Council received and considered Zoning Amendment file number Z 23-03, took and considered written and oral public testimony, the staff report, and all other documentation related to application Z 23-03; and

WHEREAS, in accordance with City of Gilroy Chapter 30 (Zoning), Article LII (Amendment to the Zoning Ordinance), the Planning Commission has recommended, and the City Council finds, that the proposed Zoning Ordinance text amendment is necessary to carry out the general purpose of the Zoning Ordinance, and applicable General Plan goals and policies including Gilroy 2040 General Plan Land Use Goal LU 3 to provide a variety of housing types that offer choices for Gilroy residents and create complete, livable neighborhoods; Gilroy 2015-2023 Housing Element Goal H-1 (Housing Production) to provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types; and Gilroy 2015-2023 Housing Element Goal H-2 (Affordable Housing) to encourage and support the provision of affordable housing in Gilroy; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the office of the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

Gilroy City Code, Chapter 30 (Zoning), Article XLI, Section 30.41.32 is hereby modified as follows:

30.41.32 Specific provisions—Emergency shelters.

In addition to the development standards in the underlying zoning district, the following standards apply to emergency shelters. In the event of conflict between these standards and the underlying zoning district regulations, the provisions of this section shall apply.

(a) **On-Site Management and Security Plan.** **The emergency shelter shall provide on-site management and security during all hours that the emergency shelter is in operation.** A management plan is required for all emergency shelters to address management experience, good neighbor issues, transportation, client supervision, screening of clients to ensure compatibility with the services provided at the facility, food services, security, and training, counseling and treatment programs for clients. Such plan shall be submitted to and approved by the planning manager and police chief prior to operation of the emergency shelter. The plan shall include a floor plan that demonstrates compliance with the physical standards of this section. The operator of each emergency shelter shall annually submit the management plan with updated information for review and approval.

(b) **Maximum** Number of Beds. The maximum number of beds **permitted to be served nightly by the facility emergency shelter** shall not be limited. However, the number of beds within any single room in **a of the emergency shelter** shall not exceed fifty (50) unless a larger number is approved on a temporary basis in advance by the ~~planning manager~~ **community development director** and police chief. **A floor plan that includes the maximum number of beds proposed for the emergency shelter shall be included in the application for a building permit.**

(c) **Exterior and Interior Onsite** Waiting and **Client** Intake Area. An indoor intake area shall be provided ~~and be of sufficient size to accommodate the maximum number of clients anticipated to request sheltering at any given time~~ **in addition to providing the minimum interior floor area required to comply with the maximum occupant load requirements of the California Building Code.** In addition, an exterior area shall be provided for clients waiting for the shelter to open. ~~The waiting area shall be of sufficient size to accommodate the maximum number of clients anticipated to be waiting for the shelter to open at any given time.~~ ~~Theis~~ **exterior** waiting area shall be physically separated and visually screened from the public right-of-way. ~~The method for determining the maximum number of clients requesting sheltering and the number of clients and waiting for the shelter to open shall be included in the shelter management plan and approved by the planning manager and police chief.~~ **A site plan and floor plan that includes the size and location of the exterior and interior onsite waiting and intake areas shall be included in the application for a building permit.**

(d) Parking. One (1) parking stall shall be provided per employee and volunteer on the shift with the greatest number of employees and volunteers, **provided that the total number of parking stalls does not exceed the minimum parking that would be required for other residential or commercial uses within the same zone.** In addition, one (1) parking stall shall be provided for every ~~ten (10) beds in the shelter.~~

(e) Lighting. Parking lots and pedestrian walkways of shelters that are open after dusk shall provide lighting of a minimum horizontal illumination of two (2) foot candles for those areas.

(f) Length of Stay. The maximum length of stay shall be limited to one hundred eighty (180) days per calendar year or less [Health and Safety Code Section 50801(e)].

(g) Proximity to Other Emergency Shelters. The minimum distance between emergency

shelters shall be 300 feet.

(h) Location. Emergency Shelters shall be permitted by right in the R4 zone district and areas designated Mixed Use (MU) on the Gilroy 2040 General Plan land use diagram.

SECTION II

Gilroy City Code, Chapter 30 (Zoning), Article II, Section 30.2.20 is hereby modified as follows:

30.2.20 (Definitions)

“Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy of one hundred eighty (180) days per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. ~~[Health and Safety Code Section 50801(e)]~~ **The definition of emergency shelter includes other interim interventions, including, but not limited to, a navigation center, emergency bridge housing, and respite or recuperative care.**

“Emergency bridge housing” means any new or existing facilities, including, but not limited to, housing in temporary structures, including, but not limited to, emergency sleeping cabins consistent with the requirements of subdivision (h) of Section 8698.3 that are reserved for homeless persons and families, together with community support facilities, including, but not limited to, showers and bathrooms adequate to serve the anticipated number of residents all of which may be located on property leased or owned by a political subdivision. An emergency bridge housing community shall include supportive and self-sufficiency development services, have the ultimate goal of moving homeless persons to permanent housing as quickly as reasonably possible, and limit rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development’s requirements for subsidized housing for low-income persons.

“Navigation center” means Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.

SECTION III

Gilroy City Code, Chapter 30 (Zoning), Article XI, Section 32.11.10(c). is hereby modified as follows:

30.11.10(c) (Residential use table)

	A1	RR	R1	R2	R3	R4	RH	ND
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Community Garden		X	X	X	X	X	X	*
Emergency Shelter ⁷	C	C	C	C	C	C X	C	*
Golf Course or County Club		C	C	C	C	C	C	*

* = Refer to the master plan or specific plan adopted for the neighborhood district area in which the property is located.

7 Emergency shelters shall be subject to the performance standards listed in section [30.41.32](#). **Emergency Shelters shall be permitted by right in the R4 zone district and areas designated Mixed Use (MU) on the Gilroy 2040 General Plan land use diagram.** Additionally, emergency shelters in the agriculture and residential zoning districts shall only serve families. For the purpose of this section, a “family” is defined as having one (1) or more individuals under eighteen (18) years of age who reside with a parent or with another person with care and legal custody of that individual (including foster parents) or with a designee of that parent or other person with legal custody. Family also includes a pregnant woman or a person who is in the process of adopting or otherwise securing legal custody of any individual under eighteen (18) years of age.

SECTION IV

If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise void or invalid by any court of competent jurisdiction, the validity of the remaining portion of this Ordinance shall not be affected thereby.

SECTION V

Pursuant to section 608 of the Charter of the City of Gilroy, this Ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

PASSED AND ADOPTED this __ day of __, 2023 by the following roll call vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Pham, City Clerk



Community Development Department

Sharon Goei
DIRECTOR

7351 Rosanna Street, Gilroy, CA 95020-6197
Telephone: (408) 846-0451 | Fax: (408) 846-0429
cityofgilroy.org | planningdivision@cityofgilroy.org

DATE: April 20, 2023
TO: Planning Commission
FROM: Cindy McCormick, Customer Service Manager
SUBJECT: Adoption of Gilroy 2023 - 2031 Housing Element

RECOMMENDATION:

Staff has analyzed the proposed project, and recommends that the Planning Commission:

- a) Recommend that the City Council, based on its independent analysis, find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and
- b) Adopt a resolution recommending that the City Council adopt a Resolution (GPA 22-01), adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law.

PROJECT DESCRIPTION:

The City of Gilroy has prepared a draft update to the Housing Element of the General Plan, consistent with state law. In addition to affirmatively furthering fair housing, the policies and programs within the draft Housing Element demonstrate the City's commitment to accommodate Gilroy's 1,773-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 (6th Cycle) Housing Element. Public engagement has been a critical component of this 6th cycle Housing Element update and many of the programs have been modified or added in response to public input.

DISCUSSION AND ANALYSIS:

Background. California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of housing elements in California. State law requires that the City update its General Plan Housing Element every eight years. The draft Gilroy 2023 – 2031 Housing Element will replace the City’s 2015-2023 Housing Element. The proposed goals, policies, and programs are consistent with the City’s other General Plan elements, including the Land Use Element, Potential Hazards Element, and the Environmental Justice Element.

Environmental Review. The City of Gilroy Planning Division has determined that there is no substantial evidence that the proposed Gilroy 2023-2031 Housing Element (“Project”) would have a significant effect on the environment, and therefore the Project is exempt from the California Environmental Quality Act (“CEQA”). Pursuant to CEQA Guidelines Section 15061(B)(3), the Project is exempt from CEQA under the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Consequences for late adoption. Almost all cities and counties across the state have missed their statutory deadline for adopting a compliant housing element (1/31/23 in the Bay Area). Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. Furthermore, local governments that have not adopted a compliant housing element are vulnerable to litigation, suspension of local control on building matters, and court approval of housing developments. However, conversations between City staff and HCD staff have been very productive and staff have adequately addressed the comments received by HCD. Additionally, given Gilroy’s history of approving affordable and market-rate housing projects, and our collaborative working relationships with applicants, the risk of litigation or court action is low. Furthermore, the sites identified in the Housing Element Sites Inventory do not require any rezoning. Therefore, the City would not be subject to Assembly Bill 1398, which requires rezoning be completed within one year if a compliant Housing Element is not adopted by 5/31/23.

Housing Element Components. Pursuant to Government Code Section 65583, local governments must include the following components within their Housing Elements:

1. **Housing Needs Assessment:** Includes an assessment of detailed demographic data including population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. This Section also includes a community’s Regional Housing Needs Allocation (RHNA).
2. **Evaluation of Past Performance:** Evaluates the prior Housing Element to measure progress in implementing previously adopted policies and programs.

3. **Housing Sites Inventory:** Identifies sites with appropriate zoning to accommodate a jurisdiction's RHNA at all income levels. The standards for designating adequate sites were substantially changed for the sixth cycle, particularly for non-vacant sites.
4. **Community Engagement:** Implements a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community including historically underrepresented groups.
5. **Constraints Analysis:** Identifies and analyzes potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community.
6. **Policies and Programs:** Establishes policies and programs to be carried out during the 2023-2031 (6th cycle) planning period to fulfill identified housing needs.
7. **Affirmatively Further Fair Housing (AFFH):** Complies with Assembly Bill 686 (AB 686), which created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, AFFH means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics". The four main goals of affirmatively furthering fair housing are to: address significant disparities in housing needs and in access to opportunity; replace segregated living patterns with truly integrated and balanced living patterns; transform racially and ethnically concentrated areas of poverty into areas of opportunity; and foster and maintain compliance with civil rights and fair housing laws.

Summary of Public Meetings. The City of Gilroy must demonstrate "meaningful, frequent, and ongoing community participation, consultation and coordination" as part of the 6th Cycle Housing Element update process. This is intended to ensure that input has been received from groups most impacted by fair housing issues and that local knowledge is incorporated into the City's Housing Element. Accordingly, the City conducted extensive community outreach beginning in August 2021 which included a dedicated website, hard copy and online surveys in English and Spanish, stakeholder interviews, two bilingual virtual community workshops, an Equity Advisory Group meeting, a joint bilingual public study session with the Planning Commission and City Council, public hearings with the Planning Commission and City Council, farmworker outreach, Youth Commission outreach, Gavilan College outreach, senior citizen outreach, and outreach to the intellectually and developmentally disabled community. Details regarding these meetings and the actions the City took to implement findings from community engagement can be found in the Introduction, Housing Needs Assessment, and Affirmatively Furthering Fair Housing sections of the Housing Element.

Gilroy's Draft Housing Element. The City of Gilroy's 2023-2031 Draft Housing Element was prepared with input from the community, Planning Commission, and City Council through the many forms of outreach summarized above. Following public hearings with the Planning Commission and City Council, the city submitted a draft Housing Element to HCD for its review on October 31, 2022. In January and February 2023, City staff met with HCD staff to discuss their comments on the October 2022 draft and get a better

understanding of how the City can revise the draft to be substantially compliant with state law and receive HCD certification.

Based upon discussions with HCD staff, staff revised the draft Housing Element to include additional information, analysis, and programs that should bring the draft into compliance with state law. Based on the experiences of jurisdictions throughout the State, additional refinements may be necessary following HCD's 60-day review (anticipated July 2023); however, staff expect these changes to be relatively minor. Any substantive changes would be brought back to the Commission and Council for final approval.

On April 13, 2023, the City published the revised Housing Element on the City website and requested public comment on the revised draft. All edits can be viewed through the tracked changes version of the current draft. A clean copy is also provided for easier reading. A summary of the changes as they relate to the January 27, 2023 HCD comment letter are provided in the attached HCD Comment Matrix. Comments are broken down by chapter and topic (e.g., AFFH; fair housing enforcement).

Regional Housing Needs Allocation (RHNA). In January 2022, HCD approved ABAG's *Final RHNA Plan for the San Francisco Bay Area: 2023-2031* which establishes a total RHNA for the San Francisco Bay Area of 441,176 residential units for the 6th cycle 2023-2031 planning period. ABAG's *Plan* further distributes this RHNA across Bay Area jurisdictions based on demographic and population data received from the California Department of Finance (DOF). Local jurisdictions must then identify eligible land resources to accommodate their ascribed RHNA across four affordability categories. Based on the Santa Clara County Area Median Income (AMI), these categories include very low-income residential units, which are affordable to households earning less than 50% of AMI; low-income units for households earning between 50% and 80% of AMI; moderate income units for households earning between 80% and 120% of AMI; and above moderate-income units for households earning upwards of 120% of AMI. As shown in the table below, Gilroy's RHNA for the 2023-2031 (6th cycle) planning period is 1,773 units including 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Gilroy RHNA, 2023–2031			
Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total		1,773	100%

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

RHNA Sites Inventory / RHNA Buffer. California General Plan law requires each jurisdiction to identify “adequate sites” to accommodate its share of RHNA for each income level. Furthermore, new “no net loss” provisions of Government Code Section 65863 require jurisdictions to retain an adequate supply of land resources available for housing development throughout the duration of the planning period. If housing sites identified within Gilroy’s adopted Sites Inventory are developed with lower residential densities or at deficient affordability levels, the City will need to identify additional units to make up the loss of those units. Gilroy’s RHNA sites inventory includes an approximately 15% buffer to help ensure compliance with “no net loss” provisions. Furthermore, the City is developing a No Net Loss Inventory of additional sites that could more conservatively accommodate 600 lower-income units should the sites on the adopted inventory not be developed at the identified density or affordability level.

Maintaining a no net loss inventory that is updated outside of the adopted housing element complies with state law and will be easy to modify should any deficiencies occur. It should also be noted that if any sites on the adopted inventory are used in a subsequent planning period (for non-vacant sites) or for two or more consecutive planning periods (for vacant sites), then rezoning is required within three years of the beginning of the planning period. In this case, residential development projects would be allowed by right (no discretionary review) at specified densities when at least 20 percent of the units are affordable to lower income households.

The following table illustrates the number of sites identified for each affordability category, broken down by pipeline projects (i.e., those already approved or under review), anticipated accessory dwelling units, vacant opportunity sites, and non-vacant opportunity sites. It is important to acknowledge that the opportunity sites were chosen because they have the appropriate zoning in place to accommodate the number of units identified for each parcel. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction’s share of lower-income units. Accordingly, to meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre. Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites meet State criteria. Furthermore, sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

RHNA CAPACITY AND BUFFER						
	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (<i>Table 79</i>)	62	401	3	756	1,222
C	ADUs (<i>Table 80</i>)	42	42	42	14	140
D	Unmet RHNA (A - B - C)	565	-	155	-	720
E	Vacant Opportunity Sites (<i>Table 84</i>)	324	-	116	-	440
F	Non-Vacant opportunity Sites (<i>Table 85</i>)	329	-	62	-	391
G	Opportunity Site Capacity (E + F)	653	-	178	-	831
H	Total Capacity (B + C + G)	757	443	223	770	2,193
J	RHNA Buffer (H - A)	88	58	23	251	420
K	RHNA Buffer % $((E - D) / D)$	16%	-	15%	-	-

Policies and Programs. The Housing Element includes a set of goals, policies, and implementing programs intended to promote the preservation, rehabilitation, and production of housing. Goals are long-range, broad, and comprehensive targets that describe desired future outcomes. A policy is a specific instructional guideline that seeks to promote goals. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the City will undertake during the 6th cycle planning period. The following seven (7) broad goals are included in the Housing Element along with a series of policies that include general commitments, strategies, and approaches to accomplishing the goals.

1. **Housing Production:** Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types.
2. **Removal of Government Constraints:** Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.
3. **Housing Preservation and Rehabilitation:** Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.
4. **Housing Assistance to Meet the Needs of All Income Levels:** Encourage and support the provision of a variety of affordable housing types.
5. **Special Housing Needs:** Increase access to decent and suitable housing for Gilroy residents with special housing needs.

6. **Fair Housing:** Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.
7. **Education and Outreach:** Increase awareness of and participation in housing programs.

Fair Housing Issues, Contributing Factors, and Meaningful Actions. The City has adopted goals and actions that specifically address the contributing factors identified in the City's Affirmatively Furthering Fair Housing (AFFH) analysis. While the City views all contributing factors as important to address, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv). Table 58 in the Housing Element provides a detailed overview of Housing Element Programs that are aimed at affirmatively furthering fair housing. For each program, the table lists the action, fair housing issue, priority level, specific commitment, timeline, geographic targeting, and associated metric. For example, to provide additional "access to opportunities", three programs were created to improve housing mobility and choice, especially in higher opportunity areas of the City. Program A-10 will create a ministerial approval process for missing middle housing (duplexes, triplexes, and quadplexes) on corner lots in the R-1 and R-2 zones that meet objective design standards. While SB9 currently allows duplexes in the R-1 zone, Program A-10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A-10 will encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. Similarly, adoption of an inclusionary housing policy (Program A-11) and incentives beyond density bonus state law (Program A-12) will help distribute affordable housing opportunities, and encourage more inclusivity on the west side of the City, where incomes are generally higher.

CONCLUSION AND NEXT STEPS

The City of Gilroy's 2023–2031 (6th Cycle) Housing Element has been prepared in compliance with the State of California Government Code Section 65302, in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD), and in response to HCD recommendations in their January 27, 2023 comment letter. The Housing Element goals, policies, and programs aim to: encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023–2031 Regional Housing Needs Allocation (RHNA); assist in the development of housing to meet the needs of lower- and moderate-income households; address and, where appropriate and legally possible, remove governmental constraints to housing development; conserve, preserve, and improve the condition of the existing affordable housing stock; and promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

HCD Comment Letter Response Matrix. Pursuant to Government Code section 65585, subdivision (b), HCD reviewed the City of Gilroy's draft Housing Element and reported the results of its review in a letter dated January 27, 2023. Attachment 3 contains a response to each recommendation within HCD's January 27, 2023 letter, illustrating that the revised draft includes the necessary changes to bring the Gilroy 2023-2031 Housing Element into compliance with Article 10.6 of the Government Code.

Compliance with State Housing Element Law. In addition to addressing each of HCD's recommendations in the City's Response Matrix, Attachment 4 is the City of Gilroy's Housing Element Completeness Checklist. The checklist illustrates that the Gilroy 2023-2031 Housing Element meets the statutory requirements of Government Code section 65580 – 65588, prior to submittal to HCD.

Next Steps: The recommendation of the Planning Commission shall be forwarded to the City Council. A Council hearing date is tentatively scheduled for May 1, 2023. Revisions made as a result of the Planning Commission and City Council Public Hearings will be posted on the City website and forwarded to HCD for final review.

PUBLIC NOTICING:

A notice of the April 20, 2023 Planning Commission meeting was advertised in The Gilroy Dispatch on Friday, April 7, 2023 (no less than 10 days prior to the meeting). The Planning Commission public hearing packets are available through the City's webpage.

APPEAL PROCEDURE:

In accordance with Section 30.51.50 of the Gilroy City Code, the Planning Commission's decision may be appealed, in writing, to the City Council within 20 days of adoption of the resolution. Appeal forms may be obtained from the City Clerk and must be submitted with the appropriate fee before the end of the appeal period.

Attachments:

1. Draft Resolution
2. HCD Comment Letter, dated January 27, 2023
3. HCD Comment Response Matrix
4. Housing Element Completeness Checklist
5. Draft Gilroy 2023-2031 Housing Element
6. Draft Gilroy 2023-2031 Housing Element, with tracked changes

RESOLUTION NO. 2023-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GILROY RECOMMENDING THE CITY COUNCIL ADOPT A RESOLUTION, ADOPTING A GENERAL PLAN AMENDMENT TO REPEAL THE GILROY 2015-2023 HOUSING ELEMENT AND ADOPT THE GILROY 2023-2031 HOUSING ELEMENT, IN SUBSTANTIAL COMPLIANCE WITH STATE HOUSING ELEMENT LAW (GPA 22-01)

WHEREAS, the California Legislature has found that “California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives” (Gov. Code Section 65589.5.); and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Gilroy (City) regional housing need allocation (RHNA) of 1,773 housing units, comprised of 669 very-low income units, 385 low-income units, 200 moderate-income units, and 519 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Gilroy has prepared Housing Element 2023-2031 (the Housing Element) in substantial compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City’s RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the City of Gilroy referred the Housing Element to all California Native American tribes on the contact list provided by the Native American Heritage Commission and to other entities listed and whereas, no California Native American tribe requested consultation; and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted extensive community outreach beginning in August 2021 and including a dedicated website, hard copy and online surveys in English and Spanish, stakeholder interviews, two bilingual virtual community workshops, an Equity Advisory Group meeting, a joint bilingual public study session with the Planning Commission and City Council, public hearings with the Planning Commission and City Council on the first public draft of the 2023-2031 Housing Element, farmworker outreach, Youth Commission outreach, Gavilan College outreach, senior citizen outreach, and intellectually and developmentally disabled community outreach; and

WHEREAS, in accordance with Government Code Section 65585 (b), on September 12, 2022, the City posted the first draft of the 2023-2031 Housing Element and requested public comment for a minimum 30-day review period; and

WHEREAS, between October 12, 2022 and October 31, 2022, the City made revisions to the first draft in response to public comments; and

WHEREAS, on October 31, 2022, the City submitted the revised draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on January 27, 2023, the City received a letter from HCD providing its findings regarding the October 31, 2023 draft Housing Element; and

WHEREAS, on April 13, 2023, the City published a revised draft Housing Element responding to HCD's findings and requested public comment on the draft; and

WHEREAS, the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

WHEREAS, on April 20, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report and all attachments, and oral and written public comments; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the Community Development Department, Planning Division.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Gilroy hereby recommends that the City Council find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act Guidelines Section 15061(b)(3), and adopt a resolution recommending that the City Council adopt a resolution adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law (GPA 22-01).

PASSED AND ADOPTED this 20th day of April, 2023 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sharon Goei,
Community Development Director

Manny Bhandal,
Chairperson

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 27, 2023

Sharon Goei, Director
Community Development Department
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

Dear Sharon Goei:

RE: City of Gilroy's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Gilroy's (City) draft housing element update received for review on October 31, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on January 18, 2023. In addition, HCD considered comments from YIMBY Law and Greenbelt Alliance, YIMBY Law and Campaign for Fair Housing Elements, Housing Action Coalition (Via a meeting), and Silicon Valley at Home, pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Connor Finney, of our staff, at Connor.Finney@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF GILROY

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs Resources and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Fair Housing Enforcement and Capacity: The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address how the City complies with state and federal fair housing laws, including regulations, lawsuits, and related enforcement actions. The element should also quantify local complaints and discuss characteristics relative to protected characteristics (e.g., disability, race, familial status)

Segregation and Integration (Income): The element discusses areas of higher concentration of lower and moderate-income households and poverty, including coincidences with race. However, the element should also consider American Community Survey data for income categories related to median incomes and discuss areas of relatively higher income then expand the discussion of income using local data and knowledge as well as other relevant factors like zoning and land use.

Racially and Ethnically Concentrated Area of Poverty (RECAP): While the element identifies the RECAP and discusses some current efforts such as the environmental justice element, it should expand the discussion of this area to better formulate appropriate policies and programs. For example, the element could examine and compare the quality of life relative to other neighborhoods (e.g., parks, streetscapes, schools, safe routes to schools, infrastructure, community amenities, housing conditions, neighborhood conditions).

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For

homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

Affirmatively Furthering Fair Housing (AFFH) and Identified Sites: The element includes some discussion of identified sites to accommodate the regional housing needs allocation (RHNA) and fair housing conditions. For example, the element discusses the low and moderate-income RHNA in areas of higher concentrations of lower and moderate-income households. But the discussion should address the RHNA for all income categories by location instead of fair housing categories to better evaluate whether identified sites exacerbate or improve fair housing conditions. The discussion should also quantify the RHNA by income group and location and evaluate impacts on existing patterns. For example, the element could quantify the lower, moderate and above moderate-income RHNA in the central eastern part of the City, discuss impacts on the existing number of households relative to socio-economic characteristics (e.g., income, TCAC resource, overpayment, displacement) and then evaluate whether the inventory exacerbates or improves fair housing conditions. This same analysis should be performed for the northwestern and other parts of the City.

Local Data and Knowledge: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff and related local and county planning documents.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the City. For instance, the element can analyze historical land use (zoning, ballot initiatives, growth controls), information about redlining/greenlining, disinvestment, and other issues that impacted socio-economic patterns complemented by the state and federal data.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and particularly prioritize those factors then formulate appropriate policies and programs.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)

Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)

Extremely Low-Income (ELI) Households: The element (p. 71) reports that approximately 80 percent of ELI households experience housing problems then, with no further discussion, concludes the City is preparing an inclusionary requirements and density bonus ordinance. While inclusionary and density bonuses can be meaningful policies, the element should examine the needs of ELI households to better formulate policies and programs. The analysis should evaluate tenure, overcrowding, overpayment, disproportionate impacts relative to other income groups, resources, past strategies and their effectiveness and magnitude of housing needs.

Housing Conditions: The element discusses housing units by age, number of units lacking plumbing and kitchen facilities and recent code enforcement activities but should still estimate (City-wide) the number of units in need of rehabilitation and replacement.

Special Housing Needs: While the element includes some quantification of special housing needs, it must still analyze those needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, available resources, effectiveness of past strategies and an evaluation of the magnitude of the need. Local officials, special needs service providers, or social and health service providers may be able to assist with information to complete the analysis.

In addition, the analysis should quantify the number of persons with developmental disabilities as well as update homelessness numbers from the most recent PIT count.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress toward the RHNA: While the element may utilize constructed, permitted, approved and pending projects toward the RHNA, it must also demonstrate their availability in the planning period. Availability should confirm the projects have not been reported before the beginning of the projection period (June 30, 2022) and account for the likelihood of project completion in the planning period, including the status, necessary steps to issue permits, any barriers to development, phasing, build-out horizons, dropout rates and other relevant factors.

Realistic Capacity: Where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often

residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.

Suitability of Nonvacant Sites: The element must demonstrate the potential for additional development on nonvacant sites. While the element (p. 181) notes recent trends on sites with existing uses and includes general descriptions of nonvacant sites, it should evaluate the extent existing uses impeded additional development and demonstrate the potential for redevelopment in the planning period, including sites identified in prior planning periods. The analysis should address market demand for the existing use and existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development. The element should include a discussion of why the uses will likely discontinue or be redeveloped in the planning period and should consider additional indicators of the potential for redevelopment such as age and condition of the existing structure, expressed developer or property owner interest, existing versus allowable floor area, and other factors.

In addition, based on public comments, the inventory may contain sites with existing uses that are labeled as vacant. The element should make corrections, as appropriate.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, the element must include a replacement housing program for units affordable to lower-income households Pursuant to Government Code section 65583.2, subdivision (g). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

Zoning for Moderate and Above Moderate-income Households (AB 725): For jurisdictions that are considered Metropolitan, pursuant to Government Code section 65583.2, subdivision (c)(4), the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater).

Environmental Constraints: While the element generally describes environmental conditions, it should also describe how those conditions relate to identified sites and evaluate any other known conditions (e.g., shape, easements, contamination) that could preclude or impact housing development on identified sites in the planning period.

Accessory Dwelling Units (ADU): While the element demonstrates a sufficient methodology to utilize ADUs toward the RHNA, the figures differ from HCD's records. HCD records show no ADUs reported in 2018 and 13 ADUs reported in 2020. The City should reconcile these differences either in the element or correcting the annual progress reports pursuant to Government Code section 65400.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov. HCD has not received a copy of the electronic inventory. Please note, the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: Zoning to permit emergency shelters without discretionary action was required within the first year of the 4th cycle planning period. The element appears to explain that zoning to permit emergency shelters without discretionary action is not available. If this is the case, the element cannot be found in compliance until the appropriate zoning is established since the first year in the 4th cycle of the planning period has lapsed. In addition, the element commits to amend the R4 zone and mentions approximately 10 acres available to accommodate the need for emergency shelters. However, how this acreage overlaps with capacity to accommodate the RHNA is unclear and the element should include specific discussion of available capacity to accommodate the need for emergency shelters separate from capacity to accommodate the RHNA. The analysis of capacity should also address typical parcel sizes and proximity to transportation and services. If necessary, the element should consider additional zones. Finally, the element should specifically list development standards, identify any potential constraints, including parking and specifically commit to address constraints in Program E-3 (Emergency Shelters Zoning).

For your information, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Transitional and Supportive Housing*: Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The City appears to subject transitional and supportive housing for seven or persons to a conditional use permit, unlike other residential uses. The element must either clarify transitional and supportive housing standards are permitted in compliance with statutory requirements or add or revise programs to comply with the statutory requirements.
- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential

zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2 and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges and development standards for the Downtown Specific Plan by zone. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities.

In addition, the element concludes the City complies with State Density Bonus Law (SDBL) pursuant to Government Code section 65915 but should include a discussion to support this conclusion or add or modify programs to comply with SDBL. For example, the element should discuss application requirements, decision-making criteria and consistency with various benefits under SDBL such as density bonuses, concessions and incentives, development standard modifications and parking reductions.

Accessory Dwelling Units (ADUs): The element indicates the City modifies its zoning code to ease barriers to the development of ADU's. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU law. This includes, but is not limited to, excessive development standards, requiring existing dwellings to correct nonconforming zoning conditions prior to approval of and ADU, maxim and minimum size restrictions, allowing additional conditions to be imposed by the City Manager, among others. The Department will provide a complete listing of ADU noncompliance issues under a separate cover. As a result, the element should add a program to update the City's ADU ordinance to comply with State law.

Building Codes: The element should identify and evaluate any local amendments to the building code for impacts on housing costs.

Fees and Exaction: The element provides a cumulative analysis of fees on various housing types but should also list all the various planning and impact fees, including to better evaluate the impacts on housing development costs. The element should also include a specific analysis on ADU impact fees as a constraint to ADU production.

On/Off Site Improvements: The element states the City requires on and off-site improvements but should also identify subdivision level improvement requirements for a typical development, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards>.

Local Processing and Permit Procedures: The element lists procedural steps for permits but should also analyze the procedures for a typical single family and multifamily development complying with zoning. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and approval certainty.

Constraints on Housing for Persons with Disabilities: The element should analyze potential constraints on housing for persons with disabilities, as follows:

Reasonable Accommodation: The element describes the reasonable accommodation procedure (p. 158) but should specifically analyze decision-making criteria such as approval findings. For example, the procedure includes a decision-making factor of potential impacts on surrounding uses – a conditional use permit (CUP) finding which can acts as a constraint. The element should analyze this factor and add or modify programs to address the constraint.

- *Group Homes:* The element indicates group homes for six or less persons and seven or more persons are excluded from the A zone, unlike single family uses. The element should analyze this as a constraint and include a program to address the constraint. Additionally, group homes for seven or more persons are subject to a CUP. The element should analyze the CUP requirement and add or modify programs to address the constraint.

Nongovernmental Constraints: The element should include a discussion about requests for development at lesser densities than assumptions in the sites inventory. In addition, the element should include a discussion of the typical time between entitlement approval and requests for building permits. The discussion should address any

hinderances on housing development and programs should be added as appropriate to address constraints.

5. *An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system. (Gov. Code, § 65583, subd. (a)(8).)*

Energy Conservation: The element must include analysis of energy conservation opportunities in residential development. The analysis should facilitate the adoption of housing element policies and programs. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes. For additional information and sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/opportunities-energy-conservation>.

6. *An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. (Gov. Code, § 65583, subd. (a)(9).)*

The analysis of at-risk unit must estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately and does not have to contain a project-by-project cost estimate. The analysis should also reconcile the number of at-risk units with HCD's records. HCD will send a list of at-risk properties under separate cover.

B. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

- *Program A-2 (City-owned Lands)*: The Program should go beyond reviewing parcels and commit to a schedule of actions to facilitate development, including numerical objectives.
- *Program E-3 (Emergency Shelter Zoning)*: The Program should be modified with specific commitment to amend zoning based on the outcomes of a complete analysis as noted in Finding A3. Specific commitment includes listing the actual standards that will be revised. In addition, the Program should specifically commit to permit emergency shelters without discretionary action.

2. *Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households Gov. Code, § 65583, subd. (c)(2).*

The element must include a program(s) to assist in the development of housing affordable to lower-income households, including extremely low-income (ELI) and special needs households, as follows:

- *Program D-4 (Pursue Funding for Affordable Housing)*: The Program should specifically commit to annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing funding, incentives and concessions beyond SDBL, fee waivers and priority processing.
- *Extremely Low-income and Special Needs Households*: Programs must be revised or added to assist in the development of housing for ELI and special needs households. Program actions could include assisting with funding applications, prioritizing some funding for housing developments, offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.
- *Farmworkers*: the element should include specific commitment to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with nonprofit developers, employers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of*

housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in Finding A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or income areas, place-based strategies toward community revitalization and displacement protection.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

Program A-6 (ADU Tracking and Monitoring): While the Program commits to annually track ADU production, it should also track ADU affordability and should include discrete timing and specific commitment if ADU assumptions are not realized such as committing to additional incentives and rezoning within six months.

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b) (1 & 2).)

While the element includes quantified objectives for new construction, rehabilitation, and conservation by income group; it should consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.

D. General Plan Consistency

In construing the provisions of this article, the Legislature intends that the general plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies for the adopting agency. (Gov. Code, § 65300.5)

While the element discusses how internal consistency will be achieved with other elements of the general plan as part of the housing element update, it should also discuss how internal consistency will be maintained throughout the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element. For additional information and a sample program, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-consistency-general-plan-and-coastal-zone-requirements>.

E. Water and Sewer Priority

The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body. Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households. (Gov. Code, § 65589.7)

Program E-1 (Priority Water and Sewer Service): If the City is the water or sewer provider, the Program should specifically commit to establish a written procedure to grant priority service to developments with units affordable to lower-income households. In addition, local governments are required to immediately deliver the housing element to water and sewer service providers.

F. Public Participation:

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation>.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
1	AFFH	Fair Housing Enforcement and Capacity	The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address how the City complies with state and federal fair housing laws, including regulations, lawsuits, and related enforcement actions. The element should also quantify local complaints and discuss characteristics relative to protected characteristics (e.g., disability, race, familial status)	Fair Housing Enforcement and Outreach Capacity/95-97	Stated affirmatively that there are no outstanding fair housing complaints or lawsuits. Included FHEO data. Referenced Program F-2 to commit to working more closely with a fair housing provider to have more direct access to this data in the upcoming cycle. Added data from Project Sentinel, including the number of calls received on behalf of the City since 2017 and the number of cases managed since 2015. The complaints addressed by these cases are summarized and quantified. Tables 48 through 50 show dispute cases by income category, age, and race from 2015 to 2022.
2	AFFH	Segregation and Integration (Income)	The element discusses areas of higher concentration of lower and moderate-income households and poverty, including coincidences with race. However, the element should also consider American Community Survey data for income categories related to median incomes and discuss areas of relatively higher income then expand the discussion of income using local data and knowledge as well as other relevant factors like zoning and land use.	Figure 14: Households per Income Level, 2021 and Figure 15: Median Household Income, 2019/105-106	Added data from ACS on the quantity of the population within each household income level in the City. Included a map showing median income by census tract.
3	AFFH	Racially and Ethnically Concentrated Area of Poverty (RECAP)	While the element identifies the RECAP and discusses some current efforts such as the environmental justice element, it should expand the discussion of this area to better formulate appropriate policies and programs. For example, the element could examine and compare the quality of life relative to other neighborhoods (e.g., parks, streetscapes, schools, safe routes to schools, infrastructure, community amenities, housing conditions, neighborhood conditions).	R/ECAPs/116-119	Added more analysis of recent improvements to streetscapes, and amenities in the R/ECAP. Included map of year structures were built to illustrate why housing conditions may be different in the R/ECAP than elsewhere in the City. Included map and location of curb and ADA improvements in the R/ECAP funded by CDBG. Added analysis by code enforcement regarding concentrations of health care facilities, transit, and employment opportunities.
4	AFFH	Disproportionate Housing Needs	The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.	Substandard Housing/138-144	Included notes from service providers where there are concentrations of the homeless population. Added data on the number of units in need of rehabilitation or repair.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
5	AFFH	Affirmatively Furthering Fair Housing (AFFH) and Identified Sites	The element includes some discussion of identified sites to accommodate the regional housing needs allocation (RHNA) and fair housing conditions. For example, the element discusses the low and moderate-income RHNA in areas of higher concentrations of lower and moderate-income households. But the discussion should address the RHNA for all income categories by location instead of fair housing categories to better evaluate whether identified sites exacerbate or improve fair housing conditions. The discussion should also quantify the RHNA by income group and location and evaluate impacts on existing patterns. For example, the element could quantify the lower, moderate and above moderate-income RHNA in the central eastern part of the City, discuss impacts on the existing number of households relative to socio-economic characteristics (e.g., income, TCAC resource, overpayment, displacement) and then evaluate whether the inventory exacerbates or improves fair housing conditions. This same analysis should be performed for the northwestern and other parts of the City.	City Overview/89-94	Added a table to the City Overview in the AFFH to compare the tracts in the City and to show that there is no significant, pervasive pattern of segregation that could be exacerbated by site selection or location. Included a map to show the bounds of the census tracts that intersect with Gilroy to illustrate that many discrepancies in the opportunity scoring may be due to land uses outside the City bounds. Cited programs that promote housing mobility and housing options of various income levels in high opportunity areas.
6	AFFH	Local Data and Knowledge	The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff and related local and county planning documents.	Other Contributing Factors/147-149 Persons with Disabilities 114-115	Expanded discussion of the historical land use patterns, including redlining in the region, that contribute to the current land use patterns in the City. Added discussion of the Urban Growth Boundary and the ballot initiatives that led to its creation. Included discussion of Measure H. Included discussions with service providers regarding developmental disabilities.
7	AFFH	Other Relevant Factors	The element must include other relevant factors that contribute to fair housing issues in the City. For instance, the element can analyze historical land use (zoning, ballot initiatives, growth controls), information about redlining/greenlining, disinvestment, and other issues that impacted socio-economic patterns complemented by the state and federal data.	Other Contributing Factors/147-149	Expanded discussion of the historical land use patterns, including redlining in the region, that contribute to the current land use patterns in the City. Added discussion of the Urban Growth Boundary and the ballot initiatives that led to its creation. Included discussion of Measure H.
8	AFFH	Contributing Factors to Fair Housing Issues	Based on the outcomes of a complete analysis, the element should re-assess contributing factors and particularly prioritize those factors then formulate appropriate policies and programs.	Contributing Factors/146-156	Included SB 9 streamlining program to promote housing mobility, reprioritized based on analysis.
9	Needs	Extremely Low-Income (ELI) Households	The element (p. 71) reports that approximately 80 percent of ELI households experience housing problems then, with no further discussion, concludes the City is preparing an inclusionary requirements and density bonus ordinance. While inclusionary and density bonuses can be meaningful policies, the element should examine the needs of ELI households to better formulate policies and programs. The analysis should evaluate tenure, overcrowding, overpayment, disproportionate impacts relative to other income groups, resources, past strategies and their effectiveness and magnitude of housing needs.	Extremely Low-Income Households/79-82	The element includes Table 21, which shows overpayment by tenure compared between each income level. It also includes Table 42, which shows overpayment for ELI households by tenure and housing problems for ELI households. CHAS data was added to show rates of overcrowding for ELI households compared to all income levels. Included reference to past programs' effectiveness at meeting the needs of ELI households. Added reference to new programs supporting the development and rehabilitation of ELI housing.
10	Needs	Housing Conditions	The element discusses housing units by age, number of units lacking plumbing and kitchen facilities and recent code enforcement activities but should still estimate (City-wide) the number of units in need of rehabilitation and replacement.	Housing Conditions/58 Substandard Housing/138-139	Included estimates on the number of units in need of repair or replacement in the City. Included data from the City's Code Enforcement regarding neighborhoods with housing conditions in potentially higher need of rehabilitation and replacement.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
11	Needs	Special Housing Needs	While the element includes some quantification of special housing needs, it must still analyze those needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, available resources, effectiveness of past strategies and an evaluation of the magnitude of the need. Local officials, special needs service providers, or social and health service providers may be able to assist with information to complete the analysis.	Persons with Disabilities/64-68	Added additional analysis of primary disability types and programs revising the zoning code to support disabled population. Added housing types for those with disabilities. Added an Outreach to Services Providers section documenting meetings with Housing Choices, the San Andreas Regional Center, and Villa Esperanza.
12	Needs	Special Housing Needs	the analysis should quantify the number of persons with developmental disabilities as well as update homelessness numbers from the most recent PIT count.	Persons with Developmental Disabilities/64-66	Analysis updated to reflect the 2022 Point in Time count. Analysis quantifies the number of people with a developmental disability in the City by age and living arrangement.
13	Sites	Progress toward the RHNA	While the element may utilize constructed, permitted, approved and pending projects toward the RHNA, it must also demonstrate their availability in the planning period. Availability should confirm the projects have not been reported before the beginning of the projection period (June 30, 2022) and account for the likelihood of project completion in the planning period, including the status, necessary steps to issue permits, any barriers to development, phasing, build-out horizons, dropout rates and other relevant factors.	Entitled and Pending Pipeline Projects/220-221	All of the pipeline projects are available in the planning period. None of the projects have been finalized before June 30, 2022. There are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from completion. Table 76: Pipeline Projects Counted in the 6th Cycle (Proposed, Entitled, Permits Issued) was updated to reflect the status of each project, including dates of applications of building permits and submittals.
14	Sites	Realistic Capacity	Where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.	Realistic Capacity/212	The element was revised to discuss nonresidential uses in mixed-use zones and trends of inquiries and permits for 100% commercial uses. The following was added to the realistic capacity analysis: The realistic capacity calculation also takes into account recent permits and inquiries for uses in zones that allow mixed-use or stand-alone commercial uses. The DTSP allows 100% commercial in all six zones. Three DTSP districts allow 100% residential uses, and mixed-use residential is encouraged in all zones. Mixed-use could also include mixed-commercial (e.g., retail and office). Residential uses are unconditionally permitted on the second story and above in all DTSP zones. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. This has been taken into account through both site selection and a reduction from the maximum yield. Inquiries and submittals have included residential uses on upper stories in applications for adaptive reuse of existing historic buildings (i.e., tenant improvements), with new commercial uses (e.g., new restaurant in existing building), and new construction and redevelopment (e.g., adding new square footage). For example, the City is currently processing a preliminary application to add two new stories of residential uses to an existing two-story building at 7541 Monterey Road in the City's downtown historic district. To understand development trends in the City, recent inquiries and permit applications were reviewed. In discussions with City staff, including one planner who has worked for the City of Gilroy for over 30 years, staff noted that inquiries coming into the City are primarily for 100% residential or mixed-use, rather than 100% new commercial construction. When mixed-use is required, staff stated that developers typically propose a minimal amount of commercial square footage, citing concerns over the viability of commercial uses outside the downtown core. In cases where the likelihood of commercial vacancies is high, staff is generally supportive of amending the zoning to allow 100% residential uses. Development inquiries and proposals illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
15	Sites	Suitability of Nonvacant Sites	The element must D2. While the element (p. 181) notes recent trends on sites with existing uses and includes general descriptions of nonvacant sites, it should evaluate the extent existing uses impeded additional development and demonstrate the potential for redevelopment in the planning period, including sites identified in prior planning periods. The analysis should address market demand for the existing use and existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development. The element should include a discussion of why the uses will likely discontinue or be redeveloped in the planning period and should consider additional indicators of the potential for redevelopment such as age and condition of the existing structure, expressed developer or property owner interest, existing versus allowable floor area, and other factors.	Non-Vacant Site Details: 226-246	Expanded analysis in the Non-vacant Site Details section to include non-vacant site details including maximum FAR, residential density requirements, current uses, and land improvement ratios. Included proximity to relevant resources such as schools, daycare facilities, and grocery stores. Included details on current uses. Took community character as well as development constraints into consideration when evaluating each site's development potential. Added No Net Loss Inventory Program. Included examples of inquiry on residential development in the mixed-use corridor.
16	Sites	Suitability of Nonvacant Sites	Based on public comments, the inventory may contain sites with existing uses that are labeled as vacant. The element should make corrections, as appropriate.	Appendix B/301-316	In discussions with those who have expressed concern over non-vacant sites being labeled as vacant, we have clarified that these sites are confirmed vacant. There was one unpaved parcel being used for parking that was being categorized as vacant that has been recategorized as non-vacant. This will not affect the low percentage of LIH RHNA met on non-vacant sites.
17	Sites	Replacement Housing Requirements	If the sites inventory identifies sites with existing residential uses, the element must include a replacement housing program for units affordable to lower-income households Pursuant to Government Code section 65583.2, subdivision (g). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).	Program B-3/271	Modified Program B-3 to include the following replacement housing program: The City shall amend the Zoning Ordinance to ensure that any demolished units shall be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g).
18	Sites	Zoning for Moderate and Above Moderate-income Households (AB 725)	For jurisdictions that are considered Metropolitan, pursuant to Government Code section 65583.2, subdivision (c)(4), the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater).State	Zoning for Moderate and Above Moderate Households/224	There is a remaining need of 155 moderate units after pending projects and projected ADUs. The Opportunity Sites Inventory identifies 178 moderate-income RHNA sites. Of these, 167 are on sites that allow for at least four units of development. Only 11 moderate units are identified on sites that allow for less than four units of housing. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units is shown in Appendix B. There is no remaining need of above moderate units, as they are all met through pipeline projects.
19	Sites	Environmental Constraints	While the element generally describes environmental conditions, it should also describe how those conditions relate to identified sites and evaluate any other known conditions (e.g., shape, easements, contamination) that could preclude or impact housing development on identified sites in the planning period.	Environmental and Infrastructure Constraints/216-217	Expanded the analysis of the Environmental and Infrastructure Constraints section to describe the environmental conditions related to sites in the DTSP and provided examples of environmental conditions impacting recent housing projects.
20	Sites	Accessory Dwelling Units (ADU)	While the element demonstrates a sufficient methodology to utilize ADUs toward the RHNA, the figures differ from HCD's records. HCD records show no ADUs reported in 2018 and 13 ADUs reported in 2020. The City should reconcile these differences either in the element or correcting the annual progress reports pursuant to Government Code section 65400.	N/A	ADU information for 2018-2020 was updated and sent to and acknowledged by HCD in March 2022. The ADUs counted in the Housing Element reflect these updated numbers and are accurate. Information will be re-sent to HCD in March 2023 along with 2022 data.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
21	Sites	Electronic Sites Inventory	Pursuant to Government Code section 65583.3, subdivision (b), upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov . HCD has not received a copy of the electronic inventory. Please note, the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.	N/A	Electronic Sites Inventory to be submitted with adopted Housing Element.
22	Zoning for a Variety of Housing Types	Emergency Shelters	Zoning to permit emergency shelters without discretionary action was required within the first year of the 4th cycle planning period. The element appears to explain that zoning to permit emergency shelters without discretionary action is not available. If this is the case, the element cannot be found in compliance until the appropriate zoning is established since the first year in the 4th cycle of the planning period has lapsed. In addition, the element commits to amend the R4 zone and mentions approximately 10 acres available to accommodate the need for emergency shelters. However, how this acreage overlaps with capacity to accommodate the RHNA is unclear and the element should include specific discussion of available capacity to accommodate the need for emergency shelters separate from capacity to accommodate the RHNA. The analysis of capacity should also address typical parcel sizes and proximity to transportation and services. If necessary, the element should consider additional zones. Finally, the element should specifically list development standards, identify any potential constraints, including parking and specifically commit to address constraints in Program E-3 (Emergency Shelters Zoning).	Emergency Shelters/182-183 Program E-3/281	Expanded on the Emergency Shelters section to include analysis regarding capacity to accommodate the RHNA and emergency shelters without acreage overlapping. The analysis addresses parcel size and proximity to transportation, services, and development standards to address identified constraints. Amended Program E-3 to ensure any constraints regarding emergency shelters are address and analyzed.
23	Zoning for a Variety of Housing Types	Emergency Shelters	statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf .	Emergency Shelters 182-183 Program E-3 281	Expanded the Emergency Shelter section to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Amended Program E-3 to address that requirements of Chapter 654, Statutes of 2022 (AB 2339) are met regarding identification of zones and sites for emergency shelters per amendments to Government Code Section 65583(a)(4).
24	Zoning for a Variety of Housing Types	Transitional and Supportive Housing	Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The City appears to subject transitional and supportive housing for seven or persons to a conditional use permit, unlike other residential uses. The element must either clarify transitional and supportive housing standards are permitted in compliance with statutory requirements or add or revise programs to comply with the statutory requirements.	Transitional and Supportive Housing/177 Program E-3/277	Added clarification to the Transitional and Supportive Housing section to affirmatively state the City's transitional and supportive housing standards are in full compliance with Government Code Section 65583(a)(5). Amended Program E-3 to reference AB 2339 and remove conditional use/discretionary permit requirement to allow transitional and supportive housing in all zones allowing residential uses.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
25	Zoning for a Variety of Housing Types	Permanent Supportive Housing	Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.	Transitional and Supportive Housing/177 Program E-3/277	Amended program E-3 pursuant to Government Code Section 65651 to allow supportive housing by-right in zones where multifamily and mixed uses are permitted.
26	Constraints	Land Use Controls	The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges and development standards for the Downtown Specific Plan by zone. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities.	Land Use Controls/170-173, 177-178 Program B-7/272	Expanded the Downtown Specific Plan development standards table to include yard, height, density, and building form requirements and amended Program B-7 to evaluate development standards (e.g., parking) for all zones, including DTSP zones. Expanded the Zoning Ordinance section to include sections that address residential densities, planned development exceptions, lot size, floor area, and lot coverage. Expanded analysis to the Cumulative Effect of Development Standards section to address constraints on land use controls.
27	Constraints	Land Use Controls	the element concludes the City complies with State Density Bonus Law (SDBL) pursuant to Government Code section 65915 but should include a discussion to support this conclusion or add or modify programs to comply with SDBL. For example, the element should discuss application requirements, decision-making criteria and consistency with various benefits under SDBL such as density bonuses, concessions and incentives, development standard modifications and parking reductions.	Programs/262	The City currently processes applications consistent with state density bonus law. Program A-12 has been included that also goes beyond state law to offer incentives targeted at special needs households and extremely low-income households.
28	Constraints	Accessory Dwelling Units (ADUs)	The element indicates the City modifies its zoning code to ease barriers to the development of ADU's. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU law. This includes, but is not limited to, excessive development standards, requiring existing dwellings to correct nonconforming zoning conditions prior to approval of and ADU, maximum and minimum size restrictions, allowing additional conditions to be imposed by the City Manager, among others. The Department will provide a complete listing of ADU noncompliance issues under a separate cover. As a result, the element should add a program to update the City's ADU ordinance to comply with State law.	Providing for a Variety of Housing Types/175, Programs/265	Added Program A-15 to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. The ADU ordinance will be updated to conform to current state law.
29	Constraints	Building Codes	The element should identify and evaluate any local amendments to the building code for impacts on housing costs.	Building Code/192	Expanded the analysis of the Building Code section to identify and evaluate locally adopted code amendments that can impact housing cost.
30	Constraints	Fees and Exaction	The element provides a cumulative analysis of fees on various housing types but should also list all the various planning and impact fees, including to better evaluate the impacts on housing development costs. The element should also include a specific analysis on ADU impact fees as a constraint to ADU production.	Development Review and Permitting Procedures/187-188	Impact fees are listed in Table 67. Added analysis on ADU impact fees to Planning, Building, and Development Impact Fees section and modified Program A-8 to evaluate ADU impact fees as a potential constraint for affordable housing.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
31	Constraints	On/Off Site Improvements	The element states the City requires on and off-site improvements but should also identify subdivision level improvement requirements for a typical development, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards .	On/Off Site Improvement Requirements/193-195	Expanded on the On- and Off-Site Improvement Requirements section to include analysis of a subdivision level improvements for typical development. Based on recent proposals submitted and entitled citywide for a range of housing types, the City's site improvement requirements do not create an undue constraint on development.
32	Constraints	Local Processing and Permit Procedures	The element lists procedural steps for permits but should also analyze the procedures for a typical single family and multifamily development complying with zoning. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and approval certainty.	Administrative vs. Discretionary Planning Permits/182-183	Expanded the analysis in the Development Review and Permitting Procedures section to include the administrative vs discretionary permitting procedures for single-family and multifamily development.
33	Constraints	Constraints on Housing for Persons with Disabilities	Reasonable Accommodation: The element describes the reasonable accommodation procedure (p. 158) but should specifically analyze decision-making criteria such as approval findings. For example, the procedure includes a decision-making factor of potential impacts on surrounding uses – a conditional use permit (CUP) finding which can act as a constraint. The element should analyze this factor and add or modify programs to address the constraint.	Reasonable Accommodation Procedures/191, Program E-10/280	Added Program E-10 to address potential constraints identified in the existing reasonable accommodation standards and procedures. As part of the 2023 comprehensive zoning code update, the City will evaluate its reasonable accommodation standards and procedures as potential constraints to accommodating persons with disabilities.
34	Constraints	Constraints on Housing for Persons with Disabilities	Group Homes: The element indicates group homes for six or less persons and seven or more persons are excluded from the A zone, unlike single family uses. The element should analyze this as a constraint and include a program to address the constraint. Additionally, group homes for seven or more persons are subject to a CUP. The element should analyze the CUP requirement and add or modify programs to address the constraint.	Transitional and Supportive Housing/178, Programs E-10/280	Added Program E-10 to address the potential constraint for group home development for more than 6 residents to require a CUP in the City. As part of the 2023 comprehensive zoning code update, the City will evaluate the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.
35	.	Nongovernmental Constraints	The element should include a discussion about requests for development at lesser densities than assumptions in the sites inventory. In addition, the element should include a discussion of the typical time between entitlement approval and requests for building permits. The discussion should address any hinderances on housing development and programs should be added as appropriate to address constraints.	Requests to Develop Below Anticipated Density/195-196	Expanded on the Requests to Develop Below the Anticipated Density section and how this affects the assumptions in the sites inventory. Added discussion of the typical time between entitlement approval and requests for building permits.
36	Constraints	Energy Conservation	The element must include analysis of energy conservation opportunities in residential development. The analysis should facilitate the adoption of housing element policies and programs. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes. For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/opportunities-energy-conservation .	Energy Conservation/201	Included an Energy Conservation section to analyze energy conservation opportunities and existing programs in residential development in the City and County.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
37	Constraints	at-risk unit	The analysis of at-risk unit must estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately and does not have to contain a project-by-project cost estimate. The analysis should also reconcile the number of at-risk units with HCD's records. HCD will send a list of at-risk properties under separate cover.	Inventory of At-Risk Units/57-58	Updated the Inventory of At-Risk Units section with HCD records and updated Table 29 accordingly.
38	Programs	Programs	As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:	Programs A-1, A-2, and A-6/254-255, 257	Included the addition of a no net loss inventory list to Program A-1; revised Program A-2 to advertise City-owned lands to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing; and added a timeline for additional programs or site identification in Program A-6.
39	Programs	Program A-2 (City-owned Lands)	The Program should go beyond reviewing parcels and commit to a schedule of actions to facilitate development, including numerical objectives.	Program A-2/255	The following was added to Program A-2: There is one City-owned site in the RHNA inventory. The City will advertise the surplus land opportunity to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing). Sites will be advertised by Q1 2025.
40	Programs	Program E-3 (Emergency Shelter Zoning)	The Program should be modified with specific commitment to amend zoning based on the outcomes of a complete analysis as noted in Finding A3. Specific commitment includes listing the actual standards that will be revised. In addition, the Program should specifically commit to permit emergency shelters without discretionary action.	Program E-3/269	Program E-3 was modified to identify specific standards and specifically commit to rezoning to allow emergency shelters in the R4 zone and 1st Street Corridor. The program now reads: The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's high density residential zoning district, R4 zone and its 1st Street Corridor. Pursuant to AB 2339, emergency shelters, and other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care, will not require a CUP or any other discretionary permit in zones designated for emergency shelters. The Zoning Ordinance will be revised to set parking requirements based on staff levels only.
41	Programs	Programs	The element must include a program(s) to assist in the development of housing affordable to lower-income households, including extremely low-income (ELI) and special needs households, as follows:	Program E-11/272	Added Program E-11 to commit to specific annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing technical assistance, and creating opportunities for density bonus beyond state law. Included affordable housing developers and developers for special needs households specifically in the annual developer roundtable meeting in Program G-1.
42	Programs	Program D-4 (Pursue Funding for Affordable Housing)	The Program should specifically commit to annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing funding, incentives and concessions beyond SDBL, fee waivers and priority processing.	Program E-11/266	Added Program E-11 to commit to specific annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing technical assistance, and creating opportunities for density bonus beyond state law. Included affordable housing developers and developers for special needs households specifically in the annual developer roundtable meeting in Program G-1.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
43	Programs	Extremely Low-income and Special Needs Households	Programs must be revised or added to assist in the development of housing for ELI and special needs households. Program actions could include assisting with funding applications, prioritizing some funding for housing developments, offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs .	Programs E-11 and G-1/272, 284	Added Program E-11 to commit to specific annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing technical assistance, and creating opportunities for density bonus beyond state law. Program G-1 was amended to specifically contact affordable housing developers and developers of special needs households for their participation in the annual developer roundtable meeting, with the goal of at least four participating in the annual roundtable.
44	Programs	Farmworkers	the element should include specific commitment to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with nonprofit developers, employers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.	Program E-11/280	Program E-7 was modified to add the following commitment: At least once a year, the City will forward information about City-owned land and other development opportunities to developers and service providers who may be interested in development more farmworker housing in Gilroy. Program E-11 was added to commit to specific annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing technical assistance, and creating opportunities for density bonus beyond state law. The City will pursue funding sources to assist special needs households, including farmworkers.
45	Programs	Programs	As noted in Finding A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.	Program E-10/278	Program E-10 was added to remove constraints on housing for persons with disabilities. The program reads as follows: As part of the 2023 comprehensive zoning code update, the City will evaluate and revise as necessary its reasonable accommodation standards and procedures as potential constraints to accommodating persons with disabilities. The City will also evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.
46	Programs	Programs	As noted in Finding A1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or income areas, place-based strategies toward community revitalization and displacement protection.	Table 57: AFFH Actions Matrix/146-153 Programs/264	Programs in the Housing Element all have actions, timelines, and where appropriate, quantified objectives and geographic targeting. Table 58 outlines all the programs, commitments, timelines, geographic targeting, and metrics as they relate to each AFFH category. This includes AFFH Programs F-1 through F-5 and outreach programs G-1 and G-5 through -7. Program A-15: ADU Ordinance Update was added to read as follows: The City worked in collaboration with HCD on its current ADU ordinance. The City will continue to work with the state to make necessary changes and ensure compliance with state law. The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. Program A-16: SB 9 Lot Splits was added to read as follows: The City will create a transparent process for processing SB 9 lot splits and post the process on the City's SB 9 webpage. The Planning Department will hold informational meetings with the building division and engineering / land development division to review the process to ensure it is adhered to in a timely manner.

#	Chapter	Topic	Comment	Section / Page Number	HEU Response / Revisions / Progress
47	Programs	Program A-6 (ADU Tracking and Monitoring)	While the Program commits to annually track ADU production, it should also track ADU affordability and should include discrete timing and specific commitment if ADU assumptions are not realized such as committing to additional incentives and rezoning within six months.	Programs A-6 and A-15/250, 263	Program A-15 was added to track ADU affordability as follows: The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. Program A-6 was modified to include the following commitment identifying discrete timing and specific commitments if ADU assumptions are not met: If annual production and affordability rates do not match the estimates included in the Housing Resources Section, the City will update the ADU strategy to ensure that the City continues to maintain adequate capacity for all income levels. In the event of an ADU shortfall that results in a net loss of units below the RHNA, the City will adopt another ADU program within six months to facilitate additional ADU production or identify additional RHNA sites from the City's No Net Loss Inventory as discussed in Program A-1. The City will hold a focus group event with local stakeholders in spring or fall 2026 if ADU production is less than 25 in year 2025 to determine appropriate ADU programs to help increase production.
48	Quantified Objectives	Quantified Objectives	While the element includes quantified objectives for new construction, rehabilitation, and conservation by income group; it should consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.	Quantified Objectives/256	Revised Table 86 to include a goal for conservation beyond just preservation numbers.
49	General Plan Consistency	General Plan Consistency	While the element discusses how internal consistency will be achieved with other elements of the general plan as part of the housing element update, it should also discuss how internal consistency will be maintained throughout the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element. For additional information and a sample program, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-consistency-general-plan-and-coastal-zone-requirements .	Relationship to Other Elements and Plans/1	Added statement to Relationship to Other Elements and Plans section that ensures the City will conduct internal consistency review required by Government Code Section 65400.
50	Water and Sewer Priority	Program E-1 (Priority Water and Sewer Service)	If the City is the water or sewer provider, the Program should specifically commit to establish a written procedure to grant priority service to developments with units affordable to lower-income households. In addition, local governments are required to immediately deliver the housing element to water and sewer service providers.	Program E-1/279	Modified Program E-1 to specify that the City shall review and update, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority. This policy is currently in place. Modified Program E-1 to state that the element will be provided to water and sewer service providers upon adoption.
51	Public Participation	Public Participation	While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation .	Public Participation/1-8	Pages 1-8 provide a detailed summary of public engagement, comments received, and specific revisions and responses to public comments. Expanded on the public participation process section to include summaries of public comments and how the comments were considered and incorporated into the Housing Element. The Housing Element includes summaries of recent outreach efforts and survey results.



HOUSING ELEMENT COMPLETENESS CHECKLIST

A Quick Reference of Statutory Requirements for Housing Element Updates Updated 1/2021

The purpose of this completeness checklist is to assist local governments in the preparation of their housing element. It includes the statutory requirements of Government Code section 65580 – 65588. Completion of this checklist is not an indication of statutory compliance but is intended to provide a check to ensure that relevant requirements are included in the housing element prior to submittal to the Department of Housing and Community Development pursuant to Government Code section 65585(b). For purposes of the Checklist the term “analysis” is defined as a description and evaluation of specific needs, characteristics, and resources available to address identified needs.

For technical assistance on each section visit [California Housing and Community Development Building Blocks Technical Assistance](https://www.hcd.ca.gov/community-development/building-blocks/index.shtml) (https://www.hcd.ca.gov/community-development/building-blocks/index.shtml)

Checklist

Public Participation

Government Code section 65583, subdivision (c)(8)

Description of Requirement	Page Number
Description of the diligent efforts the jurisdiction made to include all economic segments of the community and/or their representatives in the development and update of the housing element	1-3, 84-89
Summary of the public input received and a description of how it will be considered and incorporated into the housing element.	4-8, 88

Review and Revise

Government Code section 65588, subdivision (a)

Description of Requirement	Page Number
<u>Progress in implementation</u> – A description of the actual results or outcomes of the previous element's goals, objectives, policies, and programs (e.g. what happened).	16-32
<u>Effectiveness of the element</u> – For each program, include an analysis comparing the differences between what was projected or planned in the element and what was achieved.	16-32
<u>Appropriateness of goals, objectives, policies, and programs</u> –A description of how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from the results of the previous element. (e.g. continued, modified, or deleted.)	16-32
<u>Special needs populations</u> – Provide a description of how past programs were effective in addressing the housing needs of the special populations. This analysis can be done as part of describing the effectiveness of the program pursuant to (2) if the jurisdiction has multiple programs to specifically address housing needs of special needs populations or if specific programs were not included, provide a summary of the cumulative results of the programs in addressing the housing need terms of units or services by special need group.	11-14
<u>AB 1233 – Shortfall of sites from the 5th cycle planning period</u> – Failure to implement rezoning required due to a shortfall of adequate sites to accommodate the 5th cycle planning period RHNA for lower-income households triggers the provisions of Government Code section 65584.09.	11

Comments:

Housing Needs Assessment – Quantification and Analysis of Need
Government Code section 65583, subdivision (a)(1)(2) and section 65583.1, subdivision (d)

For information on how to credit reductions to RHNA See “Housing Element Sites Inventory Guidebook” at [HCD’s technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml)

Description of Requirement	Page Number
Population (e.g., by age, size, ethnicity, households by tenure) and employment trends	35-43
Household characteristics including trends, tenure, overcrowdings and severe overcrowding	43-53
Overpayment by income and tenure	51-52
Existing housing need for extremely low-income households	79-82
Projected housing needs: Regional Housing Needs Allocation (RHNA) by income group, including projected extremely low-income households	35
Housing stock conditions, including housing type, housing costs, vacancy rate	47-58
Estimate of the number of units in need of replacement and rehabilitation	60-61

Identification and Analysis of the Housing Needs for Special Needs Populations

Government Code section 65583, subdivision (a)(7)

Description of Requirement	Page Number
Elderly	68-71
Persons with Disabilities, including Developmental Disabilities	63-68
Large Households	71-73
Farmworkers (seasonal and permanent)	77-78
Female Headed Households	73-74
Homeless (seasonal and annual based on the point in time count)	74-76
Optional: Other (e.g. students, military)	NA

Comments:

**Affirmatively Further Fair Housing - An Assessment of Fair Housing –
Required for Housing Element due after 1/1/2021.
Government Code section 65583, subdivision (c)(10)(A)**

Part 1 Outreach

Description of Requirement	Page Number
Does the element describe and incorporate meaningful engagement that represents all segments of the community into the development of the housing element, including goals and actions?	5-8

Part 2 Assessment of Fair Housing

Description of Requirement	Page Number
Does the element include a summary of fair housing enforcement and capacity in the jurisdiction?	95-97
The element must include an analysis of these four areas: Integration and segregation patterns and trends	97-115
Racially or ethnically concentrated areas of poverty	115-121
Disparities in access to opportunity	121-136
Disproportionate housing needs within the jurisdiction, including displacement risk	136-147

Each analysis should include these components:

- ☐ Local: Review and analysis of data at a local level
- ☐ Regional impact; Analysis of local data as it compares on a regional level
- ☐ Trends and patterns: Review of data to identify trends and patterns over time
- ☐ Other relevant factors, including other local data and knowledge
- ☐ Conclusion and findings with a summary of fair housing issues

Part 3 Sites Inventory

Description of Requirement	Page Number
Did the element identify and evaluate (e.g., maps) the number of units, location and assumed affordability of identified sites throughout the community (i.e., lower, moderate, and above moderate income RHNA) relative to all components of the assessment of fair housing?	225-245
Did the element analyze and conclude whether the identified sites improve or exacerbate conditions for each of the fair housing areas (integration and segregation, racially and ethnically concentrated areas of poverty, areas of opportunity, disproportionate housing needs including displacement)?	225-245

Comments:

Part 4 Identification of Contributing Factors

Description of Requirement	Page Number
Did the element identify, evaluate, and prioritize the contributing factors to fair housing issues?	147-150

Part 5 Goals and Actions Page

Description of Requirement	Page Number
Did the element identify, goals and actions based on the identified and prioritized contributing factors?	151-152
Do goals and actions address mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for preservation and revitalization, displacement protection and other program areas?	153-162

Programs must include the following components:

- ☐ Actions must be significant, meaningful and sufficient to overcome identified patterns of segregation and affirmatively further fair housing.
- ☐ Metrics and milestones for evaluating progress on programs/actions and fair housing results.

Affordable Housing Units At-Risk of Conversion to Market Rate Government Code section 65583, subdivision (a)(9)

See [Preserving Existing Affordable Housing](https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml) (https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml)

Description of Requirement	Page Number
Provide an inventory of units at-risk of conversion from affordable to market-rate rents within 10 years of the beginning of the planning period. The inventory must list each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year.	59-60
Provide an estimate and comparison of replacement costs vs. preservation costs	60-61
Identify qualified entities to acquire and manage affordable housing	58-59
Identify potential funding sources to preserve affordable housing	61-62

Comments:

Analysis of Actual and Potential Governmental Constraints
Government Code section, 65583, subdivisions (a)(5), (a)(4), (c)(1), and section 65583.2, subdivision (c)

See “Accessory Dwelling Unit Handbook” at [HCD's Accessory Dwelling Unit Assistance page](https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml) (https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml)

Description of Requirement	Page Number
Land use controls (e.g. parking, lot coverage, heights, unit size requirements, open space requirements, Accessory Dwelling Unit (ADU) requirements, floor area ratios, growth controls (e.g., caps on units or population or voter approval requirements, conformance with the requirements of SB 330), inclusionary requirements, consistency with State Density Bonus Law and Housing Accountability Act, and consistency with zoning and development standard website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(B)).	162-178
Local processing and permit procedures (e.g., typical processing times, permit types/requirements by housing type and zone, decision making criteria/findings, design/site/architectural review process and findings, description of standards [objective/subjective], planned development process). Element should also describe whether the jurisdiction has a process to accommodate SB 35 streamline applications and by-right applications for permanent supportive housing and navigation centers.	187-196
Building codes and their enforcement (e.g., current application of the California Building Code, any local amendments, and local code enforcement process and programs)	197
On and Off-Site improvement requirements (e.g., street widths, curbing requirements)	1998-200
Fees and other exactions (e.g., list all fees regardless of entity collecting the fee, analyze all planning and impact fees for both single family and multifamily development, provided typical totals and proration to total development costs per square foot, and consistency with fee website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(A)).	191-194
Housing for persons with disabilities (e.g. definition of family, concentrating/siting requirements for group homes, reasonable accommodation procedures, application of building codes and ADA requirements, zoning for group homes and community care facilities)	196-197
Analysis of locally-adopted ordinances that directly impact the cost and supply of housing (e.g. inclusionary ordinance, short-term rental ordinance)	184-187

Comments:

An Analysis of Potential and Actual Nongovernmental Constraints

Government Code section, 65583, subdivision (a)(6)

Description of Requirement	Page Number
Availability of financing	144-145
Price of land	142-144
Cost of Construction	144
Requests to develop housing below identified densities in the sites inventory and analysis	142
Typical timeframes between approval for a housing development project and application for building permits	138-139

■ Does the analysis demonstrate the jurisdiction's action(s) to mitigate nongovernmental constraints that create a gap between planning for housing to accommodate all income levels and the construction of housing to accommodate all income levels?

Zoning for a Variety of Housing Types

Government Code section, 65583, subdivisions (a)(4), (c)(1), and subdivision 65583.2 subdivision (c)

Provide an analysis of zoning and availability of sites for a variety of housing types including the following:

Description of Requirement	Page Number
Multifamily Rental Housing	134
Housing for Agricultural Employees (permanent and seasonal) (compliance with Health and Safety Code sections 17021.5, 17021.6, and 17021.8	134
Emergency Shelters (including compliance with new development/parking standards pursuant to AB 139/Gov. Code § 65583 subd. (a)(4)(A)).	132-133
Low Barrier Navigation Centers	133
Transitional Housing	134
Supportive Housing (including compliance with AB 2162, statutes of 2019)	134
Single-Room Occupancy Units	134
Manufactured homes, including compliance with Gov. Code § 65852.3	133
Mobile Home Parks	133
Accessory Dwelling Units	130-132

Comments:

Site Inventory and Analysis

Government Code, section 65583, subdivision (a)(3), section 65583.1, subdivision

See “Housing Element Sites Inventory Guidebook” and “Default Density Standard Option” at [HCD’s technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml)

See [Site Inventory Form](https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_template09022020.xlsm) (https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_template09022020.xlsm) and [Site Inventory Form Instructions](https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_instructions.pdf) (https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_instructions.pdf)

Site Inventory – The site inventory must be prepared using the form adopted by HCD.

A electronic copy of the site inventory is due at the time the adopted housing element is submitted to HCD for review and can be sent to siteinventory@hcd.ca.gov.

Site Inventory

Description of Requirement	Page Number
<i>Sites Inventory Form Listing:</i> Parcel listing by parcel number, size, general plan and zoning, existing uses on non-vacant sites, realistic capacity, level of affordability by income group, publicly owned sites (optional).	299-301
<i>Prior Identified Sites:</i> Address whether sites are adequate to accommodate lower income needs based on identification in the prior planning period for non-vacant sites or two or more for vacant sites.	299-312
Map of sites	298

☐ Did the jurisdiction use the sites inventory form adopted by HCD?

Site Inventory Analysis and Methodology

Description of Requirement	Page Number
<i>RHNA Progress:</i> List the number of pending, approved or permitted units by income group based on actual or anticipated sales prices and rents since the beginning of the projection period	220-221
<i>Environmental Constraints:</i> Address any known environmental or other constraints, conditions or circumstances, including mitigation measures, that impede development in the planning period	203-208
<i>Appropriate density:</i> Identification of zoning to accommodate RHNA for lower-income households: - Identify zones meeting the “default” density (Gov. Code § 65583.2 subd. (c)(3)(B)) or; - Identify and analyze zones with densities less than the “deemed appropriate” (default) density that are appropriate to accommodate lower RHNA.	222-226

Comments:

Description of Requirement	Page Number
<i>Capacity:</i> Describe the methodology used in quantifying the number of units that can be accommodated on each APN: • If development is required to meet a minimum density, identify the minimum density, or; • Describe the methodology used to determine realistic capacity accounting for land use controls and site improvement requirements, typical density trends for projects of similar affordability, and current or planned infrastructure. • For sites with zones allowing non-residential uses, demonstrate the likelihood of residential development	212-214
<i>Infrastructure:</i> Existing or planned infrastructure to accommodate the regional housing need, including water, sewer and dry utilities	216-219
<i>Small and large sites:</i> Sites identified to accommodate lower RHNA that are less than one-half acre or larger than 10 acres require analysis to establish they are adequate to accommodate the development of affordable units.	226-244
<i>Affirmatively Furthering Fair Housing:</i> Identified sites throughout the community that affirmatively furthers fair housing (see page 5 of checklist)	225-244
<i>Nonvacant Sites Analysis:</i> For nonvacant sites, demonstrate the potential and likelihood of additional development within the planning period based on extent to which existing uses may constitute an impediment to additional residential development, past experience with converting existing uses to higher density residential development, current market demand for the existing use, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites	226-244
If nonvacant sites accommodate 50 percent or more of the lower-income RHNA, demonstrate the existing use is not an impediment to additional development and will likely discontinue in the planning period, including adopted findings based on substantial evidence.	225-226
Nonvacant sites that include residential units (either existing or demolished) that are/were occupied by, or subject to, affordability agreements for lower-income households within 5 years are subject to a housing replacement program. (Gov. Code § 65583.2 subd. (g)(3))	226-244

Please note: This checklist does not include new requirements related to zoning for sites accommodating the moderate and above moderate income pursuant to AB 725, statutes of 2020 as this requirement is not enacted until 2022.

Comments:

Alternative Methods to Accommodate the RHNA: Optional

Description of Requirement	Page Number
Accessory Dwelling Units: Analyze the number and affordability level of ADU units projected to be built within the planning period, including resources and incentives and other relevant factors such as potential constraints, and the likelihood of availability for rent	221-222
Existing Residential Units: number and affordability level of units rehabilitated, converted or preserved that meet the provisions of alternative adequate sites. In addition, this includes units in a motel, hotel, or hostel that are converted to residential units and made available to persons experiencing homelessness as part of a COVID-19 response and acquisition of mobile home park. If using this option, the adequate site alternative checklist must be provided.	NA
Other: Jurisdictions are encouraged to consult with HCD regarding other alternative methods options including new manufactured housing park hook-ups, floating homes/live aboard berths, conversion of military housing, adaptive reuse of commercial uses, or other housing opportunities unique to the community to ensure their adequacy to accommodate RHNA.	NA

Other Miscellaneous Requirements

Also see Technical Advisories issued by the Governor's Office of Planning and Research at: [New state legislation related to General Plans Appendix C](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) (http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [Fire Hazard Planning General Plan Technical Advice Series](http://opr.ca.gov/docs/Final_6.26.15.pdf) (http://opr.ca.gov/docs/Final_6.26.15.pdf)

Description of Requirement	Page Number
Description of the means by which consistency with the general plan will be achieved and maintained. (Gov. Code § 65583 subd. (c)(8))	173-174
Description of construction, demolition, and conversion of housing for lower- and moderate-income households within the Coastal Zone (if applicable). (Gov. Code § 65588 subds. (c) and (d))	NA
Description of opportunities for energy conservation in residential development. (Gov. Code § 65583 subd. (a)(8))	206-208
Description of consistency with water and sewer priority requirements pursuant to SB 1087 (Gov. Code § 65589.7)	206
Other elements of the general plan triggered by housing element adoption: • Disadvantaged Communities (Gov. Code § 65302.10) • Flood Hazard and Management (Gov. Code § 65302 subds. (d)(3) and (g)(2)(B)) • Fire Hazard (Gov. Code § 65302 and 65302.5) • Environmental Justice (Gov. Code § 65302 subd. (h)) • Climate Adaptation	NA

Comments:

Schedule of Actions/Programs

Government Code, section 65583, subdivisions (c)(1 – 7), and (10)

For adequate site programs See “Housing Element Sites Inventory Guidebook” at [HCD's technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (<https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>)

Program Description	Program numbers	Page number
<i>Program(s) to provide adequate sites (large/small sites, incentives for mixed use/nonvacant sites, publicly owned sites, annexation, etc)</i>	A-1 - A-16	257-267
If required: Program to accommodate a shortfall of adequate sites to accommodate the lower RHNA. This program must meet the specific criteria identified in Gov. Code § 65583.2 subd. (h) and (i).	A-1	257
If required: Program to accommodate an unaccommodated need from the previous planning period pursuant to Gov code § 65584.09		
If required: Program when vacant/nonvacant sites to accommodate lower RHNA have been identified in multiple housing elements, if needed. (Gov. Code § 65583.2 subd. (c))		
If required: Program to provide replacement units when occupied by, or deed restricted to lower-income households within the last 5 years, if needed. (Gov. Code § 65583.2 subd. (g)(3))	A-1	257
<i>Program(s) to assist in the development of housing to accommodate extremely-low, very-low, low or moderate-income households, including special needs populations</i>	A-2, A-12, D-4, E-11,12	258-284
<i>Program to address governmental and nongovernmental constraints to the maintenance, improvement, and development of housing</i>	B-1 - B-9	268-271
<i>Program(s) to conserve and improve the condition of the existing affordable housing stock</i>	C-1 , C-2	272-273

Comments:

Program Description	Program numbers	Page number
<i>Program(s) to promote and affirmative further fair housing opportunities</i>	F1 - F5	285-288
<i>Program(s) to preserve units at-risk of conversion from affordable to market-rate rents.</i>	C-1	272
<i>Program(s) to incentivize and promote the creation of accessory dwelling units that can be offered at an affordable rent.</i>	A-1,6,7,8,0,15, G-3	257-291

☐ Do programs specify specific clear commitment, meaningful actions, that will have beneficial impact within the planning period?

☐ Do programs identify timing, objectives (quantified where appropriate), and responsible parties, if appropriate for implementation?

Quantified Objectives

Government Code, section 65583, subdivisions (b)

For an example table addressing this requirement visit [California Housing and Community Development Building Blocks](https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/program-overview.shtml) (https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/program-overview.shtml)

Description of Requirement	Page Number
Estimate the number of units likely to be constructed, rehabilitated and conserved or preserved by income level, including extremely low-income, during the planning period	255

Comments:

CITY OF GILROY **HOUSING ELEMENT**

6TH CYCLE
2023 – 2031

HCD Review Draft #2
April 13, 2023



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Introduction

Purpose and Content

The City of Gilroy's 2023 – 2031 6th Cycle Housing Element has been prepared in compliance with the State of California Government Code Section 65302 and in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD). This Housing Element sets forth the City's overall housing objectives in the form of goals, policies, and programs.

Relationship to Other Elements and Plans

This Housing Element identifies goals, policies, and programs that guide housing policy for the City for the 2023 – 2031 planning period. The goals, policies, and programs are consistent with the direction of the City's other General Plan elements, specifically the Land Use Element, Potential Hazards Element, and the Environmental Justice Element. Each goal is followed by one or more policies that are designed to provide direction to the policy makers that will enable progress toward the goals. Consistency will be reviewed as part of the annual General Plan implementation progress report as required under Government Code Section 65400. As amendments are made to the General Plan, the City will also review and revise the Housing Element for ongoing consistency. Listed after a discussion of the goals and policies are the programs designed to implement the specific goals and policies.

The Housing Element goals, policies, and programs aim to:

- Encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023 – 2031 Regional Housing Needs Allocation (RHNA).
- Assist in the development of housing to meet the needs of lower- and moderate-income households.
- Address and, where appropriate and legally possible, remove governmental constraints to housing development.
- Conserve, preserve, and improve the condition of the existing affordable housing stock.
- Promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

Public Participation

The City of Gilroy made a diligent effort to encourage public participation in the development of the Housing Element. Outreach for the Housing Element update began in 2021, starting with City Council public meetings to introduce the housing element update process and to get initial

feedback on potential programs for inclusion in the housing element. The City of Gilroy also participated in a regional (virtual) outreach meeting through the Santa Clara County Collaborative that included residents and stakeholders from Gilroy, Morgan Hill, and the County of Santa Clara; approximately 20 attendees participated in the Gilroy breakout room. Targeted outreach began in January 2022. This involved engaging a diverse group of people in the planning process, including community members, stakeholders, service providers, educators, and the Planning Commission and City Council in identification of Gilroy's Housing Element housing issues and goals.

Additional details about the public outreach process can be found in the Affirmatively Furthering Fair Housing Chapter. In summary, the public participation program included:

- **Website.** An interactive housing element update website, launched in February 2022 and accessed through the City's webpage, which included a description of the project, how to provide input, workshop dates and video recordings, a link to the Housing Element update survey, FAQs, and the draft Housing Element.
- **Surveys.** A bilingual (Spanish) online community survey was heavily promoted through email list notification, project website, flyers, stakeholder interviews, community workshops, and handed out in person.
- **Stakeholder Interviews.** Four focus groups were held on Tuesday, March 29 at 1:00 p.m.; Tuesday, April 5 at 1:00 p.m.; Thursday, April 7 at 1:00 p.m.; and Tuesday, April 12 at 10:00 a.m. to gather input from community members and housing service providers.
- **Community workshops.** Two bilingual virtual community workshops were held on Wednesday, March 30, 2022 at 6:00 PM, and Tuesday, June 28, 2022 at 6:00 PM. The website was updated to include information about the community meetings and the project planner sent emails to notify individuals on the mailing list which included stakeholders, community service providers, and members of the public. The links to both the English and Spanish language presentation video recording were posted on the Housing Element Update website.
- **Equity Advisory Group Meeting.** On August 23, 2022, the City gave a presentation to the Santa Clara County Equity Advisory Committee. The purpose of the presentation was to provide a brief summary of Gilroy's demographics and housing trends, including income levels and housing inventory. The meeting also included a summary of public outreach efforts, survey results, and stakeholder feedback. Staff also introduced the draft housing goals, a snapshot of some of the proposed housing programs, and a look at the RHNA sites inventory map. The session also included questions and answers related to the Housing Element. The Equity Advisory Committee consists of 15 community-based organizations that represent and/or serve the County's diverse community. They include organizations that represent ethnic communities, provide direct services including housing assistance, or work on housing-related issues.

- **Study Session.** One bilingual joint study session with the Planning Commission and City Council was held on August 29, 2022 at 6:00 PM. All the efforts of notifying the public that were made for the two community meetings were repeated for the joint study session. The links to the presentation video recording were posted on the Housing Element Update website. The joint study session focused primarily on RHNA site strategy, housing issues, and proposed programs included in the Housing Element. It included a robust discussion of housing issues and responsive programs to meet the needs of all Gilroy residents. The meeting was well attended by both Spanish and English-speaking residents and stakeholders.
- **Public Draft Community Meeting.** One virtual community meeting was held on Tuesday, September 27, 2022 at 6:00 PM. The link to the presentation video recording was posted on the Housing Element Update website. The meeting provided the community with a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs.
- **Public Draft City Council and Planning Commission Public Hearings.** Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022 at 6:00 PM (City Council) and Thursday, October 20, 2022 at 6:00 PM (Planning Commission). The purpose of the meetings was to provide the public and the City's decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review.
- **Farmworker Outreach.** In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp. Feedback from the farmers was summarized in the Special Needs Groups section in the Housing Needs Assessment chapter of the Housing Element. The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.
- **Youth Commission and Gavilan College Outreach.** On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). City staff also asked those in attendance to complete the online housing survey and to ask their friends and older siblings to complete the survey. In an effort to reach out to the young adult community, City staff reached out to members of the Associated Students of Gavilan College (ASGC) student body.
 - Eight (8) surveys were completed by the Youth Commission and Gavilan College community.

- **Seniors Outreach.** On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. Nineteen (19) surveys were completed by seniors in attendance.
- **Intellectually and Developmentally Disabled Outreach.** On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with gathered verbal feedback from residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units for persons with disabilities.

Summary of Comments Received

During the initial outreach process (prior to the release of the public draft) the City heard comments ranging from difficulty paying rent, mortgage or down payment, homelessness, and insufficient housing supply including affordable housing, farm-worker housing, and preference on locations for future housing. Many of the programs proposed as well as the RHNA sites inventory in the 2023-2031 Housing Element reflect the community input. In summary, the community engagement and input yielded the following themes and feedback:

- **Affordability:** Participants expressed the difficulties to afford homes and rent in Gilroy and the larger region; specifically identifying first time home buyers, farm workers and seniors as key impacted groups. Participants expressed concern that Gilroy incomes are lower comparatively to the regional median; therefore, housing that may be affordable for the surrounding region may not be affordable for Gilroy residents. Program A - 11 consists of the development of an Inclusionary Housing Policy to establish inclusionary housing requirements so that new developments reserve a percentage of the total units for lower- and moderate-income households.
- **Importance of Investment in East Gilroy:** Participants noted a disparity in housing and quality of infrastructure and amenities between the east side and west side of the City. Participants noted the importance of investing in downtown to provide access to necessary resources and adequate infrastructure concurrently with housing development. Program F - 3 is included to ensure place-based investments and improvements are occurring in the eastern areas of Gilroy, especially in the downtown area.
- **Education and Outreach:** Participants expressed a lack of community engagement and education on affordable housing, accessory dwelling units (ADUs), available housing services and programs, and housing policy. Programs G - 2, G - 3, and G - 5 implement outreach and education strategies to increase community awareness about ADUs, housing resources, and available fair housing support. Program G - 4 provides focused outreach in the downtown area.

- **Prioritizing Extremely Low-Income Housing:** Participants addressed the need for prioritizing development of extremely low-income units. Additionally, residents expressed the need to prioritize the allocation of these extremely low-income units to existing Gilroy residents. Program A - 12 considers adopting a density bonus beyond the state law program that targets extremely low-income populations and other special needs. Program E - 9 is included to develop a priority system for current residents of Gilroy and individuals working in Gilroy to inhabit these special needs households.
- **Disparity of income between the City and the larger region.** The large difference between the median income in the City and the regional area median income (AMI) was frequently noted in outreach. The difference was \$33,871 (24%) in 2020. Participants expressed the inability to afford lower-income units based on the AMI category income limits. Program E - 9 is included to develop a priority system for the allocation of extremely low-income units, including prioritizing current residents of Gilroy.

A summary of outreach is also provided in the Housing Needs Assessment and Affirmatively Furthering Fair Housing chapters. For complete survey results and additional detail on outreach, see Appendix C: Outreach.

Public Comments on the September 12, 2022, Draft Housing Element Update

The City of Gilroy held a 30-day public review period on the draft Housing Element from September 12, 2022, to October 12, 2022. Twenty-two comment letters and emails were received between January and October 12. The City received two (2) additional comment letters following the end of the 30-day review period. The City of Gilroy received comments from affordable housing advocates and residents. Concerns included RHNA sites analysis, community engagement, and program enhancements. While generally supportive of the City's draft Housing Element efforts, several comments requested additional or enhanced programs as well as additional analysis or rationale on the site selection. Many of the suggested programs were included in some variation in the draft housing element. Program examples include enhancing the ADU program, seeking more grants and technical assistance, and enhancing community engagement and education.

Comments fell into several categories including:

- ADU promotion and incentives (see Program A - 6 and A - 7)
- Tools, techniques, and funding sources to increase affordable housing (see Program D - 1, D - 2, D - 3, D - 4, and D - 5)
- Streamline permit process (see Program A - 9 and B - 5)
- Provide rationale for RHNA sites and how they Affirmatively Further Fair Housing and the needs of Gilroy (addressed in the AFFH and Needs Assessment sections)

- Expand on community and stakeholder engagement process (see Program G - 1 and G - 2)
- Displacement and tenant protections (See Program F - 5)

ADUs

Commenters called for more programs and incentives for ADU production and affordability, through methods like reduction of development standards and incentives for below market rate units. Commenters also suggested funding programs for ADU production through a Community Development Financial Institutions Fund (CDFI) program. The original draft included Program A - 6 to track and monitor its ADU production to ensure that annual production matches the RHNA assumption. Program A - 7 commits the City to providing preapproved plans to expedite development review as an incentive to production. In response to public comments received on the draft, the City added a new ADU program (A - 8) which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction. The City also modified its ADU Education Program (G - 3) by including an effort to consolidate its building department and planning department ADU webpages into one so that all ADU information is in one single place online.

Affordable Housing Incentives and Funding

Several commenters expressed a desire for the City to include examples of funding sources and other tools to support and incentivize the development of affordable housing, such as grants through the Metropolitan Transportation Commission and the Association of Bay Area Governments. The original draft included Programs D - 1, D - 2, D - 3, D - 4, and D - 5 to support housing developers and homeless service providers in financing the development of affordable housing. Program D-2 was amended to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources. As noted above, the revised draft submitted to HCD also includes Program A - 8 which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction.

Permitting

A number of the letters expressed concerns regarding the development process in the City and the constraints that result from the process. Commenters recommended several strategies to improve the transparency and turn-around time for getting permits approved. The original draft included Programs B - 5 to streamline the permitting process for affordable housing and Program A - 9 that implements a new online permitting system. The revised draft submitted to HCD includes Program B - 8 which creates an Entitlement Roadmap Webpage on the City's website that provides simple and clear information on how to navigate the City's permitting process, including projects that can be approved ministerially or through a staff level administrative process.

Engagement and Education

Commenters called for a more extensive community engagement process to reach as many stakeholders as possible and keep them involved throughout the process. Commenters iterated the importance of the promotion and education on housing programs and resources and provided strategies to address this topic. The original draft included Program G - 1 and G - 2 to create education and awareness and to enhance the City community outreach strategy and relations. The revised draft submitted to HCD adds two new programs to improve engagement and education (G - 6 and G - 7). Program G - 6 consists of educating the public on homelessness, consolidating information on resources for the unhoused population, and restarting monthly meetings of the unhoused service providers group. Program G - 7 increases bilingual services and advertises the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can assist the Spanish-speaking community in the City.

Tenant Protections

Anti-displacement and tenant protections were prominent issues discussed by commenters. Several programs were suggested to address these concerns, including tenant relocation assistance, eviction reduction, security deposit limits, Fair Chance Ordinance, legal assistance, and first refusal to purchase. The City amended Program F - 5 to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy, within two years of Housing Element adoption.

Program Changes in Response to Public Comment

In response to public comment the City made a number of additions and changes to its programs during the 10-day revision period in October 2022. The following additions and changes were made to programs to accommodate the needs of the community.

- Modified Program A - 6 (ADU Tracking and Monitoring and Ordinance Updates) to include the commitment to coordinate with HCD and revise the ADU ordinance in conformance with state law.
- Added Program A - 8 (Incentives for Affordable ADUs) to develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers, upon securing adequate funding for the program.
- Modified Program A - 11 (Inclusionary Housing Policy) to include a requirement that developers market both Below-Market-Rate (BMR) units and accessible/adaptable units in developments.
- Modified Program A - 12 (Density Bonus Beyond State Law) to include households with intellectual and developmental disabilities as a special needs group to consider in the expanded density bonus program. The City also noted that the Inclusionary Policy could be structured like a Density Bonus program with incentives that are tiered by level of affordability provided.

- Added Program A - 14 (Coordination with Santa Clara Office of Supportive Housing) to continue the partnership regarding the development of affordable housing on the property at 8th and Alexander, including offering impact fee waivers.
- Added Program B - 8 (Entitlement Roadmap Webpage) to develop a website to provide clear and simple information about the City's permitting process for residential development. Information will include a flow chart, FAQs, live links, and application forms.
- Modified Program D-2 (Funding Sources to Assist Homeownership) to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources.
- Modified Program E 6 (Reduced Parking Requirements for Senior Housing) to include discussion of AB 2097 which prohibits minimum parking requirement for projects within one half-mile of public transit.
- Modified Program F - 5 (Displacement Prevention Policy) to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy.
- Modified Program G - 3 (ADU Education) committing the City to consolidate its two ADU webpages into one page, so that all ADU information is located in a single location.
- Added Program G - 6 (Unhoused Population Education and Outreach) to educate the public about the unhoused population and homelessness in the City. The program develops a dedicated website on homelessness, creates printed information for distribution at City Hall and by code enforcement officials in the field, posts resources for the unhoused population on the City website, and commits the City to restarting the unhoused service providers group meetings.
- Added Program G - 7 (Bilingual Engagement) to increase availability of bilingual outreach materials and advertise the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can converse with the City's Spanish-speaking population.

CITY OF GILROY **HOUSING ELEMENT**



6TH CYCLE
REVIEW OF PAST ACCOMPLISHMENTS

Review of Past Accomplishments

California Government Code Section 65588(a) requires that each jurisdiction review its housing element as frequently as is appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- The progress in implementation of the housing element.

According to the State HCD, the review is a three-step process:

- Review the results of the previous element's goals, objectives, and programs. The results should be quantified where possible but may be qualitative where necessary.
- Compare what was projected or planned in the previous element to what was actually achieved. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- Based on the above analysis, describe how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from results of the previous element.

Housing Production

The City of Gilroy had a total RHNA allocation of 1,088 units in the 5th Cycle. As of December 2022, 2,605 units have been permitted during the 5th Cycle, exceeding the overall allocation by 1,517 units. About 60 percent of these new units were affordable to above-moderate incomes. The City produced nearly five (5) times (490%) the low-income allocation, approximately 46% of its moderate-income allocation, and approximately 68% of its very-low income allocation. There is a remaining RHNA need of 75 very low-income units and 117 moderate income units. The following table includes data through the end of 2022, consistent with the 2022 annual progress report submitted to HCD.

Table 1: 5th Cycle RHNA Progress (2015 through 2022)

	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA Allocation	236	160	217	475	1,088
Building Permits Issued	161	785	100	1,559	2,605
Remaining Requirement	75	-	117	-	192

No Net Loss and Adequate Sites

The 2015 – 2023 Housing Element identified adequate capacity for its 5th Cycle allocation of units, identifying a surplus of 526 lower-income units and 960 above moderate- income units. Additionally, in 2020, the City updated its General Plan to increase densities for specified land use designations and allow mixed-use residential along the First Street commercial corridor. These amendments increased zoned capacity for all income levels in Gilroy.

The City reviewed its 5th Cycle sites, past approvals, and the Zoning Ordinance and determined that it has maintained adequate sites to meet the RHNA for all income levels throughout the 2015 – 2023 planning cycle.

Effectiveness at Assisting Special Needs Populations

This section reviews the City's progress on assisting populations with special housing needs during the 5th Cycle. The City has received and allocated funding to improve access to needs that improve the quality of life among seniors, the homeless, and extremely low-income households during the 2015 to 2023 planning cycle.

Funding for housing, homeless services, and special needs populations during the 5th Cycle was provided through the Community Development Block Grant (CDBG) program, CDBG CARES ACT-Corona Virus (CDBG-CV), and the Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. PLHA funding allocations were based on priorities identified in the City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan¹¹. High priority items identified in the plan include special needs services for the elderly, special need services for youth, homeless supportive services, and rehabilitation of existing affordable housing. Although the HTF will no longer be made available for public service programs or rehabilitation

¹¹ City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan.
<https://www.cityofgilroy.org/DocumentCenter/View/11526/City-of-Gilroy-2020-2025-Consolidated-Plan-and-AAP-FINAL>

purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

In the 2022 – 2023 fiscal year (FY), the City allocated \$237,000 in PLHA funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities. Another \$237,000 for the same services are allocated for the 2023 - 2024 fiscal year.

The City also allocated \$613,154 in CDBG-CV funds towards programming that would address the impacts resulting from the COVID-19 pandemic, including rental assistance, small business assistance, and food delivery.

For the 2021 – 2022 fiscal year funding cycle, the City allocated \$287,380 in CDBG funds toward community service needs, including senior services, youth services, and home repair and accessibility modification. For the 2022 – 2023 fiscal year, the City allocated \$205,452 in CDBG funds towards senior services, youth services, and home repair. Specific programs and recipients varied slightly between the two fiscal years.

In general, these programs have been successful at providing new opportunities, resources, and procedures to assist special needs populations. The City is committed to furthering fair housing and supporting special needs populations and has included several programs in its 6th Cycle Element to further address the housing needs of all groups.

Accessibility Improvements

The need to revitalize older City infrastructure, particularly accessibility for elderly persons and persons with disabilities is identified as a top priority in the City's 2020 – 2025 Consolidated Plan and 2020 – 2021 Annual Action Plan. The Consolidated Plan further identifies accessibility improvements such as wheelchair ramps, curbing, and sidewalks as one solution to this need. In November 2021, the City awarded \$70,592 in CDBG funding to a consultant to design and prepare construction documents for off-site improvements in front of the Gateway Senior affordable Apartments, located at 6500 Monterey Road. The scope of work included design of a standalone HAWK (High-Intensity Activated Crosswalk) system for safe pedestrian crossing, design of two ADA compliance curb ramps and minor concrete work, and design of new striping for pedestrian crossing and safety. The full construction cost of the CIP project is estimated to be \$314,400. For the 2022-2023 fiscal year funding cycle, the City also allocated \$145,090 in CDBG funds toward improving sidewalks and curb ramps throughout the City.

Seniors and Residents with Disabilities

The City also identifies supportive services for seniors and persons with disabilities under the Special Needs section of the 2020-2025 Consolidated Plan. As noted above, the City allocated a portion of the CDBG funds and a portion of the PLHA funds towards senior services and residents with disabilities. This included \$18,560 for the Live Oak Adult Day Care program, \$20,000 for the Silicon Valley Independent Living Center Housing Services for Gilroy Residents with Disabilities program, and \$27,000 for the Health Trust Meals on Wheels food service program. This service provides access to hot meal deliveries 5-days per week to people with disabilities and seniors who are unable to leave the house. Similarly, \$100,359 of the CDBG-CV

funds were allocated towards the local YMCA's food distribution program for homebound seniors impacted by the COVID-19 pandemic and shelter in place orders.

The Recreational Division at City Hall provides seniors access to a free Box/Dine in lunch in partnership with the YMCA at the Gilroy Senior Center on 7371 Hanna Street. Free groceries from the Second Harvest Food Bank are available at San Ysidro Park on 7700 Murray Avenue.

At-Risk Youth Services

The 2020 – 2025 Consolidated Plan also identified Gilroy's at-risk youth as a priority need for the City. Over the 2021 – 2023 (two-year) fiscal cycles, a portion of the CDBG funds discussed above were allocated towards Gilroy's at-risk youth. The Community Agency for Resources Advocacy and Services (CARAS) RYSE (Reaching our Young people to Succeed and Empower with Unlimited Potential) program received \$8,500 to provide support to at-risk young girls through crime prevention, gang intervention, youth empowerment, and recreational activities. The Boys and Girls Club Ochoa Clubhouse CORE Enrichment Program received \$8,500 to empower kids and teens to excel in school, become good community members, and lead healthy, productive lives through education, learning, the arts, health and wellness, character and leadership, sports and recreation, and workforce readiness. The Gilroy Youth Center received \$76,904 for engaging high-risk youth and their families with social, recreational and educational programs that support and enhance their quality of life through community-based recreation. The Gilroy Youth Center is a free program for income eligible residents, providing an after-school program during the school year and a day camp during the summer.

Unhoused Outreach

A portion of the PLHA funds and CDBG-CV funds discussed above was allocated towards homelessness prevention. The following agencies received PLHA Funding for FY 22-23 and FY 23-24: St. Joseph's Family Center, Homeless Prevention Services program received \$55,000; South County Compassion Center, Outreach for the Unhoused program received \$40,000; Community Agency for Resources Advocacy and Services (CARAS), Homeward Bound Homeless Prevention Services program received \$20,000; and St. Joseph's Family Center, Gilroy Street Team program received \$35,000. Through its CDBG-CV funds, the City provided \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program. This program is designed to prevent homelessness through emergency rental assistance and deposits. The funds helped very-low-income tenants who have been impacted by COVID-19 with paying a portion of their rents to avoid eviction. The Program benefited an estimated 231 low-income individuals.

Farmworkers

Due to the seasonal nature of farm work, many households have a difficult time securing safe, habitable, and affordable housing. There are 56 dwelling units within Gilroy City limits to meet the farmworker population permanent and seasonal housing needs of extremely low-income and low-income farmworkers. These units are located in the following three (3) housing developments, owned and managed by Eden Housing:

- The Trees, with 14 units
- Aspen Grove, with 24 units
- Maple Gardens with 18 units

In addition, the Santa Clara County Housing Authority (SCCHA) provides 100 farmworker housing units through the Ochoa Migrant Center, located just outside of the Gilroy City boundary. The center serves as a migrant camp 8 months out of the year (April through November) for farmworkers and their families. There are 33 three-bedroom apartments and 67 two-bedroom apartments within the 100-unit development. During the off-season (mid-December through mid-March), the Ochoa Migrant Center provides temporary housing for the unhoused.

2015 – 2023 (5th Cycle) Housing Element Programs

This section illustrates the City of Gilroy's accomplishments and status in implementing the housing programs identified for the 2015-2023 5th Cycle, as well as the continued appropriateness of each program for the 2023-2031 6th Cycle. Programs that have been successfully completed or that consist of routine staff functions are marked as "remove," as these programs are no longer necessary for the 6th Cycle. Previous programs that are continued with no or minor modifications are marked as "continue." Finally, programs marked as "modify" or "consolidate" are programs that will be continued, but have updated goals and metrics, and may involve combining multiple existing programs into a single 6th Cycle program for ease of use and streamlining.

Table 2: Review of 2015 – 2023 (5th Cycle) Housing Element Programs

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRODUCTION						
H-1.A	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the sites to developers. The City shall update the list of sites annually, or as projects are approved on the sites.	Post on website within 6 months of adoption; update annually, or as needed	The most recent Residential Vacant Land Inventory was completed in October 2022 and is available on the City's website.	Retain – modify to include clear objectives and additional developer outreach.	A - 4
H-1.B	Residential Development Ordinance	The City shall review and revise, as appropriate, the Residential Development Ordinance to ensure that it does not pose a constraint on the maintenance, improvement and development of housing; and provides capacity to meet the City's RHNA need. Furthermore, the City will encourage the development of housing that is affordable to a variety of income groups through the Residential Development Ordinance by comparing its features with the Neighborhood District Ordinance and making any changes to ensure the two policies are compatible.	Review of RDO following adoption of the New General Plan (estimated FY 2015/16)	Senate Bill 330, signed by the governor in 2019, prohibits a jurisdiction from implementing any provision that limits the number of approvals or permits or puts a cap on the number housing units that can be approved or constructed, or limits population. As a result, the Residential Development Ordinance is now null and void and will be repealed as part of the City's comprehensive zoning update in 2023.	Retain - modify: The RDO will be repealed as a part of the City's comprehensive zoning update in 2023.	B - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.C	Variety of Housing in Neighborhood Districts	The City shall review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance and making any changes to ensure the two policies are compatible and designed to reach the same goals.	Review of Neighborhood District Policy in conjunction with the New General Plan preparation (estimated FY 2015/16)	The Residential Development Ordinance is no longer in effect. The 2040 General Plan includes a new higher density Neighborhood District designation, allowing a greater range of housing types from single family detached dwellings (0-7 du/ac) to higher density multi-family dwellings (16-30du/ac).	Retain – modify the Neighborhood District policy to eliminate any references to the RDO (see discussion above) and provide standards related to the new density ranges and affordable housing requirements.	A - 5
H-1.D	Facilitate Infill Development	The City shall coordinate efforts with private and non-profit developers, and other housing related groups to encourage the construction of residential development through a menu of regulatory incentives (e.g., streamlined review and other methods that will effectively encourage infill development). The City shall monitor infill development on a biannual basis to ensure the effectiveness of programs to encourage housing development. If, based on its biannual review, the City finds that additional programs are needed to facilitate infill development, the City shall revise programs as appropriate.	Monitor biennially starting in 2016	Between January 1, 2015 and December 31, 2022, the City permitted 2,605 new residential units. The City's residential development standards are generally very permissive. For example, single-family and multi-family residential projects that comply with objective development and design standards can generally be approved through a ministerial or administrative review process, without the need for public hearings. Furthermore, multi-family development is typically built with moderate to high densities, with higher densities allowed through	Retain – modify with a program that will "Facilitate Missing Middle Housing" by streamlining the entitlement process with a ministerial process for duplexes, triplexes and quadplexes in specified areas of the City, that meet objective design standards.	A - 9

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				the State Density Bonus law.		
H-1.E	Monitor Permit Requirements, Processing Procedures and Land Use Controls	To ensure permit requirements and processing procedures do not constrain residential development, the City shall evaluate current requirements and procedures on a biannual basis. The City shall consult builders and other parties engaged in housing development activities to identify concerns. If permitting requirements are determined to be a constraint to residential development the City shall modify permitting requirements and/or procedures to address constraints, as feasible.	Biennial evaluation starting in 2016 and implement changes as appropriate	In 2020, the City awarded the contract for the purchase and implementation of a Land Management System to Tyler Technologies for the implementation of EnerGov to manage and track land development applications, business and professional licenses, special event permits, code enforcement cases, and fire prevention/pre-treatment/ hazardous materials management. The City and Tyler teams kicked off the project in September of 2020 with an anticipated "go-live" in 2023. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow. The City also continues to hold development stakeholder roundtable meetings (virtual in 2020) to maintain a dialog with the Development Community. Topics included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan.	Retain - modify by splitting into two programs. One for the Land Management System Implementation and one that is streamlining the permit process as a part of the 2023 comprehensive Zoning Ordinance update	A - 8 and B - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.F	Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Review and Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will include a definition for and regulatory standards addressing single-room occupancy units as part of the 2023 Zoning Update.	Retain - modify	E - 2
H-1.G	Study Micro-Units	The City shall conduct a study of the appropriateness of “micro-units” in Gilroy and the existing barriers in the Zoning Ordinance to the provision of micro-units. Based on the findings of the study, the City will make a determination of the appropriateness of micro-units in Gilroy and, if determined appropriate, identify methods for eliminating barriers, and establish appropriate development standards.	FY 2017/18	Not completed. The City will define “micro-units” in Gilroy as part of the 2023 Zoning Update.	Retain – modify The draft 2023 – 2031 Housing Element includes a program to develop incentives for micro-units which help contribute to the City’s affordable by design housing stock.	E - 5
AFFORDABLE HOUSING						
H.2.A	Develop Affordable Housing Incentives	The City shall review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District. Incentives and regulatory concessions may include, but are not limited to parking reductions, and reduced setbacks. The City shall also provide technical assistance, as feasible; information	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and regulatory concession biennially, starting	Partially Complete. The City continues to monitor development in the Neighborhood District areas (e.g., Glen Loma) and the Downtown Specific Plan area and provide technical assistance to potential developers. The draft 2023-2031 Housing Element includes a program to	Retain – modify The draft 2023-2031 Housing Element also anticipates new development in the downtown area including	A - 10

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		on State and Federal funding opportunities; and marketing to potential developers. The City shall continue to monitor development within the City's Downtown area on a biannual basis to ensure the implementation of the Specific Plan's policy on encouraging the development of a mix of retail, office and higher density residential uses. The City shall encourage the development of uses within the area to closely follow the recommended land use assumptions contained in the Specific Plan. If, based on its biannual review, the City finds that the proportion of residential uses to non-residential uses are not being developed as assumed in the Specific Plan, the City shall investigate additional incentives, concessions or assistance and revise programs as appropriate.	in 2016; Ongoing monitoring of development within Downtown Specific Plan.	adopt an Affordable Housing Policy. The City continues to seek grant funding to update the Downtown Specific Plan to ensure that the City's vision for the downtown is implemented.	affordable housing units	
H-2.B	Pursue Funding for Affordable Housing	The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by the Association of Bay Area Governments; • HCD Local Housing Trust Fund Program; • HUD Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by the Department	At least biennially, or as funding opportunities become available	The City evaluates funding opportunities as they arise and apply as appropriate. The City also facilitates public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.	Retain	D - 4

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		of Housing and Community Development (HCD); and The State Multifamily Housing Program (MHP), sponsored by HCD.				
H-2.C	Community Development Block Grant Program	The City shall continue to administer the Community Development Block Grant Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, public services, and public improvements. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	The City continues to administer the CDBG program and funds eligible activities as funding allows. One such activity is a housing rehabilitation program that helps low income individuals with accessibility improvements. The city has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Modification program in Gilroy. This program provides a wide range of home repair, accessibility, mobility and rehabilitation improvements for low income homeowners.	Retain	D - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.D	Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	Completed. During most of the 5 th cycle planning period, the City allocated Housing Trust funds towards housing-related activities. These activities include fair housing services, tenant landlord counseling services, and homeless prevention services. In 2022, the City replaced the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service addressing homeless basic need programs as well as programs that focus on homelessness prevention.	Retain – modify to reflect funds are from the PLHA rather than the Housing Trust Fund	D - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.E	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, and County funds. The City shall improve public outreach activities through the compilation of resources for down payment assistance, silent second mortgages, and other means of acquiring a home.	Development of resources for public dissemination by December 2015; ongoing review of additional funding sources	Partially completed. The City has posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley, an organization that helps first-time homebuyers secure Below Market Rate (BMR) down payment assistance. On December 6 and December 8, 2022, the City co-hosted Spanish and English Webinars (respectively) to educate the public on the Santa Clara County Empower Homebuyers Down Payment Assistance Program. The webinar was co-hosted with the City of Morgan Hill and the Housing Trust of Silicon Valley.	Retain - modify	D - 2
H-2.F	Section 8 Referrals	The City shall continue to provide Section 8 referral services and information to City residents. The City shall make information on the Section 8 voucher program available on the City website.	Post on website by January 2016; provide referral on an ongoing basis	Completed. The City has posted on its website a link to the Housing Authority of Santa Clara County website. Here individuals can learn more about Housing Choice voucher eligibility and determine if the current waiting list is accepting any additional households.	Retain	D - 3

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.G	Development of Housing for Extremely Low-Income Households	The City shall review and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing units for extremely low-income households. The City shall encourage and support the development of housing for extremely low-income households within future affordable housing projects through various strategies and programs that may include assistance with entitlement processing; and modifying development standards and granting concessions and incentives for projects that provide housing for lower income families.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Partially completed. The City continues to encourage developers to include extremely low-income units in their housing projects. Staff are available to meet with developers and discuss various incentives and concessions, consistent with State density bonus law.	Retain – modify by including a density bonus beyond state law with incentives for ELI households, and inclusionary housing policy.	A - 10 and A - 11
H-2.H	Water and Sewer Service Priority	The City shall review and update every five years, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority.	Review every 5 years, starting December 2015	Completed. The Gilroy collection system includes about 140 miles of sewer mains. Policies in the new 2040 General Plan provide for reliable sewer service for all residents and businesses through a cooperative effort between the City and SCRWA. The General Plan also includes policies to ensure the provision of healthy, safe water for all users in Gilroy through facilities, policies, programs, and regulations.	Retain and Modify	E - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRESERVATION AND REHABILITATION						
H-3.A	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to implement the City's Housing Rehabilitation Program. The City will continue using Community Development Block Grant (CDBG) funds to assist in the improvement of substandard housing.	Ongoing	The City currently funds a housing rehabilitation program that provides accessibility improvements to very low income households. The City has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Accessibility Modification program in Gilroy. This program will provide a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low income homeowners.	Retain	C - 2
H-3.B	Code Enforcement Program	To ensure continued maintenance of housing quality, condition, and use, the City shall continue to enforce building codes to address existing exterior and interior code violations. Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the City's Rehabilitation Loan Program and landlord/tenant information and mediation services.	Ongoing	The City continues to enforce building codes to address code violations. Code enforcement officers work with owners of units identified as substandard, offering inspection services and providing information on the City's programs and services.	Retain – modify to set quantified objective	C - 3

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-3.C	Monitoring of Units At-Risk of Converting to Market Rate	The City shall provide for regular monitoring of deed-restricted units that have the potential of converting to market rate. In order to proactively address units at-risk of conversion, the City shall develop a program to partner with non-profit housing providers and develop a preservation strategy. This strategy will at least include biennial contact with property owners of affordable units, identification of funds to purchase and preserve affordable units, noticing of tenants and technical assistance with applications for funds.	Ongoing	To date, no multi-family affordable housing units have converted to market rate or are at-risk of conversion. Many of the complexes have undergone significant rehabilitation to update and prolong the longevity of the units. The city has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program. HouseKeys will continue to evaluate the city's current multi-family affordable housing stock to determine if any developments are at-risk of conversion.	Retain	C - 1
H-3.D	Resale Control on Owner-Occupied Below Market Rate Units	The City shall continue to implement resale controls on owner-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program.	Retain	C - 4
H-3.E	Rent and Income Restrictions on Rental Below-Market Rate Units	The City shall continue to implement rent and income restrictions on rental Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program to help ensure that the homeowners and property owners are complying with affordable housing requirements.	Retain	C - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING OPPORTUNITY FOR RESIDENTS WITH SPECIAL NEEDS						
H-4.A	Housing for Large Families	The City shall review and revise the Zoning Ordinance, as appropriate, to incorporate appropriate regulatory incentives, and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families. The City shall encourage and support the development of rental housing for large families within future affordable housing projects through various strategies and programs that may include assistance with site identification and entitlement processing; and modifying development standards and granting concessions and incentives.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. The City will consider the appropriateness of regulatory incentives and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families in Gilroy as part of the 2023 Zoning Update and the 2023 – 2031 Housing Element density bonus program.	Remove and consolidate with Density Bonus Incentives program The 2023 – 2031 Housing Element includes a program to develop incentives to encourage the development of housing to accommodate the needs of large families in Gilroy.	A - 11
H-4.B	Development of Housing for Seniors	The City shall consider areas for new senior housing development, including residential care facilities, that are convenient to public transit and within walking distance to shopping and restaurants, and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing for seniors. The City shall continue to accept Senior only and Affordable Senior Housing projects through the RDO Exemption program to encourage the development of these projects.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. As noted above, the Residential Development Ordinance is no longer in effect. The City will consider areas for new senior housing development, including residential care facilities, as part of the 2023 Zoning Update.	Retain – modify. The RDO is no longer in effect. Housing for seniors is a need that will be considered and incorporated into the density bonus beyond state law	A - 11

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.C	Reduced Parking Standards for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.	Conduct study and review Zoning Ordinance (estimated FY 2015/16) (as appropriate) following adoption of the New General Plan	Not completed. The City will consider reduced parking standards for senior housing as part of the Zoning Ordinance update, which will be completed in 2023.	Retain	E - 6
H-4.D	Development and Conservation of Housing for Farmworkers	The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing. The City shall assist with requests by developers for State and Federal funding for development of multi-family housing within city limits.	Outreach to Santa Clara Housing Authority and non-profit organizations biennially starting in 2016, and identify and pursue development, as appropriate	The City maintains communication with Santa Clara County and other organizations regarding the need for farmworker housing and the potential for expanding farmworker housing in Gilroy. There is currently farm worker housing in Gilroy, including three apartment buildings (managed by Eden Housing). The Ochoa Migrant Camp (managed by EAH Housing) is just outside of city boundaries. The Ochoa Migrant camp is seasonal, following the surrounding harvest season. During the off season, it is used to accommodate un-housed families.	Retain	E - 7

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.E	Consistency with the Employee Housing Act	The City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right, without a CUP, in single-family zones for less than six persons, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	Review and amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). The zoning update will be completed in 2023.	Retain	E - 8
H-4.F	Support Homeless Service Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	Ongoing	The City provides funding to homeless service providers through both its CDBG and HTF/PLHA programs. Services include referrals to the Santa Clara County Continuum of Care program, case management, homelessness prevention and provision of basic need items. The City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Consolidate with other programs; the PLHA and CDBG funds includes funding for homelessness prevention services and homelessness assistance	D - 1 and D - 5
H-4.G	Home Access Grants	The City shall continue to administer Home Access Program to provide very low-income disabled residents with help in safely entering and exiting their homes and accessing essential areas within their homes.	Ongoing	This program was eliminated from the consolidated plan. The City continues to look at programs that can help its very-low income disabled residents, including the Home Access Program.	Remove and consolidate with Housing Rehabilitation program	C - 2

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.H	Coordinate with the San Andreas Regional Center	The City shall work with the San Andreas Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.	Initiate coordinate by 2016	The San Andreas Regional Center provides services to residents at Villa Esperanze in Gilroy.	Remove	N/A
H-4.I	Zoning Ordinance Amendments for Transitional and Supportive Housing	The City shall update the Zoning Ordinance to be fully compliant with State law and allow transitional and supportive housing in all zones that allow residential uses, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Completed. The Zoning Ordinance allows transitional and supportive housing in all residential zoning districts, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Remove	N/A
FAIR HOUSING						
H-5.A	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and improvement or removal of identified impediments. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website.	Ongoing	The City funds fair housing counseling services through its Housing Trust/PLHA Fund program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.	Retain	F - 2

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
EXPANDING OUTREACH						
H-6.A	Interagency Collaboration for Lower Cost Housing	The City shall continue participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	Ongoing	Abode Services provides a direct subsidy to one individual at the Cherry Blossom Apartments, owned by the City, through a partnership with the City and Community Solutions. The City also facilitates TEFRA hearings, as needed, to allow for the development and rehabilitation of affordable housing units throughout the City.	Consolidate – roll into programs to outreach for developers and a program to provide for rehabilitation of affordable housing units.	G - 1 and C - 2
H-6.B	Collaboration with Development Community	The City shall continue to establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and collaborative approaches to affordable housing development. The City will especially utilize the Housing Advisory Committee to address housing issues and provide outreach to the development community.	Ongoing	The City continues to establish collaborative relationships with for-profit and non-profit development companies to find innovative approaches to affordable housing development in Gilroy. The housing advisory duties now fall under the Planning Commission, a decision-making body with authority to approve or recommend approval of housing developments in Gilroy. City staff continue to provide outreach to the development community.	Retain and modify	G - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.C	Community Access to Housing Information	To ensure the Gilroy community is provided the highest level of access to information, the City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy for the delivery of housing information. The outreach strategy will consider various methods of delivery, including print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Develop housing information strategy by June 2016	The City's 2040 General Plan, adopted in November 2020, includes goals, policies, and implementation actions regarding outreach and community education efforts including various methods of delivery, such as print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy. City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Retain	G - 5
H-6.D	Annual Review of Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2022.	Remove	N/A

CITY OF GILROY

HOUSING ELEMENT



**6TH CYCLE
HOUSING NEEDS ASSESSMENT**

Housing Needs Assessment

The housing needs assessment discusses the varied needs of all segments of the community. Components that dictate housing need are population trends, demographics, employment trends, household characteristics, housing stock characteristics, housing inventory and market conditions, and preservation of at-risk units. The assessment also analyzes the housing needs of various special needs groups including elderly persons, large households, female-headed households, persons with disabilities (including developmental disabilities), homeless/unhoused persons, farmworkers, and extremely low-income households. These components are presented within the context of Gilroy, Santa Clara County, and other regional or neighboring areas as appropriate. The needs assessment guides the identification of appropriate goals, policies, and programs for the City to implement during the 2023–2031 Housing Element Cycle.

The needs assessment uses multiple data sources for analysis. Primary data sources include the 2019 American Community Survey (ACS), the 2014–2018 Comprehensive Housing Affordability Strategy (CHAS) published by the US Department of Housing and Urban Development (HUD), and the 2020 US Census. CHAS provides information related to households with housing problems, including overpayment, overcrowding, and those without complete kitchen facilities and plumbing systems. The CHAS data is based on the 2014–2018 ACS data files but differs from the standard files by including a variety of housing need variables split by HUD-defined income limits and HUD-specified household types. CHAS data uses the HUD Area Median Family Income (HAMFI), which is similar to the area median income (AMI) used by the California Department of Housing and Community Development (HCD), except that it does not utilize the income categories described below. Both the AMI and HAMFI use the same median income from the metropolitan statistical area. In Gilroy, the calculation for the San Jose/Sunnyvale/Santa Clara metropolitan statistical area is used. Tables that use HAMFI instead of AMI are noted.

Note that data from the different sources and different years may have varying estimates for totals such as population or number of households.

Some of the data is broken down by income group. HCD uses five income categories to evaluate housing need based on the AMI for each metropolitan statistical area. The AMI is used for both funding and planning purposes. The categories and their corresponding percentages of the AMI are as follows:

- Extremely low-income households, 0% to 30% of the AMI
- Very low-income households, between 31% and 50% of the AMI
- Low-income households, between 51% and 80% of the AMI
- Moderate-income households, between 81% and 120% of the AMI
- Above moderate-income households, above 120% of the AMI

Extremely low-, very low-, and low-income households may be grouped together for planning purposes and referred to as “lower-income households.”

Projected Housing Needs

California General Plan law requires that each city and county have land zoned to accommodate its fair share of the regional housing need. A local jurisdiction’s “fair share” of regional housing need is the number of additional housing units needed to accommodate the forecasted household growth, replace the loss of existing housing units, and achieve vacancy rates that contribute to a stable and healthy housing market. HCD determines the projected housing need for each region. The housing unit need as determined by HCD for the 2023–2031 planning period for the Bay Area region is 441,176 units. The Association of Bay Area Governments (ABAG) is responsible for allocating housing needs to each jurisdiction within the Bay Area region, which includes Gilroy. Housing unit allocations are divided into four income categories: very low, low, moderate, and above moderate. Gilroy’s RHNA is a total of 1,773 units, as shown in Table 3.

Table 3: Gilroy RHNA, 2023–2031

Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total	-	1,773	100%

Source: ABAG, Regional Housing Needs Allocation, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

Existing Housing Need

Demographic Characteristics

Understanding the demographic characteristics and trends in a city is an important facet of planning for the needs of a community. This section summarizes the population size, age, and racial/ethnic composition of the City of Gilroy and region.

Population Growth Trends

The City of Gilroy is one of 15 cities in Santa Clara County. Gilroy is the southernmost incorporated city in Santa Clara County and is surrounded by the unincorporated county. The 2020 US Census estimated the population of Gilroy at 59,520, an increase of over 10,500 from 2010. Table 4 displays the population trends of Gilroy and surrounding areas, including areas in southern Santa Clara County and northern Santa Cruz County. Gilroy’s population increase

was similar to Morgan Hill and Hollister, but more than double the growth rate of Watsonville and Santa Clara County as a whole.

Table 4: Regional Population Trends, 2010–2020

City	2010	2020	% Change
Gilroy	48,821	59,520	21.9%
Morgan Hill	37,882	45,483	20.1%
Watsonville	51,199	52,590	2.7%
Hollister	34,928	41,678	19.3%
Santa Clara County	1,781,642	1,936,259	8.7%

Source: US Census, 2010 and 2020.

Both the City of Gilroy and Santa Clara County continue to see steady population growth. According to the US Census and the California Department of Finance, Gilroy experienced an average annual growth rate of 1.6 percent between 2010 and 2020, which was higher than the County's average annual growth rate (AAGR) of 1 percent, as shown in Table 5. The growth rate in Gilroy remained steady in comparison to the period from 2000 through 2010, which was 1.7 percent. Table 5 compares the AAGRs of the City and County from 2000 through 2020.

Table 5: Average Annual Population Growth Rate

Jurisdiction	2000	2010	2020	2000–2010		2010–2020	
	Total Population			Population Increase	AAGR	Population Increase	AAGR
Gilroy	41,464	48,821	59,520	7,357	1.7%	10,699	1.6%
Santa Clara County	1,682,585	1,781,642	1,936,259	99,057	0.6%	154,617	1.0%

Source: Decennial Census, 2020

Age Composition

Table 6 summarizes the population's age distribution and percentage change from 2000 to 2019. Different age groups have varying housing needs that may fluctuate across the stages of life. Generally, both the young adult (20 to 34 years old) and the elderly (65 years and older) live in apartments, condominiums, and smaller single-family units. Persons over 65 may also need accommodations so that they can age in place. Persons between the ages of 35 to 65 are more likely to live in single-family homes during this stage of life, per the census estimates.² From 2010 to 2019, the largest increases in population were in age groups from 55 to 84 years of age. There was a slower rate of growth in the 25 to 34 years age group and a negative change

² https://censusreporter.org/data/table/?table=B25125&geo_ids=16000US0629504&primary_geo_id=16000US0629504.

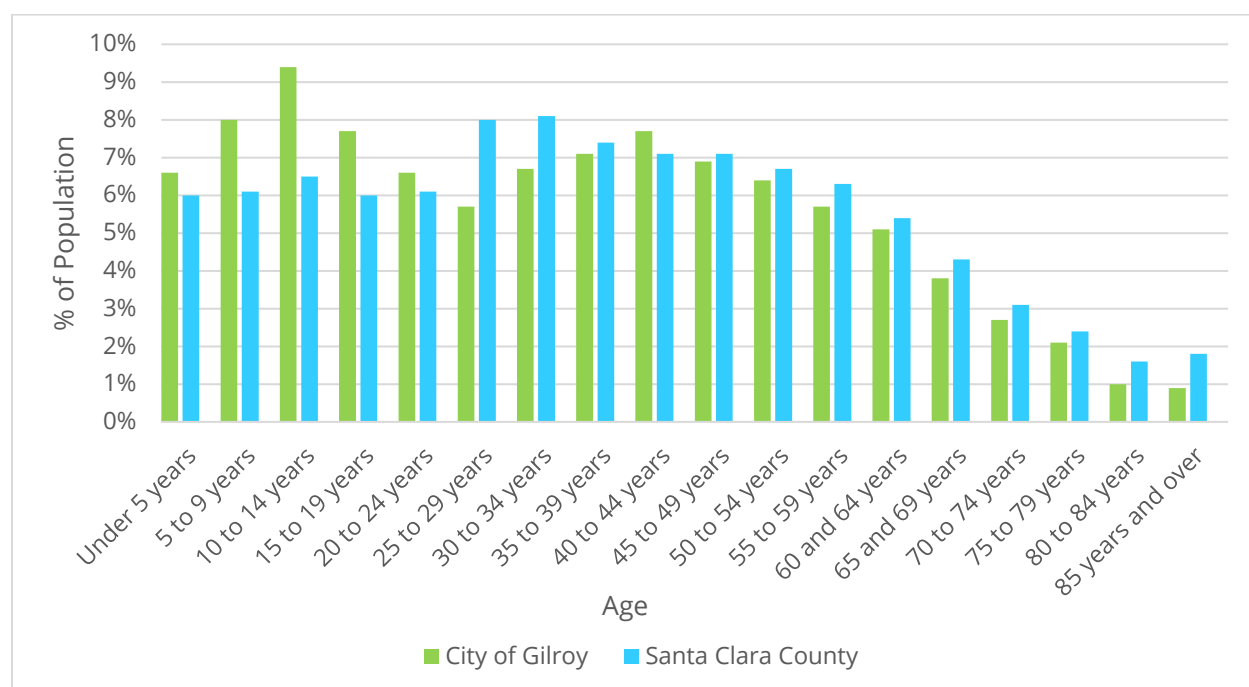
in the 4 years and younger and the 85 years and older age group. This data suggests that there is an increasing need for senior focused housing in Gilroy, which may take the form of age-restricted developments, smaller units, increased support services, and housing with proximity to healthcare.

Table 6: Population Age Distribution, Gilroy

Age Group	2000	2010	2019	% Change (2000–2010)	% Change (2010–2019)
Age 0-4	3,903	4,144	3,738	6.2%	-9.8%
Age 5-14	7,550	8,419	9,885	11.5%	17.4%
Age 15-24	6,194	6,934	8,079	11.9%	16.5%
Age 25-34	6,790	6,718	7,006	-1.1%	4.3%
Age 35-44	6,750	7,386	8,439	9.4%	14.3%
Age 45-54	4,919	6,613	7,553	34.4%	14.2%
Age 55-64	2,543	4,509	6,123	77.3%	35.8%
Age 65-74	1,522	2,326	3,656	52.8%	57.2%
Age 75-84	958	1,237	1,756	29.1%	42.0%
Age 85+	335	535	531	59.7%	-0.7%

Source: US Census 2000, 2010, 2019

Figure 1 shows the age distribution of Gilroy and Santa Clara County in 2019. The distribution is largely similar between the two. Gilroy has a higher percentage of the population that is 24 years or younger, while the County has a larger percentage of the population between 25 and 39 years of age. The County's population above 45 years of age is also higher than Gilroy.

Figure 1: Population Age Distribution, 2019

Source: ACS 2019

Race and Ethnicity

An understanding of the racial and ethnic trends in a region contributes to an analysis of housing demand. Non-White populations occupy multifamily units at a higher rate.³ Race and ethnicity characteristics also can be associated with income levels. Table 7 summarizes the racial and ethnic composition of the population in 2010 and 2019. As of 2019, 59 percent of Gilroy residents of any race were of Hispanic or Latino origin and 41 percent were Non-Hispanic. Of the Non-Hispanic population, 28 percent were white, and 9.1 percent were Asian or Pacific Islander. Between 2010 and 2019, the White Non-Hispanic population percentage declined by 3.4 percent, while the Asian or Pacific Islander population percentage increased by 2.2 percent, and the Hispanic or Latino population increased by 1.3 percent.

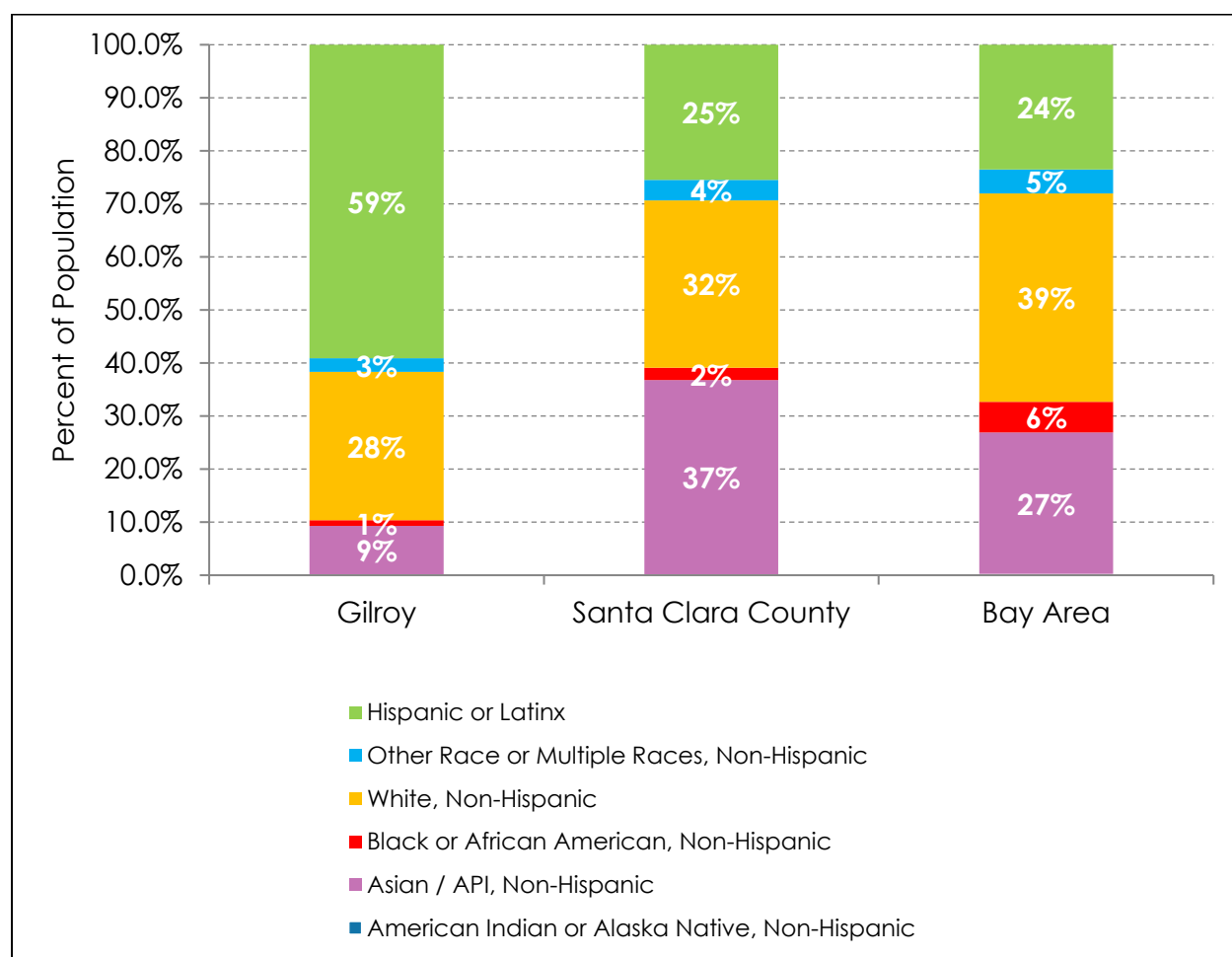
³ ACS Five Year Estimates Table B25032.

Table 7: Racial and Ethnic Composition, Gilroy

Racial/Ethnic Group	2010		2019	
	Number	%	Number	%
Not Hispanic or Latino				
White	15,335	31.4%	15,877	28%
Black	709	1.5%	610	1.1%
American Indian & Alaska Native	180	0.4%	113	0.2%
Asian or Pacific Islander	3,351	6.9%	5,160	9.1%
Some other race alone	58	0.1%	0	0%
Two or more races	974	2.0%	1,460	2.6%
<i>Subtotal</i>	20,607	42.3%	23,220	41%
Hispanic or Latino				
White	13,339	27.3%	26,640	46.9%
Black	233	0.5%	262	0.5%
American Indian & Alaska Native	651	1.3%	215	0.4%
Asian or Pacific Islander	208	0.4%	168	0.3%
Some other race alone	12,264	25.1%	4,807	8.5%
Two or more races	1,519	3.11%	1,454	2.6%
<i>Subtotal</i>	28,214	57.7%	33,546	59%
Total	48,821	100%	56,766	100%

Source: ACS 2019 Five Year Estimates.

Figure 2 displays the racial and ethnic makeup of Gilroy, Santa Clara County, and the entire Bay Area region. The racial and ethnic makeup of Gilroy varies from that of the region. Comparatively, Gilroy's Hispanic or Latino population (59 percent) is more than double that of the County (25 percent) and region (24 percent). Gilroy has a slightly smaller White, non-Hispanic or Latino population (28 percent) than Santa Clara County (32 percent) and the Bay Area region (39 percent). Gilroy's Asian/Pacific Islander population (9 percent) is also much smaller than the County (37 percent) and the region (27 percent).

Figure 2: Regional Racial/Ethnic Composition, 2019

Source: US Census Bureau, ACS 2015–2019, Table B03002.

Employment Trends

Employment trends in a region also influence housing needs. Significant employment opportunities in Santa Clara County have led to a growth in demand for housing in proximity to jobs. The quality and/or pay of available employment can determine the need for various housing types and prices.

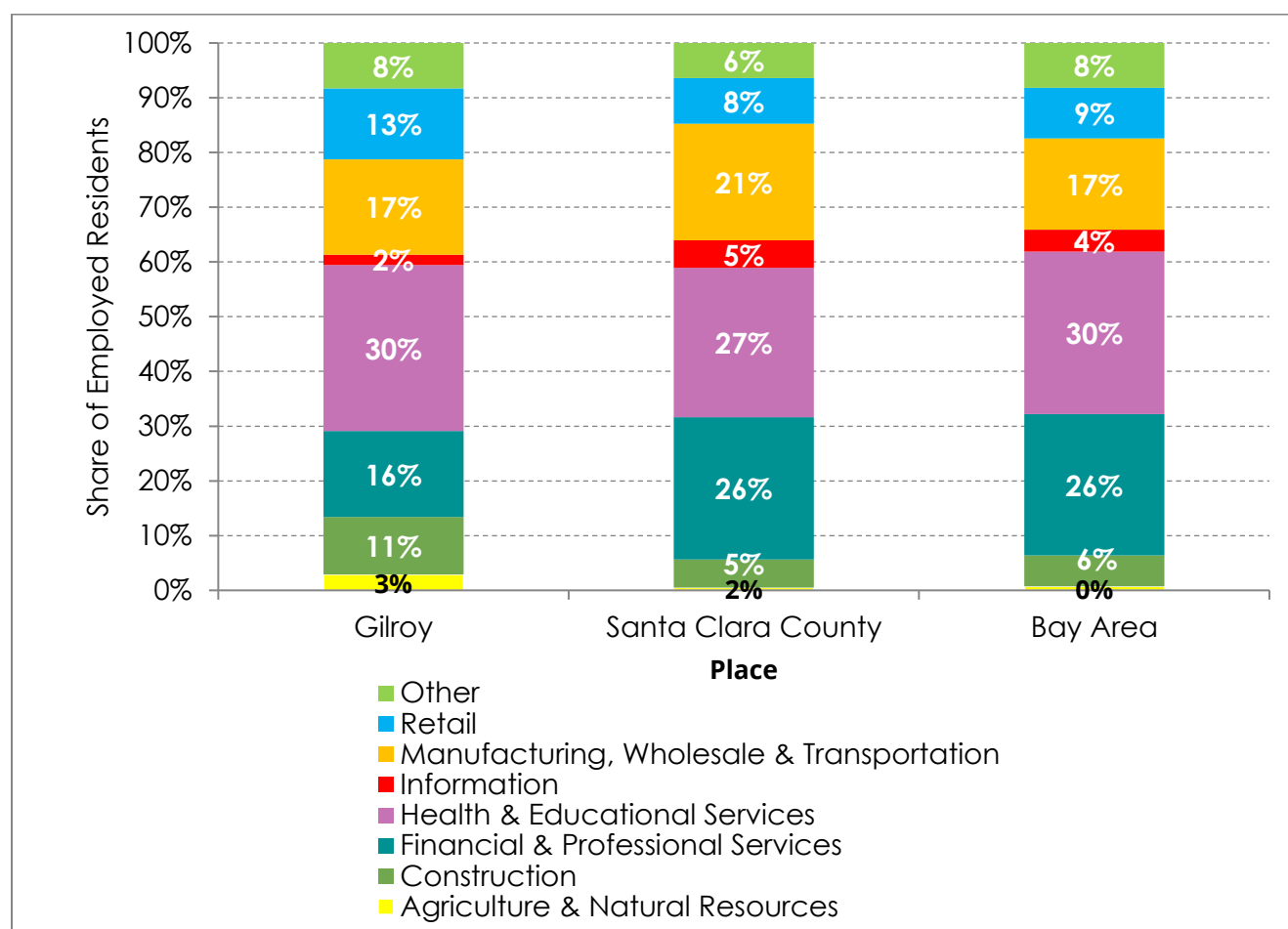
Table 8 shows the labor force and employment trends in Gilroy in 2010, 2014, and 2019. The labor force has increased by over 5,000 from 2010 to 2019. The unemployment rate increased from 2010 to 2014 but decreased from 2014 to 2019. The unemployment rate for Gilroy (3.9 percent) was higher than the County's unemployment rate (3.5 percent) in 2019, according to the 2019 census.

Table 8: Employment Trends, Gilroy

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	23,354	21,272	2,068	6.2%
2014	26,213	23,272	2,930	7.9%
2019	29,620	27,955	1,665	3.9%

Source: ACS Five Year Estimates, 2010, 2014, 2019.

Figure 3 displays the employment share by industry in Gilroy, Santa Clara County, and the entire Bay Area region. The employment by industry breakdown is similar between the City, County, and Bay Area region, with a few differences. Gilroy has a smaller percentage of workers employed in the financial and professional services than Santa Clara County and the Bay Area. It has a higher percentage of workers employed in the retail, construction, and agriculture/natural resources industries. Since there are more people in comparatively lower-paying industries, there may be an increased need for housing for low- and moderate-income households in Gilroy.

Figure 3: Regional Employment by Industry, 2019

Source: US Census ACS 2015–2019, Table C24030.

Table 9 shows the major employers in the City of Gilroy. As of 2021, Christopher Ranch is the largest single employer in Gilroy with 780 employees. Other large employers in Gilroy include Saint Louise Hospital (535 employees), Gavilan College (450 employees), and Olam International (400 employees).

Table 9: Major Employers, 2021

Company	Number of Employees
Christopher Ranch	780
Saint Louise Hospital	535
Gavilan College	450
Olam International	400
Walmart	360
Community Solutions	323
Costco	272
Rebekah Children Services	240
Monterey Gourmet Foods	230
United Natural Foods Inc	205
Kaiser Permanente	175
Headstart Nursery	165

Source: Gilroy Chamber of Commerce, 2021.

Household and Housing Stock Characteristics

This section describes Gilroy's household characteristics, including data on household size, income, median sale prices, rental prices, and vacancy rates. The US Census Bureau defines a family as related persons living within a single housing unit. The US Census Bureau defines a household as all persons living in a single housing unit, whether they are related or not. A household can be one person, a single family, multiple families, or any group of related or unrelated persons.

As shown in Table 10, the number of households in Gilroy continues to grow at a faster pace than the County and the State. In 2019, the US Census Bureau reported 16,126 households in Gilroy, a 13.8 percent increase from 2010. In comparison, total households in Santa Clara County increased by 6 percent between 2010 and 2019, while total households in California increased by 3.7 percent.

Table 10: Change in Households, 2000–2019

Area	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
Gilroy	11,894	14,175	16,126	19.2%	13.8%
Santa Clara County	565,863	604,204	640,215	6.8%	6.0%
California	11,502,870	12,577,498	13,044,266	9.3%	3.7%

Source: US Census 2000, 2010, 2019.

The average number of persons per household in Gilroy was 3.5 in 2020, an increase from 2010. As shown in Table 11, the average number of persons per household in Gilroy continues to be higher than the State and County average by 0.5 persons.

Table 11: Regional Average Household Size

Geography	2010	2020
Gilroy	3.4	3.5
Santa Clara County	2.9	3.0
California	2.9	3.0

Source: US Census 2010 SF1, DP-1 and US Census 2020.

Table 12 shows the household size distribution of Gilroy, Santa Clara County, and the Bay Area region. Gilroy has a lower percentage of one-person households (14.5 percent) than Santa Clara County (20.3 percent) and the Bay Area region (24.7 percent). Gilroy's percentage of 2- and 3-4 person households is similar to the County and region, while the City's percentage of households with 5 or more people (24.3 percent) is nearly twice that of Santa Clara County (12.4 percent). The high proportion of large households influences the needs for a variety of larger unit types and may correlate with some presence of overcrowding.

Table 12: Household Size Distribution, 2019

Geography	1 Person	%	2 Person	%	3-4 Person	%	5 Person or More	%	Total
Gilroy	2,345	14.5%	4,353	27%	5,512	34.2%	3,916	24.3%	16,126
Santa Clara County	130,090	20.3%	196,510	30.7%	234,061	36.6%	79,554	12.4%	640,215
Bay Area	674,587	24.7%	871,002	31.9%	891,588	32.6%	294,257	10.8%	2,731,434

Source: US Census Bureau, ACS 5-Year Data (2015-2019), Table B11016-H2.

The median household income for Gilroy in 2019 was \$101,616, an increase of over \$25,000 from the median income of \$76,060 in 2012. However, Gilroy's 2019 median household

income (\$101,616) was about \$22,439 less than the 2019 median income for the County (\$124,055). In the City, the median income for owner-occupied households (\$134,115) was significantly higher than the median income for renter-occupied households (\$60,022) in 2019.

Table 13: Median Household Income by Tenure, 2019

Jurisdiction and Tenure	2019 Median Income
City of Gilroy	\$101,616
Owner-Occupied Households	\$134,115
Renter-Occupied Households	\$60,022
Santa Clara County	\$124,055
Owner-Occupied Households	\$155,139
Renter-Occupied Households	\$91,265

Source: ACS 2019 Table B25119.

The State of California uses five income categories to determine eligibility for housing programs based on area median income (AMI) for a family. Because eligibility is based on the AMI for a 4-person household in Santa Clara County, cities such as Gilroy, which have a lower median income than the AMI, will have more residents that qualify for housing programs. However, many low-income families in Gilroy have difficulty paying for housing even with housing program subsidies, which are based on the County AMI. In 2019, Gilroy's median income (\$101,616) was \$22,439 less than the Santa Clara County AMI (\$124,055) at that time.

This disparity is in part due to the fact that Gilroy is located farther from high-paying technology and finance jobs in the Bay Area and Silicon Valley than the remainder of Santa Clara County jurisdictions. Table 14 shows the State-defined income ranges for each income category based on the 2022 Santa Clara County AMI of \$168,500 for a household of four, a significant increase from 2019.

Table 14: Income Range by Affordability Level Based on State Area Median Income, 2022

Affordability Category	% of County Median	Income Range
Extremely Low Income	30%	≤ \$50,550
Very Low Income	31%-50%	\$50,550 ≤ \$84,250
Low Income	51%-80%	\$84,250 ≤ \$131,750
Moderate Income	81%-120%	\$131,750 ≤ \$202,200
Above Moderate Income	> 120%	> \$202,200

Source: California Department of Housing and Community Development, 2022.

Table 15 uses HUD HAMFI. As discussed above, the difference between HAMFI and AMI is that HAMFI is a HUD-defined term that does not utilize HCD income categories. Table 15 provides a breakdown of income level by tenure in Gilroy, using the 2014–2018 CHAS data. The table

shows that just under 40 percent of households in Gilroy are renter-occupied, compared to 43.2 percent of households in the County. In Gilroy, 42.5 percent of the population falls into the extremely low-, very low-, and low-income categories, highlighting the need for affordable housing options in the City.

Table 15: Household Income by Tenure, 2018

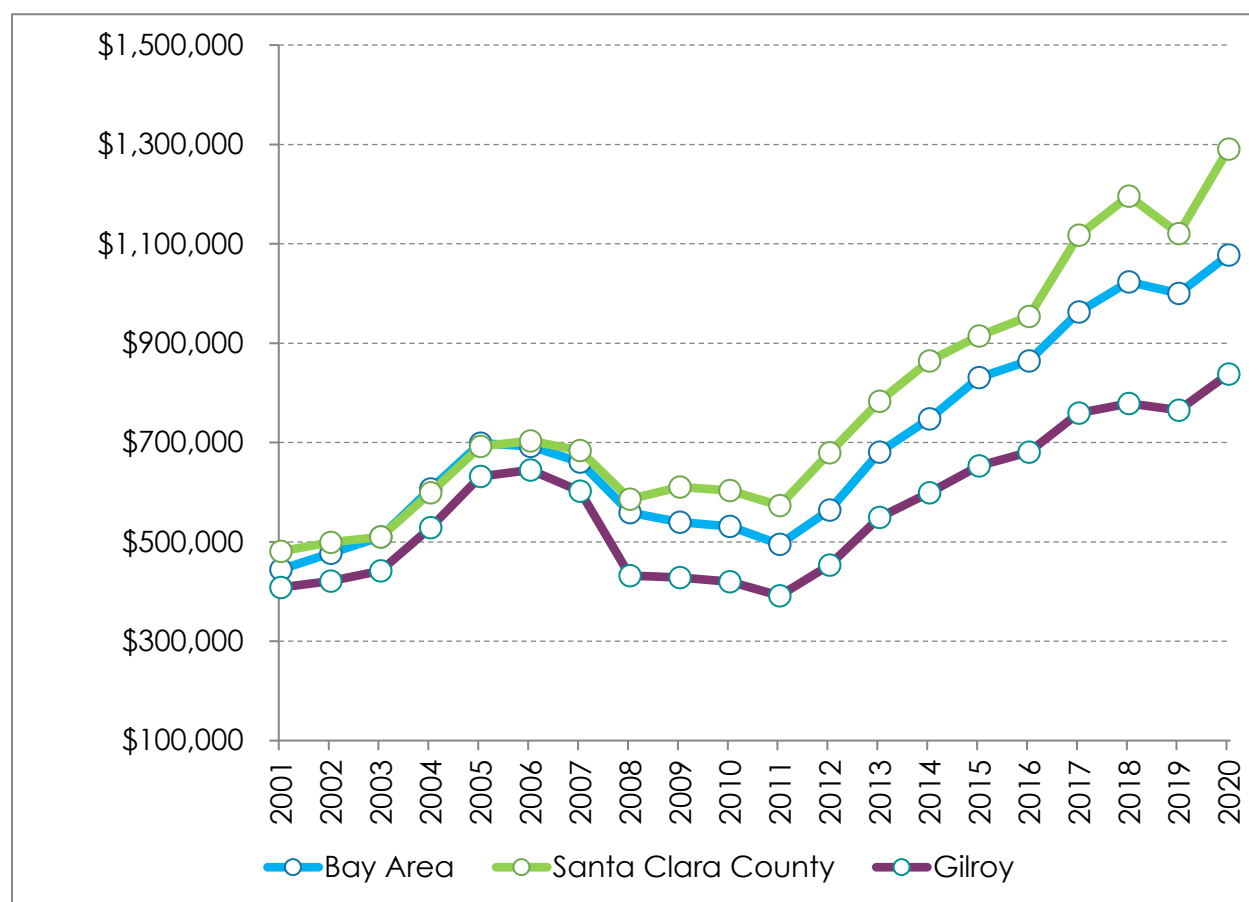
Income Level	Renter-Occupied		Owner-Occupied		Total Occupied Housing Units	
	Number	%	Number	%	Number	%
City of Gilroy						
Less than or equal to 30% of HAMFI	1,995	12.3%	644	4.0%	2,639	16.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,340	8.3%	894	5.5%	2,234	13.8%
Greater than 50% but less than or equal to 80% of HAMFI	1,040	6.4%	965	6.0%	2,005	12.4%
Greater than 80% but less than or equal to 100% of HAMFI	605	3.7%	1,035	6.4%	1,640	10.1%
Greater than 100% of HAMFI	1,420	8.8%	6,259	38.6%	7,679	47.4%
Total	6,400	39.5%	9,797	60.5%	16,197	100.0%
Santa Clara County						
Less than or equal to 30% of HAMFI	55,360	8.7%	27,980	4.4%	83,340	13.1%
Greater than 30% but less than or equal to 50% of HAMFI	35,920	5.7%	27,635	4.3%	63,555	10.0%
Greater than 50% but less than or equal to 80% of HAMFI	34,260	5.4%	32,440	5.1%	66,700	10.5%
Greater than 80% but less than or equal to 100% of HAMFI	24,640	3.9%	28,655	4.5%	53,295	8.4%
Greater than 100% of HAMFI	124,680	19.6%	243,955	38.4%	368,635	58.0%
Total	274,860	43.2%	360,665	56.8%	635,525	100.0%

Source: HUD 2014-2018 CHAS data.

Median Home Sales Price

Figure 4 shows the change in home prices in Gilroy, Santa Clara County, and the Bay Area region from January 2001 to December 2020. While each geography follows the same general trend over time, Gilroy home prices are lower than the other two geographies. Notably starting after 2005, Santa Clara County home prices trend higher than the Bay Area region on average. After 2007, the housing market slowdown affected home sale prices in Gilroy, which decreased by approximately 50 percent between mid-2007 and early 2012. Since 2012, the median sales prices for new and resale homes in Gilroy have steadily increased, with a minor dip at the start of the COVID-19 pandemic. However, Gilroy home prices remain significantly lower than the County. As shown in Table 16, the November 2021 median home price in Gilroy (\$1,000,000) was \$405,000 less than Santa Clara County (\$1,405,000).

Figure 4: Regional Home Prices Over Time, 2001–2020



Source: Zillow.com, 2020.

As shown in Table 16, the median home price in Gilroy increased almost 20% in a one-year period, from \$835,000 in November 2020 to \$1,000,000 in November 2021. Comparatively, the median sales price in Santa Clara County increased by 15 percent. Since a household can typically qualify to purchase a home that is 2.5 to 3.0 times the annual income of that household, Gilroy's median income of \$101,616 in 2019 implies that the median sales price

should have been around \$305,000. Looking ahead, the \$1,000,000 median sales price in November 2021 indicates a high potential of cost burden in the City.

Table 16: Zillow Home Value Index, 2020 and 2021

Jurisdiction	November 2020	November 2021	% Change
Gilroy	\$835,000	\$1,000,000	20%
Campbell	\$1,420,000	\$1,640,000	15%
Santa Clara	\$1,380,000	\$1,560,000	13%
San Jose	\$1,120,000	\$1,330,000	19%
Morgan Hill	\$1,050,000	\$1,260,000	20%
Santa Clara County	\$1,225,000	\$1,405,000	15%

Source: Zillow Housing Market Data, 2021.

Rental Prices and Affordability

Table 17 summarizes the average monthly rent of market-rate housing in Gilroy by unit size in 2021. According to Zumper, the average rental rate for a one-bedroom unit was \$1,850; a two-bedroom unit was \$2,285; and a three-bedroom unit was \$3,100.

Table 17: Average Monthly Rent by Unit Size, 2021

Unit Size	Average Monthly Rent
Studio	\$1,600
1 bedroom	\$1,850
2 bedrooms	\$2,285
3 bedrooms	\$3,100
4 bedrooms	\$3,775

Source: Zumper, August 2021.

Using the assumption that any rent that exceeds 30 percent of household income renders the resident cost-burdened, Table 18 shows the maximum monthly rent that a household in Santa Clara County (including Gilroy) can afford based on income and the number of bedrooms in the household.

Table 18: Maximum Affordable Rent by Income, Santa Clara County

Unit Size	Income (hourly)	Income (annually)	Income (monthly)	Maximum Affordable rent (30% of income)
Studio	\$42.85	\$89,120	\$7,426.67	\$2,228
One Bedroom	\$49.19	\$102,320	\$8,526.67	\$2,558
Two Bedroom	\$58.67	\$122,040	\$10,170	\$3,051
Three Bedroom	\$76.62	\$159,360	\$13,280	\$3,984
Four Bedroom	\$88.33	\$183,720	\$15,310	\$4,593

Source: National Low Income Housing Coalition. Out of Reach 2021.

Table 19 shows the maximum affordable monthly rent by affordability category.

Table 19: Maximum Affordable Monthly Rent by Income Category

Affordability Category	% of County Median	Income Range	Maximum Affordable Monthly Rent
Extremely Low Income	30%	≤ \$50,550	\$1,264
Very Low Income	31%-50%	\$50,550 ≤ \$84,250	\$2,106
Low Income	51%-80%	\$84,250 ≤ \$131,750	\$3,294
Moderate Income	81%-120%	\$131,750 ≤ \$202,200	\$5,055
Above Moderate Income	> 120%	> \$202,200	-

Source: California Department of Housing and Community Development, 2022.

Current average rents in Gilroy (Table 17) would allow a moderate-income household, making \$131,750, to afford a rental unit of most any size, since such households can afford up to \$5,055 in rent. However, extremely low-income households would likely be cost-burdened in any size unit, since the maximum rent they can afford would be \$1,264 (less than the rent for a studio apartment). The average monthly rent for a two-bedroom unit in Gilroy (\$2,285) would be unaffordable to a four-person household in the extremely low- and very low-income groups, as shown in Table 19. This disparity leads to overcrowding, which is discussed later in this chapter. The disparity between incomes and housing costs indicates a need for more housing options at a variety of sizes available, especially to households below the AMI.

Vacancy Rates

Vacancy rates are indicators of housing supply and demand that reflect the degree of housing choice that is available. Higher vacancy rates can induce downward price pressure, while low vacancy rates can influence upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find housing. For rental units, a 7 to 8 percent vacancy rate is considered “healthy”. For owner-occupied housing, a vacancy rate of 2 percent or below is considered “healthy.” In 2013, the vacancy rate in Gilroy was 4.6 percent, decreasing to 2.9 percent in 2019. Table 20 summarizes the number of occupied and vacant units in Gilroy from 2013 to 2019.

Table 20: Occupancy Rates

Occupancy Status	2013	%	2019	%
Occupied Housing Units	14,657	95.4%	16,126	97.1%
Vacant Housing Units	701	4.6%	482	2.9%
Total Housing Units	15,358	100%	16,608	100%

Source: ACS 5 Year Estimates, 2013 and 2019.

Overpayment

Overpayment is defined as households paying more than 30 percent of their gross income on housing-related expenses, including rent or mortgage payments and utilities. Severe overpayment occurs when households pay 50 percent or more of their gross income for housing. Households paying greater than 30 percent of their gross income on housing-related expenses are considered cost burdened. Higher costs for housing may contribute to households having a limited ability to cover other everyday living expenses. The impact of housing costs is more apparent for extremely low-, very low-, and low-income households, and especially renter households.

Table 21 illustrates housing cost as a percentage of household income by tenure, showing the number and percentage of households that are experiencing cost burden and severe cost burden for both Gilroy and Santa Clara County. In 2018, 9,079 Gilroy households, or 56.3 percent, experience some form of overpayment, with 18.1 percent of households experiencing severe overpayment. This is an increase of 1,769 households from 2012. At about 56.3 percent, Gilroy experiences overpayment at a slightly higher rate than the County, where 50.2 percent of households experience some sort of overpayment.

Table 21: Housing Cost as a Percentage of Household Income, 2018

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
City of Gilroy: Owner Households						
Less than or equal to 30% of HAMFI	645	4.0%	470	2.9%	400	2.5%
Greater than 30% but less than or equal to 50% of HAMFI	895	5.6%	550	3.4%	330	2.0%
Greater than 50% but less than or equal to 80% of HAMFI	975	6.1%	465	2.9%	240	1.5%
Greater than 80% of HAMFI	7,305	45.4%	1,160	7.2%	165	1.0%
Total	9,820	61.0%	2,645	16.4%	1,135	7.0%
City of Gilroy: Renter Households						
Less than or equal to 30% of HAMFI	1,885	11.7%	1,590	9.9%	1,230	7.6%
Greater than 30% but less than or equal to 50% of HAMFI	1,339	8.3%	979	6.1%	395	2.5%
Greater than 50% but less than or equal to 80% of HAMFI	1,030	6.4%	590	3.7%	165	1.0%
Greater than 80% of HAMFI	2,029	12.6%	350	2.2%	0	0.0%
Total	6,283	39.0%	3,509	21.8%	1,790	11.1%
Santa Clara County: Owner Households						

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%
Greater than 50% but less than or equal to 80% of HAMFI	32,435	5.2%	15,680	2.5%	6,870	1.1%
Greater than 80% of HAMFI	272,605	43.3%	46,610	7.4%	7,635	1.2%
Total	358,625	57.0%	98,425	15.6%	40,900	6.5%
Santa Clara County: Renter Households						
Less than or equal to 30% of HAMFI	51,035	8.1%	45,275	7.2%	35,590	5.7%
Greater than 30% but less than or equal to 50% of HAMFI	35,940	5.7%	29,750	4.7%	15,250	2.4%
Greater than 50% but less than or equal to 80% of HAMFI	34,270	5.4%	21,565	3.4%	5,615	0.9%
Greater than 80% of HAMFI	149,320	23.7%	22,390	3.6%	1,165	0.2%
Total	270,565	43.0%	118,980	18.9%	57,620	9.2%

Source: HUD 2014-2018 CHAS data.

Overcrowding

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding.

Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Table 22 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households in Gilroy, roughly 9.2 percent, were experiencing overcrowding in 2019. This included 347 owners and 1,135 rental households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 22: Overcrowded Households, 2019

Persons per Room	Owners		Renters		Total	
	Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
City of Gilroy						
1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
>1.50	62	0.4%	470	2.9%	532	3.3%
Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County						
1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: ACS 2019 Table B25014.

Housing Inventory and Market Conditions

This section discusses the housing stock and market conditions in Gilroy, including change in housing units, unit size, unit type, age of housing stock, and housing conditions. By analyzing past and current housing trends, future housing needs can be assessed.

Table 23 summarizes the number of housing units in the City and County from 2000 to 2019. In 2000, Gilroy had 12,167 housing units. By 2010, the number of housing units increased to 14,854, and in 2019 the Census reported 16,608 housing units in the City. According to the California Department of Finance, 2.5 percent of housing units in the County are within Gilroy's boundaries, representing an increase of 0.4 percent from 2000 to 2019.

Table 23: Housing Units, 2000–2019

Year	Gilroy	Santa Clara County	Gilroy as % of Total Santa Clara County Units
2000	12,167	579,329	2.1%
2010	14,854	631,920	2.4%
2019	16,608	672,495	2.5%

Source: US Census 2000 SF3, H1, US Census 2010 SF1, H1, and Department of Finance Table E-5, 2019.

Table 24 summarizes Gilroy's distribution of unit size by tenure in 2019. The most common unit size for renter-occupied units was two-bedroom units, followed by three-bedroom units. Owner-occupied units had more bedrooms, on average, than renter-occupied units.

Table 24: Unit Size by Tenure, 2019

Unit Size	Owner-Occupied		Renter-Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
No bedroom	15	0.1%	218	1.4%	233	1.5%
1 bedroom	126	0.8%	972	6%	1,098	6.8%
2 bedrooms	632	3.9%	2,601	16.1%	3,233	20%
3 bedrooms	3,895	24.2%	1,481	9.2%	5,376	33.4%
4 bedrooms	4,016	24.9%	685	4.2%	4,701	29.1%
5 or more bedrooms	1,230	7.6%	255	1.6%	1,485	9.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25042.

Table 25 summarizes Gilroy's housing inventory by unit type from 2000 to 2021. From 2010 to 2021, the number of units for all housing types increased, except for single-family attached units and mobile homes, which remained the same at 887 and 317 units, respectively. The US Census defines single-family attached houses as houses running together or that are attached, such as townhomes⁴. In 2021, there were 11,739 single-family detached units in Gilroy,

⁴ US Census Appendix A. Subject Definitions and Table Index. <https://www2.census.gov/programs-surveys/ahs/2017/2017%20AHS%20Definitions.pdf>

comprising the largest percentage of housing stock, at almost 70 percent. Multifamily housing made up just over 23 percent of the housing stock with 3,883 units.

Comparatively, Santa Clara County had fewer detached single-family housing units (51.7 percent) and more multifamily housing units (35.8 percent) in 2021.

Table 25: Housing Inventory by Unit Type

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
City of Gilroy						
Single family, detached	7,768	63.8%	9,997	67.3%	11,739	69.8%
Single family, attached	742	6.1%	887	6.0%	887	5.3%
Multifamily	3,225	26.5%	3,653	24.6%	3,883	23.1%
Mobile homes	432	3.6%	317	2.1%	317	1.9%
Total Housing Units	12,167	100%	14,854	100%	16,826	100%
Santa Clara County						
Single family, detached	323,923	55.9%	344,586	54.5%	351,726	51.7%
Single family, attached	52,736	9.1%	61,517	9.7%	66,146	9.7%
Multifamily	182,999	31.6%	206,779	32.7%	243,502	35.8%
Mobile homes	19,102	3.3%	19,038	3.0%	18,924	2.8%
Total Housing Units	578,760	100%	631,920	100%	680,298	100%

Source: US Census 2000 SF3, H30 and California Department of Finance Table E-5, 2010 and 2021.

Table 26 displays occupied housing units by tenure in Gilroy in 2019.⁵ The majority of owner-occupied housing units were single-family detached units (82.3 percent), while renter-occupied units were predominantly multifamily (96.7 percent).

⁵ This excludes vacant housing units.

Table 26: Unit Type by Tenure, 2019

Building Type	Owner Occupied	%	Renter Occupied	%	Total
Detached Single-Family Homes	8,967	82.3%	1,933	17.7%	10,900
Attached Single-Family Homes	398	41.6%	559	58.4%	957
Multifamily Housing	125	3.3%	3,615	96.7%	3,740
Mobile Homes	424	80.2%	105	19.8%	529

Source: ACS 2019 Table B25032.

Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs. The number of housing units in need of repair and replacement is discussed separately in this chapter. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and community development.

Table 27 summarizes the age of housing stock by tenure in 2019. Approximately 56.2 percent of units were built prior to 1990 and 19.9 percent of units were built before 1970. The City has seen very little rental family housing stock built within the past two decades: only 1,092 rental units were built between 2000 and 2019, compared to 3,112 new owner-occupied units. This disparity in building ages by tenure indicates a need for new rental housing options.

Table 27: Tenure by Housing Age

Year	Tenure: Owner		Tenure: Renter		Total	
Built 2014 or later	764	4.7%	32	0.2%	796	4.9%
Built 2010 to 2013	383	2.4%	226	1.4%	609	3.8%
Built 2000 to 2009	1,965	12.2%	834	5.2%	2,799	17.4%
Built 1990 to 1999	1,570	9.7%	1,290	8%	2,860	17.7%
Built 1980 to 1989	1,388	8.6%	1,145	7.1%	2,533	15.7%
Built 1970 to 1979	1,887	11.7%	1,428	8.9%	3,315	20.6%
Built 1960 to 1969	724	4.5%	477	2.9%	1,201	7.5%
Built 1950 to 1959	642	3.6%	216	1.3%	858	5.3%
Built 1940 to 1949	223	1.4%	90	0.6%	313	1.9%
Built 1939 or earlier	368	2.3%	474	2.9%	842	5.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25036.

Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living defined in the California Health and Safety Code. Substandard housing units include those in need of repair and/or replacement. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threats to health and safety.

A household is considered substandard, or to have a housing problem, if it has one or more of the four following housing problems:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. Table 28 summarizes the number of units lacking plumbing or complete kitchen facilities. According to the 2019 ACS three-year estimates, 47 occupied units in Gilroy lacked complete plumbing facilities. Of these, 23 were owner occupied and 24 were renter occupied. A total of 49 units lacked complete kitchen facilities. Of those, 16 were owner-occupied and 33 were renter-occupied. It should be noted that there is potential for overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities.

Table 28: Units Lacking Plumbing or Complete Kitchen Facilities, 2019

Units	Owner Occupied	% of Total Units	Renter Occupied	% of Total Units	Total	% of Total Units
Lacking Complete Plumbing Facilities	23	0.2%	24	0.2%	47	0.3%
Lacking Complete Kitchen Facilities	16	0.1%	33	0.2%	49	0.3%

Source: ACS 2019 B25049 and B25053.

Local Data

Code enforcement activities in the City of Gilroy are conducted by two Code Enforcement officers. From July 1, 2021 to June 30, 2022, code enforcement responded to 78 complaints about substandard housing conditions or other issues reported by residents. The majority of neighborhood complaints related to issues other than substandard housing conditions, including a person living in an RV, junk in the front yard, trash dumped in the alley, and illegal garage conversion. The City estimates that about 2 percent of housing, or about 320 units in the City, are in need of significant rehabilitation or replacement.

In the 2021–2022 fiscal year, the City utilized CDBG funds to address housing-related issues in Gilroy. The City allocated \$140,000 in CDBG funds to Rebuilding Together Silicon Valley for the home repair, rehabilitation, and accessibility modification program. The City also allocated \$81,475 in CDBG funds toward rehabilitation of the Cherry Blossom affordable housing development; \$124,090 in competitive awards for services related to homelessness, affordable housing, and special needs housing; and \$54,330 for services addressing fair housing, tenant-landlord information and referral, and foreclosure counseling.

Preservation of Assisted Units At Risk of Conversion

Jurisdictions are required by state Housing Element law to analyze government-assisted housing that is eligible to convert from low-income to market-rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government-assisted housing might convert to market-rate housing for a variety of reasons, including expiring subsidies, required mortgage repayments, or expiration of affordability restrictions.

Qualified Entities

Under Government Code Section 65863.11, owners of federally assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to qualified entities (nonprofit or for-profit organizations) that agree to preserve the long-term affordability if they should acquire at-risk projects at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. Qualified entities are nonprofit or for-profit organizations with the legal and managerial capacity to acquire and manage at-risk

properties, and which agree to maintain the long-term affordability of projects. The following is a list of qualified entities from HCD for Santa Clara County that could potentially acquire and manage properties if any were at risk of converting to market rate in the future.

- Cambrian Center, Inc.
- Charities Housing Development Corp.
- Palo Alto Senior Housing Project, Inc.
- Mid-Peninsula Housing Coalition
- Affordable Housing Foundation
- Palo Alto Housing Corp (Alta Housing)
- Satellite Housing Inc.
- ROEM Development Corporation
- Silicon Valley at Home
- L + M Fund Management LLC

Inventory of At-Risk Units

Per Government Code Section 65863.10, assisted housing developments are defined as multifamily, rental housing complexes that receive government assistance under any of the specified federal, state, and/or local programs.⁶ There are approximately 1,926 assisted affordable housing units in Gilroy. The City is currently inventorying its assisted housing developments to determine which developments are at risk of conversion.

As shown in Table 29, Maria Way Home, Glenview Drive Home, and Parkview Apartments all have estimated affordability end years in the next four () years. Thus, there are 55 units within three projects that are at risk of conversion to market rate before 2031. Program **C - 6** is included to complete the inventory of assisted units in the City. Should the units expire during the 6th Cycle, the City will ensure that owners are contacted and advanced notice to tenant is provided.

⁶ HCD Building Blocks, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assisted-housing-developments-risk-conversion>

Table 29: Potential Units at Risk of Conversion

Project	Address	Total Units	Assisted Units	Estimated Affordability End Year
Maria Way Home	780 Maria Way	5	5	8/21/2022
Glenview Drive Home	6940 Glenview Drive	5	5	12/19/2026
Parkview Apartments (Pierce Street Apartments)	181 Pierce Street	54	45	3/31/2023
Total		64	55	

Source: LIHTC Database, 2022.

Replacement Costs

The California Tax Credit Allocation Committee's 2020 report provides estimates and data on the cost of building assisted units. It estimates that the average cost of an assisted unit in the State of California is \$439,827.⁷ However, the estimated cost in Santa Clara County is higher, with an average per unit cost of \$607,463.

Table 30 summarizes the estimated replacement costs per unit using construction cost estimates from the UC Berkeley Turner Center's 2018 Construction Cost Index and average unit sizes in the City of Gilroy from RentCafe. Combined, they provide an estimate for replacement costs by unit size specific to Gilroy. It ranges from \$261,690 for a one-bedroom unit to \$494,520 for a four-bedroom unit. However, at the time of publication, construction costs have increased due to supply issues associated with the COVID-19 pandemic.

Table 30: Replacement Cost

Unit Size	Construction Cost per Square Foot	Average Square Foot/ Unit	Replacement Cost per Unit	Number of At-Risk Units	Total Replacement Cost
1 bedroom	\$390	671	\$261,690	8	\$ 2,093,520
2 bedroom	\$390	901	\$351,390	17	\$ 5,973,630
3 bedroom	\$390	1,091	\$425,490	20	\$ 8,509,800
4 bedroom	\$390	1,268	\$494,520	10	\$4,945,200
Total	--	--	--	55	\$ 21,522,150

Source: 2018 UC Berkeley Turner Center Construction Cost Index, RentCafe

⁷ California Tax Credit Allocation Committee, 2020 Annual Report. <https://www.treasurer.ca.gov/CTCAC/2020/annualreport/2020-TCAC.pdf>

Financial Resources

A variety of programs exist to assist cities to acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available to the City of Gilroy.

Preservation Strategies

There are many options to preserving units, including providing financial incentives to project owners to extend low-income use restrictions; purchasing affordable housing units by a nonprofit or public agency; or providing local subsidies to offset the difference between the affordable and market rate. Scenarios for preservation will depend on the type of project at risk.

Tenant-based subsidies could be used to preserve the affordability of housing. The Housing Authority of Santa Clara County and local nonprofit agencies provide Section 8 Housing Choice Vouchers to lower-income households. These agencies could request funding from the City to provide vouchers for residents if additional sources of revenue were available.

Federal Programs

Community Development Block Grant (CDBG) – CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and economic opportunity for principally low- and moderate-income persons. CDBG funds can be used for housing acquisition, rehabilitation, economic development, and public services.

HOME Investment Partnership – HOME is a flexible grant program and funds are awarded on a formula basis for housing activities. HOME considers local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or homeownership through acquisition, construction, reconstruction and/or rehabilitation of affordable housing.

Section 8 Rental Assistance / Housing Vouchers Program – The Section 8 Rental Assistance / Housing Vouchers Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants.

Section 811/202 Program – Nonprofit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of very low-income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities, and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

State Programs

California Housing Finance Agency (CalHFA) Multifamily Programs – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or

new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Low-Income Housing Tax Credit (LIHTC) – This program provides tax credits to individuals and corporations that invest in low-income rental housing. The LIHTC program creates affordable housing opportunities when the developer of a project “sells” the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position in the project.

California Community Reinvestment Corporation – The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.

Program Efforts to Preserve At-Risk Units

Through the Community Development Department, the City monitors the list of affordable housing units and their eligibility to convert to market-rate housing. Constant monitoring allows the City to anticipate the time frame by which affordability covenants would expire, thus permitting the City to implement various resources to ensure the continued affordability of the housing units. Through the Consolidated Annual Performance and Evaluation Report (CAPER), the City annually checks with the regional HUD division on the status of rental multifamily housing units that are funded with federal subsidies. To monitor for-sale affordable units, the City’s BMR Program Administrator annually sends a “Below Market-Rate” pamphlet in English and Spanish to all property owners under a resale restriction program. The pamphlet reminds the owners that their home is currently in the program and directs them to contact City staff when they plan to sell, refinance, or transfer ownership of their property. The City is including Programs **C - 1**, **C - 2**, **C - 4**, and **C - 5** for preservation of at-risk and other below market-rate units.

Quantified Objectives

Housing Element law requires that cities establish a maximum number of units that can be converted over the planning period. As shown in Table 29, three (3) assisted projects with a total of 55 units may be at risk of converting to market-rate housing within the planning period. Program **C - 1** and **C - 6** are included to confirm the expiration dates and preserve at-risk units.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special needs. This section identifies the housing needs for elderly persons, large households, female-headed households, persons with disabilities (including

developmental disabilities), homeless persons, farmworkers, and extremely low-income households. People may belong to more than one special needs group. Identifying special needs groups helps to fully assess Gilroy's housing needs and develop appropriate programs and actions to address them. The City maintains a list on its website of affordable rentals in Gilroy and what population each property serves.

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for this special needs group. The 2019 ACS survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.⁸

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the Census are:

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

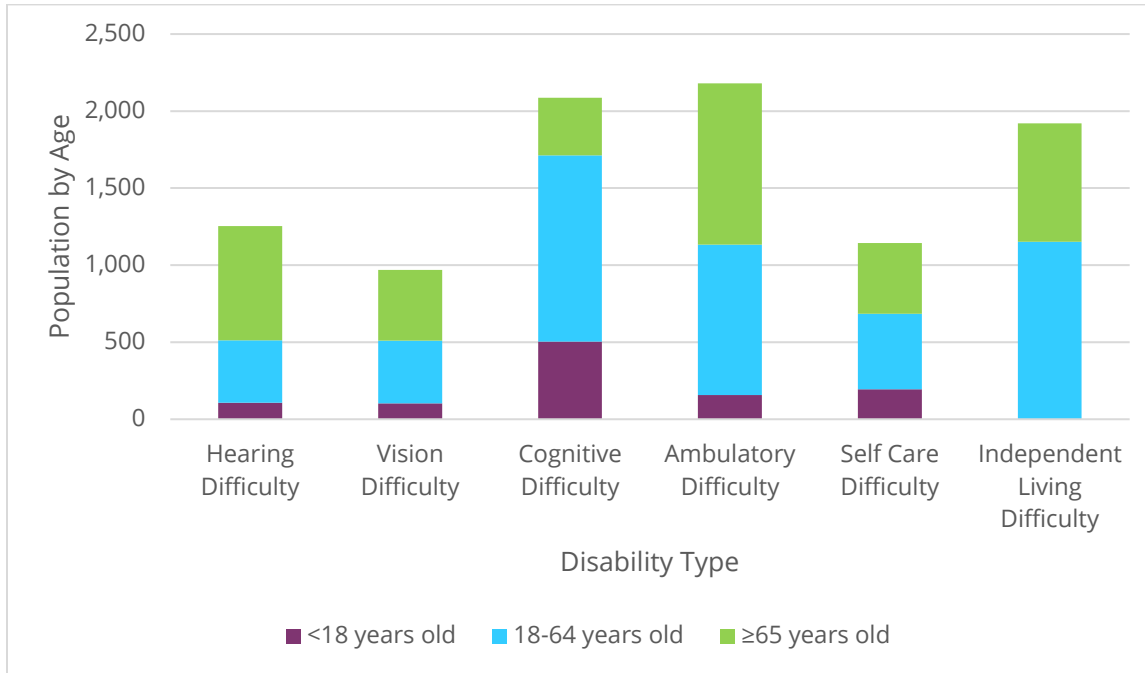
Figure 5 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability citywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities. For many in need of live-in help or living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes preapproved, "model" plans for ADUs that meet zoning, building, and fire codes. Model plans will also, include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU

⁸ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101.

construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Figure 5: Disability by Type, 2019



Source: ACS 2019 Table B18108.

Persons with Developmental Disabilities

A subgroup of disabled residents is those who are developmentally disabled. Housing Element law mandates that an analysis of special needs of disabled persons, including persons with developmental disabilities, be included in Housing Elements.

Local Data

Kalisha Webster with Housing Choices.org works with the intellectual and developmentally disabled residents of Villa Esperanza in Gilroy. Ms. Webster provided a Developmental Disabilities Housing Needs Analysis for the City's draft Housing Element that included the following information. People with disabilities face additional housing challenges. Many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care.

When it comes to housing, people with disabilities generally are not only in need of lower-income housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a higher risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers.

Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. When developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

The City of Gilroy is home to 520 people with developmental disabilities, as shown in Table 31. The table below shows that Gilroy has a lower concentration of adults with developmental disabilities than other jurisdictions in Santa Clara County; 59 percent of Gilroy residents with developmental disabilities are 18 and older compared to 63 percent in Santa Clara County. Instead, a higher proportion of Gilroy's residents with developmental disabilities are under age 18 (41% vs 37%). As discussed below, a lack of affordable housing paired with supportive services could be one of the factors contributing to fewer adults with developmental disabilities being able to live in the City of Gilroy.

Table 31: Gilroy and Santa Clara County Population with Developmental Disabilities

Age	Gilroy	Santa Clara County
Under 18	212 (41%)	4,016 (37%)
18 and older	308 (59%)	6,737 (63%)
Total	520	10,753

Source: Gilroy data provided by San Andreas Regional Center as of November 2021. County data based on county-level data published by Department of Developmental Services as of June 2021.

Living Arrangements of Gilroy Adults with Developmental Disabilities

Local Data

According to the Developmental Disabilities Housing Needs Analysis report provided by Kalisha Webster with Housing Choices.org, assessing the housing needs of adults with developmental disabilities is of particular importance because, as they age, the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. Living arrangements for adults with developmental disabilities in Gilroy closely mirror that of all adults with developmental disabilities in the County. As of November 2021, the San Andreas Regional Center reported that the family home is the most common living arrangement for Gilroy adults with developmental disabilities, with 65 percent of adults continuing to live in the family home; the same percentage is found throughout the County. Only 8 percent of Gilroy adults with developmental disabilities have successfully transitioned to living in their own apartment, which is lower than the County's percentage, at 11 percent. This is most likely due to a lack of deeply affordable housing in the City. The availability of extremely low income (30% AMI) housing is needed for adults with developmental disabilities to live independently. As of 2021, 26 percent of Gilroy adults with developmental disabilities were reported to be living in

licensed care facilities, higher than the County overall (23%). Opportunities for adults to live in a licensed care facility are declining throughout the County, thus fueling the need for affordable housing with supportive services, to decrease the risk of homelessness or displacement when a parent or family member is no longer able to provide housing for the developmentally disabled individual.

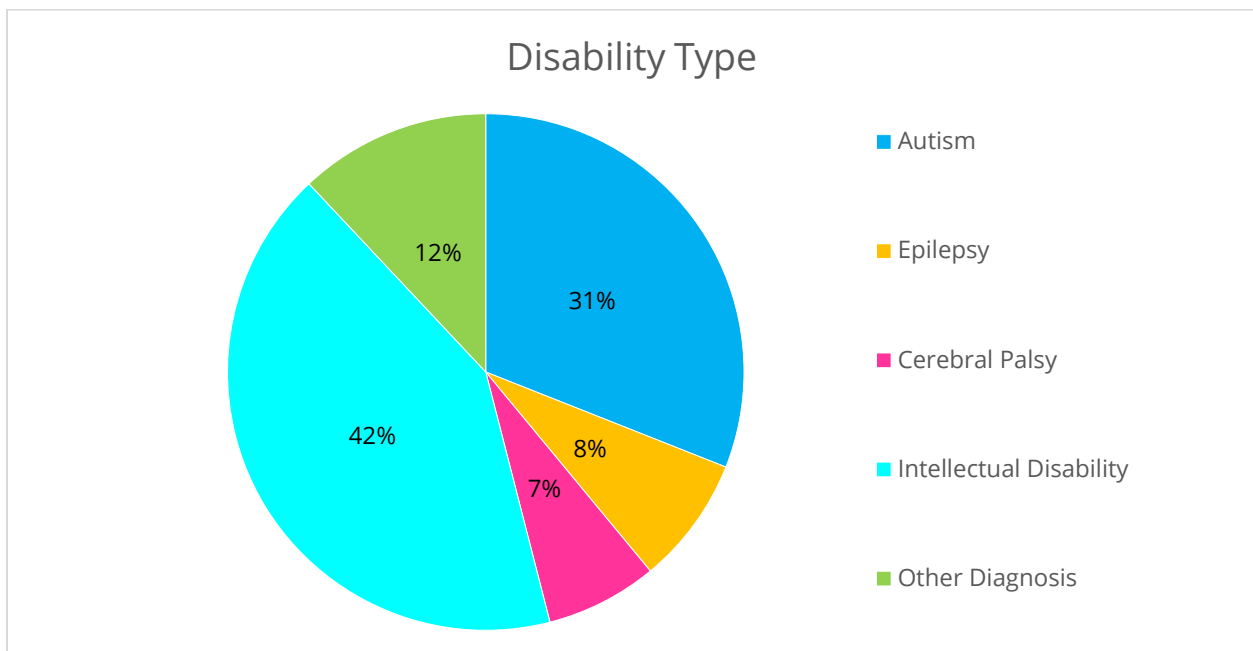
Table 32: Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	Gilroy	Santa Clara County
In the family home	200 (65%)	4,362 (65%)
Own apartment with supportive services	26 (8%)	756 (11%)
Licensed Facilities	79 (26%)	1,525 (23%)
Other (including homeless)	3 (1%)	94 (1%)
Total Adults	308	6,737

Source: Kalisha Webster, Housing Choices.org

The San Andreas Regional Center provides service to developmentally disabled individuals throughout Santa Clara, Santa Cruz, San Benito, and Monterey Counties. According to the California Department of Developmental Services, as of December 2020, the San Andreas Regional Center served 17,309 residents with developmental disabilities in the region. Figure 6 displays the breakdown of type of developmental disabilities served at the San Andreas Regional Center. The largest populations served are those with an intellectual disability (42 percent) followed by autism (31 percent).

Figure 6: Developmental Disability by Type Served by San Andreas Regional Center, 2020



Source: California Department of Developmental Services, 2020.

Outreach to Services Providers

Local Data

On January 24, 2023, in collaboration with Housing Choice, the City held a virtual meeting organized by Housing Choices for intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults). The meeting was attended by 11 participants, with representatives from Housing Choices and the San Andreas Regional Center in attendance. Housing Choices was born as an advocacy organization, mobilizing stakeholders to create new housing opportunities for people with developmental and other disabilities and are committed to educating local elected officials, city and county housing staff, and housing developers about the opportunity to plan for and include people with developmental and other disabilities in their local housing plans. The San Andreas Regional Center is a community-based, private nonprofit corporation funded by the State of California to serve people with developmental disabilities as required by the Lanterman Developmental Disabilities Act.

On February 15, 2023, City staff also met with 12 residents, caregivers, and staff at Villa Esperanza, a single-story 21-unit low-income apartment development that provides services for intellectually/ developmentally disabled (I/DD) individuals. The Villa Esperanza housing development is managed by Eden Housing and receives services from Housing Choices and the San Andreas Regional Center. Approximately 25% of the units have live-in caregivers. Some of the units are occupied by families with children.

Participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop a density bonus beyond state law to incentivize the creation of additional units to serve extremely low-income households. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Both meetings were helpful in providing staff with a better understanding of I/DD community needs. Participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need by participants was housing and services for both independent living and supportive living skills. For individuals in need of independent living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes preapproved, "model" plans for ADUs that meet zoning,

building, and fire codes. The model plans will also include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes. Elderly persons are generally defined as people aged 65 years and older. They often spend a higher percentage of their income on food, housing, medical care, and personal care compared to non-elderly persons. Elderly persons may have special needs related to housing location and construction. Because of limited mobility, elderly persons typically need easier access to medical services, amenities such as shopping, and public transit. In terms of housing construction, elderly persons may need ramps, handrails, elevators, lower cabinets and counters, and special security devices to allow for greater self-protection.

According to the 2020 US Census, and as shown in Table 33, Gilroy has a slightly lower percentage of elderly householders than the County; 19 percent of Gilroy's residents were elderly, while 21.3 percent of the County's residents were elderly.

Table 33: Householders by Age, 2020

Householder Age	Gilroy		Santa Clara County	
	Households	%	Households	%
15-24 Years	271	1.7%	15,468	2.4%
25-34 Years	1,990	12.3%	107,194	16.8%
35-64 Years	10,794	66.9%	381,415	59.7%
65-74 Years	1,921	11.9%	74,305	11.6%
75 Plus Years	1,150	7.1%	61,833	9.7%
Total	16,126	100%	640,215	100%

Source: 2019 ACS 5 Year Estimates.

As indicated in Table 34, the 2019 median household income for households with a resident aged 65 and older was \$71,432 in Gilroy and \$75,758 in Santa Clara County. This is compared to the citywide median income of \$101,616 and countywide median income of \$133,076 in 2019. The lower income is likely because fewer elderly persons are working full-time, and most income comes from Social Security and/or part-time work.

Table 34: Median Household Income for Elderly Households, 2019

Householder Age	City of Gilroy Median Income	Santa Clara County Median Income
65 Years and Older	\$71,432	\$75,758
All Households	\$101,616	\$133,076

Source: ACS 2019 5 Year Estimates

Based on HUD's 2014-2018 CHAS data shown in Table 35, 47.4 percent of elderly households in Gilroy are in one of the lower-income categories. Santa Clara County had a slightly smaller percentage of elderly households within the lower-income categories, at 45.8 percent.

Table 35: Income Distribution, Elderly Households, 2018

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	980	20.2%	39,300	19.7%
Greater than 30% but less than or equal to 50% of HAMFI	695	14.3%	26,085	13.1%
Greater than 50% but less than or equal to 80% of HAMFI	625	12.9%	26,380	13.2%
Greater than 80% of HAMFI	2,555	52.6%	108,105	54.1%
Total	4,855	100%	199,870	100%

Source: HUD 2014-2018 CHAS data.

Table 36 displays the percentage of the elderly population and their disability status. Of people aged 65 and above, 11.3 percent have one type of disability and 16.5 percent have two or more disabilities. The City and County have similar percentages of elderly individuals with disabilities, at 27.8 and 30.7 percent, respectively.

Table 36: Elderly People with Disabilities, 2019

Disability Status	# of Elderly People with a Disability	% of People Age 65+	# of Elderly People with a Disability	% of People Age 65+
	Gilroy		Santa Clara County	
With one type of disability	669	11.3%	31,527	12.4%
With two or more types of disability	978	16.5%	46,455	18.3%
Total, Elderly with a Disability	1,647	27.8%	77,982	30.7%

Source: ACS 2019 Table C18108.

Table 37 provides a summary of housing problems experienced by elderly households in Gilroy. According to the 2014-2018 CHAS data, 61.6 percent of all elderly households

experience some type of housing problem. This includes 81.3 percent of elderly renters and 54.5 percent of elderly owners. The increasing number of elderly persons in the population is creating a demand for more affordable and accessible housing.

The City will address the needs of the elderly population through Program E - 6, which will develop incentives for senior housing in the City. Program E - 6 will also remove potential zoning constraints to the development of senior housing. The City will conduct a study to determine if reduced parking standards for senior housing are appropriate and, based on the findings of the study, may revise the Zoning Ordinance to reduce said parking standards for senior housing. In addition, the Gilroy Senior Center provides access to a variety of support services at the center, including the YMCA Nutrition program, which serves lunch Monday to Friday; free legal services through Senior Adults Legal Assistance; and information and assistance with social security, housing, and employment matters through Sourcewise Community Resources Solutions. Through CDBG and the Housing Trust/PLHA Funds, the City allocated funds for Meals on Wheels and Rebuilding Together Silicon Valley's Rebuilding Home Repair, Rehabilitation and Accessibility Modification Program. Also, Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors.

Table 37: Elderly Households by Housing Problems and Tenure, 2018

Housing Problem Type	Renters	Owners	Total (Elderly Households)
% with any Housing Problem	81.3%	54.5%	61.6%
% with Cost Burden	29.5%	15.7%	19.4%
% with Severe Cost Burden	29.1%	20.0%	22.4%
Total	843	2,350	3,193

Source: 2014-2018 HUD CHAS data.

Large Households

State housing law defines large households as households with five or more members. Large households are considered a special needs group based on the limited availability of adequately sized, affordable housing units. Large households may have lower incomes, which could result in the overcrowding of smaller units. Table 38 displays household size by tenure for both Gilroy and the County. In 2019, there were 3,916 large households, representing 24.3 percent of all households in Gilroy. Compared to the County as whole, Gilroy has almost double the percentage of large households (24.3 versus 12.4 percent). The disproportionately high number of large households may indicate a need for larger units in Gilroy to accommodate large households. The City is including Program E - 11 to prioritize funds to assist in the development of housing to serve special needs households, such as large families.

The 5th Cycle Program H-4.A: Housing for Large Families has been consolidated with included Program A - 12 to include density bonus incentives beyond state law for developments that include housing for large households.

Table 38: Large Households by Tenure, 2019

Number of Persons in Unit	Owner Occupied	%	Renter Occupied	%	Total
Gilroy					
Five	1,239	58.6%	876	41.4%	2,115
Six	636	60.7%	412	39.3%	1,048
Seven or more	405	53.8%	348	46.2%	753
<i>Total Large Households</i>	2,280	58.2%	1,636	41.8%	3,916
<i>% of Total Households</i>	23%		26.3%		24.3%
Total Households	9,914	61.5%	6,212	38.5%	16,126
Santa Clara County					
Five	26,406	57.9%	19,190	42.1%	45,596
Six	10,802	58.0%	7,822	42.0%	18,624
Seven or more	8,684	56.6%	6,650	43.4%	15,334
<i>Total Large Households</i>	45,892	57.7%	33,662	42.3%	79,554
<i>% of Total Households</i>	12.7%		12.1%		12.4%
Total Households	361,105	56.4%	279,110	43.6%	640,215

Source: 2019 ACS B25009.

Based on HUD's 2015-2019 CHAS data shown in Table 39, 51.1 percent of large households in Gilroy are in one of the lower-income categories. Santa Clara County had a smaller percentage of large households within the lower income categories, at 42.9 percent. The City is including Program E - 11 to prioritize funds to assist in the development of affordable housing and to serve special needs households, such as large families.

Table 39: Income Distribution, Large Households, 2015-2019

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	1,025	15.1%	16,429	11.9%
Greater than 30% but less than or equal to 50% of HAMFI	1,100	16.2%	20,250	14.7%
Greater than 50% but less than or equal to 80% of HAMFI	1,340	19.7%	22,410	16.3%
Greater than 80% of HAMFI	3,320	48.9%	78,600	57.1%
Total	6,785	100%	137,689	100%

Source: HUD 2015-2019 CHAS data.

Table 40 provides a summary of housing problems experienced by large households in Gilroy by tenure. As previously noted, the types of housing problems include overcrowding, overpayment, and housing lacking kitchen or plumbing facilities. CHAS data from 2014-2018 indicates that 49.2 percent of large households experience at least one of these housing problems, including 72.4 percent of large renter households and 30.3 percent of large owner households.

Currently, less than 10 percent of the City's rental housing stock has four or more bedrooms (refer to Table 24), resulting in a high percentage of large family households that are forced to live in overcrowded situations. To address this need, the Housing Element includes Program A - 12 that will adopt density bonus incentives beyond state law for developments that include housing for large households.

Table 40: Large Households by Housing Problems and Tenure, 2018

	Renters	Owners	Total (Large Households)
% with any Housing Problem	72.4%	30.3%	49.2%
% with Cost Burden	23.2%	12.6%	17.4%
% with Severe Cost Burden	24.3%	6.9%	14.7%
Total Large Households	1,360	1,665	3,025

Source: 2014-2018 HUD CHAS data.

Female-Headed Households

Female-headed households are a special needs group because they experience comparatively low rates of homeownership, lower incomes, and high poverty rates. Table 41 shows the number of female-headed households by tenure. In 2019, 16.2 percent of households in Gilroy were female-headed households. Of the 2,616 female-headed households in Gilroy, 1,410 had children under 18 living with them, while 1,206 had no children present. Gilroy has more

approximately six percent more female-headed households than the County, where 10 percent of households in the County are female-headed households.

In Gilroy, 33 percent of female-headed households with children under 18 were below the poverty line, (approximately 465 households).⁹ This is significantly higher than the poverty rate in Santa Clara County, which is 6.6 percent.

Table 41: Female-Headed Households by Tenure, Gilroy, 2019

Household Type	Owner Occupied		Renter Occupied		Total	% of Total Households (16,126)
	Number	%	Number	%		
Female householder, no spouse present, with children under 18	377	2.3%	1,033	6.4%	1,410	8.7%
Female householder, no spouse present, without children	639	4%	567	3.5%	1,206	7.5%
Total	1,016	6.3%	1,600	9.9%	2,616	16.2%

Source: ACS 2019 Table B25115.

Homeless/Unhoused Population

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research, conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last ten days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3 percent from the count conducted in 2019. Table 42 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.

⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B17010.

Table 42: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	606	208	814
Campbell	216	0	216
Cupertino	102	0	102
Los Altos	65	0	65
Los Altos Hills	0	0	0
Los Gatos	58	0	58
Milpitas	249	25	274
Monte Sereno	0	0	0
Morgan Hill	60	0	60
Mountain View	206	140	346
Palo Alto	263	0	263
San Jose	4,975	1,675	6,650
Santa Clara	375	65	440
Saratoga	0	0	0
Sunnyvale	279	106	385

Source: Santa Clara County Office of Supportive Housing, October 29, 2022.

Local Data

According to one of the City of Gilroy's Quality of Life Officers, a majority of unhoused individuals are Hispanic, consistent with the overall population of Gilroy. Based on his observations, unhoused persons in Gilroy mostly reside in creek areas, including for example Miller creek. Many unhoused persons also reside near the IOOF bridge. Although most of the observed unhoused persons are physically able to move around by either walking or riding a bicycle, they do not generally migrate to hillside areas or edges of city where there are fewer businesses or access to food. Furthermore, based on his observations, a very large majority of the unhoused are mentally challenged, whether it be self-induced from drugs, or because they are mentally ill. The Quality of Life Officer also stated that less than 20% of the unhoused persons he encounters take advantage of available services.

Table 43 lists emergency shelters and transitional housing in Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. Projects funded include:

- \$55,000 to St. Joseph's Family Center for Homeless Prevention Services
- \$35,000 to St. Joseph's Family Center for the Gilroy Street Team
- \$40,000 to South County Compassion Center for Outreach for the unhoused
- \$20,000 to CARAS for the Homeward Bound Program

Table 43: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds or Families Served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ¹⁰ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

¹⁰ The Arturo Ochoa Migrant Center is located slightly outside city bounds, but serves Gilroy residents.

Farmworkers

Farmworkers are defined as persons whose primary incomes are earned through seasonal agricultural work. The demographics on farm laborers in all California markets are collected and reported on a regional or countywide basis. The data collected includes income, household status, and length of time the laborers work in each area.

There are generally three classifications:

- Migrant workers who move from place to place, planting and harvesting; and
- Annual workers who generally work in the same agricultural area year after year for nine or ten months and spend the rest of the year in their home country; and
- Permanent workers who are employed most of the year in one location and may collect unemployment for the remainder of the year.

Traditionally, Gilroy has been home to many agricultural businesses and industries; however, the increase in the retail and service trade and the expansion of the City as a “bedroom community” for northern Silicon Valley jobs continues to reduce the role of agriculture. Many of these farms are located in the southern areas of the County, in the regions surrounding Gilroy. The majority of farmworkers, almost 80 percent, work on farms with more than 10 employees.

The US Department of Agriculture conducts a Census of Agriculture every five years. As indicated in Table 44, there were an estimated 4,175 farmworkers in the County working on 359 farms in 2017. This represents a decrease of 1,414 farmworkers compared to the 2007 study, when there were 5,589 farmworkers.

The 2019 ACS estimates indicate that 2.9 percent of Gilroy is employed in the agriculture and natural resource industry, a decrease from 4.6 percent in 2012.¹¹

Table 44: Number of Santa Clara County Farmworkers and Farms, 2017

Farm /Worker Type	Farmworkers	Farms
Farm Size		
Farms with less than 10 employees	847	293
Farms with more than 10 employees	3,328	66
Length of Employment of Workers		
Workers working 150 days or more	2,418	-
Workers working less than 150 days	1,757	-

Source: 2017 Census of Agriculture, Table 7.

¹¹ US Census Bureau, American Community Survey (2015–2019), Table C24030.

The California Department of Conservation's Important Farmland Finder indicates that the vicinity to the east and south of the Gilroy City limits includes large amounts of prime farmland, farmland of local or statewide importance, and unique farmland.¹² The presence of such farmland indicates a need for farmworker housing to support those who work on farmland in and around the City.

Due to the seasonal nature of agricultural work and relatively low wages, farmworker households often have a difficult time securing safe, habitable, and affordable housing.

Eden Housing manages three housing developments within Gilroy City limits, providing 56 housing units for farmworkers:

- 14 units at The Trees
- 24 apartments at Aspen Grove
- 18 units at Maple Gardens

The Rodriguez Migrant Labor Camp, which houses 37 seasonal farmworkers, is privately owned, and is also located just outside of the City limits.

EAH Housing also operates the Arturo Ochoa Migrant Center, located just outside Gilroy City limits. The center functions as a migrant camp from April through November each year, providing housing for 100 farmworker families within 33 three-bedroom and 67 two-bedroom apartments.

Local Data

In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp.

The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and needing temporary housing.

Additionally, the primary issues limiting housing options for respondents included insufficient money available for the deposit (24), and credit history or low credit scores (8). The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.

The Gilroy Zoning Ordinance makes available zoning to accommodate various housing types to address the needs of farmworkers. Manufactured and modular homes are permitted by-right in all residential zoning districts; boarding and rooming houses are allowed in all residential zoning districts with a conditional use permit; and multifamily units are allowed in the R3 and R4 residential zoning districts by right. Currently, the City's Zoning Ordinance is not

¹² California Department of Conservation. California Important Farmland Finder. <https://maps.conservation.ca.gov/DLRP/CIFF/>

consistent with the Employee Housing Act;¹³ therefore, as part of this Housing Element update, the City is including Program E - 8 to revise the Zoning Ordinance in 2023.

Extremely Low-Income Households

Extremely low-income households in Gilroy are defined as households with income less than 30 percent of the Santa Clara County AMI. The provisions of Government Code Section 65583 (a)(1) require quantification and analysis of existing and projected housing needs of extremely low-income households. In 2018, 16.1 of Gilroy households were within the extremely low-income category, a decrease from 18.9 percent in 2012.

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock.

Table 45 provides a summary of overcrowding rates experienced by extremely low-income households in Gilroy compared to other income levels. Households in Gilroy experience overcrowding at a higher rate than those in the County. Extremely low-income owner-occupied households experience overcrowding at a similar rate to low-income owner-occupied households, but at a higher rate than other owner-occupied households. Extremely low-income renter-occupied households experience overcrowding at a lower rate than very low- and low-income renter-occupied households.

Overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. In the 5th cycle, the City included program H.2-G to encourage the development of extremely low-income housing, and the City will continue to encourage developers to include extremely low-income units in their housing projects. The City is also including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City will develop an inclusionary housing policy under Program A - 11 and incentives to create extremely low-income units under a density bonus beyond state law Program A - 12.

¹³https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=13.&title=&part=1.&chapter=1.&article

Table 45: Overcrowding by Income Level, 2019

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
City of Gilroy: Owner Households					
Less than or equal to 30% of HAMFI	880	70	8.0%	20	2.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,024	44	4.3%	4	0.4%
Greater than 50% but less than or equal to 80% of HAMFI	1,385	115	8.3%	35	2.5%
Greater than 80% but less than or equal to 100% of HAMFI	1,295	20	1.5%	0	0.0%
Greater than 100% of HAMFI	5,334	99	1.9%	4	0.1%
Total	9,918	348	3.5%	63	0.6%
City of Gilroy: Renter Households					
Less than or equal to 30% of HAMFI	2,195	375	17.1%	200	9.1%
Greater than 30% but less than or equal to 50% of HAMFI	1,300	310	23.9%	125	9.6%
Greater than 50% but less than or equal to 80% of HAMFI	1,160	255	22.0%	40	3.5%
Greater than 80% but less than or equal to 100% of HAMFI	570	55	9.7%	25	4.4%
Greater than 100% of HAMFI	975	135	13.9%	80	8.2%
Total	6,200	1,130	18.2%	470	7.6%
Santa Clara County: Owner Households					
Less than or equal to 30% of HAMFI	34,600	975	2.8%	280	0.8%
Greater than 30% but less than or equal to 50% of HAMFI	33,095	1,870	5.7%	345	1.0%
Greater than 50% but less than or equal to 80% of HAMFI	38,665	2,155	5.6%	510	1.3%
Greater than 80% but less than or equal to 100% of HAMFI	31,345	1,665	5.3%	585	1.9%
Greater than 100% of HAMFI	223,395	5,530	2.5%	1,130	0.5%

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
Total	361,100	12,195	3.4%	2,850	0.8%
Santa Clara County: Renter Households					
Less than or equal to 30% of HAMFI	64,310	9,360	14.6%	3,830	6.0%
Greater than 30% but less than or equal to 50% of HAMFI	40,810	9,000	22.1%	3,705	9.1%
Greater than 50% but less than or equal to 80% of HAMFI	37,760	7,305	19.3%	2,400	6.4%
Greater than 80% but less than or equal to 100% of HAMFI	26,915	4,000	14.9%	1,520	5.6%
Greater than 100% of HAMFI	109,315	10,360	9.5%	4,320	4.0%
Total	279,110	40,025	14.3%	15,775	5.7%

Source: 2015-2019 CHAS data

Table 46 provides a summary of housing problems experienced by extremely low-income households in Gilroy. Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

Extremely low-income renter-occupied households experience both overpayment and overcrowding. According to 2014–2018 CHAS data provided by HUD, 79.7 percent of extremely low-income households experience at least one type of housing problem. Housing rehabilitation and repair may be more of a cost burden on lower-income households, which may lead to a higher proportion of housing problems. To enhance the quality of existing neighborhoods, the City is including Program C - 2 to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Table 46: Extremely Low-Income Households with Housing Problems, 2018

Income Level	Renters	%	Owners	%	Total	%
Household Income < 30% MFI	1,990		625		2,615	
With any Housing Problem	1,610	80.9%	475	76.0%	2,085	79.7%
With a Cost Burden 30-50%	360	18.1%	70	11.2%	430	16.4%
Cost Burden > 50%	1,230	61.8%	400	64.0%	1,630	62.3%

Source: HUD 2014-2018 CHAS data.

Summary of Housing Needs

An analysis of the housing needs in the City of Gilroy reveals a number of trends, such as an increased need for housing large households and farmworkers. Additionally, compared to the County, Gilroy has a lower median income and larger percentage Hispanic or Latino population.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing

Introduction, Outreach, and Assessment

Introduction

Assembly Bill (AB) 686 requires a jurisdiction's housing element to provide an analysis of contributing factors to fair housing issues and to commit to actively and meaningfully affirmatively further fair housing. This analysis includes an assessment of fair housing enforcement, outreach activities, integration and segregation, racially and ethnically concentrated areas of affluence and poverty, disparities in access to opportunities, disproportionate housing needs, and any other contributing factors that serve as impediments to fair housing. The assessment also analyzes the extent to which the identified Regional Housing Needs Allocation (RHNA) sites affirmatively further fair housing.

Public Outreach

The City of Gilroy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below.

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus groups
- Webpage on City website
- Email list
- City newsletter
- Community workshops
- Joint City Council and Planning Commission study session
- Utility billing mailing insert
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- Housing & Neighborhood Revitalization Committee
- St. Joseph's Family Center
- Gilroy Historical Society

- Rebuilding Together Silicon Valley
- Project Sentinel
- Gilroy Compassion Center
- Live Oak Adult Day Services
- Silicon Valley at Home
- South County Collaborative
- League of Women Voters
- Aperto Property Management
- Housing Choices
- Health Trust
- Visit Gilroy
- MidPen Housing
- Garlic World
- CARAS South County
- Eden Housing
- Gilroy Unified School District Migrant Education Program

Housing Element Update Website

The City created the Housing Element update webpage on the City's website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft, dated September 12, 2022, the October 31, 2022 revised draft as submitted to the California Department of Housing and Community Development (HCD) following the 30-day public comment period, and the second public review draft revised in response to HCD comments;
- Recordings of the community workshop presentations in English and Spanish;
- Notification to the public of future events; and
- Notification and interest sign-up lists and pathways for residents to get involved in the process and to provide comments or questions to the project team or City representatives.

Stakeholder Interviews

The City reached out to 40 individuals and groups who represented service providers, nonprofits, and other stakeholders to participate in focus group interviews about the housing needs and issues in Gilroy. Out of the 40 individuals and groups that were contacted, 25 people participated in the focus groups. Four focus groups were held: Tuesday, March 29, 2022, at 1:00 PM; Tuesday, April 5, 2022, at 1:00 PM; Thursday, April 7, 2022, at 1:00 PM; and Tuesday, April 12, 2022, at 10:00 AM. Hosting the focus group on four different days provided multiple opportunities to accommodate different schedules. The stakeholders who participated discussed a variety of concerns, including:

- Need for incentives to support farmworker housing;
- Need for more education and outreach to inform residents of housing law and affordable housing;
- Need for emergency, short-term stay housing, and senior housing at the extremely low-income area median income (AMI);
- Disparity of housing and quality of infrastructure and amenities between the east side and west side of the City;
- Disparity of incomes between Gilroy and the County AMI, as the City's AMI was \$33,871 less (24%) in 2020;
- Challenges and lack of support for homeownership; and
- Need to incentivize accessory dwelling unit (ADU) construction.

The participants had varying perspectives informed by their involvement and familiarity with Gilroy, but increased services, education and support, equitable development and investment, and a lack of extremely low-income housing were the most consistent and prevalent issues covered.

Public Workshops

Prior to releasing the first public draft of the Housing Element, the City held two bilingual virtual public workshops. The meetings were held on Wednesday, March 30, 2022, at 6:00 PM and Tuesday, June 28, 2022, at 6:00 PM to present information on the Housing Element update and gather public input. Sixty-one members of the community participated in the workshops and provided feedback via live polling and questions and answers on the Housing Element update process including housing needs, the potential RHNA sites, draft goals, and programs. Presentation slides were in English and Spanish. Live Spanish interpretation was provided, recorded, and posted on the project webpage for both workshops.

Following release of the first public draft, the City held a third virtual public workshop on Tuesday, September 27, 2022, at 6:00 PM. The presentation provided a high-level overview of the draft Housing Element chapters and appendices, and the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact

on housing production, removal of governmental constraints, and meeting special housing needs. The meeting also included a question-and-answer session with public attendees.

The public workshops were held at 6:00 PM on weekdays to accommodate a typical work schedule. Materials and video recordings of the presentations in English and Spanish were made available on the Gilroy Housing Element webpage on the City's website for those who could not attend, or who wanted to review the materials and meetings at their leisure.

Study Session

An in-person bilingual joint public study session with the City Council and Planning Commission was held on Monday, August 29, 2022, at 6:00 PM. This bilingual meeting included a summary of proposed housing programs to address the identified needs of the community and a map of properties that are currently vacant or underutilized that may provide an opportunity for redevelopment with new housing. The meeting included comments from the public and a question-and-answer session with the Council and Planning Commission.

Spanish interpretation and translation were provided. The meeting recording and the presentation slides in both English and Spanish were posted on the project webpage.

Public Hearings

Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022, at 6:00 PM (City Council) and Thursday, October 20, 2022, at 6:00 PM (Planning Commission). The purpose of the meetings was to give the public and the City's decision makers another opportunity to provide comments and suggestions prior to sending the draft to HCD for its review.

Public hearings will be held on April 20, 2023 (Planning Commission) and May 1, 2023 (City Council) to give the public and the City's decision makers an opportunity to review and comment on the Housing Element following HCD's review and subsequent revisions.

Housing Element Survey (general population)

Another component of the outreach effort was the Housing Element survey, posted on the City's website from April 2022 through August 2022, and promoted through a myriad of channels for the furthest outreach. The survey was available in both English and Spanish. As of August 2, 2022, a total of 367 English and 143 Spanish completed surveys were received, with 248 (34%) respondents being homeowners, 125 (17%) being renters, 191 (35%) of respondents being white or Caucasian, and 236 (44%) being Hispanic or Latino.¹⁴ Responses to the survey primarily revealed concerns from residents regarding:

- Difficulty paying rent, mortgage, or down payment;

¹⁴ Note: 510 total surveys were completed to various degrees of completeness. Respondents did not answer every question; therefore percentages represent the percentage of respondents to each question not total number of survey respondents.

- Homelessness; and
- Insufficient housing supply including affordable housing.

Respondents also believe that the greatest housing needs are lower- and middle-income workforce housing and affordable housing. The survey results show strong support for more affordable housing while some respondents feel the City is growing too much and thus did not support more development. Most of the survey and stakeholder responders believe that there are not enough services or housing to support individuals who fall within the extremely low-income designation. Stakeholder interviewees and 94 percent of survey respondents supported the adoption of an inclusionary housing ordinance.

Housing Element Survey (focused outreach)

In addition to posting the housing element survey on the City website, City staff conducted a focused bilingual survey effort for farmworkers, youth, and senior citizens. Hard copy and online surveys were distributed between November 2022 and the end of January 2023.

- **Farmworker Outreach.** Twenty six (26) surveys were completed, the top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and needing temporary housing.
- **Youth Outreach.** Eight (8) surveys were completed, the top three housing issues identified by this group was; difficulty paying rent, mortgage, down-payment, overcrowding, homelessness and lack of suitable housing types. Responses also reflected the desire for the City to implement programs to require affordable housing units in new developments and assist residents with finding available housing.
- **Seniors Outreach.** Nineteen (19) surveys were completed, the top three housing issues identified by seniors similarly to farmworkers was difficulty paying rent, mortgage, down-payment (12), followed by lack of suitable housing types (9), and insufficient housing supply (7). Respondents identified requiring affordable housing units in new developments (10) and access to low-cost pre-designed plans for ADUs as potential programs to improve housing access in Gilroy.

Stakeholder Meetings

On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with gathered verbal feedback from

residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units for persons with disabilities.

Findings

Most focus group attendees and survey respondents support the provision of more assistance, financial or otherwise, to the extremely low-income population in finding housing.

City Overview

Much of the fair housing analysis is based upon census data provided at the census tract level. Gilroy has a total of 11 census tracts. Figure 7 displays the census tracts in the City and the RHNA sites within those census tracts; however, several of the census tracts are not solely in Gilroy and have large portions in neighboring jurisdictions. As a result, demographic information for these census tracts reflects neighboring communities, as well as Gilroy. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Several of the tracts include more land and more households in adjacent jurisdictions other than in Gilroy. These external households are included in the census data, which may affect the displayed maps.

Until 2018, a large portion of the Downtown Specific Plan area and several properties west of downtown were designated as a Neighborhood Revitalization Strategy Area by the US Department of Housing and Urban Development (HUD). A number of capital improvements, youth activities, neighborhood beautification projects, and other downtown revitalization efforts were pursued during this time.¹⁵ The downtown area in Gilroy is also identified as a Priority Development Area in the Association of Bay Area Governments' Plan Bay Area 2050.

The AFFH section also considers the effects that the selected RHNA sites may have on fair housing. Selected RHNA sites are primarily in the eastern portion of the City, while pipeline projects are more evenly distributed throughout Gilroy. Pipeline projects are defined as pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the planned high speed rail station, parking management plan, Downtown Specific Plan update, and currently funded place-based improvements. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th Cycle and the extent to which the existing use may preclude development.

The City is including Program F - 3 for place-based improvements in the downtown area. The City is also including programs to encourage ADU development in the western portion of the City to promote housing mobility and increased housing opportunities (Program A - 6).¹⁶ To

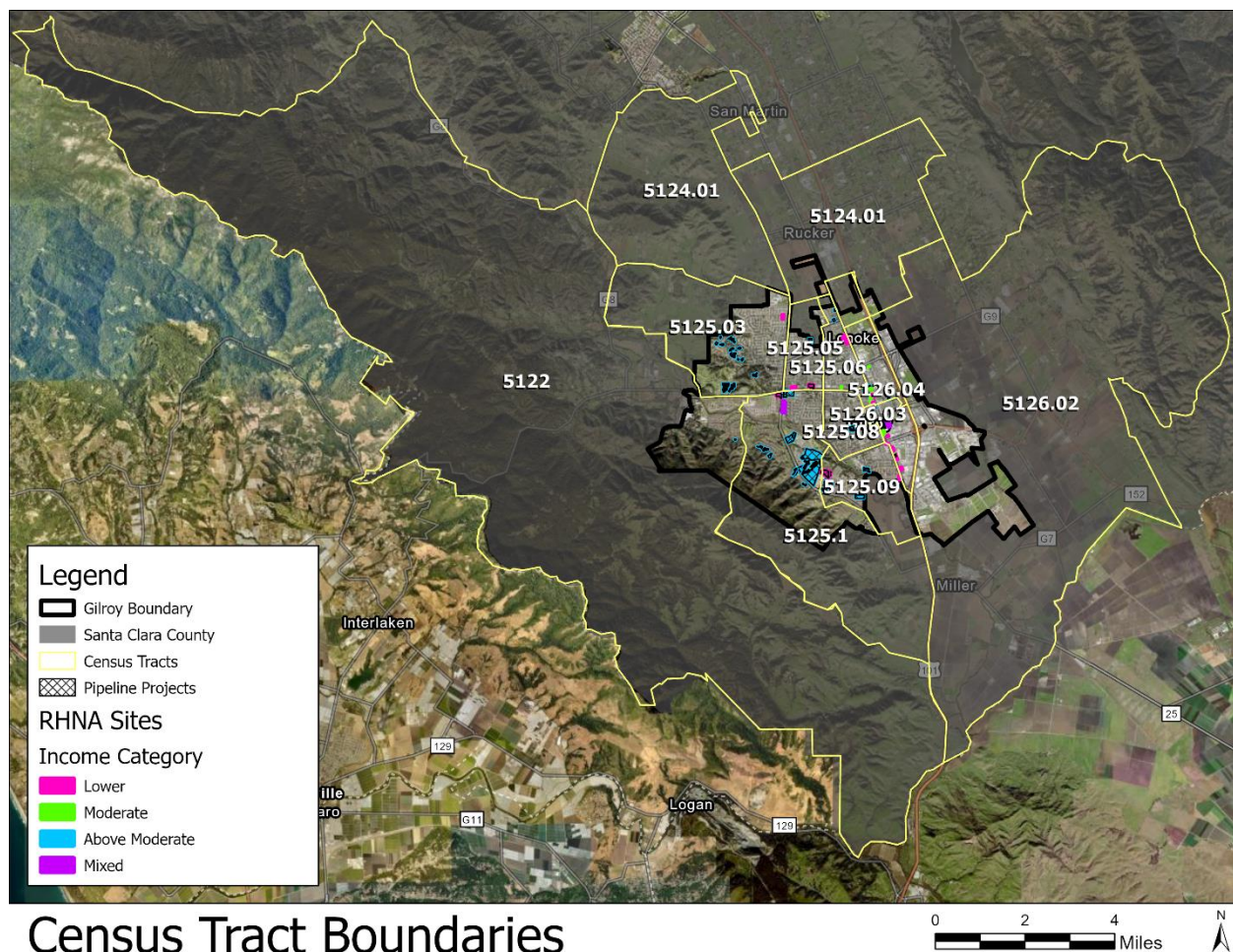
¹⁵ Neighborhood Revitalization Strategy Area Renewal Request for 2013-2018.

<https://www.cityofgilroy.org/DocumentCenter/View/9045/NRSA-Strategy-Renewal-Request-for-2013-2018>

¹⁶ ADUs are calculated on a citywide basis and are not represented on the sites maps

encourage a variety of housing types throughout the City, a program to create a ministerial permit process for duplexes, triplexes, and quadplexes that meet objective design standards is included (Program A - 10). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.

Figure 7: Census Tracts and RHNA Sites, 2022



Source: HCD AFFH Data Viewer

Eight of the eleven census tracts that intersect Gilroy have the majority of their area located inside City limits, as noted in Table 47. Gilroy is split between the Low, Moderate, and High Opportunity categories, with the intersecting tracts in the west being considered a Racially Concentrated Area of Affluence (RCAA) and the tracts in the east containing a Racially and

Ethnically Concentrated Area of Poverty (R/ECAP)¹⁷. These are relative rankings based on composites of the environmental, economic, and education scores.

Of the 2,053 RHNA sites, including pipeline projects and opportunity sites, 23 percent of units are in Low Resource tracts, 71 percent of units are in Moderate Resource tracts, and 6 percent of units are in High Resource tracts. Additionally, 41 percent of units are in the tract with the second highest median income, of the eight tracts mostly in the City. Both High Resource tracts, 5125.03 and 5122, have a large portion of their land area as rural and undeveloped. Due to the large quantities of open space in these tracts, they have disproportionately high environmental TCAC scores (see the California Tax Credit Allocation Committee (TCAC) section for more information). Tract 5122 has an environmental resource category of 91, while the education resource category is scored at 27. The disproportionately high environmental score of this majority rural, open space, steep tract skews the overall opportunity category towards High Resource. This indicates that disparities between the developable area that is actually within the City bounds and the Low and Moderate Resource opportunity areas of the City may be smaller than indicated. In fact, educational opportunity is significantly higher in the R/ECAP, with an index of 40.

Less than 25 percent of the RHNA units are in the R/ECAP. The majority of the lower-income RHNA sites are in higher opportunity areas outside of the R/ECAP. It is unlikely that the location of proposed RHNA sites will exacerbate any fair housing conditions. The City encourages development and redevelopment in the older Downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and not likely to develop or redevelop. This area is the most distant from transit, employment, and services and would not likely score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource areas.

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, as well as advertise opportunities to increase density and reuse single-family dwellings in multi-family zones. As a part of Program A - 10, the City will allow duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet (approximately 1,106 parcels as shown in Figure 33). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes

¹⁷ HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

The City currently has approximately 1,067 parcels that are single-family homes on corner lots greater than 6,000 square feet in the R1 zone. Allowing duplexes, triplexes, and quadplexes by right on all of these corner lots would allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City and thus would allow for increased capacity for housing and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots in the R2 zone. There are parcels with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Table 47: Comparison of Fair Housing with Respect to Location

Census Tract	RHNA Units ¹ (% Total)	Total Household s ²	Total Population ²	TCAC Composite Category	Median Household Income	% with a Disability	% of Children in FHH	CalEnviroScreen Percentile	% Non-White	R/ECAP Present
Census Tracts Mostly Inside of Gilroy										
5125.03	116 (6%)	2,567	9,452	High Resource	\$135,863	5.9%	8.2%	15.9	45.8	No
5125.05	211 (10%)	2,058	8,373	Moderate Resource	\$77,481	8.3%	16.2%	32.7	75.5	No
5125.06	156 (8%)	1,779	7,443	Moderate Resource	\$54,770	11.3%	26.1%	56.3	83.0	No
5125.08	19 (1%)	2,644	8,007	Moderate Resource	\$74,032	11.2%	15.6%	52.1	65.7	No
5125.09	216 (11%)	1,239	5,244	Moderate Resource	\$79,306	6.5%	5.8%	38.8	70.2	No
5125.1	846 (41%)	2,270	7,352	Moderate Resource	\$85,960	10.0%	25.4%	29.4	61.9	No
5126.03	376 (18%)	971	4,563	Low Resource	\$37,301	9.5%	30.9%	90.8	91.2	Yes
5126.04	112 (5%)	1,161	4,854	Low Resource	\$35,297	6.0%	23.6%	75.8	91.2	Yes
Census Tracts Mostly Outside of Gilroy										
5126.02	0	805	2,377	Low Resource	\$64,375	13.0%	37.7%	78.0	58.1	No

Census Tract	RHNA Units ¹ (% Total)	Total Household s ²	Total Population ²	TCAC Composite Category	Median Household Income	% with a Disability	% of Children in FHH	CalEnviroScreen Percentile	% Non-White	R/ECAP Present
5124.01	0	1,427	4,782	Moderate Resource	\$107,599	13.1%	17.2%	42.4	55.2	No
5122	1	1,612	3,895	High Resource	\$124,130	6.1%	12.8%	13.4	33.8	No

Note:

- 1) Includes opportunity sites and pending projects.
- 2) Includes all households in the tract, including those not within the bounds of the City of Gilroy.

Fair Housing Enforcement and Outreach Capacity

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

Project Sentinel provides fair housing counseling services for the City of Gilroy. The City publishes the availability of both tenant/landlord counseling and fair housing services via its website. In the fiscal years 2022-2023 and 2023-2024, the City of Gilroy allocated \$80,000 in total funds to two Project Sentinel programs: Fair Housing and Landlord/Tenant Counseling and Dispute Resolution. The funds are provided through the Permanent Local Housing Allocation (PLHA) fund, which is administered by Santa Clara County's Office of Supportive Housing.

Project Sentinel is a nonprofit organization that provides a variety of fair housing resources and services in Northern California, including resources for tenants, property managers, and service providers, dispute resolution, and housing counseling. Annually, Project Sentinel processes over 10,000 initial contacts; handles over 400 housing discrimination complaints and over 1,700 landlord tenant and community dispute cases; counsels over 750 homeowners; and provides monthly workshops on housing topics.

Local Data

On March 8, 2023, staff from Project Sentinel provided information for the Housing Element update related to fair housing activity in the City of Gilroy. Project Sentinel has received 256 calls on behalf of the City of Gilroy since 2017 and has managed 139 cases on behalf of the City since 2015. Over the approximately 7 to 8-year period, 32 cases cited different terms/conditions, 15 cited eviction, 46 cited reasonable accommodation or modifications/accessibility, 16 cited coercion or intimidation/harassment, and 20 cited a refusal to rent. The remaining cases cited either repairs not being completed, a hostile environment, or being falsely denied. As shown in Table 48, over 60 percent of the cases since 2015 (86 cases) were filed by residents in the 0 to 30 percent income category. Residents from all age categories have filed cases, with no strong patterns identified (Table 49). Of the cases, seven (7) were filed by Black households, 109 were submitted by White households, two (2) were submitted by Native American households, and six (6) were submitted by other or multiple racial identifying households (Table 50).

Table 48: Dispute Cases by Income Category, 2015-2022

Income Category of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
0-30%	5	14	18	8	17	11	6	7
31-50%	3	1	1	3	3	-	2	-
51-80%	10	1	1	-	2	-	-	2
80% +	3	1	4	-	1	-	-	1
N/A	-	-	-	-	3	10	1	-
Totals	21	17	24	11	26	21	9	10

Source: Project Sentinel, 2023.

Table 49: Dispute Cases by Age, 2015-2022

Age of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
<30	3	1	5	2	3	2	1	1
30-40	9	5	4	4	2	6	1	2
41-50	4	3	5	1	4	-	1	4
51-60	2	1	4	-	2	1	3	3
61-70	-	4	3	4	7	1	1	-
71-80	1	1	2	-	2	-	1	-
>80	1	2	1	-	-	-	-	-
N/A	1	-	-	-	6	11	1	-
Totals	21	17	24	11	26	21	9	10

Source: Project Sentinel, 2023.

Table 50: Dispute Cases by Race, 2015- 2022

Race of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
White	21	15	19	10	19	9	6	10
Black	-	1	3	-	1	1	1	-
Native American	-	1	-	-	1	-	-	-
Other/Multi-Racial	-	-	2	1	2	-	1	-
N/A	-	-	-	-	-	11	1	-
Totals	21	17	24	11	23	21	9	10

Source: Project Sentinel, 2023.

The City is including Program F - 1 to coordinate with Project Sentinel to conduct a workshop to inform residents of income protection and state rent control laws. Additionally, under Program F-1, the City will continue to coordinate outreach efforts to inform landlords and tenants of recent change to state law. The City is including Program F - 2 to commit to work with the Fair Housing Provider to track number of households assisted in Gilroy annually.

The Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO) enforces fair housing by investigating complaints of housing discrimination. Over the 7- to 8- period from 2013-2021, there were 15 fair housing inquiries filed with FHEO on behalf of the City of Gilroy. Three (3) inquiries referenced disability concerns, one (1) inquired on race, and the remaining 11 were found to have no identity-based inquiries. Of these inquiries, nine (9) were found to have no valid case of fair housing discrimination, five (5) failed to respond or continue further with the inquiry process, and one (1) resulted in other disposition. There are no outstanding lawsuits or complaints regarding fair housing in the City.

Integration and Segregation

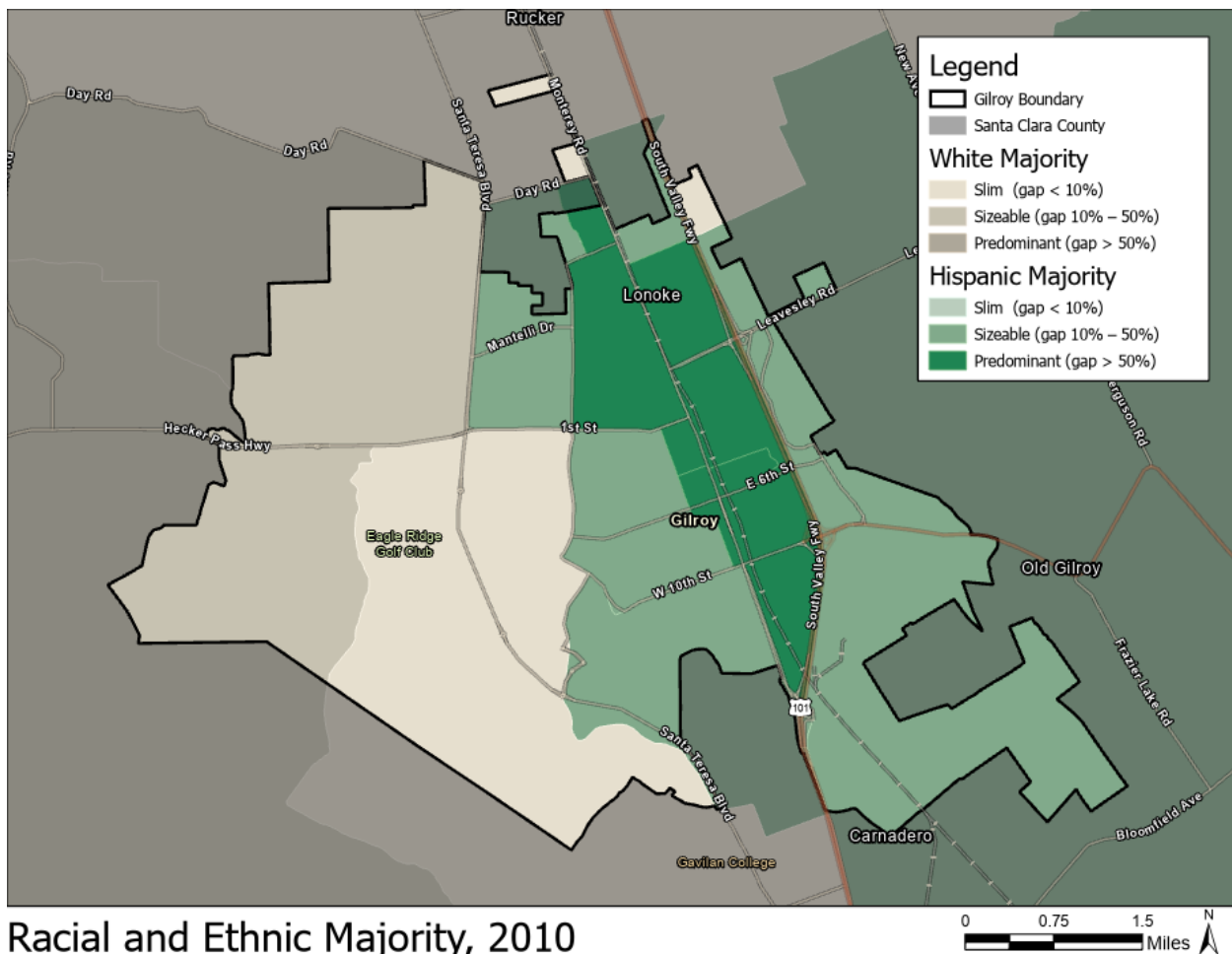
Race and Ethnicity

Figure 8 shows the racial and ethnic majority by census tract in the City of Gilroy. As illustrated, the western half of the City has a slim (<10%) to sizeable (10%–50%) White majority, while the eastern half of the City has areas with sizeable (10%–50%) to predominant (> 50%) Hispanic majorities. The tracts with Hispanic majorities have larger low- to moderate-income populations and a higher quantity of female-headed households than the majority White tracts. The City is including a program to increase Spanish language engagement in order to target outreach to the Hispanic population (Program G - 7). The area with the predominant Hispanic majority also contains a R/ECAP. HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a

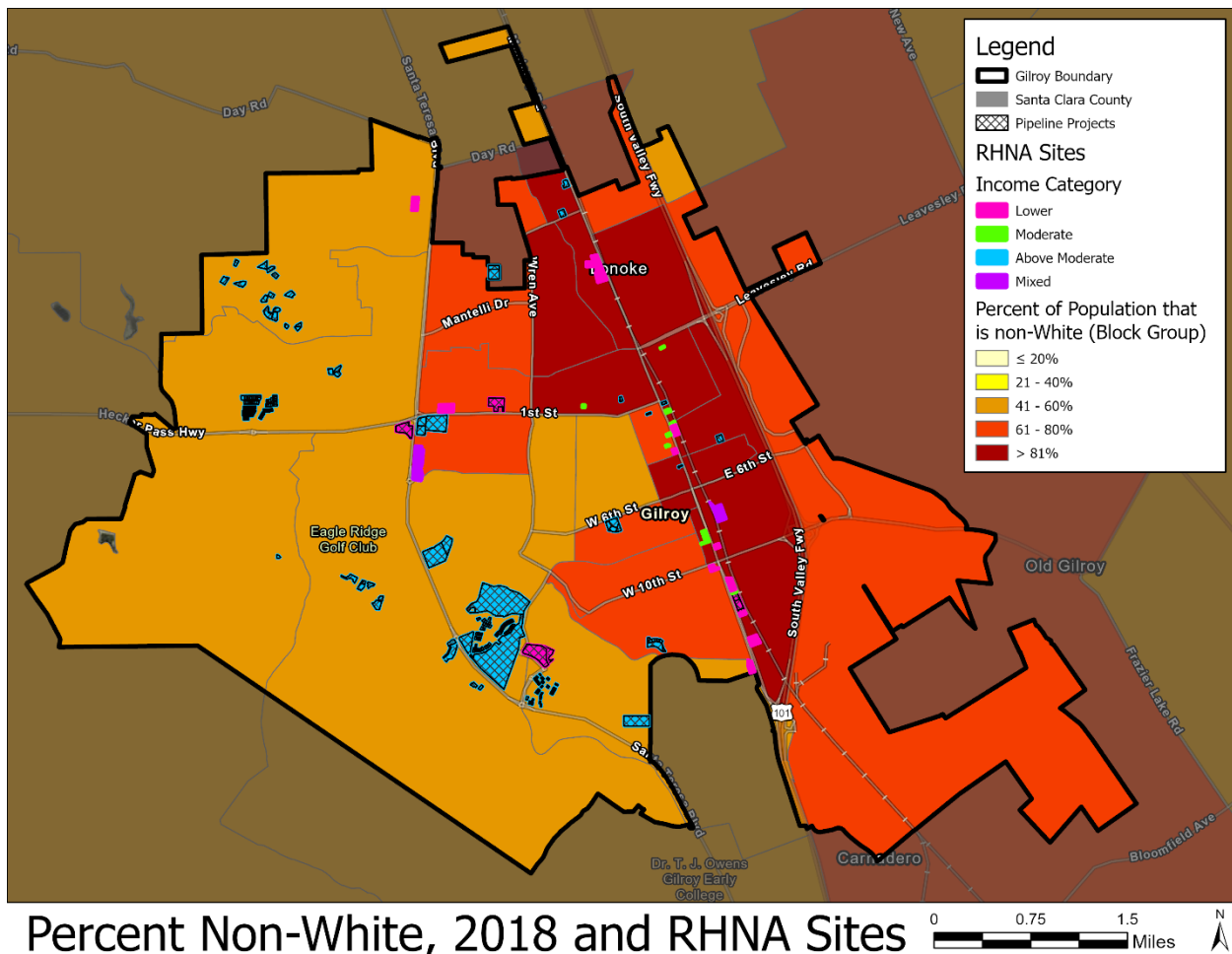
R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Regionally, there is a common correlation between wealth and race, which may help explain the racial/income concentrations in the City. The City has a significantly larger Hispanic population (57.6 percent) in comparison to the County (25.1 percent). Gilroy has a much smaller Asian/Asian Pacific Islander (API) population (9 percent) compared to the County (37 percent), and a slightly smaller non-Hispanic White population (28 percent) compared to the County (32 percent).

Figure 8: Racial and Ethnic Majority, 2010



As shown in Figure 9, there are no block groups in the City with a non-White population less than 41 percent. The area with the highest non-White percentage is also the area with the R/ECAP. In the City, newer developed single-family housing is primarily available in the west, while the multifamily, more affordable housing opportunities are primarily available in the east of the City, where there is a larger non-White population. As of 2019, 72 percent of the City was non-White while 68 percent of the County was non-White, indicating that the overall distribution of the non-White population is similar between the City and the region as a whole.

Figure 9: Percentage of the Population that is Non-White, 2018

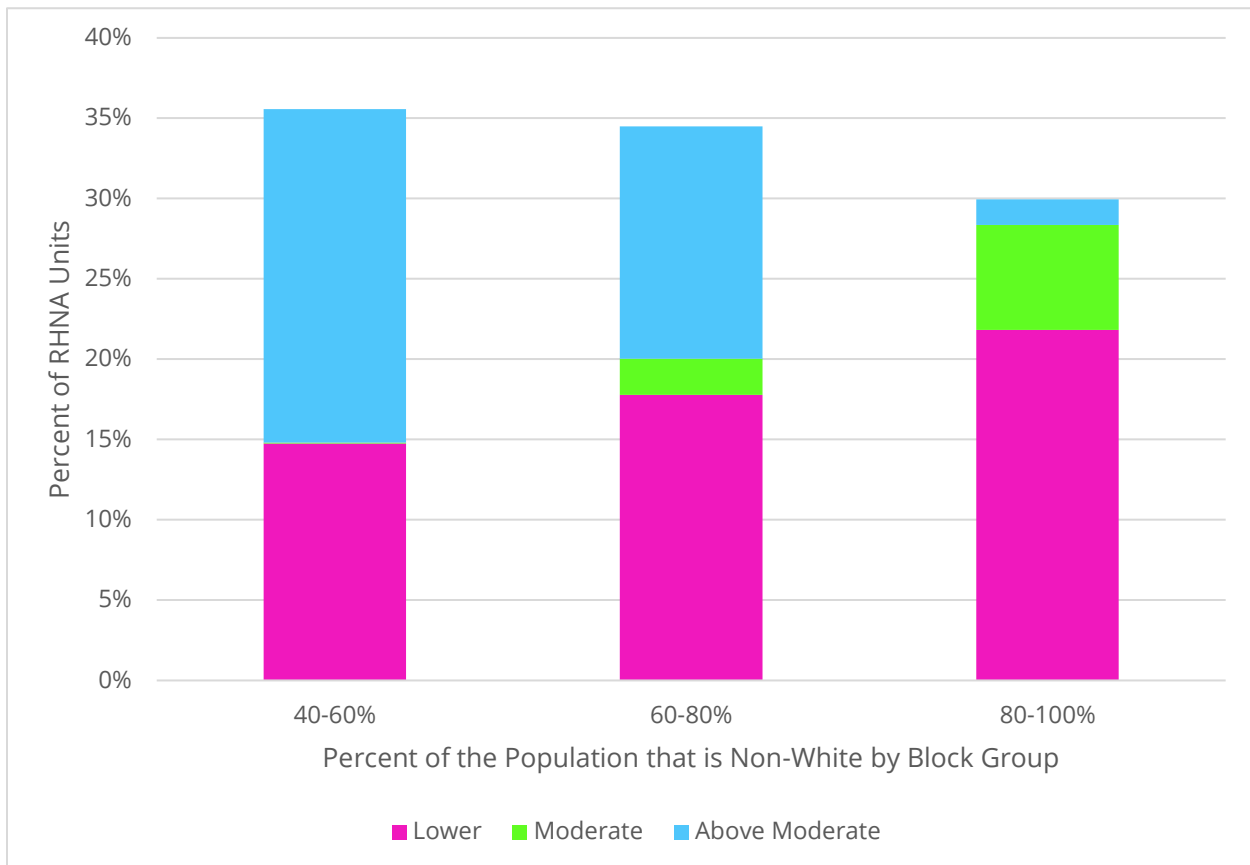
Source: HCD AFFH Data Viewer

Figure 10 compares the RHNA units with the percentage of the population that is non-White. While many sites are in the downtown area, where there is a large non-White population, this area is where the City is targeting revitalization, and place-based improvements, which includes plans for significant investment, further economic development, and a future high speed rail station.

The City is including Program F - 5, Displacement Prevention Policy, to ensure that existing residents are protected from displacement. Program F - 2 includes multilingual tenant counseling through a partnership with Project Sentinel. The City is also including programs to encourage development opportunities throughout the City, including Program G - 3 for ADU outreach focused in the western portion of the City, Program A - 11 for adoption of an inclusionary housing policy, and Program A - 10 allowing duplexes, triplexes, and fourplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows

duplexes in the R1 zone, Program A-10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 10: Percent non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹⁸ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White

¹⁸ Measures of Residential Segregation. <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

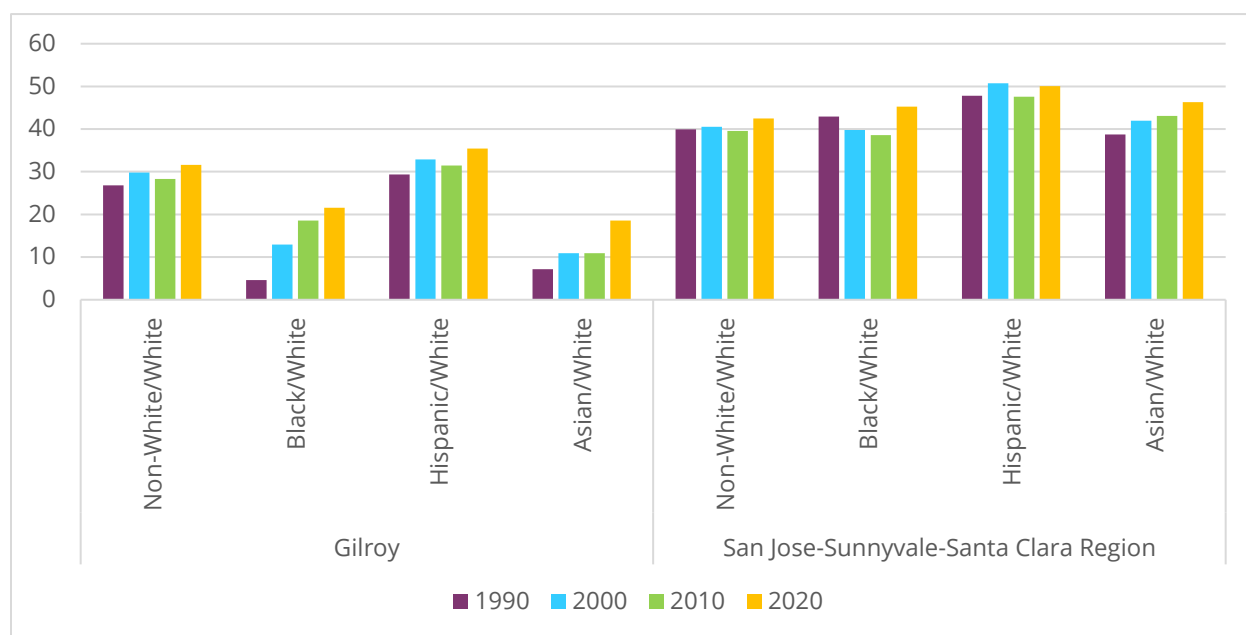
population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by the HCD AFFH Guidance Document.

The categories for the dissimilarity index on a scale of 1-100 are as follows:

- <30: Low Segregation
- 30 – 60: Moderate Segregation
- >60: High Segregation

Figure 11 provides the dissimilarity index values in Gilroy, indicating the level of segregation between White residents and residents who are non-White, Black, Hispanic, or Asian. In 2020, there was moderate segregation between the Hispanic and White populations and low segregation between the Black and White populations, and between the Asian and White populations. A moderate dissimilarity index of 35.41 in the figure below means that 35.41 percent of Gilroy's Hispanic or White residents would need to move to a different census block to create balanced integration between Hispanic and White residents. Segregation at the City level is much lower than Santa Clara County as a whole.

Figure 11: Dissimilarity Index for Race



Source: HUD AFFH Data tool.

Income

The dissimilarity index can also be used to calculate income segregation, using the same scale as above. The segregation between below-moderate and above-moderate income groups is moderate. Regionally in the Bay Area, segregation is also moderate.

Table 51: Dissimilarity Index for Income

	2010		2015	
	Below 80% AMI / Above 80% AMI	Below 50% AMI / Above 120% AMI Dissimilarity	Below 80% AMI / Above 80% AMI Dissimilarity	Below 50% AMI / Above 120% AMI Dissimilarity
Gilroy	31.5	46.2	41.6	53.3
Bay Area	28.7	36.6	27.4	35.1

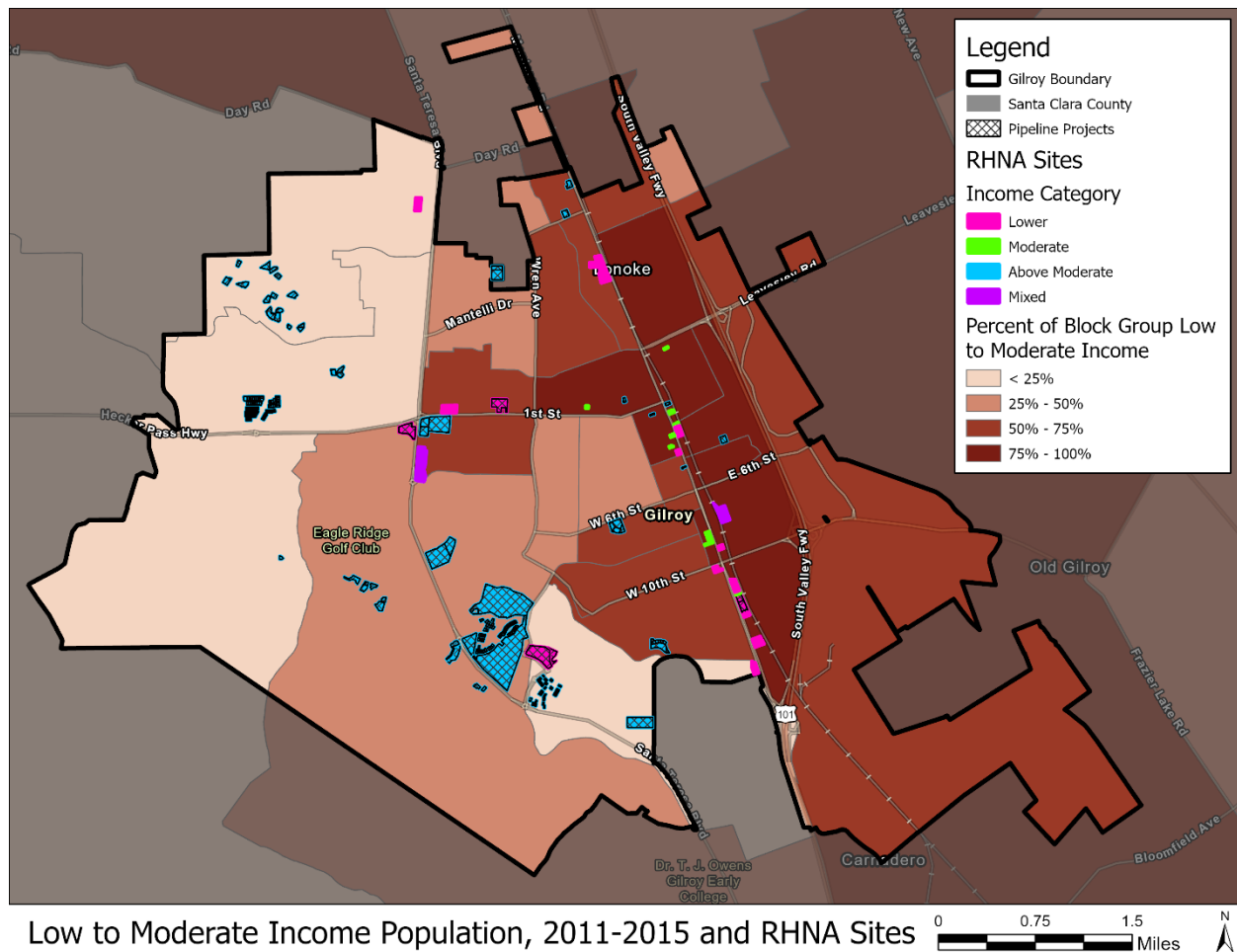
Source: Association of Bay Area Governments AFFH Data Report.

As shown in Figure 12, the area with a large low-to-moderate income population is also the area with a predominant Hispanic majority, and largest non-White population. This area is also where the R/ECAP is located. There is a large low- to moderate-income population in the area with more multifamily housing. Income often correlates with housing type—i.e., large single-family areas generally have higher incomes. Compared to the region, Gilroy has a lower median income and a higher income disparity.

While a large percentage of the RHNA units are in the area with the highest concentration of the low- to moderate-income population, this area also falls within downtown Gilroy, which provides residents with close access to transit, resources, and employment opportunities. The anticipated development of the future high-speed rail station is also expected to increase economic investment in the downtown. The Housing Element includes programs to help ensure redevelopment of nonresidential sites downtown and to minimize displacement. Programs include the creation of an inclusionary housing ordinance (Program A - 11), multilingual tenant support in partnership with Project Sentinel (Program F - 2), and a displacement prevention policy (Program F - 5).

The City also has an affordable housing portfolio available to lower-income households, including ownership and rental units. The below market-rate units are administered by HouseKeys through Programs C - 1, C - 4, and C - 5, which include monitoring of units at risk of converting to market rate and resale/rent control on BMR units. There are over 400 units in the BMR program.

The City is including programs to encourage development opportunities in the western portion of the City that are not captured by the sites inventory. Programs include ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (Program A - 11), allowing duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in R1 and R2 zones (Program A - 10), and a density bonus beyond state law policy (Program A - 12). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 12: Low to Moderate Income Population and RHNA Sites, 2011-2015**Low to Moderate Income Population, 2011-2015 and RHNA Sites**

Source: HCD AFFH Data Viewer

Figure 13 shows the percentage of RHNA units compared to the percent of each block group that is in the low- to moderate-income category. The lower- and moderate-income RHNA sites are proposed in the areas with a larger low- to moderate-income population to provide new housing opportunities without displacing current residents from their neighborhoods.

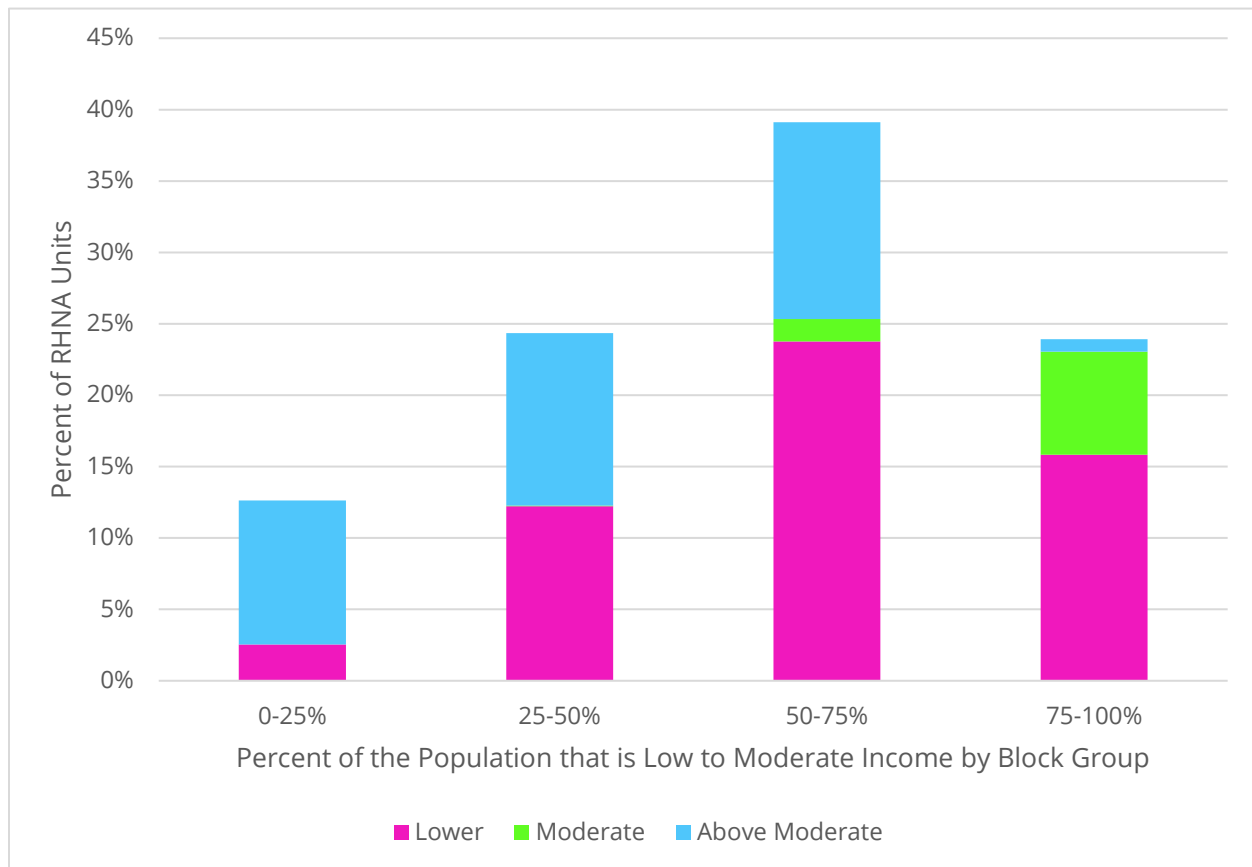
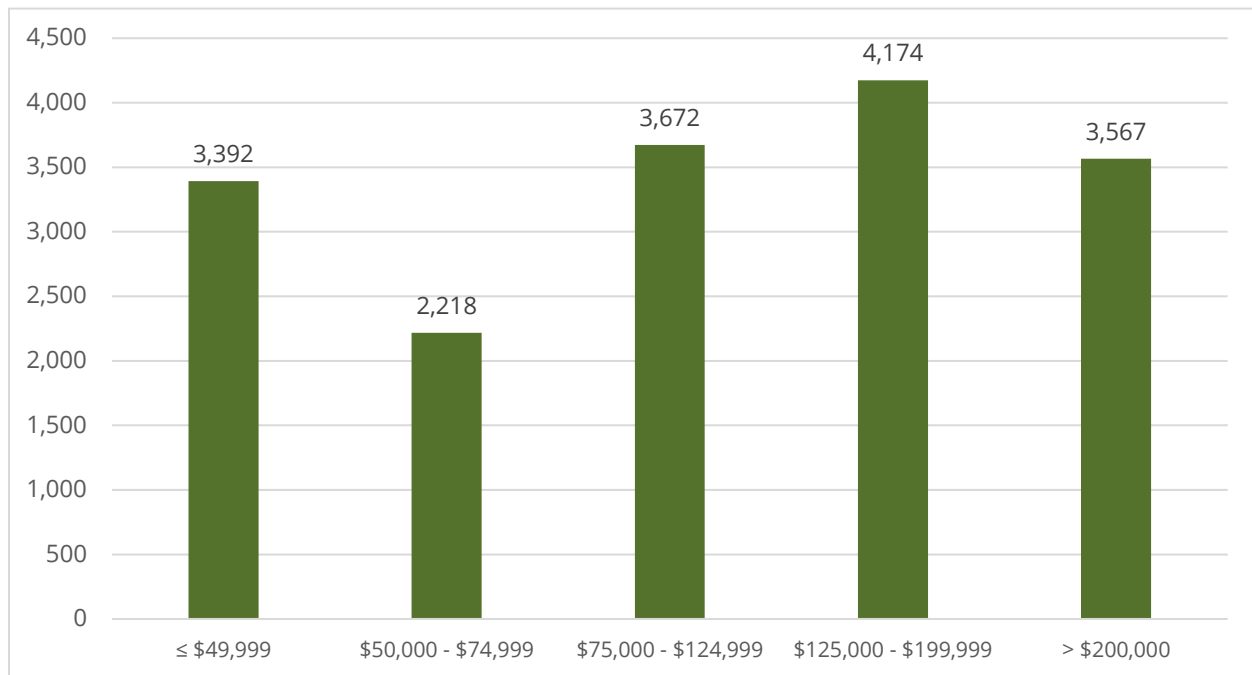
Figure 13: Low to Moderate Income Population Comparison of RHNA Units

Figure 14 shows the number of households with income levels similar to the income ranges provided by the HCD Income Limits. The moderate-income category has the largest percentage of the population, while the very low-income population has the smallest population. The remaining income categories have relatively comparable population sizes without extreme discrepancies.

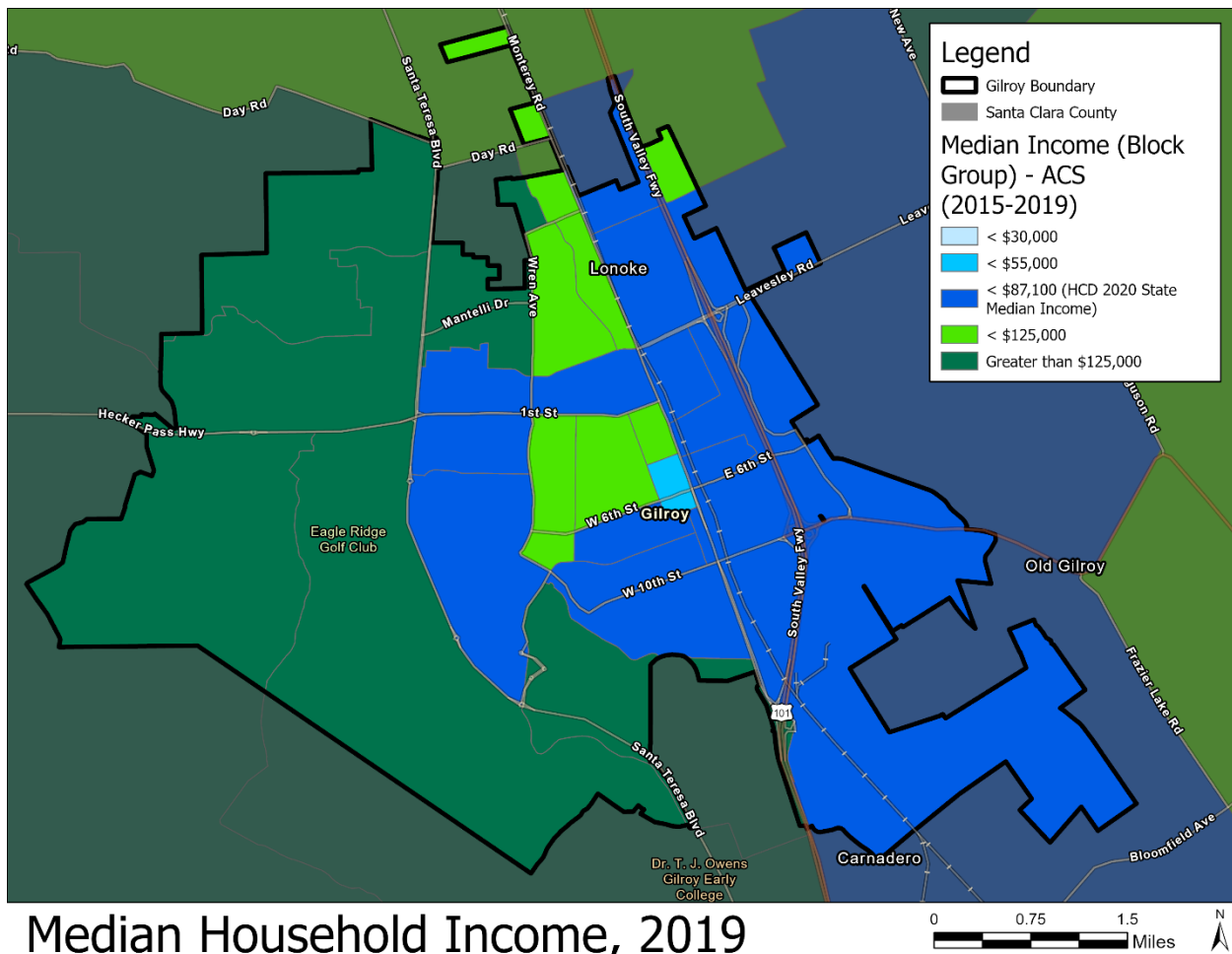
Figure 14: Households per Income Level, 2021

Source: 2021 ACS Table B19001

According to US Census 2015-2019 American Community Survey estimates, the median household income for Gilroy was \$101,616. This is about 18 percent lower than the Santa Clara County median household income of \$124,055.

Figure 15 shows median household income by census block group. In Gilroy, the highest median household incomes are located in the western portion of the City, where there is more single family zoning and open space. The lowest median incomes are in the central and eastern portions of the City, including downtown, which is the oldest area of the City.

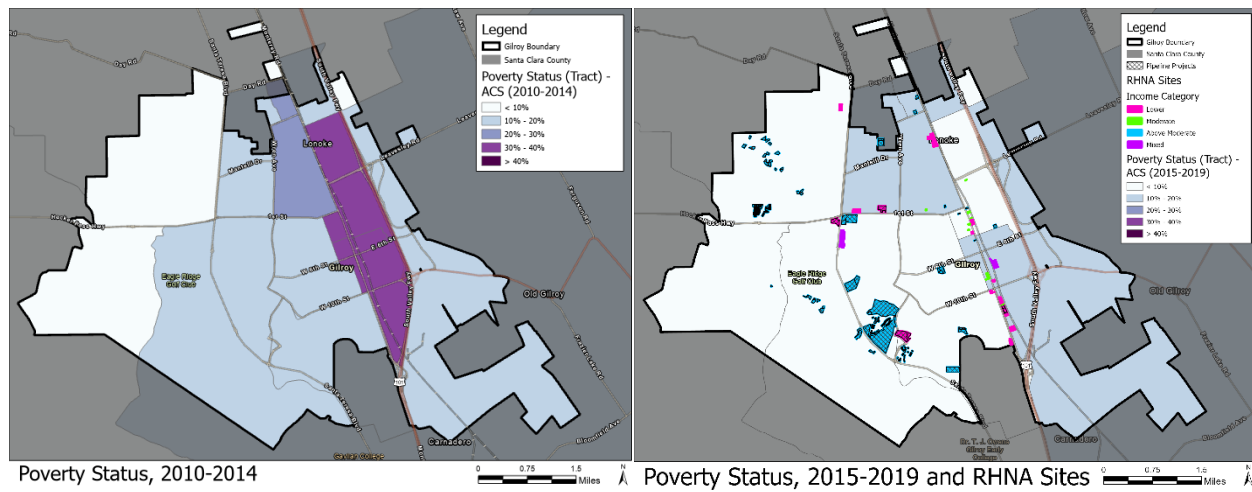
The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, the block groups in the western region of Gilroy have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for overall trends. Newer single-family development primarily occurs in the west and are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer western areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities, including ADU production, in the western portion of the City.

Figure 15: Median Household Income, 2019

Median Household Income, 2019

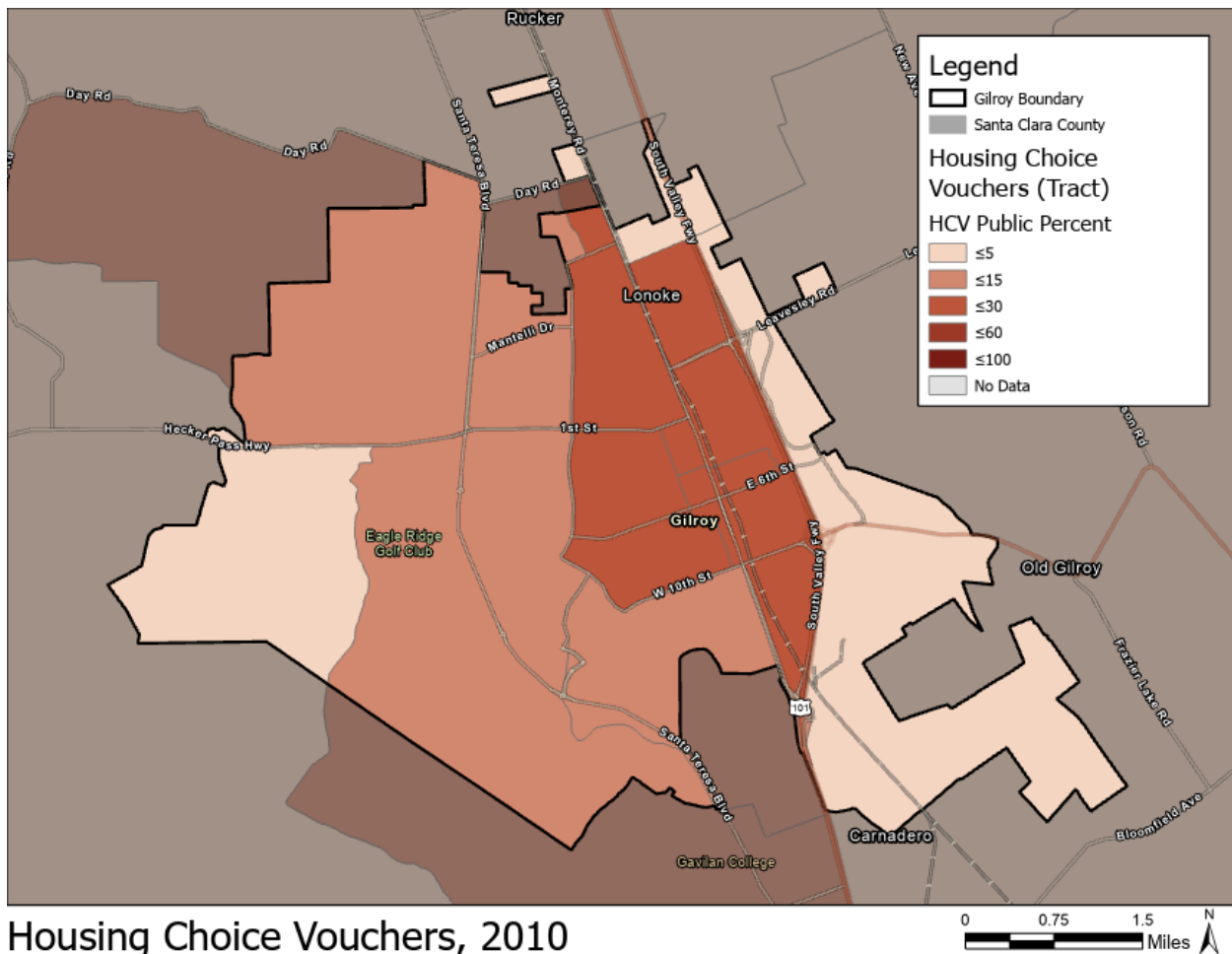
Source: HCD AFFH Data Viewer

Figure 16 shows the change in the population under the federal poverty line by census tract from 2010–2014 to 2015–2019. Poverty is defined by incomes falling below the annually defined thresholds for family size by the Census. Poverty levels in the eastern area, where the downtown R/ECAP is located, decreased significantly over this period. From 2010 to 2014, 30–40 percent of households in the eastern downtown R/ECAP area were living in poverty. Between 2015 and 2019, the percentage decreased significantly, with less than 20 percent, and in some cases less than 10 percent, of residents in this area living in poverty. Similarly, the number of impoverished residents in southern Gilroy decreased between 2010 and 2019, with less than 10 percent of these residents currently living in poverty. The 2015–2019 map shows lower levels of poverty Citywide and increased geographic parity. The 2015–2019 map also shows that pipeline projects and proposed RHNA Opportunity sites are spread throughout the City with more pipeline projects in the west and proposed RHNA sites in the east. It is the intent of the City's placed based improvements and revitalization efforts in the downtown R/ECAP area to further minimize poverty by providing safe affordable housing choices to residents living in this area.

Figure 16: Poverty Status, 2010-2014 and 2015-2019

Source: HCD AFFH Data Viewer

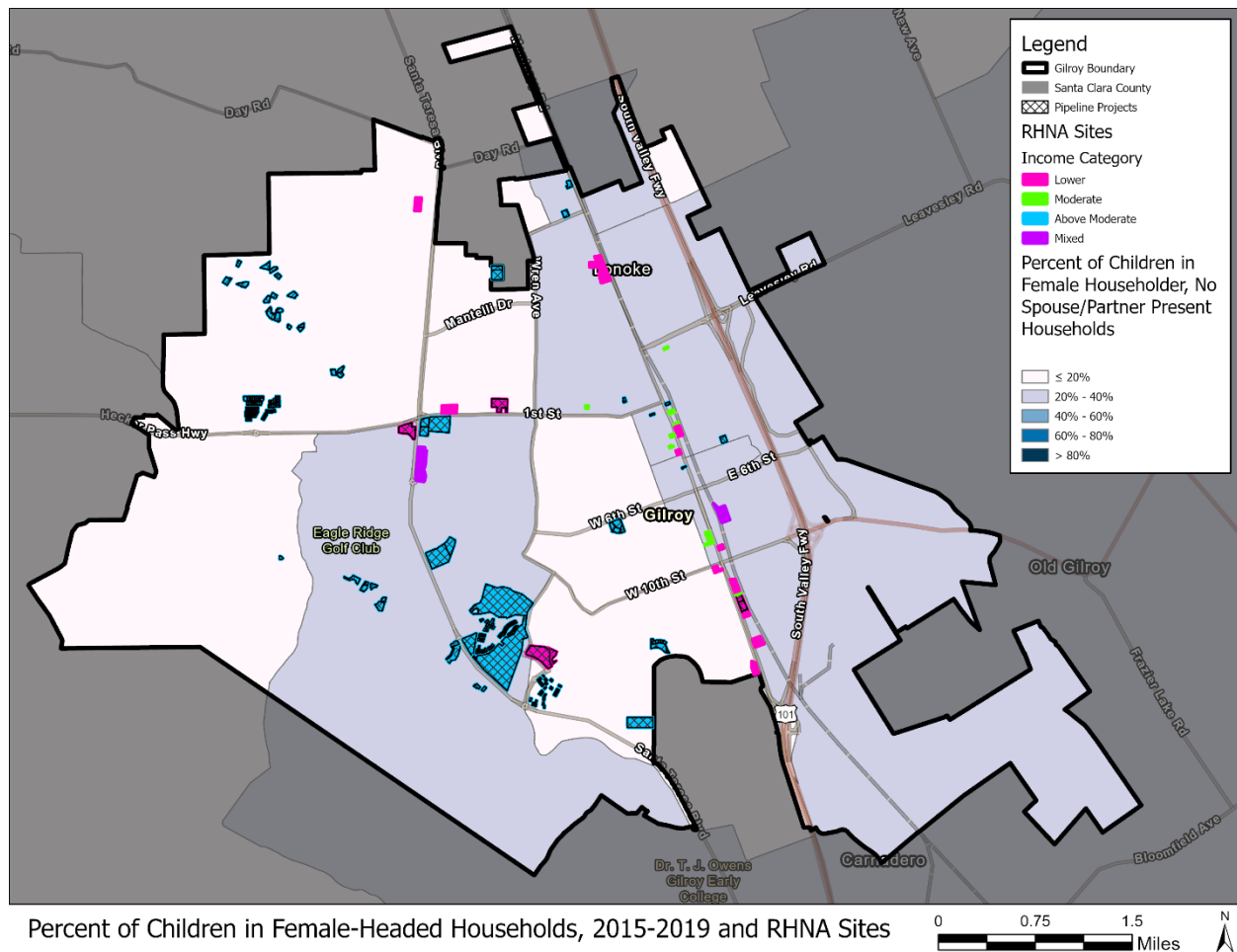
Figure 17 displays the distribution of housing choice vouchers in the City. The Santa Clara County Housing Authority (SCCHA) is the regional Public Housing Authority for the City of Gilroy and administers the Housing Choice Voucher (HCV) program (also known as Section 8). The HCV program is a 100 percent federally funded rental subsidy for low-income households living in privately owned rental units. The City does not own any public housing; however, the SCCHA owns and manages affordable housing units in Gilroy and throughout the County of Santa Clara. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is little housing choice voucher use in the west side of the City. The majority of housing choice voucher usage is in the R/ECAP, where there is more multifamily housing and rental apartments.

Figure 17: Housing Choice Vouchers

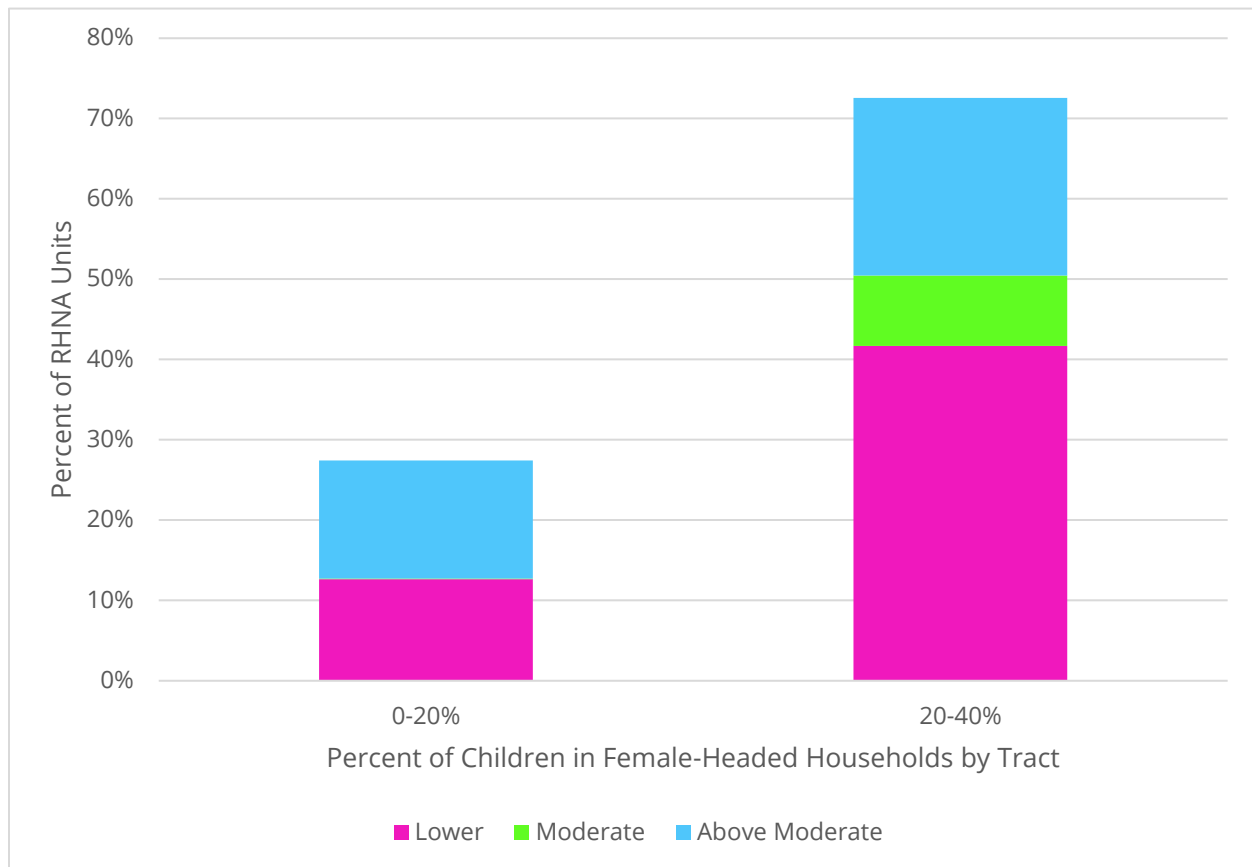
Familial Status

Figure 18 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pipeline projects and proposed RHNA Opportunity sites. In 2019, 2,616 households, or 16.2 percent of the total households in Gilroy, were female-headed households, which is about 6 percent higher than in the County, at 10 percent. There is no tract with a significant concentration of children in female-headed households. As shown in Figure 19, RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. For example, 27.4 percent of the RHNA units are located in tracts where 0-20% of children are living in female-headed households with no spouse.

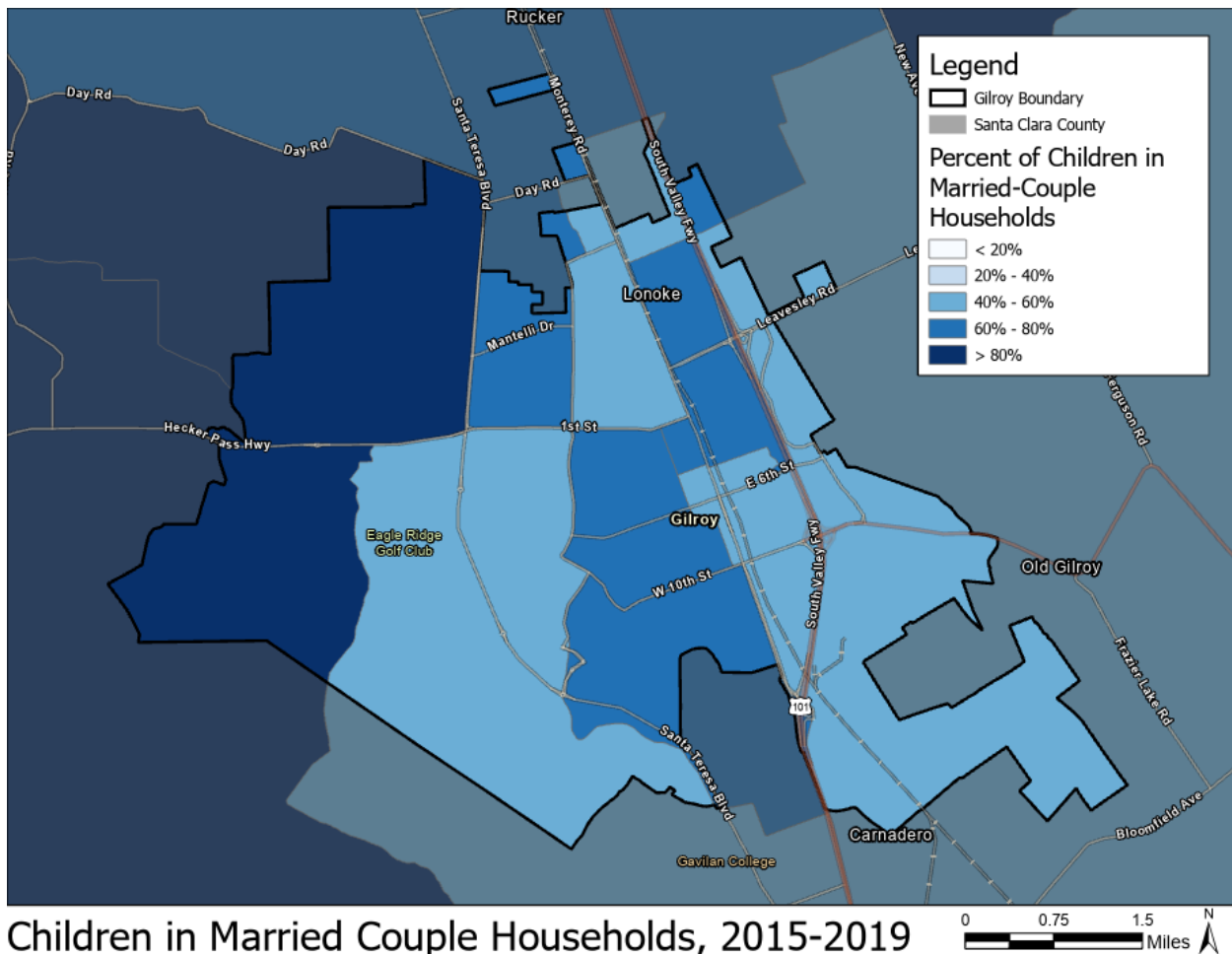
Figure 18: Children in Female-Headed Households and RHNA Sites



Source: HCD AFFH Data Viewer

Figure 19: Female Headed Households Comparison of RHNA Units

As shown in Figure 20, areas with high concentrations of children in married-couple households are also areas with large numbers of single-family households. In Gilroy, 30.5 percent of households are married-couple households with children present, compared to 26.6 percent countywide. RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure 20: Children in Married-Couple Households

Source: HCD AFFH Data Viewer

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs group. The 2019 American Community Survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.¹⁹

The types of disabilities included in the Census are:

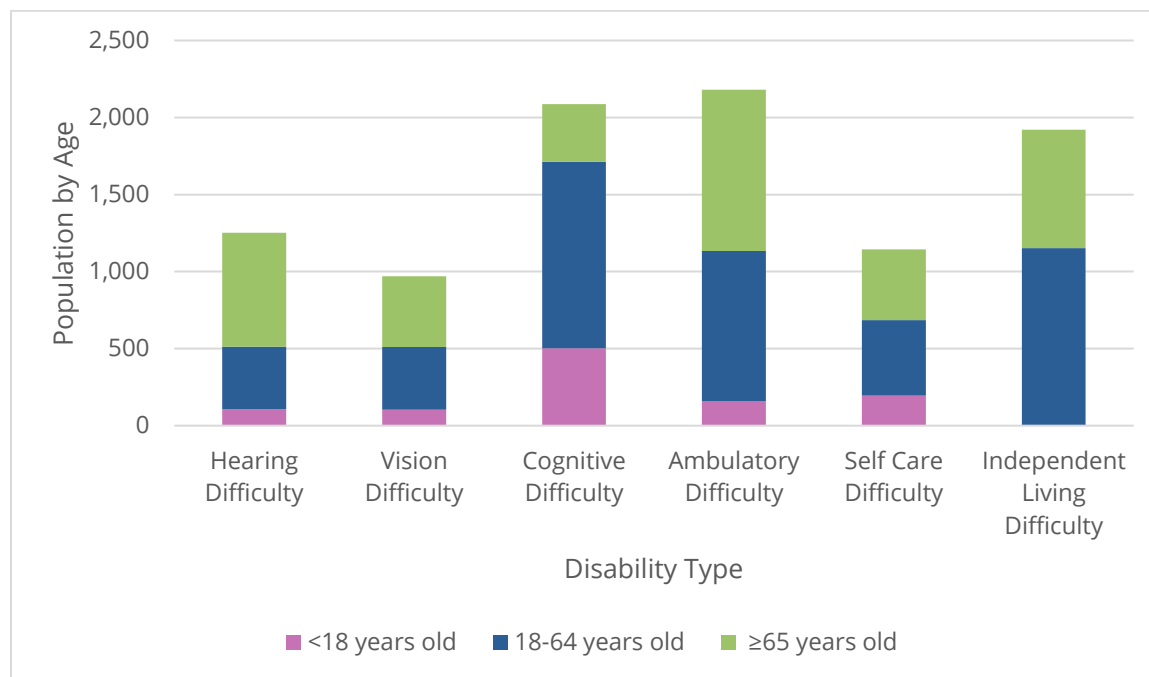
¹⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 21 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability countywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities.

Figure 21: Disability Characteristics, Gilroy, 2019



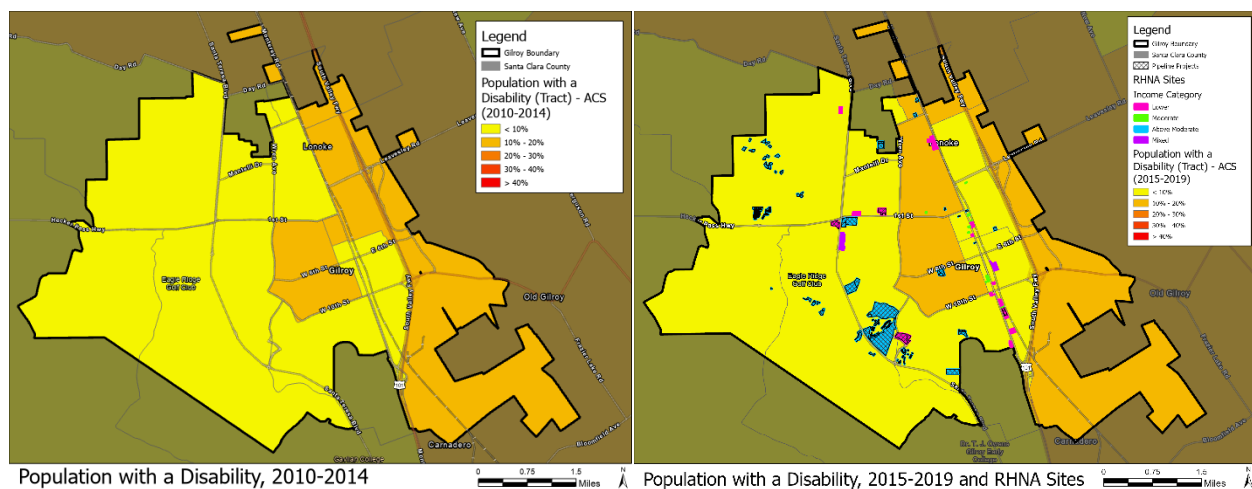
Source: 2019 ACS B18108.

Figure 22 shows that the disabled population is relatively evenly distributed throughout Gilroy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2015–2019. There is no area of the City with an extreme concentration of persons with disabilities. The area in the east of the City with a larger low- to moderate-income population and larger non-White population does have a slightly larger disabled population, though the difference is minimal. Furthermore, the west tracts have more open space and

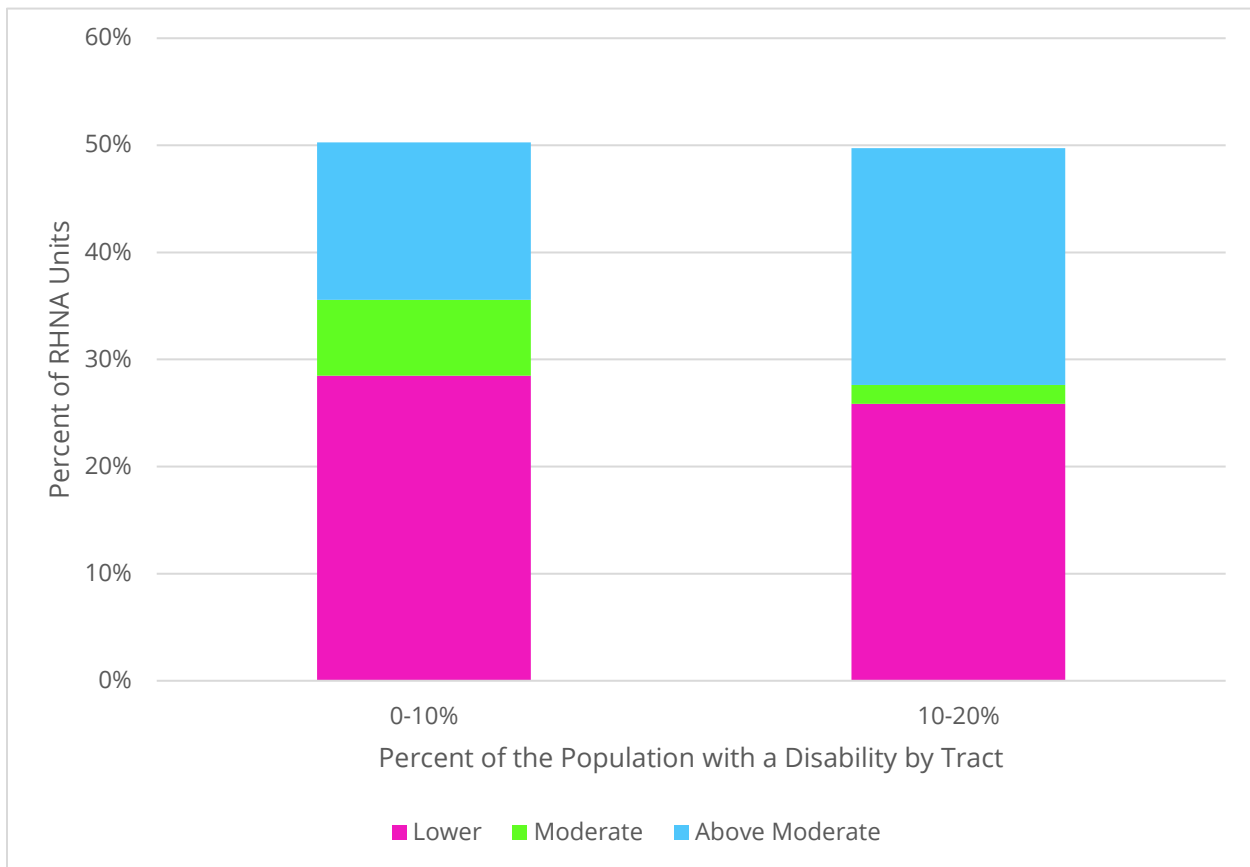
agriculture, so the population is generally more concentrated in the east, which may skew data perception. A larger or more concentrated disabled population may indicate a greater need for access to health care. However, health care facilities are also more concentrated in the areas to the east.

Figure 22 also shows pipeline and proposed RHNA Opportunity sites in the context of persons with a disability. As shown in Figure 23, the RHNA sites are relatively evenly distributed between areas with higher and lower concentrations of the disabled population. For example, 50.3 percent of the RHNA units are located in the area where 0-10% of the population has a disability. As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure 22: Population with a Disability, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 23: Population with a Disability Comparison of RHNA Units

Local Data

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting with intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), with representatives from Housing Choices and the San Andreas Regional Center in attendance.

I/DD participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop a density bonus beyond state law to incentivize the creation of additional units to serve extremely low-income households. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

I/DD participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering project-based vouchers.

The City shall notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need was housing and services for both independent living and supportive living skills. For many in need of independent living assistance, ADUs may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes preapproved, “model” plans for ADUs that meet zoning, building, and fire codes. Models plans also include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Findings

Overall, the City of Gilroy has higher concentrations of non-White and low- to moderate-income residents in the eastern portion of the City. This area saw a reduction over time in households under the federal poverty level, from 30-40 percent in 2010-2014 to either 10-20 percent or less than 10 percent in 2015-2019. This area is also where housing choice voucher use primarily occurs. Many of the pipeline and proposed RHNA Opportunity sites are located in this area, which includes place-based improvements in the Downtown Specific Plan area, including the future high-speed rail station. The selected RHNA sites are not anticipated to cause displacement or worsen patterns of segregation. The City is including programs to address needs in the downtown. These programs include an inclusionary housing policy (A - 11), multilingual tenant outreach in partnership with Project Sentinel (F - 1), a displacement prevention ordinance (F - 5), and place-based improvements in this area (F - 3).

Much of the western portion of Gilroy was developed relatively recently, leaving few vacant or underdeveloped sites that would likely be redeveloped during the 2023-2031 eight-year planning cycle. Furthermore, most of the remaining undeveloped parcels on the west side do not meet the size requirements for lower-income units. However, the City is including programs to encourage development opportunities in the western portion of the City, including an ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (A - 11) to provide integrated and affordable housing, and allowing duplexes, triplexes, and fourplexes meeting objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A - 10). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Racially and Ethnically Concentrated Areas of Poverty and Affluence

R/ECAPs

HUD defines R/ECAPs as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds

40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Gilroy has a R/ECAP in Census Tracts 5126.03 and 5126.04. The tracts are shown in Figure 25 along with the proposed RHNA sites by their income levels. The tracts include the Downtown Specific Plan area and the future high-speed rail station, which will increase access to transit options and employment centers for potential residents. Existing and proposed transit bring the opportunity for transit-oriented development to the R/ECAP area. The downtown area has excellent proximity to commercial and employment resources and opportunities. Additionally, placing new housing sites in this area allows lower-income residents to stay in their neighborhood and take advantage of new, high-quality housing with new amenities. The location of RHNA sites in the R/ECAP will not exacerbate or create any additional R/ECAPs.

Figure 26 compares the percent of RHNA units within the R/ECAP area by their income levels, illustrating that the majority of the RHNA units are located in non-R/ECAP areas. About 24.7 percent of units from pipeline projects and potential RHNA Opportunity sites are proposed in the R/ECAP. Less than 30 percent of lower-income units are in the R/ECAP. This area is also designated for higher density housing options in a smart growth pattern with access to transit, employment, and service uses and facilities. Furthermore, planning for more affordable units in this area will help minimize displacement of existing residents when older properties are redeveloped.

Less than 25 percent of the RHNA units are in the R/ECAP. The City encourages development and redevelopment in the older downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and less likely to develop or redevelop. This area is the most distant from transit, employment, and services and would likely not score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource area. Placed based improvements planned and currently financed for this area and other Programs, efforts, and opportunities described below will improve conditions rather than exacerbate existing conditions.

As a part of the 2040 General Plan update, the City adopted an Environmental Justice Element focused on the eastern portion of the City, including the R/ECAP. The Environmental Justice Element includes programs to improve the quality of life in the R/ECAP.

The two census tracts that make up the R/ECAP are also qualified Opportunity Zones as designated by the Tax Cuts and Jobs Act of 2017. Opportunity Zones are designated census tracts where new investments may be eligible for preferential tax treatment. The Opportunity Zones designator helps spur economic investment by providing tax incentives that defer or eliminate federal taxes through a temporary deferral, step-up in basis, or permanent exclusion. These census tracts are also qualified census tracts in the New Market Tax Credit program, which incentivizes community development and economic growth by using tax credits.

The City is including multiple programs to ensure that the sites in the R/ECAP improve conditions rather than exacerbate existing conditions. These include place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas (Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2).

Place-based improvements in 2023 include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

As shown in Figure 24, the City is using CDBG funding to improve the quality of life, infrastructure, neighborhood conditions, and ADA improvements throughout the City, including in the R/ECAP. Pavement rehabilitation is being targeted at:

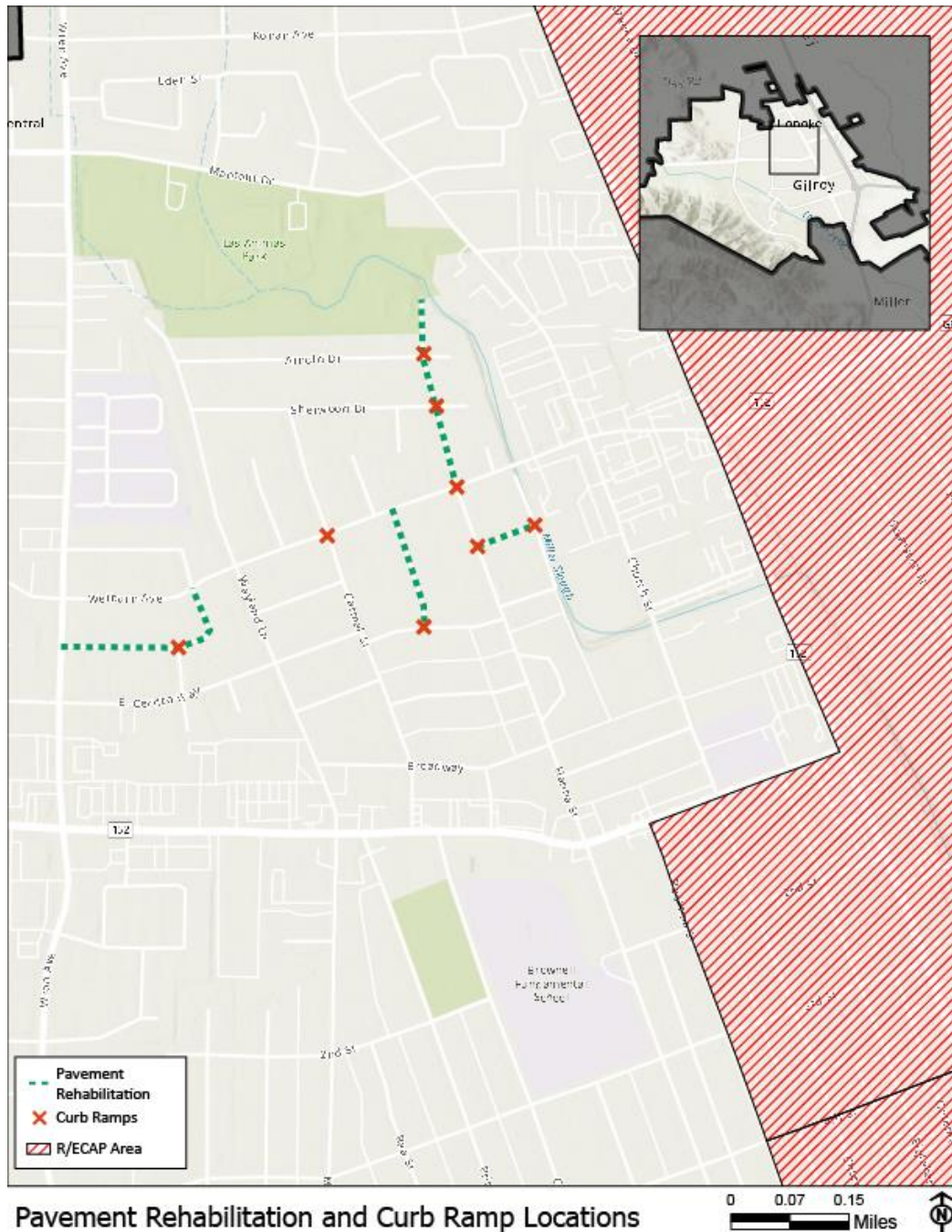
- Hanna Street from Welburn Avenue to its northern terminus
- El Toro Drive from Hanna Street to La Coche Way
- Glenwood Drive from Welburn Avenue to El Cerrito Way
- La Paloma Way from Wren Avenue to Welburn Avenue

Additionally, curb ramps are being installed at the following street corners:

- La Paloma Way / Chiesa Drive
- Welburn Avenue/ Carmel Street

- El Cerrito Way / Glenwood Drive
- Welburn Avenue / Glenwood Drive
- El Toro Drive / Hanna Street
- El Toro Drive / La Coche Way
- Hanna Street / Welburn Avenue
- Hanna Street / Sherwood Drive
- Hanna Street / Arnold Drive

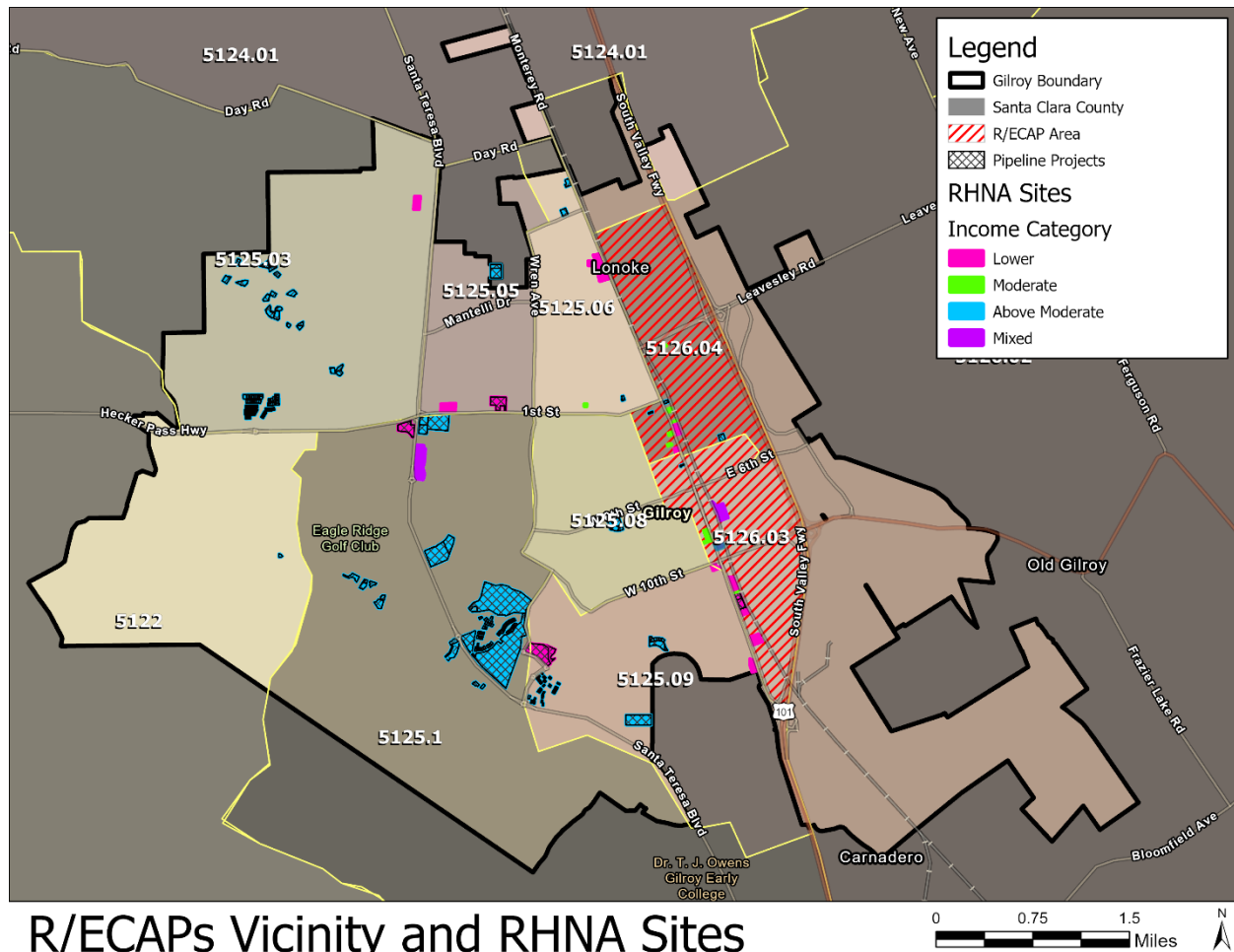
Figure 24: Infrastructure Improvements



Local Data

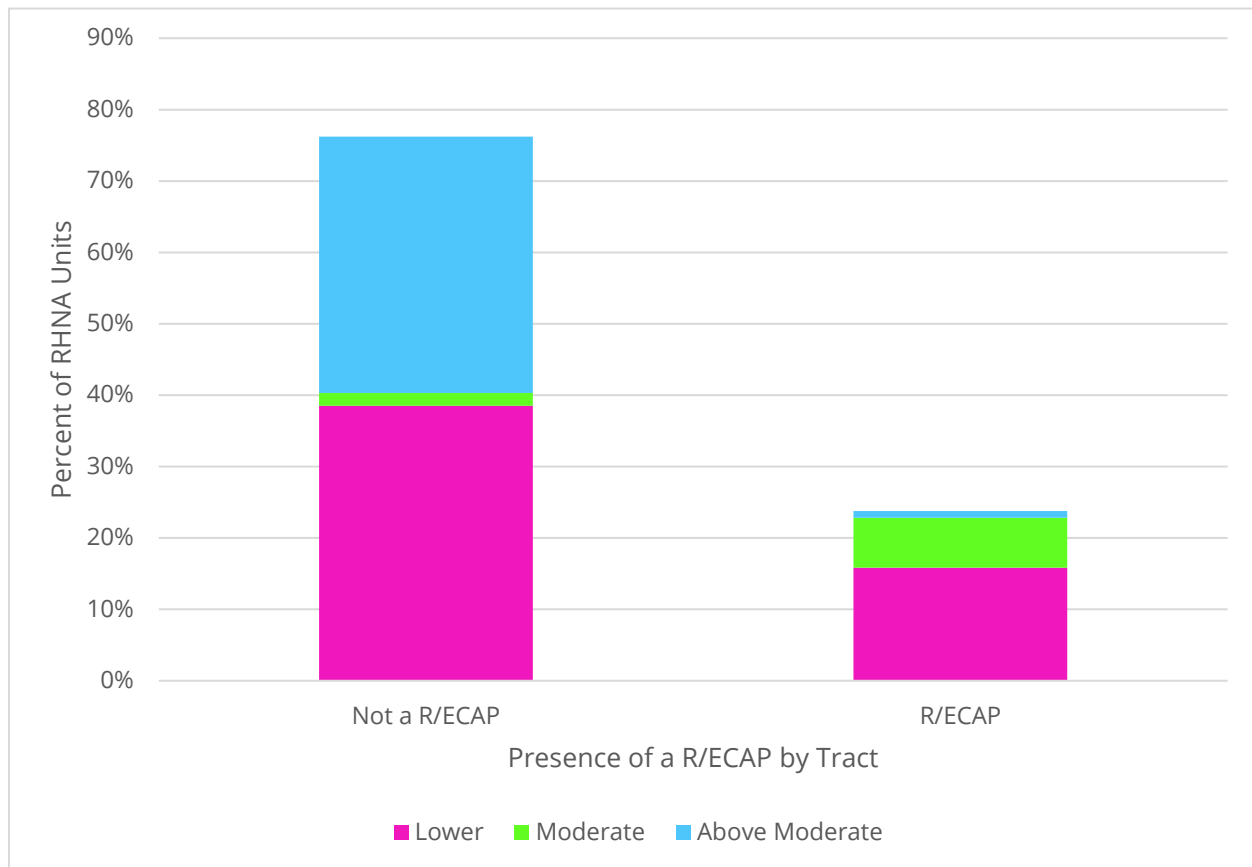
The City's Code Enforcement Officer noted that improvements to the sidewalks are being made throughout the City, without an area of concentration. The code enforcement officer also noted that community amenities such as health clinics or hospitals are concentrated in the eastern areas of the City, making these resources accessible to those in the R/ECAP area. They also noted that transit routes are more accessible on the east side, where the R/ECAP is located, and is only minimally accessible in the higher resource western areas of the City. Grocery stores are well distributed throughout the City including the eastern R/ECAP area.

Figure 25: R/ECAPs in the City and Vicinity



Source: HCD AFFH Data Viewer

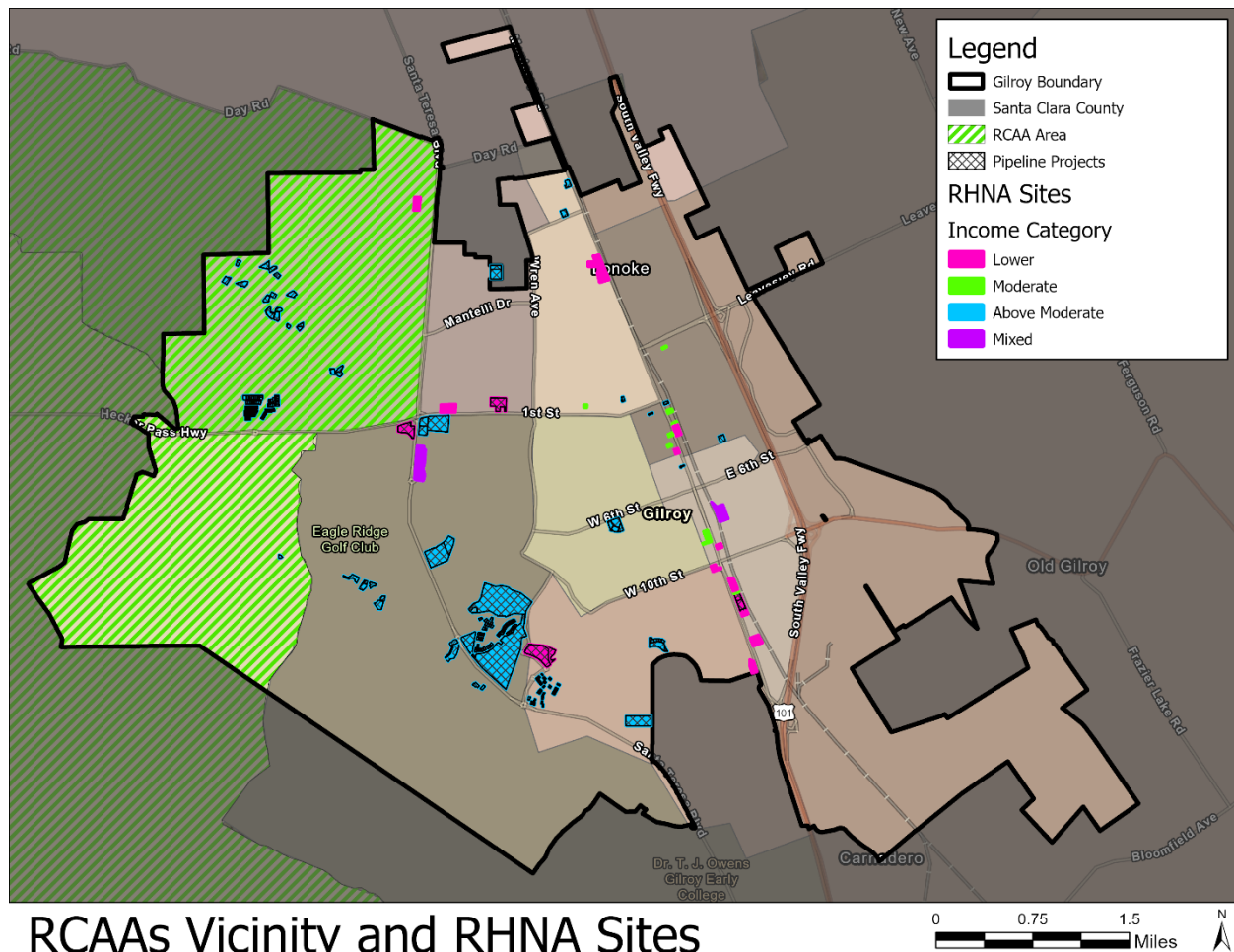
As shown in Figure 26, the majority of the RHNA pipeline and opportunity site units are located in non-R/ECAP areas. The City is including multiple programs to ensure that the units that are included in the R/ECAP improve conditions rather than exacerbate existing conditions.

Figure 26: Presence of a R/ECAP Comparison of RHNA Units

Racially Concentrated Areas of Affluence

HUD defines RCAAs as areas where the percentage of the population in a tract that is White is over 1.25 times the average percentage of the population that is White in the given Council of Governments (COG) region and median income is 1.5 times higher than the COG or State AMI, whichever is lower.

The City of Gilroy has an RCAA area along the western portions of the City. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, these census tracts have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for this overall designation. However, newer single-family development primarily occurs in these areas. Newer large homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities including ADU development in the western portion of the City.

Figure 27: RCAAs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

Disparities in Access to Opportunities

California Tax Credit Allocation Committee (TCAC)

One tool that can be used to analyze disparities in access to opportunities is the California Tax Credit Allocation Committee's (TCAC) Opportunity Area scores. These were prepared by a task force commissioned by the TCAC and HCD to identify areas statewide whose economic, educational, and environmental characteristics support positive outcomes for low-income families. The map is updated annually. Opportunity maps are made for three domains: economic, environmental, and education. Each map uses categorical indicators to determine its individual score. A composite score and resource designation combining all three designations is then assigned to each block group.

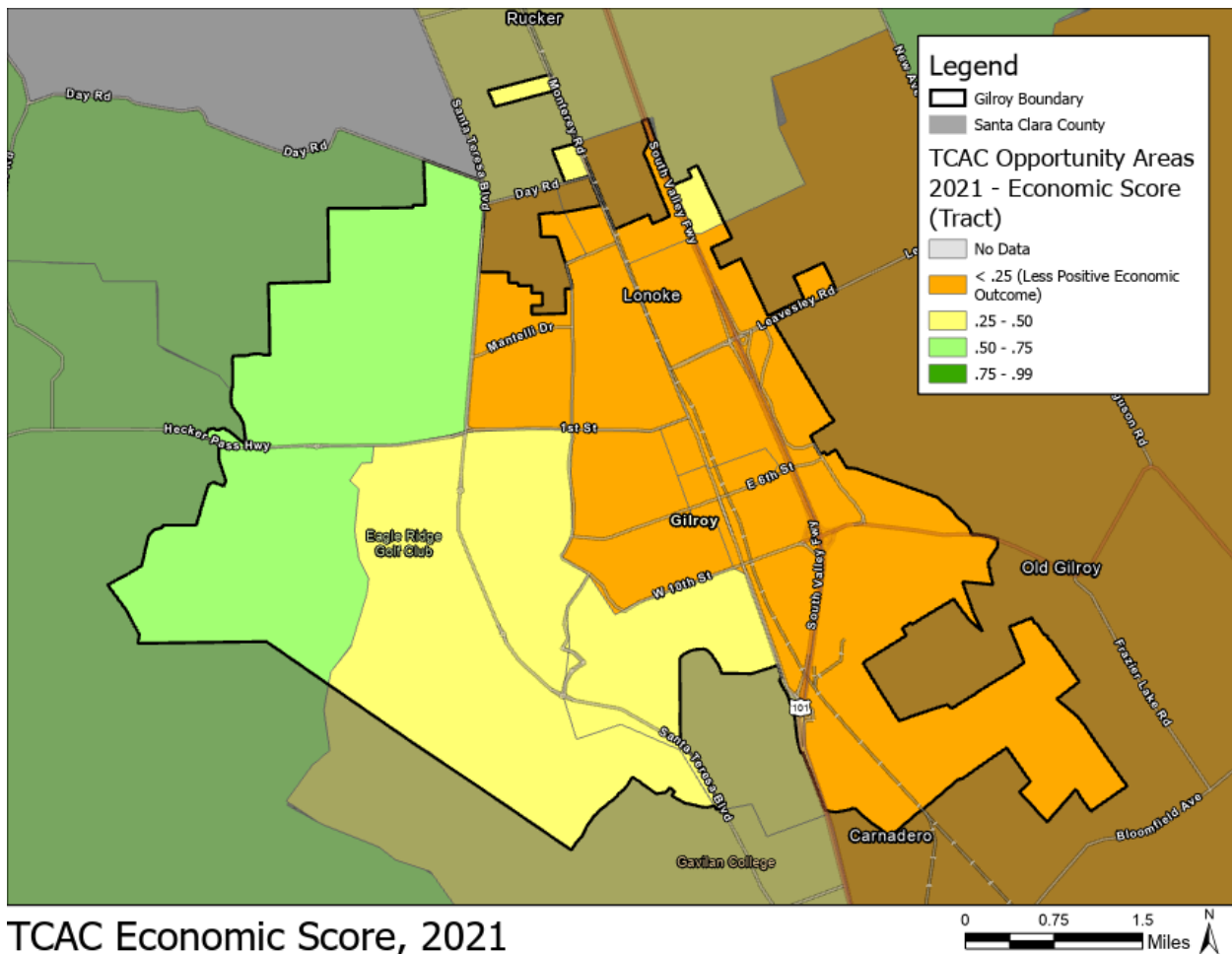
To determine the final resource category, the top 20 percent of overall scores in a county are labeled as highest resource and the next 20 percent of scores are labeled as High Resource. Then, any area that is considered segregated and that has at least 30 percent of the population

living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between Moderate Resource and Low Resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program.²⁰ Additional information regarding these indicators in Gilroy are provided on the following pages.

Economic Indicators

Economic indicators include poverty, adult education, employment, job proximity, and median home value. The scores for Gilroy are shown in Figure 28. Gilroy has more positive economic scores in the west, and less positive scores in the eastern parts of the City. The less positive scoring area includes the R/ECAP, while the more positive scoring area contains single-family homes. The more positive scoring area also has some open space, which may slightly skew results. The City is located far away from major regional job centers. For this reason, the City also trends lower in score when compared to the region as a whole.

²⁰ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure 28: TCAC Economic Score, 2021

Source: HCD AFFH Data Viewer

Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. The entirety of Gilroy is served by the Gilroy Unified School District, which includes 11 elementary schools, 6 middle schools, and 6 high schools. According to Great Schools, 31 percent of schools in the district are rated below average, 44 percent are rated average, and 25 percent are rated above average.²¹

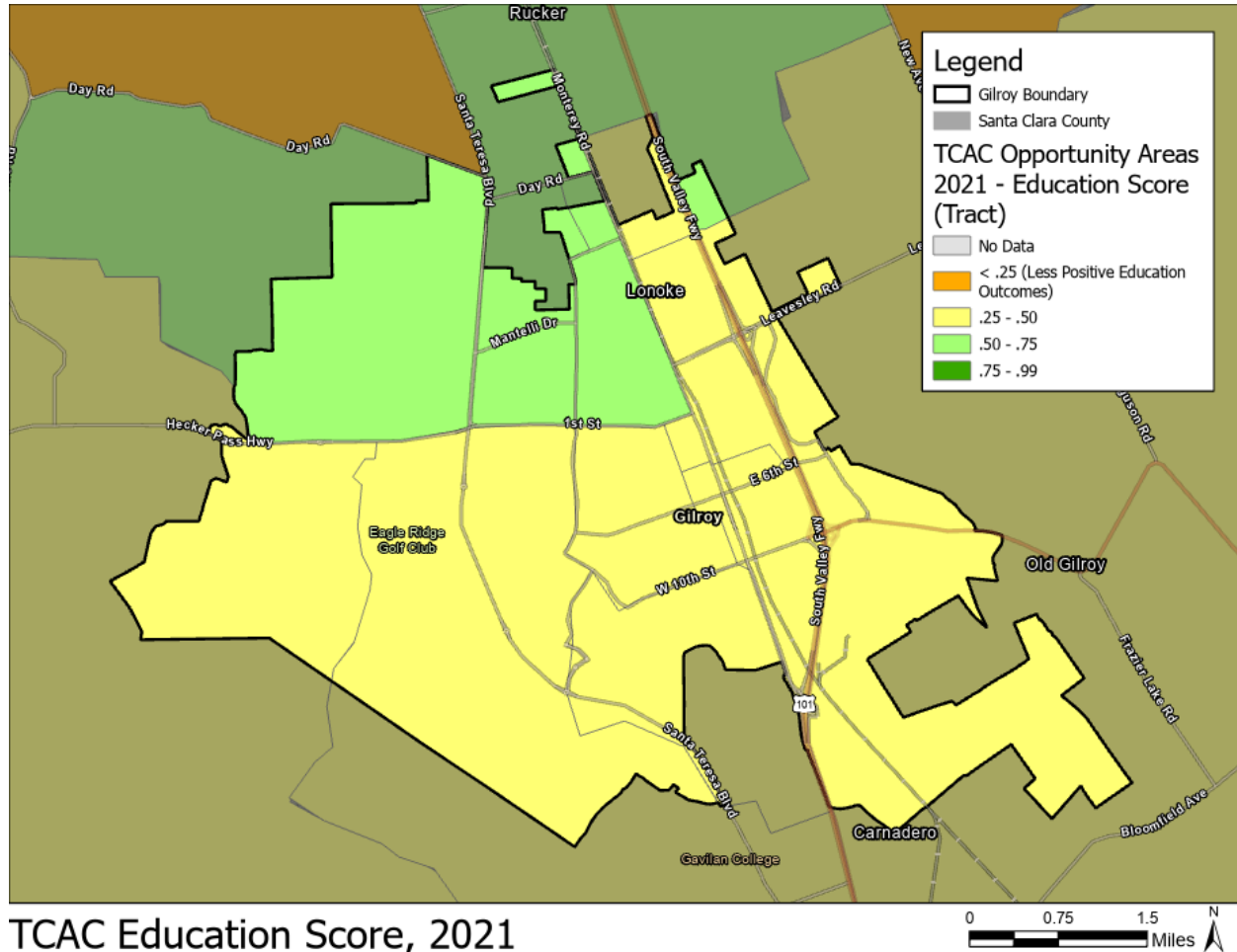
The Gilroy Unified School District has a Migrant Education Program which aims to ensure that all migrant students experience a high-quality education. This program includes actions to ensure that migrant children who move among the states are not penalized by disparities among the states in curriculum, help students overcome language barriers, and more.²²

²¹ Great Schools, Gilroy Unified School District Summary. https://www.greatschools.org/california/gilroy/gilroy-unified-school-district/#summary_rating

²² Migrant Education Program. <https://www.gilroyunified.org/departments/educational-services/migrant-education>

As shown in Figure 29, most of the City has less positive education outcome scores, with the northmost areas being positive. Additionally, the above average poverty rates in the City have a negative effect on TCAC educational scores, as poverty rates are included in this calculation.

Figure 29: TCAC Education Score



Environmental Indicators

The environmental domain utilizes CalEnviroScreen (CES) 3.0²³ pollution indicators and values (see below for more discussion on CES). As shown in Figure 30, the scores vary throughout the City, with environmental outcomes becoming less positive as the tracts move eastward. The tracts bisected by the 101 Highway have lower outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be contributions from the large agriculture industry in the City.

²³ Note that the 2021 TCAC environmental score relies on CES 3.0, rather than the updated CES 4.0.

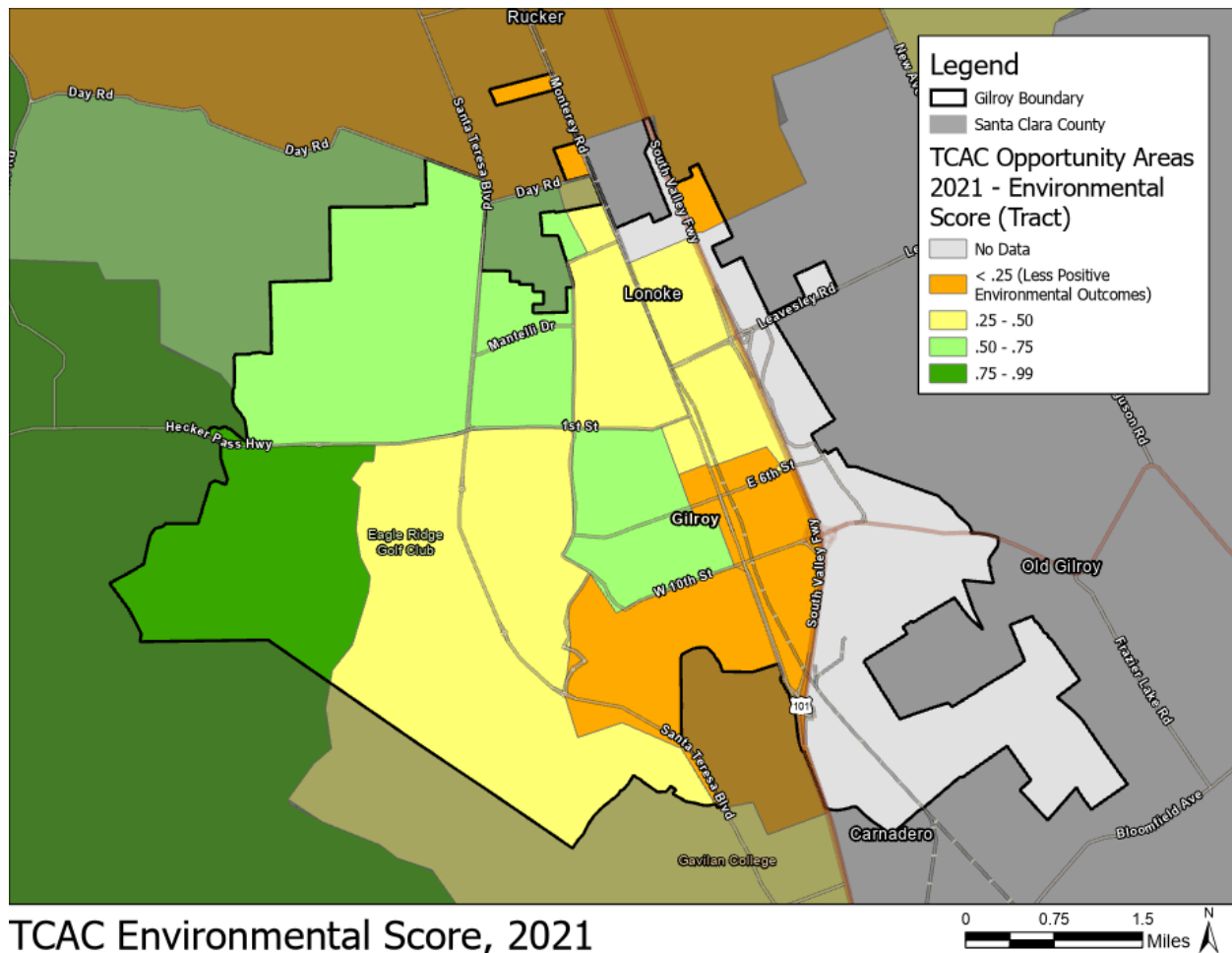
Figure 30: TCAC Environmental Score**TCAC Composite Score**

Figure 31 displays the 2022 TCAC composite score for the City. The vast majority of the City is in the moderate or low resource area. A corner of the City is a part of a large census tract that is high resource. The portions of this tract in the City contain mostly hillside open space and the Gilroy Gardens Family Theme Park, along with two single-family neighborhoods. A large portion of the population in the census tract lives outside of the City.

The downtown area has access to regional transit, employment opportunities, and social resources. Furthermore, through the 2040 General Plan and the Downtown Specific Plan, the City is focusing growth and economic development to revitalize the downtown area. Investments in the area, including the future construction of a high-speed rail station are expected to increase access to opportunity and increase resources in the low resource area of the City. As such, the majority of RHNA opportunity sites are located in the downtown, which is currently considered a low resource area.

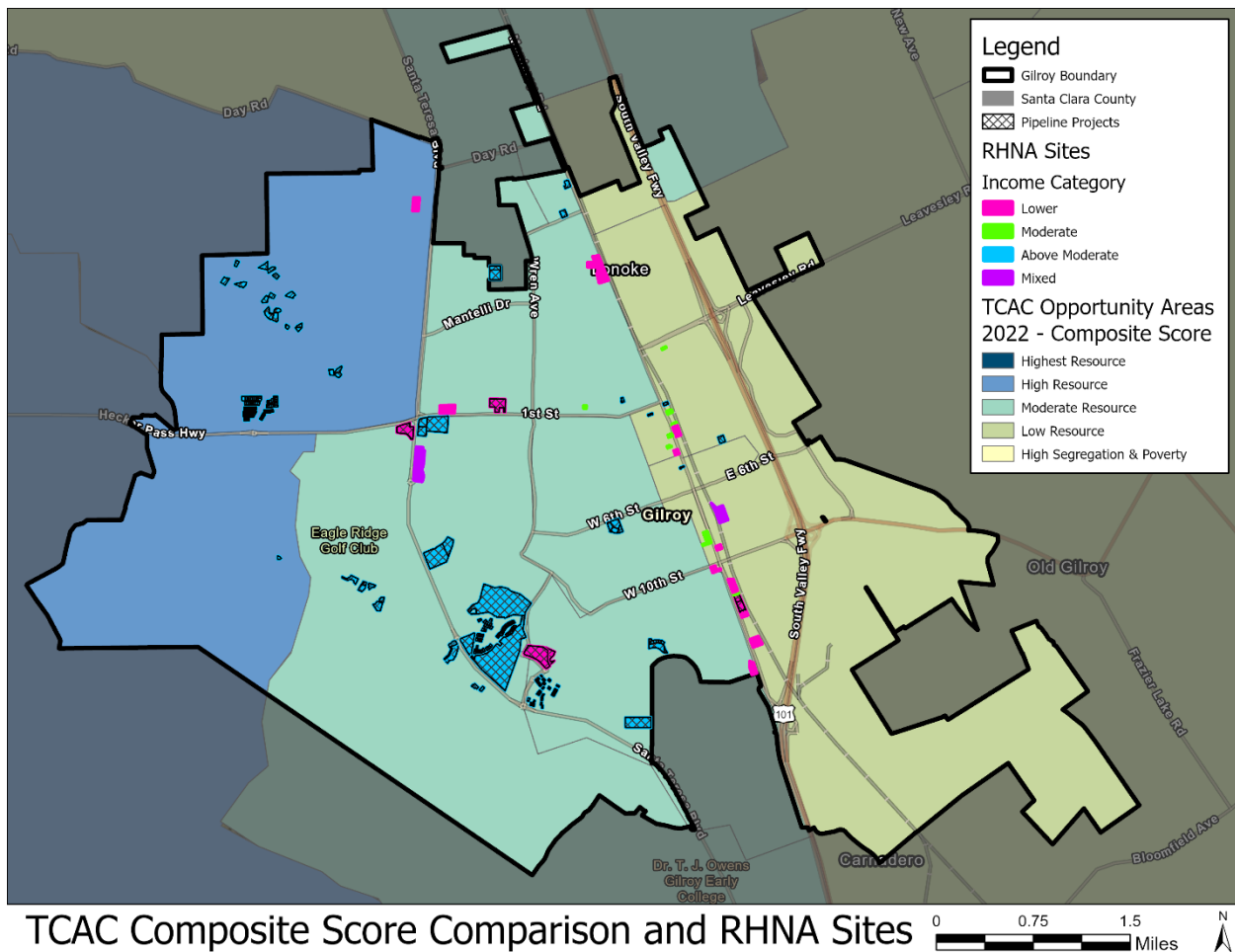
Place-based improvements in the downtown area includes the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

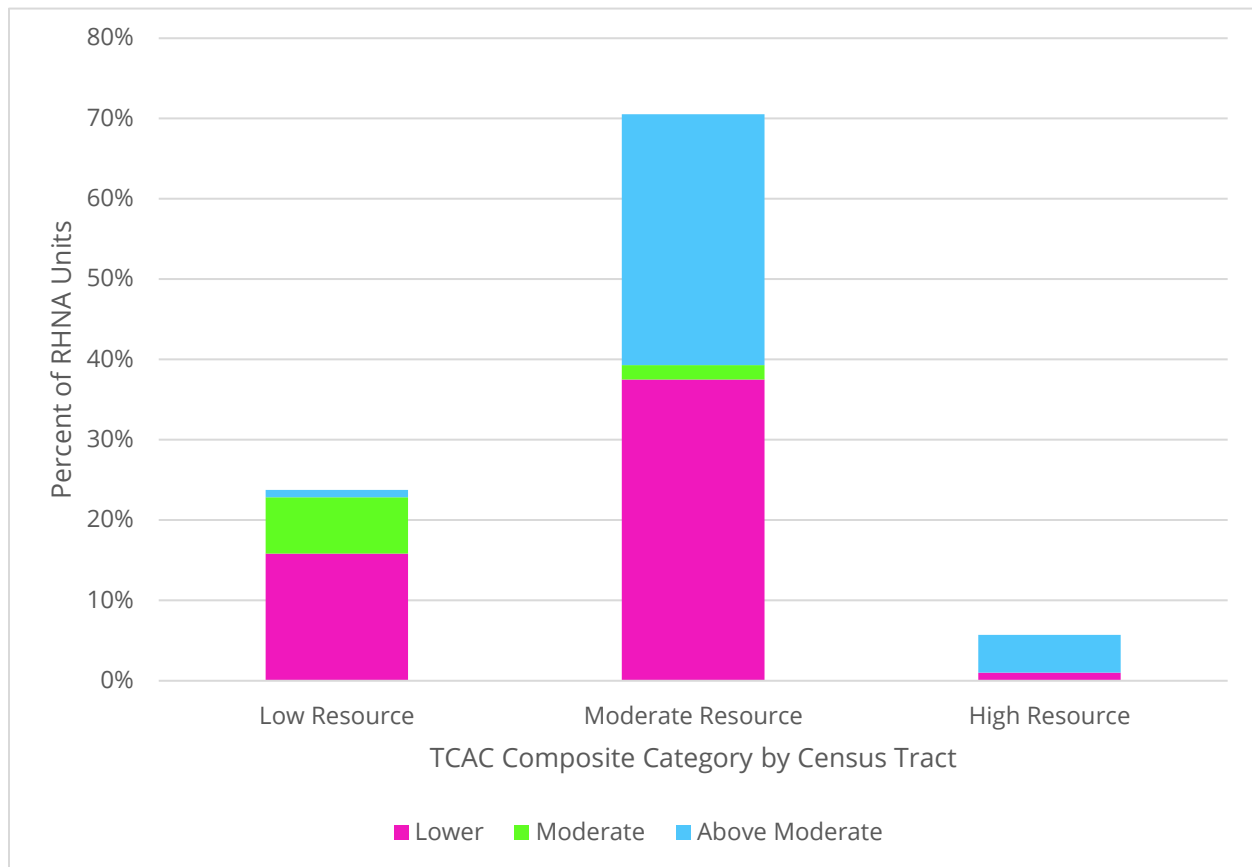
- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

Many of the pipeline projects, including low- and moderate-income units, are located in the moderate resource areas of the City. The City is also including programs to encourage development in the Moderate Resource area of the City. Programs include targeted ADU outreach to the single-family neighborhoods (Program A - 6), and ministerial approval of duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones throughout the City (Program A - 10). The City is also adopting an inclusionary housing ordinance (Program A - 11) and a program to develop density bonuses beyond state law (Program A - 12).

Figure 31: TCAC Composite Score and RHNA Sites

Source: HCD AFFH Data Viewer

As shown in Figure 32, the majority of RHNA pipeline and opportunity sites in the City are in low or moderate resource areas, with a large majority of above moderate pipeline projects in the moderate resource area. The area of the City with the highest resource category is about half open space. As the majority of the City is moderate resource, distributing RHNA sites of a variety of income in areas of these categories is unlikely to exacerbate any conditions or make any negative changes to the resource designation. Just over 30 percent of the City is low resource, and 24.7 percent of RHNA sites are located in the low resource area.

Figure 32: TCAC Designation Comparison of RHNA Units

Increasing Housing Opportunities in Higher Resource Areas

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, as well as advertise opportunities to increase density and reuse single-family dwellings in multi-family zones. Program A - 10 consists of creating a ministerial approval process for duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

Prior to the passing of Senate Bill 9 (SB9), the City of Gilroy allowed the development of duplexes on corner lots in R1 zones that meet certain conditions. Duplexes are also already permitted in the R2 zone. As a part of Program A - 10, the City will allow duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet. The policy would apply to approximately 1,106 total parcels in the R1 and R2 zones, as shown in Figure 33.

The City currently has approximately 1,067 parcels that are single-family homes on corner lots greater than 6,000 square feet in the R1 zone. Allowing duplexes, triplexes, and quadplexes by right on all of these corner lots would allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City, so this would allow for increased capacity for housing in these zones and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots in the R2 zone. There are parcels with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Figure 33: Existing Single-Family Homes on Corner Lots in R1 and R2 Zones



Source: City of Gilroy

Access to Opportunities, Regional Comparisons

HUD has developed a series of indices for fair housing analysis to assist cities in identifying disparities in access to opportunity. The following indicators are scored on a scale from zero to 100.²⁴

- **Low Poverty Index:** The low poverty index captures poverty at the census tract level. The higher the score, the less exposure to poverty.
- **School Proficiency Index:** The school proficiency index uses the performance of fourth-grade students on state exams to describe which areas have higher and lower performing schools. The higher the score, the higher the school system quality.
- **Labor Market Index:** The labor market index measures the relative intensity of labor market engagement and human capital. The index is calculated using employment levels, labor force participation, and education attainment. The higher the score, the higher the labor market participation in a neighborhood.
- **Transit Index:** The transit index is based on estimates of transit trips taken by a three-person, single-parent family with income at 50 percent of the median income for renters for the region. The higher the index, the more likely that the residents use public transit.
- **Low Transportation Cost Index:** The low transportation cost index is calculated based on estimates for a three-person, single-parent family with income at 50 percent of the median income for renters for the region. More specifically, this index considers transportation costs as a percentage of income for this household type. The higher the index, the lower the cost of transportation.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region. Larger employment centers are more heavily weighted. The higher the index, the better access to employment opportunities.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to a variety of toxins that are harmful to human health. The higher the index, the less exposure to toxins.

As shown in Table 52, the most variation between different ethnicities in Gilroy is seen in the low poverty index, with the Hispanic population at 41.0 while the Asian and White populations score 60.1 and 57.7, respectively. The labor market index also shows variation, with the Hispanic population at 43.7, while the Asian population scores 59.0.

²⁴ HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation

Compared to the wider Santa Clara County region as a whole, Gilroy scores lower in all index categories for all groups, indicating the City may have less access to resources when compared to the County as a whole. This means that Gilroy generally has more exposure to poverty and lower performing elementary school students. Gilroy scores are about the same as the region's scores in the low transportation cost index. Gilroy also has a lower score in the environmental health index, indicating higher exposure to toxins than the region. Additionally, scores in job proximity are much lower than in the region, which is likely due to the City's distance from tech industry jobs in the region, since the City is located in the southern portion of the County.

Table 52: Opportunity Indicators²⁵

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Gilroy							
White	57.7	59.5	57.8	55.4	88.6	16.4	39.1
Black	54.1	62.5	54.8	55.1	88.8	16.9	39.1
Hispanic	41.0	58.4	43.7	55.3	90.8	21.1	38.9
Asian	60.1	62.4	59.0	55.3	88.3	15.8	39.0
Native American	45.1	59.4	46.8	54.9	90.4	20.9	39.0
Santa Clara County							
White	81.1	81.9	82.2	68.1	91.2	52.8	58.8
Black	72.9	74.1	74.2	73.4	93.1	57.1	53.5
Hispanic	65.3	58.9	61.9	64.5	91.3	43.2	54.6
Asian	82.0	85.3	83.3	71.4	91.4	51.7	61.6
Native American	70.9	69.4	68.4	67.2	91.8	50.6	56.7

Source: Decennial Census; American Community Survey; Great Schools; Common Core of Data; School Attendance Boundary Information System; Local Affordability Index; Longitudinal Employer Household Dynamics; National Air Toxics Assessment

Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The Valley Transportation Authority (VTA) serves Santa Clara County, and there is also a commercial shuttle service available from the San Francisco and San Jose airports. Both public transportation and Highway 101 provide access from Gilroy to north Santa Clara County. The City is the southernmost stop on the Caltrain, which operates

²⁵ HUD Affirmatively Furthering Fair Housing. <https://egis.hud.gov/affht/>

commute service to the Santa Clara Valley, San Francisco Peninsula, and San Francisco. Amtrak's Capitol Corridor line runs a thruway line from San José to Santa Barbara with a stop in Gilroy. The Monterey-Salinas Transit Line 55 stops in Gilroy and provides rush hour service between San José and Monterey. The San Benito County Express provides intercounty bus service from Gilroy to Hollister and San Juan Bautista.

Transit routes in Gilroy are shown in Figure 34. The VTA provides service to Gavilan College with bus lines along Luchessa Avenue and Santa Theresa Boulevard. The City also has a full network of bike lanes which connect all elementary, middle, and high schools in the area.

A future high-speed rail station is proposed in downtown Gilroy at the existing Caltrain station on Monterey Street between 7th and 9th Streets. This station will be a transit hub for southern Santa Clara County and provide additional transit access for the community. Many RHNA sites have been chosen specifically for their proximity to existing and proposed transit.

The City will work with California High Speed Rail to develop a station area plan for the proposed station through Program A - 13. The existing transit and proposed high speed rail bring the opportunity to create transit-oriented development in the downtown area.

Figure 34: Transit Route Map



Source: Valley Transportation Authority, 2022

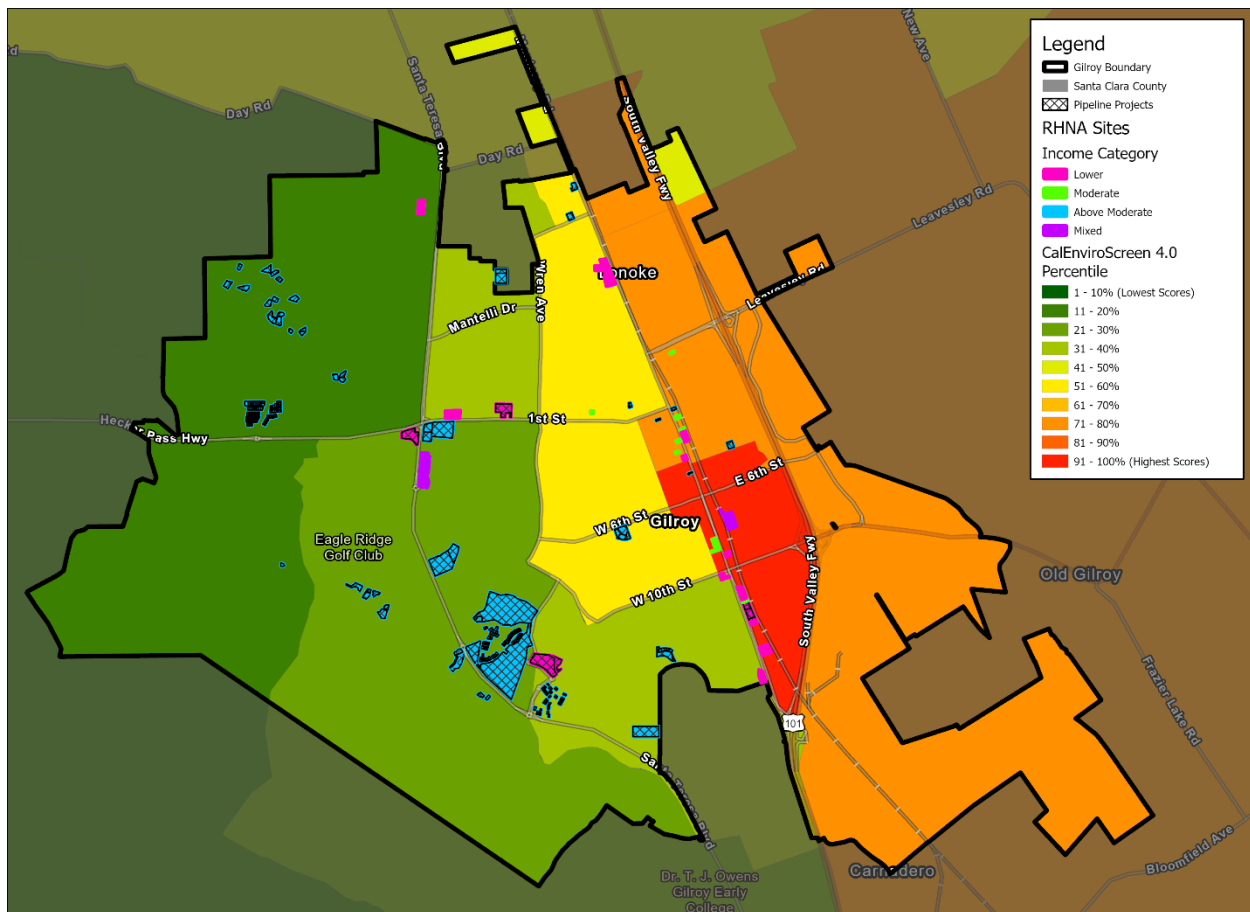
CalEnviroScreen 4.0

CES 4.0 is a tool that identifies communities in California that are disproportionately burdened by pollutants. Factors used to identify communities include ozone, particulate matter, drinking water contaminants, pesticide use, lead, diesel particulates, asthma rates, and linguistic isolation. A higher score indicates a higher effect of pollutants for the area.

The CES scores for the City of Gilroy in Figure 35 show that highest scores occur in the eastern half of the City, where the R/ECAP is located. CES scores are lower in the west. The areas

bisected by the 101 Highway have less positive outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be attributed to both permitted and unpermitted contributions from the large agriculture industry in the City. The lower density western portion of Gilroy contains steeply sloped areas and low-density development, and large open areas that significantly limit development, contributing to lower CES scores.

Figure 35: CES Percentile and RHNA Sites

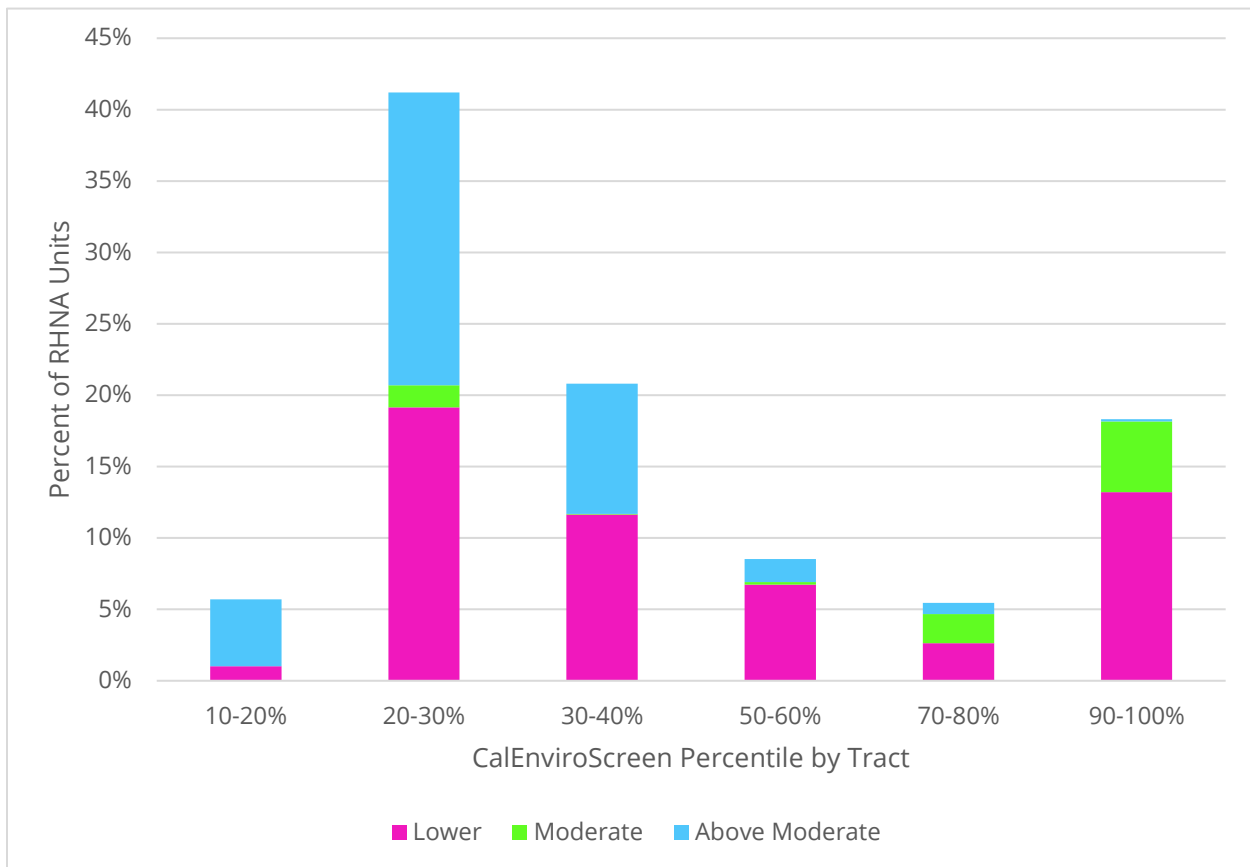


CalEnviroScreen 4.0 Percentile Score and RHNA Sites



Source: HCD AFFH Data Viewer.

As shown in Figure 36, RHNA pipeline and opportunity sites are distributed throughout both the lower and higher scoring areas of the City. For example, 41.2 percent of RHNA units are located in a tract in the 20-30% CalEnviroScreen Percentile. Although the Downtown Specific Plan area contains the highest CES scores in the City, RHNA sites in this area will provide potential residents with access to transit and employment resources, including a new future high speed rail station.

Figure 36: CalEnviroScreen Percentile Comparison of RHNA Units

Findings

Overall, the City of Gilroy is largely of lower and moderate resource. The City has lower scores in opportunity metrics compared to the County as a whole. As such, many of the RHNA sites are located in a low-resource area (see Figure 31), which includes the Downtown Specific Plan area. The low resource area is also where housing choice voucher use primarily occurs. While pipeline projects are more evenly distributed throughout the City, proposed RHNA sites in the downtown area will provide potential residents the best access to services, employment resources, and transit, including the future high-speed rail station.

The City is including Program F - 3 to ensure that the RHNA site selection will improve access to place-based improvements in lower-resource areas, such as the \$3.9 million grant in the historic downtown. The grant funding is for streetscape improvements, including new pedestrian and bicycle-friendly paving/markings, lighting, signage, benches, street trees, and waste receptacles. The Housing Element also includes a displacement prevention program (Program F - 5), tenant mediation program (Program F - 2), and targeted funding such as Housing Rehabilitation (Program C - 2), CDBG funding (Program D - 5), and the Permanent Local Housing Allocation (PLHA) Fund (Program D - 1).

Additionally, other programs in the Housing Element are intended to spur housing development in the moderate- and high-resource areas of the City. This includes a program that geographically targets ADU education (Program G - 3), development of an inclusionary housing policy (Program A - 11), development of a density bonus program that goes beyond state law (Program A - 12), and ministerial approval of duplexes, triplexes, and quadplexes that meet objective design standards (Program A - 10).

Disproportionate Housing Needs

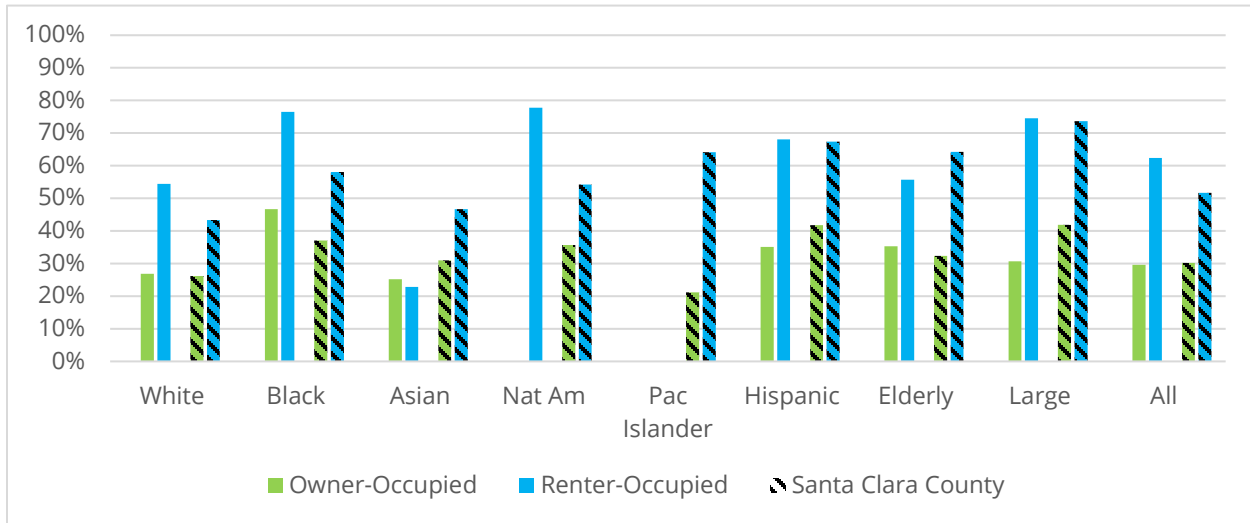
Substandard Housing

Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Household is cost burdened
- Housing unit is overcrowded

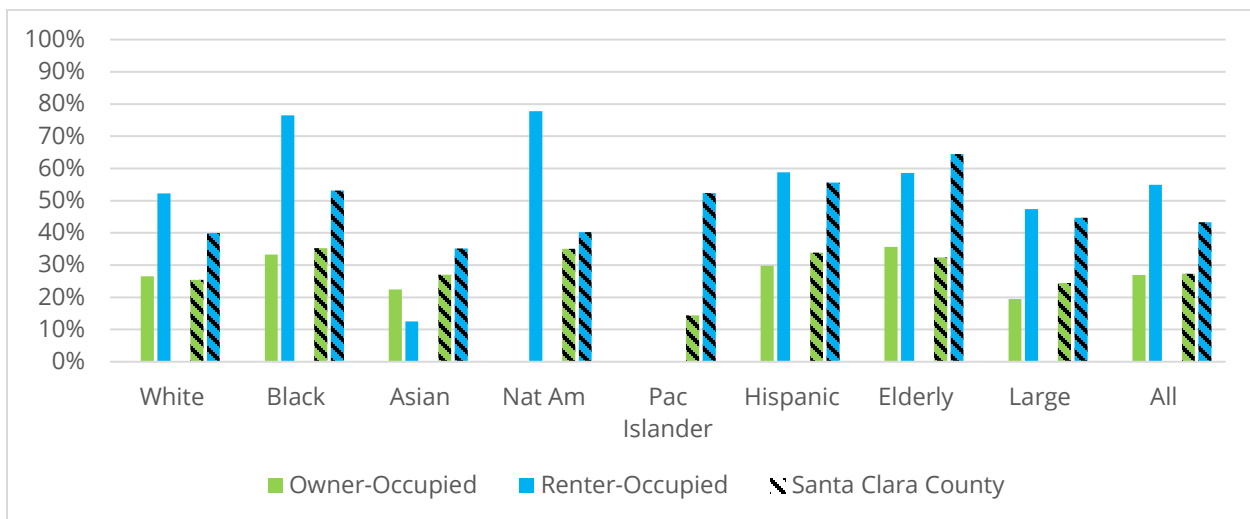
Large and elderly households are often more likely to experience housing problems. A large household is a household with three or more children, but is also often calculated as a household with five or more people. An elderly household is calculated as any household with a person over 62 years of age.

Black and Native American renters experience housing problems at the highest rate, around 75 percent, while only about 25 percent of both Asian and White owners experience housing problems. Rates of housing problems for Hispanic owners vary between the City (35.1%) and the County (41.8%), while rates of housing problems for Hispanic renters are relatively comparable between the City (68.1%) and the County (67.4%). In 2018, there was no Pacific Islander population in the City, which indicates why Figure 37 reads that 0 percent of that population experiences housing problems.

Figure 37: Housing Problems by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Cost burden is when a household spends more than 30 percent of its monthly income on housing costs such as rent, mortgage, or utilities. Large households have more costs to support more people, and may experience cost burden or a lack of excess funds to amend housing problems. Elderly households may be on a fixed income, which affects excess funds necessary for maintenance in an older home bought before retirement.

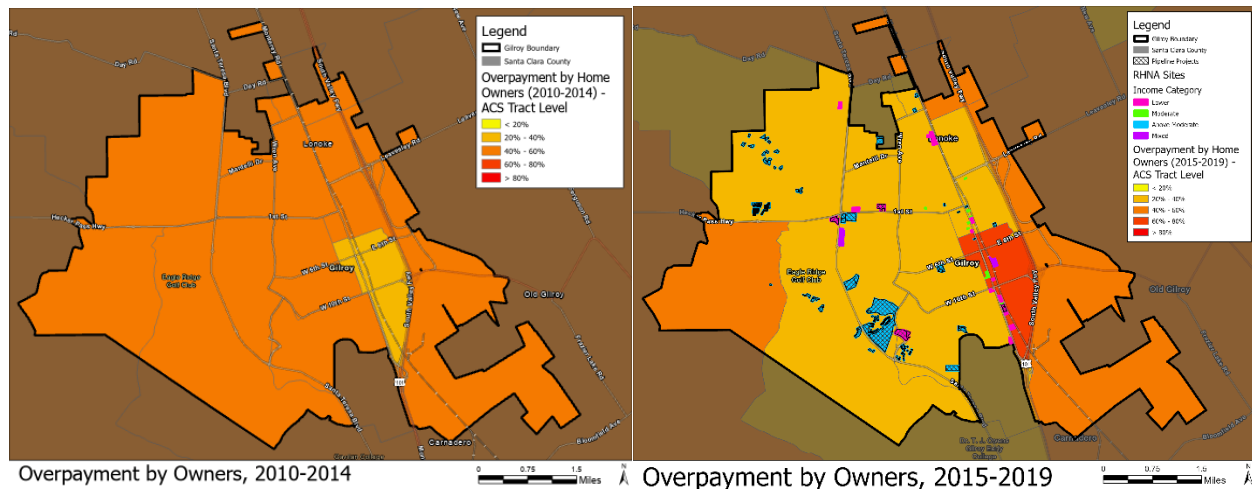
Figure 38: Cost Burden by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Overpayment by both owners and renters has decreased in Gilroy over time in most areas of the City. The area with the highest levels of overpayment is the same area that has low environmental scores and higher levels of poverty. Overpayment in the City occurs at a similar, though slightly higher level than in the County, with 38 percent of households experiencing a

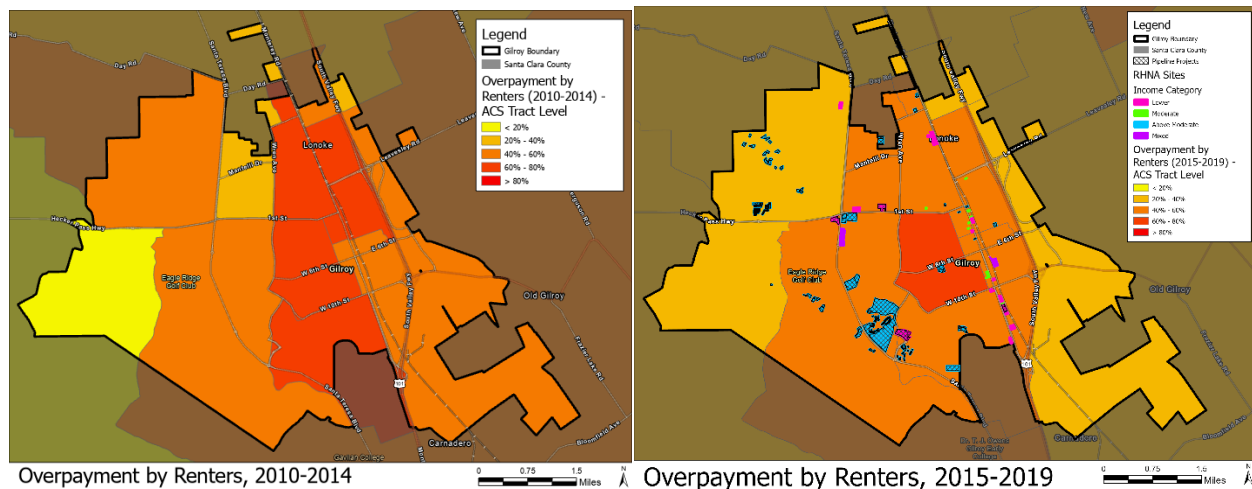
cost burden Citywide, compared to 34.2 percent in the County. In both cases, renters have higher rates of overpayment than owners.

Figure 39: Overpayment by Owners



Source: HCD AFFH Data Viewer

Figure 40: Overpayment by Renters



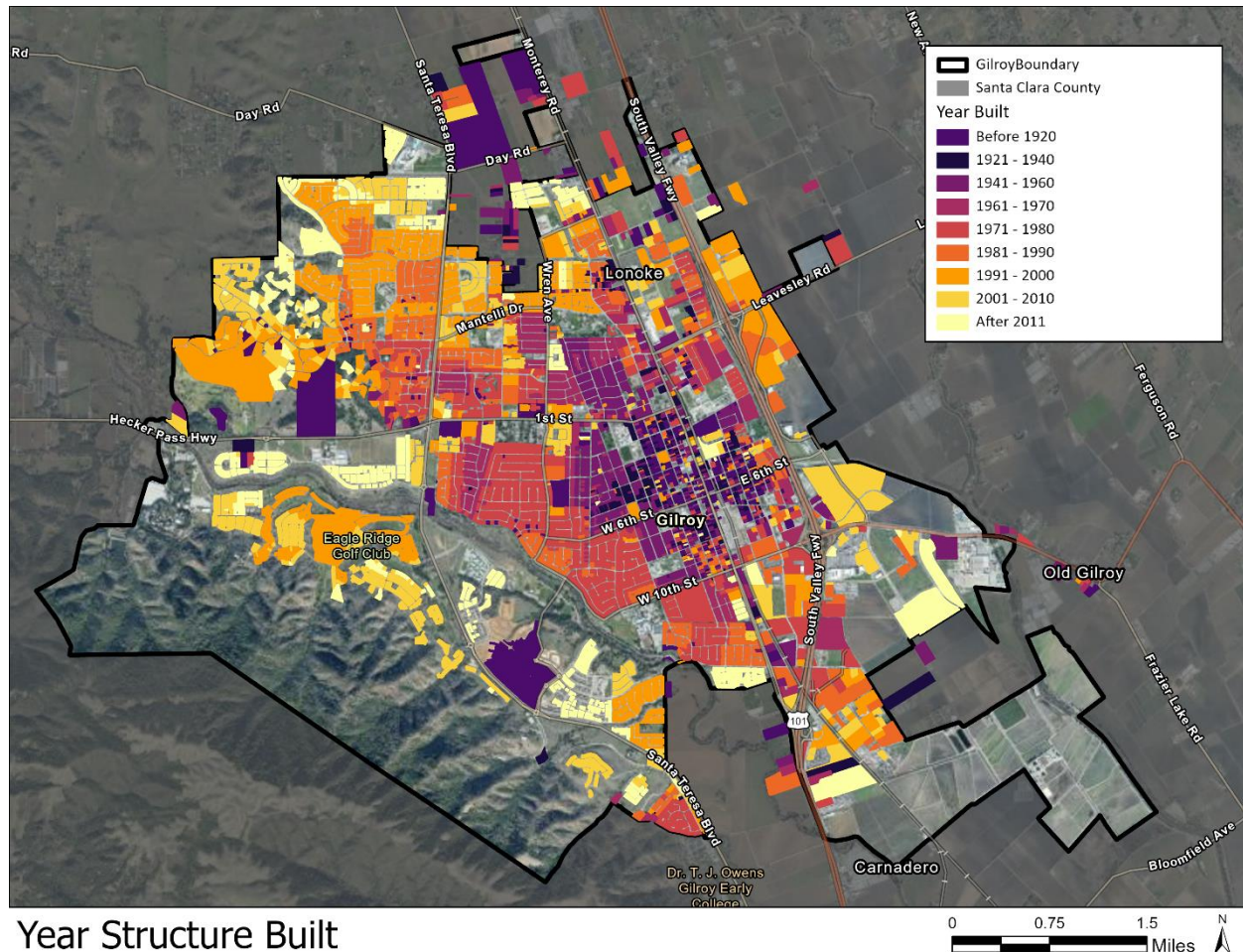
Source: HCD AFFH Data Viewer

Local Data

Per conversations with the City's Code Enforcement officers in March 2023, the areas with housing conditions in potentially higher need of rehabilitation and replacement are the areas with the oldest housing stock in Gilroy. As shown in Figure 41, housing stock in the eastern portion of the City is generally older and there are more households experiencing overcrowding. The City is including multiple place-based programs to promote improvement in the eastern, older portions of the City, including place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas

(Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2). Code Enforcement officers also noted that the eastern or downtown areas of Gilroy have better access to transit, health care facilities, and other resources than the newer neighborhoods in the west.

Figure 41: Year Structure Built



Source: County Assessor data and Michael Baker International

Overcrowding

A household is considered overcrowded when there is more than one person per room, including living and dining rooms but excluding bathrooms and kitchens. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community.

In Gilroy, areas with high concentrations of overcrowding are in areas with high levels of poverty and low economic opportunity, where the R/ECAP is located. Overcrowding is only

slightly more prevalent in Gilroy (9.2%) than in the County (7.8%), as a whole. Overcrowding is more prevalent for renters than owners both in the City and regionwide.

Figure 42: Overcrowded Households

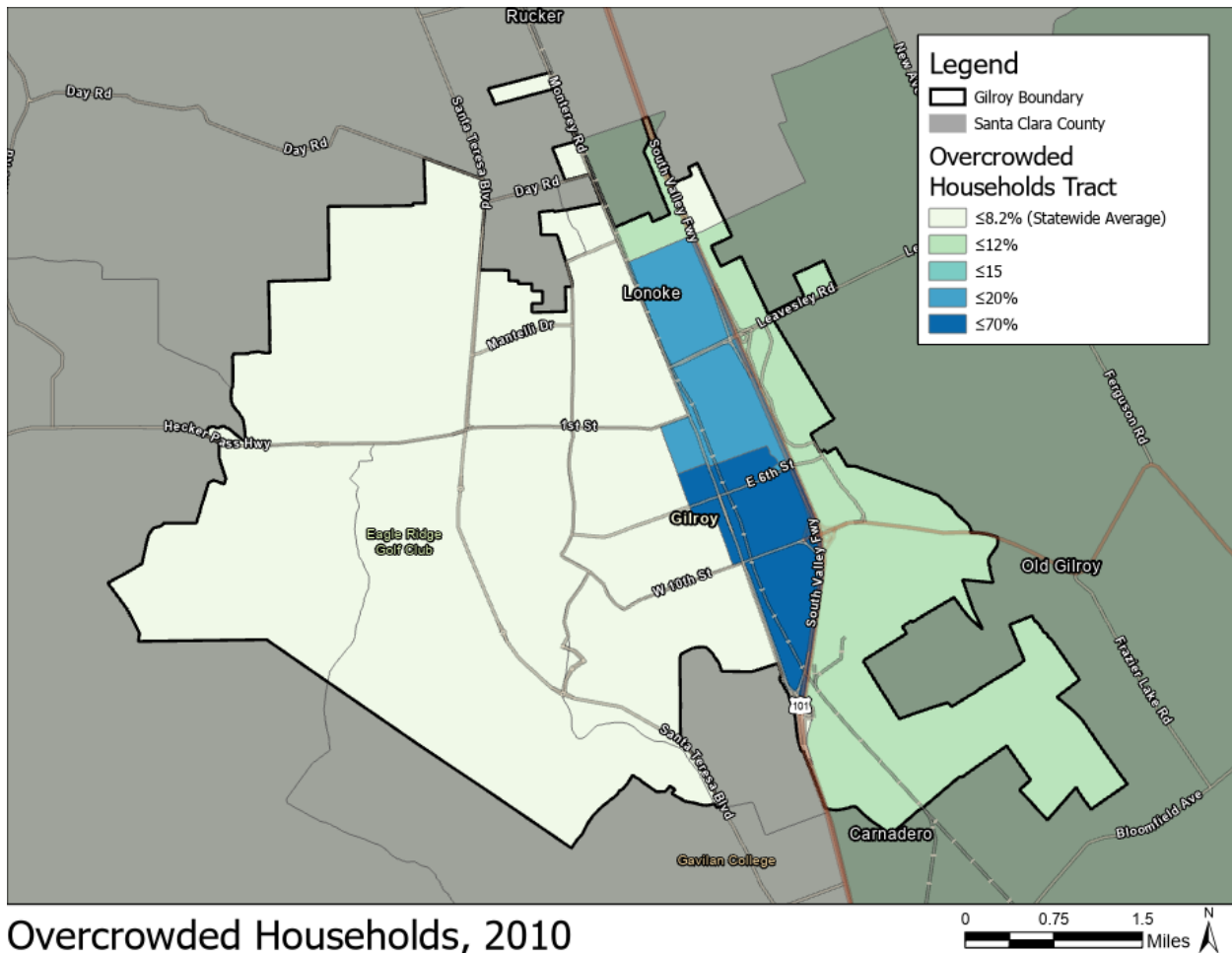


Table 53 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households, roughly 9.2 percent of all households in Gilroy, were experiencing overcrowding in 2019. This included 347 owner-occupied households and 1,135 renter-occupied households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 53: Overcrowding, 2019

Jurisdiction	Persons per Room	Owners		Renters		Total	
		Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Gilroy	1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
	>1.50	62	0.4%	470	2.9%	532	3.3%
	Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County	1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
	>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
	Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: HUD CHAS Data, 2018

Homelessness

Table 54 lists emergency shelters and transitional housing in and adjacent to Gilroy.

The Countywide services and shelter provider HomeFirst Services provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. Projects funded include:

- \$55,000 to St. Joseph's Family Center for Homeless Prevention Services
- \$35,000 to St. Joseph's Family Center for the Gilroy Street Team
- \$40,000 to South County Compassion Center for Outreach for the unhoused
- \$20,000 to CARAS for the Homeward Bound Program

Table 54: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds or families served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ²⁶ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last 10 days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless population. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3% from the count conducted in 2019. Table 55 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.

²⁶ The Arturo Ochoa Migrant Center is located slightly outside City bounds, but serves Gilroy residents.

Table 55: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	606	208	814
Campbell	216	0	216
Cupertino	102	0	102
Los Altos	65	0	65
Los Altos Hills	0	0	0
Los Gatos	58	0	58
Milpitas	249	25	274
Monte Sereno	0	0	0
Morgan Hill	60	0	60
Mountain View	206	140	346
Palo Alto	263	0	263
San Jose	4,975	1,675	6,650
Santa Clara	375	65	440
Saratoga	0	0	0
Sunnyvale	279	106	385

Source: Santa Clara County Office of Supportive Housing, 10-29-22

Local Data

In March 2023, the South County Compassion Center noted concentrations of the homeless population in the center of Gilroy, between Monterey Avenue and Highway 101, which is the R/ECAP area. Similar to comments made by the City's Quality of Life officer, they noted that there is not much migration of the population beyond these areas into the primarily residential neighborhoods. Specifically, there are concentrations of the homeless population in Tomkins Encampment, the IOOF bridge area, Garlic Farm, San Ysidro Park, and Christmas Hill. The homeless population in this area primarily travel by biking or walking, and 70 have an Uplift pass for public transportation.

Place-based improvements in these areas include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.

- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

The City is including Program G - 6 which includes educating the public on homelessness, consolidating information on resources for the unhoused population on a dedicated webpage, and restarting monthly meetings of the unhoused service providers group.

Permanent Local Housing Allocation Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public services addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. Table 56 displays funding approved by the City Council for FY 22-23 and FY 23-24.

Table 56: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph's Family Center	Homeless Prevention Services	\$55,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
St Joseph's Family Center	Gilroy Street Team	\$35,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Displacement

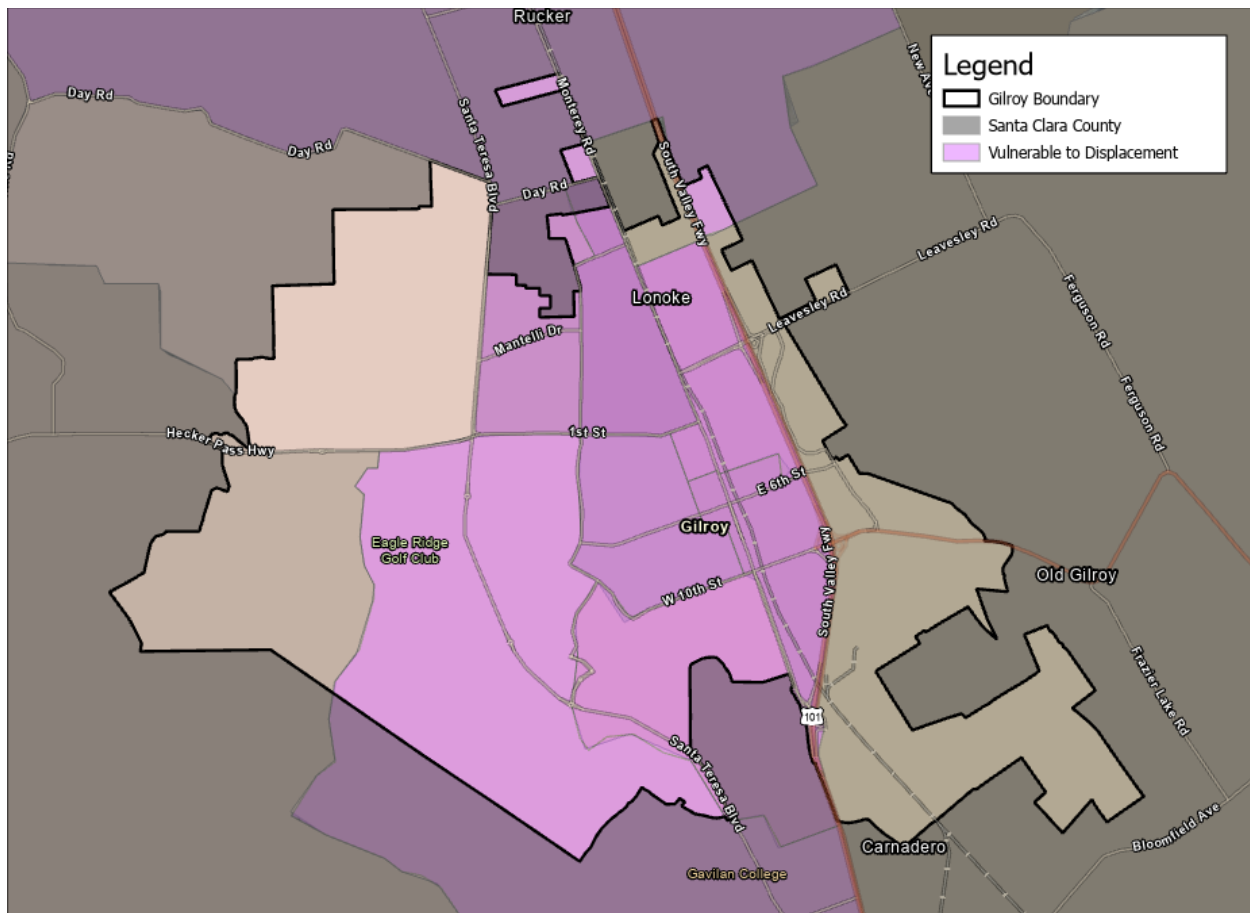
The Urban Displacement Project at the University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.
- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

Figure 43 shows the areas vulnerable to displacement as identified by the Urban Displacement Project. The center of the City, including the downtown area in the east, is considered vulnerable to displacement. Areas north and south of the City show similar risk.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City's RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to counteract this vulnerability and minimize displacement by planning for and providing new housing opportunities for all income levels in areas with greater risk of displacement. Additionally, the City is including a displacement prevention policy (Program F - 5), adopting an inclusionary housing policy (Program A - 11), and providing multilingual tenant support to further minimize the risk of displacement in the City (Programs F - 1 and F - 2).

Figure 43: Communities Vulnerable to Displacement



Communities Vulnerable to Displacement, 2017

Source: HCD AFFH Data Viewer

Findings

Overall, the City of Gilroy experiences housing problems at a similar or lower rate than the region as a whole, while rates of cost burden or overpayment are higher. However, the

percentage of the population experiencing overpayment has decreased over time. Overcrowding citywide occurs at a similar rate regionally but is more prevalent in the R/ECAP area, potentially indicating a need for larger units or shared multiplexes in the R/ECAP area.

The City is including Program F - 3, a place-based improvement program, to ensure that the RHNA site selection will improve access to resources in the R/ECAP area. Primarily vacant sites were chosen in the R/ECAP area, allowing residents to find available housing in their own neighborhood and to help prevent displacement due to gentrification of older housing stock. Additionally, Program E - 12 is included to allow stand-alone residential projects in the Downtown Expansion District. This program will also provide flexibility on the type of non-residential uses proposed in the new Mixed-Use First Street Corridor.

Other Contributing Factors

Historic Immigration and Land Use Patterns

Gilroy got its start in 1850 as a stagecoach stop for passengers traveling to San Francisco. During the 1850s, a nucleus of houses and small businesses were constructed along Monterey Road, the old El Camino Real. The railroads connected Gilroy with San José in 1869, and Gilroy incorporated with the State as a charter city in 1870. At that time, Gilroy had a population of 1,625 residents.

The original City began development in what is now considered the downtown area. Portions of the downtown are designated as the Downtown Historic District, which is intended to foster the historic downtown as a unique commercial resource. As is typical, these older areas and older housing tend to be lower cost than newer areas and newer housing. These older city centers also tend to have the most multifamily and rental housing as these were the most efficient land use patterns at the time of development. As a result, the older areas often have higher proportions of affordable housing without subsidies and lower-income households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

In 1936, the City of Gilroy zoned the city into five distinctive districts: Single Family Residences; Multiple Family Residences; Business Districts; Industrial Districts; and Residential-Agricultural. The single-family district was located between Hanna, Princevalle, First, and Seventh Streets. The multiple-family residence district, which constituted an area approximately double that designated for single-family residences, was located between Egleberry and Hanna Streets, and First and Tenth Streets as well as a section to the east of Monterey Street between Old Gilroy and Lewis Street.²⁷

Residential development in Gilroy during the postwar period continued in the pattern established by early subdivision developers. Like many other cities in California, Gilroy's population continued to grow in the decade following the close of World War II, and the need for residential development required more space than the remaining undeveloped areas

²⁷ Eugene Lewis Conrotto. *The Urbanization of the Southern Santa Clara Valley: Gilroy*. (Gilroy, CA: Gilroy Historical Museum, 1951).

within the City limits could allow. To house Gilroy's many incoming residents, annexation of new territory by the mid-1950s was essential to keep pace with the steadily rising demand for housing.

By 1960, the population of Gilroy had soared to 7,348 persons, from 4,951 persons recorded in 1950. The influx of people to the City required even more newly annexed areas devoted to residential developments as well as supporting infrastructure like schools, parks, churches, and commercial centers. In 1965, the City annexed 750 acres of land, effectively increasing the area of the City by 50 percent during that year alone.²⁸ Many of these annexed regions were developed into modern residential neighborhoods.

The City expanded as the agricultural industry expanded, but in the late twentieth century, the economy shifted from agriculturally based to an urban service-oriented community.²⁹ This change in economy contributed to the growth of the City. Christmas Hill Park began construction in 1964.³⁰ By 1970, when the population of Gilroy had nearly doubled within the decade to 12,665 persons, there were approximately 3,000 residences.³¹ Several single-family homes were built in the surrounding neighborhoods in the following years, leading to the highest rates of population growth in the City's history in the 1970s and 1980s. The newer areas of the City are in the moderate resource category as the infrastructure and housing is more recently developed. The City continues to expand to the west with the recent Hecker Pass and Glen Loma Specific Plan areas.

Historically, other cities in Santa Clara County had racial covenants, which led to thriving immigrant communities settling in the City of Gilroy. This first included the Chinese population, which settled in Gilroy after immigrating to the United States to build railroads and work in gold mines, tobacco fields, and orchards.³² Since the migrations of the Chinese population to the central county, the Latino population has been largely responsible for the thriving businesses in Gilroy. Over 50 percent of Gilroy's current population is Hispanic.

The City has taken multiple steps to encourage economic revitalization and growth in the older, downtown areas of the City. The two tracts that are designated as R/ECAPs are each classified as an Opportunity Zone by the federal government and are eligible for a number of tax-based incentives. In 2022, Gilroy was awarded a \$3.9 million grant for improvements in the historic downtown area. In 2020, 2021 and 2023, the City operated a Downtown Improvement Incentive Program which included reductions on development fees and a grant to help fund minor façade improvements for businesses downtown. The City continues to partner with organizations such as Visit Gilroy, the Gilroy Downtown Business Association, and the Gilroy Chamber of Commerce to promote economic development in downtown Gilroy.

²⁸ San Jose Mercury-News. 1966.

²⁹ A Brief History of Gilroy. <https://www.cityofgilroy.org/381/History-of-Gilroy>

³⁰ The Mercury News, Gilroy Timeline. <https://www.mercurynews.com/2007/02/05/gilroy-timeline/>

³¹ Gilroy Chamber of Commerce. "Standard Industrial Survey Report: Gilroy, Santa Clara County, California." (Gilroy, CA: Gilroy Chamber of Commerce, March, 1969). Gilroy Historical Museum.

³² Gilroy Dispatch. <https://gilroydispatch.com/immigrants-play-big-part-in-gilroy-history/>

Urban Growth Boundary

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses" (p. LU-15).

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which "the City Council determines that doing so is necessary to comply with State law regarding the provision of housing for all segments of the community" and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or re-designated is immediately adjacent to: (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low and very low-income housing pursuant to the Housing Element of this General Plan;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with State law." (p. LU-22)

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³³

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The USA is reviewed and amended by the Local Agency Formation (LAFCO).

³³City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as important, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table 57 on the following page displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table 57: Fair Housing Issues, Contributing Factors, and Proposed Action

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Disproportionate Housing Needs	Risk of displacement in downtown Lack of missing middle housing Lack of affordable housing for special needs groups (large households, seniors, farmworkers)	• ADU education targeting high resource areas (A - 6) • Incentives for affordable ADUs (A - 8) • Facilitate Missing Middle / Middle Income Housing (A - 10) • Coordination with Santa Clara County Office of Supportive Housing (A - 14) • Permit streamlining (B - 5) • Incentivize micro-units (E - 5) • Develop incentives for housing for seniors, farmworkers, and large families (E - 6) • Development and conservation of housing for farmworkers (E - 7) • Development and Rehabilitation of Housing for Persons with Disabilities (E - 10) • Housing For Extremely Low Income and Special Needs Households (E - 11) • Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households (E - 12) • Fair housing counseling (F - 2) • Place-based economic investments in downtown (F - 3) • Displacement prevention ordinance (F - 5)	High
Access to Opportunities	Presence of a R/ECAP Lower access to opportunities than the County as a whole	• Facilitate Missing Middle / Middle Income Housing (A - 10) • Adoption of inclusionary housing policy (A - 11) • Density bonus beyond state law (A - 12) • SB 9 streamlining (A - 16) • Permit streamlining (B - 5) • Source of income protection / housing mobility (F - 1) • Place-based economic investments in downtown (F - 3)	High

Identified Fair Housing Issue	Contributing Factor	Action	Priority
	Lack of missing middle / middle income housing	Targeted outreach in higher resource areas (F - 4)	
Integration and Segregation	East/west income segregation Lack of inclusionary housing policy	- Incentives for affordable ADUs (A - 8) - Facilitate Missing Middle / Middle Income Housing (A - 10) - Adoption of inclusionary housing policy (A - 11) to require development of affordable housing on the west side - Creation of density bonuses beyond state law (A - 12) to encourage development of affordable housing on the west side - Source of income protection (F - 1)	Medium
Outreach and Enforcement Capacity	Access to materials in appropriate languages Lack of education and outreach in the R/ECAP area City staff capacity	- Fair housing counseling (F - 2) - Targeted outreach in moderate and high resource areas (F - 4) - Interagency collaboration for lower cost housing (G - 1) - Community access to housing information program (G - 5) - Unhoused population education and outreach (G - 6) - Bilingual engagement (G - 7)	Low

Table 58 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table 58: AFFH Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Disproportionate Housing Needs				
A - 6: ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. If annual production and affordability rates do not match the estimates included in the Housing Sites and Resources section, the City will update the ADU strategy to ensure that the City continues to maintain adequate capacity for all income levels. In the event of an ADU shortfall that results in a net loss of units below the RHNA, the City will adopt another ADU program within six months to facilitate additional ADU production or identify additional RHNA sites from the City's No Net Loss Inventory, as discussed in Program A - 1. The City will hold a focus group event with local stakeholders in spring or fall 2026 if the average ADU production is less than 25 units in year 2025. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. The City will review geographic distributions of ADUs biennially. Updates to the ADU ordinance are included in Program A - 15.	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in year 2025. Identify additional programs or sites within six months of shortfall.	High Resource Areas	Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.
A - 8: Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated.	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards. Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106	By Q2 2025	Citywide	Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).			
A - 14: Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This will include the offer of impact fee waivers through a memorandum of understanding. The MOU was approved by the County Board of Supervisors in 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups).	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.	Citywide	Development of affordable housing on the 8 th and Alexander property by the end of 2028.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
E - 5: Incentivize Micro-Units	Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-units development. Ensure that provisions for efficiency units are consistent with AB 352 (2017).	By Q2 2024.	Citywide	Adopt the policy.
E - 6: Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.	By Q2 2026.	Citywide	Conduct study and revise Zoning Ordinance, as necessary.
E - 7: Development and Conservation of Housing for Farmworkers	In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project. The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing including identification of State and Federal funding opportunities. At least once a year, the City will forward information about surplus City-owned land and other development opportunities to developers and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the developer list created through Program G - 1.	Ongoing throughout planning period	Citywide	Preserve and maintain the 3 farmworker housing developments (56 units) and Ochoa Migrant Center (100 units).

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
E - 10 Development and Rehabilitation of Housing for Persons with Disabilities	As part of the 2023 comprehensive Zoning Code update, the City will evaluate and revise as necessary its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities. The City will also evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.	By Q2 2024.	Citywide	Evaluate and revise as necessary reasonable accommodation standards and procedures and permit requirements for residential care homes.
E - 11: Housing For Extremely Low Income and Special Needs Households	The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers, providing site information, assisting in the entitlement processes, and considering on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable. Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.	As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.	Citywide	Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.
E - 12: Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households	The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.	Amendments by Q3 2025.	Downtown Expansion District	Adopted zoning amendments. Facilitation of 50 units using the adopted process in the planning period.
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets by Q2 2024.	Downtown	Work with Fair Housing Provider to track number of households assisted in Gilroy annual. Provide information to 30 households annually.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 3: Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million). - As a part of the CIP, to support pedestrian infrastructure in the Downtown Specific Plan (DTSP) area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City. - The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.
F - 5: Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are "tenant option to purchase agreements" for redevelopment projects meeting specified thresholds, a just cause eviction policy, and relocation agreements.	By Q2 2025.	Areas denoted above as having vulnerability to displacement	Adopt the policy.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.			
Access to Opportunities				
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards. Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106 lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).	By Q2 2025	Citywide	Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.
A - 11: Inclusionary Housing Policy	Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market both the below market-rate units and accessible/adaptable units.	By the end of 2024.	Citywide	Amend Zoning Ordinance; Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.
A - 12: Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.	By Q2 2025.	Citywide	Adoption of Zoning Ordinance amendment; increased housing choice and mobility for special needs households.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 16: SB 9 Streamlining	The City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law.	By Q2 2024.	Citywide	Update SB 9 webpage; create instructions for processing SB 9 units and lot splits; hold informational meetings with building and engineering/land development divisions.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: Creating a ministerial use permit process Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition).	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach by Q2 2024. Outreach to 50 landlords or tenants annually.	Downtown	Conduct workshop with residents.
F - 3: Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) - As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City. The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.			
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially in specified areas of the City (Program A - 9). - Adopt a density bonus beyond state law to include incentives for special needs households (Program A - 11) Adopt an inclusionary housing policy (Program A - 10)	By Q2 2026.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
Integration and Segregation				
A - 8: Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated.	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards. Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106	By Q2 2025	Citywide	Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).			
A - 11: Inclusionary Housing Policy	Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market both the BMR units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.
A - 12: Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, and farmworkers, and households with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.	By Q2 2025	Citywide	Adoption of Zoning Ordinance amendment; increased housing choice and mobility for special needs households.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach by Q2 2024. Annual education and outreach to landlords and tenants.	Downtown	Outreach to 50 landlords or tenants annually.
Outreach and Enforcement Capacity				
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets by Q2 2024.	Downtown	Annual or biennial award of funds. Provision of pamphlets by Q2 2024.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A - 9). - Adopt a density bonus beyond state law policy to include incentives for special needs households (Program A - 12). - Adopt an inclusionary housing policy (Program A - 11).	By Q2 2026.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
G - 1: Collaboration with Development Community	The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period. Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting. The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable, and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.	Collaboration with other agencies on an annual basis.	Countywide	Host an annual developer roundtable meeting; create a developer interest list by Q1 2024.
G - 5: Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: - Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. - Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. - Promoting housing resources at an informational booth at four community events a year, such as the Farmer's Market in the DTSP area. - Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. - Create a dedicated Missing Middle webpage and informational and promotional pamphlets regarding development opportunities to develop duplexes, triplexes, and quadplexes in the City. Provide the pamphlets online, at City Hall, and at informational booths where housing resources are provided.	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. Presence at 4 community events annually.	Downtown Specific Plan Area	Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
G - 6: Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population.	Between Q4 2024 to Q2 2025; monthly meetings of the unhoused service providers group.	City-wide, Eastern Gilroy, R/EACAP	• Creation of a dedicated webpage with general information on homelessness, information on the 211 system, and a short informational video. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • Restarting the “unhoused service providers group” which consists of monthly meetings with service providers in the City. The group serves to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts.
G - 7: Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	Immediately upon adoption of the Housing Element.	Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Monthly service provider meetings throughout the planning period.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE

CONSTRAINTS ON HOUSING

Constraints on Housing

There are a wide variety of factors that influence whether, where, when, how, and what type of housing is constructed. While many factors enable, guide, and even incentivize housing construction, almost all also pose some sort of limitation or constraint as well. Land use policies and regulations are necessary but, by definition, establish limits on growth and development. These limits work with, influence, and are balanced by market forces.

There are generally two types of constraints: governmental and nongovernmental. Governmental constraints include the policies, regulations, and procedures that directly affect housing. This includes the goals, policies, and programs of the General Plan and the development standards and requirements of the Zoning Ordinance and other land use ordinances. Nongovernmental constraints include those factors that are beyond the direct control and authority of the City.

This section identifies and evaluates those factors that may pose significant constraints or burdens that may limit or constrain the production of housing to meet local and regional housing needs and the goals and objectives of the General Plan. Such constraints, particularly those that limit the construction of or fair access to affordable housing, must be addressed with clear, measurable, and timely programs.

Governmental Constraints

Governmental constraints can limit or deter the operations of the public, private, and nonprofit housing development sectors, make it difficult to meet the demand for housing, and limit housing supply in a region. Such constraints can limit access to housing mobility and housing choice, or prevent lower-income segments of the population from having adequate housing opportunities. Governmental constraints may include, but are not limited to, land use controls, development standards, local processing and procedures, and permitting fees.

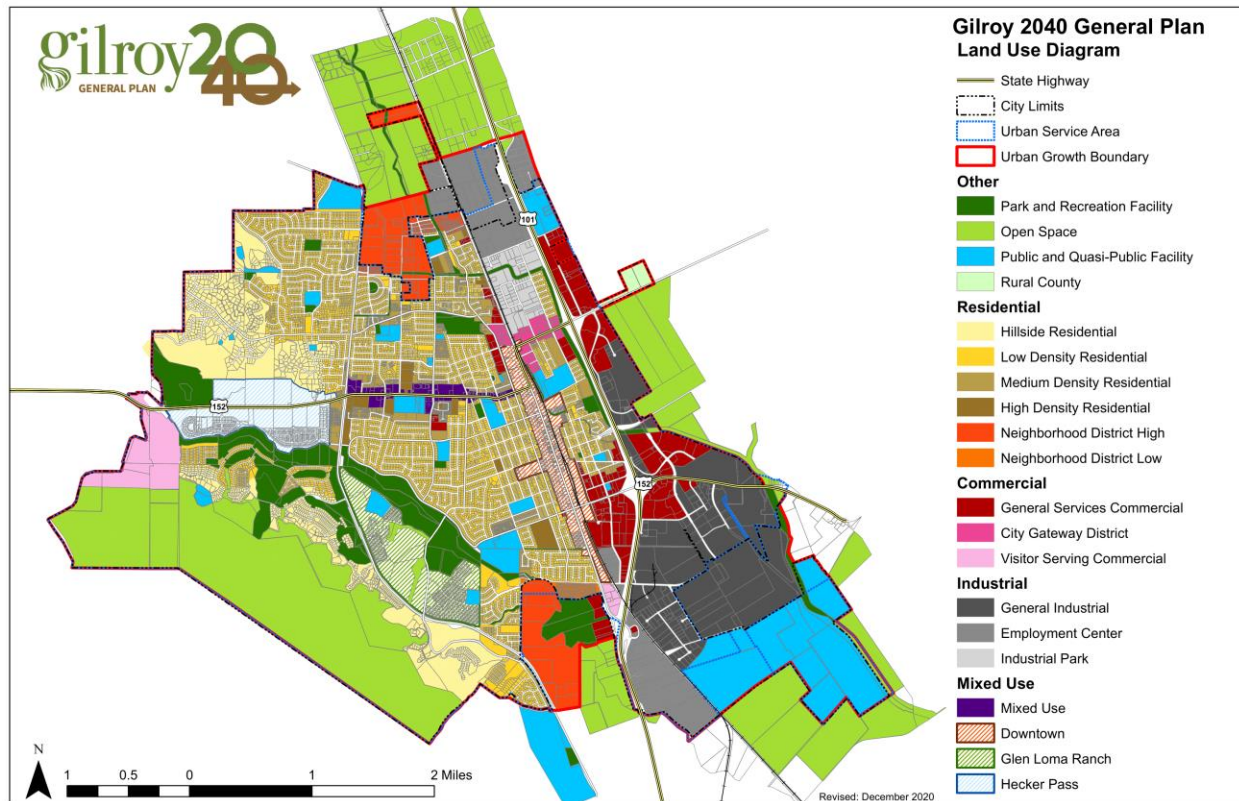
Land Use Controls

General Plan

The City of Gilroy adopted an updated General Plan in November 2020. The Gilroy 2040 General Plan is a comprehensive, long-range general policy document that expresses the community's vision and establishes eight guiding principles for development. One of the guiding principles includes encouraging a mix of housing types to create diverse neighborhoods to meet the needs of all residents. Among other efforts, the Gilroy 2040 General Plan allows for an increase in housing by creating a new Mixed-Use land use designation and removing the maximum density specified for the High-Density Residential land use area. The Land Use Element of the General Plan identifies the location, distribution, density, and intensity of land use within the City. The Environmental Impact Report (EIR) for

the 2040 General Plan analyzed the development potential of the plan for up to 6,477 new housing units and an additional population of 19,756.³⁴

Figure 44: Gilroy Land Use Map



There are seven residential land use designations in the Gilroy General Plan, as follows:

- **Hillside Residential (HR):** This designation is generally applied to developable hillside areas with slopes of 10 percent to 30 percent. Developments in these areas must follow special design and siting criteria to preserve the sensitive hillside environment together with the views and vistas of surrounding hillsides, hilltops, and ridgelines. The permitted density is 0 to 4 dwelling units per net acre (du/ac). The implementing zone is the Residential Hillside (RH) district.
- **Low Density Residential (LDR):** This is the most common residential land use designation in Gilroy. It is applied to areas of predominantly single-family detached dwellings, with typical lot sizes ranging from 5,000 square feet to 7,000 square feet. Appropriate residential uses include single-family detached homes and secondary (“accessory”) dwelling units (ADU) that comply with City standards. The permitted density is 3–8 du/ac. The implementing zones are R1 and R2.

³⁴Final Gilroy 2040 General Plan EIR. <https://www.cityofgilroy.org/DocumentCenter/View/11308/Draft-EIR---Gilroy-2040-General-Plan-?bidId=>

- **Medium Density Residential (MDR):** This designation is intended primarily for multifamily attached structures (townhomes, condominiums, and apartment buildings). Buildings are typically two to three stories tall. This designation is typically applied to transition areas between lower-density neighborhoods and higher-density developments or commercial areas. The permitted density is 8–20 du/ac. The implementing zone is R3. While the R3 zone currently only allows 8–16 du/ac, it will be updated in the comprehensive zoning update to allow for 8–20 du/ac (Program B - 2).
- **High Density Residential (HDR):** This designation allows higher density attached housing types (apartments and condominiums), often within walking distance of commercial areas. The predominant housing type is multifamily dwellings, such as apartments or condominiums, with buildings typically comprising two or more stories. The permitted density is 20+ du/ac, with no maximum density or floor area ratio (FAR) requirements. The implementing zone is R4. The R4 zone currently allows for 20–30 du/ac, and the upper limit will be removed in the ongoing comprehensive Zoning Ordinance update to ensure consistency with the General Plan (see Program B - 2).
- **Mixed Use (MU):** The purpose of this designation is to encourage a mix of retail, office, and high-density residential uses. Mixed use could also include mixed-use commercial (e.g., retail and office). Multi-story structures and more intense uses should be located at major intersections and lower-intensity uses adjacent to neighborhoods. Street-level frontage of mixed-use projects shall be developed with pedestrian-oriented, typically commercial, uses. Residential uses can be integrated on the same site with other uses in either a vertical or horizontal design. Stand-alone residential uses are not allowed. The permitted density is a minimum of 20 and a maximum of 30 du/ac. The implementing zones are within the Downtown Specific Plan area and the mixed-use corridor along 1st Street. As a part of its comprehensive code update, the City is in the process of creating a zoning district for the mixed-use 1st Street corridor with the anticipated completion in 2023 (Program B - 2). Any mixed-use development within the 1st Street mixed-use corridor will be entitled in accordance with the development standards set forth in the Zoning Ordinance and the density allowance per the 2040 General Plan. The design of projects will be subject to the City's existing objective development design standards until the 1st Street Corridor mixed-use design and development standards are adopted.
- **Rural County (RC):** The purpose of this designation is to preserve rural residential, hillside, and productive agriculture land uses located outside areas planned for urban development. Allowed uses include rural residential, grazing, active agricultural production, associated agricultural processing, sales, and support uses. Typical building types include low-intensity structures associated with farming and agricultural processing and sales. One single dwelling unit per parcel is allowed. The implementing zone is RR.

- **Neighborhood District (ND High, ND Low):** The purpose of these designations is to encourage compact, complete, neighborhood-style development. Traditional single-family uses will comprise a substantial portion of these districts. Commercial and medium- to high-density residential uses should be clustered to form neighborhood centers. Neighborhood District High and Low may use a Neighborhood Commercial (NC) designation to designate land in neighborhood centers to encourage low-intensity commercial uses that cater directly to residents in the immediate neighborhood. The 0–7 du/ac category is intended for single-family detached dwellings with varying lot sizes. The 7–9 du/ac category is intended for a combination of two-family and some single-family detached dwellings. The 9–16 du/ac category is intended to accommodate a combination of small-lot and attached single-family dwellings, as well as multifamily dwelling options. The 16–30 du/ac category is intended to provide a variety of attached single-family and multifamily residential styles of development. The implementing zone is ND.
 - The Neighborhood District land use designation is generally applied to vacant land that is currently outside the City's Urban Service Area (USA) but within the City's Urban Growth Boundary (UGB) area. The UGB area applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. There are two designated neighborhood districts, one in the north and one in the south, that are currently outside of the USA. The City is in the process of requesting approval from the Santa Clara County Local Agency Formation Commission (LAFCO) to bring approximately 54 acres of unincorporated county land into the City's USA. The land is located just outside City limits to the north. The City also received a preliminary application for a USA amendment for land located just outside City limits to the south. If the USA is amended and the land is eventually annexed into the City (a lengthy two-step process), the property would be subject to the City's inclusionary policies for the Neighborhood District.
 - Each Neighborhood District development is required to construct a minimum of 15 percent of its units at affordable prices. Specific requirements regarding the level of affordability were contained in the City's Residential Development Ordinance (RDO) policy. However, this policy is no longer in effect due to state legislation (e.g., Senate Bill [SB] 330) and the implementing ordinance will be repealed in accordance with Program B - 1. To ensure compliance with state law, and provide more comprehensive affordability benchmarks, Program A - 5 is included to review and revise the Neighborhood District Policy. Program A - 11 will include analyzing potential adoption of an Inclusionary Housing Policy that would apply to properties outside the Neighborhood District planning area.
 - Table 59 displays the target densities for both low and high Neighborhood District designations. Neighborhood Districts include the Hecker Pass Specific Plan area and the Glen Loma Ranch Specific Plan area; development for both are underway. The rows denote the maximum or minimum percentages of the

land area within this land use designation that must fall within the specified density.

- Neighborhood District target densities and inclusionary requirements may act as a potential constraint to housing; however, the City has found that they do not discourage development. As a part of Program A - 5, the City is revising Neighborhood District standards to no longer rely on the RDO and is updating the Neighborhood District's inclusionary housing policy.

Table 59: Neighborhood District Target Densities

	0-7 du/ac	7-9 du/ac	9-16 du/ac	16-30 du/ac
Low	82% max.	5% min.	10% min.	3% min.
High	60% max.	5% min.	25% min.	10% min.

Source: City of Gilroy 2040 General Plan.

Hecker Pass Specific Plan

The Hecker Pass Specific Plan projects the development of 521 housing units. The Specific Plan designates three “clusters” for residential development: North Cluster (57 units), West Cluster (205 units), and East Cluster (259 units). The Specific Plan aims to provide for a variety of housing types in each cluster, but offers some flexibility in how that variety is achieved. The Specific Plan gradually transitions the intensity of development from the Village Green project into the Specific Plan area, with more intensive development on the eastern side of the plan as it moves from rural to urban. The Hecker Pass Specific Plan was approved before inclusionary housing policies were adopted, and thus was not subject to the Neighborhood District Policy's affordable housing requirement.

Glen Loma Ranch Specific Plan

The Glen Loma Ranch Specific Plan area is approximately 392 acres located between Santa Teresa Boulevard and the Uvas Creek corridor. The project includes a maximum of approximately 1,693 residential units in up to 17 neighborhoods comprising detached single-family residences, attached townhomes, apartments, and senior-only units. Under the Neighborhood District Policy, 15.1 percent of units will be affordable to very low-, low-, and moderate-income households.

Downtown Specific Plan

The Downtown Specific Plan contains six districts with the purpose of creating a pedestrian-oriented and economically vibrant downtown. Adopted in 2005, the Downtown Specific Plan anticipated potential for development of 1,576 new residential units over 20 years. Mixed uses and residential development above the ground floor are encouraged in the Downtown Specific Plan.

The Downtown Specific Plan allows 100 percent commercial use in all of its zones. Mixed-use residential is encouraged but not required and could include mixed-commercial (e.g., retail and office). Although 100 percent commercial use is allowed, City staff have not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. Residential dwelling units are permitted by-right in all Downtown Specific Plan districts on the second story and above.

Downtown Historic District (DHD)

This district is suitable for the improvement and maintenance of existing commercial structures or the conversion to or construction of new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Historic District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Historic District. A conditional use permit is required for residential uses on the first floor.

Downtown Expansion District (DED)

This district is suitable for the improvement and maintenance of existing commercial structures or the construction of or conversion to new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Expansion District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Expansion District. A conditional use permit is currently required for residential uses on the first floor. Program E - 12 would allow 100 percent residential uses in the Downtown Expansion District for projects that accommodate extremely low-income or special needs households.

Civic/Cultural Arts District (CCA)

This district is suitable for the development of new multi-use civic, cultural and civic-serving uses. The Civic/Cultural Arts District also allows commercial and mixed-use projects. Residential mixed-use projects are encouraged but not required. Residential units may be allowed on the ground floor if they are located between Egleberry Street and Church Street and behind a business. From Monterey Street to Church Street, commercial and mixed-use projects have a maximum FAR of 1.5, and from Church Street to Dowdy Street there is a maximum FAR of 1.0.

Transitional District (TD)

This district is suitable for the conversion of existing residential structures to commercial uses and for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 1.5. Stand-alone residential projects are at most 20 du/ac.

Cannery District (CD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a FAR of 2.0. The minimum density for the residential component of mixed-use projects is 20 du/ac. Stand-alone residential projects must develop at a density ranging from 20 to 40 du/ac.

Gateway District (GD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 0.75. Stand-alone residential projects have at most 30 du/ac.

Downtown Specific Plan Development Standards

Table 60 displays the allowable densities and development standards in each of the Downtown Specific Plan districts. The FARs only apply to the commercial uses within a mixed-use development. The districts also generally have very permissive development standards, including zero-foot minimum setbacks, and height limits of 50 feet or 4 stories in all areas not fronting Railroad Street.

The passing of Assembly Bill (AB) 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit. Prior to the passage of AB 2097, the Downtown Specific Plan area already had lower parking requirements than other residential areas in the City. For projects not subject to AB 2097, the parking requirements for residential units are 1 space per unit and 1 guest space per 6 units for units that are up to 800 square feet. If greater than 800 square feet, the requirement is 1.5 spaces per unit and 1 guest space per 4 units. Parking standards are often a potential constraint to development. However, in Gilroy, they are appropriate and not excessive, given Gilroy's suburban context outside urban job centers to the north.

Table 60: Downtown Specific Plan Development Standards

District	Lot Requirements Lot Size in Square Feet (min)	Yard Requirements (Setbacks in Feet Measured from Property Line) (min/max)				Height Requirements (max)		FAR	Density	Building Form	
		Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Feet ⁶	Stories ⁷			Street Front Building Height (Min Feet)	Third and Fourth Floor Setback Required
Downtown Historic District (DHD)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Downtown Expansion District (DED)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Civic/Cultural Arts District (CCA)	N/A	0/none	0/none ¹	0/none ²	0/none	50	4	-	N/A ⁸	25	Yes
Transitional District (TD)	N/A	-	-	-	-	40	3	1.5 ⁵	20 du/ac (max)	N/A	No
Cannery District (CD)	N/A	0/15	10/none ¹	0/10	0/none	50	4	2.0 ⁵	20-40 du/ac (min/max)	25	No
Gateway District (GD)	N/A	15/none	15/none	15/none	10/none	40	3	0.75 ⁵	30 du/ac (max)	N/A	No

Table 61: Downtown Specific Plan Development Standards (Special Circumstances)

District	Eigleberry Street to Church Street				Church Street to Dowdy Street				East of Eigleberry Street				West of Eigleberry Street			
	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear
Civic/Cultural Arts District (CCA)	0/10	10/non e	0/10	10/non e	20/non e	10/non e	10/non e	10/non e	-	-	-	-	-	-	-	-
Transitional District (TD)	-	-	-	-	-	-	-	-	0/15	10/non e ¹	0/non e ²	0/5	15 ⁴ /none	10/non e	5/non e	10/no ne

Source: City of Gilroy Zoning Ordinance

¹ To be reviewed for vehicular sight distance.

² To be reviewed by staff to ensure compliance with urban design principles.

³ Rear yard setback for parcels east of Monterey Street, between Lewis and Seventh is 51 feet to accommodate drive access and parking.

⁴ Ten-foot setback to property line allowed with a porch.

⁵ Use floor area ratio to determine project size for commercial and mixed-use development and use residential density to determine project size for stand-alone residential development. Residential use is only allowed as part of a mixed use development within the DHD, DED and CCA districts. Standalone (multifamily) residential development is only allowed within the CD, GD and TD districts. See Article XIV for additional specifications.

⁶ The planning division manager may approve architectural features such as tower elements, elevator service shafts, and roof access stairwells which extend up to 10 percent above the height limit.

⁷ New buildings should be no more than two stories higher or lower than neighboring buildings. If higher or lower buildings are desired, the massing should be stepped so as to create a smooth transition.

⁸ No min/max density. See Downtown Specific Plan for additional specifications. Residential apartments, townhomes, and live/work units above/behind ground floor are only allowed between Eigleberry Street and Church Street

Zoning Ordinance

The Zoning Ordinance, Chapter 30 of the Gilroy City Code, is the primary tool for implementing the land use designations in the Gilroy 2040 General Plan. The Zoning Ordinance provides controls over land use. The following discussion represents standards in the Gilroy Zoning Ordinance as of April 2023. In conformance with the 2040 General Plan and current state housing law, a comprehensive update of the Zoning Ordinance is anticipated to be complete by the end of 2023. As such, some existing standards identified in this analysis will be updated with the new Zoning Ordinance. Known instances are noted and the appropriate programs are referenced. Existing residential development standards are shown in Table 62.

The City's General Plan allows for a range of densities and housing types to meet the needs of all income levels. AB 2348 established "default" density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Pursuant to AB 2348 and the 2020 decennial census, Gilroy is considered a "jurisdiction within a metropolitan county" with a "default" density for affordable units of 30 du/ac. Densities of at least 30 du/ac are allowed in the High-Density Residential zone and Neighborhood District. Densities of 30 du/ac are also allowed in the 1st Street mixed-use corridor and specified Downtown Specific Plan designations, described above.

Table 62 displays the existing residential standards as outlined in the City's Zoning Ordinance as of April 2023. Note that there are instances where state law may supersede the current standards in the Zoning Ordinance. If there is a conflict, state law supersedes the Zoning Ordinance, and staff will process development applications accordingly. For instance, SB 9 applies to many parcels in the R1 zone and allows them to have up to four units, though the current maximum density is one dwelling unit per lot. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB 9 currently allows duplexes in the R-1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter. Furthermore, the City has a dedicated webpage that provides SB 9 information (e.g., more permissive development standards) to the public and potential applicants.

Residential Densities

The Zoning Ordinance will be updated in 2023 so that development standards permit the allowed densities under the 2040 General Plan. To facilitate consistency, the consultant who prepared the City's new General Plan is also preparing the Zoning Ordinance update.

Planned Development Exceptions

Most single-family residential projects are approved ministerially. Hillside residential single-family and multifamily residential projects that comply with objective development and design standards can generally be approved through an administrative staff review process, without the need for public hearings. However, applicants can request smaller lot sizes, increased height, and decreased setbacks (for example) through the Planned Development process, which is outlined in the Zoning Ordinance. The Planned Development process allows for more economical and efficient land use through diversification in development standards for buildings, structures, and open spaces. Public hearings are required in exchange for this flexibility.

Lot Size

The Zoning Ordinance will be updated in 2023 to be consistent with the lot sizes described in the 2040 General Plan. For example, the typical lot size for the low-density single-family residential land use designation in the 2040 General Plan ranges from 5,000 square feet to 7,000 square feet.

Height Limits

The City has two types of height limits in residential districts: a maximum height measured in stories and an absolute height. Height limits in the R3 zone are 3 stories or 45 feet. For the R4 zone, the height limits are 6 stories or 75 feet, whichever is less. Parking garages that are aboveground would count toward the story limit, while those that are belowground do not. The height limits do not constrain development from reaching their prescribed General Plan densities (8-20 du/ac for medium density sites and 20+ du/ac for high density sites).

Setbacks

All residential zones have setbacks, which are the minimum distances between a structure and a lot line. Setbacks in Gilroy are largely uniform between the residential zones, with 26-foot front setbacks, 6- to 12-foot interior side setbacks, 21-foot street side setbacks, and 15-foot rear setbacks. While all setbacks reduce the amount of land that is developable on a site, the setbacks do not constrain projects from reaching the maximum housing density in a zone.

Floor Area

The City of Gilroy does not regulate residential floor area, other than for ADUs. The ADU Ordinance will be updated in 2023 (and in future years) to be compliant with current state law. Although not required by state law, the City will increase the allowable floor area for ADUs from 1,000 square feet to 1,200 square feet through Program A - 15.

Lot Coverage

The City of Gilroy does not regulate residential lot coverage, other than restricting the amount of paving in the front yard to 50 percent maximum.

Table 62: Residential Standards (2022)

District	Lot Requirements Lot Size in Square Feet (Lots Using Street Standards Adopted in February 2006) ¹	Yard Requirements (Minimum Setbacks in Feet. Property Lines Adjacent to Streets Measured from the Face of Curb)						Height Requirements		Density	
		Front	Front (Lots on Bulb of Cul-de-sac)	Side (Adjacent to a Street)	Side (All Other Side Yards)	Rear	Rear (Yards Backing onto Street)	Feet	Stories	Maximum Density	Units per Acre
A1	20 acres	26 ²	22 ²	21	12	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	
RR	2.5 acres	26 ²	22 ²	21	12	15 ⁶	26	30	2	Maximum of one dwelling unit per lot	
R1	6,660 sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	Maximum of one dwelling unit per lot (not including units permitted through SB 9)	3 – 7.25
R2	8,880 ⁴ sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	One dwelling unit per 4,000 square feet of land to a maximum of two units per lot	3 – 9
R3	8,880 sf	26 ²	22 ²	21	12	15 ⁶	26	45 ⁵	3	One dwelling unit per two 2,722 square feet of lot area	8 – 16
R4	13,320 sf	26 ²	22 ²	21	12	15 ⁶	26	75 ⁵	6	One dwelling unit per 1,452 square feet up to a maximum site area of 2,178 square feet per unit	20 – 30
HR	N/A	+	+	+	+	+	+	30	2	Determined by the average slope with a maximum of two acres/unit	
ND*	*	*	*	*	*	*	*	*	*	*	*

Source: Gilroy City Code Chapter 30.

1 See Zoning Ordinance for lot size requirements for lots using street standards adopted prior to 2006.

2 Garage vehicular entrances shall be set back from the property line such that they have a minimum 18-foot-long driveway measured from the back of the sidewalk.

3 For dwellings located within new subdivisions (after the effective date of the ordinance codified in this chapter), containing five or more lots, the total width of the two side yards for any one lot in an R1 or R2 district must equal 12 feet. For structures in existence on the effective date of the ordinance codified in this chapter, a 6-foot side yard setback shall be maintained, unless a smaller side yard has been allowed by a variance, planned unit development, or preexisting, nonconforming use.

4 7,000 square feet for preexisting lots created prior to September 15, 1983; 6,000 square feet for one single-family dwelling.

5 For R3 and R4 lots proposed to be developed with one single-family residence as the primary use, the height of the residential dwelling unit shall not exceed two stories and 35 feet.

- 6 Rear yard setbacks may be reduced to 10 feet to accommodate a 5-foot encroachment for rear yard patio covers.
- * Residential site and building requirements shall be established by the master plan or specific plan for the neighborhood district area in which the property is located.
- + All setback requirements shall be as specified in the planned unit development (PUD) approval which shall be obtained according to the provisions of section [30.50.50](#).

Parking

The provision of parking is a significant cost for all forms of development. High parking requirements reduce the potential land available for development and increase the cost of development. Table 63 displays the parking requirements for residential developments in Gilroy. Parking requirements often pose a potential constraint on development. However, construction of recent developments, including below market-rate units, demonstrate that Gilroy's existing parking requirements are appropriate and are not an unreasonable constraint.

In addition to these minimum standards, Gilroy has a maximum parking requirement. Per Gilroy City Code Section 30.31.30 (a), the maximum parking requirement is 10 percent above those listed in the parking schedule, and any parking spaces beyond the 10 percent must be offset with an equal amount of landscaping.

Table 63: Residential Parking Standards (2022)

Type of Residential Development	Required Parking Spaces (off street)
Single- and two-family dwellings	Two stalls per dwelling unit, one of which shall be a covered carport or garage (each space must be at least 10 feet by 20 feet).
Multiple family dwellings	One and one-half stalls per one-bedroom or two-bedroom dwelling unit and two stalls for each unit having three or more bedrooms or rooms which could be used as bedrooms, plus one stall for every four units for guests. One stall for each unit shall be covered with a garage or carport.
Accessory dwelling units (detached)	One stall per unit*
Downtown Specific Plan Residential Parking Requirements	
Residential units < or equal to 800 sq. ft	One space per unit plus one guest space per six units
Residential units > 800 sq. ft.	1.5 spaces per unit plus one guest space per four units

Source: Gilroy City Code Chapter 30.

* A parking stall will not be required for an accessory dwelling unit that meets any of the following criteria:

1. The accessory dwelling unit is created as a result of the conversion of existing area of the single-family residence or existing permitted single-family residential accessory structure.
2. An existing single-family residential garage, carport, or parking structure is converted or demolished to accommodate an accessory dwelling unit in the same location.
3. The accessory dwelling unit is within 0.5-mile walking distance of a public transit station, such as a bus stop or train station.
4. The property is in an architecturally and historically significant historic district.
5. On-street parking permits are required in the area but not offered to the occupant of the residential accessory dwelling unit.
6. A car share vehicle is located within one block of the accessory dwelling unit.

Cumulative Effect of Development Standards

The City of Gilroy has permissive standards for development, especially in its Downtown Specific Plan area. The cumulative effect of development standards is not likely to constrain the ability of developers to achieve densities on site development. This is evident in the entitled

and pending projects analysis (see Table 79). Additionally, many recent projects have been developed at the City's standards that are able to achieve moderate and high densities. Multifamily developments in R4 and Downtown Specific Plan Zone areas have consistently been approved or constructed to the maximum density (or higher pursuant to state Density Bonus Law or other provisions). Recently proposed or approved developments include:

- A four-story, 120-unit affordable development on 3.4-acre parcel in the R4 zone (35 du/acre)
- A 100-unit affordable development on a 3.9-acre parcel in the R4 zone (25 du/acre)
- A 75-unit development on a 1.86-acre parcel in the Gateway District in the Downtown Specific Plan (40 du/acre)
- A 120-unit development on a 3.9-acre parcel in the R4 zone (30.8 du/acre)
- A 268-unit development in the Downtown Expansion District in the Downtown Specific Plan on 6.8 acres (38.7 du/acre)
- A preliminary proposal for a 94-unit affordable development in the Downtown Gateway District on 2.9 acres (32.4 du/acre)

These and other entitled and pending projects include a total of 62 very low-, 401 low-, and 3 moderate-income units.

Developers, residents, and other stakeholders participated in the public engagement process for the Housing Element Update and provided suggestions for several aspects of the City's development standards that could be changed to facilitate the production of housing. These included removing parking minimums, rezoning nonresidential areas to allow residential development, and increased density.

In the effort to reduce and/or eliminate constraints identified in Gilroy's land use controls, the City will study and consider adopting a density bonus above state law (A - 12), amend the Zoning Ordinance to ensure that the General Plan maximum densities are achievable by the implementing zones (B - 2), review and revise development standards to ensure objectivity (B - 6), and evaluate development standards for all zones including the Downtown Specific Plan zones for potential constraints (B - 7).

Density Bonus

California Government Code Sections 65915 through 65918, known as the density bonus law, were enacted to encourage developers to build affordable housing by requiring local governments to provide meaningful incentives in exchange for those affordable units.

The City addresses the density bonus requirement through the implementation of Section 30.46.40 of the Gilroy City Code. This section of the Gilroy City Code references and incorporates the state density bonus law. The City is fully compliant with density bonus law, and knows how to properly implement it if requested by a developer. Multiple projects have utilized the density bonus, including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the 1st and Kern Apartments (120 units).

The City is including Program A - 12 to study and adopt a density bonus ordinance beyond what is required by state law to further encourage development of affordable housing. The program will specifically consider additional incentives for households with special needs such as large households, extremely low-income households, households with developmentally disabled individuals, and farmworker households.

Providing for a Variety of Housing Types

Table 64 shows the allowed uses within residential zones in the City's Zoning Ordinance. In some instances, state law also affects the uses that are allowed in a zone. If there is a conflict, state law supersedes the Zoning Ordinance. For instance, SB 9 applies to many parcels in the R1 zone, and allows them to have up to four units. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

As discussed in the following section, ADUs and junior ADUs are allowed in all residential zoning districts under Section 30.54 of the City's Zoning Ordinance. Single-family residential zoning includes four districts: A1, RR, RH, and R1. Single-family units are permitted as a matter of right in all single-family residential districts. Single-family dwellings are permitted as a matter of right in all multifamily residential districts, except for mixed-use zones in the Downtown Specific Plan area. Single-family development in the R3, R4 and RH zones has the potential to prevent the achievement of the planned densities.

Multifamily residential zoning includes the R2, R3, and R4 districts. Duplexes are permitted as a matter of right in the R2, R3, and R4 districts. Duplexes are also allowed in the R1 district on corner lots of a certain size, when meeting certain conditions; however, this existing standard has been superseded by current state law (SB 9), which is more permissive. Condominiums and townhouses are permitted as a matter of right in the R3 and R4 districts; they are also permitted in the RH district when conforming to the density limits through clustering. Multiple family buildings are permitted as a matter of right in R3 and R4 districts.

The City of Gilroy has also established a Neighborhood District zone. Land in the Neighborhood District may be used as specified by a Master Plan or Specific Plan adopted for each Neighborhood District area. In addition to including 15 percent of the units as affordable, each development must provide compatible uses such as parks, schools, and neighborhood-serving commercial facilities.

The City is including several programs in the Housing Element to further encourage a variety of housing types across the City. One of these programs includes adoption of an affordable housing policy to encourage and incentivize development of affordable housing (Program A - 12). Another program may incentivize the production of missing middle housing, by allowing ministerial approvals for duplexes, triplexes, and fourplexes on corner lots in R1 and R2 zones that comply with the City's objective design standards (Program A - 10). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB 9 currently allows duplexes in the R-1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a

traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Additionally, the City is considering a program to incentivize micro-units (Program E - 5).

Table 64: Residential Use Table (2022)

Housing Types Permitted	A1	RR	R1	R2	R3	R4	RH	ND
Accessory Dwelling Unit ¹	--	X	X	X	X	X	X	*
Condominiums	--	--	--	--	X	X	X	*
Duplex	--	--	X ²	X	X	X	--	*
Mobile Home Park	--	--	C	C	X	X	--	*
Multi-Family Building	--	--	--	--	X	X	--	*
Residential Care Homes (> 6 Residents)	--	C	C	C	C	C	C	*
Residential Care homes (≤ 6 residents)	--	X	X	X	X	X	X	*
Single-Family Dwelling or Modular Home	X ⁴	X	X	X	X	X	X	*
Townhouse**	--	--	--	--	X	X	X	*
Emergency Shelters	C	C	C	C	C	C	C	*
Supportive and Transitional Housing ³	X	X	X	X	X	X	X	*

Source: City of Gilroy Zoning Ordinance, Section 11. 10.

Notes:

X = Unconditionally Permitted; C = Permitted only with conditional use permit granted by planning commission; -- Not permitted

* = Refer to master plan or specific plan adopted for the neighborhood district area in which the property is located.

**= Program B - 7 is included to remove reference of condominium ownership in the definition of Townhome.

1 Accessory dwelling unit(s) and/or junior accessory dwelling units may be allowed subject to compliance with the regulations prescribed in Article LIV.

2 Notwithstanding units permitted by SB 9, a duplex dwelling is permitted when all of the following conditions are met:

- (a) The duplex dwelling shall be located on a corner lot only; and
- (b) The corner lot shall have a minimum area of 8,000 square feet and be so designated for a duplex unit on a tentative and final map; and
- (c) The duplex shall not increase the overall density within any given land subdivision beyond the maximum of 7.25 dwelling units per net acre.

3 Supportive and/or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home shall only be allowed upon the granting of a conditional use permit.

4 One residential dwelling unit may be permitted on an A1-zoned parcel that has a minimum size of 20 acres or more. Subdivision of land for further development is not permitted without rezoning to another zoning district that implements the General Plan land use map.

Accessory Dwelling Units

ADUs provide additional housing opportunities for people of all ages and economic levels. The City of Gilroy permits ADUs on any residential parcel in any zoning district that permits residential or residential mixed-use development.

The City submitted its current ADU ordinance (Chapter 30.54) to the state in 2020 and worked with the state to ensure its compliance with state law at that time. The City will continue to update the ADU ordinance (Program A - 15) as necessary and work with the state to ensure compliance with new state law and remain in compliance even if the legislature makes changes to ADU regulations (e.g., Government Code Section 65852.2).

The City is also including multiple programs to monitor, incentivize, and encourage ADU development across the City. This includes monitoring and tracking ADUs and their affordability (Program A - 6), adopting a set of preapproved plans (Program A - 7), incentives for ADUs restricted to lower-income households (Program A - 8), and encouraging the development of ADUs through education and marketing (Program G - 4).

Senate Bill 9

Effective January 1, 2022, SB 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. The City adopted two objective design standard policies for SB 9 projects on December 13, 2021, and revised them effective April 4, 2022, following additional interpretation by the state. Consistent with state law, the adopted standards are purely objective in nature, providing information to property owners on the SB 9 process and associated standards in Gilroy. The City's SB 9 2-Unit Objective Design Standards Policy and the SB 9 Lot Split Objective Design Standards Policy both closely follow state law. The City website has readily available information regarding ADU and SB 9 applicability and standards.

SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. The City is including Program E - 12 to provide further flexibility by allowing triplexes and fourplexes as an alternative design to the traditional duplex with an ADU or a junior ADU allowed through SB 9. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.

Emergency Shelters

An emergency shelter is housing with minimal supportive services for unhoused persons that is limited to occupancy of 180 days or less per calendar year by an unhoused person. No individual or household may be denied emergency shelter because of an inability to pay.

The City's emergency shelter requirements are currently provided in the Performance Standards section of the Zoning Ordinance (Chapter 30.41) and the Residential Use Tables in Section 30.11.10. Current City Code does not meet state law requirements (Government Code

Section 65583) and will therefore be amended through Program E - 3. These zoning amendments will be processed during the same meeting in which the City is adopting the Housing Element Update. The proposed zoning amendment will modify 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 to ensure emergency shelters are allowed by right in the R4 and MU zones.

Currently, emergency shelters may be permitted in any zone with a conditional use permit; however, emergency shelters in the agriculture and residential zoning districts may only serve families. Through Program E - 3, the City will allow emergency shelters by-right in the City's R4 and new mixed-use zone along 1st Street by removing the conditional use permit requirement in those zones. Program E - 3 will also amend current City Code standards related to on-site management, waiting and intake areas, and set parking based on the number of staff only.

Based on the 2022 Point-in-Time Count, an estimated 208 homeless persons are located in Gilroy. At 200 square feet per bed, 208 beds could be accommodated in facilities totaling approximately 41,600 square feet of floor area to accommodate the City's estimated unsheltered need.

The City has sufficient properties in the R4 and mixed-use zones to accommodate Gilroy's unsheltered population. The R4 zone covers just over 16 acres on 25 parcels, including five sites and 13.7 acres currently identified in the sites inventory. The R4 zone is located in the transit accessible areas of the City and is within walking distance to support services (e.g., South County Compassion Center and Saint Joseph's Family Center Food Center). The 1st Street Mixed-Use zone district encompasses approximately 71 acres on 87 parcels, including four sites and 3.1 acres currently identified in the sites inventory. The mixed-use zone is located along the First Street corridor, which contains a range of service uses including South County Compassion Center and Saint Joseph's Family Center Food Center. Surrounding uses and permissive development standards in the R4 and forthcoming mixed-use zone will make it feasible to develop or convert existing structures to shelter use in these two zones. In addition to the development of vacant parcels in the R4 and mixed-use zones, adaptive reuse of existing structures is another option for establishing shelter facilities without redevelopment of the properties.

Low Barrier Navigation Centers

Low barrier navigation centers (LBNC) are service-enriched shelters that are focused on moving individuals into more permanent housing. LBNCs provide temporary housing while case managers connect individuals experiencing homelessness to shelter, public benefits, and health services. Under the Housing for Homeless Act (2019), local governments are required to allow LBNCs by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Gilroy does not currently explicitly allow LBNCs in any zone, though this would not prevent their development if an application for one were received. Per Program E - 4, the City will

amend its Zoning Ordinance pursuant to Government Code Section 65583 to allow for LBNCS by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Modular Homes

The permitting of modular, or manufactured, housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City of Gilroy permits modular homes by right in all residential zones that permit single-family dwellings by right.

Transitional and Supportive Housing

Supportive or transitional housing that serves up to six individuals is allowed by right in all residential zones. Supportive or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home is allowed in any zone upon the granting of a conditional use permit. While the conditional use permit may be a potential constraint on the development of group homes with more than six residents, the City has added Program E – 3 which will amend its Zoning Ordinance pursuant to Government Code Section 65651 to allow supportive housing by-right in zones where multifamily and mixed uses are permitted. The City has also added Program E - 10 to evaluate and address the potential constraint regarding the permit requirements for group homes in medium- and higher-density residential zones. The City has objective standards for these homes to add certainty to the development process. As a part of Program B - 6, the City's objective standards will be reviewed and modified as necessary to ensure they are purely objective in nature.

Single-Room Occupancy Units

Single-room occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis, typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly unhoused, and disabled persons. SRO units are not specifically defined or included in the City's Zoning Ordinance; however, there is precedence for their allowance within the City.

The City of Gilroy has one SRO development, which opened in 2016. The 25-unit SRO project, the Gilroy Studios (26 units including a manager's unit), was added to the Sobrato Transitional Apartments, aimed at serving the unhoused population in Gilroy. This project shows that there are no demonstrated constraints on the development of SROs in the City.

Residential Development Ordinance

The Residential Development Ordinance (RDO) was first established in 1979 to monitor the amount of residential growth in the City by limiting the number of dwelling units that could be built in a 10-year period. The RDO is a potential constraint on development; however, it has been made null by provisions of SB 330 and SB 8, both effective through 2030. The RDO limitations are not currently utilized by the City and will not be included in the City's new zoning

ordinance, and thus do not pose a constraint to development. Program B - 1 requires the removal of the RDO as a part of the comprehensive zoning update.

Affordable Housing Policy

The City does not have an inclusionary policy in effect for the whole City. Although the City currently has an inclusionary housing requirement for developments in its Neighborhood District areas, the policy is limited to property with a Neighborhood District land use designation. The Neighborhood District Policy requires developments to construct a minimum of 15 percent of its units at affordable prices. Incentives for constructing affordable housing in the Neighborhood Districts include density bonuses, reduction in City standards (including zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes), and reduction in road widths. All affordable units must be developed on-site and there is no option for an in-lieu fee. The lack of an in-lieu fee is a constraint to development and does not comply with Government Code Section 65850(g). Program A - 5 is included to revise the Neighborhood District Policy to ensure it is fully compliant with state law.

Similarly, though the RDO growth limits are no longer in effect due to state law, the RDO Exemption Policy was an effective tool for incentivizing affordable restrictions in a development. Portions of the RDO Exemption Policy were set up similarly to an inclusionary housing ordinance, by including resale controls and rental price controls for a minimum of 55 or 30 years, respectively, and specifying a minimum percentage of units for different affordability categories, as follows:

- At least 40% of units affordable to households below 60% of the AMI
- At least 15% of units affordable to households between 60% and 80% of the AMI
- At least 15% of units affordable to households between 80% and 100% of the AMI
- No more than 30% of the units affordable to households between 100% and 120% of the AMI

Both the Neighborhood District Policy and the RDO affordability standards can be used as a benchmark for the affordable housing policy adopted by the City (Program A - 11). The City also understands that inclusionary housing often raises the cost of development by mandating a price subsidy. An inclusionary housing policy is a potential constraint on development.

Urban Growth Boundary and Urban Service Area

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses."

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the

General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which the City Council determines that doing so is necessary to comply with state law regarding the provision of housing for all segments of the community and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or redesignated is immediately adjacent to (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low- and very low-income housing pursuant to the Housing Element;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by redesignating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with state law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with state law.

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³⁵

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The City accepts applications for USA modifications in the month of July only. The USA is reviewed and amended by the Local Agency Formation (LAFCO) if desired by the City. At the time the drafting of this document, the City is currently waiting for LAFCO's decision on an USA amendment application for property north of Gilroy. The City also received an applicant request to amend the USA boundary south of Gilroy. These applications are a good indication of developer interest in Gilroy. The USA acts as a potential constraint to development within City boundaries, which has more permissive development standards than the unincorporated County. Despite this potential constraint, the City has capacity for new housing within the USA and UGB, and has increased residential densities in the Gilroy 2040 General Plan to accommodate any capacity lost under Measure H. Furthermore, the UGB does not restrict the number or timing of permits within the USA or UGB.

³⁵City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Development Review and Permitting Procedures

The efficiency and timing of a jurisdiction's processes for review and approval of residential development has a significant impact on the amount and pace of housing construction. The procedures for development review and permitting in the City of Gilroy are described below.

Permit Processing

The requirements of the permit processing procedure have the potential to act as a constraint to the development of housing. The time and uncertainty of the review and revision cycle can contribute significantly to the overall cost of the project, ability to obtain and maintain funding, and the cost of each dwelling unit. Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the developmental review and approval process does not act as a constraint to development by adding excessive costs or discouraging housing development.

In 2020, the City awarded a contract to Tyler Technologies for the purchase and implementation of a Land Management System. The Land Management System helps to manage land development applications, special event permits, code enforcement cases, and fire prevention/pre-treatment/hazardous materials management. The City began configuring the system in 2021 and intends to "go live" with the public by the end of 2023. This Land Management System will modernize the City's application processes by allowing online application submittals and coordinated digital plan review. The system will automate many steps in the existing permitting process and help mitigate potential constraints caused by a lengthy permitting process. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow.

Development Community Stakeholder Outreach

The City evaluates its permitting and processing procedures biannually. It consults builders and other parties engaged in housing development activities to identify concerns and potential constraints in the permit processing procedure. The City will continue to hold development stakeholder roundtable meetings to maintain a dialogue with the development community. Topics discussed at the roundtable have included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan. Meetings were held virtually in 2020 and 2021.

Zoning Ordinance Streamlining

In 2021, the City began a comprehensive update of the City's Zoning Ordinance to ensure that it is compliant with the 2040 General Plan. Updates will include changes to help streamline the permit process, including but not limited to creating an administrative use permit process, as currently all use permits require a public hearing before the Planning Commission. City staff is also recommending a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential additions). Staff will also be recommending streamlined processing for planned development projects that do not require

a zoning amendment or General Plan amendment. Program B - 5 includes the above changes to streamline the permitting process.

Planning Permit Processing Procedure

The typical planning permit process follows the steps below.

1. Optional Pre-Application Submittal Meeting
2. Application Submittal
3. Input from Other Departments
4. Status Letter to Applicant
5. Plan Revision, as needed (if yes, return to Step 2)
6. Planning Staff Analysis
7. Project Decision, including conditions of approval if applicable

The project decision may be appealed, which would result in project review by either the Planning Commission or City Council, depending on the permit.

Administrative versus Discretionary Planning Permits

As discussed previously, most single-family residential projects can be approved ministerially. Single-family hillside homes and multifamily residential projects that comply with objective development and design standards are approved through an administrative planning staff review process, without the need for public hearings, unless another entitlement tied to the project would require a public hearing.

However, if an applicant wants to change the zoning or land use designation of a particular property, the project will require review and approval by the Planning Commission and City Council, respectively, at separate public hearings. Furthermore, if an applicant wants to request flexible development standards through the Planned Development process, the application currently requires public hearings before the Commission and Council. The Zoning Ordinance update will include a recommendation by staff to streamline the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council, respectively. This streamlined process would reduce the review time by approximately two months.

Permit Processing Time

The processing time needed to obtain development permits and required approvals can act as a constraint to development and contribute to the high cost of housing. Permit processing times are partially dependent on the number of staff available to review projects. When staffing levels drop due to attrition (e.g., voluntary termination) or cutbacks (e.g., layoffs), permit processing times increase. In 2017, the City hired Management Partners to complete an organizational review of the Community Development Department, including

recommended staffing levels. Many of the report's recommendations, such as over-the-counter plan checks, were implemented to reduce permit processing times. The report also recommends that the City reevaluate staffing levels on a regular basis to determine when additional staff resources are needed to meet service demand.

The permit processing times for various permits are shown in Table 65. The level of project review depends on the type of project. Most single-family projects require only a zoning clearance from the Planning Department as part of the ministerial building permit process. Single-family residential hillside projects can be approved by planning staff through an administrative architecture and site review permit. Similarly, most multifamily (no subdivision map), commercial, industrial, and professional office projects can be approved administratively. These staff-level discretionary planning projects typically take three to six months (depending on application completeness) to obtain planning entitlements, while applications for building permits take another three to four months. Projects that require a tentative subdivision map require Planning Commission review and City Council approval. The subdivision review and approval process typically takes approximately one year to complete, depending on the required California Environmental Quality Act (CEQA) documentation. Once final maps are recorded, building permit applications may be filed, which typically takes another three to four months for approval.

Table 65: Permit Processing Time (2022)

Permit Type	Length of Approval	Approval Body
Building Permit	3-4 months*	Issued by Building and Safety Division
Conditional Use Permit	3-4 months	Planning Commission
Variance	3-4 months	Planning Commission
Zone Change / Zoning Amendment	6-12 months	City Council
General Plan Amendment	6-12 months	City Council
Architecture and Site Review	3-6 months	Community Development Director (or designee)
Planned Unit Development	6-9 months	City Council
Tentative Tract Map	6-9 months	City Council
Negative Declaration	6-9 months	Same as project approval body
Environmental Impact Report	12 months	Same as project approval body
Final Subdivision Map	2-4 months	City Council
Parcel Map	1-2 months	City Council

Source: City of Gilroy, 2022

*Pursuant to AB 2234, must determine whether a post-entitlement phase permit application is complete within 15 business days of submittal. Furthermore, the City must approve a post-entitlement phase permit application or return a full set of written

comments to the applicant: (1) within 30 business days of the application being deemed complete if the housing development project has 25 or fewer units; or (2) within 60 business days if the project has more than 25 units, unless otherwise exempted by law.

The Santa Clara County Planning Collaborative collected data through a survey to provide a regional comparison of permit processing times for jurisdictions across the County. Table 66 displays the permit processing time in months for various types of residential permits. Gilroy has similar or slightly quicker processing times, compared to other County jurisdictions for most permits. For example, the City has a shorter processing time on discretionary permits that go to City Council (5–6 months) than all jurisdictions except two.

Table 66: Permit Processing Time, Months, Regional Comparison (2021-2022)

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Gilroy	1 - 2	1 - 2	2 - 4*	N/A	4 - 5	5 - 6
Campbell	1	1	3	N/A	5	8
Cupertino	1 - 3	1 - 6	2 - 4	2 - 4	3 - 6	6 - 12
Los Altos Hills	1 - 2	0.5 - 2	2 - 3	3 - 4	4 - 6	5 - 8
Los Gatos	N/A	1 - 2	1 - 2	2 - 4	4 - 6	6 - 12
Milpitas	1 - 3	1 - 3	2 - 4	3 - 4	4 - 6	6 - 12
Monte Sereno	0.75	0.75	1	1 - 2	1 - 2	1 - 2
Morgan Hill	1 - 2	1 - 2	2 - 3**	2 - 3	4 - 6	4 - 6
Mountain View	3 - 5	4 - 6	2 - 3	6 - 18**	N/A	12 - 24
San Jose	2	1 - 3	7	7	7 - 11	5 - 12
Santa Clara	0 - 1	0 - 1	0 - 3	4 - 9	6 - 9	6 - 12
Saratoga	1	1 - 2	2 - 3	N/A	4 - 6	6 - 12
Sunnyvale	1 - 3	1 - 3	3 - 6	6 - 9	9 - 18	9 - 18
Unincorporated County	4 - 6	6 - 8	9 - 12	12 - 15	15 - 18	15 - 18

Source: Cities Association of Santa Clara County, Planning Collaborative. 2022.

*Gilroy does not have "discretionary by-right" permits This timeline represents "Discretionary (Staff)". This timeline also depends on level of CEQA review.

**Entitlements only

Objective Design Standards Policy

In October 2021, the City of Gilroy adopted the Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy. The objective design standards were created to ensure the City's compliance with the Housing Accountability Act. The objective design standards apply to residential projects that are multifamily or mixed-use. Consistent with state

law, the standards are purely objective in nature. The objective design standards are also intended to increase consistency in decision making, minimize applicant delays, better utilize limited staff resources, and promote good design principles that help ensure that Gilroy is an attractive place to live and visit.

The City will utilize the objective design standards to implement Program A - 10 to incentivize the production of missing middle housing by allowing ministerial approval of duplexes, triplexes, and quadplexes, on corner lots in the R1 and R2 zones.

Planning, Building, and Development Impact Fees

Housing developments are typically subject to three types of fees: planning permit fees, building permit fees, and development impact fees. The fees are charged by the City and other agencies to cover administrative processing costs associated with development and help ensure the provision of adequate services.

Fees vary based on the type of application necessary for project approvals. The processing fees are typically recouped through the rent or sales price, so excessive fees may ultimately affect the affordability of housing. It is best practice to periodically conduct user fee studies to ensure the City is recouping the cost of providing services in areas for which fees apply. In May 2022, the City completed a Comprehensive User Fee Study to update the City's user fees schedule, which had been last updated and adopted in 2014. City staff advertised the proposed fee increases to the City's list of development professionals, including local builders and contractors. Following community meetings and public hearings with the City Council, a new fee schedule was adopted, effective August 1, 2022. There was no public opposition to the proposed fees, which may be an indication that the fees remain reasonable. The most current fee schedule is available on the City's website. Planning related fees for the City of Gilroy are shown in Table 67.

Table 67: Planning Related Fees (August 2022)

Applications	Fee
Annexation	\$19,632 + actual attorney fees
Architectural Site Review – Residential	
<i>New Construction</i>	\$8,294/first lot + \$592/additional flat land tract plan + \$1,203/additional hillside lot
<i>New Hillside Lot - SFD</i>	\$4,532
<i>Additions</i>	\$2,648
Development Agreement	\$19,081 minimum deposit (hourly rate invoiced against initial deposit, plus \$10,000 deposit for attorney fee)
Environmental	
<i>Categorical Exemption</i>	\$536.00
<i>Initial Study/ND/MND, non-complex project (Staff Review)</i>	\$12,113.17 (minimum)

<i>Environmental Impact Report (staff review)</i>	\$23,739.79 (minimum)
<i>EIR/MND/Initial Study (Consultant Contract)</i>	Actual contract cost plus 15% of contract cost + 15% staff review + 10% contingency
General Plan Map Amendment	\$15,604/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs
Planned Unit Development	\$16,203
Tentative Parcel Map	\$10,253 (up to 4 lots), plus publishing
Tentative Tract Map	\$19,036/(5-12 lots) + \$302/additional flat land lot + \$877/additional hillside lot, plus publishing costs
Urban Service Area Extension	\$29,188/first 10 acres + \$423/each additional 10 acres + publishing ¹ + LAFCO fees
Variance	\$5,470, plus attorney fees and publishing costs
Zoning Map Amendment	\$11,884/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs

Source: City of Gilroy. Effective August 1, 2022. (<https://www.cityofgilroy.org/DocumentCenter/View/12973/2022--Comprehensive-User-Fee-Schedule-Effective-August-1-2022>)

1. For those projects involving multiple public hearing applications, the publication costs will be reduced to a single charge when it is determined, and reasonably possible, that the public-hearing applications can be processed together.

The City of Gilroy Public Works Department provides a fee schedule for development impact fees. Impact fees are updated each fiscal year. The 2022 impact fee schedule, which runs from July 1, 2022, to June 30, 2023, was updated to reflect the fees adopted as part of the 2022 Comprehensive User Fee Study discussed above. Development impact fees add to the cost of residential development; however, they can be a cost-effective mechanism for financing the new infrastructure (e.g., water, sewer, roads) required to support new development. The fees allow for the consolidation of infrastructure projects when it is more cost-effective to do so and, by law, must be linked to the actual impact of the specific project.

The City of Gilroy imposes a number of development impact fees, including for public facilities, sewer development, storm development, traffic, and water development. Typically, fees per unit for high-density residential are lower than fees per unit for low-density residential. Development fees for the City of Gilroy are shown in Table 68.

In 2022, the development impact fee was \$15.82 per square foot for ADUs that are greater than 750 square feet. Thus, the maximum impact fee for a 1,000-square-foot ADU would be \$15,820. In 2022, ADU costs range from approximately \$50,000 (conversion of habitable, already-finished space) to \$120,000 (new construction). In this case, the impact fee represents 31 percent (\$50,000) to 13 percent (\$120,000) of the total cost of development. Comparatively, Gilroy's impact fee is 34 percent less than the City of Morgan Hill, which charges \$21,209 for the same size (1,000 square foot) detached ADU.³⁶

³⁶ <https://www.morganhill.ca.gov/DocumentCenter/View/42497/Detached-ADU-checklist-for-Morgan-Hill---FINAL-with-Impact-Fees?bidId=>

The impact fees for ADUs in Gilroy are calculated proportionately in relation to the ADU square footage and the square footage of the primary dwelling unit; however the fees may still create a constraint on ADU production. The City will review ADU impact fees as a potential constraint for affordable housing through Program A - 8.

Table 68: Development Impact Fees (2022)

Fee Type	Fee
Public Facilities Impact Fees	
Residential – Low Density	\$22,617/unit
Residential – High Density	\$19,028/unit
Sewer Development Impact Fees	
Residential – Low Density	\$13,262/unit
Residential – High Density	\$7,176/unit
Storm Development Impact Fees	
Residential – Low Density	\$598/acre
Residential – High Density	\$940/acre
Traffic Impact Fees	
Residential – Low Density	\$13,012/unit
Residential – High Density	\$10,548/unit
Water Development Impact Fees	
Residential – Low Density	\$4,556/unit
Residential – High Density	\$1,843/unit
ADUs	ADU impact fees are not assessed for the first 750 square feet. Any floor area above 750 square feet will be assessed an impact fee of \$15.82/square foot

Source: City of Gilroy. Fees to Build Effective July 1, 2022.

In late 2021/early 2022, the Santa Clara County Planning Collaborative collected data through a countywide survey to provide a regional comparison of fees for different types of development. Total fees per unit for single-family, small multifamily, and large multifamily at the time of publication are shown in Table 69. Generally, Gilroy's fees are comparable to the region. For single-family fees, Gilroy was the sixth least expensive of the thirteen jurisdictions with listed fees. For small multifamily units, Gilroy was seventh of the twelve listed fees, and for large multifamily Gilroy was eighth of twelve listed fees.

Table 70 displays a regional comparison of fees as a percentage of total development costs. At the time of publication, Gilroy's single-family fees (1.5 percent of total development) rank sixth least expensive out of fourteen jurisdictions listed. For small multifamily fees, Gilroy ranks seventh out of twelve jurisdictions listed (5.3 percent), and for large multifamily fees, Gilroy is eighth of the twelve jurisdictions listed (5.6 percent).

Table 69: Total Fees per Unit, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	\$69,219	\$40,195	\$39,135
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$72,034	\$7,299	\$3,048
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292

Source: Santa Clara County Planning Collaborative. 2022.

Table 70: Fees as Percentage of Total Development Costs, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	1.5%	5.3%	5.6%
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	N/A

Source: Santa Clara County Planning Collaborative. 2022.

On average, Gilroy's fees are comparable to surrounding jurisdictions in Santa Clara County. Fees may represent a barrier to the construction of housing as they increase the minimum cost of development for a dwelling unit and may be passed onto the purchaser or renter. However, the City's fees are not excessive and do not constitute unreasonable constraints on

the production of housing, as the City has seen robust housing production during the 5th RHNA Cycle.

School Fees

In addition to the costs above, the Gilroy Unified School District charges development fees. The entirety of Gilroy is served by the Gilroy Unified School District. As of 2018, the residential development fees for the school district were \$3.79 per square foot.³⁷ The City does not have control over these fees, but the fees have not constrained the development of housing in recent years.

Transparency of Development Standards

The City of Gilroy provides its development standards on the City website. The Gilroy City Code, General Plan, permit and development fees, affordability requirements, and zoning maps can all be accessed on the City's website. This includes the most recent Comprehensive User Fee Study. City staff are available to assist applicants or interested parties that do not have internet access. The City is in compliance with requirements set forth in AB 1483.

SB 35 Approval Procedure

SB 35 (2017) requires a Streamlined Ministerial Approval process for developments in jurisdictions that have not made sufficient progress towards their Regional Housing Needs Allocation. Program B - 3 establishes and implements expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330.

As of August 2022, the City of Gilroy has not received an SB 35 application. If the City were to receive an SB 35 application, it would follow state law procedure. The following permitting procedure that the City will follow is from the Streamlined Ministerial Approval process guidelines outlined by HCD.

After receiving a notice of intent from the applicant intending to submit an application for a Streamlined Ministerial Approval process, the following steps must occur:

1. The City will complete the tribal consultation process outlined in Government Code Section 65913.4(b) prior to accepting an application for a Streamlined Ministerial Approval process.
2. Once the tribal consultation process is complete, the City will begin processing the submitted application for a Streamlined Ministerial Approval process.
3. The City will perform a determination of consistency with regard to objective zoning, subdivision, and design review standards.
4. The City will perform a determination of consistency with density requirements.

³⁷ Gilroy Unified School District. Developer Fee Justification Study. 2018.
<https://resources.finalsite.net/images/v1529100379/gusdk12caus/qszb2awtcdnj2lpzxcc8/DeveloperFeeJustificationStudy.pdf>.

5. The City will complete the design review within the following timeline, following acceptance of the application in item #2 above:
 - Within 60 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 90 calendar days of submittal of the application to the City if the development contains more than 150 housing units.
6. The City will determine whether the application for Streamlined Ministerial Approval complies with all applicable requirements, and will approve or deny the application, within the following timeline:
 - Within 90 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 180 calendar days of submittal of the application to the City if the development contains more than 150 housing units.

Housing for Persons with Disabilities

The US Census Bureau defines persons with disabilities as those with a long-lasting physical, mental, or emotional condition. Certain conditions affect a person's housing choices, whether it creates a need for accessibility, living spaces for caretakers, transit access, or other.

Reasonable Accommodation Procedures

The City of Gilroy has a Reasonable Accommodation Procedure adopted in 2014 outlined in Section 30.50.23 of the Zoning Ordinance. A request for reasonable accommodation may be made by any person with a disability, their representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

Requests for reasonable accommodation shall be reviewed by the Community Development Director or their designee if no other approval is sought. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority responsible for reviewing the discretionary land use application, in conjunction with that application. The written decision to approve or deny a request for reasonable accommodation shall be based on consideration of the following factors:

- Whether the housing will be used by a disabled individual.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability.
- Potential impact on surrounding uses.
- Physical attributes of the property and structures.
- Alternative accommodations which may provide an equivalent level of benefit.

- Whether the requested accommodation would impose an undue financial or administrative burden on the City.
- Whether the requested accommodation would require a fundamental alteration of a City program.

The reviewer must make a written determination within 45 days of receipt of a complete application and either approve, approve with modifications, or deny a request for reasonable accommodation.

The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to help provide accessibility improvements to very low-income households.

The City supports equal access to housing for persons with disabilities and will evaluate its reasonable accommodation standards and procedures as a potential constraint to accommodating persons with disabilities (Program E - 10).

Definition of Family

The Gilroy City Code defines family as “one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.” This definition is consistent with state law and does not pose a constraint on the development of housing for persons with disabilities.

Building Code

The City of Gilroy has adopted the 2022 California Building Code, adopted from the 2021 International Building Code, with local amendments. When development plans are submitted for plan check, they are reviewed by the Building and Safety Division for compliance with the California Building Code. The local amendments were adopted with recommendation by the City of Gilroy chief building official. Modifications and changes are reasonable and necessary due to local climactic, geological, or topographical conditions or are otherwise permitted by state law. Most notably, the City has incorporated electric vehicle (EV) charging requirements for new construction, roofing requirements in Wildland-Urban Interface Fire Areas, and grading requirements for erosion control. While these requirements may add to the cost of construction of residential units, they are necessary to help mitigate the risk of damage by wildfire and contribute to sustainability goals.

Local amendments to the building code can be found in Gilroy City Code Chapter 6, Article II, Section 6.7. Amendments are minor changes, and no modifications pose constraints to development.

Code Enforcement

The City's Code Enforcement staff responds to potential violations of the Gilroy City Code. There are two code enforcement officers. Code enforcement is reactive and officers respond to complaints reported by residents. Common violations include abandoned or dangerous

buildings, blighted property and maintenance concerns, unsafe living conditions, construction without land use/zoning permits, and illegal tree removal. The City provides CDBG funding to Rebuilding Together Silicon Valley to operate and expand the Home Repair and Accessibility Modification program in Gilroy.

On- and Off-Site Improvement Requirements

The City requires on- and off-site improvements for new developments, which are intended to meet health and safety requirements of the community. Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. The City's General Guidelines for development were last updated in August 2014. They include local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, street lighting, erosion control, landscaping, and easements.

Notably, all streets must be designed in accordance with accepted engineering principles and conform to the design standards, the standard details, and the complete streets resolution approved by City Council. All exceptions to the General Guidelines must be approved by the City Engineer prior to the approval of a tentative map. These requirements are similar to those of other jurisdictions and are not considered an unreasonable constraint on development. Although requirements for on- and off- site improvements do add to the overall cost of the development, they are necessary to ensure provision of vital infrastructure services to residents. Based on the recent entitled and pending housing types (see Table 79), the City's site improvement requirements do not create an undue constraint on development.

The following example highlights the requirements for a 29-unit single-family redevelopment project, approved in 2020, which was previously an office park.

- **Street Trees:** The applicant shall plant street trees along the project frontage to match the City of Gilroy's Street Tree Plan in effect at the time of construction. The street tree plans shall be per City Standard Drawings and will include City Standard tree grates.
- **Tree Grates:** The applicant shall install City Standard Tree Grates as specified in the approved plans. Tree grates shall be 4'x6', model OT-T24 by Urban Accessories, and shall be black power coated. The tree grates shall be shown on the improvement plans to be located at the back of curb to the approval of the City Engineer and shall be installed with the street trees prior to the first occupancy.
- **Street Markings:** The applicant shall install necessary street markings of a material and design approved by the City Engineer and replace any that are damaged during construction. These include but are not limited to all pavement markings, painted curbs, and handicap markings. All permanent pavement markings shall be thermoplastic and comply with Caltrans Standards. Color and location of painted curbs shall be shown on the plans and are subject to approval by the City Engineer. Any existing painted curb or pavement markings no longer required shall be removed by grinding if thermoplastic, or sand blasting if in paint.

- **Sidewalk:** The applicant shall replace to existing City standards all sidewalk surrounding the project site. The actual amount of sidewalk to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. Sidewalk replacement shall be constructed per the City Standard Drawings.
- **Curb Ramp(s):** The applicant shall construct 4 curb ramps in accordance with the latest Caltrans State Standard Drawing at the Princeville & W 6th St intersection. The actual ramp "Case" shall be identified on the plans and shall be to the approval of the City Engineer.
- **Curb and Gutter:** At the time of the A&S application was filed, a minimum of 450-ft linear feet of curb and gutter will need to be replaced. This figure is provided only to determine minimum bonding requirements for the encroachment permit. The actual amount of curb and gutter to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. New curb and gutter shall be constructed per the City Standard Drawing STR-12.
- **Driveway Approaches:** The applicant shall install driveway approaches as shown on the approved plans. The new residential driveway approaches shall be constructed per the City Standard Drawing.
- **Driveway Removal:** The applicant is to remove the existing driveway approaches located along the project frontage as shown on the approved A&S application plans, and replace them with sidewalk, curb, and gutter per the City Standard Drawing.
- **Sewer Lateral:** The applicant shall install as a minimum a four (4) inch City Standard sewer lateral connection from the property line to the sewer main located in the street right-of-way for each proposed lot. The installation shall be done in accordance with the City Standard Drawing SWR-6 including a 6" property line clean-out.
- **Sewer Clean-Out:** The applicant shall install a sewer lateral clean-out at the property line for each proposed lot in accordance with the City Standard Drawing SWR-6.
- **Sanitary Sewer Manholes:** The applicant shall install standard sanitary sewer manholes, per approved plans and in accordance with the City Standard Drawing.
- **Storm Water Catch Basins:** The applicant shall install standard storm water catch basins, in accordance with the City Standard Drawing.
- **Street Lights:** The applicant shall provide and install standard aluminum electrolier street lights per City Standard Drawing EL-1 to EL-5. The applicant is responsible for all PG&E service fees and hook-up charges. Any new service point connection required to power the new lights shall be shown on the construction drawings along with the conduit, pull boxes and other items necessary to install the street lights. An Isometric lighting level needs to be provided by the designer/contractor. A separate light study may be required by the City Engineer. The new street light shall have 32' mounting height per Standard Drawing EL-3, with mounting arm length per Standard Drawing EL-

4, the Fixture shall be Leotek GC1 or GC2 series in an approved configuration per detail EL-2 or approved equal. The arm shall be installed at the location as shown on the approved plans.

- **Fire Hydrants:** The applicant shall install new fire hydrants along the project frontage. Spacing shall meet City and Fire Marshall requirements.

Based on the recent proposals submitted and entitled citywide for a range of housing types, the City's site improvement requirements do not create an undue constraint on development.

Nongovernmental Constraints

Requests to Develop Below the Anticipated Density

In some regions, market factors such as the demand for single-family housing or larger high-end condominiums can lead to properties being developed below the maximum allowable density. Requests to develop housing at densities below those anticipated in the Housing Element act as a potential constraint to housing development. However, the City does not generally receive any requests to develop below densities anticipated. For example, one of the low-income sites identified in the 2015-2023 Housing Element (LI-4) developed above the anticipated density identified in the 2015-2023 RHNA sites inventory. The site was projected for 78 low-income units and was constructed with 120 low-income units for a surplus of 42 units.

The 11 entitlement projects noted in Table 76 had densities between 13.4 and 40.3 du/ac with an average yield percentage of approximately 111 percent; out of this total, 8 entitlement projects analyzed (72 percent) developed above the anticipated density. Entitled projects largely exceed the density assumptions made in the 5th RHNA cycle. For example, in the Downtown Specific Plan Area (excluding the Cannery District), the R4 zone, and the Neighborhood District, the average base densities of actual projects were all higher than assumed.

Projects developed at a lower density than previously assumed were primarily located in the R3 zone. Sites in this district are typically smaller and under separate ownership, and therefore more constrained. In addition, projects in the R3 zone are typically infill or small additions to existing structures, which would characteristically yield a lower density.

Consistent with the 2040 General Plan, the City will amend the Zoning Ordinance to increase the maximum density in the R3 zone and remove the maximum density in the R4 zone. This will help ensure adequate baseline capacity to meet RHNA targets and achieve Housing Element compliance (B - 2).

Land Costs

Land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land

increases. The scarcity of adequate housing opportunities in northern Santa Clara County have influenced upward pressure on land and housing costs in Gilroy.

The price of land varies depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities. Vacant land sales (in early 2022) are shown by cost and acreage in Table 71. The price ranges from \$1.80 to \$9.69 per square foot, with an average price of \$6.75 per square foot (or \$293,843 per acre). The City has little control over land costs, which can pose a constraint to development.

Table 71: 2022 Vacant Lot Sales in Gilroy

Acreage	Land Cost	Cost per sq. ft.	Date Sold
7.34	\$3 million	\$9.38	2/28/2022
1.26	\$335,000	\$6.10	2/18/2022
13.11	\$1.03 million	\$1.80	2/15/2022
7.67	\$900,000	\$2.69	2/11/2022
1.14	\$400,000	\$8.06	2/1/2022
2.38	\$985,000	\$9.50	1/5/2022
1.09	\$460,000	\$9.69	1/4/2022

Source: Zillow.com, 2022

Construction Costs

Construction costs include the cost of materials and labor. Materials costs include the cost of building materials (wood, cement, asphalt, roofing, pipe, glass, and other interior materials), which vary depending on the type of housing being constructed and amenities provided. In general, construction costs can be lowered by increasing the number of units in a development, until the scale of the project requires a different construction type that has a lower cost per square foot.

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data are national and do not account for regional differences, nor include the price of the land upon which the building is built. The Building Valuation Data, dated August 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows:

- Residential Multifamily: \$136.73 to \$203.34 per square foot
- Residential One- and Two-Family Dwelling: \$148.33 to \$189.34 per square foot
- Residential Care/Assisted Living Facilities: \$172.87 to \$240.35 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per square foot in 2018.³⁸

Financing Availability

Interest rates affect homeownership opportunities throughout the City. In August 2022, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 5.55 percent on a 30-year fixed-loan rate. While low interest rates are expected to prolong the availability of financing, low housing inventory can create competition among potential homebuyers, especially for first-time homebuyers. The sales price of housing is typically adjusted for changes in mortgage rates. The Housing Trust of Silicon Valley administers the Santa Clara County Empower Homebuyers First Time Homebuyer Loans and HELP for Homebuyers programs.

Table 72 displays the number of loan applications received in 2020 for the purpose of purchasing a home in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which includes the City of Gilroy. Specifically, the table provides the number of total applicants, the number of loans originated, the number of applications that were approved but not accepted by the applicant, and the number of applications denied across various types of loans.

Table 72: Disposition of Home Loans, 2020

Loan Type	Total Applicants	Originated	Approved Not Accepted	Denied	Withdrawn / Other
Conventional Purchase	24,691	15,660	644	1,942	6,445
Government Backed Purchase	1,879	986	71	138	684
Home Improvement	5,206	2,998	165	961	1,082
Refinance	41,117	21,078	1,208	5,930	12,901
Total	72,893	40,722	2,088	8,971	21,112

Source: lendingpatterns-lite.com, 2020

Federal and State Programs

There is limited funding available for housing assistance programs from the state and federal governments. For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 each year in CDBG funds from the US Department of Housing and

³⁸ Turner Center for Housing Innovation. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. March 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities.

For the 2022-2023 and 2023-2024 fiscal years, the City also allocated \$237,000 (each year) in Permanent Local Housing Allocation Fund funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities.

Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, soil conditions, flood risk, vegetation and wildlife habitat, toxic and hazardous waste, fire hazards, noise levels, and preservation of agricultural lands. In Gilroy, seismic hazards provide the greatest threat to the built environment. Infrastructure constraints include the availability and cost of water and sewer services. The following hazards may impact future development of residential units in the City and can pose a potential constraint to housing development.

Environmental Constraints

Seismic Hazards

The topography of Santa Clara County consists of three principal geologic features: the Santa Clara Valley, the Santa Cruz Mountains, and the Diablo Range. The area is dominated by a complex system of faults associated with motion between the Pacific and North American plates. The most significant fault is the San Andreas Fault. The area is seismically active and includes other major, active strike-slip faults, including the Calaveras Fault, as well as active folding and thrust faulting. The Sargent Fault, northeast of the City of Gilroy, has significant potential to cause seismic shaking.

Soils

The soils in the Gilroy area consist of gravel, silt, and clay that are often poorly drained with flooding and deposition occurring along the major streams. Because these soils exhibit site-specific properties, site-specific studies should be completed at the project design stage to characterize the suitability and behavior of soil for specific development applications.

Flooding

The City of Gilroy area lies within two major watersheds: the Uvas Creek watershed and the Llagas Creek watershed. The City of Gilroy Flood Plain Management Ordinance was updated in 2016 to adopt regulations designed to promote public health, safety, and general welfare. The standards require all new developments in the 100-year floodplain, regardless of project size, to develop a base flood elevation in areas without a determined base flood elevation.

Vegetation and Wildlife Habitat

Vegetation and wildlife habitat within the Gilroy area include both developed and natural areas. Developed areas include urban and agricultural land. Natural communities include annual grassland, coastal oak woodland, and valley foothill riparian habitat.

The 2040 General Plan includes policies aimed at protecting sensitive communities from urban development, in-stream capital projects, and in-stream operations and maintenance. These sensitive communities include wetlands and waterways (including associated freshwater marsh vegetation and riparian corridor habitats), serpentine rock formations that support native species, and native oak woodlands.

Toxic and Hazardous Wastes

Hazardous waste management in Gilroy includes three areas: control of production, control of disposal, and control of transportation of hazardous waste. A limited number of hazardous materials are produced in the City. Among those produced by point sources are waste oil, antifreeze, solvents, x-ray solutions, and materials associated with graphic design. Hazardous wastes associated with non-point sources include waste oil, antifreeze, and other pollutants associated with motorized vehicles. The City of Gilroy's Hazardous Materials Specialists and Pretreatment Inspectors and the County Public Health Department regularly inspect activities that store and/or use hazardous materials. Regular inspections and monitoring help ensure compliance with local, state, and federal regulations and help reduce the risks associated with the use and handling of hazardous materials and waste.

Fire Hazards

The City of Gilroy receives fire protection from the Gilroy Fire Department. The areas outside the City are under the jurisdiction of the South Santa Clara County Fire Protection District. The two jurisdictions have a mutual aid agreement that allows reciprocal aid to be provided on an as-needed basis during major emergencies. High Fire Hazard (or "Mutual Threat Zones") areas are designated by the district. These include much of the hillsides on the western boundary of the City. The City of Gilroy Fire Department has in place a hazard (weed) abatement program. The City's Hillside Development Guidelines contain policies relating to fire hazards.

Noise

One of the primary noise sources in the Gilroy area is traffic on local roadways, primarily the result of tire noise on the road surface and the Union Pacific Railway line. Other typical noise sources, as in all suburban areas, include construction, barking dogs, children playing, industry, and recreational activities. Overflying aircraft are also occasionally audible in the Gilroy area. These sources are not significant compared to the noise produced by the dominant transportation sources.

The City is responsible for evaluating noise impacts as part of the review and approval process for new discretionary project proposals. Project approval may include conditions to mitigate noise levels for project occupants and nearby neighbors. There is no noise impact fee. The cost

of construction, as well as maintenance of noise mitigation measures, is borne by the developer. The City of Gilroy aims to buffer residential areas from sources of noise pollution through appropriate zoning wherever possible (e.g., locating commercial uses between residential uses and light industrial uses).

Agricultural Lands

To protect and preserve agricultural land, the City of Gilroy adopted an Agricultural Mitigation Policy. The policy was adopted in 2004 and revised in 2016. CEQA requires all feasible mitigation for significant unavoidable impacts. Upon certification of the City's General Plan EIR, the City Council established the Agricultural Mitigation Policy to implement the mitigation measures identified in the 2020 General Plan EIR and 2040 General Plan EIR for loss of agricultural lands. Therefore, significant agricultural impacts as determined under CEQA would be subject to the City's Agricultural Mitigation Policy. The policy establishes the criteria for determining when mitigation would be required and what lands are acceptable for preservation. The policy requires mitigation for the conversion of agricultural lands to urban uses at a 1:1 replacement ratio. Mitigation may be accomplished with one of two options and the options shall include all costs to cover program administration, monitoring and management of established easements as outlined in the policy.

The policy established a preferred area for the preservation of agricultural lands. This area is located within the City's Sphere of Influence and outside the General Plan 20-year boundary, east of Highway 101 and south of Masten Avenue. At the time the map was created in 2004, this area contained the greatest concentration of "Prime" and "Statewide Important" farmland remaining in south Santa Clara County. The policy requires new developments to establish a minimum of 150 feet for an agricultural buffer adjacent to permanent agricultural and open space areas. This applies only to a few areas in the City and would aim to reduce potential conflicts between agricultural and non-agricultural uses.

The Agricultural Mitigation Policy poses a potential constraint to development, but also allows for certain exemptions from the 1:1 mitigation ratio as follows:

- Up to 100 feet in width of a permanent agricultural buffer area;
- Public facilities established in the City's General Plan or Parks Master Plan; and
- Lands dedicated for public rights-of-way that service the overall community, not just the specific development.

Infrastructure Constraints

Water

The Llagas Basin Aquifer serves as Gilroy's potable water source for most residential, municipal, industrial, and agricultural land uses. It is estimated that the municipal demand will increase to 53,000 acre-feet per year by 2040.

The City depends solely on local groundwater from wells for its water supply. Currently, there are 15 active wells that serve three water pressure zones. The City's water supply system relies on well pumping from dispersed sources to supply system pressures in areas of lower elevation during peak demand conditions. Gilroy will continue to meet its future demands through its 2020 Urban Water Management Plan.

Sewer

The City sewer collection system consists of approximately 162 miles of 3-inch through 48-inch diameter sewers. The system consists of trunk sewers that convey the collected wastewater flows to the Wastewater Treatment Plant. The plant, operated by the South County Regional Wastewater Authority, treats the collected wastewater from the City.

During dry weather conditions, the maximum day and peak wastewater hour flows from the City are 2.8 million gallons per day (mgd) and 5.4 mgd, respectively. During wet weather conditions, the maximum day and peak wastewater hour flows from the City are 6.6 mgd and 20 mgd, respectively.

According to the City's Sanitary Sewer Master Plan, the existing system was well planned to meet the needs of existing customers. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction. Some project improvements in the master plan will mitigate flows caused by infiltration and inflows that occur during significant storm events.

Energy Conservation Energy Conservation State law (Government Code §65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

The Bay Area Regional Energy Network (BayREN) is a coalition of the Bay Area's nine counties that partners to promote resource efficiency at the regional level, focusing on energy, water and greenhouse gas emissions reductions. BayREN offers rebates, funding, and technical assistance to help residents, property owners, business owners, and local governments improve the resource efficiency and carbon footprint of their buildings. They include additional programs and incentives for lower-income households.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings (single-family homes, duplexes, and townhouses of 3 stories or less, including ADUs) through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City of Gilroy adopted and implemented the code. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money. The City provides links to these PG&E programs as well as listing energy-saving measures for residents on the City's website for energy conservation.

In November 2022, the City adopted the 2022 California Building Code with local amendments. On January 1, 2023, the codes became effective citywide. Among the codes, Gilroy adopted the 2022 California Green Building Standards Code with reach code amendments that further reduce greenhouse gas emissions. The reach code amendments were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. The reach code amendments provide a higher percentage of charging infrastructure in new construction through a combination of Level 2 electric vehicle supply equipment (EVSE) and Low Power Level 2 Electric Vehicle (EV) Charging Receptacle with varying readiness. The reach code amendments help reduce greenhouse gas emissions, save on future retrofit costs, and stimulate the use of electric vehicles in the Gilroy community.

In addition, in the reach code amendments, the inclusion of the long-term bicycle parking standards for multifamily buildings and long-term bicycle parking for hotels and motels will include more bicycle parking availability and promote the use of bicycles as an affordable sustainable method of transportation. The California Green Building Standards Code, with reach code amendments, help increase access to renewable energy and reduce fossil fuel consumption, greenhouse gas emissions, and our communities' carbon footprint.

The City of Gilroy participated in the Silicon Valley Clean Energy reach code grant offering, which provided \$10,000 for presenting reach codes to the City Council for consideration. Silicon Valley Clean Energy also offers incentives and rebates to residents and businesses to help advance clean, electric buildings and transportation.

In summer 2022, the City of Gilroy started a pilot program with Solar Automated Permit Processing Plus (SolarAPP+) and completed the public launch in early 2023. This online platform offers a portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker, which helps decrease our community's nitrogen and carbon emissions footprint and provides clean energy. SolarAPP+ permits PV contractors to upload qualifying solar photovoltaic system specifications. It reviews the submission for code compliance and verifies code-compliant systems. Furthermore, SolarAPP+ increases access to renewable energy, helps reduce fossil fuel consumption, and helps reduce our communities' carbon footprint, particularly carbon dioxide (CO₂), and improves air quality.

These programs, along with smart growth strategies which the City of Gilroy is promoting and implementing as part of the Housing Element, will further local and statewide energy conservation goals.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
HOUSING SITES AND RESOURCES

Housing Sites and Resources

Land Inventory

This section of the Housing Element addresses resources available for the development, rehabilitation, and preservation of housing in Gilroy. It provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing need. The financial and administrative resources available to support affordable housing are also discussed.

Housing Allocation

As discussed in the needs section, California General Plan law requires that a community plan for an adequate number of sites to allow for and facilitate production of its share of the regional housing need. Each jurisdiction must identify “adequate sites” to determine whether that jurisdiction has sufficient land to accommodate its share of regional housing needs for each income level. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. As shown in Table 73, Gilroy’s RHNA for the 2023-2031 (6th Cycle) planning period is 1,773 units. Broken down by income level, the allocation is 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Table 73: 2023–2031 RHNA

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773

Source: Regional Housing Needs Allocation, ABAG, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

As shown in Table 74, the pipeline projects and projected ADUs have already met and exceeded the low- and above moderate RHNA for Gilroy by 15% and 48%, respectively.

Table 74: Pipeline Projects and ADUs Progress Towards RHNA

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	RHNA	669	385	200	519	1,773
B	Pipeline Projects	62	401	3	756	1,222
C	ADUs	42	42	42	14	140
D	Surplus / (Deficit) of RHNA	(565)	58	(155)	251	-
E	Percent Surplus Met by ADUs and Pipeline Projects	-	15%	-	48%	-

Target Sites Capacity – 15% No Net Loss Buffer

Changes to state law require jurisdictions to continually maintain adequate capacity in their site inventories. In the event that a site is developed below the anticipated density or at a different income level than projected in the Housing Element, the City must still have adequate sites available to accommodate the remaining balance of the RHNA. Alternatively, the City may identify new sites or rezone sites to continue to accommodate the remaining need. A buffer is not required or appropriate for RHNA income categories that have been met by pipeline projects or projected ADUs. For this reason, the City is including a buffer of 15 percent above the RHNA not met by ADUs or pipeline projects in each income category not met by ADUs or pipeline projects. Table 75 identifies the total target capacity based on the RHNA plus 15 percent of any unmet RHNA. As shown, the pending projects (Row B) and projected ADUs (Row C) are subtracted from the RHNA (Row A) to determine the unmet RHNA (Row D). The unmet RHNA of 565 very low- and 155 moderate-income units is multiplied by 15 percent (Row E). Note that because the RHNAs have been met for the low- and above moderate-income categories, there is no unmet RHNA and no target buffer for these income levels. Row F sums the RHNA (Row A) and the 15 percent of the unmet RHNA (Row E) to show the total target sites capacity of 1,881 units.

Table 75: Target Sites Capacity (15% No Net Loss Buffer of Unmet RHNA)

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	RHNA	669	385	200	519	1,773
B	Pipeline Projects	62	401	3	756	1,222
C	ADUs	42	42	42	14	140
D	Unmet RHNA (A-B-C)	565	0	155	0	720
E	Target Buffer (15% of Unmet RHNA) (D*0.15)	85	0	23	0	108
F	Total RHNA + Target Buffer (A+E)	754	385	223	519	1,881

Realistic Capacity

State law requires that a jurisdiction project realistic estimates for housing capacity on its RHNA sites. The realistic capacity of sites may be calculated using recent project history, a minimum density, or other methods. As a majority of growth is expected to take the form of multifamily housing, recently constructed multifamily projects were reviewed to understand and establish historical trends for multifamily housing development in the City. The realistic capacity calculation also takes into account recent permit and inquiries for uses in zones that allow mixed-use or stand-alone commercial uses.

The Downtown Specific Plan allows 100 percent commercial in all six of its zones. Three Downtown Specific Plan districts allow 100 percent residential uses, and mixed-use residential is encouraged in all zones. Mixed use could also include mixed commercial (e.g., retail and office). Residential uses are unconditionally permitted on the second story and above in all Downtown Specific Plan zones. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. This has been taken into account through both site selection and a reduction from maximum yield.

Local Data

To understand development trends in the City, recent inquiries and permit applications were reviewed. In discussions with City staff, including one planner who has worked for the City of Gilroy for over 30 years, staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Although 100 percent commercial use is allowed, City staff has not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. When mixed use is required, staff stated that developers typically propose a minimal amount of commercial square footage, citing concerns over the viability of

commercial uses outside the downtown core. In cases where the likelihood of commercial vacancies is high, staff is generally supportive of amending the zoning to allow 100 percent residential uses.

Inquiries and submittals have included residential uses on upper stories in applications for adaptive reuse of existing historic buildings (i.e., tenant improvements) with new commercial uses (e.g., new restaurant in existing building), and new construction and redevelopment (e.g., adding new square footage). For example, the City is currently processing a preliminary application to add two new stories of residential uses to an existing two-story building located at 7541 Monterey Road in the City's Downtown Historic District.

Development inquiries and proposals illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. Additionally, Program E - 12 is included to allow stand-alone residential projects in the Downtown Expansion District and flexibility for nonresidential uses in the 1st Street Mixed-Use Corridor, should the projects meet certain criteria to provide housing for special needs groups.

Multifamily developments in the City have had success in meeting the densities allowed by the zoning ordinance. Recent projects in multifamily zones, their land uses, zones, and densities are shown in Table 76. Eight of the eleven recent projects have achieved a yield over 100 percent of the maximum density. The average of these yields is 125 percent, suggesting that most developments are able to meet the maximum density, or in the case of zones with no maximum density, a density of at least 30 dwelling (du)/acre. For projects in zones that allow densities of up to or greater than 30 du/acre, the average density of recent projects is 33.1 du/acre. Three of these recent projects utilized density bonuses: the JEMCOR apartments, Hecker Pass apartments, and the 1st and Kern apartments.

The Cannery Apartments project yields a noticeably lower percentage of the maximum density than the other projects on the list. This is due to an environmental constraint, as Miller Slough runs through the northern part of the parcel. There was also a homeless encampment within the upper Miller Slough drainage channel which separates the Forest Park single-family development from the Cannery development. Accordingly, there is an "Easement, Joint Use and Maintenance Agreement" encumbering this development. Disregarding the Miller Slough on the northern portion of the parcel, the yield is closer to 70%.

Table 76: Example Multifamily Project Densities

Project	Land Use	Zoning	Project Density	Number of Units	Max Density	Yield Percentage
The Cannery Apartments	Cannery District DTSP	CD	21.1	104	40	53%
Cantera Commons Mixed-Use Apts	Downtown Expansion District DTSP	DED	34.5	10	N/A*	115%
Alexander Station Apts	Downtown Expansion District DTSP	DED	38.7	263	N/A*	129%
Monterey/Gilroy Gateway Apts	Gateway District DTSP	GD	40.3	75	30	134%
Kern Ave Apts	Low Density	R3	13.7	27	16	86%
Royal Way Townhomes (proposed)	Medium Density	R3	13.4	45	16	83%
Hecker Pass Apts	Medium Density	R3	26.2	100	16	164%
Gurries Duets	Medium Density	R3	17.4	4	16	109%
Gurries Townhomes	Medium Density	R3	21.1	4	16	132%
JEMCOR Apts	High Density	R4	30.8	120	30	103%
Harvest Park Apts	Neighborhood District	ND	35.2	81	30**	117%

Source: City of Gilroy.

* The DED district in the Downtown Specific Plan has no maximum density. As such, a maximum density of 30 was used to ensure suitability for low-income development per HCD guidelines.

** The ND designation has a variety of densities within the designation, and there is no one maximum density for the zone.

Table 77 shows the assumed yields for higher density zones in the City. The yields were determined based on recent multifamily trends and development standards assessed in the constraints section. Though recent projects suggest that most projects in Gilroy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the purposes of RHNA projection. The simple average yield is 101 percent, and the weighted average based on the number of units is 109 percent. All of the assumed yields in Table 77 are significantly below the observed yields and averages. For example, recent multifamily projects in the DED and DHD zones have been developed at densities of 34.5, 38.7, and 40.3 du/acre. Although the DED and DHD districts do not have maximum densities, the

yield was conservatively assumed at 100 percent of 30 du/acre. The five R3 sites averaged 92 percent yield versus the assumed yield of 70 percent.

Table 77: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
R3	20 du/acre	70%	14 du/acre
R4	30 du/acre	80%	24 du/acre
CD	40 du/acre	70%	28 du/acre
DED	30 du/acre*	100%	30 du/acre
DHD	30 du/acre*	100%	30 du/acre
GD	30 du/acre	80%	24 du/acre
Mixed-Use Corridor	30 du/acre	70%	21 du/acre

* The DED and DHD districts have no maximum density.

Assumed Affordability

Density

The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction's share of lower-income units. For Gilroy, this density is 30 du/acre. The selected RHNA sites within the R4 zone, mixed-use corridor on 1st Street, and CD, DED, DHD, and GD districts in the Downtown Specific Plan meet the requirements of Government Code Section 65583.2(c)(3)(B). Table 78 shows the income levels, densities, and their implementing zones in Gilroy.

Moderate-income housing can be accommodated through medium- and higher-density zones, with maximum densities ranging from 15 to 30+ du/ac. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 15 du/ac range.

Table 78: Densities, Affordability, and Implementing Zones

Income	Density Range (du/acre)	Gilroy Implementing Zone
Above Moderate	0-15	RH, LDR, RR, ND
Moderate	15-30	MDR, ND, TD, DHD, DED, TD, CD, GD, R3, R4
Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4
Very Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4

Size

Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites for lower-income units meet these criteria. Sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

The exception to this is one 0.49-acre vacant parcel in the mixed-use corridor. The site is part of a cluster of three vacant sites in the 1st Street mixed-use corridor (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purpose of its development.

Environmental and Infrastructure Constraints

The Opportunity site inventory analysis takes into consideration any environmental constraints such as habitat, flood, noise hazards, and steep slopes, among others. Any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for in the site/unit capacity analysis. In general, the deductions in yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints.

Local Data

In 2005, during the preparation of the Downtown Specific Plan IS/MND for 416 parcels and approximately 160 acres, one contaminated site was identified at 7301-7363 Monterey Road. A Phase I Environmental Site Assessment was completed in 2016, and cleanup was deemed not necessary. The following are examples of recent projects that completed an environmental analysis.

- The ROEM development was submitted with a Phase I Environmental Site Assessment in August 2022. The study did not identify evidence of Recognized Environmental Conditions or Controlled Recognized Environmental Conditions in connection with the property; however, the report recommended subsurface investigation due to the historical use of the property as an auto dismantling storage yard from approximately

1963 to 2014. The applicant did not reduce the capacity of the project due to these contaminants and has not asked for any concessions related to the contaminants.

- An initial study was prepared for the Monterey Gateway projects, and identified no significant adverse effects on the environment; a Mitigated Negative Declaration (MND) was prepared.

There are no known RHNA sites with contamination and no sites were identified as having contamination in either the 2040 Gilroy General Plan EIR or the Downtown Specific Plan MND.

Flooding

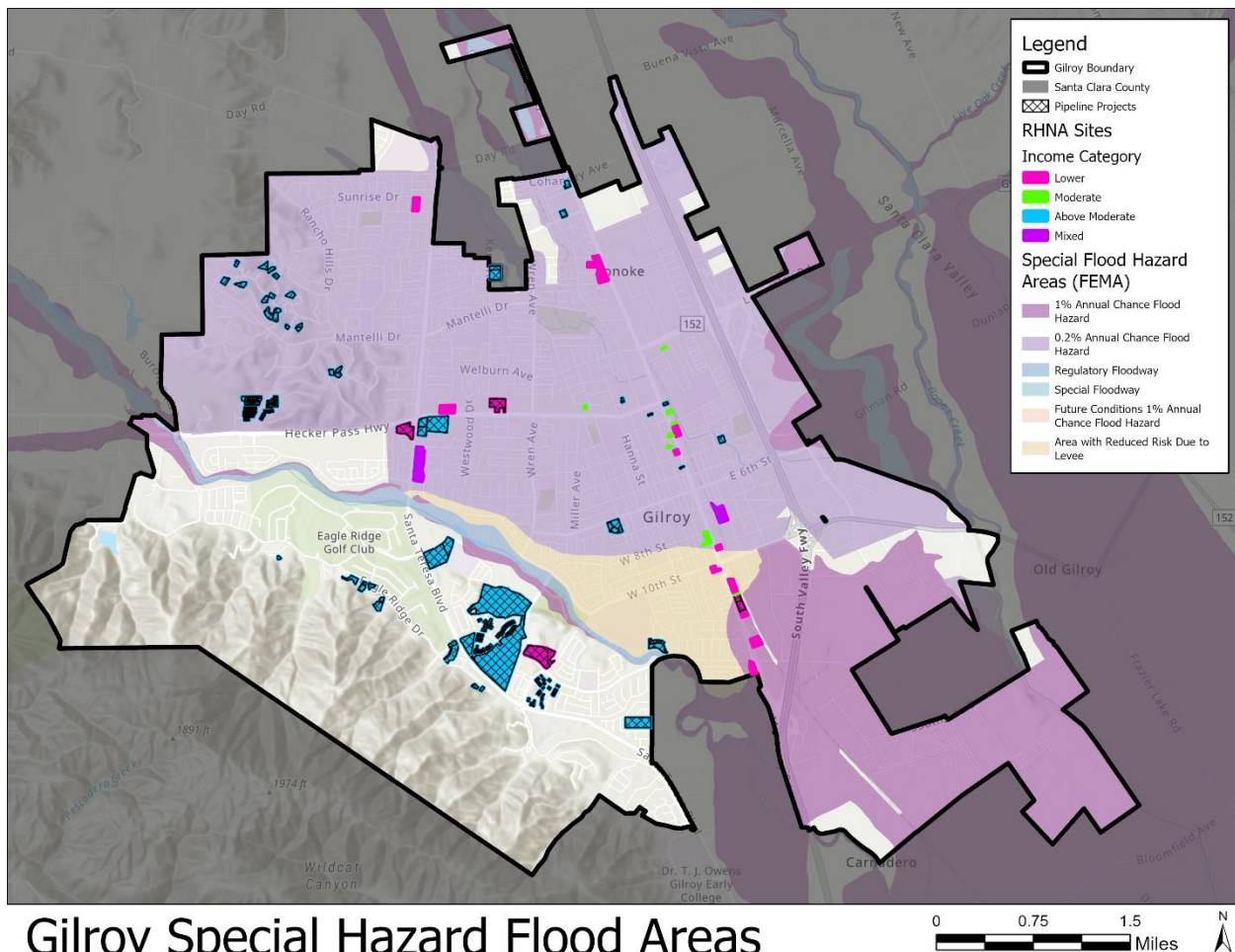
Portions of Gilroy fall into flood hazard zones as defined by the Federal Emergency Management Agency (FEMA). The City has been a participating community in the National Flood Insurance Program since August 1, 1980. Figure 45 displays the special flood hazard areas in Gilroy. The northern part of the City falls into flood zone “X”, which has a 0.2 percent annual chance of flooding; these areas are not subject to special standards. The large majority of the City has some amount of flood risk.

The southeast portion of the City is within the “AH” flood zones, which indicate areas that are subject to inundation by 1 percent annual chance of shallow flooding. Seven sites located along Monterey Street are within this zone, including three proposed for low-income development. The City’s standards for development in the identified flood areas were adopted in 2016.³⁹ The City allows for residential development within its floodplains, provided mitigating strategies and design choices are made to ensure safety and limit flood damage. In “A” flood zones, the construction must be elevated to or above the base flood elevation and the lowest floor must be elevated at least one foot above the base flood elevation. While the requirements for floodplain development may act as minor constraints to housing production, they are not expected to reduce development yields or preclude new housing production in general. Most of the recent and pipeline projects that are not a part of the Hecker Pass or Glen Loma Specific Plans are located in a flood zone. This includes the Cannery apartments, 1st and Kern apartments, Harvest Park apartments, and JEMCOR apartments.

The City does not have any RHNA sites within floodways, which is a water channel that directly conveys stormwater and experiences rapid velocities during wet weather events.

³⁹ City of Gilroy Floodplain Ordinance. <https://ca-gilroy.civicplus.com/DocumentCenter/View/6324/Gilroy-Flood-Ordinance-Update?bidId=>

Figure 45: Gilroy Special Flood Hazard Areas



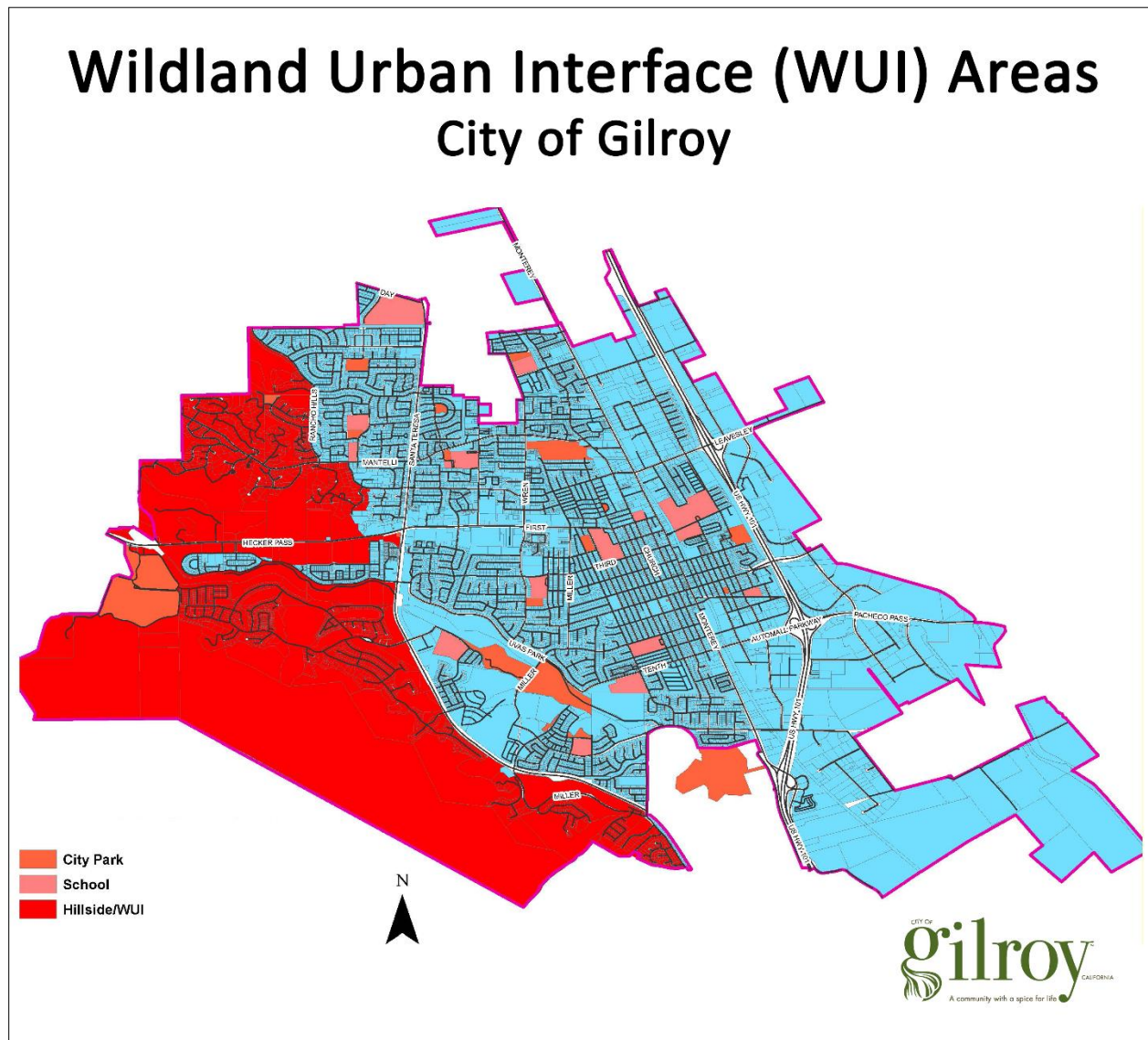
Gilroy Special Hazard Flood Areas

Source: Federal Emergency Management Agency.

Fire

Although the City of Gilroy does not have any areas identified by the state as very high fire severity zones, the City has identified properties for potential fire risk through its own Wildland Urban Interface (WUI) area map, as shown in Figure 46. According to FEMA, the adoption and effective implementation of up-to-date building codes is the most effective community mitigation measure. Furthermore, the City's development standards recommend that people living in the WUI areas prepare for wildfires by maintaining adequate defensible space around their property, hardening their home by using building materials and installation techniques that increase resistance to heat, flames, and embers, and having a pre-evacuation plan prepared in the event of a wildfire and subsequent evacuation orders. The majority of the Gilroy Designated WUI is zoned for open space, Residential Hillside (RH, areas with 10%–30% slopes), R1, and the Hecker Pass Special Use District. None of the RHNA sites are within the WUI areas.

Figure 46: Gilroy Wildland Urban Interface Areas



Source: City of Gilroy.

Infrastructure

The City has enough capacity to accommodate the entire RHNA site inventory within the Urban Service Area, where the City is committed to providing basic infrastructure services for urban development. Full urban-level infrastructure services, including water and sewer, are available throughout the City and to the sites in the RHNA inventory. Program E - 1 states that the City will work with public service providers to ensure there is the prioritization of services to housing developments serving lower-income households.

Entitled and Pending Pipeline Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.⁴⁰ Table 79 includes pipeline projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pipeline project unit counts were based on City approved entitlements, building permits issued, and submitted applications. The City has reviewed the pipeline projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from being completed. Any phasing or buildout horizons are considered in unit counts.

All of the lower income units identified in Table 79 are (or will be) deed restricted for a period of 55 years.

- The 1st and Kern and Hecker Pass apartments are both density bonus projects that are deed restricted for 55 years. The 1st and Kern and Hecker Pass apartments affordable units were under construction in January 2023 with final occupancy anticipated before the end of 2024.
- The Glen Loma Apartment Project is subject to the 15 percent affordable unit requirement under the Neighborhood District Policy and has a 55-year regulatory agreement. Construction of the Glen Loma affordable units was nearing completion in January 2023 with final occupancy anticipated before the end of 2023.
- The 94-unit affordable project at 6630-6680 Monterey Street was under review by the Planning Department in January 2023. The environmental review and planning entitlements are anticipated to be complete by the end of 2023. Assuming a two-year construction timeline, this project would potentially be occupied in 2025 or early 2026.

City staff anticipates that the City's allocation of above-moderate income units will be completed and exceeded during the 2023-2031 planning period.

All pipeline project units are anticipated to be completed in the planning period. The City will monitor the actual units constructed and income/affordability when the pipeline projects are developed as a part of Program A - 1. If the pipeline projects are not developed or are developed with fewer units than anticipated, the City will identify additional sites needed to make up the loss. Sites will be identified from the No Net Loss Inventory List created through Program A - 1.

⁴⁰ HCD Sites Inventory Guidebook https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 79: Pipeline Projects Counted in 6th Cycle (Proposed, Entitled, Permits Issued)

PIPELINE PROJECTS	Status	Very Low	Low	Moderate	Above Moderate	Total
JEMCOR 1 st & Kern Apts. 975 First Street	Building Permits Issued on 4-21-2021	12	107	1	-	120
JEMCOR Village at Santa Teresa Apartments 1520 Hecker Pass	Building Permits Issued 04-12-2022	30	69	1	-	100
Glen Loma BMR Apartments 1301-1345 Luchessa Ave	Building Permits Issued 06-11-2020	-	152	-	-	152
Glen Loma, Royal Way, and Gurries Townhomes	Various stages of review/issuance	-	-	-	326	326
7888 Monterey Mixed- Use Project	Building Permit Applied 09-22-21	-	-	-	10	10
108 Chickadee Lane Mixed-Use Project	Submitted to Planning 05-24-22	-	-	-	12	12
6630-6680 Monterey Street Affordable Housing Project	Submitted to Planning 12-07-22	20	73	1	-	94
Single Family Homes, Subdivisions	Various stages of review/issuance	-	-	-	408	408
Total		62	401	3	756	1,222

Source: City of Gilroy.

Accessory Dwelling Units (ADUs)

The City of Gilroy has seen the number of ADU permits increase over recent years. A section of the City website is dedicated to ADU information, including FAQs, links to helpful resources, required documents, and the template to deed-restrict ADUs and junior ADUs. Table 80 displays ADU development trends in Gilroy. Based on the average number of building permits for ADUs in the last four years (17.5), the City is conservatively projecting 140 ADUs over the 2023–2031 6th cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 7 percent of the RHNA plus the buffer).

The City is including Programs A - 6, A - 7, and G - 3 to incentivize and specifically facilitate ADU construction for lower-income households per California Government Code Section 65583(c)(7).

Table 80: ADUs Toward the RHNA

Year	# of ADUs
2018	7
2019	16
2020	20
2021	27
Average	17.5

Source: City of Gilroy.

Assumed Affordability

The levels of affordability assumed for the 140 ADUs projected during the 6th Cycle period is based off the ABAG affordability survey data.⁴¹ The study allocated 30 percent of ADUs in each of the very low-, low-, and moderate-income categories, and the remaining 10 percent in the above moderate-income category. Table 81 displays the assumed affordability and projected number of ADUs in each income category.

Table 81: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	42
30%	Low	42
30%	Moderate	42
10%	Above Moderate	14
		140 ADUs (total)

Source: ABAG ADU Technical Assistance Memo, City of Gilroy.

Ability to Meet the RHNA

As shown in Table 82, the City has identified sufficient capacity to meet Gilroy's RHNA, in addition to a 15 percent buffer, without rezoning. California Government Code Section 65583.2(c) states that cities must have a program to facilitate by-right approval for projects that include at least 20 percent of the units for lower-income housing on rezoned low-income sites. The City of Gilroy is not rezoning any sites to meet the RHNA. Thus, this provision is not applicable to the RHNA sites inventory for Gilroy.

⁴¹ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

Table 82: RHNA Capacity and Buffer

	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (Table 79)	62	401	3	756	1,222
C	ADUs (Table 80)	42	42	42	14	140
D	Unmet RHNA (A - B - C)	565	-	155	-	720
E	Vacant Opportunity Sites (Table 84)	324	-	116	-	440
F	Non-Vacant Opportunity Sites (Table 85)	329	-	62	-	391
G	Opportunity Site Capacity (E + F)	653	-	178	-	831
H	Total Capacity (B + C + G)	757	443	223	770	2,193
J	Surplus of RHNA (H - A)	88	58	23	251	420
K	% Buffer Above Unmet RHNA ((E - D) / D)	16%	-	15%	-	-

Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. Fifty percent of the 1,054 lower-income RHNA is 527 units. The requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 31.2 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites (329/1,054 = 31.2%). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated elsewhere in this chapter.

Table 83: Lower Income RHNA Capacity

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Pipeline Projects (Table 79)	463 (62 + 401)	43.9%
ADUs (Table 80)	84 (42 + 42)	8.0%
Vacant Opportunity Sites (Table 84)	324 (324 + 0)	30.7%

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Non-Vacant Opportunity Sites (Table 85)	329 (329 + 0)	31.2%
Total Lower Income Sites	1,200 (757 + 443)	113.9%

There are enough pipeline projects to fully meet the above moderate and the low-income RHNA categories. There is also sufficient capacity with pipeline projects, ADUs, and opportunity sites to meet the City's RHNA for all income categories with a 15 percent buffer for the unmet RHNA.

Zoning for Moderate and Above Moderate Households

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate and above moderate RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table 82, above moderate sites are met entirely through pipeline projects and ADU projections (756 and 14 units, respectively). The 770 units exceed the above moderate RHNA allocation (519) by 251 units. There is no remaining above moderate RHNA that needs to be identified.

There is a remaining need of 155 moderate units after pipeline projects and projected ADUs. The Opportunity Sites Inventory identifies 178 moderate-income RHNA opportunity site units. Of these, 167 are on sites that allow for at least four units of development. Only 11 moderate units are identified on sites that allow for less than four units of housing. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units on a site-by-site basis is shown in Appendix B.

Market Demand

The following inquiries for residential development act as indicators for potential development in the Downtown and 1st Street Mixed-Use corridor areas:

- Inquiries from two different parties to redevelop property located at 7744 and 7740 Egleberry Street with residential uses
- Inquiry on upzoning the vacant parcel at 820 Sunrise Drive to higher density residential
- 7050 Monterey Road (and the two non-vacant parcels on either side of it)
- 1355 First Street
- 1440 Ponderosa - large vacant site on west side
- 8955 Monterey Road
- APN 841-13-022 - vacant Pacific Railroad / future High Speed Rail site
- APN 790 36 012 - car lot, Church/Howson northeast corner, west of Church, east of Monterey

- APN 790-35-001 and 790-36-02 - two vacant parcels, west of Church, east of Howson / Monterey

Opportunity Site Details

The Opportunity Site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pipeline projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took into consideration community character as well as development constraints when evaluating each site's development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, smaller sites (< 0.5 acres), zoned for up to and greater than 30 du/acre, may be suitable for moderate-income households. For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD's Housing Element Sites Inventory Guidebook, a vacant site is one "without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property."⁴² Table 84 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 440 lower- and moderate-income units can be accommodated with currently vacant residentially zoned land. This includes 324 very low units and 116 moderate-income units.

⁴² HCD Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 84: Residential Vacant Sites Capacity

Zone	Capacity
1 st Street Mixed-Use Corridor	30
Downtown Specific Plan	171
Neighborhood District	31
R3	6
R4	202
Total	440

Non-Vacant Sites

As shown in Table 82 and Table 83, only 329 (31.2%) of the 1,054 lower-income RHNA units will be met by non-vacant RHNA opportunity sites. When considering both lower-income (329 units) and moderate income (62 units), 391 units are accommodated through non-vacant opportunity sites. Table 85 summarizes the capacity of non-vacant sites included to meet the RHNA broken down by their existing General Plan use. As shown in Table 85, the 391 non-vacant site units are located in the 1st Street mixed-use corridor (32 units), the R4 zone (109 units), Downtown Specific Plan areas (229 units), and the Public Facility zone (21 units).

Table 85: Non-Vacant Site Capacity

Existing GP Use	Capacity
1st Street Mixed-Use Corridor	32
Downtown Specific Plan	229
R4	109
PF	21
Total	391

Source: City of Gilroy.

Non-Vacant Site Details

Local Data

The City has seen recent interest in redevelopment of non-vacant sites for affordable and market-rate housing. This includes a project proposed in 2022 for a 94-unit, 100 percent lower-income project on three parcels in the Gateway District in the Downtown Specific Plan. Current uses on these parcels include a two-story office building, multiple single-story commercial structures, and their paved parking areas. Another project proposed on a non-vacant site includes the development of an affordable housing project on land owned by Santa Clara County that currently consists of four large structures. The City of Gilroy and the Santa Clara County Office of Supportive Housing entered into a Memorandum of Understanding in

October 2022 regarding the development of 57 units for households earning less than 80 percent of AMI. This project is not included in RHNA projections since a formal proposal has not yet been received. The City has also received interest in developing market-rate housing from a developer for a parcel that includes a car dealership in Downtown.

These projects demonstrate the viability and interest in redeveloping non-vacant sites in downtown Gilroy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next 8 years.

The following section provides further detail on each of the non-vacant sites identified in the inventory. The non-vacant sites were selected based on their existing uses, capacity for residential redevelopment, and their high potential for short-term redevelopment. Land-improvement ratios were also calculated and considered in site selection. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a ratio of well under 0.2, or where the improvements are valued at five times the value of the land.

R4 Northern Cluster



The parcels at 8985, 8955, and 8915 Monterey Road are all R4 zoned sites adjacent to one another, which provides an opportunity for consolidation. There are no existing residential uses on the sites. Their combined acreage is 3.59 acres. The combined realistic capacity for these sites is 86 lower-income units. The northern and central buildings were built prior to 1956. There is no maximum FAR and no maximum density in the R4 zone.

8985 Monterey Road (R4 High Density)

The 0.80-acre site at 8985 Monterey Road is currently occupied by a preschool and day care center. More than half of the lot is a parking lot and is underutilized relative to its potential under the current zoning. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The land-improvement ratio for this site is 1.05. The realistic capacity for this site is 19 units. The site could be developed to retain the existing use in either existing or new buildings as part of new residential development.



8955 Monterey Road (R4 High Density)

The 2.05-acre site at 8955 Monterey Road is currently occupied by a church, a closed commercial building, formerly the office of a general contractor, and several storage containers.

Commercial structures on the lot are single story, while the church is partially two stories. Approximately half the site is used for parking or vehicle access. It is located in the center of an existing residential community, making this site optimal for further residential development. There is potential for partial redevelopment of the site, on the western portion of the site, which could maintain some of the existing uses during redevelopment. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 49 units. It may be possible to achieve this capacity while maintaining some of the existing uses, specifically the church.



8915 Monterey Road (R4 High Density)

The 0.74-acre site at 8915 Monterey Road is currently occupied by a used car sales lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. It is nearly all surface parking, with no expensive or modern permanent structures that would preclude

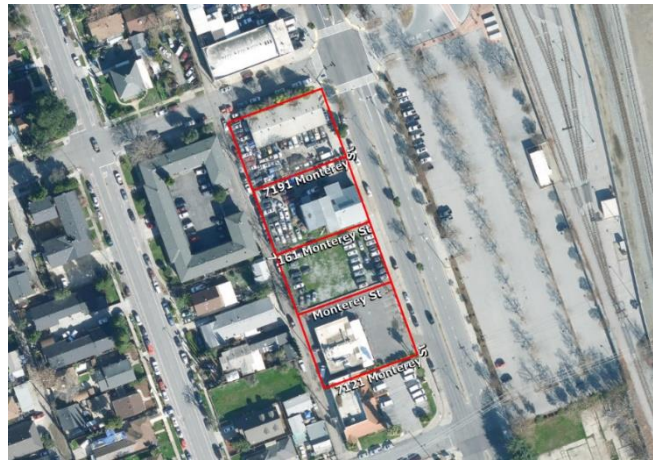
redevelopment. The land-improvement ratio for this site is 19.01. The realistic capacity for this site is 18 units.



R4 Northern Cluster	Description		
APNs	790-14-025	790-14-075	790-14-091
Size (Ac)	2.05	0.74	0.80
Zoning	R4		
General Plan Designation	High Density Residential		
Current Use	Commercial	Commercial	Preschool
Land Improvement Ratio	N/A	19.01	1.05
Within 1 mile of:			
Daycare	Yes - Little Blue Star Daycare, 826 Mantelli Dr		
Grocery	Yes - Lopez Produce Market, 8655 Monterey Hwy		
School	Yes - Vine Academy, 8455 Wren Ave		
Income Category	Lower		
Total Units	49	18	19

Monterey Cluster 1 (Downtown Expansion District)

The parcels at 7191, 7161, 7121 Monterey Street and Monterey Street (west side), north of W Ninth Street are all adjacent to one another, which provides an opportunity for a larger moderate-income residential community. The sites are near several restaurants, a grocery store, and a train station, which provide necessary resources for residents. Their combined acreage is 1.32 acres. The combined realistic capacity for these sites is 40 units. Mixed-use projects have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac. There is no maximum density.



7191 Monterey Street (Downtown Expansion District)

The 0.34-acre site at 7191 Monterey Street is currently partially occupied by a vacant single-story office space. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and potential lot consolidation. The land-improvement ratio for the site is 0.64. The realistic capacity for this site is 10 moderate-income units.



7161 Monterey Street (Downtown Expansion District)

The 0.32-acre site at 7161 Monterey Street is currently partially occupied by a small plumbing and auto sales office that was built in 1930 (non-historic). More than half of the lot is parking for the used cars being sold by the dealer. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio for this site is 1.90. The realistic capacity for this site is 10 moderate-income units.



Monterey Street (west side), north of W Ninth Street (Downtown Expansion District)

The 0.30-acre site at Monterey Street is currently entirely used as a parking lot or for the used cars being sold by the auto dealer on the adjoining parcel. Redevelopment of this site would benefit the community as its single level use as a parking lot renders the land underutilized and below its zoning potential. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units.



7121 Monterey Street (Downtown Expansion District)

The 0.36-acre site at 7121 Monterey Street is currently half occupied by a seafood restaurant with some outdoor dining spaces. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio is 1.24. The realistic capacity for this site is 11 moderate-income units.



Monterey Cluster 1	Description			
APNs	799-10-033	799-10-034	799-10-048	799-10-049
Size (Ac)	0.34	0.32	0.30	0.36
Zoning	DED – Downtown Expansion District			
General Plan Designation	Downtown Specific Plan			
Current Use	Commercial	Commercial	Parking Lot	Commercial
Land Improvement Ratio	0.64	1.90	N/A	1.24
Within 1 mile of:				
Daycare	Yes - Hunny Bunny Daycare, 7361 Egleberry St			
Grocery	Yes - Gilroy Valley Market, 7237 Monterey Hwy #6921			
School	Yes - Glen View Elementary School, West 8th St			
Income Category	Moderate			

Monterey Cluster 1	Description			
Total Units	10	10	9	11

Monterey Cluster 2 (Gateway/Downtown Expansion District)

The parcels at 6790 and 6620 Monterey Road are both in Gateway District zoned sites adjacent to one another in the Downtown Specific Plan area. 6920 Monterey Road is located in the Downtown Expansion District, and is also included in this group of sites. These sites provide an opportunity for a larger residential community and a potential for lot consolidation. The sites are near several restaurants, a bulk grocery store, and a high school, which provide necessary resources for residents. These



sites all have high land-improvement ratios indicating strong potential for redevelopment. These sites are adjacent to a proposed project located at 6730, 6630, and 6680 Monterey Street, which are denoted with a crosshatch in the aerial above. Their combined acreage is 2.61 acres and the combined realistic capacity is 73 units. This cluster of sites spans two districts. Mixed-use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Mixed-use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.

6920 Monterey Road (Downtown Expansion District)

The 1.69-acre site at 6920 Monterey Road is currently about two-thirds underutilized vacant lot, with the only building being a permanently closed furniture store. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 0.81. The realistic capacity for this site is 51 lower-income units.



6790 Monterey Road (Gateway District)

The 0.39-acre site at 6790 Monterey Road currently has an electric company building occupying about 25 percent of the parcel, while the large majority of the site is an underutilized surface parking lot. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 2.37. The realistic capacity for this site is 9 moderate-income units. It is possible these units could be built without displacing the existing use.



6620 Monterey Road (Gateway District)

The 0.53-acre site at 6620 Monterey Road is currently almost all parking lot and vehicle access, with a small commercial construction building. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 3.33. The realistic capacity for this site is 13 lower-income units.



Monterey Cluster 2	Description		
APNs	841 14 006	841 14 081	841 14 083
Size (Ac)	0.39	0.53	1.69
Zoning	GD – Gateway District	GD – Gateway District	DED – Downtown Expansion District
General Plan Designation	Downtown Specific Plan		
Current Use	Commercial	Industrial	Parking
Land Improvement Ratio	2.37	3.33	0.81
Within 1 mile of:			
Daycare	Yes - Clever Kidz Home Daycare, 295 London Dr		
Grocery	Yes - Smart & Final Extra!, 250 E 10th St		
School	Yes - Glen View Elementary School, West 8th St		
Income Category	Moderate	Very Low	Very Low
Total Units	9	13	51

Monterey Cluster 3 (Gateway District)

The parcels at 6320, 6470, and 6380 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near a park, a school, and a grocery outlet, which provide necessary resources for residents. Their combined acreage is 2.06 acres and the combined realistic capacity is 48 units. Mixed use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.



6320 Monterey Road (Gateway District)

The 0.55-acre site at 6320 Monterey Road is currently occupied by a single-family home and a permanently closed hardware store. Half of the parcel is an underutilized empty lot, making this site optimal for further residential development. The land-improvement ratio for the site is 0.87. The realistic capacity for this site is 12 lower-income units.



6380 and 6470 Monterey Road (Gateway District)

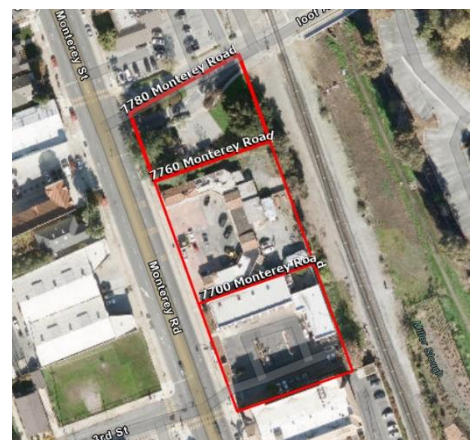
The 0.77- and 0.74-acre sites at 6380 and 6470 Monterey Road are currently an unoccupied former lumber yard and associated buildings. The majority of the parcels are vacant and underutilized. They are adjacent to an existing residential community, making these sites optimal for further residential development. The land-improvement ratio for these sites is 1.25 and 22.52, respectively. The realistic capacity for each site is 18 lower-income units.



Monterey Cluster 3	Description		
APNs	841 14 015	841 14 036	841 14 037
Size (Ac)	0.55	0.74	0.77
Zoning	GD – Gateway District		
General Plan Designation	Downtown Specific Plan		
Current Use	Single - Family Residential	Industrial	Industrial
Land Improvement Ratio	0.87	22.52	1.25
Within 1 mile of:			
Daycare	Yes - Clever Kidz Home Daycare, 295 London Dr		
Grocery	Yes- Smart & Final Extra!, 250 E 10th St		
School	Yes - Gilroy High School, 750 W 10th St		
Income Category	Very Low		
Total Units	12	18	18

Monterey Cluster 4 (Downtown Expansion District)

The parcels at 7780, 7760, and 7700 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near multiple schools and a grocery store, which provide necessary resources for residents. Their combined acreage is 1.75 acres. The combined realistic capacity for these sites is 52 units. Mixed use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density).



7780 Monterey Road (Downtown Expansion District)

The 0.44-acre site at 7780 Monterey Road is currently occupied by a single-story office space and a small shed. About 25 percent of the parcel is an underutilized surface lot. Businesses that occupy the site seem to have limited hours, which may eliminate the need for an office space. There is also the possibility for a mixed-use development without displacement of existing businesses. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 13 moderate-income units.



7760 Monterey Road (Downtown Expansion District)

The 0.7-acre site at 7760 Monterey Road is currently occupied by a single-story strip mall that includes a restaurant and a window tinting business. About 75 percent of the parcel is an underutilized surface lot with vehicle access both in front of and behind existing businesses. Development without displacement of existing businesses is possible. The land-improvement ratio for the site is 1.35. The realistic capacity for this site is 21 lower-income units.



7700 Monterey Road (Downtown Expansion District)

The 0.61-acre site at 7700 Monterey Road is currently occupied by a single-story small office park. Over half the site is underutilized lot and vehicle access. The land-improvement ratio for the site is 0.75. The realistic capacity for this site is 18 lower-income units.

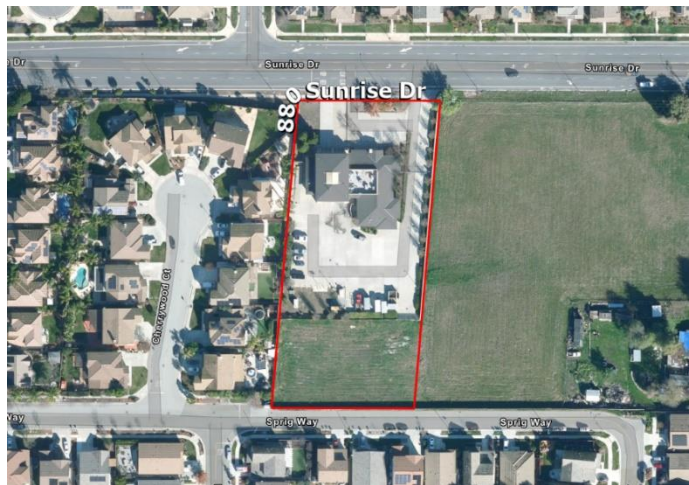


Monterey Cluster 4	Description		
APNs	841 04 018	841 04 019	841 04 020
Size (Ac)	0.61	0.70	0.44
Zoning	DED – Downtown Expansion District		
General Plan Designation	Downtown Specific Plan		
Current Use	Office	Commercial	Office
Land Improvement Ratio	0.75	1.35	N/A
Within 1 mile of:			
Daycare	Yes - Forget Me Not Day Care, 7661 Rosanna St		
Grocery	Yes- El Charrito Market, 7638 Monterey Hwy		
School	Yes - Gilroy Prep School, 277 loof Ave		
Income Category	Very Low		Moderate
Total Units	18	21	13

Other Zoning Districts and Designations

880 Sunrise Drive (PF)

The 1.98-acre site at 880 Sunrise Drive is currently two-thirds occupied by a City of Gilroy fire station. The remainder of the site is vacant. The PF zone permits all facilities owned or leased, operated, or used by the City or other governmental agencies on the site. It is located in the center of an existing residential community in a higher resource area of the City, making this site optimal for further residential development. The site is near several schools and a daycare center, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions of the site, while retaining the existing fire station.

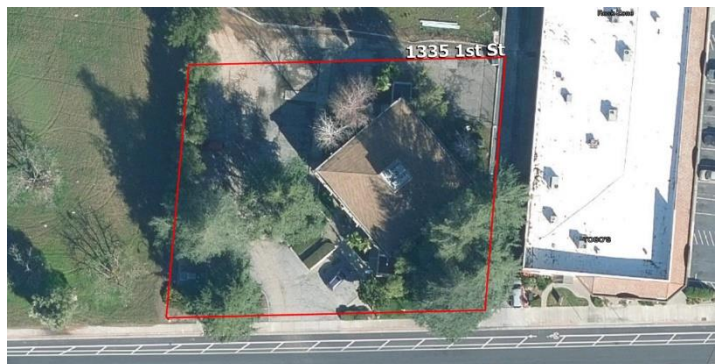




880 Sunrise Drive	Description
APNs	783 20 050
Size (Ac)	1.98
Zoning	PF – Park/Public Facilities District
General Plan Designation	Low Density Residential
Current Use	Fire Station
Land Improvement Ratio	N/A
Within 1 mile of:	
Daycare	Yes - Kool Kids Day Care, 1030 Cheyenne Dr
Grocery	No - Safeway, 905 1st St (2.2 miles)
School	Yes - Christopher High School, 850 Day Rd
Income Category	Very Low
Total Units	21

1335 1st Street (1st Street mixed-use corridor)

The 0.55-acre site is adjacent to two vacant parcels also listed on the sites inventory, with strong potential for redevelopment of all three parcels. This lot is currently occupied by a two-story commercial building which includes a dental care office and a permanently closed pregnancy resource center. The building was built between 1968 and 1980. The site has a land-improvement ratio of 0.50. Existing uses are not expected to preclude development of this site. The realistic capacity for this site is 12 lower-income units. The General Plan allows a



density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects.



1335 1st Street	Description
APNs	790 39 029
Size (Ac)	0.55
Zoning	C3 – Shopping Center Commercial District
General Plan Designation	Mixed Use
Current Use	Office
Land Improvement Ratio	0.5
Within 1 mile of:	
Daycare	Yes - Sunnyside Daycare, 7962 Westwood Dr A305
Grocery	Yes - Safeway, 905 1st St
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	12

1395 1st Street (1st Street mixed-use corridor)

The 0.97-acre site is adjacent to two vacant parcels and one other non-vacant parcel also listed on the sites inventory, with strong potential for redevelopment of all four parcels. This lot is currently occupied by a one-story building, which contains a martial arts studio, and a large surface parking lot. The building was built between 1987 and 1998. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0.45. The



realistic capacity for this site is 20 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects.



1395 1st Street	Description
APNs	790 39 020
Size (Ac)	0.97
Zoning	C3 – Shopping Center Commercial District
General Plan Designation	Mixed Use
Current Use	Office
Land Improvement Ratio	0.45
Within 1 mile of:	
Daycare	Yes - Sunnyside Daycare, 7962 Westwood Dr A305
Grocery	Yes - Safeway, 905 1st St
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	20

8897 Monterey Road (R4)

The 0.95-acre site is adjacent to a vacant parcel and is surrounded by residential and commercial land uses. This parcel is currently occupied by four single-story buildings that comprise a Budget Motel and a large paved and unpaved parking area. The primary buildings were built in 1952 and the last building was constructed between 1968 and 1980. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 2.09. The realistic capacity for this site is 23 lower-income units. The zoning allows a density range of up to 30 du/net acre in the R4 High Density Residential zone.



8897 Monterey Road	Description
APNs	790 15 041
Size (Ac)	0.95
Zoning	R4 – High Density Residential
General Plan Designation	General Services Commercial
Current Use	Commercial
Land Improvement Ratio	2.09
Within 1 mile of:	
Daycare	Yes - Tiny Tots Preschool & Daycare, 8985 Monterey Hwy
Grocery	Yes - Lopez Produce Market, 8655 Monterey Hwy

8897 Monterey Road	Description
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	23

Monterey Street south of Ninth Street (Downtown Expansion District)

The 0.5-acre site is adjacent to a parking lot and railway and is surrounded by residential, industrial, and commercial land uses. This parcel is currently a storage yard for trucks and is a large, paved parking area. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0 as there are no structures on-site. The realistic capacity for this site is 16 lower-income units. The zoning allows a density range of up to 30 du/net acre in the Downtown Expansion District within the Downtown Specific Plan Area.



Monterey St., south of Ninth St (Downtown Expansion District)	Description
APNs	841 14 001
Size (Ac)	0.5
Zoning	DED – Downtown Expansion District
General Plan Designation	Downtown Specific Plan
Current Use	Storage
Land Improvement Ratio	0
Within 1 mile of:	

Monterey St., south of Ninth St (Downtown Expansion District)	Description
Daycare	Yes – Hunny Bunny Daycare, 7361 Egleberry St.
Grocery	Yes – Grocery Outlet, Smart & Final; E. 10 th St.
School	Yes – Glen View Elementary School, 600 W 8th St
Income Category	Very Low
Total Units	16

Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

Countywide Programs

2016 Measure A – Affordable Housing Bond

In November 2016, Santa Clara County voters approved Measure A, the \$950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community's poorest and most vulnerable residents. It provides affordable housing for vulnerable populations, including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, homeless persons, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds would contribute to the creation and/or preservation of approximately 4,800 affordable housing units in Santa Clara County.

The housing bond will enhance the County's ability to achieve its housing priorities which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons;
- Increasing the supply of housing that is affordable to extremely low-income households; and
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

About \$7.5 million in Measure A funds was used to develop the Monterey Gateway Senior Apartments, a 75-unit affordable housing complex for low-income seniors that was constructed in Gilroy in 2020.

MHSA Housing Program

The California Department of Mental Health, the California Housing Finance Agency, and the County Mental Health Directors Association announced a new housing program in 2016 under which \$400 million in Mental Health Services Act (MHSA) funds were made available to finance the capital costs associated with development, acquisition, construction, and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including unhoused individuals. The new MHSA Housing Program, and funds for capitalized operating subsidies, are included in the \$400 million that has been designated for the program.

This program will serve persons with serious mental illness who are currently unhoused or at risk of homelessness and who meet the MHSA Housing Program target population description. Santa Clara County's allocated amount is \$19,249,300, of which \$6,416,400 can be used for capitalized operating subsidies. MHSA funding pays only for housing units designated to qualified consumers.

The Sobrato Transitional Apartments is an MHSA housing project in Gilroy. The Sobrato Transitional Apartments, developed and constructed by South County Housing Corporation, provides 35 single-occupancy studio units in Gilroy for unhoused individuals with incomes below 30 percent of the area median income (AMI). The South County Housing Corporation will set aside 17 units for individuals that are currently unhoused or at risk of becoming homeless due to mental illness.

U.S. Department of Housing and Urban Development (HUD) Grants

HOME

The HOME Program is federally funded by HUD to provide decent affordable housing to lower-income households. The HOME Program is administered on behalf of the Santa Clara County Urban County cities, which includes Gilroy.

Community Development Block Grant

The City of Gilroy is an entitlement jurisdiction participating in HUD's Community Development Block Grant (CDBG) Program. A requirement of receiving CDBG funds is the City having a five-year Consolidated Plan, which identifies local community development needs and sets forth a strategy to address these needs over a five-year period. The City's current 5-Year Consolidated Plan spans July 1, 2020 – June 30, 2025.

Developing an Annual Action Plan (AAP) for each of the fiscal years within the Consolidated Plan is also required. AAPs program the use of federal funding for their respective fiscal year by outlining which specific projects or programs will receive funding from the annual allocation. Funding available for housing assistance programs from the state and federal governments is extremely limited. The AAP, which gives a complete breakdown of public service descriptions and use of funds, is available on the City's website.

For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 (each year) in CDBG funds from HUD. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities. A breakdown of CDBG-funded agencies are listed below:

Table 86: CDBG Funded Agencies

Activity Name	2020/2021 Entitlement	2021/2022 Entitlement	2022/2023 Entitlement
Program Administration	\$97,250	\$87,874	\$87,635
Gilroy Youth Center	\$38,452	\$38,452	\$38,452
Rebuilding Home Repair Program	\$144,364	\$140,000	\$140,000
Gilroy Compassion Center	\$16,318	-	-
Live Oak Adult Day Care	\$11,549	\$8,560	\$10,000
Meals on Wheels	-	\$8,643	-
Community Outreach PREP	-	\$10,250	-
Boys & Girls Club - Core Enrichment	-	-	\$8,500
C.A.R.A.S - Ryse Up Program	-	-	\$8,500
Cherry Blossom Rehab	-	\$81,475	-
Monterey Gateway Improvements	-	\$70,592	-
Code Enforcement	\$7,700	-	-
Sidewalk / Curb Ramp CIP Project	\$156,155	-	\$145,090

Source: City of Gilroy, 2022.

CDBG CARES ACT-Coronavirus (CDBG-CV) Funds

CDBG-CV funds were specifically made available for programming that would address the impacts resulting from the COVID-19 pandemic, and include the following programs:

Table 87: CARES Act CDBG-CV Funds

Activity Name	Entitlement
St. Joseph's Rental Assistance	\$150,000
Small Business Assistance	\$125,486
Small Business Assistance	\$100,000
St. Joseph's Rental Assistance	\$137,309
YMCA Healthy Food Delivery	\$100,359

Source: City of Gilroy, 2022.

Rental Assistance/Subsistence Program

The St. Joseph's Rental Assistance program utilizes CARES Act funding for Gilroy residents needing rental assistance. Rent relief is provided to persons and households directly affected by the COVID-19 pandemic.

Small Business Relief Grant Program

The Small Business Assistance Program, originally developed in 2020, includes \$435,000 in professional support for local businesses with processing applications for federal and state loans/grants. This program aligns with the purpose of the CARES Act to provide small grants (\$5,000 to \$10,000) to help local businesses cope with the COVID-19 related economic downturn by providing funds needed for working capital that will result in low-income jobs being retained and/or created.

Housing Trust Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council replaced the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. The HTF will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements, until the money is depleted.

Permanent Local Housing Allocation Fund

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. The following agencies were approved by the City Council for FY 22-23 and FY 23-24:

Table 88: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph's Medical Center	Homeless Prevention Services	\$55,000
St Joseph's Family Center	Gilroy Street Team	\$35,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is a rental assistance program that helps very low-income families to live in market-rate housing units rather than public housing. Households are provided with vouchers that are paid to private market-rate landlords, who are then reimbursed by HUD. In addition to the regular voucher program, Santa Clara County Housing Authority (SCCHA) administers special housing programs. These programs include the Veterans Affairs Supportive Housing (VASH) Program, Mainstream Program, and Emergency Housing Vouchers (EHV).

- The VASH Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Veterans Affairs Palo Alto and SCCHA have partnered to provide rental vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VA Medical Center that they are homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.
- The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private rental market. Mainstream applicants are offered a voucher as allocations become available. Applicants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.
- The EHV program is available through the American Rescue Plan Act. Through EHV, HUD provided SCCHA with 664 housing vouchers to assist individuals and families who are homeless, at risk of homelessness, were recently homeless or have a high risk of housing instability; or who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Project-Based Voucher Program

The Project-Based Voucher Program provides rental assistance to households living in specific housing sites. Because the rental assistance is tied to a particular unit, a family cannot retain the assistance if they move (voluntarily or through eviction). The Housing Authority administers different waiting lists by bedroom size for each project-based housing site. These housing sites are either multifamily or senior housing developments.

Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects in Gilroy.

Senate Bill 2 (SB 2) Grant. In 2020, the City was awarded \$160,000 in SB 2 grant funding to create and adopt objective design standards for mixed-use and multifamily residential projects in Gilroy. The City also used the funding to create and adopt objective design standards for SB 9 projects. The project implements the SB 2 *Objective Design and Development Standards* Policy Priority Area eligibility criteria. The goal of the project was to create objective design standards

that would increase consistent decision making; minimize applicant delays; better utilize staff resources; and promote/require good design principles in Gilroy to help ensure that housing development projects conform to the City's minimum design expectations.

Local Early Action Planning (LEAP) Grant. In 2020, the City was awarded \$150,000 in LEAP grant funding. A portion (or potentially all) of the funding will be used to help supplement costs associated with preparation of the 2023-2031 Housing Element. Funds must be expended by December 2023.

Regional Early Action Planning (REAP) Grant. In 2021, the City was awarded \$32,603 in REAP grant funding to further supplement costs associated with preparation of the 2023-2031 Housing Element.

The No Place Like Home Program

The No Place Like Home Program provides loans to eligible counties to acquire, design, construct, rehabilitate, and/or preserve permanent supportive housing for persons who are experiencing homelessness or chronic homelessness, or who are at risk of chronic homelessness, and who need mental health services. Projects funded through this program must be apartment complexes of five or more units.

Administrative Resources

The City of Gilroy's Community Development Department consists of the Housing and Community Development (HCD) Division, the Planning Division, and the Building and Safety Division which includes code enforcement. The Community Development Department helps implement several of the programs outlined in this Housing Element with the help of the City's HCD Technician. The Community Development Director manages the City's Housing and Community Development program and administers the CDBG funds, the City's PLHA Fund, and the former HTF. The Planning Division reviews land-use entitlement applications and is responsible for the implementation of the General Plan, Zoning Ordinance, and adopted specific plans. The Building and Safety Division processes and issues building permits, conducts plan reviews, conducts building inspections, and resolves land-use related violations through Code Enforcement.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
HOUSING GOALS, POLICIES, AND PROGRAMS

Housing Goals, Policies, and Programs

The section of the Housing Element outlines the City of Gilroy's goals, policies, and implementation programs for the preservation, conservation, improvement, and production of housing for the 2023 – 2031 planning period. The goals, policies, programs, and quantified objectives are designed to help ensure housing opportunities for all existing and future residents of the community.

Housing Production

Goal 1

HOUSING PRODUCTION

Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types

Policy 1.1: The City shall encourage the provision of a variety of housing options for Gilroy residents.

Policy 1.2: The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.

Policy 1.3: The City shall encourage the provision of new affordable housing.

Policy 1.4: The City shall encourage partnerships between non-profit and for-profit housing developers to encourage affordable housing production.

Policy 1.5: The City shall continue to implement the Downtown Specific Plan and encourage and coordinate activities with Downtown stakeholders.

Policy 1.6: The City shall support the development of workforce housing to enable the workforce to live in the community.

Removal of Governmental Constraints

Goal 2

REMOVAL OF GOVERNMENT CONSTRAINTS

Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

Policy 2.1: The City Shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not unreasonably constrain housing development and are consistent with State law.

Policy 2.2: The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.

Policy 2.3: The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the City.

Housing Preservation and Rehabilitation

Goal 3

HOUSING PRESERVATION AND REHABILITATION

Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.

Policy 3.1: The City shall strive to preserve the affordability of existing below market rate housing units.

Policy 3.2: The City shall promote the maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.

Policy 3.3: The City shall encourage the retention and rehabilitation of older homes in and near the historic City Center and ensure that rehabilitation activities are sensitive to the historic character of the building and/or site.

Housing Assistance to Meet the Needs of All Income Levels

Goal 4

HOUSING ASSISTANCE TO MEET THE NEEDS OF ALL INCOME LEVELS

Encourage and support the provision of a variety of affordable housing types.

Policy 4.1: The City shall continue to participate in programs that assist lower- and moderate-income households to secure affordable housing, such as the County's Mortgage Credit Certificate program, Housing Choice Voucher programs, and Silicon Valley's assistance programs.

Policy 4.2: The City shall support homeownership opportunities for low- and moderate-income households.

Policy 4.3: The City shall provide incentives for affordable housing, including but not limited to the density bonus ordinance and expedited project review.

Special Housing Needs

Goal 5

SPECIAL HOUSING NEEDS

The City shall increase access to decent and suitable housing for Gilroy residents with special housing needs.

Policy 5.1: The City shall encourage housing opportunities for special needs groups, including: seniors; persons with disabilities, including developmental disabilities; the unhoused; large households; single female-headed households; and farmworkers.

Policy 5.2: The City shall encourage the development, rehabilitation, and preservation of affordable and market-rate housing for seniors, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Policy 5.3: The City shall support efforts to provide emergency shelter, transitional housing, and permanent supportive housing for unhoused persons and those at risk of homelessness.

Policy 5.4: The City shall support the development of permanent and seasonal farmworker housing in appropriate areas of the City.

Policy 5.5: The City shall encourage affordable housing developments to include units that can accommodate large households of five or more.

Policy 5.6: The City shall encourage the development and maintenance of housing accessible to people with disabilities, including developmental disabilities.

Affirmatively Furthering Fair Housing

Goal 6

FAIR HOUSING

Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policy 6.1: The City shall promote fair housing standards and comply with State laws.

Policy 6.2: The City shall refer discrimination complaints to Project Sentinel or other organizations that address housing discrimination.

Policy 6.3: The City shall prioritize economic investment and opportunity in the Downtown Specific Plan area, especially the Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and the Equity and Engagement District (EED), which is the focus of the City's Environmental Justice goals, policies, and programs.

Education and Outreach

Goal 7

EDUCATION AND OUTREACH

Increase awareness of and participation in housing programs.

Policy 7.1: The City shall consolidate and disseminate housing related resources to provide better access to information on available housing programs and affordable housing units.

Policy 7.2: The City shall encourage the production of secondary units in single family districts through outreach and educational materials.

Policy 7.3: The City shall provide information on resources available to assist residents facing foreclosure.

Policy 7.4: The City shall encourage involvement of all Gilroy neighborhoods in the public decision-making process.

Quantified Objectives

Government Code Section 65583 (b) requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. The quantified objectives set a target goal for Gilroy to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Table 89 summarizes Gilroy's quantified objectives for the 6th Cycle.

Table 89: Total Quantified Objectives, 2023 – 2031

Target	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
New Construction	334	335	385	200	519	1,773
Conservation	30	30	30	30	-	120
Rehabilitation	80				-	80
Preservation	55			-	-	55
Total						2,028

Programs

The programs in this section of the Housing Element describe specific actions the City will carry out over the eight-year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized by the following seven major housing goals:

- Housing Production
- Removal of Governmental Constraints
- Housing Preservation and Improvement
- Housing Assistance
- Special Housing Needs
- Affirmatively Furthering Fair Housing
- Education and Outreach

A. Housing Production

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 1	No Net Loss Inventory and Monitoring	To ensure that the City monitors its compliance with SB 166 (No Net Loss), the City will develop a procedure to and will track: • Unit count and income/affordability assumed on parcels included in the sites inventory. • Actual units constructed and income/affordability when parcels are developed. • Net change in capacity and summary of remaining capacity in meeting remaining RHNA. To ensure the City has adequate sites to accommodate any net loss of Regional Housing Needs Allocation (RHNA) capacity due to development of RHNA sites or accessory dwelling units (ADUs) below projections, the City shall create a No Net Loss Inventory of replacement sites within one year of adoption of the Housing Element. The backup replacement sites in the No Net Loss Inventory will be separate and distinct from the identified RHNA sites inventory included in Appendix B. The No Net Loss Inventory replacement sites are all appropriate for lower-income development based on the criteria used for RHNA site selection. The City has begun development of this list and initial estimates include capacity for approximately 600 units, if needed. Quantified Objective: No net loss of capacity below the RHNA requirement during the planning period.	CDD	General Fund	Adopt procedure and create No Net Loss Inventory by Q2 2024. Review RHNA site status twice yearly and update No Net Loss Inventory as necessary to maintain adequate RHNA sites.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 2	Surplus Lands/Affordable Housing on City-Owned Sites	Assess City-owned properties for their potential redevelopment or development for residential uses that include housing for extremely low-income households and those with special needs such as seniors and persons with disabilities. The RHNA sites inventory includes one City-owned site (880 Sunrise Drive). This property includes a fire station adjacent to a large, unused portion of the parcel. Implement the Surplus Lands Act to annually review City-owned parcels and provide affordable housing developers the first priority for designated surplus lands as applicable per Government Code Section 54227. The City will advertise surplus land opportunities to affordable housing providers, the Santa Clara Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing). Quantified Objective: The City will contact affordable housing developers regarding any City owned sites (e.g., 880 Sunrise Drive) on the RHNA Sites Inventory or the No Net Loss Inventory, with the goal of developing at least 21 lower-income units through the Surplus Lands Act	CDD	General Fund	Advertise surplus land opportunities and contact affordable housing developers regarding the one City-owned RHNA site by Q1 2025. Annual review in conjunction with the review of surplus lands.
A - 3	By-Right Approval of Projects with 20 Percent Affordable Units on "Reused" RHNA Sites	Pursuant to the statutory requirements of Government Code Sections 65583.2(h) and (i), amend the Zoning Ordinance to require by-right approval any "reuse" 4th and 5th Cycle sites being used to meet the 6th Cycle RHNA, if 20 percent of the units in the development are affordable to lower-income households.	CDD	General Fund	By Q2 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 4	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the inventory to developers. The City shall update the list of sites annually, or as projects are approved on the sites. Quantified Objective: Maintain accurate and publicly available residential sites inventory throughout the planning period.	CDD	General Fund	Post on website by Q4 2023; update annually.
A - 5	Revise Neighborhood District Policy	The City will revise the Neighborhood District Policy so it does not rely on the Residential Development Ordinance (RDO). Revisions to the policy include: - Studying and adopting an inclusionary housing policy and in-lieu fee for Neighborhood District areas. - Updating the Neighborhood District target densities, consistent with the Gilroy 2040 General Plan. - Adopting standards related to the distribution of units across the levels of affordability (e.g., 30% of the 15% affordable units shall be designated for low income). - Adopting standards related to the term of affordability (e.g., rental units shall be restricted as affordable for a minimum of 55 years).	CDD	General Fund	By Q2 2026.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 6	ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. If annual production and affordability rates do not match the estimates included in the Housing Sites and Resources section, the City will update the ADU strategy to ensure that the City continues to maintain adequate capacity for all income levels. In the event of an ADU shortfall that results in a net loss of units below the RHNA, the City will adopt another ADU program within six months to facilitate additional ADU production or identify additional RHNA sites from the City's No Net Loss Inventory, as discussed in Program A - 1. The City will hold a focus group event with local stakeholders in spring or fall 2026 if the average ADU production is less than 25 units in year 2025. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. The City will review geographic distributions of ADUs biennially. Updates to the ADU ordinance are included in Program A - 15. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in year 2025. Identify additional programs or sites within six months of shortfall.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 7	ADU Preapproved / Pre-Reviewed Plans	The City will develop an ADU program that includes prereviewed “model” plans for ADUs that meet zoning and building, and fire codes, including designs that are Americans with Disabilities Act (ADA) accessible. The program may be modeled after successful programs implemented in other cities. The City will work with the Santa Clara County Planning Collaborative and join the ADU Advisory Committee on the option of creating a subregional program of prereviewed ADU plans and a variety of ADU tools and resources that can be available to all residents and cities in Santa Clara County to encourage ADU production. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	By Q1 2024.
A - 8	Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	CDD	In-lieu fees, other applicable affordable housing funding	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 9	Monitor Permit Requirements, Processing Procedures, and Land Use Controls	Implement the Land Management System for Tyler Technologies with a "go-live" date in 2023 and hold an outreach meeting to educate users on how to use the new permitting system. To assess the effectiveness of the new Land Management System, the City will survey users six months after its launch. The City will also create metrics that track the time to process permits. These metrics can be compared year-to-year to determine if process and procedure are efficient or need refinement. As a part of the City's outreach and engagement with developers, the City shall consult builders and other parties engaged in housing development activities to identify potential constraints in the City's permit requirements, processing procedures, and land use controls and analyze potential streamlining where feasible. Outreach methods will include or be equivalent to the City's annual developer roundtable meeting. Quantified Objective: Increase the percentage of permits that are processed online. Decrease the time it takes to process permits.	CDD	General Fund	Survey six months after "go-live" date. Annual outreach to builders and developers, such as through the City's annual developer's roundtable meetings.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 10	Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards. Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106 lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5). Quantified Objective: Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.	CDD	General Fund	By Q2 2025.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 11	Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units. Quantified Objective: Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.	CDD	General Fund	By the end of 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 12	Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance/policy above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided. Quantified Objective: Increased housing choice and mobility for special needs households.	CDD	General Fund	By Q2 2025.
A - 13	Coordination with California High Speed Rail Authority	Continue to coordinate with the California High Speed Rail Authority so that the Station Area Plan includes the development of a mix of affordable and market-rate housing and commuter parking on the parcels associated with the High Speed Rail Station. Quantified Objective: Develop a specific commitment to housing development; set objective targets for the development of affordable and market-rate housing on the High Speed Rail site.	CDD, California High Speed Rail Authority	General Fund	Immediately and throughout the planning period until the Station Area Plan is complete.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 14	Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups). Quantified Objective: Development of affordable housing on the 8th and Alexander property by the end of 2028.	CDD, Santa Clara County Office of Supportive Housing	General Fund	Continual partnership throughout the planning period. Anticipated project completion by the end of 2028.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 15	ADU Ordinance Updates	The City worked in collaboration with the California Department of Housing and Community Development (HCD) on its current ADU ordinance. The City will continue to work with HCD to make necessary changes and ensure compliance with state law. The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will accelerate and streamline the process for approving ADUs in the City. The City will use the affidavits to track the number of ADUs to ensure they are being built at the assumptions in the Housing Sites and Resources section. To further incentivize ADU production, the City will increase the allowable floor area from 1,000 square feet to 1,200 square feet. Program A - 6 includes adopting additional programs should the actual number of ADU permits differ from assumptions. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	By Q2 2024.
A - 16	Senate Bill (SB) 9 Streamlining	The City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law. Quantified Objective: Process ten (10) SB 9 applications in the planning period.	CDD	General Fund	By Q2 2024.

B. Removal of Government Constraints

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 1	Residential Development Ordinance (RDO) Removal	Repeal the RDO. The growth control measures of the City's RDO have been made null and void by SB 330 (2019). The RDO will be repealed as a part of the City's comprehensive zoning update. Portions of the policy related to affordability requirements may be used as a benchmark for the City's proposed Inclusionary Policy.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 2	Zoning and General Plan Densities	Amend the Zoning Ordinance to ensure that the Gilroy 2040 General Plan maximum densities are achievable in the implementing zones (Housing Accountability Act/AB 3194). Changes include: - Increasing the maximum density in the R3 (medium density) zone from 16 to 20 dwelling units per acre; - Removing the maximum density in the R4 (high density) zone; - Creating a zoning district for the mixed-use 1st Street corridor with a density range of 20–30 dwelling units per net acre; and - Creating Neighborhood District High and Neighborhood District Low zoning designations with density allowances that are consistent with the 2040 General Plan.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 3	Senate Bill (SB) 35 Permit Processing and SB 330 Compliance	Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330. Create checklists and instructions for reviewing and approving SB9 and SB330 projects. The City shall amend the Zoning Ordinance to ensure that any demolished units shall be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g). Add information regarding the expedited permit process on the City's website.	CDD	General Fund	By Q2 2025.
B - 4	Public Fees, Standards, and Plans Online	Pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location. The City will continue to provide a high-quality, parcel-specific zoning map and General Plan map online.	CDD	General Fund	By Q2 2024.
B - 5	Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234. Quantified Objective: Decreased permit processing time.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 6	Objective Standards	Review and revise development standards, design guidelines, and findings to ensure they are objective and facilitate development of properties at their maximum densities.	CDD	General Fund	By Q2 2026.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 7	Zoning Ordinance Update	As a part of the 2023 comprehensive Zoning Ordinance update to ensure compliance with the 2040 General Plan and streamline various application processes (Program B – 5), the City will evaluate development standards for all zones including the Downtown Specific Plan zones, for potential governmental constraints. The City will also revise the definition of “townhouse” to be consistent with state law.	CDD	General Fund	By Q2 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 8	Entitlement Roadmap Webpage	To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources. The webpage will advertise the City's ministerial process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards.	CDD	General Fund	By the end of 2023.
B - 9	Building Department Webpage	To reduce applicant time and cost and increase certainty, the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes. Quantified Objective: Updated website by January 1, 2024.	CDD	General Fund	No later than January 1, 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 10	Zoning Code Annual Updates	California's legislature continues to pass new laws each year to encourage housing production and address the state's severe housing shortage. Under this program, the Community Development Department will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Quantified Objective: Following passage of new state legislation, Community Development Department staff will develop a list of laws that require updates to the City's policies, codes and ordinances.	CDD	General Fund	The City will update City policies, codes and ordinances annually, or as needed to comply with new state laws.

C. Housing Preservation and Rehabilitation

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 1	Monitoring of Units At Risk of Converting to Market Rate	Continue to provide regular monitoring of deed-restricted units that have the potential of converting to market rate. The City currently contracts with HouseKeys to serve as the Below Market Rate (BMR) Program Administrator of the City's below market-rate homeownership and rental property program. The BMR Program Administrator will continue to monitor and evaluate the City's current multi-family affordable housing stock to determine if any developments are at risk of conversion. Together with the BMR Program Administrator, the City will implement strategies to preserve projects identified as being at risk of converting to market-rate housing. Strategies include: • Monitoring affordable housing term expiration status annually. • Notifying property owners annually about compliance with the extended noticing requirement (three year, one-year, and six-month Notice of Intent) under state law. • Including preservation as an eligible use in Notices of Funding Availability. • If below market-rate units appear to be at risk of conversion, work with qualified operators, the California Department of Housing and Community Development (HCD), and the property owners to preserve the housing for lower-income households. • Biennial contact with property owners of affordable units.	CDD and Program Administrator (e.g., HouseKeys)	General Fund	Annually review affordable housing term expirations. Noticing as needed with expiration of covenants.

Number	Title	Action	Responsible Party	Funding Source	Timeline
		• Identification of funding opportunities to purchase and preserve affordable units. • Noticing of tenants and technical assistance with applications for funds. <i>Quantified Objective:</i> Preservation of below market-rate units.			
C - 2	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. For example, the City has provided CDBG grants to the Rebuilding Together Silicon Valley Home Repair, Rehabilitation and Accessibility Modification program, which provides a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low-income homeowners in Gilroy. The City will facilitate Tax Equity and Fiscal Responsibility Act (TEFRA) hearings throughout the planning period to allow for the development and rehabilitation of affordable housing units throughout the City. Quantified Objective: Provide assistance to 100 households. Target 25% in the Racially and Ethnically Concentrated Area of Poverty (R/ECAP) and DTSP area.	CDD	General Fund	Annually evaluate progress and review contract. Following each contract renewal, hold informational meetings to alert the community about the availability of programs such as Rebuilding Together rehabilitation loans.

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 3	Code Enforcement Program	Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the Rebuilding Together Program (or similar) and landlord/tenant information and mediation services. Quantified Objective: Provide information regarding the Rebuilding Together (or similar) and landlord/tenant information and mediation services to 240 households.	CDD	General Fund	Ongoing throughout the planning period.
C - 4	Resale Control on Owner-Occupied Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 5	Resale Control on Rental Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on renter-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 6	Identification and Preservation of At-Risk Units	The City will complete its ongoing effort to create an inventory of BMR units. In the event that the City identifies units with restrictive covenants that expire during the 6th Cycle, the City will ensure that owners of the properties are contacted, encouraged to extend or renew the rent or sales price restrictions. The City will also ensure appropriate advanced notice of conversion to tenants is provided.	CDD	General Fund	By Q2 2024.

D. Housing Assistance

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 1	Permanent Local Housing Allocation Fund	The City shall continue to utilize the Permanent Local Housing Allocation (PLHA) Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City contracts with Santa Clara County Office of Supportive Housing to administer the PLHA Fund, which provided \$237,000 in funding each year during the FY 22-23 and FY 23-24 funding periods for homelessness prevention services, fair housing, and basic needs (e.g., meals on wheels). The City shall continue to inform nonprofit organizations of funding availability through the City's website and informational packets at City Hall. Quantified Objectives: Through various eligible funding programs, assist 80 households annually.	CDD	Permanent Local Housing Allocation Fund	The PLHA funds span a 5-year basis. Conduct outreach and allocate funding every two years.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 2	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance and inform the public of existing resources, including the availability of State HCD, CalHFA funds, HOME, Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and Santa Clara County funds. The City shall improve public outreach activities through conducting workshops and outreach events and the compilation of resources for down payment assistance and other means of acquiring a home. Quantified Objectives: The City will conduct public outreach to inform the community of existing resources, assistance programs, and funding opportunities, and annually pursue funding for down payment assistance and increase awareness as new funding is available.	CDD	General Fund	Conduct public outreach on existing housing resources and pursue funding and conduct research annually.
D - 3	Housing Choice Voucher Referrals	The City shall provide information to City residents on the Santa Clara County Housing Authority Housing Choice Voucher (HCV) program. This information shall also be available on the City website. The City shall notify interested residents and provide technical assistance to residents who need help applying to the Housing Choice Voucher program. The City shall refer residents that experience discrimination based on source of income (including vouchers) to Project Sentinel. Quantified Objective: Assist or refer 40 individuals annually.	CDD	General Fund	Immediately upon opening of HCV waitlist. Technical assistance to residents as needed. Annual education and outreach to landlords.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 4	Pursue Funding for Affordable Housing	The City shall pursue funding from state, federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by ABAG; • HCD Local Housing Trust Fund Program; • US Department of Housing and Urban Development (HUD) Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by HCD; and • The State Multifamily Housing Program, sponsored by HCD.	CDD	General Fund	Pursue funding sources annually.
D - 5	Community Development Block Grant Program	The City shall continue to utilize the CDBG Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homelessness assistance, public services, and public improvements. The City shall continue to inform nonprofit organizations of funding availability through the City's website and email distribution lists. The City will advertise funded programs that provide public assistance on its website and through informational brochures at City Hall. The City expects to receive an estimated \$400,000 in CDBG funds from HUD each year. The primary objectives of the CDBG Program include activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need.	CDD	General Fund	Administer funds annually.

E. Special Housing Needs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 1	Priority Water and Sewer Service for Affordable Housing Developments	Pursuant to Government Code 65589.7, the City will review and update, as necessary, the Water and Sewer Service Priority Policy, and work with public service providers to ensure prioritization of services to housing developments serving lower-income households. This policy is currently in place. The Housing Element will be provided to water and sewer service providers upon adoption.	CDD	General Fund	By Q2 2024.
E - 2	Zoning to Encourage and Facilitate Single-Room Occupancy Units	As a part of the comprehensive Zoning Ordinance update, the City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
E - 3	Emergency Shelter Standards	Amend the Zoning Ordinance to modify the requirements for emergency shelters in compliance with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4). The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's R4 zone and 1 st Street mixed-use corridor. Pursuant to AB 2339, emergency shelters and other interim interventions, including but not limited to a navigation center, bridge housing, and respite or recuperative care, will not require a conditional use permit or any other discretionary permit in zones designated for emergency shelters. The Zoning Ordinance will be revised to set parking requirements based on staff levels only.	CDD	General Fund	At the time of Housing Element adoption.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 4	Low Barrier Navigation Centers	Pursuant to Senate Bill (SB) 48 and AB 2339, amend the Zoning Ordinance to allow low-barrier navigation centers, meeting specific objective requirements, by-right in areas zoned for nonresidential uses, including mixed-use zones and multifamily zones.	CDD	General Fund	By Q2 2024.
E - 5	Incentivize Micro-Units	Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development. Ensure that provisions for efficiency units are consistent with AB 352 (2017).	CDD	General Fund	By Q2 2024.
E - 6	Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing are appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within 0.5 miles of public transit.	CDD	General Fund	By Q2 2026.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 7	Development and Conservation of Housing for Farmworkers	In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project. The City shall continue to partner with the Housing Authority of Santa Clara County and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the developer list created through Program G - 1 Quantified Objective: Preserve and maintain the 3 farmworker housing developments (56 units) located in Gilroy.	CDD	General Fund	Ongoing throughout the planning period.
E - 8	Consistency with the Employee Housing Act	As a part of the 2023 comprehensive Zoning Ordinance update, the City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code Section 17021). This act generally requires by-right approval of employee housing for agricultural employees (i.e., farmworker housing) as follows: Less than six persons: by-right in all zones allowing single-family residential uses. No more than 12 units or 36 beds: by-right in all zones allowing agricultural uses.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 9	Priority for Gilroy	The City will develop a system to prioritize occupancy of affordable for-sale and for-rent units in Gilroy for income-eligible Gilroy residents and/or individuals working in the City of Gilroy, who originate in the City of Gilroy. The City will determine how to weigh specific factors and develop a process for priority tenure, while affirmatively furthering fair housing.	CDD	General Fund	By Q2 2025.
E - 10	Development and Rehabilitation of Housing for Persons with Disabilities	As part of the 2023 comprehensive Zoning Code update, the City will evaluate and revise as necessary its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities. The City will also evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.	CDD	General Fund	By Q2 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 11	Housing For Extremely Low Income and Special Needs Households	The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers, providing site information, assisting in the entitlement processes, and considering on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable. Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing. Quantified Objective: Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.	CDD	General Fund, PLHA funding	As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 12	Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households	The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor such as supporting amenities, facilities or services, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households. Quantified Objective: Adopted zoning amendments. Facilitation of 50 units using the adopted process in the planning period.	CDD	General Fund	Amendments by Q3 2025

F. Affirmatively Furthering Fair Housing

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 1	Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility. Quantified Objective: Outreach to 50 landlords or tenants annually.	CDD	General Fund	Informational outreach by Q2 2024. Annual education and outreach to landlords and tenants.
F - 2	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. Quantified Objective: Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.	CDD	General Fund	Annual or biennial award of funds. Provision of pamphlets by Q2 2024.

F - 3	Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: • As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. • As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. • As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) • As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to	CDD, Public Works	General Fund	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space will be complete by the end of May 2023.
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Number	Title	Action	Responsible Party	Funding Source	Timeline
		conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City. - The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets			

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 4	Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: • Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A-9). • Adopt a density bonus beyond state law policy to include incentives for special needs households (Program A-11) • Adopt an inclusionary housing policy (Program A-10)	CDD	General Fund	By Q2 2026.
F - 5	Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.	CDD	General Fund	Hold focus group and complete analysis by Q2 2025. Adopt policy within three years of Housing Element adoption.

G. Education and Outreach

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 1	Collaboration with Development Community	The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period. Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting. The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable, and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City. Quantified Objective: Host an annual developer roundtable meeting. Participation of at least four developers of affordable and special needs housing in the annual roundtable.	CDD	General Fund	Annual developer roundtable meeting. Creation of developer interest list by Q1 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 2	Community Outreach and Inclusion in the Decision Making Process	To implement Goal EJ 1 from the City's 2040 General Plan Environmental Justice Element, the City will encourage involvement of all Gilroy neighborhoods in the public decision-making process through the use of various methods of delivery, such as print media, mailers, web-based information, accessible meetings, <u>pop-up events</u>, and other methods that consider economic and cultural considerations unique to the City of Gilroy. Provide all pamphlets and communications in English and Spanish Geographic Targeting: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Ongoing throughout General Plan implementation.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 3	ADU Education	Develop and implement a comprehensive marketing program to advertise the benefits of ADUs and the process for constructing ADUs. The City will provide educational pamphlets on the City website and at City Hall with detailed information on the ADU process as well as basic responsibilities and legal requirements of being a landlord. The pamphlets will be provided in both English and Spanish. The City will consolidate its two ADU webpages into a single page that has all relevant information for ADUs. The City will focus outreach and education in the higher opportunity areas of the City to expand housing mobility and choice. Upon biennial review of geographic ADU distribution, the City will review and adjust promotion and outreach strategies to ensure ADUs are being marketed in high resource areas that are seeing less ADU construction. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.	CDD	General Plan	Develop marketing plan by Q2 2024; implement marketing program by Q2 2025. Biennial review of ADU geographic distribution. ADU webpage consolidation by the end of 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 4	Increased Outreach in Downtown Areas	To implement Policies EJ 1.3 and EJ 1.5 from the City's 2040 General Plan Environmental Justice Element, the City will consult with local community leaders in the Downtown Specific Plan Area to ensure community priorities are being addressed. The City will consider the viewpoints and concerns of all neighborhoods within Gilroy when drafting the High Speed rail Station Area Plan and when updating the Downtown Specific Plan. Geographic Target: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Upon receiving funding and availability of adequate staffing resources to complete these area plans.

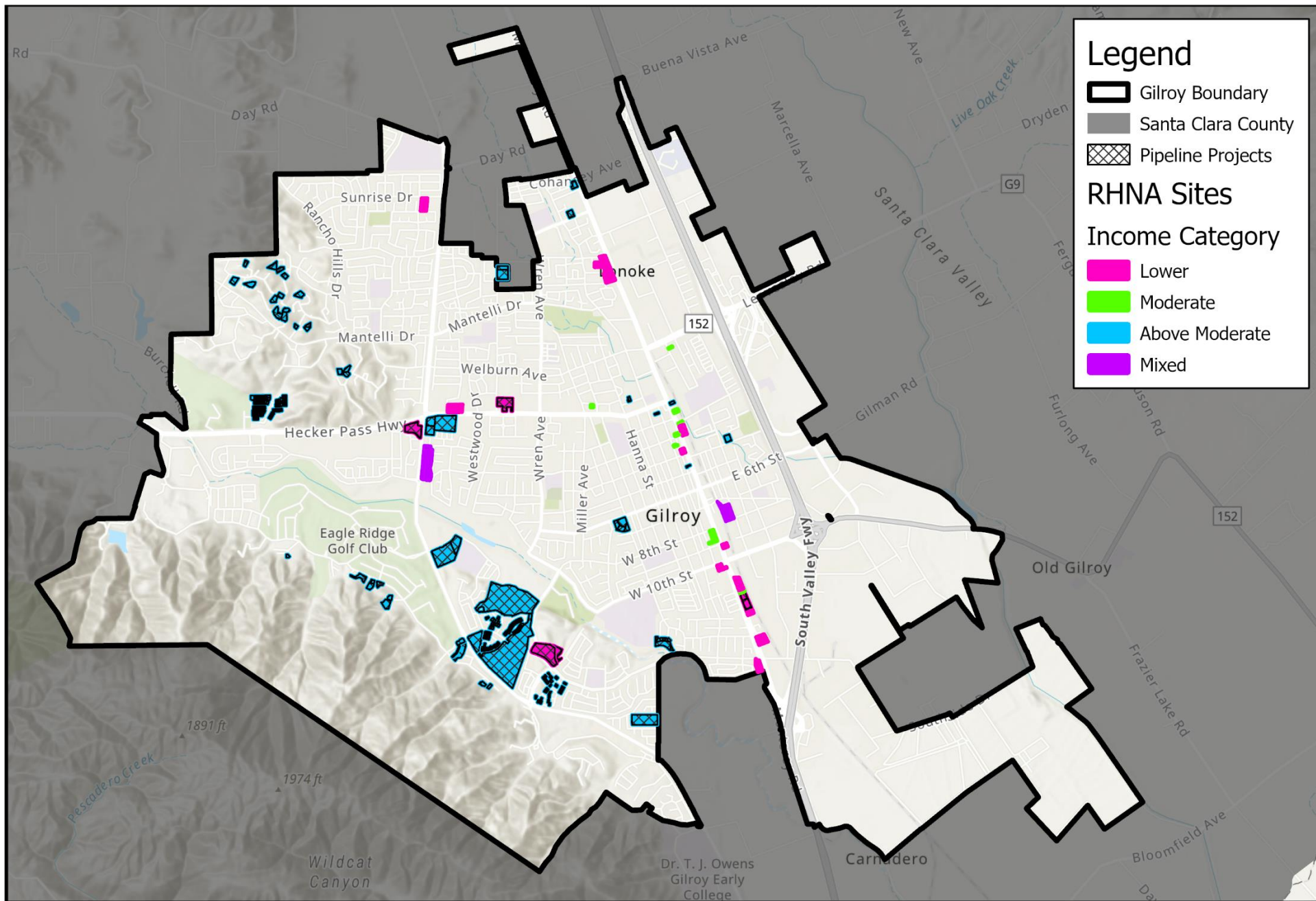
G - 5	Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: • Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average. • Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. • Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. • Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. • Create a dedicated Missing Middle webpage and informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. Provide the pamphlets online, at City Hall, and at informational booths where housing resources are provided. Geographic Targeting: Annual housing event in the DTSP area.	CDD	General Fund	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. Conduct community outreach workshops on housing resources on a monthly basis on average.
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Number	Title	Action	Responsible Party	Funding Source	Timeline
		Quantified Objective: Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units.			

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 6	Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: • Creation of a dedicated webpage with information on unhoused resources and efforts. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • Revamping the unhoused service providers network which consists of monthly meetings with direct unhoused service providers in the City. The network serves to increase collaboration and partnership among service providers and the City to connect the unhoused with services. The monthly meetings serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts. Quantified Objective: Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.	CDD	General Fund	Between Q4 2024 and Q2 2025; monthly (or as scheduled) meetings of the unhoused service providers network.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 7	Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	CDD	General Fund	Immediately upon adoption of the Housing Element.
G - 8	Help Cetner Webpage	In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community. Quantified Objective: The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts, following implementation	CDD	General Fund	By Q1 2024

APPENDIX A: SITES INVENTORY MAP



APPENDIX B: SITES INVENTORY LIST

Table 90: Opportunity Sites

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 20 050	880 Sunrise Dr	95020	1.98	PF	Low Density	15	0	21	0	0	0	21	74 Pub,Buildings,Public	Yes	Yes	No	No	Opportunity Site
790 14 025	8955 Monterey Rd	95020	2.05	R4	High Density	30	0	49	0	0	0	49	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 075	8915 Monterey Rd	95020	0.74	R4	High Density	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 091	8985 Monterey Rd	95020	0.80	R4	High Density	30	0	19	0	0	0	19	62 Ins,Childcare,Preschl,Adult Daycare	Yes	No	Yes	Yes	Opportunity Site
790 15 036	8877 Monterey Rd	95020	1.21	R4	General Services Commercial	30	0	29	0	0	0	29	69 Vacant,Urban	Yes	No	Yes	Yes	Opportunity Site
790 15 041	8897 Monterey Rd	95020	0.95	R4	General Services Commercial	30	0	23	0	0	0	23	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 32 052	620 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 053	622 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 054	626 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 055	624 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 39 019	1375 1st St	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	69 Vacant,Urban	Yes	No	Yes	No	Opportunity Site
790 39 020	1395 First Street	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 029	1335 First St	95020	0.55	C3	Mixed Use Corridor High	30	0	12	0	0	0	12	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 030	1355 1st St	95020	0.49	C3	Mixed Use Corridor High	30	0	10	0	0	0	10	69 Vacant,Urban	Yes	No	No	No	Opportunity Site

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⁴⁴ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 03 054	7733 Monterey Rd	95020	0.10	DED	Downtown Specific Plan Area	30	0	0	0	3	0	3	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 03 055	7711 Monterey Rd	95020	0.20	DED	Downtown Specific Plan Area	30	0	0	0	6	0	6	04 Res,5 Or More Family Units	Yes	No	No	No	Opportunity Site
799 04 008	7601 Monterey Rd	95020	0.51	DHD	Downtown Specific Plan Area	30	0	15	0	0	0	15	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 04 016	7660 Egleberry St	95020	0.18	DED	Downtown Specific Plan Area	30	0	0	0	5	0	5	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 033	7191 Monterey St	95020	0.34	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 034	7161 Monterey St	95020	0.32	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 042	Egleberry Street (east side), north of W Ninth St	95020	0.16	TD	Downtown Specific Plan Area	20	0	0	0	2	0	2	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 048	Monterey St. (west side), north of W Ninth St	95020	0.30	DED	Downtown Specific Plan Area	30	0	0	0	9	0	9	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 049	7121 Monterey St	95020	0.36	DED	Downtown Specific Plan Area	30	0	0	0	11	0	11	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 34 036	80 W Tenth St	95020	0.89	DED	Downtown Specific Plan Area	30	0	27	0	0	0	27	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
808 01 024	Located at intersection of Santa Teresa Blvd and Third St	95020	7.22	R4	High Density	30	0	142	0	31	0	173	69 Vacant,Urban	Yes	No	No	Yes	Opportunity Site
808 21 009	10 W Luchessa Ave	95020	0.57	ND	Neighborhood District	30	0	12	0	0	0	12	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
808 49 078	Monterey Rd (west side), south	95020c	0.92	ND	Neighborhood District	30	0	19	0	0	0	19	91 Agr,Orchard	Yes	No	No	No	Opportunity Site

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
	of Luchessa Ave																	
841 01 064	Swanston Lane (east side), south of Leavesley Rd	95020	0.17	R3	Medium Density	20	0	0	0	2	0	2	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 02 058	7840 Monterey Rd	95020	0.43	DED	Downtown Specific Plan Area	30	0	0	0	13	0	13	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 04 018	7700 Monterey Rd	95020	0.61	DED	Downtown Specific Plan Area	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 04 019	7760 Monterey Rd	95020	0.70	DED	Downtown Specific Plan Area	30	0	21	0	0	0	21	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 04 020	7780 Monterey Rd	95020	0.44	DED	Downtown Specific Plan Area	30	0	0	0	13	0	13	86 Vacant,Public Uses	Yes	Yes	No	No	Opportunity Site
841 13 022	Alexander St (west side), south of Old Gilroy	95020	3.62	CD	Downtown Specific Plan Area	40	0	50	0	50	0	100	43 Tra,Transportation,Railroad	Yes	No	No	No	Opportunity Site
841 14 001	Monterey St., south of Ninth St	95020	0.55	DED	Downtown Specific Plan Area	30	0	16	0	0	0	16	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 14 006	6790 Monterey Rd	95020	0.39	GD	Downtown Specific Plan Area	30	0	0	0	9	0	9	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 14 015	6320 Monterey Rd	95020	0.55	GD	Downtown Specific Plan Area	30	1	12	0	0	0	12	01 Res,Single Family Residence	Yes	No	No	No	Opportunity Site
841 14 036	6470 Monterey Rd	95020	0.74	GD	Downtown Specific Plan Area	30	0	18	0	0	0	18	29 Mfg,Petroleum Products	Yes	No	No	No	Opportunity Site
841 14 037	6380 Monterey Rd	95020	0.77	GD	Downtown Specific Plan Area	30	0	18	0	0	0	18	10 Ind,Lumber & Other Bldg Materials	Yes	No	No	No	Opportunity Site
841 14 081	6620 Monterey Rd	95020	0.53	GD	Downtown Specific Plan Area	30	0	13	0	0	0	13	16 Ind,Non-Mfg,Combo Mfg & Non-Mfg	Yes	No	No	No	Opportunity Site
841 14 083	6920 Monterey Rd	95020	1.69	DED	Downtown Specific Plan Area	30	0	51	0	0	0	51	11 Ind,Warehousing,Public	Yes	No	No	No	Opportunity Site

Table 91: Pipeline Project Sites

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 03 073	8340 Wintergreen Court	95020	0.56	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 03 074	8350 Winter Green Court	95020	0.63	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 03 081	8341 Winter Green Court	95020	0.61	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 04 023	Hecker Pass And Autumn Way	95020	22.4	Hecker Pass Special District	Hecker Pass Special District	-	-	-	-	-	72	72	-	Yes	No	No	No	Pending Project
783 52 050	1975 Saffron Court	95020	0.91	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 64 022	2331 Hoya Lane	95020	0.41	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 65 022	2354 Banyan Ct	95020	0.90	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 012	1870 Carob Court	95020	0.91	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 017	1820 Carob Court	95020	0.64	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 020	9145 Tea Tree Wy	95020	0.51	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 033	8971 Tea Tree Way	95020	0.57	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 036	8955 Mimosa Ct.	95020	1.39	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 055	2282 Gunnera Ct	95020	0.82	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 027	9025 Mimosa Court	95020	0.54	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 038	9005 Mimosa Court	95020	0.72	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 035	8950 Mimosa Court	95020	1.11	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

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⁴⁶ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
790 07 007	95 Farrell Avenue	95020	0.90	C1	Low Density Residential	-	-	-	-	-	4	4	-	Yes	No	No	No	Pending Project
790 17 002	9130 Kern Avenue	95020	2.54	R3	Neighborhood District	20	-	-	-	-	29	29	-	Yes	No	No	No	Pending Project
790 17 003	9160 Kern Avenue	95020	1.00	R3	Neighborhood District	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
790 21 041	975 First Street	95020	3.82	C3	High Density Residential	-	-	12	107	1	-	120	-	Yes	No	Yes	Yes	Pending Project
790 35 053	307 Gurries Drive	95020	0.23	R3	Medium Density Residential	20	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
790 35 054	308 Gurries Drive	95020	0.04	R3	Medium Density Residential	20	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
790 66 057	108 Chickadee Lane	95020	0.84	C1	Neighborhood District	-	-	-	-	-	12	12	-	Yes	No	No	No	Pending Project
799 01 058	7851 Egleberry Street	95020	0.18	R2	Downtown Specific Plan Area	10	1	-	-	-	-	-	-	Yes	No	No	No	Pending Project
799 06 049	7533 Monterey Road	95020	0.12	HD	Downtown Specific Plan Area	-	-	-	-	-	3	3	-	Yes	No	No	No	Pending Project
799 26 033	700 W 6th Street	95020	1.51	PO	Low Density Residential	-	-	-	-	-	19	19	-	Yes	No	No	No	Pending Project
799 26 037	701 W 6th Street	95020	0.67	R1	Low Density Residential	1	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 049	702 W 6th Street	95020	0.74	R1	Low Density Residential	1	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 050	703 W 6th Street	95020	0.10	R1	Low Density Residential	1	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 051	704 W 6th Street	95020	0.58	R1	Low Density Residential	1	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 052	705 W 6th Street	95020	0.08	R1	Low Density Residential	1	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 35 053	305 Gurries	95020	2.28	R-3	Medium Density Residential	-	-	-	-	-	2	2	-	Yes	No	No	No	Pending Project
799 44 093	Intersection of Filbro Dr and Royal Way, adjacent to 6695 Filbro Dr	95020	0.23	R3	Medium Density Residential	20	-	-	-	-	45	45	-	Yes	No	No	No	Pending Project
799 44 094	Intersection of Filbro Dr and Royal Way	95020	0.28	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 095	Royal Way, South of 6690 Filbro Dr	95020	0.19	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 44 096	Royal Way, South of 6685 Filbro Dr	95020	0.18	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 097	Intersection of Royal Way and Imperial Dr	95020	0.19	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 098	Intersection of Royal Way and Imperial Dr, adjacent to 6670 Imperial Dr	95020	0.21	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 101	Royal Way, West of 711 Antonio Ct	95020	0.00	R3	Low Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 109	Royal Way, West of 711 Antonio Ct	95020	1.92	R3	Medium Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 110	321 W Luchessa Ave	95020	0.24	R3	Low Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 01 021	1410 First St	95020	7.60	R3	High Density Residential	20	-	-	-	-	202	202	-	Yes	No	No	No	Pending Project
808 01 022	7890 Santa Teresa Blvd	95020	1.67	R3	High Density Residential	20	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 01 023	1490 First St	95020	1.57	R4	High Density Residential	30	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 19 023	NW of the intersection of Miller Ave and W. Luchessa Ave	95020	7.60	OS	Glen Loma Ranch	-	-	-	152	-	-	152	-	Yes	No	No	No	Pending Project
808 57 007	1265 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 008	1255 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 021	1290 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 022	1300 Hernandez Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 025	1285 Qualteri Wy	95020	0.08	Glen Loma Ranch	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 57 026	1275 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 030	1235 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 031	1225 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 039	1270 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 040	1290 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 041	1300 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 042	1310 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 043	1320 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 044	1330 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 045	1340 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 046	6435 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 57 049	6465 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 050	6480 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 053	6450 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 054	6440 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 055	6430 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 056	6420 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 057	6410 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 070	1305 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 072	1285 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 078	1225 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 084	1240 Mirassou Ln	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 089	1290 Mirassou Ln	95020	0.12	Glen Loma Ranch	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 57 093	1330 Mirassou Ln	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 098	6390 Carsey Wy	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 099	6380 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 100	6370 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 106	1235 Mirassou Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 112	1240 Bouret Ct	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 18 031	North Of Santa Teresa, East Of Syrah Dr, And West Of Miller Ave.	95020	31.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	-	-	-	172	172	-	Yes	No	No	No	Pending Project
808 60 071	6811 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 072	6821 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 073	6831 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 074	6841 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 60 075	6851 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 076	6861 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 077	6871 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 078	6881 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 079	6891 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 080	6901 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 081	6911 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 001	7001 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 002	7011 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 003	7021 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 004	7031 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 005	7041 Vintner	95020	0.12	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 61 006	7051 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 007	7061 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 008	7071 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 009	7081 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 010	7091 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 011	7101 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 012	7111 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 013	7121 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 014	7131 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 015	7141 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 016	7100 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 61 017	7090 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 018	7080 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 019	7070 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 020	7060 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 021	7050 Vintner	95020	0.17	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 022	7040 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 023	7030 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 069	1470 Vinador Pl	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 037	1495 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 038	1485 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 036	1505 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 039	1475 Winzer Pl	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 60 054	1450 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 055	1460 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 056	1470 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 057	1480 Winzer Pl	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 015	1575 Hurka Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 003	1490 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 004	1500 Hurka Wy	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 019	1535 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 020	1525 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 021	1515 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 022	1505 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 60 027	1540 Sawana Wy	95020	0.18	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 024	1510 Sawana Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 026	1530 Sawana Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 034	1525 Sawana Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 58 005	GLR Specific Plan; Northeast Of Santa Teresa & West Of Miller	95020	36.92	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	-	-	-	34	34	-	Yes	No	No	No	Pending Project
808 43 002	NE of Santa Teresa Blvd S of Club Dr	95020	8.83	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	-	-	-	59	59	-	Yes	No	No	No	Pending Project
808 39 066	6151 Thomas Road	95020	6.32	R1	Low Density Residential	1	-	-	-	-	14	14	-	Yes	No	No	Yes	Pending Project
808 43 003	Club Drive, North Of Santa Teresa Drive	95020	2.79	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	-	-	-	4	4	-	Yes	No	No	No	Pending Project
783 52 019	8772 Foxglove Court	95020	0.40	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 52 018	8762 Foxglove Court	95020	0.35	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 55 008	7430 Sunningdale Way	95020	0.23	R1	Hillside Residential	1	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 012	7201 Eagle Ridge Drive	95020	0.57	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 012	7201 Eagle Ridge Drive	95020	0.25	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 014	7221 Eagle Ridge Drive	95020	0.92	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 015	7231 Eagle Ridge Dr	95020	1.34	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
810 57 024	2031 Portmarnock Way	95020	0.43	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 57 029	2030 Portmarnock Way	95020	1.18	RH	Hillside Residential	0.5	-	-	-	-	6	6	-	Yes	No	No	No	Pending Project
810 59 997	SW Of Santa Teresa, S Of Ballybunion/S.Teresa	95020	3.81	Hecker Pass Special District	Medium Density Residential	-	-	30	69	1	-	100	-	Yes	No	No	No	Pending Project
810 66 012	1520 Hecker Pass Highway	95020	0.29	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 72 022	6545 Eagle Ridge	95020	0.44	RH	Hillside Residential	0.5	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 72 026	6585 Eagle Ridge Court	95020	0.30	PF	Downtown Specific Plan Area	1	-	-	-	-	12	12	-	Yes	No	No	No	Pending Project
841 02 009	7888 Monterey Road	95020	0.92	R3	Low Density Residential	20	-	-	-	-	4	4	-	Yes	No	No	No	Pending Project
841 03 062	395 Lewis Street	95020	1.01	R1	Low Density Residential	-	-	20	73	1	-	94	-	Yes	No	No	No	Pending Project
841 14 007	6730 Monterey Road	95020	1.41	GD	Downtown Specific Plan Area	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
841 14 008	6680 Monterey Road	95020	0.47	GD	Downtown Specific Plan Area	-	-	*	*	*	*	-	*	Yes	No	No	No	Pending Project
841 14 009	6630 Monterey Road	95020	0.56	GD	Downtown Specific Plan Area	-	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APPENDIX C: OUTREACH

September 8, 2022

Survey results for the City of Gilroy as of September 8, 2022

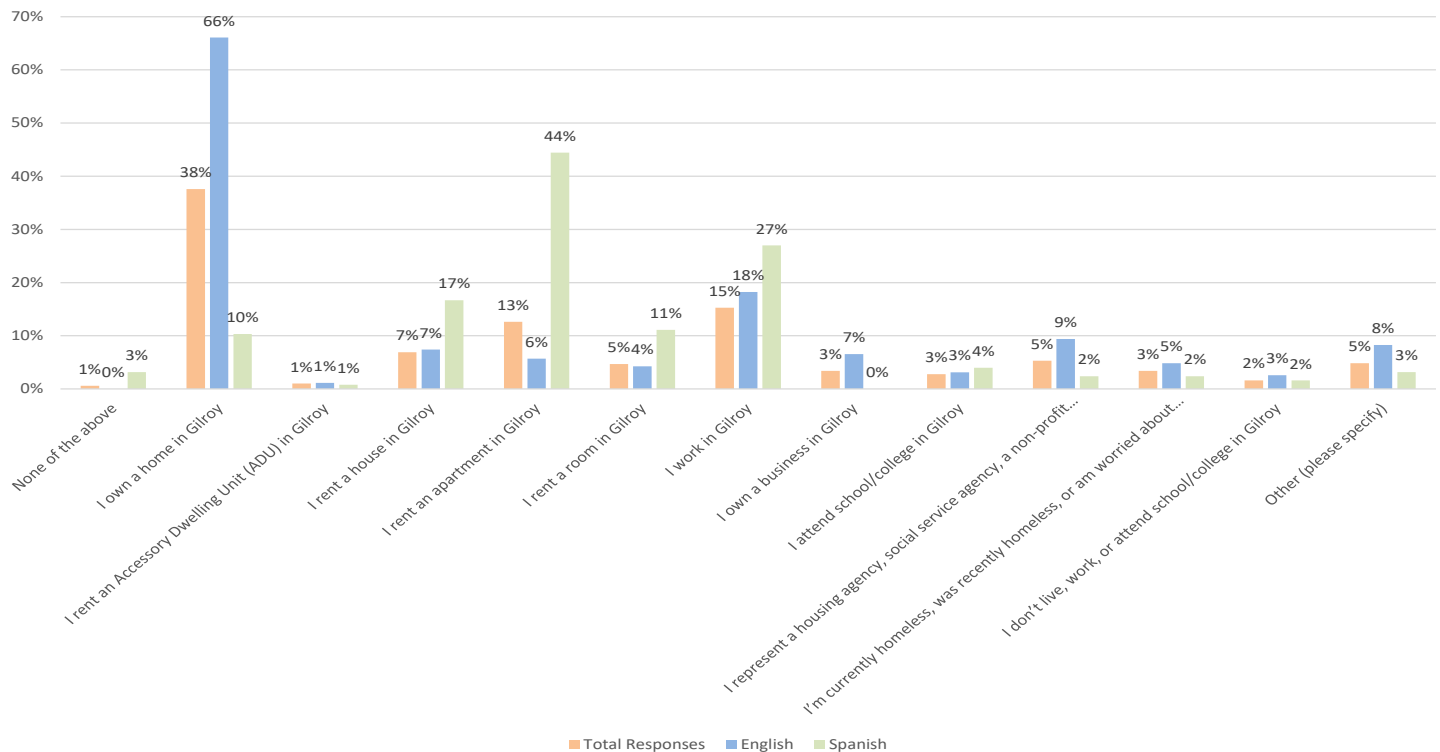
- English Responses: 367
- Spanish Responses: 143
- Total Responses: 510

Q1. Please identify your relationship with the City of Gilroy. (Choose all that may apply)

Total: Answers = 506; Skipped = 4

English: Answered = 366; Skipped = 1

Spanish: Answered = 140; Skipped = 3

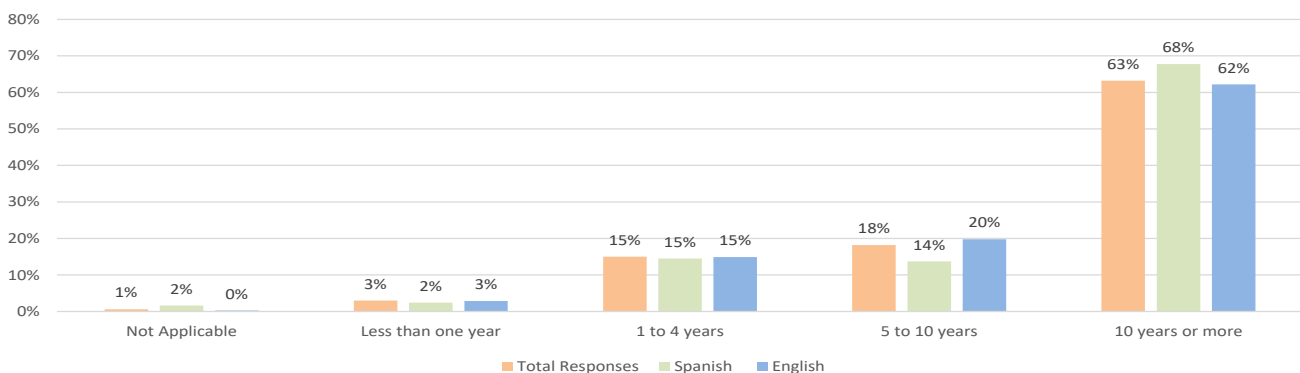


Q2. How long have you associated yourself with Gilroy?

Total: Answers = 500; Skipped = 10

English: Answered = 363; Skipped = 4

Spanish: Answered = 137; Skipped = 6

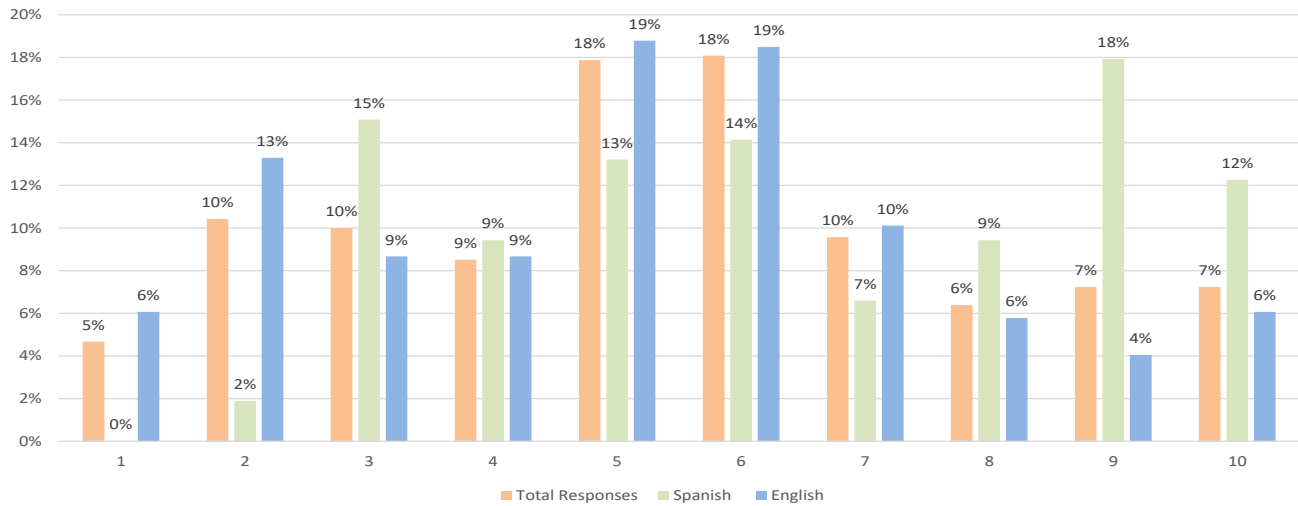
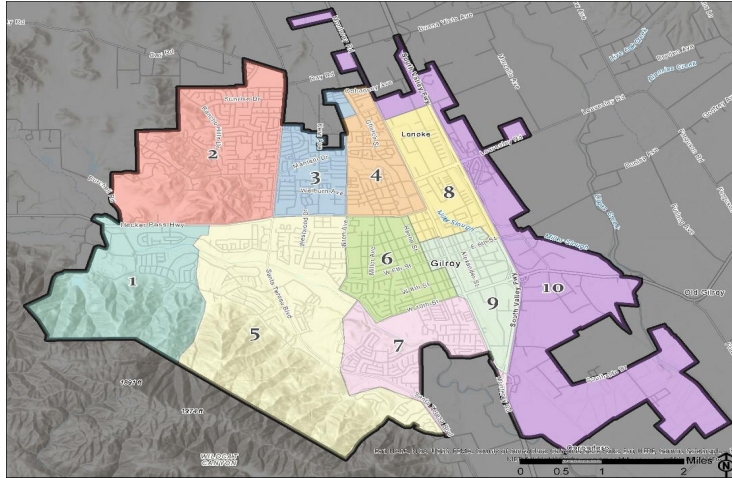


Q3. Based on the map above, please indicate in which part of Gilroy you live, work, or spend the most your time in. (Select one)

Total: Answers = 497; Skipped = 29

English: Answered = 360; Skipped = 7

Spanish: Answered = 120; Skipped = 23

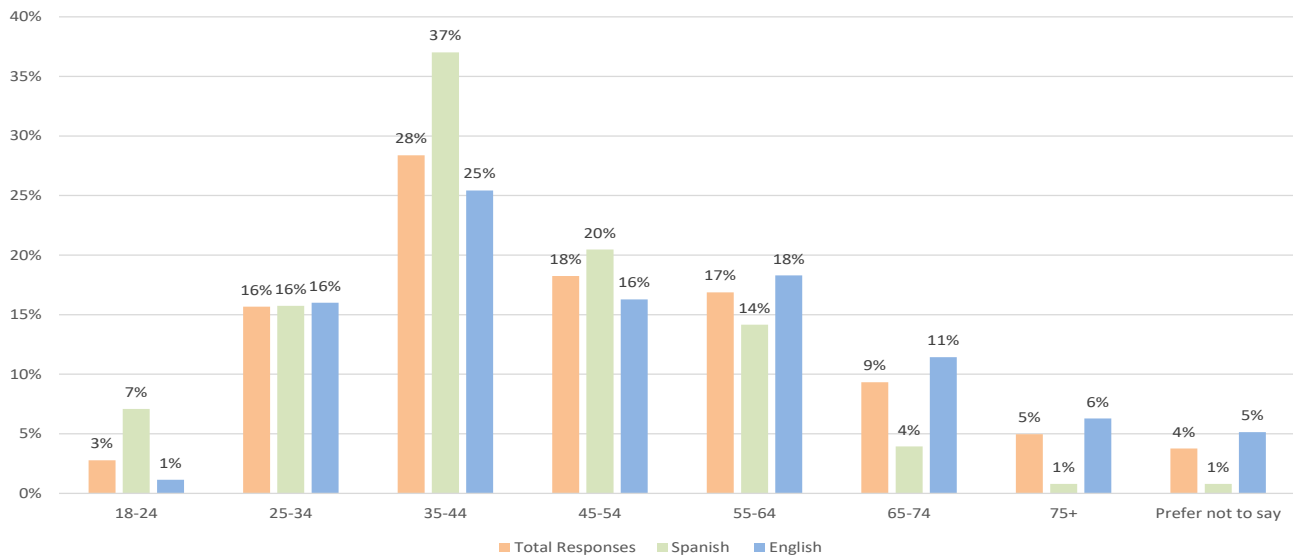


Q4. Please share your age.

Total: Answers = 504; Skipped = 6

English: Answered = 363; Skipped = 4

Spanish: Answered = 141; Skipped = 2

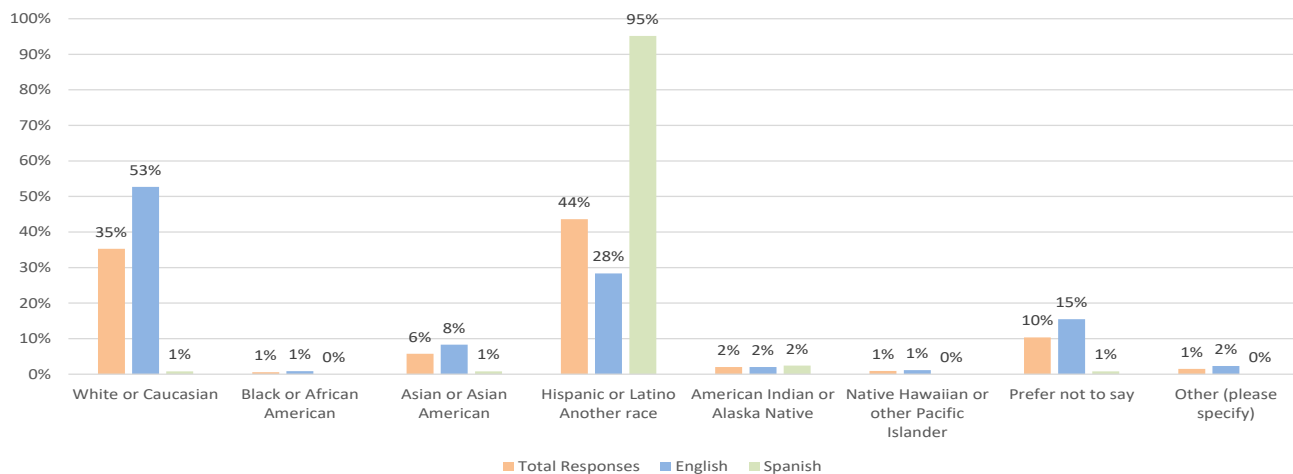


Q5. Please share your race/ethnicity. (Choose all that apply)

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5



English Responses

- White/Mexican
- American
- Mexican/German
- Asian Indian
- White/Hispanic
- American
- Mixed
- Southeast Asian

Q6. Please specify the primary language and any other secondary languages spoken in your household:

Total: Answers = 491; Skipped = 19

English: Answered = 357; Skipped = 10

Primary Language: English 338, Spanish 17, Chinese 1, Thai 1

Secondary Language: Ahmaric 1, English 23, Filipino 1, French 2, Hindi 1, Italian 1, Kutchi 1, Portuguese 1, Punjabi 1, Spanish 72, Tagalog 1, Thai 1, Urdu 1, Vietnamese 1

Spanish: Answered = 134; Skipped = 9

Primary Language: English 13, Spanish 120, Amuzgo 1

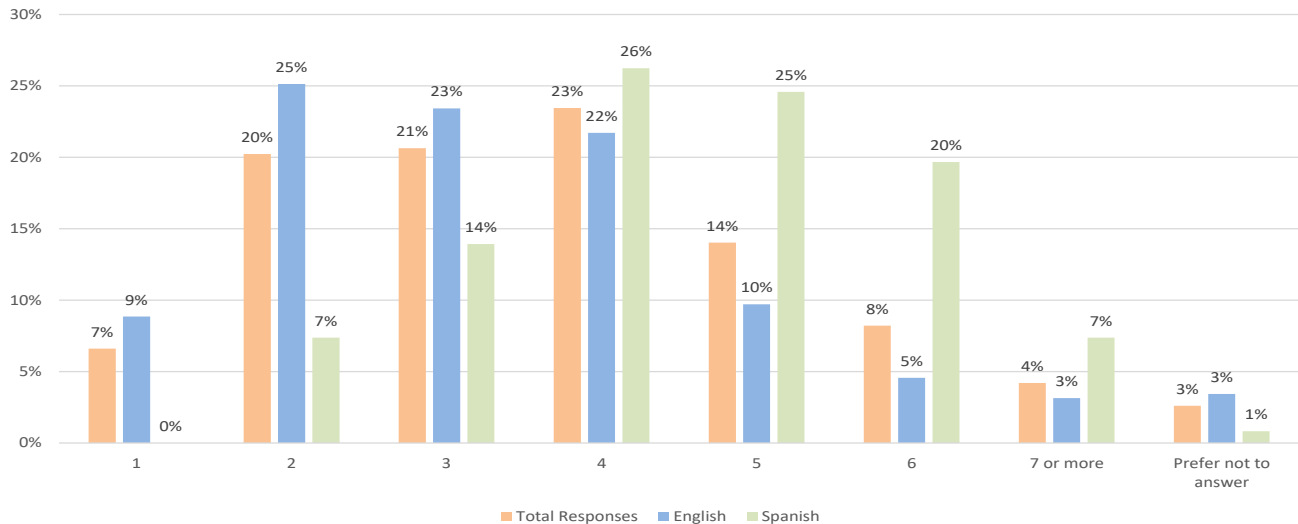
Secondary Language: English 54, Spanish 13

Q7. How many people including yourself live in your household?

Total: Answers = 499; Skipped = 11

English: Answered = 364; Skipped = 3

Spanish: Answered = 135; Skipped = 8

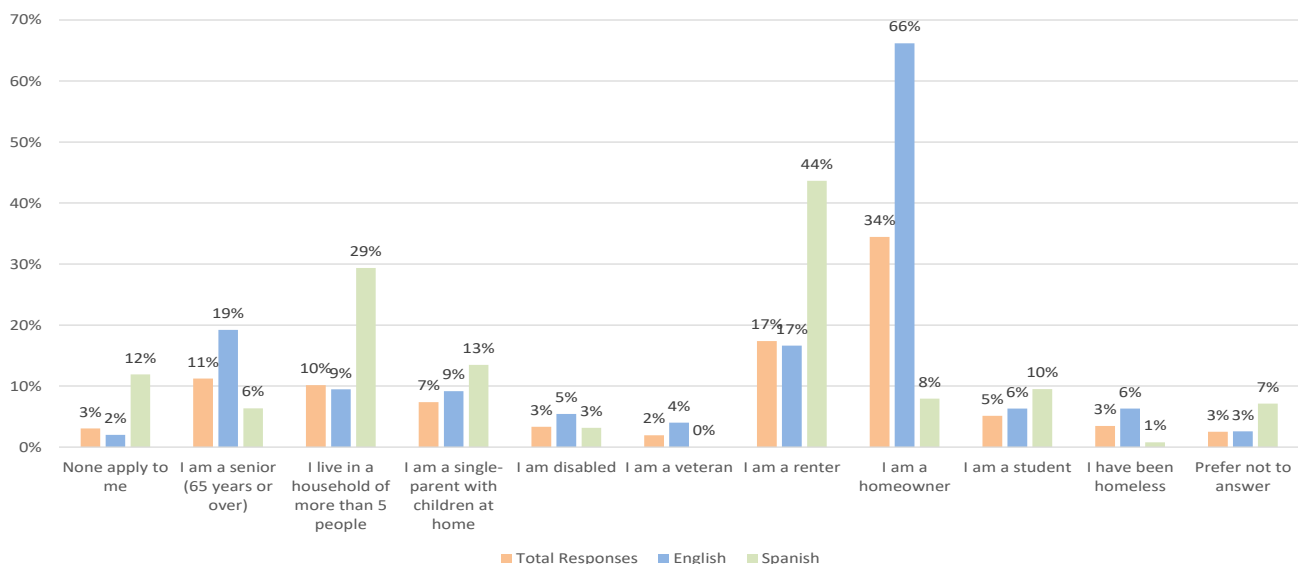


Q8. Please select all that apply to you:

Total: Answers = 498; Skipped = 7

English: Answered = 363; Skipped = 4

Spanish: Answered = 140; Skipped = 3

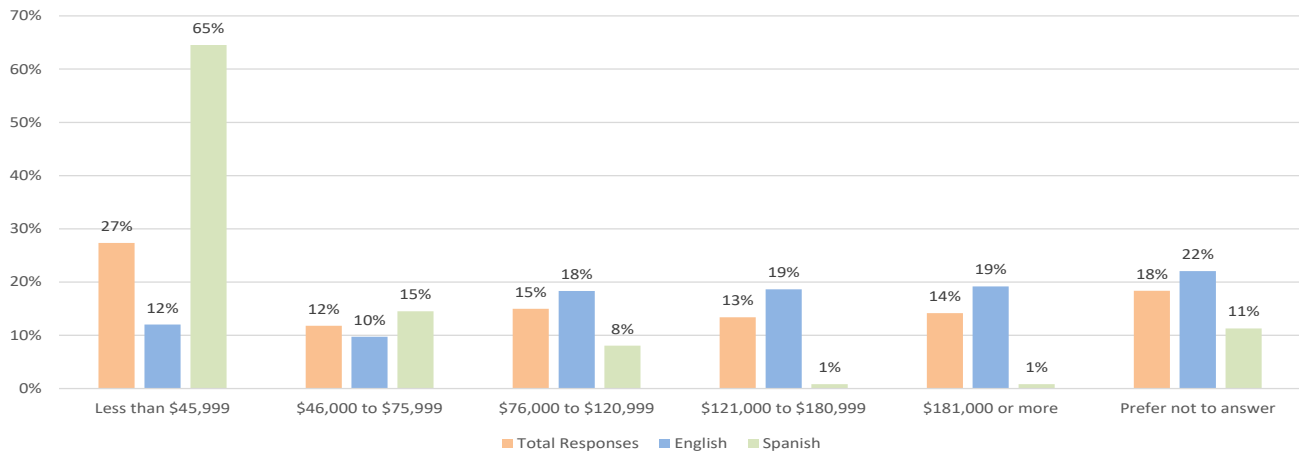


Q9. Please share the total annual household income for all adults in your household:

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5

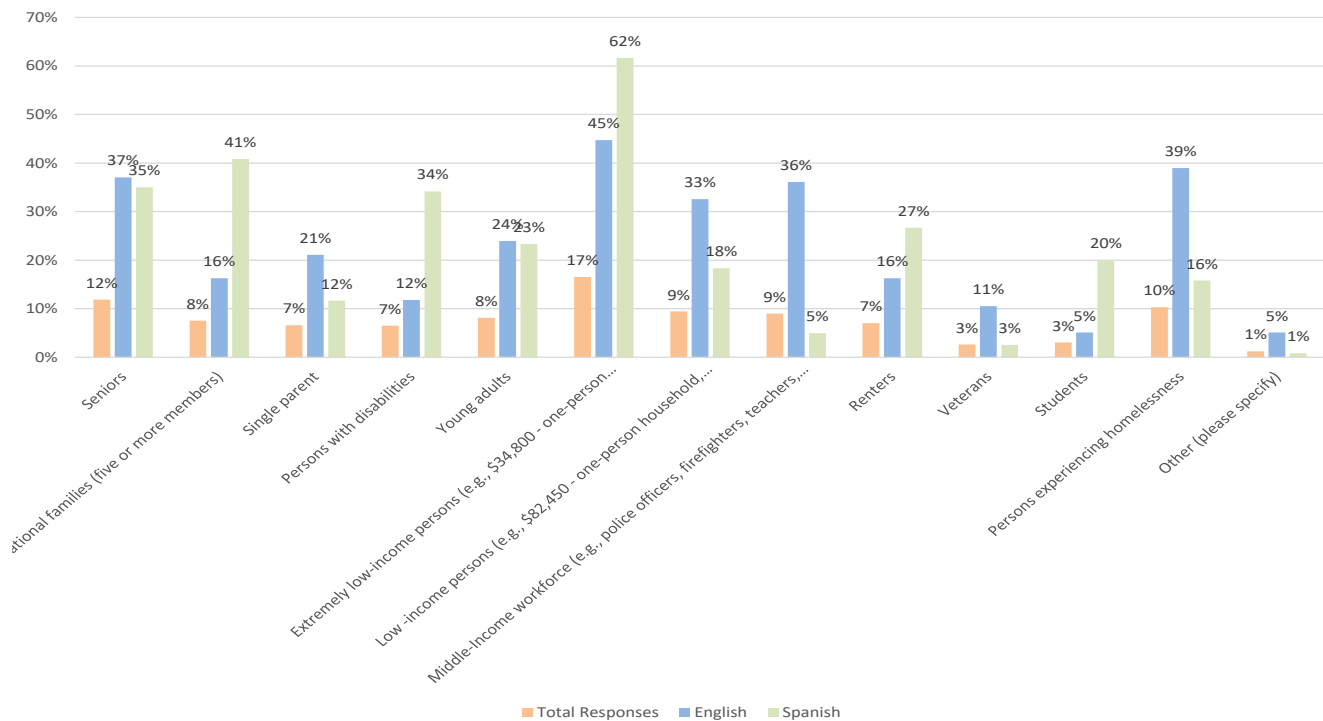


Q10. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 324; Skipped = 43

Spanish: Answered = 134; Skipped = 9



English Responses

- The rest of everyone on this list.....
- Three choices are not enough
- people who make too much for low income and not enough for regular housing market. (having to make 3x the rent in order to rent)
- People who already live in Gilroy
- People of all ages and income
- Those working at least part time, with good credit.
- Survivors of Gender Based Violence

- Persons with mental health disorders.
- High end housing
- We are overpopulated and not enough community infrastructure and commercial retail space is available. Should be spending money to fix the roads and cleanup the town. Make the city and downtown area more representable, modern and safe... rather than continuing to build home and low income housing. Gilroy needs to establish a worth and community value, not just cram everyone into the city and let it go downhill
- I am not qualified to accurately answer this question
- disabled mental health
- Homeless
- Homelessness doesn't discriminate. Homelessness occurs within every group.
- Middle income families
- People who already live here

Spanish Responses

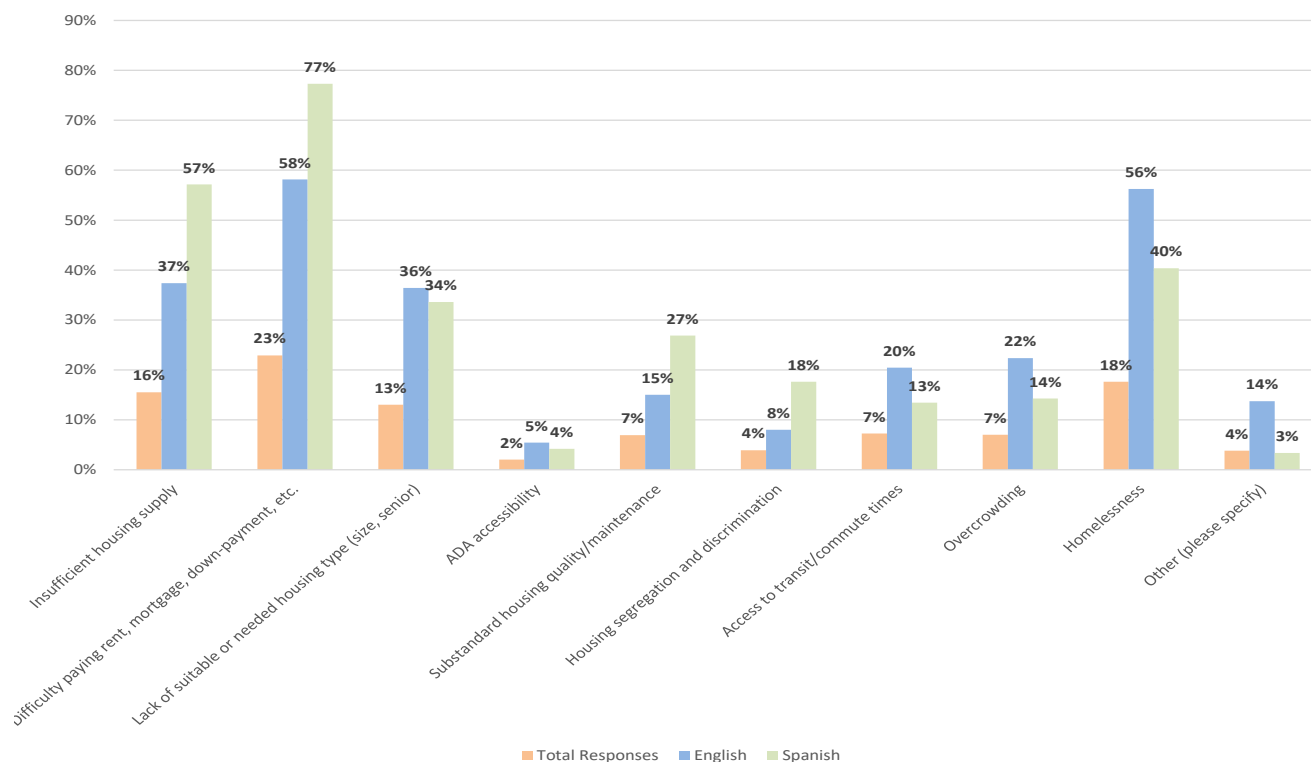
- Family making less than 80,000

Q11. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 325; Skipped = 42

Spanish: Answered = 133; Skipped = 10



English Responses

- Builder / developer price gouging
- Lack of town center in GLR
- Affordable rent.
- No infrastructure to support
- Section 8
- Over developing in areas not intended. Housing causing traffic congestions
- Home prices
- Getting too crowded in Gilroy. Have enough housing. Not enough services and infrastructure to support current growth let alone future growth. Don't want to become another San Jose. Keep open spaces and rural community.

- city services and infrastructure stretched with current housing being built
- parking
- Irresponsible development outpacing water and services budget supply
- substance abuse, mental health issues
- no opinion
- Unrealistic costs. Cost of housing compared to income.
- poorly planned neighborhoods
- Landlords that don't follow laws
- Single story
- Homeless encampments
- Lack of funding from the State for Section 8
- Dining/entertainment for residents
- Too many homes are being built in the city and we are getting overpopulated. But only is there too many homes being built causing overpopulation and causing major traffic, it enough retail and commercial areas/plazas and schools are being built to compensate for the increasing population. Too much new homes being built and too much low income housing being built. Too
- Literally all those plus more. I can be considered to "make enough" but that doesn't reflect the responsibilities or hardships we are all going thru and I've had to choose do I pay rent or pay my cell phone bill or put food on the table for my dying grandparents. rent prices are terrible and can be increased at anytime and if u fight about it u lose your home
- No help for domestic violence victims with kids
- Too many affordable housing units being built
- Renting with no dogs
- No enough infrastructure to support new and existing housing
- lack of creative solution
- Too many condos/apts/townhomes being built
- South Gilroy housing units explosive growth is straining the necessary retail support needs for grocery and pharmacy needs to support all the new market rate housing coming on line not to mention the infrastructure of roads, water, sewer and electrical grids. We continue to experience PG & E outages because of the service grid not keeping up with expansion
- Lack of affordable housing
- insufficient planning for current and future water scarcity
- Allowing housing with little or no open space. Inadequate roads/highway to support the number of cars already on the road.
- Lack of ELI affordable housing
- Infrastructure
- Education and resources.
- Shopping center / grocery stores
- Undocumented folks who can't get a job
- We need affordable housing - not selling the dream of homeownership. The developers are using loopholes to overabundance us with housing in categories well above the 2040 quotas by throwing in a few token BMR units so the development can't be denied. They should NOT be able to build in categories above quota when the other categories are under 100%.
- Inadequate water supply; Deficit growth with housing boom; Loss of open space and farm land
- Low income housing is abused by many people who abuse the system & have no intention in finding employment. Many of these same people bring crime into our neighborhoods and make it dangerous for everyone else living in the city. I think low income housing should be available to people who are carefully screened to verify they don't have a history of living in low income housing. They should only be allowed 6 months to 1 year and then be off the system. There are too many jobs available to be unemployed or underemployed. People who abuse the system take away from people who actually need the assistance and do not want to stay in assistance.
- Price
- Mentally Ill, drug addicted
- This is America. Capitalism works. Stop interfering.
- Permanently parked motor homes in side streets.
- Cost of housing

Spanish Responses

- I would like to see the city of Gilroy working more to fix the problem with the high cost of rent.

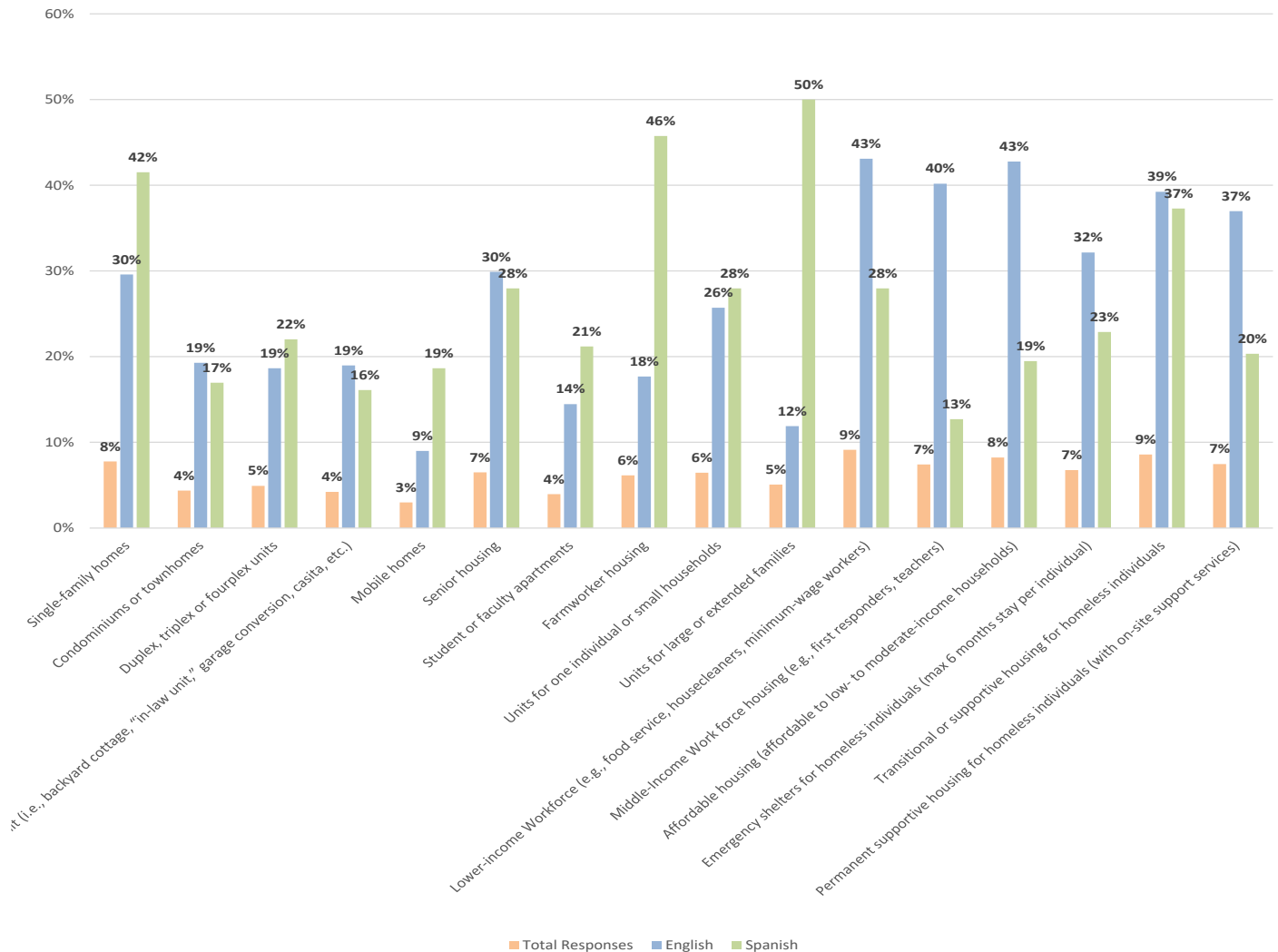
- very expensive rent
- Very demanding owner
- More accessible costs

Q12. In your opinion, please note which of the following housing types are missing or most needed in Gilroy. (Select all that apply)

Total: Answers = 454; Skipped = 56

English: Answered = 322; Skipped = 45

Spanish: Answered = 132; Skipped = 11

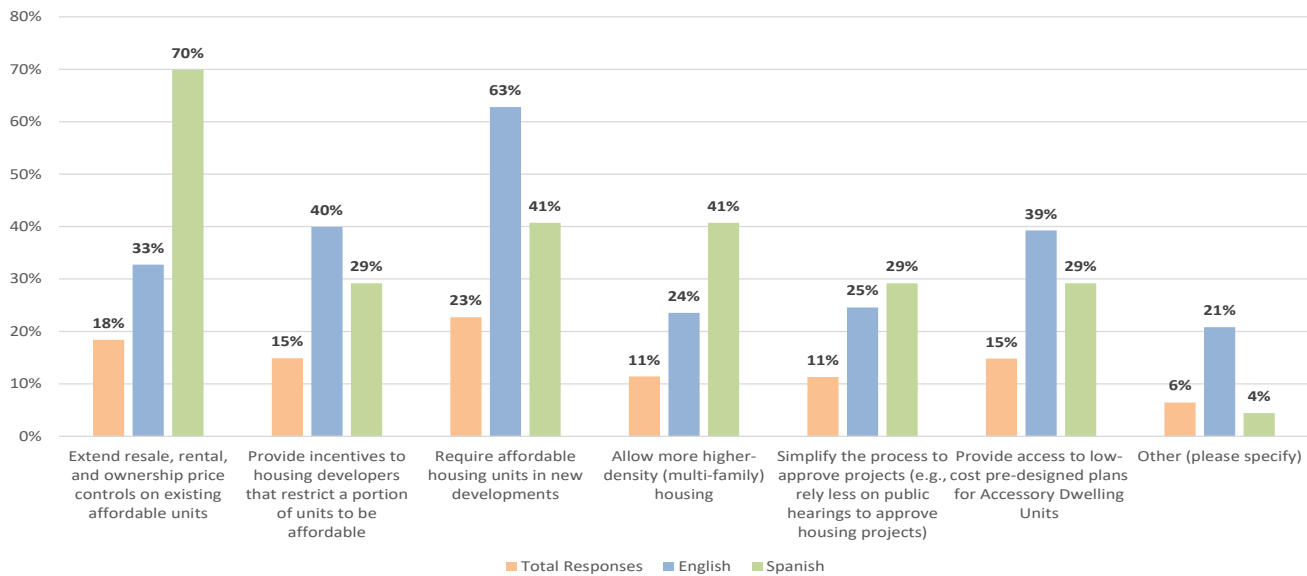


Q13. Select your top three (3) programs to improve housing access in Gilroy.

Total: Answers = 431; Skipped = 79

English: Answered = 304; Skipped = 63

Spanish: Answered = 127; Skipped = 16



English Responses

- Housing for extremely low salaries
- More Senior Housing and middle-income (not low-income) housing options
- replace single houses by townhouses or at least duplexes, need more green spaces around buildings for trees
- Rent control
- On city owned land install a "tiny" homes project.
- Less residents
- Convert large single family homes to group homes and halfway houses
- Section 8
- Over charging on rent. Should be based on gross income
- choices are too one-sided. what about current residents??
- Honestly housing numbers fine just need to lower prices and build more business for local jobs and fix downtown and add community center like MH to add revenue
- Don't need more housing unless to help young adults getting started.
- tiny house communities
- Workshops/incentives to add ADU
- We don't need to build more houses until we have water.
- Stop building! We have too much housing and not enough resources
- Standardize process approval for projects by setting community set standards that satisfy community needs
- Affordable opportunities should be made for those who work, but cannot afford because it is too expensive (costs, rates, etc.)
- Restrict high density housing and keep low income to a realistic need, not exceed
- Promote creation of well-paying jobs for existing residents
- Fix the existing roads, why was Santa Teresa not built out to its original design 4 lanes all the way
- Provide a safe parking facility
- Not to build low income units without adding amenities
- Use affordable housing in-lieu fees to offer down payment and mortgage rate assistance.
- Offer working middle class financial backing to be able to purchase homes
- Collaborate with developers to extend preferences to survivors of gender based violence
- Middle income earners are being left out of the conversation. Too much money for affordable housing, but not enough for a down-payment. What gives?
- city-managed subsidies for housing choice

- Perhaps landowners of the Outlets and other shopping centers would be willing to redesign the buildings to include living spaces, since retail is struggling these days. They would have to hire an architect, so that the redesign looks inviting. This would benefit the businesses as well, since residents would have an easy walk to shopping.
- Low income or free help for tenants
- incentives' for ADU's
- Streamline permitting process for building ADUs
- More financial help with rent for low income families
- Invest in the community and infrastructure, not more homes. Take care of the town and existing residents, and not lure more crowds into town and have it be overwhelmed.
- The problem is NIMBY and as long as residents are allowed to vote on these projects. We will never reach affordable housing because it affects their assumed property values. Every California owner only cares about their property value not the status of their neighbor
- Help domestic violence victims with housing
- Better plan additional housing to be integrated with essential services like food and transit to reduce traffic congestion while also increasing housing availability.
- improve infrastructure
- Gilroy is crowded enough. We don't need more building.
- Stop stack-n-pack units. If Gilroy wants to grow, expand the city not put more people in a smaller space.
- Build low-cost/high density housing in areas near shopping centers/grocery stores. Building low-cost housing in areas where one would need a vehicle to get to shopping is just plain dumb and poor planning.
- Please do not approve anymore high density housing. We have way to many of these as is.
- Prevent landlords to increase rent prices
- Prioritize housing for the homeless
- permanent supportive housing in Gilroy
- We do not need to build housing in every plot of open land. What makes Gilroy so beautiful and what makes it stand out are the open areas that are around the city.
- Allow BMR owners empty nesters to rent extra rooms in their home without being penalized. Allow them to build ADUs without adding restrictions.
- The city needs more amenities like larger grocery stores. Morgan Hill has 3 large spacious store with 10K less in population than Gilroy. You are overcrowding the area of First Street, Santa Theresa, and Hecker Pass. Where are the amenities?
- smart planning
- Create more units and access to "truly" affordable housing, geared at ELI
- Education/resources for youth and young adults for homelessness prevention, and housing options from renting apartments, to roommate living, etc.
- Address the homeless encampments and escalating crime
- Housing for middle income
- Developers need to be required to build in the categories that have not met 2040 quotas before being allowed to build in categories that are above 100% of 2040 quotas. They need to actually focus on creating affordable housing - rentals before homeownership - before allowing developers to build homes - they don't build affordable housing as it's not as profitable as the homes for sale. They also need to be required to build adequate parking along with the developments - our situation out here at the butt end of the county and being rural has different needs than those in bigger cities - the current criteria does not fit the needs of Gilroy that most developers and some city council members are pushing for. We do not need more housing in the categories above 100% of 2040 quotas - we do need more affordable rentals. No more mega monstrosity developments until there is adequate affordable housing - then the housing developments can start up again. Why is everything geared to the developers, who already use loopholes to overabundance us with the mega monstrosities??
- Attract more good jobs, not more houses!
- I think Gilroy has enough housing as is. I would prefer to eliminate low income housing that has a history of police involvement. I prefer larger city's like San Jose to create additional low income housing. I left San Jose to get away from the homelessness & transient issues that run rampant in San Jose.
- We should not encourage the homeless to congregate in Gilroy. Living in Gilroy is not a God given right.
- Tiny Homes with support services
- Need more grocery stores and highway widening before building more houses. I have been grocery shopping in Morgan Hill. The grocery stores here are always packed, day and night.
- Gilroy does not need more affordable housing. If it is not affordable as is then moving to another city should be the option. Gilroy is already too crowded and the road access has not been expanded to accommodate. None of the above programs are necessary nor will improve Gilroy.
- Stop building homes. We are too crowded. If you have to build single family homes not monster homes (2 stories 3000 sq feet) simple single family homes

- Make incentives for townhomes
- No high density housing.

Spanish Responses

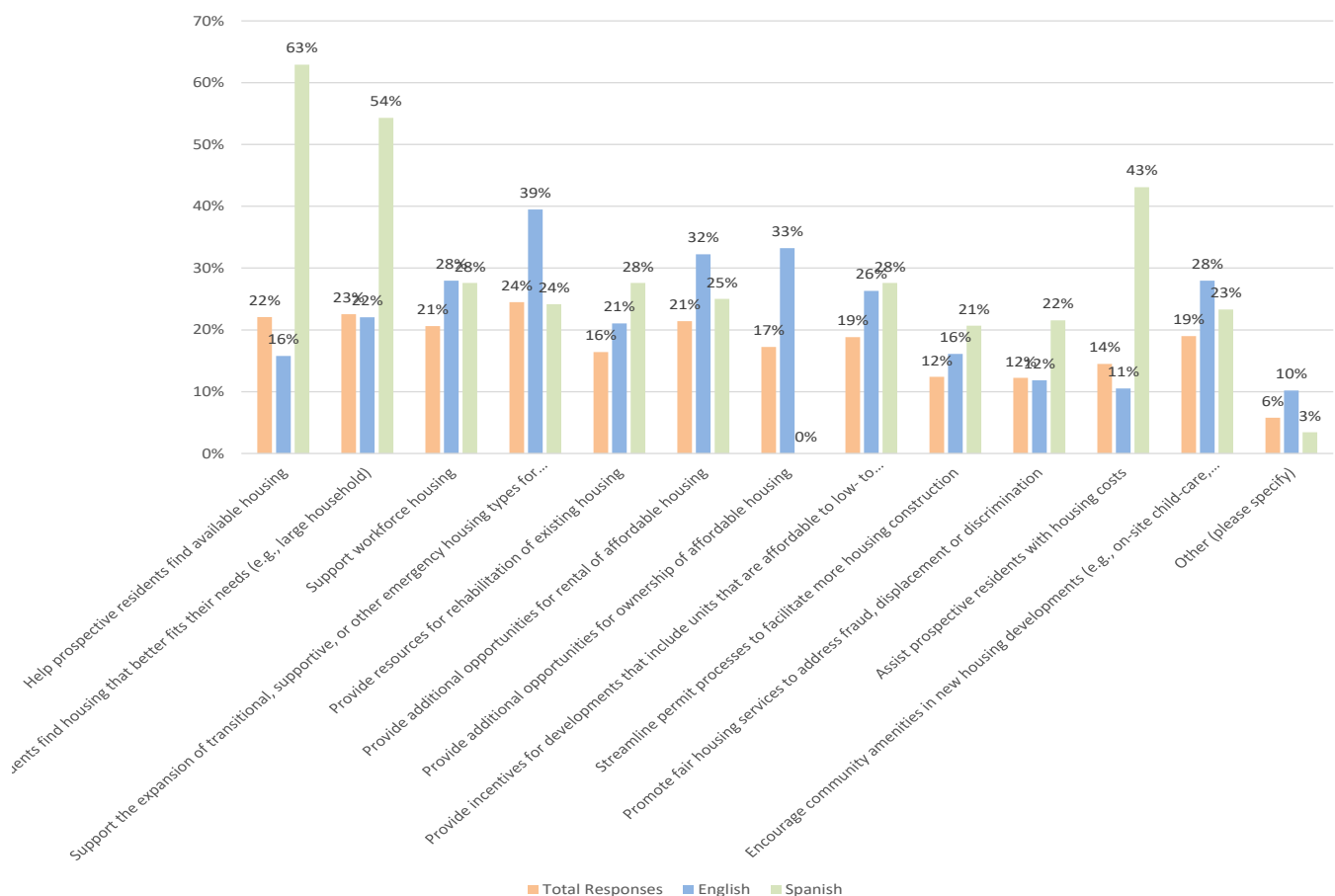
- Control price on rent and deposits.
- Extremely low income housing.
- Extremely low income housing.
- More low-income apartments.
- Help with all the requirements they ask for to rent a place. Help with that because ultimately they exaggeratedly ask for so many requirements to sell an apartment or house

Q14. What types of programs or activities do you believe the City should implement in the 2023-2031 Housing Element to address housing needs? (Select your top 3 recommendations.)

Total: Answers = 446; Skipped = 64

English: Answered = 316; Skipped = 51

Spanish: Answered = 130; Skipped = 13



English Responses

- Promote public transit options to new home communities
- Section 8
- Low income apartments based on gross income
- Offer housing being built to LOCAL teachers, law enforcement, firefighters
- Please stop building more houses until we have more water.
- Stop building, we don't have enough resources
- Promoting affordable sustainable housing that moves towards 100% solar power that can be used to give back to the community

- Promote creation of well-paying jobs for existing residents
- Build more grocery stores, etc to accommodate all types of income. Gilroy is only building low income units and forcing the existing residents to go to Morgan Hill to grocery shop
- Inclusionary housing ordinance for all new and rehabbed residential development
- senior units
- HABITAT FOR HUMANITY HOUSING
- give low or free help to tenants
- Provide incentives for developments that include units that are affordable to Extremely Low-income households
- Provide money to Infrastructure and planning BEFORE adding any housing
- Prevent overcrowding and stop building new affordable housing complexes where they are squeezed in and increase crime in a relatively safe area.
- We need to invest in the value of our city and make it better and cleaner. More retail businesses and better quality educational system. Good rated schools
- Help CURRENT RESIDENTS WITH PROSPECTIVE HOUSING COSTS.
- Get out of CA housing plan and determine city's own future. We need to remain a community, not become another suburb of San Jose
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of them have big yards to build ADUs.
- Increase ELI affordable housing
- Extremely low-income need truly affordable rents
- Add amnesties that compensate all the building going on in the west side. More grocery stores. Morgan hill has well managed and clean, large grocery stores with lots of parking
- Support city infrastructure
- We need to care of those that are here, before we try to attract others to move here.
- We need to re-zone to incentivize dense housing near transit.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- Please take care of the homeowners who already live in Gilroy & update the existing neighborhoods. Stop trying to bring in more low income / subsidized living, it mainly attracts the type of people who do not have anything invested in this city and when you have no skin in the game, you don't care what your "free" home or the city looks like.
- Incentivize the splitting of large plots - 1 to 5 acres - into subdivisions for Miri houses for homeless. This will mix homeless with regular society rather than putting them in concentrated areas where they are pressured into continuing or starting bad choices.
- More lower income housing for current residents
- Provide enough parking for these apartments. They overflow in to the neighborhoods and detracts from the neighborhood
- There are many places to move that is more affordable and less crowded than Gilroy. We do not need to continue to cram more housing units of various types into our already full city.

Spanish Responses

- A park for children with special needs.
- housing for loving adults with non-severe disabilities.
- to rent or Buy a house or where to live
- A park for children with special needs. Including all the children.

Q15. Please describe any other considerations, policies, or programs the City should consider here:

Total: Answers = 131; Skipped = 379

English: Answered = 119; Skipped = 248

Spanish: Answered = 12; Skipped = 131

English Responses:

- Need case managers who do not discriminate or only help who they want.
- Safe Park, transitional housing, family homeless shelter
- Lower taxes on single family homes
- There are too many badly planned housing developments like the one next to the armory on Wren or by the south sports park, 3' setbacks do not allow plants to improve climate control. Townhouses would be a much better option.
- Low income rent control. The moreover income can save the sooner we can vacate the unit to home ownership
- More affordable Recreational Programs for all ages

- The city of Gilroy is sprawling everywhere and it's sad to see. Gone are the nice areas around Christmas Hill Park. Filling every green space with housing is idiocy. I've seen this in city after city, most recently Morgan Hill. They built high density housing on Monterey that look like prison barracks. And what followed was a whole host of problems, gun shots all hours of the day and night, constant police calls, harassment of established single home residents, a plethora of non working street walking thugs. Morgan Hill used to have the criminal element that rented hotel rooms and worked their crimes. Now the city council decided to invite them to live in the city by building huge multi people cramped high rises. It was a bad decision by the city council, one that I would hope Gilroy would be smarter about. Lets talk about infrastructure - we don't or won't have water for increased housing. We are all cutting back drastically now! How can you allow developments to keep building without addressing the water issue. Even the water we have is polluted with high nitrates. Don't buckle under to developers and the lure of more tax dollars. You'll be spending far more in city services than you will ever gain. It's time to put out the "NO VACANCY" sign.
- The City must take responsibility for the fact that it's community that is homeless is THEIR responsibility and their people. The City needs to immediately find sites for emergency housing, tiny homes etc and stop making excuses for why they won't. One I hear often is prioritizing parking over housing site options. We've done too little for too long!
- Without sufficient water resources, this area can't support any additional citizens
- More police
- Co-join as many programs that would help fund the housing we need
- Allow below-market housing by right
- Most housing requires 3x the rent or more which makes it difficult for people to get into and keep housing. Minimum wage is not comparable to cost of living
- Section 8
- Helping first time owners, who live and work in the town
- All current apartments should have ac units especially low income apartments
- traffic and congested street parking
- Again housing numbers are fine, need to build up business and downtown. Expanding faster than infrastructure sewer, water etc and PD and Fire. Let's focus on being able to take care of what we have before expanding more. Cart behind the horse rather than ahead of it
- Support improvements on Monterey and build apartments / condos in the downtown area.
- make tiny home communities on vacant lots
- Stop building until we are out of the drought.
- Stop building, we don't have enough resources and we are destroying the land around us!
- Public transportation, water shortage with increased housing
- There should be stricter rules, consequences, for the people who are living in our street who collect a bunch of junk. Those living conditions are a hazard to the community members who live around it to see it, smell it and live around it; putting their/families at risk. The city of Gilroy and law enforcement should be able/allowed to enforce fines, incarceration of those who are not following rules/penal codes.
- Stop accepting money in exchange for homeless groups to be bussed and left on our streets. Bus them back to where they came from and clean up the camps. What has happened is terrifying.
- In any development there should be required large open spaces for families to enjoy. The city should be having ideas about where to put more open parks for families, children to go and enjoy
- Stop all new housing construction. Extend recycled water to existing homes for landscape use. Subsidize grey water use for landscape. Promote creation of well-paying jobs for existing residents.
- how to overcome objections to changing nature of neighborhoods in line with State focus on Affirmatively Furthering Fair Housing
- Gilroy is already overcrowded. Bringing in low income housing will lower the value of the current residents who worked so hard to buy their homes.
- Better roads so traffic moves and you can get to and on 101
- A safe parking facility as a bridge between homeless and housed
- Gilroy needs more amenities for all the additional housing being built. No one ever addresses this issue. There is never an answer.
- Single individuals or small workforce families 2-3 should have more help so they can get better jobs or just not be homeless. It's crazy that you have to be a single no income person on this city to get any help with access to subsidies or other programs.
- Inclusionary housing ordinance
- Policies to address the needs of people with mental illness
- Minimize construction red tape
- Whatever programs the city supports, the support should be for working class families - i.e., support wage earners first.

- There is a need for inclusionary housing ordinances in the City of Gilroy. As far as available resources, the City does not have full-time Detox/substance abuse facilities or services (we just have a mobile unit that comes into town 1 day per week.)
- Down-Payment Assistance to Middle Income work force.
- Rent control especially for low income seniors
- Zoning for high density housing downtown and near Caltrain and bus lines.
- Consider aesthetics (like landscaping, open space, architectural beauty, comfort, and eco-intelligence) in ALL new and rejuvenated construction. Such aesthetics make for happier residents throughout the city, in addition to the individual neighborhood.
- Community volunteers help seniors with painting their houses, etc.
- Program for Single Parents & Seniors affordable housing.
- renters need free help dealing with landlords who are not ethical
- Control affordable pricing.
- Establish a Safe Parking Program at 8th and Alexander
- Sanctioned encampments land/areas for people/families who are living in vehicles/oversized/RV's(and in transition of finding more permanent housing.)
- Safe parking program
- I think the most immediate need is for safe parking programs like the one in Morgan Hill in Gilroy
- Current and new affordable housing units should have an overseeing board to improve quality and safety of individuals and families living there
- Studies, planning, to City of Gilroy's infrastructure is required followed by funding then changes. The city's water, sewer, power, garbage, and school require attention. The police department needs to be increased now. The current department is useless as they make no efforts to stop crime, or murders. The downtown buildings on Monterey Rd. are substandard. The retail and food is lost to Morgan Hill and San Jose.
- The city needs to stop taking cash grabs and refuse the new building of affordable housing duplexes. The city is small and already overcrowded. This needs to stop. It is entirely unfair to residents that have lived here more than a decade that now have to deal with the influx of new residents and yet no increase to general infrastructure. Where are the better roads? More schools? If you want to be greedy as a board and continue taking money grabs, at least fix the city's infrastructure before you allow crime and overcrowding to befall us all.
- Put pressure on the State or County to provide more Section 8 funding in order to help more people with their rent.
- Slow the growth of construction like Morgan Hill does
- Stop building new homes and low income housing communities. We need our town to be safe and modern and be of high value. More retail spaces, shopping plazas, entertainment
- I have grown up and loved in Gilroy and Morgan Hill all my life. During the 2008 housing crisis I was pushed out of my home forced from Morgan Hill to Gilroy and in 2021 I was officially pushed out of Gilroy to move out of state across country to find affordable and up to code homes. It breaks my heart to leave behind my family my friends and the only place I've ever called home. My family history goes back over 120 years in Gilroy Morgan Hill and Hollister. That is my home and to struggle for years to desperately cling to something that clearly doesn't want to keep around is sad. You talk about bringing incentive programs for prospective residents but why aren't you serving the ones you have? Please put in things to do in town for families, kids, teens, and adults alike. Don't cater to the rich they have enough.
- More rent controlled apartments, public housing Q&A, housing workshops to prepare prospective buyers build timelines.
- Programs to help people apply for housing and not be discouraged
- Have more income based housing
- Please limit the number of affordable housing units being built. Gilroy has set this quota at 59%, which is much higher than the rest of Santa Clara county. Too many affordable housing units will lead to overcrowding and crime. Plus, we simply don't have the infrastructure to support an influx of new residents. A lot of the streets are single lane, which is already leading to traffic problems during peak hours.
- Too many low income housing will negatively affect current homeowners who have worked so hard to purchase and maintain their home. Our rights to maintain our home value need to be protected too.
- make tiny home communities on vacant lots
- I cannot stress enough the fact that the current housing being built is often far from basic things like schools, food/groceries, and good public transit. Without integrating these things into new community developments, the city will have increasingly terrible traffic and turn into a smaller version of the San Jose area, which is ridiculously congested.
- Gilroy doesn't need to attract more homeless.
- make sure people who are getting support from the county actually need it--way too much abuse of the housing program
- Realistic infrastructure needs for housing and business growth to support outlying areas expansion
- Tenant protections against evictions that lead to more homelessness.
- Gated parks with cameras
- More options for homeless housing/encampments.

- Homeless programs need to be set up for our community. People are living in their cars in our neighborhood parks, on our county creeks and our city streets. It becomes a very unsafe environment for people just trying to enjoy our community. We need to keep moving these encampments off our city and county areas so they reach out to programs being provided for them.
- Please no more duplexes or apartments. Gilroy has been attracting a lot of people who commit petty crimes. I think if you allow more high density housing crime will get worse. We already have more than enough people living here. Let's instead concentrate on our homeless problem as well as use funds to spruce up the Gilroy we already have. The streets do not need anymore people on them it's congested enough all ready. The grocery stores are always packed as well. We do need anymore housing.
- Cleaning up the homeless problem
- People with disabilities and seniors are who are on fixed incomes are being left out of the planning very often. Limited funding for rental assistance and accessing it is very difficult if you are not the agency holding the purse strings. Undocumented workers and seniors with little income are also being left out of the equation
- A solid plan for housing the homeless, including a plan for the homeless with pets or those that do not want to participate and insist on living in tents
- Designate a staff associate to housing and funding availability from county and state programs.
- This City is behind in creative ways to house the homeless. Think Tiny houses, church parking spaces for families to have safe overnight stays, even if it's their cars and have services there; etc.
- I believe we must address housing needs of low income, very low income, and unhoused people. I believe all other new housing should be proven sustainable before approved for building. California is facing resource scarcity issues--notably water shortages--which must be built into planning.
- We do not need to build housing on every open piece of land. Keep Gilroy beautiful. There is a responsible way to build homes.
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of the have big yards to build ADUs.
- Restrict the number of housing units being built. Gilroy is growing too big and a majority of its residents do not work in the area or support living here. Everyone is on the road for more than two hours to and from work in Silicon Valley. We need better transit systems and better road conditions before allowing more people to move to Gilroy and travel on an already inadequate highway system.
- Need more amenities. Y developing the land around the outlets with businesses, it would bring income into the city
- Consider impact on current residents and impact on traffic, fire and police infrastructure, water needs and environment.
- Infrastructure. As a member of the Gilroy community, we need to have a town where we feel comfortable in and is sustainable. Everything is crumbling around the city and why bill more when the cost to live here is not affordable. Referencing the utilities like water garbage and PG&E. They are skyrocketing and at the same time nothing is being done to maintain these systems except increase pricing on the homeowner. Our downtown looks like shit and no one wants to visit it. We need restaurants and nice parks roads. We can't build more housing without supporting the surrounding areas
- I see so many of my peers experiencing homelessness because after their parents or whomever they lived with moved away, or their loved one died, they had no idea what to do. I experienced homelessness myself as a child, again as young adult, and now live in constant fear of not having somewhere to be safe or rest my head. I don't have any kids and make less than 30, 000 year so there just isn't any resources for me. And if there are, it should be easily available information. All I see is list with apartment phone numbers. Just not enough education on this very important matter. Thankyou.
- Do not continue to expand Gilroy with new builds without updating our infrastructure and businesses -traffic is terrible, the houses and neighbors we do have aren't nice, both of our major grocery stores are right next to one another, current residents need better quality of life before we grow
- Renters must make 3x rent amount to qualify for an apartment is impossible in most cases! Finding other ways to qualify
- Homes for seniors, single stories, 55+ adult communities.
- Coordinate county services with new affordable housing to house homeless individuals
- Expand our amenities on the west side. The city is forcing us to shop in Morgan hill because we have no consideration for expansion except to add more housing
- I get \$1000 a month for disability my rent is \$1000 in the trailer park I can't make ends meet soon I will be homeless
- Need supervised housing for small groups of mentally ill who can't adequately care for themselves or take their medication reliably.
- Sports programs for the young to teenagers
- Don't allow apartments to be built right next to nice single family homes.
- Most of us moved to Gilroy for the small rural town vibe - we do not want to be the next big city with big city problems. The 2040 quotas arbitrarily assigned by the state politicians who are totally out of touch with "our "reality will double Gilroy's population. We need to preserve the small town feel rather than give in to mass growth- we need smart growth, not overgrowth.
- Beautification of Old Gilroy, paving, implement Standard for apartment appearance.

- I'd love to see an aggressive effort to up zone our main downtown commercial areas to allow residential/mixed retail. We should build strong transit links to the job centers in Santa Clara County.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- No new housing! We need good restaurants with outdoor seating. More grocery stores such as Whole Foods. And a downtown renovation, and we need to preserve the open space we have. No new housing projects!!
- Plan housing with transportation connections, plan for active transportation, consider climate change needs
- I wish the city would install speed bumps down high traffic roads such as Wren Ave. Drivers have no regard for the speed limit or kids playing/walking in the area. High speed drivers are a safety concern and a noise nuisance.
- Inclusionary ordinance
- There needs to be affordable and low income housing in all areas of Gilroy, not just the north area. It is like the west side is exclusive and does not allow homes in that area. For too many years Gilroy has focused affordable low income housing in North Gilroy
- Stop growing the city so quickly and fix the existing issues. We don't have enough grocery stores here. We don't have enough police force available. All this excessive building is just bringing more crime to the area. We are no longer a safe city. Have you seen all these new people drive around here like we are in a Grand Prix. These new housing are not doing anything if but making our infrastructure worse. They are not bringing new kids to schools locally because they can commute with kids. Our district is broken, work on that. We can have six Starbucks but not enough places to buy food? Focus on the city improvements first
- Buy the large plot on las animas and create a better tent area with drug control, security, showers and laundry
- Rent too high
- There are more affordable places to live. It isn't any city's responsibility to make their location a handout resource using hardworking taxpayers earnings.
- Build affordable housing in a nice community
- Please add Safe Park with support services
- It's become increasingly difficult for just the regular service employer (truckers, utility workers, health care admins) to qualify for purchasing a home that so many have to leave the area just to have a respectable home. The lower middle class are now considered low income and there needs to be more than just one unit per housing development designated for the low income. Good people in good homes equals a good city. It's insane that we expect everyone to make \$250k to live here comfortably, we miss that small town feel.
- There are so many things wrong with this town. Stop building high density housing. It looks like a ghetto. The ones being built on first and Kern are going to be a nightmare. Not enough parking and the traffic lights to handle the traffic.
- I believe that understanding individual households and their needs is essential to gaining knowledge for the housing element of Gilroy. For instance, I am a single parent to two children. I've been renting for the past 6 years and make \$170k a year. The rental rates are darn near worse than mortgage rates. It is not helping to provide an option of purchasing in this area. The housing crisis of cost and not even having homes that can suit people's different family needs is unfair. Creating factory type housing of all homes bunched together is not what everyone purchasing a home wants. Preferably homes can be made with decent yard space to allow for personal gardening of produce and chickens.
- Speed traps or speed bumps on W Las Animas Ave. This is an accident waiting to happen. Vehicles passing through from Monterrey rd. to church (and vice versa) use this as an expressway at very high speeds. Please look into it.
- Do not continue to make Gilroy more over crowded than it already has become. The infrastructure to get in and out of Gilroy needs to be expanded. We do not need to make the city more appealing to increase the city population.
- More work to improve our downtown, more restaurants and shopping. Not everything has to be low income focused, there are a lot of middle class families that love living here and would like more amenities.

Spanish Responses:

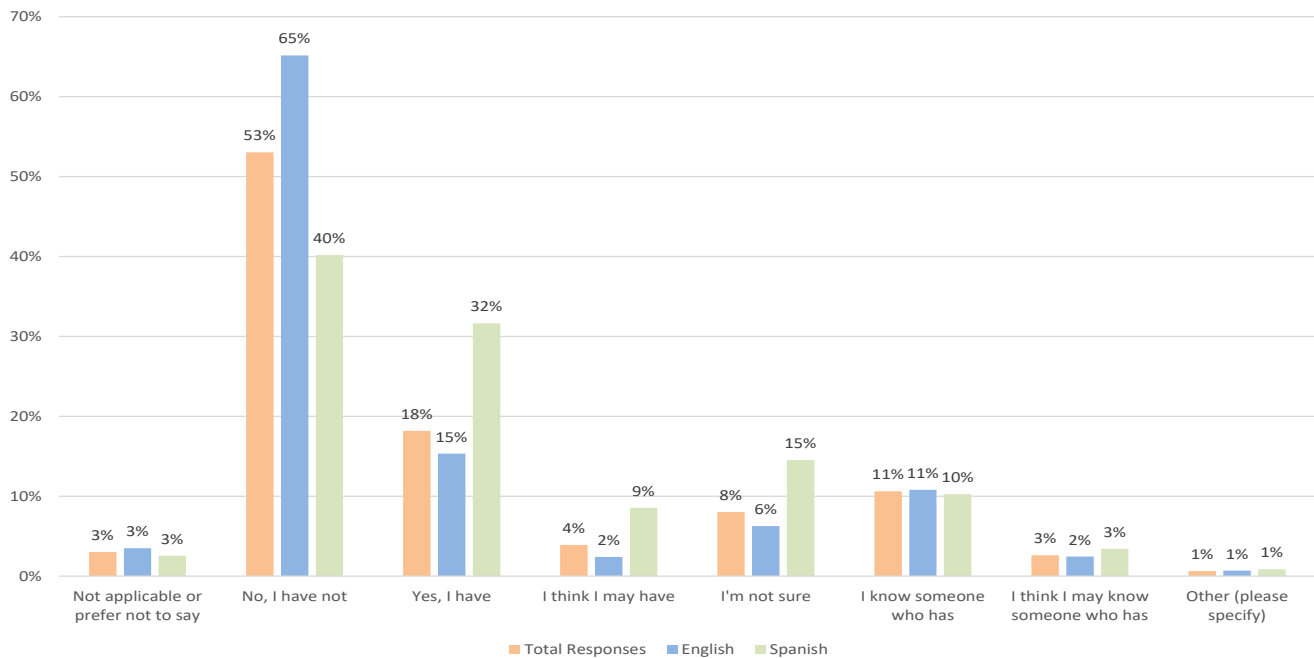
- Loans for home purchase
- Loans and Incentives for Home Purchases They should encourage opportunities to own your own home and not pay rent Lifelong
- Free music classes.
- More jobs
- Base rents
- Low cost housing is in high price
- housing
- Open space for exercise
- Financial Aid for layer buyer
- Childcare

Q16. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Total: Answers = 429; Skipped = 81

English: Answered = 298; Skipped = 69

Spanish: Answered = 131; Skipped = 12



English Responses

- Predatory lending is rampant despite your income.
- Same house is appraised for more due to buyers "assumed" race

Spanish Responses

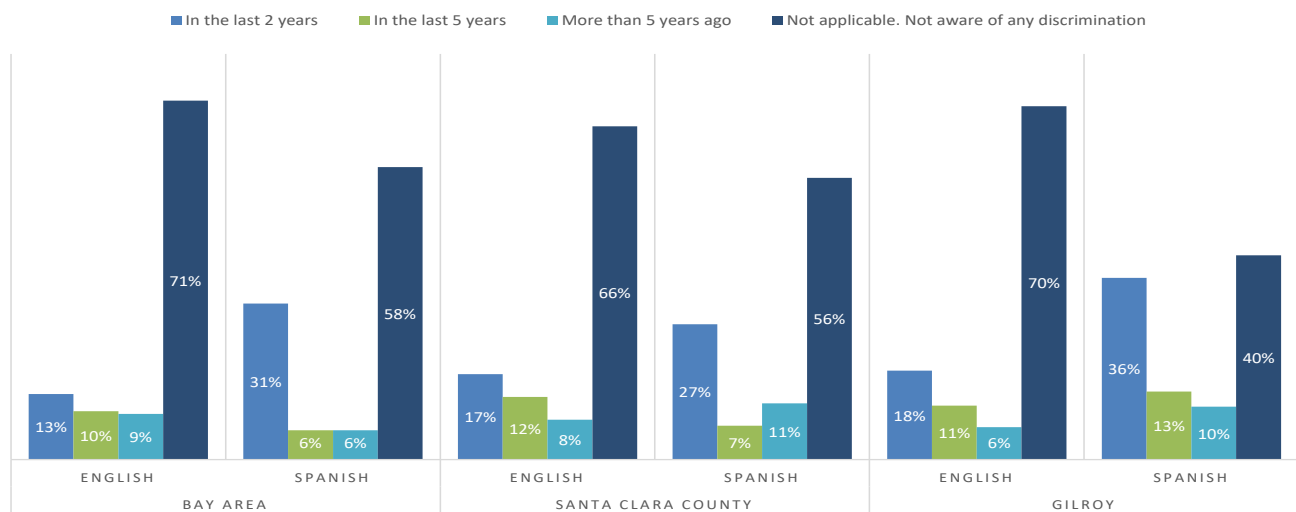
- For having a dog

Q17. If you believe that you or someone you know encountered housing discrimination, please identify when that occurred (Please check all that apply)

Total: Answers = 319; Skipped = 191

English: Answered = 215; Skipped = 152

Spanish: Answered = 104; Skipped = 39

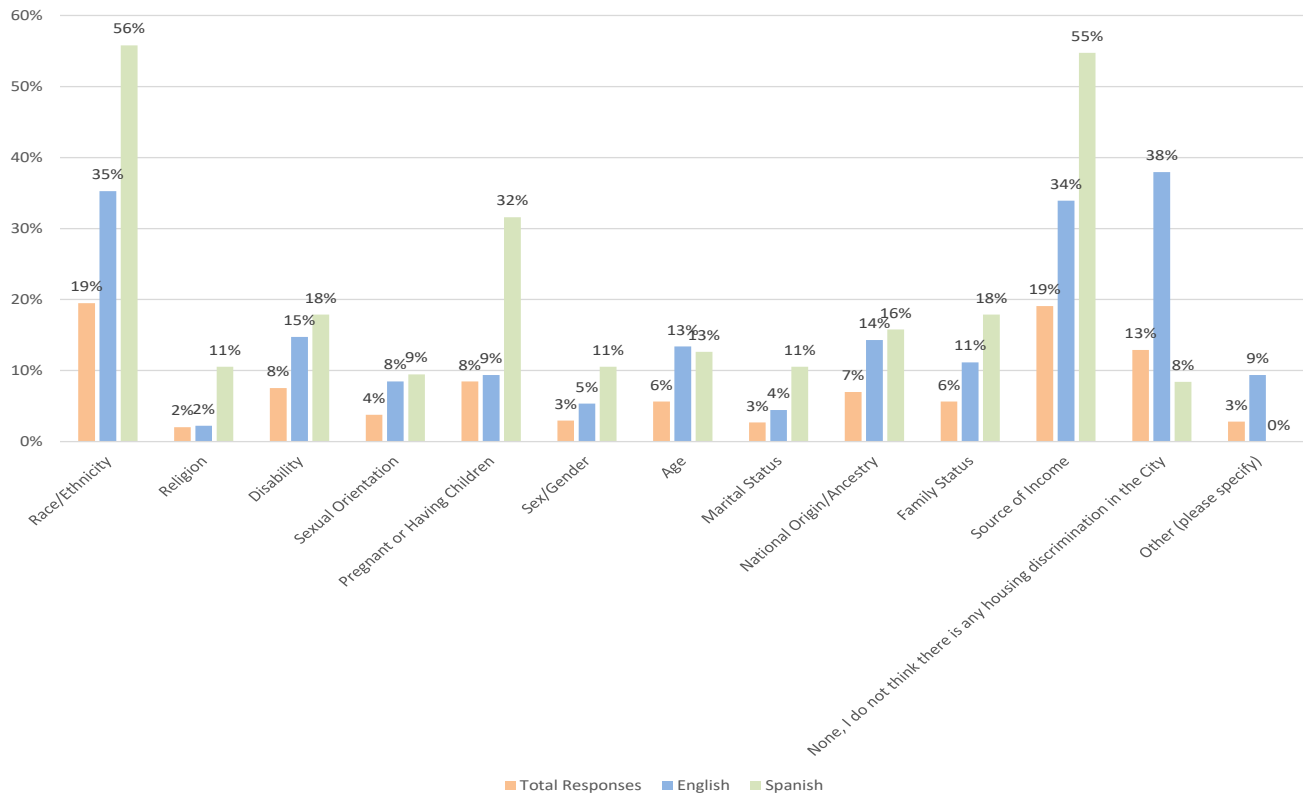


Q18. If you believe that you or someone you know encountered housing discrimination, please identify the when that occurred (Please check all that apply)

Total: Answers = 341; Skipped = 169

English: Answered = 233; Skipped = 134

Spanish: Answered = 108; Skipped = 35



English Responses

- Homelessness
- I know of no situations like this.
- I do not know enough citizen of Gilroy to be able to answer this question
- Realtors themselves are discriminatory -
- Not accepting housing voucher
- Amount of income
- Not aware of discrimination specific cases
- no opinion
- I don't know
- victims/survivors of gender based violence
- Criminal background
- Unsure
- Financial discrimination. Most time a standard practice is first months rent plus last month's rent plus a security deposit plus a pet deposit. Then application fee. Easily over 7 to 8 k. Who the he'll has that saved
- Criminal record (non violent)
- Unknown
- Consult Project Sentinel for this data.
- I unaware of housing discrimination; we were hit with predatory lenders.
- Housing Cost
- Mentally ill and homeless
- I do not see any discrimination

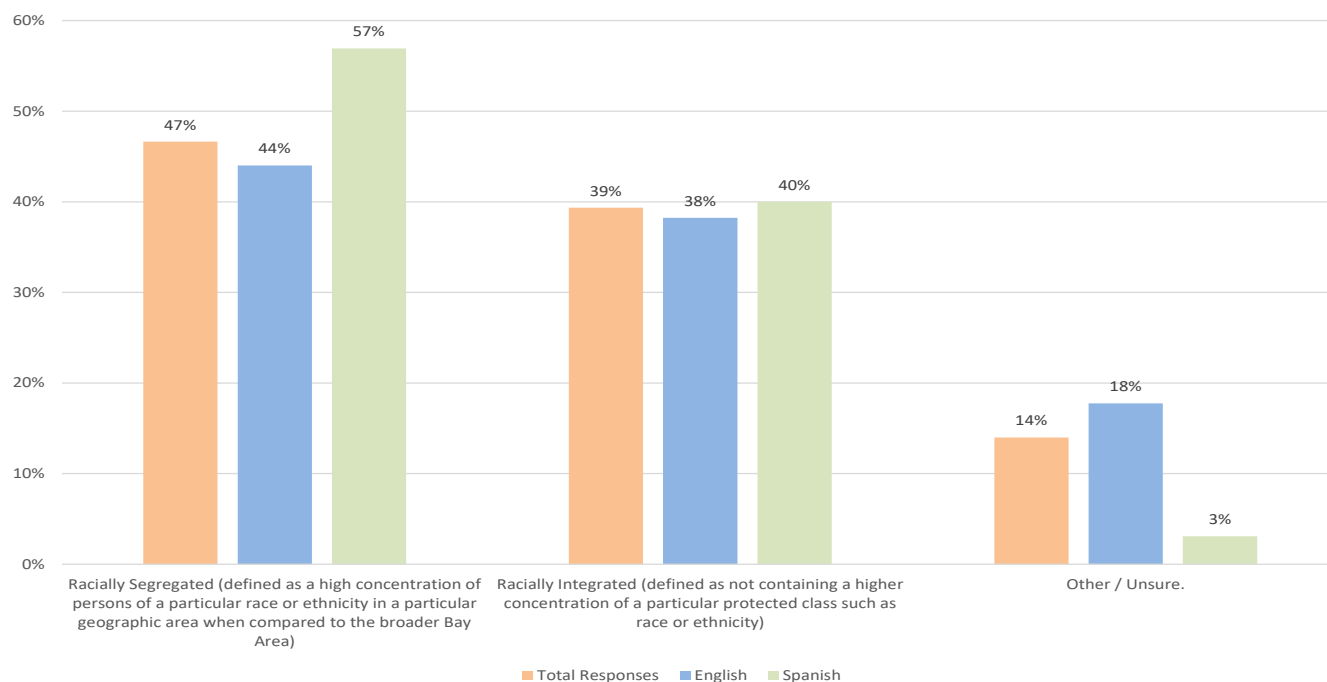
- i don't feel comfortable saying Gilroy has 0 housing discrimination just because i haven't personally seen any. I'm white, so where it does exist, I'd never experience it.

Q19. Please indicate whether you feel your city is: (Select one)

Total: Answers = 343; Skipped = 167

English: Answered = 267; Skipped = 100

Spanish: Answered = 76; Skipped = 67



English Responses

- I don't know
- I know little about the many neighborhoods in Gilroy
- Economic segregation
- One of the truly great things in CA is it's diversity - but everyone needs to understand the laws that this state, county and cities have adopted and abide by them.
- Unsure
- Unsure
- Gilroy, like everywhere, is segregated by socio economic class, which aligns pretty well with race in the US.
- unsure
- Gilroy is pretty diverse with the exception of east of the tracks
- Unsure
- I think it is somewhat diverse.
- Wonderfully diverse.
- no significant Communities of Interest in Morgan Hill
- Latinos who are lower income on east side I would guess
- This is a poorly framed question, and serves little to no purpose.
- Have not seen any stats on that
- It is neither but can become segregated if the city doesn't intervene
- Not sure
- It could be more integrated.
- Gilroy seems to have concentrations of fewer ethnicities than most of the Bay Area.
- Segregated by income which leads to segregation by race.
- Unsure

- Unsure
- Unsure
- Getting devalued and deprecated
- i don't know
- I don't know
- somewhat segregated
- Unsure
- Depends on affordability and income. You cannot buy or rent a Cadillac on a Chevrolet budget. My concern is for those who think they are "owed" the right to higher housing and don't want to work for it.
- We have a large Hispanic population but it doesn't show in the newly developed homes.
- I'm not really sure how racially segregated Gilroy is. I do know that a large portion of the Hispanic population lives east of Monterey Street and a very large portion of the white population lives west of Monterey Street.
- No comment
- More low income Mexican people live on the East side, but I think it is a result of income, not discrimination. Many Mexican people live in all parts of Gilroy.
- unsure
- No information
- I think Gilroy has a large Hispanic population but I think that is due to Hispanics always living here. Up until housing in areas like San Jose became unaffordable did other races start moving South.
- Gilroy does have a racial living divide. Although we all get along I believe, living areas are segregated. Not intentionally. But it has never been fixed or dealt with
- No we have a diverse city many who have been here over 20 years
- Unsure
- Unsure
- Not sure
- Unsure
- Gilroy is not segregated. It merely has different neighborhoods with varying prices of homes or living accommodations. This is how life is. If you can afford a small apartment then it will likely be located in a different area than someone who is quite wealthy living in a more expensive area. This is not complicated and should not require special programs to put all at a financially "equal" level. Handouts like affordable housing or restrictive rules will only create more financially dependent people.
- I suppose it would depend on the demographic rates but it's probably pretty segregated.
- Unsure

Spanish Responses

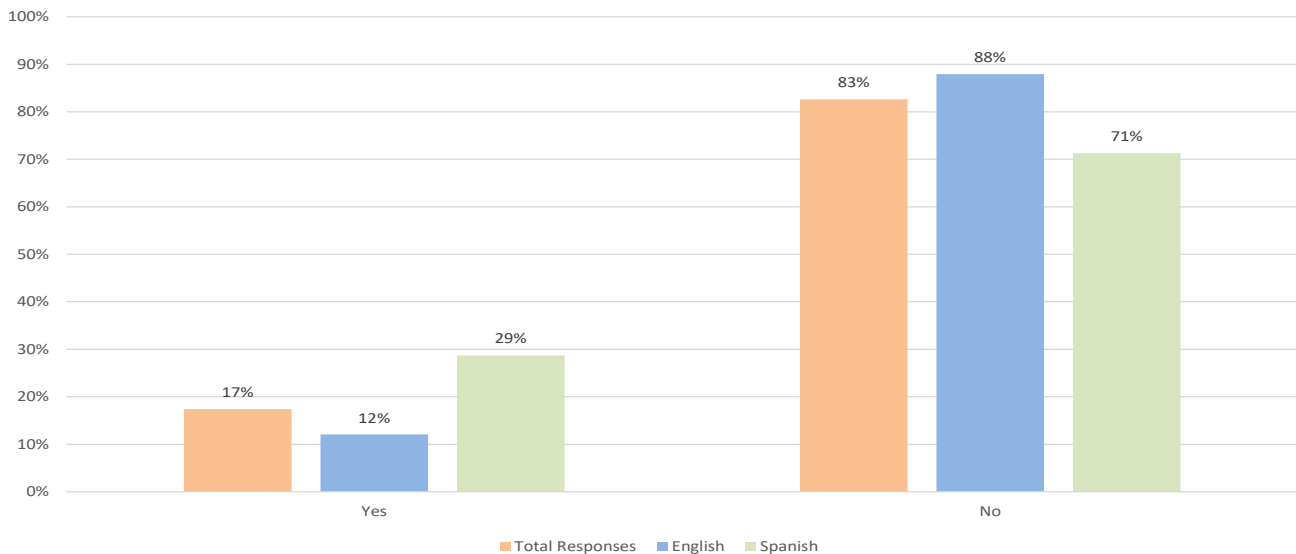
- I did not understand the question very well

Q20. In the past five years, have you had to move out of your residence in Gilroy when you did not want to move?

Total: Answers = 414; Skipped = 93

English: Answered = 293; Skipped = 74

Spanish: Answered = 121; Skipped = 22

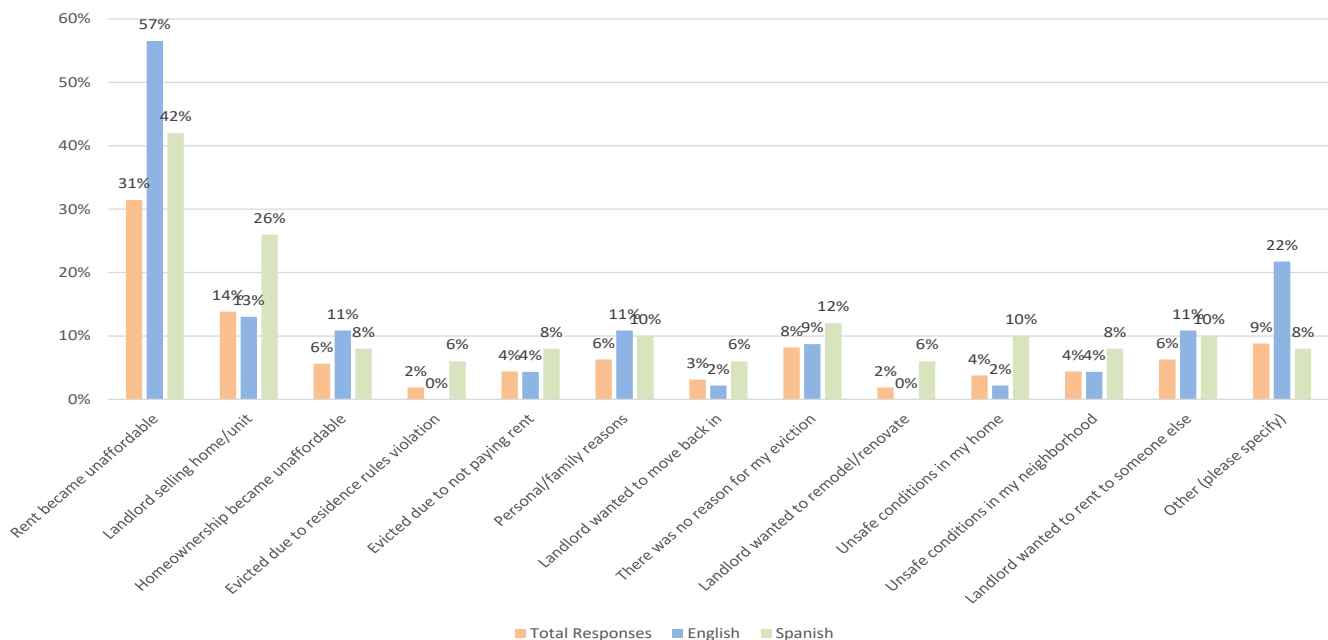


Q21. If you answered yes to the previous question, why did you have to move? (Select all that apply)

Total: Answers = 104; Skipped = 406

English: Answered = 47; Skipped = 320

Spanish: Answered = 57; Skipped = 86



English Responses

- moved from Morgan Hill because of the increase of crime.
- No protections in place to stop the landlord for doing so. They wanted more money and less accountability
- Dad kicked me out
- No
- Rent is becoming unaffordable and within a year or two or will be forced to move away
- Too many homeless were congregating near the park by my house, which was leading to crime. So I bought a home in what I perceived as a safer neighborhood. However, now that affordable housing units are popping up all over the city, I don't know if it's safe anywhere. The logical choice seems to be to move out of this city.
- Travel times to and from work.
- not applicable to me

Spanish Responses

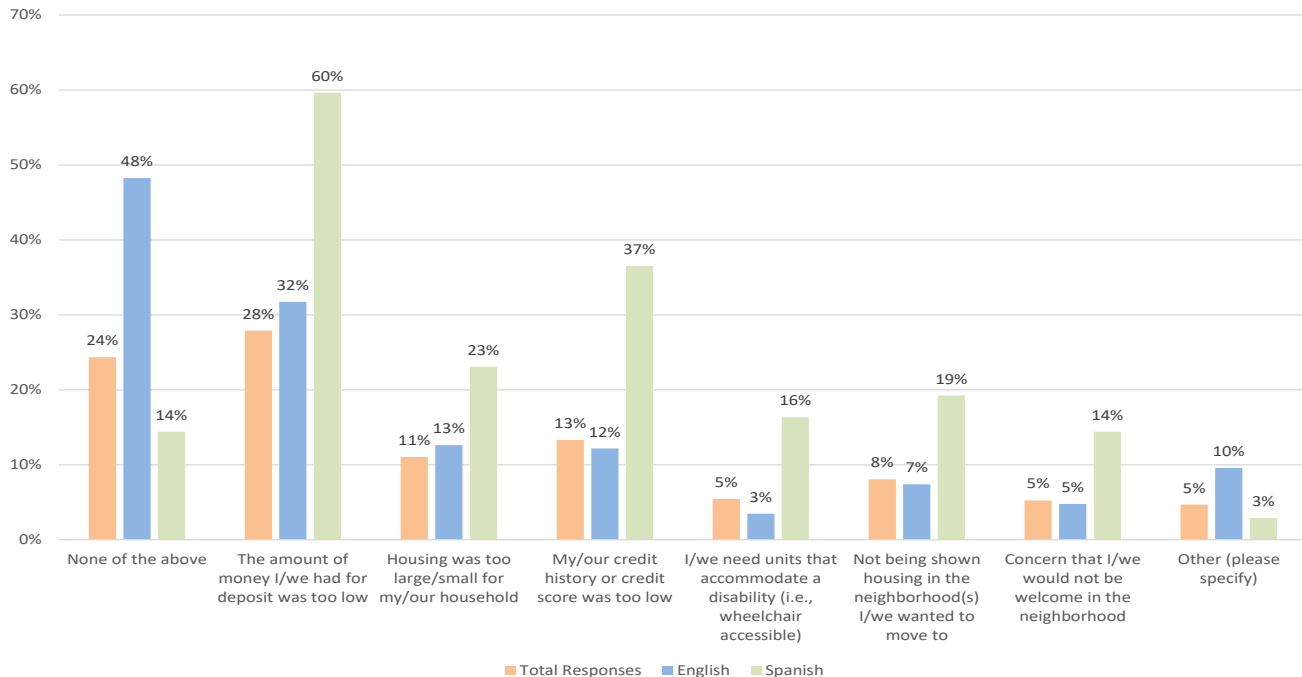
- The owner took my job
- I didn't move
- My rent went up
- Status

Q22. Which of the following issues, if any, have limited the housing options you were able to consider? (Please select all that apply)

Total: Answers = 355; Skipped = 155

English: Answered = 239; Skipped = 128

Spanish: Answered = 116; Skipped = 27



English Responses

- Lot sizes too small for anyone - (rats in a box syndrome)
- Did not make enough income to qualify or afford
- Priced out, outbid and investors buying
- House prices, priced out of market
- Having to earn 3x the rent in order to qualify for rental
- refused rental because I had money in bank but no job
- They wanted my paychecks to reflect 2.5x the cost of the rent.
- affordable financing for buying - it is very hard to come by for the wage earner
- Amount of rent
- require single story
- houses have become too expensive in Gilroy and criteria for affordable housing too strict
- I don't feel safe anywhere in this town anymore, with people shooting at cops and people walking around with knives and masks in our parks, and it's only going to get worse, it seems.
- could only afford foreclosures/fixer-uppers
- Low multi-family supply.
- Homes are very expensive in Gilroy
- Priced out of where we work. Had to move to Hollister even though our entire lives are in Gilroy.
- Neighbors did not keep up their home maintenance
- Many if those reasons applied until I worked harder and saved more money. I really wish City, state and federal government would stop trying so hard to make life easier for everyone. You remove all of the hardship involved in life and all the people

you think you're helping will never appreciate anything. It's completely acceptable for people to struggle, even families with kids. Real parents will step it up and find a way when they have no other option but to work harder.

- Access to transit concerns
- Did not accept housing
- Housing prices (therefore monthly expenses) were out of our budget range.

Spanish Responses

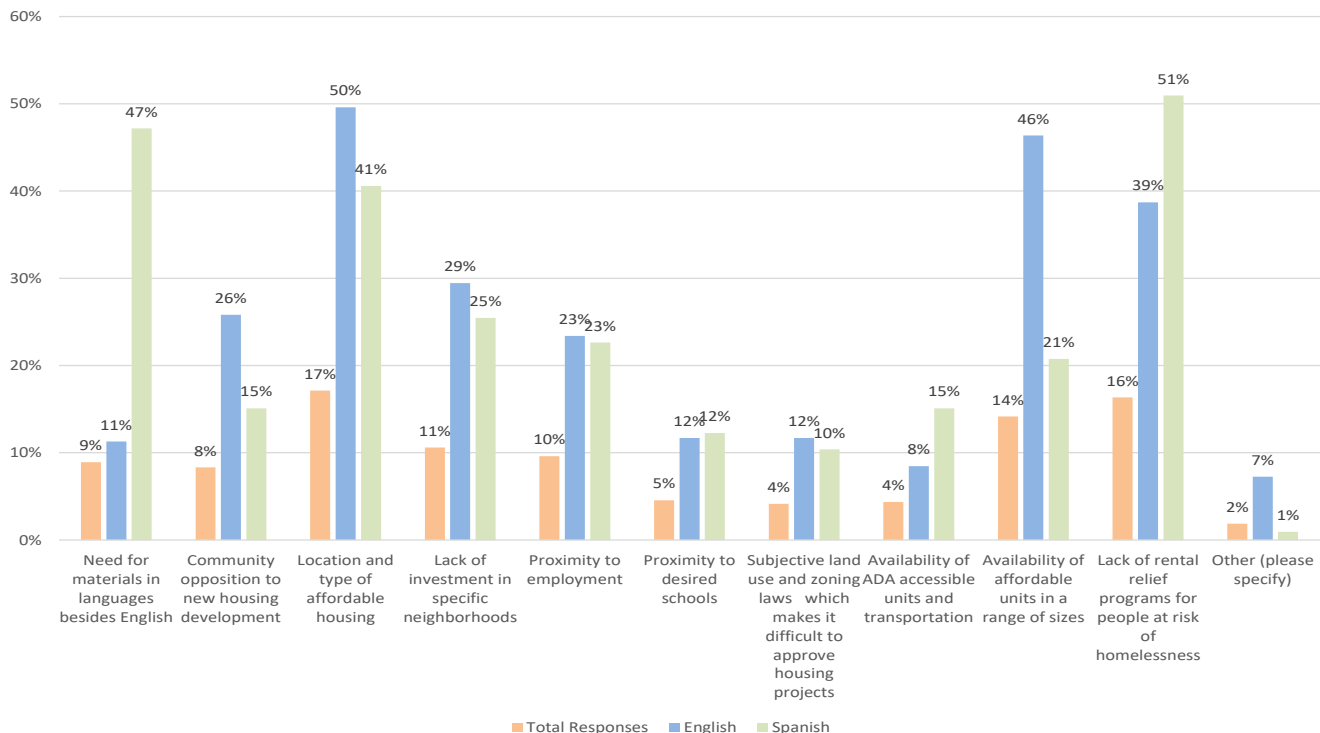
- Cost
- My parents lost their jobs.
- All this very expensive

Q23. Recent California Housing Law and California Department of Housing and Community Development (HCD) require extensive analysis and identification of contributing factors for a series of fair housing issues as part requires the 2023-2031 Housing Element to include local resident and stakeholder input. Please select the most important contributing factors impacting housing in Gilroy (select up to three):

Total: Answers = 377; Skipped = 123

English: Answered = 257; Skipped = 110

Spanish: Answered = 120; Skipped = 23



English Responses:

- We have a good police department, but not enough of them. No new housing without additional city services including new water sources. Weather from air dehydration as an example. Medical services are virtually non existent except for the emergency room!
- homes being sold to outside investors
- Lack of well-paying jobs for EXISTING RESIDENTS.
- no opinion
- Not sure what sizes are needed, whether for singles or large families, but there seems to be a lack of affordable housing for very low income households.
- Too many very low income housing; need housing for moderate income households
- Continue need for tenant dispute resolution help

- We need to work on transportation/commute before expanding the city. It's ridiculous that it take 1 hour to get to work in San Jose because there is no work in town.
- Gilroy is the LAST affordable place in SC county. So affordability is not a issue. The issue is the city isn't doing enough to bring in high paying jobs. The only option people here have is to commute to the valley or work retail/service jobs. The city planners are too busy building low income housing, which is going to make matters worse. Bring in some industry, high tech, and other high paying jobs, and people will be able to afford the homes. That's the way to address the housing crisis, NOT more government funded programs.
- Lack of investment in schools in low income neighborhoods such that large differences in terms of access to technology, field trips, and other resources exist between schools in low income areas and schools in moderate to high income areas (largely connected to differing opportunities of parent groups to fundraise)
- Council should realize many want Gilroy to remain a community and moving a bunch of people in through stack-n-pack units will destroy that community.
- Lack of local high-paying job opportunities.
- lack of housing affordable housing for low income, extremely low income, and unhoused people.
- Some City Council members opposition to affordable housing
- Lack of affordable housing
- None of the above
- More Section 8 housing units are needed.
- California should not require Gilroy to change or add different housing types. Nor should Gilroy get paid as an incentive to add more affordable housing. This is a corrupt way of business.

Spanish Responses

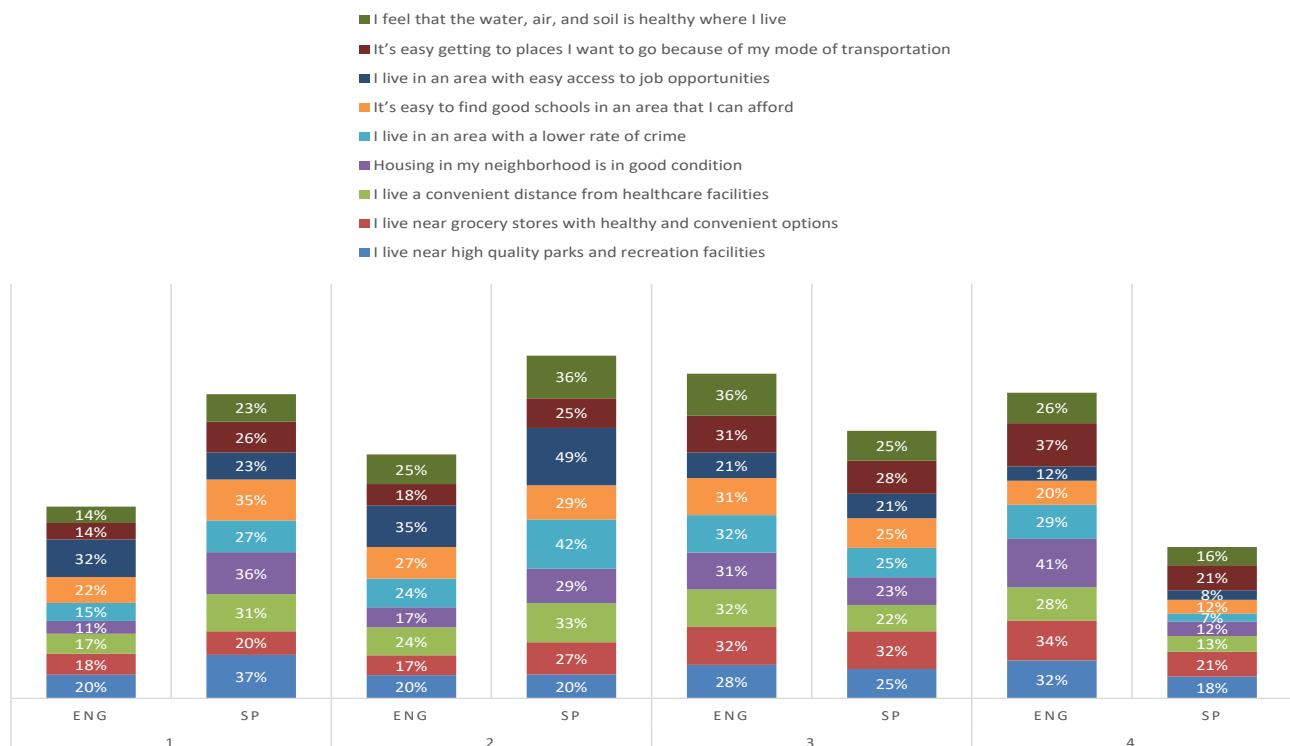
- It would be good if they didn't ask for credit because many of us don't have credit.

Q24. Rank your agreement with the following statements from strongly disagree (1), somewhat disagree (2), somewhat agree (3) or strongly agree (4).

Total: Answers = 418; Skipped = 92

English: Answered = 287; Skipped = 80

Spanish: Answered = 131; Skipped = 12



Q25. Please share any comments or recommendations that will help inform and guide the preparation of the City's updated Housing Element.

Total: Answers = 110; Skipped = 400

English: Answered = 77; Skipped = 290

Spanish: Answered = 33; Skipped = 110

English Responses:

- All of the low income dwellings bring lots of police and mental health activity. Most of the homeless population in the city are mostly drug addiction or mental health. They refuse to get clean to and refuse assistance because living with no responsibilities or rules is easiest. Some have families that live locally that they harass for money or their steal property. Homeless commit crimes of theft from stores and homes in the area and get away with it. The city or DA's office does not allow the police to police anymore. We need to quit giving them everything they need to stay here and terrorize downtown business and tax paying residents.
- WHEN CONSIDERING AN INCREASE IN NEW HOUSING, THERE NEEDS TO ALSO BE AN INCREASE IN GROCERY STORES AND PARKING TO ACCOMMODATE THE INCREASING POPULATION
- I love Gilroy and all it offers!
- Too many stores have closed, the water is becoming toxic and is in a declining supply. Existing city services such as fire and police hire good people, but there is not enough of them for the existing population. Drugs, guns and gangs are taking over. Medical care is lacking - why can't you attract quality medical care? Worse the city doesn't have the funding to improve on these things. The city has no business allowing any developer to even think about another housing project. Get your priorities straight - improve what you have before trying to build more ghetto like housing. The way to correct homelessness is through education and better employment opportunities. See if you can work on that - find a developer for that, not more crowded housing like Eagle ridge and that mess west of Santa Teresa.
- Homeless is an issue in Gilroy too many homeless in the streets. housing developments such as apartment building are run down make landlords liable to fix these units
- Provide housing for the people who are here, not the ones you are hoping to replace them with
- I have been here over 13 years I stay with my parents I'm on ssi and am in need of housing my dad wants me out but I don't have section 8 I need a apartment for 300 or 400 dollars a month not unless I can get housing everywhere I look it's 1,000 or more please help me get housing.
- Gilroy is a bedroom community for Silicon Valley, across all socioeconomic levels. (Although more tech professionals can WFH than before Covid-19!) Getting hourly trains from Gilroy to Palo Alto should be a priority. (Not a housing issue per se, but if people are spending less on transportation, they have more for housing.)
- moderate and Middle income Gilroy homeowners being ignored yet they pay their part in property taxes.
- Gilroy needs 3-4 bedroom town houses, condos, and houses. Reasonably priced!
- I love Gilroy!!!
- We shouldn't keep building just to build, each home should be made thoughtfully and invested in with purpose for future sustainability. Our biggest resource is the sun, let's use it and normalize accessibility to solar powered homes/communities/schools. Water is also a diminishing concerning resource as well. How can we be resourceful in that regard as well?
- A lot of cockroaches near the schools. Sidewalks are dirty. Sometimes shoes hang on electricity wires. Roads have potholes and not always paved alley ways. People let their dogs poop anywhere and everywhere so more garbage cans or doggie stations would be nice throughout.
- not sure if you can do anything about this, but marijuana smoking is a problem. I shouldn't have to smell neighbors smoking weed when I'm in my house.
- The school systems and Gilroy are very poor. And the closest good store is in Morgan Hill to shop bad. Crime and homelessness is on the rise in all areas of Gilroy. I am not comfortable walking up at the levee or around town.
- Stop building housing for new residents and concentrate on responsibly serving existing residents. Promote creation of well-paying jobs for existing residents. Look for ways to REVERSE irresponsible growth in Glen Loma and Hecker Pass. Target 50,000 as maximum sustainable Gilroy population.
- Combine with traffic and roads and parking on site, not on the street. The cars on the street at some units make them look like the projects taking away from the experience of all
- Where are the amenities with all the new housing going in!
- I'm scared that at any moment I could become homeless. If that happens, I will surely lose my job, my pregnancy and possibly my mind. It will be so hard to come back from that. But the prices in Gilroy for the most basic apartment, are simply unreasonable.
- We need extremely low income units
- More affordable housing opportunities of all kinds
- We need workforce housing opportunities
- Commercial linkage fee to pay for this type of housing

- Inclusionary housing ordinance to require 15 percent affordable units in all new residential development
- The major problem for typical residents are the costs to buy and own. If the city of Gilroy wants to truly help employees, focus on the ones that work - not the ones who don't. Help them by reducing the amount of crap in the following: 1) make building and adding ADUs as simple as possible 2) Help working-class people qualify for loans 3) keep free enterprise as the basis for your programs. Do not adopt socialism or worse yet, reward for those who do nothing.
- I don't live in Gilroy but I serve clients who live in Gilroy.
- Need to focus on housing for middle income households; excessive amount of very low income housing already exist or planned in Gilroy beyond county requirements.
- Please provide 55+ apartment, or single parent duplex communities that are affordable.
- Transitional housing options for folks at-risk of being homeless and currently homeless. Options such as ADU's, tiny homes, etc.
- "High quality" parks are needed for children. Just a few newer parks have been built where new developments are. The existing parks have not been updated.
- Unbiased studies need to be conducted. No new housing should be built until the current residences needs are addressed.
- Invest in a more walkable and bikeable Gilroy! Most businesses and amenities are along main thoroughfares or in specific parts of town, forcing most residents to drive for groceries, shopping, and other amenities. These same thoroughfares are often how drivers exit town on their way to workplaces outside the city.
- Invest in more mixed use zoning, especially in zones that are currently just residential.
- We really need to figure out commute time and access. We need more Caltrain service and expand 101 into San Jose. We need to work to afford to live in town so facilitate that first before building more homes and no jobs or roads.
- Gilroy has done more than it's share of home building over the past 20 years with one of the highest growth rate in the Bay Area, yet the price of housing has just skyrocketed! Obviously building more quantity is not the answer. First-time homebuyers and renters need financial help from the State or Federal government. The rents charged for even the affordable units are out of reach of many. I am not sure just building more units will help them.
- Overpopulation and low income housing is devaluing the city and more and more crime is evident
- Miller Park is disgusting it was our closest park for the kids and I stopped going altogether. The homelessness problem and drug use was out of control their. The police presence was completely absent unless a fight, overdose, or rape occurred. Its incredibly sad to see Gilroy feel the need to be like downtown Los Gatos. You have a predominantly Mexican population and you should be proud to cater to these traditional customs and not white wash it.
- I have lived in Gilroy my whole life I was born here. My kids and I are domestic violence victims and we are looking into moving out of my moms house but it's hard cause their is really no open waiting list or programs to help me with rent when I need it
- Bring industry and high paying jobs to the city, if you want to address the housing problem. Flooding the city with low rent apartments isn't the solution. It's going to lead to overcrowding and crime. Gilroy already has a high crime rate and an influx of low income housing is only going to make it worse. If this keeps up, all the tax paying, upstanding, home owners are going to leave the city in droves. I guess it'll definitely become affordable to live here then.
- The city and community organizations such as churches and non-profits should combine their efforts to create several types of tiny home communities for the homeless from bare minimum shelter (shed structures with access to showers and toilets) to permanent long term tiny house.
- I would love to see the city do more to promote organic, sustainable farming practices in our community in an effort to improve air and water quality.
- I don't mean to sound mean or selfish, but Gilroy is doing pretty good. Attracting low-income and homeless is not going to improve the quality of life for Gilroy.
- Infill development needs to occur within in existing infrastructure. Affordable housing for working families.
- Horrible water alkaline off the charts
- A city of homeowners is a better place to live than one with a bunch of apartments. Build more single family homes with yards and the quality of community will remain healthy and crime will remain low. Also, consider a regulation preventing REITS and other large investment firms from buying housing in Gilroy. Keep the houses in the control of families, not conglomerates.
- We need more multifamily and affordable housing for families. Quality homeless shelters and transitional housing would help the homeless that are forced to live in vehicles and tents.
- We would love for the city of Gilroy to respect and maintain the beautiful outdoor spaces, lands and Not over develop. This is why we moved to Gilroy over 25 years ago. We have seen many, many new homes developed in the past several years. Traffic has worsened, roads need repair, and it is starting to feel like we are no longer in the country.
- Too many of our residents live in Gilroy but commute to work in Silicon Valley. Gilroy needs to attract businesses that can employ these tech workers, bringing wealth, investment and a sense of community to our city.
- Homeless & crime is a large impact on community, increase in both is a concern. Roads & traffic are also being impacted by so many new homes being built with no new accommodations being made with these increases! How can one pay a million dollars or more for a home & have homeless encampments everywhere in town.
- None at this time

- Make sure there are easily accessible crosswalks that are lighted for seniors, children and families. There are many areas in the City that do not have great cross walks, especially near parks and people jay-walk all the time
- Gilroy is highly segregated, poorly designed from a city Planning perspective, including shopping and amenities. Old money, power relations and structures, old thinking and politics controls Gilroy. Please do things differently.
- We need additional housing for low income, extremely low income, and unhoused persons. My belief is we have taken on our fair share of middle income and high income housing, and should curb other development unless we have proven resources to support, and adequate protection for the environment.
- We need better infrastructure. All these homes are being built with no investment into a new grocery store, places to eat, places to shop. Gilroy needs more of the above items, otherwise people will continue to spend their hard earned money in other cities like Morgan Hill.
- I do not support projects that do not have to contribute to impacts such as traffic, public safety, and recreation/parks.
- Stop housing and business development impacting natural environment. e.g Hecker Pass
- Do not expand Gilroy with more new builds without investing in infrastructure, downtown and diversifying the businesses we have. Are there incentive programs (for homebuyers and/or owners) that we can implement to fix up our less beautiful neighborhoods before we just start building cookie cutter neighborhoods on the outskirts of town? It's embarrassing to be from Gilroy when our neighbors (Morgan Hill, Hollister and even San Juan Bautista) have grown so well!
- I'm not sure if this is a city or utilities issue but if high density housing is going to continue to be built there needs to be something done to address the unreliable power service we have been receiving here. The power outages due to fires is to be expected but our power goes out for hours — and even days— with no weather or fire issues at all. I really feel that in order to continue to allow building to continue at the pace it's been going this and the homeless encampments need to be address.
- Council members not supportive of its most vulnerable population. Recall mayor
- Build no housing until the drought is over.
- Need more transportation options and improve our streets pot holes.
- Please consult with Social Service agencies, both public and non-governmental. They know the needs better than those of us not seeking housing at present.
- I love living in Gilroy because of the open farmland and the various parks. I also love that it's not overcrowded with so many people living in one home that there's no parking on the street.
- Please keep in mind parking when planning as well as not charging HOA dues.
- Just don't make Gilroy lose its hometown feeling/look by overcrowding with so much housing and integrating apartments and low income housing right next to expensive and nice homes.
- My dad gave us the down-payment so that we could meet lender qualifications and closing costs. Our loan went thru modification due to being predatory in nature; if the modification wasn't approved, we would have lost the house. The taxes and insurance added to the mortgage payment is almost unachievable; we are happy that we are getting the tax write-off as opposed to the landlord.
- The city needs to focus on creating affordable housing rather than falling for the political "selling the dream of homeownership" rather than providing adequate affordable housing. Once the homelessness crisis is addressed, then they can focus on "selling the dream of home ownership."
- I just found out - based on this survey - that we are again low income; we always just squeaked under the poverty line when the kids were young. Though we are doing ok, it's sad to know that we are again considered low income - the outrageously high cost of living combined with extremely high land values are driving people, especially families away. Why stay here just to struggle to make ends meet and find affordable rental housing, when they can move to other states where they CAN afford to purchase a home with land - the politicians are driving California to the bottom of the list - we used to be at the top of the list.
- I feel like Old Gilroy is neglected. The streets are not well taken care of, and the houses are also not taken care of, I'm assuming because of the amount of renters to owner ratio. There needs to be some kind of accountability for renters to take care of their dwelling, and for apartment owners to make their complexes up to some standard
- Gilroy should stop all detached housing construction and focus on job creation. Next priority should be on reliable, frequent, extensive and affordable public transportation.
- Do not continue to add assistance programs, affordable housing programs, etc. Put actual limits on the assistance that you do have. Most anyone that has relatively good health has no business being unemployed. If they say they can't make enough working only one job then they should get 2 jobs and continually try to add new skills and education until they can get a better job that pays more. I always loved that Gilroy residents were proud, hardworking, no nonsense, people. People that would rather take a second job or work an extra shift before they put their hand out asking someone else to give their hard earned money to support them. Unfortunately, everyone, especially our younger generation have no issue begging for others money instead of working. Complaining about how hard it is instead of realizing if they just push through, work harder, they will make it. I think there should absolutely be some forms of government assistance available. There are legitimate reasons why people need help but the help has to have limits. These programs are destroying our communities and handicapping the people you think you're helping. And what's frustrating to every hard working person who pays their taxes is that you're taking our hard earned money from us just to throw it away in programs that never work while bringing in more of these people who abuse these programs into our neighborhoods. Crime rates go up, the hardworking, proud people who moved to Gilroy to get away from cities like San Jose have to then sell their home and move away because your

well intentioned programs had no regard for the families that already live here. I can't tell if this makes sense because the box is so small but I hope you get the picture and hopefully someone actually reads these.

- The city needs to prioritize resources for the unhoused population. City council members need to be better informed about how to appropriately address race and equity related to housing and overall planning. Climate adaptation also needs to be incorporated into this update. There are lots of county resources focused on increasing tree canopy, portable air filtration systems and using buses as cooling centers.
- We absolutely must build housing for the residents being pushed out by all of the "above moderate" housing. Affordable units aren't at all affordable for those working in Gilroy and our city has done too little for too long to address housing inequalities. Our people without housing is increasing because generations of locals are being silenced and ignored. The majority of voters voted for Zach and Rebecca who have robust inclusionary housing goals, want attainable housing options for lower income residents and yet time and time again our current council ignores and outvoted them. It is disheartening and frustrating to live in such an unresponsive town.
- Homeless persons w/drug addictions need permanent housing. Most housing requires sober living. If they use they're out on the street again. Where do they get to live? Also, some mentally ill people need to be monitored. Its more than just a roof, they need special care and support without being institutionalized. What can the City plan for these circumstances?
- Investing in affordable homes will dignify families that want to live in a nice area as Gilroy. Where are the plans for that? Politics sometimes don't help on this topic
- Create suitable housing for the homeless in Gilroy and stop shipping them to San José
- Focus on schools and transportation. We have plenty of housing in comparison to those needs. Stop pandering to the homeless and your homeless problem will greatly resolve. It's not heartless to encourage people to move to more affordable areas. Many of our relatives have moved to other areas and states. It's time to grow up and become adults about this. I don't go to an expensive restaurant and expect them to hand out their door for free. This is no different. Basic economics folks.
- We need to look at traffic issues.
- It may be nice to have a Trader Joes in Gilroy's southside. Mesa Ranch area.
- Thank you for the opportunity to participate in this critical issue.
- Over 40% of black/brown people are lower working class and this seems like a good time to raise them with offering them the dignity of owning a home, making better homes available and not packing them into more housing apartments like sardines and saying we're helping. What they're paying for apartments is what they should be paying for a mortgage. It's a shame how \$100k is now considered low income in our city.
- Gilroy does not need to add more affordable housing to our already crowded city. There are enough places other than Gilroy to live if it's not affordable here. We also do not need to build rehab facilities or shelters for the homeless issue. Most of the homeless population are homeless by choice. The temp shelters will continue to perpetuate the irresponsible free life that the homeless community desires. All you need to do is interview people who work directly with the homeless and see for yourself that giving to them is not helping them.
- Our family is considered middle class but we will never be able to afford a house in Gilroy, despite saving regularly. That means we will have to leave in order to buy a house elsewhere. Gilroy is too focused on providing rentals. To close wealth disparity, give people easier access and affordability to own homes.
- All of Gilroy's water is ridiculously hard. I don't think just building houses or apartments will make people use them. People are homeless for a multitude of reasons. Address those and build out programs for that in conjunction with some sort of housing. No one that I know in Gilroy likes how low-income/high density housing looks. It's too metropolitan.

Spanish Responses:

- You have to build apartments at extremely low prices.
- That houses were built for extremely low excesses
- Gilroy needs housing for extreme low income
- Update the tabulators of the salary averages and the availability for housing payment, according to the current inflation.
- In Gilroy there are no technology companies to have prices close to those of Santa Clara, San Francisco. So there is no justification for having such high housing since the salaries mostly do not come from that branch.
- need money
- The city needs more extremely low income housing units. There are very few. The focus is always on low and very low. There are many people who can't afford low and very low income housing in Gilroy.
- We need low income apartments.
- Homes that adapt to our budgets.
- Need homes for extremely low incomes
- Gilroy needs extremely low wage housing.
- We needed extremely low income housing.
- We need housing for extremely low income farmworkers.
- We need low income housing.
- That the owners arrange the apartments that give washing machines to all the apartments.

- Take the community into account at every step.
- Maintenance of old houses.
- Extremely low income housing is needed in Gilroy.
- That they build more very low income villas. That there is no rent control every year!
- We need more housing for extremely low income people.
- We need very cheap homes because the income is very low and everything is very expensive.
- Give more publicity to housing assistance programs
- More affordable farmworker housing
- Well, beyond living more accessible for fieldworkers
- lower rents
- Rent prices are very high, we need rent control
- More low-income housing is needed
- We need economic living
- Need houses at lower prices. financial aid
- Please be aware of the requirements that they ask for to rent a place.
- Safety in Gilroy has been down. I live in the area of Las Animas park, where it used to be quiet and safe to go to the park. Now it's neither of them. And lately neighbors are suffering from theft of car parts in the middle of the day or night.
- More information in Spanish for the Hispanic community
- Previously the city had a program where families could work on the construction of the house and could buy it. This would be a very good option.

Virtual Workshop – March 30, 2022

On March 30, 2022 the City of Gilroy sponsored a virtual workshop focused on educating the community about the Housing Element Update planning process. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- How can our city and region assure the building of housing does not outpace available resources? Our water resources are dwindling.
- How can we as community/housing assistance programs assist those in leadership positions to "Fast Track" building affordable housing (Particularly for the disabled community)?
- Is the city considering any reductions in impact fees to encourage more development?
- Have any office buildings or motels been reviewed for possible housing for our unhoused?
- The responsibilities fall on other cities like ours. Most folks in affordable housing are not Gilroy. We need to house our own and get resources. Why aren't other cities taking their fair share of the responsibility. It's been 30 years without enforcement
- We definitely need more supportive housing! I believe many of the mentally ill would be able to function better if they had some supervision and were able to stay on their medications.
- We need more parking, especially for affordable units.
- In addition to having a serious concern about our housing crisis, I have an infill 10,000 sq ft zoned r3 and as a PUD parcel in Gilroy. I would like to develop this land in a way that would help our City achieve some of our target goals for the lower income population. My biggest concern is dealing with the whole permitting process.
- As a current homeowner who really values Gilroy's diversity (racial/ethnic, socioeconomic, political) I really hope that we prioritize ensuring that low-income and working families can always be a part of our community. Gilroy should be a place that someone can realize the "American Dream" by working hard, raising a family, and be able to own a home. Opportunities not only for affordable rental housing but also for affordable home ownership will be critical.
- Is Supportive Housing for the homeless part of this plan? That is housing that includes resources that address medical needs, mental health needs, good public transportation, etc?
- 91% of Gilroy adults with developmental disabilities live at home with aging parents or in segregated licensed care facilities not by choice but because of the lack of deeply affordable housing available. This is an issue that affects people of all abilities in Gilroy. As we saw in tonight's presentation median income in Gilroy is significantly lower than Santa Clara County's AMI which means that the majority of low income Gilroy residents will most likely fall well below VLI maximum income. In RHNA cycle 5 the city exceeded its low income RHNA but as of 2021 has met only 63% of it Very Low Income RHNA. The city needs to develop policies and programs to create housing at affordability levels to specifically promote development of housing at deeper levels of affordability.

Virtual Workshop – June 28, 2022

On June 28, 2022 the City of Gilroy sponsored a virtual workshop focused on the RHNA sites and housing programs of Housing Element Update. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- All but a few lower income sites are in areas designated by the state as low resource. How will you meet requirements to affirmatively further fair housing?
- These maps appear very segregated, all of the "low and affordable" on one side and moderate on the other side. What can we do to spread the demographics?
- The train does NOT provide robust service, nor has it for years now. I believe these policies are outdated.
- There is no enforcement on this new policy, especially not in Gilroy. Landlords and property management companies flat out refuse to take vouchers.
- Is there any way to plan housing for Gavilan College students?
- Will the western side of the city have a variety of housing; condos, market rate apartments, and single family? Something to consider is changing demographic needs, smaller family size (or no children) and the desire to downside in retirement years
- Can survivors of gender-based violence be considered under this category?
- Will year-round emergency shelter be proposed?
- Community members have also requested that an ongoing, multi-year source of funding for basic needs services for homeless residents be identified, rather than requiring providers to reapply each year. Will this be incorporated in the housing element?
- Will an Inclusionary Housing ordinance be prioritized?
- It's wonderful to see farmworker housing on the list! A big thank you to staff and consultant, great work

CITY OF GILROY HOUSING ELEMENT

**6TH CYCLE
2023 – 2031**

HCD Review Draft #2

April 13, 2023



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Introduction

Purpose and Content

The City of Gilroy's 2023 – 2031 6th Cycle Housing Element has been prepared in compliance with the State of California Government Code Section 65302 and in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD). This Housing Element sets forth the City's overall housing objectives in the form of goals, policies, and programs.

Relationship to Other Elements and Plans

This Housing Element identifies goals, policies, and programs that guide housing policy for the City for the 2023 – 2031 planning period. The goals, policies, and programs are consistent with the direction of the City's other General Plan elements, specifically the Land Use Element, Potential Hazards Element, and the Environmental Justice Element. Each goal is followed by one or more policies that are designed to provide direction to the policy makers that will enable progress toward the goals. Consistency will be reviewed as part of the annual General Plan implementation progress report as required under Government Code Section 65400. As amendments are made to the General Plan, the City will also review and revise the Housing Element for ongoing consistency. Listed after a discussion of the goals and policies are the programs designed to implement the specific goals and policies.

The Housing Element goals, policies, and programs aim to:

- Encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023 – 2031 Regional Housing Needs Allocation (RHNA).
- Assist in the development of housing to meet the needs of lower- and moderate-income households.
- Address and, where appropriate and legally possible, remove governmental constraints to housing development.
- Conserve, preserve, and improve the condition of the existing affordable housing stock.
- Promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

Public Participation

The City of Gilroy made a diligent effort to encourage public participation in the development of the Housing Element. Outreach for the Housing Element update began in 2021, starting with City Council public meetings to introduce the housing element update process and to get initial

feedback on potential programs for inclusion in the housing element. The City of Gilroy also participated in a regional (virtual) outreach meeting through the Santa Clara County Collaborative that included residents and stakeholders from Gilroy, Morgan Hill, and the County of Santa Clara; approximately 20 attendees participated in the Gilroy breakout room. Targeted outreach began in January 2022. This involved engaging a diverse group of people in the planning process, including community members, stakeholders, service providers, educators, and the Planning Commission and City Council in identification of Gilroy's Housing Element housing issues and goals.

Additional details about the public outreach process can be found in the Affirmatively Furthering Fair Housing Chapter. In summary, the public participation program included:

- **Website.** An interactive housing element update website, launched in February 2022 and accessed through the City's webpage, which included a description of the project, how to provide input, workshop dates and video recordings, a link to the Housing Element update survey, FAQs, and the draft Housing Element.
- **Surveys.** A bilingual (Spanish) online community survey was heavily promoted through email list notification, project website, flyers, stakeholder interviews, community workshops, and handed out in person.
- **Stakeholder Interviews.** Four focus groups were held on Tuesday, March 29 at 1:00 p.m.; Tuesday, April 5 at 1:00 p.m.; Thursday, April 7 at 1:00 p.m.; and Tuesday, April 12 at 10:00 a.m. to gather input from community members and housing service providers.
- **Community workshops.** Two bilingual virtual community workshops were held on Wednesday, March 30, 2022 at 6:00 PM, and Tuesday, June 28, 2022 at 6:00 PM. The website was updated to include information about the community meetings and the project planner sent emails to notify individuals on the mailing list which included stakeholders, community service providers, and members of the public. The links to both the English and Spanish language presentation video recording were posted on the Housing Element Update website.
- **Equity Advisory Group Meeting.** On August 23, 2022, the City gave a presentation to the Santa Clara County Equity Advisory Committee. The purpose of the presentation was to provide a brief summary of Gilroy's demographics and housing trends, including income levels and housing inventory. The meeting also included a summary of public outreach efforts, survey results, and stakeholder feedback. Staff also introduced the draft housing goals, a snapshot of some of the proposed housing programs, and a look at the RHNA sites inventory map. The session also included questions and answers related to the Housing Element. The Equity Advisory Committee consists of 15 community-based organizations that represent and/or serve the County's diverse community. They include organizations that represent ethnic communities, provide direct services including housing assistance, or work on housing-related issues.

- **Study Session.** One bilingual joint study session with the Planning Commission and City Council was held on August 29, 2022 at 6:00 PM. All the efforts of notifying the public that were made for the two community meetings were repeated for the joint study session. The links to the presentation video recording were posted on the Housing Element Update website. The joint study session focused primarily on RHNA site strategy, housing issues, and proposed programs included in the Housing Element. It included a robust discussion of housing issues and responsive programs to meet the needs of all Gilroy residents. The meeting was well attended by both Spanish and English-speaking residents and stakeholders.
- **Public Draft Community Meeting.** One virtual community meeting was held on Tuesday, September 27, 2022 at 6:00 PM. The link to the presentation video recording was posted on the Housing Element Update website. The meeting provided the community with a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs.
- **Public Draft City Council and Planning Commission Public Hearings.** Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022 at 6:00 PM (City Council) and Thursday, October 20, 2022 at 6:00 PM (Planning Commission). The purpose of the meetings was to provide the public and the City's decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review.
- Farmworker Outreach. In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp. Feedback from the farmers was summarized in the Special Needs Groups section in the Housing Needs Assessment chapter of the Housing Element. The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.
- Youth Commission and Gavilan College Outreach. On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). City staff also asked those in attendance to complete the online housing survey and to ask their friends and older siblings to complete the survey. In an effort to reach out to the young adult community, City staff reached out to members of the Associated Students of Gavilan College (ASGC) student body.
 - Eight (8) surveys were completed by the Youth Commission and Gavilan College community.

- Seniors Outreach. On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. Nineteen (19) surveys were completed by seniors in attendance.
- Intellectually and Developmentally Disabled Outreach. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with gathered verbal feedback from residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units for persons with disabilities.

Summary of Comments Received

During the initial outreach process (prior to the release of the public draft) the City heard comments ranging from difficulty paying rent, mortgage or down payment, homelessness, and insufficient housing supply including affordable housing, farm-worker housing, and preference on locations for future housing. Many of the programs proposed as well as the RHNA sites inventory in the 2023-2031 Housing Element reflect the community input. In summary, the community engagement and input yielded the following themes and feedback:

- **Affordability:** Participants expressed the difficulties to afford homes and rent in Gilroy and the larger region; specifically identifying first time home buyers, farm workers and seniors as key impacted groups. Participants expressed concern that Gilroy incomes are lower comparatively to the regional median; therefore, housing that may be affordable for the surrounding region may not be affordable for Gilroy residents. Program A - 11 consists of the development of an Inclusionary Housing Policy to establish inclusionary housing requirements so that new developments reserve a percentage of the total units for lower- and moderate-income households.
- **Importance of Investment in East Gilroy:** Participants noted a disparity in housing and quality of infrastructure and amenities between the east side and west side of the City. Participants noted the importance of investing in downtown to provide access to necessary resources and adequate infrastructure concurrently with housing development. Program F - 3 is included to ensure place-based investments and improvements are occurring in the eastern areas of Gilroy, especially in the downtown area.
- **Education and Outreach:** Participants expressed a lack of community engagement and education on affordable housing, accessory dwelling units (ADUs), available housing services and programs, and housing policy. Programs G - 2, G - 3, and G - 5 implement outreach and education strategies to increase community awareness about ADUs, housing resources, and available fair housing support. Program G - 4 provides focused outreach in the downtown area.

- **Prioritizing Extremely Low-Income Housing:** Participants addressed the need for prioritizing development of extremely low-income units. Additionally, residents expressed the need to prioritize the allocation of these extremely low-income units to existing Gilroy residents. Program A - 12 considers adopting a density bonus beyond the state law program that targets extremely low-income populations and other special needs. Program E - 9 is included to develop a priority system for current residents of Gilroy and individuals working in Gilroy to inhabit these special needs households.
- **Disparity of income between the City and the larger region.** The large difference between the median income in the City and the regional area median income (AMI) was frequently noted in outreach. The difference was \$33,871 (24%) in 2020. Participants expressed the inability to afford lower-income units based on the AMI category income limits. Program E - 9 is included to develop a priority system for the allocation of extremely low-income units, including prioritizing current residents of Gilroy.

A summary of outreach is also provided in the Housing Needs Assessment and Affirmatively Furthering Fair Housing chapters. For complete survey results and additional detail on outreach, see Appendix C: Outreach.

Public Comments on the September 12, 2022, Draft Housing Element Update

The City of Gilroy held a 30-day public review period on the draft Housing Element from September 12, 2022, to October 12, 2022. Twenty-two comment letters and emails were received between January and October 12. The City received two (2) additional comment letters following the end of the 30-day review period. The City of Gilroy received comments from affordable housing advocates and residents. Concerns included RHNA sites analysis, community engagement, and program enhancements. While generally supportive of the City's draft Housing Element efforts, several comments requested additional or enhanced programs as well as additional analysis or rationale on the site selection. Many of the suggested programs were included in some variation in the draft housing element. Program examples include enhancing the ADU program, seeking more grants and technical assistance, and enhancing community engagement and education.

Comments fell into several categories including:

- ADU promotion and incentives (see Program A - 6 and A - 7)
- Tools, techniques, and funding sources to increase affordable housing (see Program D - 1, D - 2, D - 3, D - 4, and D - 5)
- Streamline permit process (see Program A - 9 and B - 5)
- Provide rationale for RHNA sites and how they Affirmatively Further Fair Housing and the needs of Gilroy (addressed in the AFFH and Needs Assessment sections)

- Expand on community and stakeholder engagement process (see Program G - 1 and G - 2)
- Displacement and tenant protections (See Program F - 5)

ADUs

Commenters called for more programs and incentives for ADU production and affordability, through methods like reduction of development standards and incentives for below market rate units. Commenters also suggested funding programs for ADU production through a Community Development Financial Institutions Fund (CDFI) program. The original draft included Program A - 6 to track and monitor its ADU production to ensure that annual production matches the RHNA assumption. Program A - 7 commits the City to providing preapproved plans to expedite development review as an incentive to production. In response to public comments received on the draft, the City added a new ADU program (A - 8) which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction. The City also modified its ADU Education Program (G - 3) by including an effort to consolidate its building department and planning department ADU webpages into one so that all ADU information is in one single place online.

Affordable Housing Incentives and Funding

Several commenters expressed a desire for the City to include examples of funding sources and other tools to support and incentivize the development of affordable housing, such as grants through the Metropolitan Transportation Commission and the Association of Bay Area Governments. The original draft included Programs D - 1, D - 2, D - 3, D - 4, and D - 5 to support housing developers and homeless service providers in financing the development of affordable housing. Program D-2 was amended to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources. As noted above, the revised draft submitted to HCD also includes Program A - 8 which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction.

Permitting

A number of the letters expressed concerns regarding the development process in the City and the constraints that result from the process. Commenters recommended several strategies to improve the transparency and turn-around time for getting permits approved. The original draft included Programs B - 5 to streamline the permitting process for affordable housing and Program A - 9 that implements a new online permitting system. The revised draft submitted to HCD includes Program B - 8 which creates an Entitlement Roadmap Webpage on the City's website that provides simple and clear information on how to navigate the City's permitting process, including projects that can be approved ministerially or through a staff level administrative process.

Engagement and Education

Commenters called for a more extensive community engagement process to reach as many stakeholders as possible and keep them involved throughout the process. Commenters iterated the importance of the promotion and education on housing programs and resources and provided strategies to address this topic. The original draft included Program G - 1 and G - 2 to create education and awareness and to enhance the City community outreach strategy and relations. The revised draft submitted to HCD adds two new programs to improve engagement and education (G - 6 and G - 7). Program G - 6 consists of educating the public on homelessness, consolidating information on resources for the unhoused population, and restarting monthly meetings of the unhoused service providers group. Program G - 7 increases bilingual services and advertises the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can assist the Spanish-speaking community in the City.

Tenant Protections

Anti-displacement and tenant protections were prominent issues discussed by commenters. Several programs were suggested to address these concerns, including tenant relocation assistance, eviction reduction, security deposit limits, Fair Chance Ordinance, legal assistance, and first refusal to purchase. The City amended Program F - 5 to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy, within two years of Housing Element adoption.

Program Changes in Response to Public Comment

In response to public comment the City made a number of additions and changes to its programs during the 10-day revision period in October 2022. The following additions and changes were made to programs to accommodate the needs of the community.

- Modified Program A - 6 (ADU Tracking and Monitoring and Ordinance Updates) to include the commitment to coordinate with HCD and revise the ADU ordinance in conformance with state law.
- Added Program A - 8 (Incentives for Affordable ADUs) to develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers, upon securing adequate funding for the program.
- Modified Program A - 11 (Inclusionary Housing Policy) to include a requirement that developers market both Below-Market-Rate (BMR) units and accessible/adaptable units in developments.
- Modified Program A - 12 (Density Bonus Beyond State Law) to include households with intellectual and developmental disabilities as a special needs group to consider in the expanded density bonus program. The City also noted that the Inclusionary Policy could be structured like a Density Bonus program with incentives that are tiered by level of affordability provided.

- Added Program A - 14 (Coordination with Santa Clara Office of Supportive Housing) to continue the partnership regarding the development of affordable housing on the property at 8th and Alexander, including offering impact fee waivers.
- Added Program B - 8 (Entitlement Roadmap Webpage) to develop a website to provide clear and simple information about the City's permitting process for residential development. Information will include a flow chart, FAQs, live links, and application forms.
- Modified Program D-2 (Funding Sources to Assist Homeownership) to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources.
- Modified Program E 6 (Reduced Parking Requirements for Senior Housing) to include discussion of AB 2097 which prohibits minimum parking requirement for projects within one half-mile of public transit.
- Modified Program F - 5 (Displacement Prevention Policy) to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy.
- Modified Program G - 3 (ADU Education) committing the City to consolidate its two ADU webpages into one page, so that all ADU information is located in a single location.
- Added Program G - 6 (Unhoused Population Education and Outreach) to educate the public about the unhoused population and homelessness in the City. The program develops a dedicated website on homelessness, creates printed information for distribution at City Hall and by code enforcement officials in the field, posts resources for the unhoused population on the City website, and commits the City to restarting the unhoused service providers group meetings.
- Added Program G - 7 (Bilingual Engagement) to increase availability of bilingual outreach materials and advertise the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can converse with the City's Spanish-speaking population.

CITY OF GILROY **HOUSING ELEMENT**



6TH CYCLE
REVIEW OF PAST ACCOMPLISHMENTS

Review of Past Accomplishments

California Government Code Section 65588(a) requires that each jurisdiction review its housing element as frequently as is appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- The progress in implementation of the housing element.

According to the State HCD, the review is a three-step process:

- Review the results of the previous element's goals, objectives, and programs. The results should be quantified where possible but may be qualitative where necessary.
- Compare what was projected or planned in the previous element to what was actually achieved. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- Based on the above analysis, describe how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from results of the previous element.

Housing Production

The City of Gilroy had a total RHNA allocation of 1,088 units in the 5th Cycle. As of December 2022, 2,605 units have been permitted during the 5th Cycle, exceeding the overall allocation by 1,517 units. About 60 percent of these new units were affordable to above-moderate incomes. The City produced nearly five (5) times (490%) the low-income allocation, approximately 46% of its moderate-income allocation, and approximately 68% of its very-low income allocation. There is a remaining RHNA need of 75 very low-income units and 117 moderate income units. The following table includes data through the end of 2022, consistent with the 2022 annual progress report submitted to HCD.

Table 1: 5th Cycle RHNA Progress (2015 through 2022)

	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA Allocation	236	160	217	475	1,088
<u>Building Permits Issued</u>	<u>161</u>	<u>785</u>	<u>100</u>	<u>1,559</u>	<u>2,605</u>
Remaining Requirement	<u>75</u>	-	<u>117</u>	-	<u>192</u>

No Net Loss and Adequate Sites

The 2015 – 2023 Housing Element identified adequate capacity for its 5th Cycle allocation of units, identifying a surplus of 526 lower-income units and 960 above moderate- income units. Additionally, in 2020, the City updated its General Plan to increase densities for specified land use designations and allow mixed-use residential along the First Street commercial corridor. These amendments increased zoned capacity for all income levels in Gilroy.

The City reviewed its 5th Cycle sites, past approvals, and the Zoning Ordinance and determined that it has maintained adequate sites to meet the RHNA for all income levels throughout the 2015 – 2023 planning cycle.

Effectiveness at Assisting Special Needs Populations

This section reviews the City's progress on assisting populations with special housing needs during the 5th Cycle. The City has received and allocated funding to improve access to needs that improve the quality of life among seniors, the homeless, and extremely low-income households during the 2015 to 2023 planning cycle.

Funding for housing, homeless services, and special needs populations during the 5th Cycle was provided through the Community Development Block Grant (CDBG) program, CDBG CARES ACT-Corona Virus (CDBG-CV), and the Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. PLHA funding allocations were based on priorities identified in the City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan¹¹. High priority items identified in the plan include special needs services for the elderly, special need services for youth, homeless supportive services, and rehabilitation of existing affordable housing. Although the HTF will no longer be made available for public service programs or rehabilitation

¹¹ City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan.
<https://www.cityofgilroy.org/DocumentCenter/View/11526/City-of-Gilroy-2020-2025-Consolidated-Plan-and-AAP-FINAL>

purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

In the 2022 – 2023 fiscal year (FY), the City allocated \$237,000 in PLHA funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities. Another \$237,000 for the same services are allocated for the 2023 - 2024 fiscal year.

The City also allocated \$613,154 in CDBG-CV funds towards programming that would address the impacts resulting from the COVID-19 pandemic, including rental assistance, small business assistance, and food delivery.

For the 2021 – 2022 fiscal year funding cycle, the City allocated \$287,380 in CDBG funds toward community service needs, including senior services, youth services, and home repair and accessibility modification. For the 2022 – 2023 fiscal year, the City allocated \$205,452 in CDBG funds towards senior services, youth services, and home repair. Specific programs and recipients varied slightly between the two fiscal years.

In general, these programs have been successful at providing new opportunities, resources, and procedures to assist special needs populations. The City is committed to furthering fair housing and supporting special needs populations and has included several programs in its 6th Cycle Element to further address the housing needs of all groups.

Accessibility Improvements

The need to revitalize older City infrastructure, particularly accessibility for elderly persons and persons with disabilities is identified as a top priority in the City's 2020 – 2025 Consolidated Plan and 2020 – 2021 Annual Action Plan. The Consolidated Plan further identifies accessibility improvements such as wheelchair ramps, curbing, and sidewalks as one solution to this need. In November 2021, the City awarded \$70,592 in CDBG funding to a consultant to design and prepare construction documents for off-site improvements in front of the Gateway Senior affordable Apartments, located at 6500 Monterey Road. The scope of work included design of a standalone HAWK (High-Intensity Activated Crosswalk) system for safe pedestrian crossing, design of two ADA compliance curb ramps and minor concrete work, and design of new striping for pedestrian crossing and safety. The full construction cost of the CIP project is estimated to be \$314,400. For the 2022-2023 fiscal year funding cycle, the City also allocated \$145,090 in CDBG funds toward improving sidewalks and curb ramps throughout the City.

Seniors and Residents with Disabilities

The City also identifies supportive services for seniors and persons with disabilities under the Special Needs section of the 2020-2025 Consolidated Plan. As noted above, the City allocated a portion of the CDBG funds and a portion of the PLHA funds towards senior services and residents with disabilities. This included \$18,560 for the Live Oak Adult Day Care program, \$20,000 for the Silicon Valley Independent Living Center Housing Services for Gilroy Residents with Disabilities program, and \$27,000 for the Health Trust Meals on Wheels food service program. This service provides access to hot meal deliveries 5-days per week to people with disabilities and seniors who are unable to leave the house. Similarly, \$100,359 of the CDBG-CV

funds were allocated towards the local YMCA's food distribution program for homebound seniors impacted by the COVID-19 pandemic and shelter in place orders.

The Recreational Division at City Hall provides seniors access to a free Box/Dine in lunch in partnership with the YMCA at the Gilroy Senior Center on 7371 Hanna Street. Free groceries from the Second Harvest Food Bank are available at San Ysidro Park on 7700 Murray Avenue.

At-Risk Youth Services

The 2020 – 2025 Consolidated Plan also identified Gilroy's at-risk youth as a priority need for the City. Over the 2021 – 2023 (two-year) fiscal cycles, a portion of the CDBG funds discussed above were allocated towards Gilroy's at-risk youth. The Community Agency for Resources Advocacy and Services (CARAS) RYSE (Reaching our Young people to Succeed and Empower with Unlimited Potential) program received \$8,500 to provide support to at-risk young girls through crime prevention, gang intervention, youth empowerment, and recreational activities. The Boys and Girls Club Ochoa Clubhouse CORE Enrichment Program received \$8,500 to empower kids and teens to excel in school, become good community members, and lead healthy, productive lives through education, learning, the arts, health and wellness, character and leadership, sports and recreation, and workforce readiness. The Gilroy Youth Center received \$76,904 for engaging high-risk youth and their families with social, recreational and educational programs that support and enhance their quality of life through community-based recreation. The Gilroy Youth Center is a free program for income eligible residents, providing an after-school program during the school year and a day camp during the summer.

Unhoused Outreach

A portion of the PLHA funds and CDBG-CV funds discussed above was allocated towards homelessness prevention. The following agencies received PLHA Funding for FY 22-23 and FY 23-24: St. Joseph's Family Center, Homeless Prevention Services program received \$55,000; South County Compassion Center, Outreach for the Unhoused program received \$40,000; Community Agency for Resources Advocacy and Services (CARAS), Homeward Bound Homeless Prevention Services program received \$20,000; and St. Joseph's Family Center, Gilroy Street Team program received \$35,000. Through its CDBG-CV funds, the City provided \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program. This program is designed to prevent homelessness through emergency rental assistance and deposits. The funds helped very-low-income tenants who have been impacted by COVID-19 with paying a portion of their rents to avoid eviction. The Program benefited an estimated 231 low-income individuals.

Farmworkers

Due to the seasonal nature of farm work, many households have a difficult time securing safe, habitable, and affordable housing. There are 56 dwelling units within Gilroy City limits to meet the farmworker population permanent and seasonal housing needs of extremely low-income and low-income farmworkers. These units are located in the following three (3) housing developments, owned and managed by Eden Housing:

- The Trees, with 14 units
- Aspen Grove, with 24 units
- Maple Gardens with 18 units

In addition, the Santa Clara County Housing Authority (SCCHA) provides 100 farmworker housing units through the Ochoa Migrant Center, located just outside of the Gilroy City boundary. The center serves as a migrant camp 8 months out of the year (April through November) for farmworkers and their families. There are 33 three-bedroom apartments and 67 two-bedroom apartments within the 100-unit development. During the off-season (mid-December through mid-March), the Ochoa Migrant Center provides temporary housing for the unhoused.

2015 – 2023 (5th Cycle) Housing Element Programs

This section illustrates the City of Gilroy's accomplishments and status in implementing the housing programs identified for the 2015-2023 5th Cycle, as well as the continued appropriateness of each program for the 2023-2031 6th Cycle. Programs that have been successfully completed or that consist of routine staff functions are marked as "remove," as these programs are no longer necessary for the 6th Cycle. Previous programs that are continued with no or minor modifications are marked as "continue." Finally, programs marked as "modify" or "consolidate" are programs that will be continued, but have updated goals and metrics, and may involve combining multiple existing programs into a single 6th Cycle program for ease of use and streamlining.

Table 2: Review of 2015 – 2023 (5th Cycle) Housing Element Programs

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRODUCTION						
H-1.A	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the sites to developers. The City shall update the list of sites annually, or as projects are approved on the sites.	Post on website within 6 months of adoption; update annually, or as needed	The most recent Residential Vacant Land Inventory was completed in October 2022 and is available on the City's website.	Retain – modify to include clear objectives and additional developer outreach.	A - 4
H-1.B	Residential Development Ordinance	The City shall review and revise, as appropriate, the Residential Development Ordinance to ensure that it does not pose a constraint on the maintenance, improvement and development of housing; and provides capacity to meet the City's RHNA need. Furthermore, the City will encourage the development of housing that is affordable to a variety of income groups through the Residential Development Ordinance by comparing its features with the Neighborhood District Ordinance and making any changes to ensure the two policies are compatible.	Review of RDO following adoption of the New General Plan (estimated FY 2015/16)	Senate Bill 330, signed by the governor in 2019, prohibits a jurisdiction from implementing any provision that limits the number of approvals or permits or puts a cap on the number housing units that can be approved or constructed, or limits population. As a result, the Residential Development Ordinance is now null and void and will be repealed as part of the City's comprehensive zoning update in 2023.	Retain - modify: The RDO will be repealed as a part of the City's comprehensive zoning update in 2023.	B - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.C	Variety of Housing in Neighborhood Districts	The City shall review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance and making any changes to ensure the two policies are compatible and designed to reach the same goals.	Review of Neighborhood District Policy in conjunction with the New General Plan preparation (estimated FY 2015/16)	The Residential Development Ordinance is no longer in effect. The 2040 General Plan includes a new higher density Neighborhood District designation, allowing a greater range of housing types from single family detached dwellings (0-7 du/ac) to higher density multi-family dwellings (16-30du/ac).	Retain – modify the Neighborhood District policy to eliminate any references to the RDO (see discussion above) and provide standards related to the new density ranges and affordable housing requirements.	A - 5
H-1.D	Facilitate Infill Development	The City shall coordinate efforts with private and non-profit developers, and other housing related groups to encourage the construction of residential development through a menu of regulatory incentives (e.g., streamlined review and other methods that will effectively encourage infill development). The City shall monitor infill development on a biannual basis to ensure the effectiveness of programs to encourage housing development. If, based on its biannual review, the City finds that additional programs are needed to facilitate infill development, the City shall revise programs as appropriate.	Monitor biennially starting in 2016	Between January 1, 2015 and December 31, 2022, the City permitted 2,605 new residential units. The City's residential development standards are generally very permissive. For example, single-family and multi-family residential projects that comply with objective development and design standards can generally be approved through a ministerial or administrative review process, without the need for public hearings. Furthermore, multi-family development is typically built with moderate to high densities, with higher densities allowed through	Retain – modify with a program that will "Facilitate Missing Middle Housing" by streamlining the entitlement process with a ministerial process for duplexes, triplexes and quadplexes in specified areas of the City, that meet objective design standards.	A - 9

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				the State Density Bonus law.		
H-1.E	Monitor Permit Requirements, Processing Procedures and Land Use Controls	To ensure permit requirements and processing procedures do not constrain residential development, the City shall evaluate current requirements and procedures on a biannual basis. The City shall consult builders and other parties engaged in housing development activities to identify concerns. If permitting requirements are determined to be a constraint to residential development the City shall modify permitting requirements and/or procedures to address constraints, as feasible.	Biennial evaluation starting in 2016 and implement changes as appropriate	In 2020, the City awarded the contract for the purchase and implementation of a Land Management System to Tyler Technologies for the implementation of EnerGov to manage and track land development applications, business and professional licenses, special event permits, code enforcement cases, and fire prevention/pre-treatment/ hazardous materials management. The City and Tyler teams kicked off the project in September of 2020 with an anticipated "go-live" in 2023. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow. The City also continues to hold development stakeholder roundtable meetings (virtual in 2020) to maintain a dialog with the Development Community. Topics included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan.	Retain - modify by splitting into two programs. One for the Land Management System Implementation and one that is streamlining the permit process as a part of the 2023 comprehensive Zoning Ordinance update	A - 8 and B - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.F	Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Review and Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will include a definition for and regulatory standards addressing single-room occupancy units as part of the 2023 Zoning Update.	Retain - modify	E - 2
H-1.G	Study Micro-Units	The City shall conduct a study of the appropriateness of "micro-units" in Gilroy and the existing barriers in the Zoning Ordinance to the provision of micro-units. Based on the findings of the study, the City will make a determination of the appropriateness of micro-units in Gilroy and, if determined appropriate, identify methods for eliminating barriers, and establish appropriate development standards.	FY 2017/18	Not completed. The City will define "micro-units" in Gilroy as part of the 2023 Zoning Update.	Retain – modify The draft 2023 – 2031 Housing Element includes a program to develop incentives for micro-units which help contribute to the City's affordable by design housing stock.	E - 5
AFFORDABLE HOUSING						
H.2.A	Develop Affordable Housing Incentives	The City shall review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District. Incentives and regulatory concessions may include, but are not limited to parking reductions, and reduced setbacks. The City shall also provide technical assistance, as feasible; information	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and regulatory concession biennially, starting	Partially Complete. The City continues to monitor development in the Neighborhood District areas (e.g., Glen Loma) and the Downtown Specific Plan area and provide technical assistance to potential developers. The draft 2023-2031 Housing Element includes a program to	Retain – modify The draft 2023-2031 Housing Element also anticipates new development in the downtown area including	A - 10

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		on State and Federal funding opportunities; and marketing to potential developers. The City shall continue to monitor development within the City's Downtown area on a biannual basis to ensure the implementation of the Specific Plan's policy on encouraging the development of a mix of retail, office and higher density residential uses. The City shall encourage the development of uses within the area to closely follow the recommended land use assumptions contained in the Specific Plan. If, based on its biannual review, the City finds that the proportion of residential uses to non-residential uses are not being developed as assumed in the Specific Plan, the City shall investigate additional incentives, concessions or assistance and revise programs as appropriate.	in 2016; Ongoing monitoring of development within Downtown Specific Plan.	adopt an Affordable Housing Policy. The City continues to seek grant funding to update the Downtown Specific Plan to ensure that the City's vision for the downtown is implemented.	affordable housing units	
H-2.B	Pursue Funding for Affordable Housing	The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by the Association of Bay Area Governments; • HCD Local Housing Trust Fund Program; • HUD Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by the Department	At least biennially, or as funding opportunities become available	The City evaluates funding opportunities as they arise and apply as appropriate. The City also facilitates public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.	Retain	D - 4

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		of Housing and Community Development (HCD); and The State Multifamily Housing Program (MHP), sponsored by HCD.				
H-2.C	Community Development Block Grant Program	The City shall continue to administer the Community Development Block Grant Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, public services, and public improvements. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	The City continues to administer the CDBG program and funds eligible activities as funding allows. One such activity is a housing rehabilitation program that helps low income individuals with accessibility improvements. The city has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Modification program in Gilroy. This program provides a wide range of home repair, accessibility, mobility and rehabilitation improvements for low income homeowners.	Retain	D - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.D	Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	Completed. During most of the 5 th cycle planning period, the City allocated Housing Trust funds towards housing-related activities. These activities include fair housing services, tenant landlord counseling services, and homeless prevention services. In 2022, the City replaced the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service addressing homeless basic need programs as well as programs that focus on homelessness prevention.	Retain – modify to reflect funds are from the PLHA rather than the Housing Trust Fund	D - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.E	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, and County funds. The City shall improve public outreach activities through the compilation of resources for down payment assistance, silent second mortgages, and other means of acquiring a home.	Development of resources for public dissemination by December 2015; ongoing review of additional funding sources	Partially completed. The City has posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley, an organization that helps first-time homebuyers secure Below Market Rate (BMR) down payment assistance. On December 6 and December 8, 2022, the City co-hosted Spanish and English Webinars (respectively) to educate the public on the Santa Clara County Empower Homebuyers Down Payment Assistance Program. The webinar was co-hosted with the City of Morgan Hill and the Housing Trust of Silicon Valley.	Retain - modify	D - 2
H-2.F	Section 8 Referrals	The City shall continue to provide Section 8 referral services and information to City residents. The City shall make information on the Section 8 voucher program available on the City website.	Post on website by January 2016; provide referral on an ongoing basis	Completed. The City has posted on its website a link to the Housing Authority of Santa Clara County website. Here individuals can learn more about Housing Choice voucher eligibility and determine if the current waiting list is accepting any additional households.	Retain	D - 3

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.G	Development of Housing for Extremely Low-Income Households	The City shall review and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing units for extremely low-income households. The City shall encourage and support the development of housing for extremely low-income households within future affordable housing projects through various strategies and programs that may include assistance with entitlement processing; and modifying development standards and granting concessions and incentives for projects that provide housing for lower income families.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Partially completed. The City continues to encourage developers to include extremely low-income units in their housing projects. Staff are available to meet with developers and discuss various incentives and concessions, consistent with State density bonus law.	Retain – modify by including a density bonus beyond state law with incentives for ELI households, and inclusionary housing policy.	A - 10 and A - 11
H-2.H	Water and Sewer Service Priority	The City shall review and update every five years, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority.	Review every 5 years, starting December 2015	Completed. The Gilroy collection system includes about 140 miles of sewer mains. Policies in the new 2040 General Plan provide for reliable sewer service for all residents and businesses through a cooperative effort between the City and SCRWA. The General Plan also includes policies to ensure the provision of healthy, safe water for all users in Gilroy through facilities, policies, programs, and regulations.	Retain and Modify	E - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRESERVATION AND REHABILITATION						
H-3.A	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to implement the City's Housing Rehabilitation Program. The City will continue using Community Development Block Grant (CDBG) funds to assist in the improvement of substandard housing.	Ongoing	The City currently funds a housing rehabilitation program that provides accessibility improvements to very low income households. The City has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Accessibility Modification program in Gilroy. This program will provide a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low income homeowners.	Retain	C - 2
H-3.B	Code Enforcement Program	To ensure continued maintenance of housing quality, condition, and use, the City shall continue to enforce building codes to address existing exterior and interior code violations. Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the City's Rehabilitation Loan Program and landlord/tenant information and mediation services.	Ongoing	The City continues to enforce building codes to address code violations. Code enforcement officers work with owners of units identified as substandard, offering inspection services and providing information on the City's programs and services.	Retain – modify to set quantified objective	C - 3

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-3.C	Monitoring of Units At-Risk of Converting to Market Rate	The City shall provide for regular monitoring of deed-restricted units that have the potential of converting to market rate. In order to proactively address units at-risk of conversion, the City shall develop a program to partner with non-profit housing providers and develop a preservation strategy. This strategy will at least include biennial contact with property owners of affordable units, identification of funds to purchase and preserve affordable units, noticing of tenants and technical assistance with applications for funds.	Ongoing	To date, no multi-family affordable housing units have converted to market rate or are at-risk of conversion. Many of the complexes have undergone significant rehabilitation to update and prolong the longevity of the units. The city has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program. HouseKeys will continue to evaluate the city's current multi-family affordable housing stock to determine if any developments are at-risk of conversion.	Retain	C - 1
H-3.D	Resale Control on Owner-Occupied Below Market Rate Units	The City shall continue to implement resale controls on owner-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program.	Retain	C - 4
H-3.E	Rent and Income Restrictions on Rental Below-Market Rate Units	The City shall continue to implement rent and income restrictions on rental Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program to help ensure that the homeowners and property owners are complying with affordable housing requirements.	Retain	C - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING OPPORTUNITY FOR RESIDENTS WITH SPECIAL NEEDS						
H-4.A	Housing for Large Families	The City shall review and revise the Zoning Ordinance, as appropriate, to incorporate appropriate regulatory incentives, and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families. The City shall encourage and support the development of rental housing for large families within future affordable housing projects through various strategies and programs that may include assistance with site identification and entitlement processing; and modifying development standards and granting concessions and incentives.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. The City will consider the appropriateness of regulatory incentives and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families in Gilroy as part of the 2023 Zoning Update and the 2023 – 2031 Housing Element density bonus program.	Remove and consolidate with Density Bonus Incentives program The 2023 – 2031 Housing Element includes a program to develop incentives to encourage the development of housing to accommodate the needs of large families in Gilroy.	A - 11
H-4.B	Development of Housing for Seniors	The City shall consider areas for new senior housing development, including residential care facilities, that are convenient to public transit and within walking distance to shopping and restaurants, and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing for seniors. The City shall continue to accept Senior only and Affordable Senior Housing projects through the RDO Exemption program to encourage the development of these projects.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. As noted above, the Residential Development Ordinance is no longer in effect. The City will consider areas for new senior housing development, including residential care facilities, as part of the 2023 Zoning Update.	Retain – modify. The RDO is no longer in effect. Housing for seniors is a need that will be considered and incorporated into the density bonus beyond state law	A - 11

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.C	Reduced Parking Standards for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.	Conduct study and review Zoning Ordinance (estimated FY 2015/16) (as appropriate) following adoption of the New General Plan	Not completed. The City will consider reduced parking standards for senior housing as part of the Zoning Ordinance update, which will be completed in 2023.	Retain	E - 6
H-4.D	Development and Conservation of Housing for Farmworkers	The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing. The City shall assist with requests by developers for State and Federal funding for development of multi-family housing within city limits.	Outreach to Santa Clara Housing Authority and non-profit organizations biennially starting in 2016, and identify and pursue development, as appropriate	The City maintains communication with Santa Clara County and other organizations regarding the need for farmworker housing and the potential for expanding farmworker housing in Gilroy. There is currently farm worker housing in Gilroy, including three apartment buildings (managed by Eden Housing). The Ochoa Migrant Camp (managed by EAH Housing) is just outside of city boundaries. The Ochoa Migrant camp is seasonal, following the surrounding harvest season. During the off season, it is used to accommodate un-housed families.	Retain	E - 7

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.E	Consistency with the Employee Housing Act	The City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right, without a CUP, in single-family zones for less than six persons, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	Review and amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). The zoning update will be completed in 2023.	Retain	E - 8
H-4.F	Support Homeless Service Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	Ongoing	The City provides funding to homeless service providers through both its CDBG and HTF/PLHA programs. Services include referrals to the Santa Clara County Continuum of Care program, case management, homelessness prevention and provision of basic need items. The City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Consolidate with other programs; the PLHA and CDBG funds includes funding for homelessness prevention services and homelessness assistance	D - 1 and D - 5
H-4.G	Home Access Grants	The City shall continue to administer Home Access Program to provide very low-income disabled residents with help in safely entering and exiting their homes and accessing essential areas within their homes.	Ongoing	This program was eliminated from the consolidated plan. The City continues to look at programs that can help its very-low income disabled residents, including the Home Access Program.	Remove and consolidate with Housing Rehabilitation program	C - 2

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.H	Coordinate with the San Andreas Regional Center	The City shall work with the San Andreas Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.	Initiate coordinate by 2016	The San Andreas Regional Center provides services to residents at Villa Esperanze in Gilroy.	Remove	N/A
H-4.I	Zoning Ordinance Amendments for Transitional and Supportive Housing	The City shall update the Zoning Ordinance to be fully compliant with State law and allow transitional and supportive housing in all zones that allow residential uses, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Completed. The Zoning Ordinance allows transitional and supportive housing in all residential zoning districts, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Remove	N/A
FAIR HOUSING						
H-5.A	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and improvement or removal of identified impediments. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website.	Ongoing	The City funds fair housing counseling services through its Housing Trust/PLHA Fund program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.	Retain	F - 2

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
EXPANDING OUTREACH						
H-6.A	Interagency Collaboration for Lower Cost Housing	The City shall continue participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	Ongoing	Abode Services provides a direct subsidy to one individual at the Cherry Blossom Apartments, owned by the City, through a partnership with the City and Community Solutions. The City also facilitates TEFRA hearings, as needed, to allow for the development and rehabilitation of affordable housing units throughout the City.	Consolidate – roll into programs to outreach for developers and a program to provide for rehabilitation of affordable housing units.	G - 1 and C - 2
H-6.B	Collaboration with Development Community	The City shall continue to establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and collaborative approaches to affordable housing development. The City will especially utilize the Housing Advisory Committee to address housing issues and provide outreach to the development community.	Ongoing	The City continues to establish collaborative relationships with for-profit and non-profit development companies to find innovative approaches to affordable housing development in Gilroy. The housing advisory duties now fall under the Planning Commission, a decision-making body with authority to approve or recommend approval of housing developments in Gilroy. City staff continue to provide outreach to the development community.	Retain and modify	G - 1

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.C	Community Access to Housing Information	To ensure the Gilroy community is provided the highest level of access to information, the City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy for the delivery of housing information. The outreach strategy will consider various methods of delivery, including print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Develop housing information strategy by June 2016	The City's 2040 General Plan, adopted in November 2020, includes goals, policies, and implementation actions regarding outreach and community education efforts including various methods of delivery, such as print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy. City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Retain	G - 5
H-6.D	Annual Review of Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2022.	Remove	N/A

CITY OF GILROY

HOUSING ELEMENT



**6TH CYCLE
HOUSING NEEDS ASSESSMENT**

Housing Needs Assessment

The housing needs assessment discusses the varied needs of all segments of the community. Components that dictate housing need are population trends, demographics, employment trends, household characteristics, housing stock characteristics, housing inventory and market conditions, and preservation of at-risk units. The assessment also analyzes the housing needs of various special needs groups including elderly persons, large households, female-headed households, persons with disabilities (including developmental disabilities), homeless/unhoused persons, farmworkers, and extremely low-income households. These components are presented within the context of Gilroy, Santa Clara County, and other regional or neighboring areas as appropriate. The needs assessment guides the identification of appropriate goals, policies, and programs for the City to implement during the 2023–2031 Housing Element Cycle.

The needs assessment uses multiple data sources for analysis. Primary data sources include the 2019 American Community Survey (ACS), the 2014–2018 Comprehensive Housing Affordability Strategy (CHAS) published by the US Department of Housing and Urban Development (HUD), and the 2020 US Census. CHAS provides information related to households with housing problems, including overpayment, overcrowding, and those without complete kitchen facilities and plumbing systems. The CHAS data is based on the 2014–2018 ACS data files but differs from the standard files by including a variety of housing need variables split by HUD-defined income limits and HUD-specified household types. CHAS data uses the HUD Area Median Family Income (HAMFI), which is similar to the area median income (AMI) used by the California Department of Housing and Community Development (HCD), except that it does not utilize the income categories described below. Both the AMI and HAMFI use the same median income from the metropolitan statistical area. In Gilroy, the calculation for the San Jose/Sunnyvale/Santa Clara metropolitan statistical area is used. Tables that use HAMFI instead of AMI are noted.

Note that data from the different sources and different years may have varying estimates for totals such as population or number of households.

Some of the data is broken down by income group. HCD uses five income categories to evaluate housing need based on the AMI for each metropolitan statistical area. The AMI is used for both funding and planning purposes. The categories and their corresponding percentages of the AMI are as follows:

- Extremely low-income households, 0% to 30% of the AMI
- Very low-income households, between 31% and 50% of the AMI
- Low-income households, between 51% and 80% of the AMI
- Moderate-income households, between 81% and 120% of the AMI
- Above moderate-income households, above 120% of the AMI

Extremely low-, very low-, and low-income households may be grouped together for planning purposes and referred to as “lower-income households.”

Projected Housing Needs

California General Plan law requires that each city and county have land zoned to accommodate its fair share of the regional housing need. A local jurisdiction’s “fair share” of regional housing need is the number of additional housing units needed to accommodate the forecasted household growth, replace the loss of existing housing units, and achieve vacancy rates that contribute to a stable and healthy housing market. HCD determines the projected housing need for each region. The housing unit need as determined by HCD for the 2023–2031 planning period for the Bay Area region is 441,176 units. The Association of Bay Area Governments (ABAG) is responsible for allocating housing needs to each jurisdiction within the Bay Area region, which includes Gilroy. Housing unit allocations are divided into four income categories: very low, low, moderate, and above moderate. Gilroy’s RHNA is a total of 1,773 units, as shown in Table 3.

Table 3: Gilroy RHNA, 2023–2031

Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total	-	1,773	100%

Source: ABAG, Regional Housing Needs Allocation, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

Existing Housing Need

Demographic Characteristics

Understanding the demographic characteristics and trends in a city is an important facet of planning for the needs of a community. This section summarizes the population size, age, and racial/ethnic composition of the City of Gilroy and region.

Population Growth Trends

The City of Gilroy is one of 15 cities in Santa Clara County. Gilroy is the southernmost incorporated city in Santa Clara County and is surrounded by the unincorporated county. The 2020 US Census estimated the population of Gilroy at 59,520, an increase of over 10,500 from 2010. Table 4 displays the population trends of Gilroy and surrounding areas, including areas in southern Santa Clara County and northern Santa Cruz County. Gilroy’s population increase

was similar to Morgan Hill and Hollister, but more than double the growth rate of Watsonville and Santa Clara County as a whole.

Table 4: Regional Population Trends, 2010–2020

City	2010	2020	% Change
Gilroy	48,821	59,520	21.9%
Morgan Hill	37,882	45,483	20.1%
Watsonville	51,199	52,590	2.7%
Hollister	34,928	41,678	19.3%
Santa Clara County	1,781,642	1,936,259	8.7%

Source: US Census, 2010 and 2020.

Both the City of Gilroy and Santa Clara County continue to see steady population growth. According to the US Census and the California Department of Finance, Gilroy experienced an average annual growth rate of 1.6 percent between 2010 and 2020, which was higher than the County's average annual growth rate (AAGR) of 1 percent, as shown in Table 5. The growth rate in Gilroy remained steady in comparison to the period from 2000 through 2010, which was 1.7 percent. Table 5 compares the AAGRs of the City and County from 2000 through 2020.

Table 5: Average Annual Population Growth Rate

Jurisdiction	2000	2010	2020	2000–2010		2010–2020	
	Total Population			Population Increase	AAGR	Population Increase	AAGR
Gilroy	41,464	48,821	59,520	7,357	1.7%	10,699	1.6%
Santa Clara County	1,682,585	1,781,642	1,936,259	99,057	0.6%	154,617	1.0%

Source: Decennial Census, 2020

Age Composition

Table 6 summarizes the population's age distribution and percentage change from 2000 to 2019. Different age groups have varying housing needs that may fluctuate across the stages of life. Generally, both the young adult (20 to 34 years old) and the elderly (65 years and older) live in apartments, condominiums, and smaller single-family units. Persons over 65 may also need accommodations so that they can age in place. Persons between the ages of 35 to 65 are more likely to live in single-family homes during this stage of life, per the census estimates.² From 2010 to 2019, the largest increases in population were in age groups from 55 to 84 years of age. There was a slower rate of growth in the 25 to 34 years age group and a negative change

² https://censusreporter.org/data/table/?table=B25125&geo_ids=16000US0629504&primary_geo_id=16000US0629504.

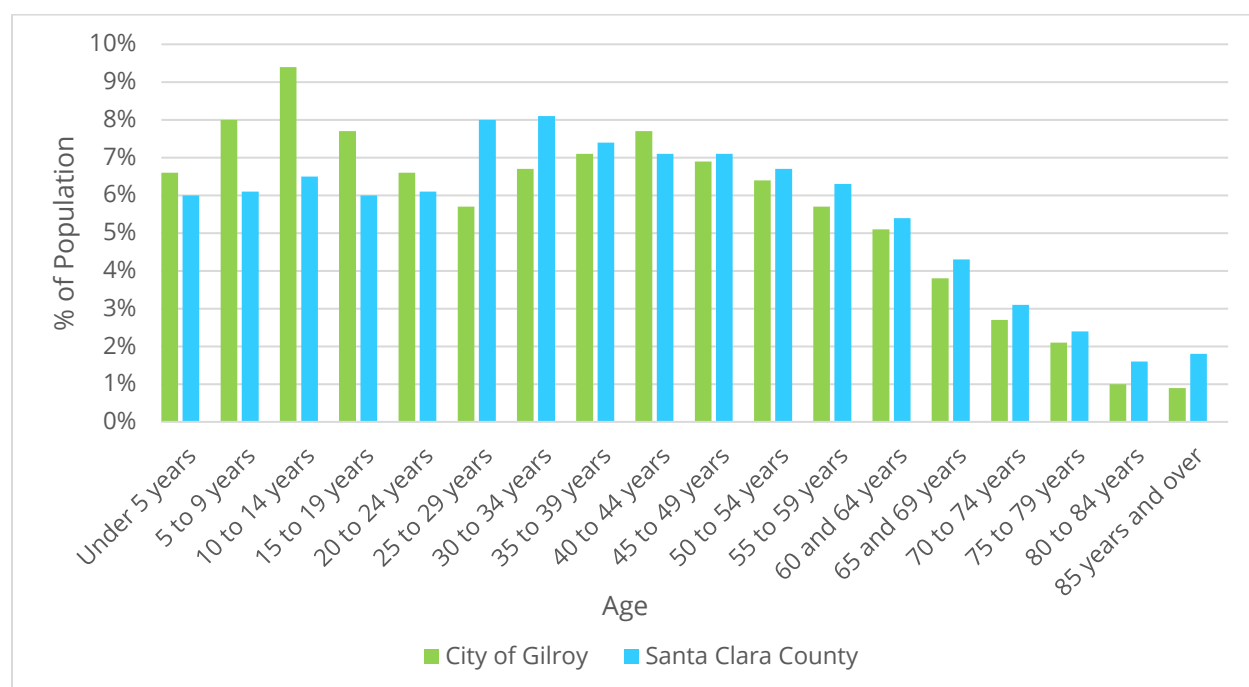
in the 4 years and younger and the 85 years and older age group. This data suggests that there is an increasing need for senior focused housing in Gilroy, which may take the form of age-restricted developments, smaller units, increased support services, and housing with proximity to healthcare.

Table 6: Population Age Distribution, Gilroy

Age Group	2000	2010	2019	% Change (2000–2010)	% Change (2010–2019)
Age 0-4	3,903	4,144	3,738	6.2%	-9.8%
Age 5-14	7,550	8,419	9,885	11.5%	17.4%
Age 15-24	6,194	6,934	8,079	11.9%	16.5%
Age 25-34	6,790	6,718	7,006	-1.1%	4.3%
Age 35-44	6,750	7,386	8,439	9.4%	14.3%
Age 45-54	4,919	6,613	7,553	34.4%	14.2%
Age 55-64	2,543	4,509	6,123	77.3%	35.8%
Age 65-74	1,522	2,326	3,656	52.8%	57.2%
Age 75-84	958	1,237	1,756	29.1%	42.0%
Age 85+	335	535	531	59.7%	-0.7%

Source: US Census 2000, 2010, 2019

Figure 1 shows the age distribution of Gilroy and Santa Clara County in 2019. The distribution is largely similar between the two. Gilroy has a higher percentage of the population that is 24 years or younger, while the County has a larger percentage of the population between 25 and 39 years of age. The County's population above 45 years of age is also higher than Gilroy.

Figure 1: Population Age Distribution, 2019

Source: ACS 2019

Race and Ethnicity

An understanding of the racial and ethnic trends in a region contributes to an analysis of housing demand. Non-White populations occupy multifamily units at a higher rate.³ Race and ethnicity characteristics also can be associated with income levels. Table 7 summarizes the racial and ethnic composition of the population in 2010 and 2019. As of 2019, 59 percent of Gilroy residents of any race were of Hispanic or Latino origin and 41 percent were Non-Hispanic. Of the Non-Hispanic population, 28 percent were white, and 9.1 percent were Asian or Pacific Islander. Between 2010 and 2019, the White Non-Hispanic population percentage declined by 3.4 percent, while the Asian or Pacific Islander population percentage increased by 2.2 percent, and the Hispanic or Latino population increased by 1.3 percent.

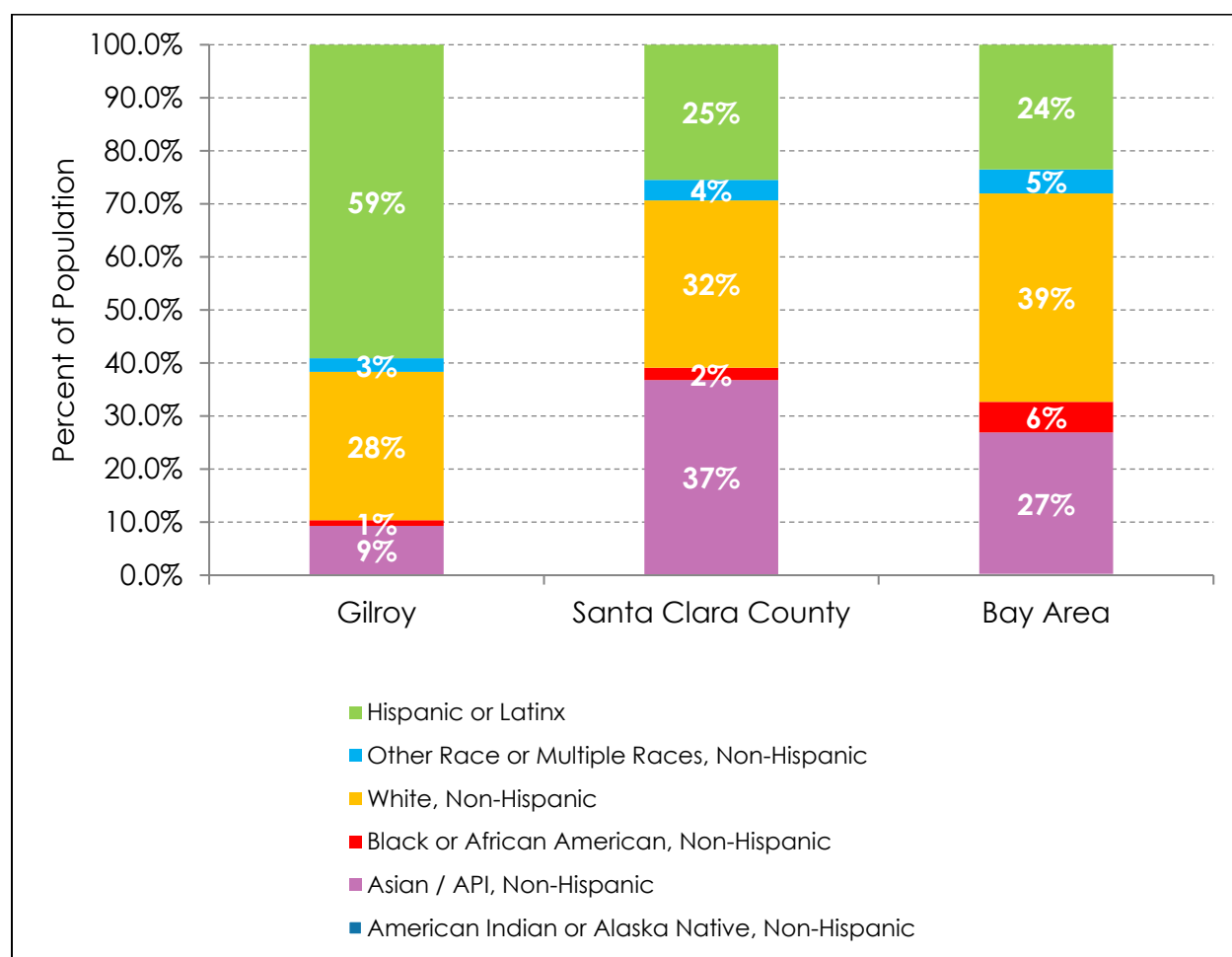
³ ACS Five Year Estimates Table B25032.

Table 7: Racial and Ethnic Composition, Gilroy

Racial/Ethnic Group	2010		2019	
	Number	%	Number	%
Not Hispanic or Latino				
White	15,335	31.4%	15,877	28%
Black	709	1.5%	610	1.1%
American Indian & Alaska Native	180	0.4%	113	0.2%
Asian or Pacific Islander	3,351	6.9%	5,160	9.1%
Some other race alone	58	0.1%	0	0%
Two or more races	974	2.0%	1,460	2.6%
<i>Subtotal</i>	20,607	42.3%	23,220	41%
Hispanic or Latino				
White	13,339	27.3%	26,640	46.9%
Black	233	0.5%	262	0.5%
American Indian & Alaska Native	651	1.3%	215	0.4%
Asian or Pacific Islander	208	0.4%	168	0.3%
Some other race alone	12,264	25.1%	4,807	8.5%
Two or more races	1,519	3.11%	1,454	2.6%
<i>Subtotal</i>	28,214	57.7%	33,546	59%
Total	48,821	100%	56,766	100%

Source: ACS 2019 Five Year Estimates.

Figure 2 displays the racial and ethnic makeup of Gilroy, Santa Clara County, and the entire Bay Area region. The racial and ethnic makeup of Gilroy varies from that of the region. Comparatively, Gilroy's Hispanic or Latino population (59 percent) is more than double that of the County (25 percent) and region (24 percent). Gilroy has a slightly smaller White, non-Hispanic or Latino population (28 percent) than Santa Clara County (32 percent) and the Bay Area region (39 percent). Gilroy's Asian/Pacific Islander population (9 percent) is also much smaller than the County (37 percent) and the region (27 percent).

Figure 2: Regional Racial/Ethnic Composition, 2019

Source: US Census Bureau, ACS 2015–2019, Table B03002.

Employment Trends

Employment trends in a region also influence housing needs. Significant employment opportunities in Santa Clara County have led to a growth in demand for housing in proximity to jobs. The quality and/or pay of available employment can determine the need for various housing types and prices.

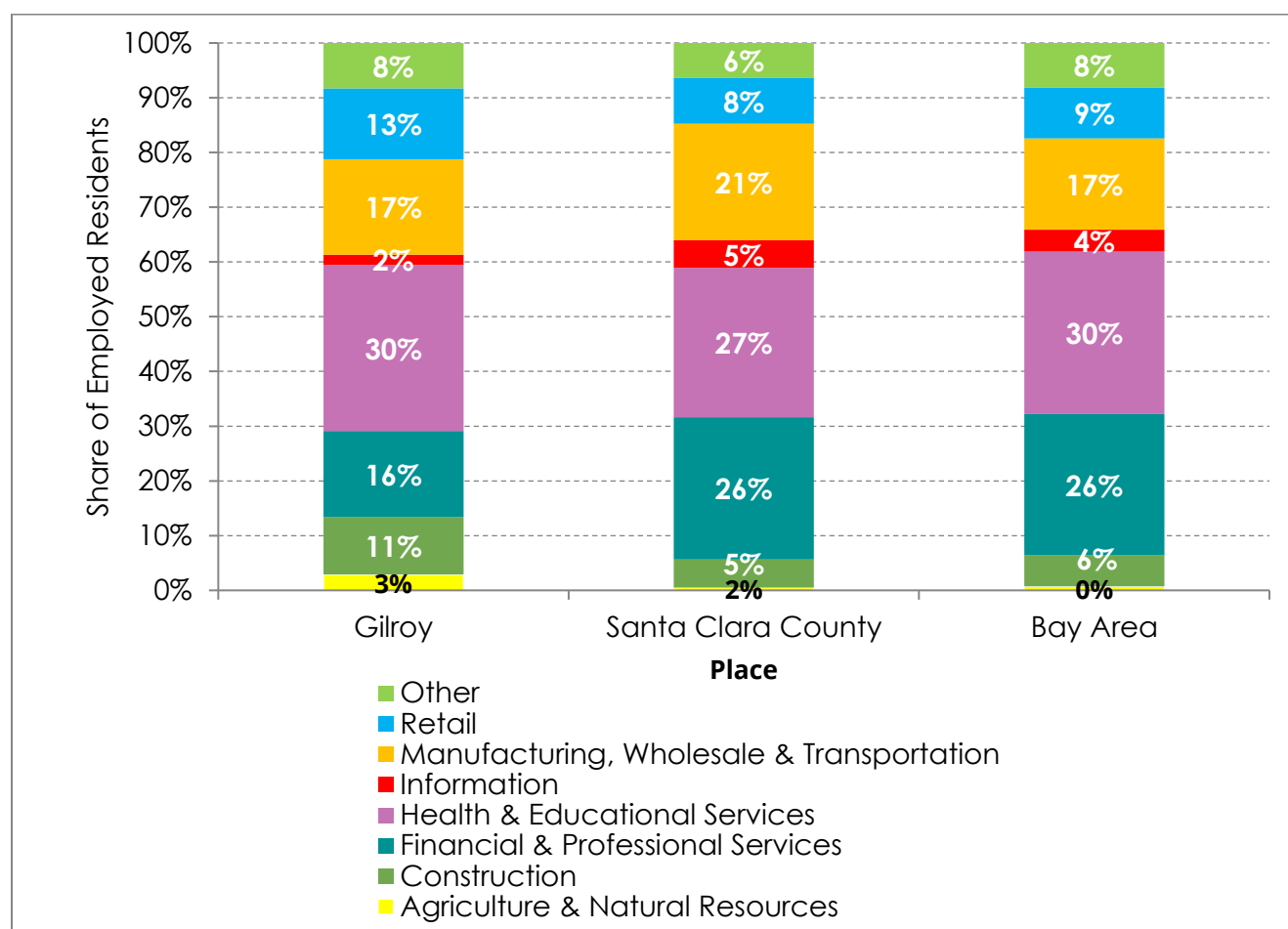
Table 8 shows the labor force and employment trends in Gilroy in 2010, 2014, and 2019. The labor force has increased by over 5,000 from 2010 to 2019. The unemployment rate increased from 2010 to 2014 but decreased from 2014 to 2019. The unemployment rate for Gilroy (3.9 percent) was higher than the County's unemployment rate (3.5 percent) in 2019, according to the 2019 census.

Table 8: Employment Trends, Gilroy

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	23,354	21,272	2,068	6.2%
2014	26,213	23,272	2,930	7.9%
2019	29,620	27,955	1,665	3.9%

Source: ACS Five Year Estimates, 2010, 2014, 2019.

Figure 3 displays the employment share by industry in Gilroy, Santa Clara County, and the entire Bay Area region. The employment by industry breakdown is similar between the City, County, and Bay Area region, with a few differences. Gilroy has a smaller percentage of workers employed in the financial and professional services than Santa Clara County and the Bay Area. It has a higher percentage of workers employed in the retail, construction, and agriculture/natural resources industries. Since there are more people in comparatively lower-paying industries, there may be an increased need for housing for low- and moderate-income households in Gilroy.

Figure 3: Regional Employment by Industry, 2019

Source: US Census ACS 2015–2019, Table C24030.

Table 9 shows the major employers in the City of Gilroy. As of 2021, Christopher Ranch is the largest single employer in Gilroy with 780 employees. Other large employers in Gilroy include Saint Louise Hospital (535 employees), Gavilan College (450 employees), and Olam International (400 employees).

Table 9: Major Employers, 2021

Company	Number of Employees
Christopher Ranch	780
Saint Louise Hospital	535
Gavilan College	450
Olam International	400
Walmart	360
Community Solutions	323
Costco	272
Rebekah Children Services	240
Monterey Gourmet Foods	230
United Natural Foods Inc	205
Kaiser Permanente	175
Headstart Nursery	165

Source: Gilroy Chamber of Commerce, 2021.

Household and Housing Stock Characteristics

This section describes Gilroy's household characteristics, including data on household size, income, median sale prices, rental prices, and vacancy rates. The US Census Bureau defines a family as related persons living within a single housing unit. The US Census Bureau defines a household as all persons living in a single housing unit, whether they are related or not. A household can be one person, a single family, multiple families, or any group of related or unrelated persons.

As shown in Table 10, the number of households in Gilroy continues to grow at a faster pace than the County and the State. In 2019, the US Census Bureau reported 16,126 households in Gilroy, a 13.8 percent increase from 2010. In comparison, total households in Santa Clara County increased by 6 percent between 2010 and 2019, while total households in California increased by 3.7 percent.

Table 10: Change in Households, 2000–2019

Area	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
Gilroy	11,894	14,175	16,126	19.2%	13.8%
Santa Clara County	565,863	604,204	640,215	6.8%	6.0%
California	11,502,870	12,577,498	13,044,266	9.3%	3.7%

Source: US Census 2000, 2010, 2019.

The average number of persons per household in Gilroy was 3.5 in 2020, an increase from 2010. As shown in Table 11, the average number of persons per household in Gilroy continues to be higher than the State and County average by 0.5 persons.

Table 11: Regional Average Household Size

Geography	2010	2020
Gilroy	3.4	3.5
Santa Clara County	2.9	3.0
California	2.9	3.0

Source: US Census 2010 SF1, DP-1 and US Census 2020.

Table 12 shows the household size distribution of Gilroy, Santa Clara County, and the Bay Area region. Gilroy has a lower percentage of one-person households (14.5 percent) than Santa Clara County (20.3 percent) and the Bay Area region (24.7 percent). Gilroy's percentage of 2- and 3-4 person households is similar to the County and region, while the City's percentage of households with 5 or more people (24.3 percent) is nearly twice that of Santa Clara County (12.4 percent). The high proportion of large households influences the needs for a variety of larger unit types and may correlate with some presence of overcrowding.

Table 12: Household Size Distribution, 2019

Geography	1 Person	%	2 Person	%	3-4 Person	%	5 Person or More	%	Total
Gilroy	2,345	14.5%	4,353	27%	5,512	34.2%	3,916	24.3%	16,126
Santa Clara County	130,090	20.3%	196,510	30.7%	234,061	36.6%	79,554	12.4%	640,215
Bay Area	674,587	24.7%	871,002	31.9%	891,588	32.6%	294,257	10.8%	2,731,434

Source: US Census Bureau, ACS 5-Year Data (2015-2019), Table B11016-H2.

The median household income for Gilroy in 2019 was \$101,616, an increase of over \$25,000 from the median income of \$76,060 in 2012. However, Gilroy's 2019 median household

income (\$101,616) was about \$22,439 less than the 2019 median income for the County (\$124,055). In the City, the median income for owner-occupied households (\$134,115) was significantly higher than the median income for renter-occupied households (\$60,022) in 2019.

Table 13: Median Household Income by Tenure, 2019

Jurisdiction and Tenure	2019 Median Income
City of Gilroy	\$101,616
Owner-Occupied Households	\$134,115
Renter-Occupied Households	\$60,022
Santa Clara County	\$124,055
Owner-Occupied Households	\$155,139
Renter-Occupied Households	\$91,265

Source: ACS 2019 Table B25119.

The State of California uses five income categories to determine eligibility for housing programs based on area median income (AMI) for a family. Because eligibility is based on the AMI for a 4-person household in Santa Clara County, cities such as Gilroy, which have a lower median income than the AMI, will have more residents that qualify for housing programs. However, many low-income families in Gilroy have difficulty paying for housing even with housing program subsidies, which are based on the County AMI. In 2019, Gilroy's median income (\$101,616) was \$22,439 less than the Santa Clara County AMI (\$124,055) at that time.

This disparity is in part due to the fact that Gilroy is located farther from high-paying technology and finance jobs in the Bay Area and Silicon Valley than the remainder of Santa Clara County jurisdictions. Table 14 shows the State-defined income ranges for each income category based on the 2022 Santa Clara County AMI of \$168,500 for a household of four, a significant increase from 2019.

Table 14: Income Range by Affordability Level Based on State Area Median Income, 2022

Affordability Category	% of County Median	Income Range
Extremely Low Income	30%	≤ \$50,550
Very Low Income	31%-50%	\$50,550 ≤ \$84,250
Low Income	51%-80%	\$84,250 ≤ \$131,750
Moderate Income	81%-120%	\$131,750 ≤ \$202,200
Above Moderate Income	> 120%	> \$202,200

Source: California Department of Housing and Community Development, 2022.

Table 15 uses HUD HAMFI. As discussed above, the difference between HAMFI and AMI is that HAMFI is a HUD-defined term that does not utilize HCD income categories. Table 15 provides a breakdown of income level by tenure in Gilroy, using the 2014–2018 CHAS data. The table

shows that just under 40 percent of households in Gilroy are renter-occupied, compared to 43.2 percent of households in the County. In Gilroy, 42.5 percent of the population falls into the extremely low-, very low-, and low-income categories, highlighting the need for affordable housing options in the City.

Table 15: Household Income by Tenure, 2018

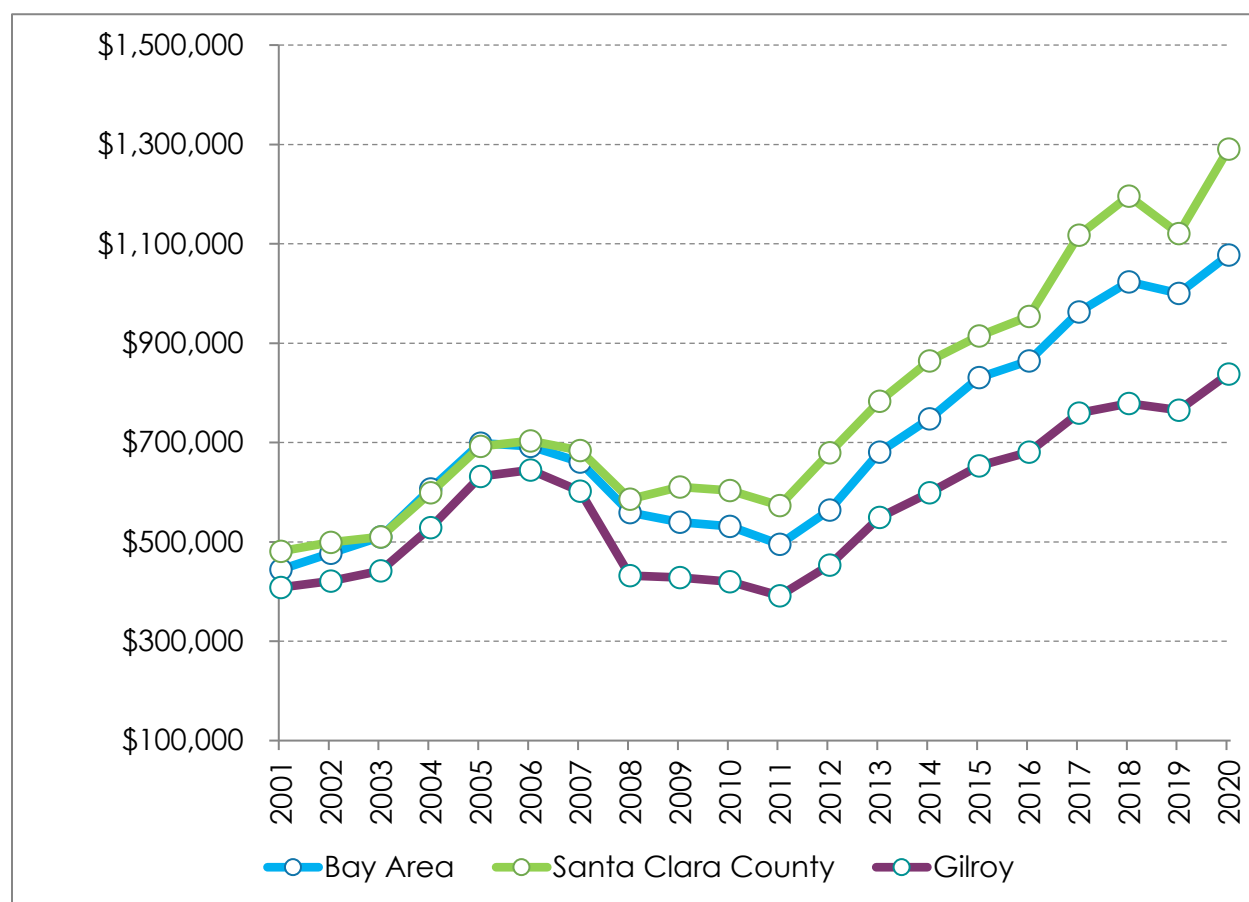
Income Level	Renter-Occupied		Owner-Occupied		Total Occupied Housing Units	
	Number	%	Number	%	Number	%
City of Gilroy						
Less than or equal to 30% of HAMFI	1,995	12.3%	644	4.0%	2,639	16.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,340	8.3%	894	5.5%	2,234	13.8%
Greater than 50% but less than or equal to 80% of HAMFI	1,040	6.4%	965	6.0%	2,005	12.4%
Greater than 80% but less than or equal to 100% of HAMFI	605	3.7%	1,035	6.4%	1,640	10.1%
Greater than 100% of HAMFI	1,420	8.8%	6,259	38.6%	7,679	47.4%
Total	6,400	39.5%	9,797	60.5%	16,197	100.0%
Santa Clara County						
Less than or equal to 30% of HAMFI	55,360	8.7%	27,980	4.4%	83,340	13.1%
Greater than 30% but less than or equal to 50% of HAMFI	35,920	5.7%	27,635	4.3%	63,555	10.0%
Greater than 50% but less than or equal to 80% of HAMFI	34,260	5.4%	32,440	5.1%	66,700	10.5%
Greater than 80% but less than or equal to 100% of HAMFI	24,640	3.9%	28,655	4.5%	53,295	8.4%
Greater than 100% of HAMFI	124,680	19.6%	243,955	38.4%	368,635	58.0%
Total	274,860	43.2%	360,665	56.8%	635,525	100.0%

Source: HUD 2014-2018 CHAS data.

Median Home Sales Price

Figure 4 shows the change in home prices in Gilroy, Santa Clara County, and the Bay Area region from January 2001 to December 2020. While each geography follows the same general trend over time, Gilroy home prices are lower than the other two geographies. Notably starting after 2005, Santa Clara County home prices trend higher than the Bay Area region on average. After 2007, the housing market slowdown affected home sale prices in Gilroy, which decreased by approximately 50 percent between mid-2007 and early 2012. Since 2012, the median sales prices for new and resale homes in Gilroy have steadily increased, with a minor dip at the start of the COVID-19 pandemic. However, Gilroy home prices remain significantly lower than the County. As shown in Table 16, the November 2021 median home price in Gilroy (\$1,000,000) was \$405,000 less than Santa Clara County (\$1,405,000).

Figure 4: Regional Home Prices Over Time, 2001–2020



Source: Zillow.com, 2020.

As shown in Table 16, the median home price in Gilroy increased almost 20% in a one-year period, from \$835,000 in November 2020 to \$1,000,000 in November 2021. Comparatively, the median sales price in Santa Clara County increased by 15 percent. Since a household can typically qualify to purchase a home that is 2.5 to 3.0 times the annual income of that household, Gilroy's median income of \$101,616 in 2019 implies that the median sales price

should have been around \$305,000. Looking ahead, the \$1,000,000 median sales price in November 2021 indicates a high potential of cost burden in the City.

Table 16: Zillow Home Value Index, 2020 and 2021

Jurisdiction	November 2020	November 2021	% Change
Gilroy	\$835,000	\$1,000,000	20%
Campbell	\$1,420,000	\$1,640,000	15%
Santa Clara	\$1,380,000	\$1,560,000	13%
San Jose	\$1,120,000	\$1,330,000	19%
Morgan Hill	\$1,050,000	\$1,260,000	20%
Santa Clara County	\$1,225,000	\$1,405,000	15%

Source: Zillow Housing Market Data, 2021.

Rental Prices and Affordability

Table 17 summarizes the average monthly rent of market-rate housing in Gilroy by unit size in 2021. According to Zumper, the average rental rate for a one-bedroom unit was \$1,850; a two-bedroom unit was \$2,285; and a three-bedroom unit was \$3,100.

Table 17: Average Monthly Rent by Unit Size, 2021

Unit Size	Average Monthly Rent
Studio	\$1,600
1 bedroom	\$1,850
2 bedrooms	\$2,285
3 bedrooms	\$3,100
4 bedrooms	\$3,775

Source: Zumper, August 2021.

Using the assumption that any rent that exceeds 30 percent of household income renders the resident cost-burdened, Table 18 shows the maximum monthly rent that a household in Santa Clara County (including Gilroy) can afford based on income and the number of bedrooms in the household.

Table 18: Maximum Affordable Rent by Income, Santa Clara County

Unit Size	Income (hourly)	Income (annually)	Income (monthly)	Maximum Affordable rent (30% of income)
Studio	\$42.85	\$89,120	<u>\$7,426.67</u>	\$2,228
One Bedroom	\$49.19	\$102,320	<u>\$8,526.67</u>	\$2,558
Two Bedroom	\$58.67	\$122,040	<u>\$10,170</u>	\$3,051
Three Bedroom	\$76.62	\$159,360	<u>\$13,280</u>	\$3,984
Four Bedroom	\$88.33	\$183,720	<u>\$15,310</u>	\$4,593

Source: National Low Income Housing Coalition. Out of Reach 2021.

Table 19 shows the maximum affordable monthly rent by affordability category.

Table 19: Maximum Affordable Monthly Rent by Income Category

Affordability Category	% of County Median	Income Range	Maximum Affordable Monthly Rent
Extremely Low Income	30%	≤ \$50,550	\$1,264
Very Low Income	31%-50%	\$50,550 ≤ \$84,250	\$2,106
Low Income	51%-80%	\$84,250 ≤ \$131,750	\$3,294
Moderate Income	81%-120%	\$131,750 ≤ \$202,200	\$5,055
Above Moderate Income	> 120%	> \$202,200	-

Source: California Department of Housing and Community Development, 2022.

Current average rents in Gilroy (Table 17) would allow a moderate-income household, making \$131,750, to afford a rental unit of most any size, since such households can afford up to \$5,055 in rent. However, extremely low-income households would likely be cost-burdened in any size unit, since the maximum rent they can afford would be \$1,264 (less than the rent for a studio apartment). The average monthly rent for a two-bedroom unit in Gilroy (\$2,285) would be unaffordable to a four-person household in the extremely low- and very low-income groups, as shown in Table 19. This disparity leads to overcrowding, which is discussed later in this chapter. The disparity between incomes and housing costs indicates a need for more housing options at a variety of sizes available, especially to households below the AMI.

Vacancy Rates

Vacancy rates are indicators of housing supply and demand that reflect the degree of housing choice that is available. Higher vacancy rates can induce downward price pressure, while low vacancy rates can influence upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find housing. For rental units, a 7 to 8 percent vacancy rate is considered “healthy”. For owner-occupied housing, a vacancy rate of 2 percent or below is considered “healthy.” In 2013, the vacancy rate in Gilroy was 4.6 percent, decreasing to 2.9 percent in 2019. Table 20 summarizes the number of occupied and vacant units in Gilroy from 2013 to 2019.

Table 20: Occupancy Rates

Occupancy Status	2013	%	2019	%
Occupied Housing Units	14,657	95.4%	16,126	97.1%
Vacant Housing Units	701	4.6%	482	2.9%
Total Housing Units	15,358	100%	16,608	100%

Source: ACS 5 Year Estimates, 2013 and 2019.

Overpayment

Overpayment is defined as households paying more than 30 percent of their gross income on housing-related expenses, including rent or mortgage payments and utilities. Severe overpayment occurs when households pay 50 percent or more of their gross income for housing. Households paying greater than 30 percent of their gross income on housing-related expenses are considered cost burdened. Higher costs for housing may contribute to households having a limited ability to cover other everyday living expenses. The impact of housing costs is more apparent for extremely low-, very low-, and low-income households, and especially renter households.

Table 21 illustrates housing cost as a percentage of household income by tenure, showing the number and percentage of households that are experiencing cost burden and severe cost burden for both Gilroy and Santa Clara County. In 2018, 9,079 Gilroy households, or 56.3 percent, experience some form of overpayment, with 18.1 percent of households experiencing severe overpayment. This is an increase of 1,769 households from 2012. At about 56.3 percent, Gilroy experiences overpayment at a slightly higher rate than the County, where 50.2 percent of households experience some sort of overpayment.

Table 21: Housing Cost as a Percentage of Household Income, 2018

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
City of Gilroy: Owner Households						
Less than or equal to 30% of HAMFI	645	4.0%	470	2.9%	400	2.5%
Greater than 30% but less than or equal to 50% of HAMFI	895	5.6%	550	3.4%	330	2.0%
Greater than 50% but less than or equal to 80% of HAMFI	975	6.1%	465	2.9%	240	1.5%
Greater than 80% of HAMFI	7,305	45.4%	1,160	7.2%	165	1.0%
Total	9,820	61.0%	2,645	16.4%	1,135	7.0%
City of Gilroy: Renter Households						
Less than or equal to 30% of HAMFI	1,885	11.7%	1,590	9.9%	1,230	7.6%
Greater than 30% but less than or equal to 50% of HAMFI	1,339	8.3%	979	6.1%	395	2.5%
Greater than 50% but less than or equal to 80% of HAMFI	1,030	6.4%	590	3.7%	165	1.0%
Greater than 80% of HAMFI	2,029	12.6%	350	2.2%	0	0.0%
Total	6,283	39.0%	3,509	21.8%	1,790	11.1%
Santa Clara County: Owner Households						

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%
Greater than 50% but less than or equal to 80% of HAMFI	32,435	5.2%	15,680	2.5%	6,870	1.1%
Greater than 80% of HAMFI	272,605	43.3%	46,610	7.4%	7,635	1.2%
Total	358,625	57.0%	98,425	15.6%	40,900	6.5%
Santa Clara County: Renter Households						
Less than or equal to 30% of HAMFI	51,035	8.1%	45,275	7.2%	35,590	5.7%
Greater than 30% but less than or equal to 50% of HAMFI	35,940	5.7%	29,750	4.7%	15,250	2.4%
Greater than 50% but less than or equal to 80% of HAMFI	34,270	5.4%	21,565	3.4%	5,615	0.9%
Greater than 80% of HAMFI	149,320	23.7%	22,390	3.6%	1,165	0.2%
Total	270,565	43.0%	118,980	18.9%	57,620	9.2%

Source: HUD 2014-2018 CHAS data.

Overcrowding

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding.

Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Table 22 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households in Gilroy, roughly 9.2 percent, were experiencing overcrowding in 2019. This included 347 owners and 1,135 rental households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 22: Overcrowded Households, 2019

Persons per Room	Owners		Renters		Total	
	Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
City of Gilroy						
1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
>1.50	62	0.4%	470	2.9%	532	3.3%
Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County						
1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: ACS 2019 Table B25014.

Housing Inventory and Market Conditions

This section discusses the housing stock and market conditions in Gilroy, including change in housing units, unit size, unit type, age of housing stock, and housing conditions. By analyzing past and current housing trends, future housing needs can be assessed.

Table 23 summarizes the number of housing units in the City and County from 2000 to 2019. In 2000, Gilroy had 12,167 housing units. By 2010, the number of housing units increased to 14,854, and in 2019 the Census reported 16,608 housing units in the City. According to the California Department of Finance, 2.5 percent of housing units in the County are within Gilroy's boundaries, representing an increase of 0.4 percent from 2000 to 2019.

Table 23: Housing Units, 2000–2019

Year	Gilroy	Santa Clara County	Gilroy as % of Total Santa Clara County Units
2000	12,167	579,329	2.1%
2010	14,854	631,920	2.4%
2019	16,608	672,495	2.5%

Source: US Census 2000 SF3, H1, US Census 2010 SF1, H1, and Department of Finance Table E-5, 2019.

Table 24 summarizes Gilroy's distribution of unit size by tenure in 2019. The most common unit size for renter-occupied units was two-bedroom units, followed by three-bedroom units. Owner-occupied units had more bedrooms, on average, than renter-occupied units.

Table 24: Unit Size by Tenure, 2019

Unit Size	Owner-Occupied		Renter-Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
No bedroom	15	0.1%	218	1.4%	233	1.5%
1 bedroom	126	0.8%	972	6%	1,098	6.8%
2 bedrooms	632	3.9%	2,601	16.1%	3,233	20%
3 bedrooms	3,895	24.2%	1,481	9.2%	5,376	33.4%
4 bedrooms	4,016	24.9%	685	4.2%	4,701	29.1%
5 or more bedrooms	1,230	7.6%	255	1.6%	1,485	9.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25042.

Table 25 summarizes Gilroy's housing inventory by unit type from 2000 to 2021. From 2010 to 2021, the number of units for all housing types increased, except for single-family attached units and mobile homes, which remained the same at 887 and 317 units, respectively. The US Census defines single-family attached houses as houses running together or that are attached, such as townhomes⁴. In 2021, there were 11,739 single-family detached units in Gilroy,

⁴ US Census Appendix A. Subject Definitions and Table Index. <https://www2.census.gov/programs-surveys/ahs/2017/2017%20AHS%20Definitions.pdf>

comprising the largest percentage of housing stock, at almost 70 percent. Multifamily housing made up just over 23 percent of the housing stock with 3,883 units.

Comparatively, Santa Clara County had fewer detached single-family housing units (51.7 percent) and more multifamily housing units (35.8 percent) in 2021.

Table 25: Housing Inventory by Unit Type

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
City of Gilroy						
Single family, detached	7,768	63.8%	9,997	67.3%	11,739	69.8%
Single family, attached	742	6.1%	887	6.0%	887	5.3%
Multifamily	3,225	26.5%	3,653	24.6%	3,883	23.1%
Mobile homes	432	3.6%	317	2.1%	317	1.9%
Total Housing Units	12,167	100%	14,854	100%	16,826	100%
Santa Clara County						
Single family, detached	323,923	55.9%	344,586	54.5%	351,726	51.7%
Single family, attached	52,736	9.1%	61,517	9.7%	66,146	9.7%
Multifamily	182,999	31.6%	206,779	32.7%	243,502	35.8%
Mobile homes	19,102	3.3%	19,038	3.0%	18,924	2.8%
Total Housing Units	578,760	100%	631,920	100%	680,298	100%

Source: US Census 2000 SF3, H30 and California Department of Finance Table E-5, 2010 and 2021.

Table 26 displays occupied housing units by tenure in Gilroy in 2019.⁵ The majority of owner-occupied housing units were single-family detached units (82.3 percent), while renter-occupied units were predominantly multifamily (96.7 percent).

⁵ This excludes vacant housing units.

Table 26: Unit Type by Tenure, 2019

Building Type	Owner Occupied	%	Renter Occupied	%	Total
Detached Single-Family Homes	8,967	82.3%	1,933	17.7%	10,900
Attached Single-Family Homes	398	41.6%	559	58.4%	957
Multifamily Housing	125	3.3%	3,615	96.7%	3,740
Mobile Homes	424	80.2%	105	19.8%	529

Source: ACS 2019 Table B25032.

Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs. The number of housing units in need of repair and replacement is discussed separately in this chapter. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and community development.

Table 27 summarizes the age of housing stock by tenure in 2019. Approximately 56.2 percent of units were built prior to 1990 and 19.9 percent of units were built before 1970. The City has seen very little rental family housing stock built within the past two decades: only 1,092 rental units were built between 2000 and 2019, compared to 3,112 new owner-occupied units. This disparity in building ages by tenure indicates a need for new rental housing options.

Table 27: Tenure by Housing Age

Year	Tenure: Owner		Tenure: Renter		Total	
Built 2014 or later	764	4.7%	32	0.2%	796	4.9%
Built 2010 to 2013	383	2.4%	226	1.4%	609	3.8%
Built 2000 to 2009	1,965	12.2%	834	5.2%	2,799	17.4%
Built 1990 to 1999	1,570	9.7%	1,290	8%	2,860	17.7%
Built 1980 to 1989	1,388	8.6%	1,145	7.1%	2,533	15.7%
Built 1970 to 1979	1,887	11.7%	1,428	8.9%	3,315	20.6%
Built 1960 to 1969	724	4.5%	477	2.9%	1,201	7.5%
Built 1950 to 1959	642	3.6%	216	1.3%	858	5.3%
Built 1940 to 1949	223	1.4%	90	0.6%	313	1.9%
Built 1939 or earlier	368	2.3%	474	2.9%	842	5.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25036.

Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living defined in the California Health and Safety Code. Substandard housing units include those in need of repair and/or replacement. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threats to health and safety.

A household is considered substandard, or to have a housing problem, if it has one or more of the four following housing problems:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. Table 28 summarizes the number of units lacking plumbing or complete kitchen facilities. According to the 2019 ACS three-year estimates, 47 occupied units in Gilroy lacked complete plumbing facilities. Of these, 23 were owner occupied and 24 were renter occupied. A total of 49 units lacked complete kitchen facilities. Of those, 16 were owner-occupied and 33 were renter-occupied. It should be noted that there is potential for overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities.

Table 28: Units Lacking Plumbing or Complete Kitchen Facilities, 2019

Units	Owner Occupied	% of Total Units	Renter Occupied	% of Total Units	Total	% of Total Units
Lacking Complete Plumbing Facilities	23	0.2%	24	0.2%	47	0.3%
Lacking Complete Kitchen Facilities	16	0.1%	33	0.2%	49	0.3%

Source: ACS 2019 B25049 and B25053.

Local Data

Code enforcement activities in the City of Gilroy are conducted by two Code Enforcement officers. From July 1, 2021 to June 30, 2022, code enforcement responded to 78 complaints about substandard housing conditions or other issues reported by residents. The majority of neighborhood complaints related to issues other than substandard housing conditions, including a person living in an RV, junk in the front yard, trash dumped in the alley, and illegal garage conversion. The City estimates that about 2 percent of housing, or about 320 units in the City, are in need of significant rehabilitation or replacement.

In the 2021–2022 fiscal year, the City utilized CDBG funds to address housing-related issues in Gilroy. The City allocated \$140,000 in CDBG funds to Rebuilding Together Silicon Valley for the home repair, rehabilitation, and accessibility modification program. The City also allocated \$81,475 in CDBG funds toward rehabilitation of the Cherry Blossom affordable housing development; \$124,090 in competitive awards for services related to homelessness, affordable housing, and special needs housing; and \$54,330 for services addressing fair housing, tenant-landlord information and referral, and foreclosure counseling.

Preservation of Assisted Units At Risk of Conversion

Jurisdictions are required by state Housing Element law to analyze government-assisted housing that is eligible to convert from low-income to market-rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government-assisted housing might convert to market-rate housing for a variety of reasons, including expiring subsidies, required mortgage repayments, or expiration of affordability restrictions.

Qualified Entities

Under Government Code Section 65863.11, owners of federally assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to qualified entities (nonprofit or for-profit organizations) that agree to preserve the long-term affordability if they should acquire at-risk projects at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. Qualified entities are nonprofit or for-profit organizations with the legal and managerial capacity to acquire and manage at-risk

properties, and which agree to maintain the long-term affordability of projects. The following is a list of qualified entities from HCD for Santa Clara County that could potentially acquire and manage properties if any were at risk of converting to market rate in the future.

- Cambrian Center, Inc.
- Charities Housing Development Corp.
- Palo Alto Senior Housing Project, Inc.
- Mid-Peninsula Housing Coalition
- Affordable Housing Foundation
- Palo Alto Housing Corp ([Alta Housing](#))
- Satellite Housing Inc.
- ROEM Development Corporation
- Silicon Valley at Home
- L + M Fund Management LLC

Inventory of At-Risk Units

Per Government Code Section 65863.10, assisted housing developments are defined as multifamily, rental housing complexes that receive government assistance under any of the specified federal, state, and/or local programs.⁶ There are approximately [1,926](#) assisted affordable housing units in Gilroy. The City is currently inventorying its assisted housing developments to determine which developments are at risk of conversion.

As shown in Table 29, Maria Way Home, Glenview Drive Home, and Parkview Apartments all have estimated affordability end years in the next four (4) years. Thus, there are 55 units within three projects that are at risk of conversion to market rate before 2031. Program **C - 6** is included to complete the inventory of assisted units in the City. Should the units expire during the 6th Cycle, the City will ensure that owners are contacted and advanced notice to tenant is provided.

⁶ HCD Building Blocks, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assisted-housing-developments-risk-conversion>

Table 29: Potential Units at Risk of Conversion

Project	Address	Total Units	Assisted Units	Estimated Affordability End Year
<u>Gilroy Garden Apartments</u>	<u>9250 Wren Ave</u>	<u>74</u>	<u>73</u>	
<u>Lilly Garden Apartments</u>	<u>8800 Lilly Ave</u>	<u>84</u>	<u>83</u>	
<u>Maria Way Home</u>	<u>780 Maria Way</u>	<u>5</u>	<u>5</u>	<u>8/21/2022</u>
<u>Glenview Drive Home</u>	<u>6940 Glenview Drive</u>	<u>5</u>	<u>5</u>	<u>12/19/2026</u>
<u>Parkview Apartments (Pierce Street Apartments)</u>	<u>181 Pierce Street</u>	<u>54</u>	<u>45</u>	<u>3/31/2023</u>
Total		<u>64</u>	<u>55</u>	

Source: LIHTC Database, 2022.

Replacement Costs

The California Tax Credit Allocation Committee's 2020 report provides estimates and data on the cost of building assisted units. It estimates that the average cost of an assisted unit in the State of California is \$439,827.⁷ However, the estimated cost in Santa Clara County is higher, with an average per unit cost of \$607,463.

Table 30 summarizes the estimated replacement costs per unit using construction cost estimates from the UC Berkeley Turner Center's 2018 Construction Cost Index and average unit sizes in the City of Gilroy from RentCafe. Combined, they provide an estimate for replacement costs by unit size specific to Gilroy. It ranges from \$261,690 for a one-bedroom unit to \$494,520 for a four-bedroom unit. However, at the time of publication, construction costs have increased due to supply issues associated with the COVID-19 pandemic.

⁷ California Tax Credit Allocation Committee, 2020 Annual Report. <https://www.treasurer.ca.gov/CTCAC/2020/annualreport/2020-TCAC.pdf>

Table 30: Replacement Cost

Unit Size	Construction Cost per Square Foot	Average Square Foot/ Unit	Replacement Cost per Unit	Number of At-Risk Units	Total Replacement Cost
1 bedroom	\$390	671	\$261,690	<u>8</u>	<u>\$ 2,093,520</u>
2 bedroom	\$390	901	\$351,390	<u>17</u>	<u>\$ 5,973,630</u>
3 bedroom	\$390	1,091	\$425,490	<u>20</u>	<u>\$ 8,509,800</u>
4 bedroom	\$390	1,268	\$494,520	<u>10</u>	<u>\$4,945,200</u>
Total	--	--	--	<u>55</u>	<u>\$ 21,522,150</u>

Source: 2018 UC Berkeley Turner Center Construction Cost Index, RentCafe

Financial Resources

A variety of programs exist to assist cities to acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available to the City of Gilroy.

Preservation Strategies

There are many options to preserving units, including providing financial incentives to project owners to extend low-income use restrictions; purchasing affordable housing units by a nonprofit or public agency; or providing local subsidies to offset the difference between the affordable and market rate. Scenarios for preservation will depend on the type of project at risk.

Tenant-based subsidies could be used to preserve the affordability of housing. The Housing Authority of Santa Clara County and local nonprofit agencies provide Section 8 Housing Choice Vouchers to lower-income households. These agencies could request funding from the City to provide vouchers for residents if additional sources of revenue were available.

Federal Programs

Community Development Block Grant (CDBG) – CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and economic opportunity for principally low- and moderate-income persons. CDBG funds can be used for housing acquisition, rehabilitation, economic development, and public services.

HOME Investment Partnership – HOME is a flexible grant program and funds are awarded on a formula basis for housing activities. HOME considers local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or homeownership through acquisition, construction, reconstruction and/or rehabilitation of affordable housing.

Section 8 Rental Assistance / Housing Vouchers Program – The Section 8 Rental Assistance / Housing Vouchers Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants.

Section 811/202 Program – Nonprofit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of very low-income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities, and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

State Programs

California Housing Finance Agency (CalHFA) Multifamily Programs – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Low-Income Housing Tax Credit (LIHTC) – This program provides tax credits to individuals and corporations that invest in low-income rental housing. The LIHTC program creates affordable housing opportunities when the developer of a project “sells” the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position in the project.

California Community Reinvestment Corporation – The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.

Program Efforts to Preserve At-Risk Units

Through the Community Development Department, the City monitors the list of affordable housing units and their eligibility to convert to market-rate housing. Constant monitoring allows the City to anticipate the time frame by which affordability covenants would expire, thus permitting the City to implement various resources to ensure the continued affordability of the housing units. Through the Consolidated Annual Performance and Evaluation Report (CAPER), the City annually checks with the regional HUD division on the status of rental multifamily housing units that are funded with federal subsidies. To monitor for-sale affordable units, the City's BMR Program Administrator annually sends a “Below Market-Rate” pamphlet in English and Spanish to all property owners under a resale restriction program. The pamphlet reminds the owners that their home is currently in the program and directs them to contact City staff when they plan to sell, refinance, or transfer ownership of their

property. The City is including Programs **C - 1**, **C - 2**, **C - 4**, and **C - 5** for preservation of at-risk and other below market-rate units.

Quantified Objectives

Housing Element law requires that cities establish a maximum number of units that can be converted over the planning period. As shown in Table 29, three (3) assisted projects with a total of 55 units may be at risk of converting to market-rate housing within the planning period. Program **C - 1** and **C - 6** are included to confirm the expiration dates and preserve at-risk units.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special needs. This section identifies the housing needs for elderly persons, large households, female-headed households, persons with disabilities (including developmental disabilities), homeless persons, farmworkers, and extremely low-income households. People may belong to more than one special needs group. Identifying special needs groups helps to fully assess Gilroy's housing needs and develop appropriate programs and actions to address them. The City maintains a list on its website of affordable rentals in Gilroy and what population each property serves.

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for this special needs group. The 2019 ACS survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.⁸

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the Census are:

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs

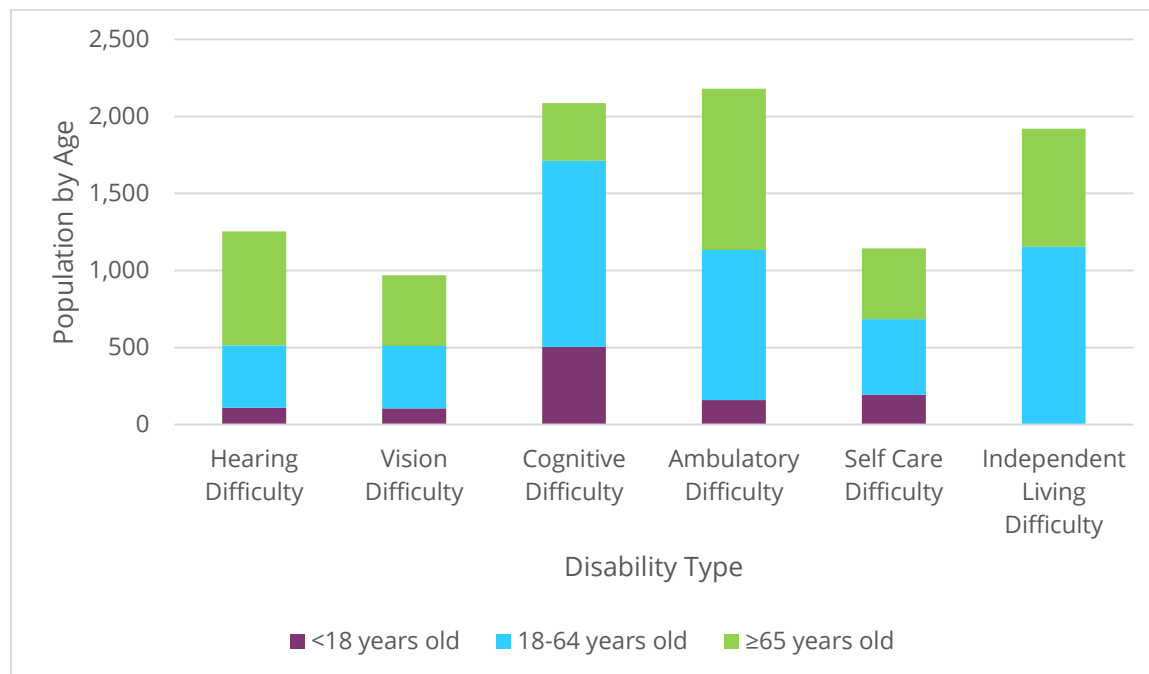
⁸ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101.

- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 5 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability citywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities. For many in need of live-in help or living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre-approved, "model" plans for ADUs that meet zoning, building, and fire codes. Model plans will also, include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Figure 5: Disability by Type, 2019



Source: ACS 2019 Table B18108.

Persons with Developmental Disabilities

A subgroup of disabled residents is those who are developmentally disabled. Housing Element law mandates that an analysis of special needs of disabled persons, including persons with developmental disabilities, be included in Housing Elements.

Local Data

Kalisha Webster with Housing Choices.org works with the intellectual and developmentally disabled residents of Villa Esperanza in Gilroy. Ms. Webster provided a Developmental Disabilities Housing Needs Analysis for the City's draft Housing Element that included the following information. People with disabilities face additional housing challenges. Many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care.

When it comes to housing, people with disabilities generally are not only in need of lower-income housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a higher risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers.

Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. When developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

The City of Gilroy is home to 520 people with developmental disabilities, as shown in Table 31. The table below shows that Gilroy has a lower concentration of adults with developmental disabilities than other jurisdictions in Santa Clara County: 59 percent of Gilroy residents with developmental disabilities are 18 and older compared to 63 percent in Santa Clara County. Instead, a higher proportion of Gilroy's residents with developmental disabilities are under age 18 (41% vs 37%). As discussed below, a lack of affordable housing paired with supportive services could be one of the factors contributing to fewer adults with developmental disabilities being able to live in the City of Gilroy.

Table 31: Gilroy and Santa Clara County Population with Developmental Disabilities

Age	Gilroy	Santa Clara County
<u>Under 18</u>	<u>212 (41%)</u>	<u>4,016 (37%)</u>
<u>18 and older</u>	<u>308 (59%)</u>	<u>6,737 (63%)</u>
<u>Total</u>	<u>520</u>	<u>10,753</u>

Source: Gilroy data provided by San Andreas Regional Center as of November 2021. County data based on county-level data published by Department of Developmental Services as of June 2021.

Living Arrangements of Gilroy Adults with Developmental Disabilities:

Local Data

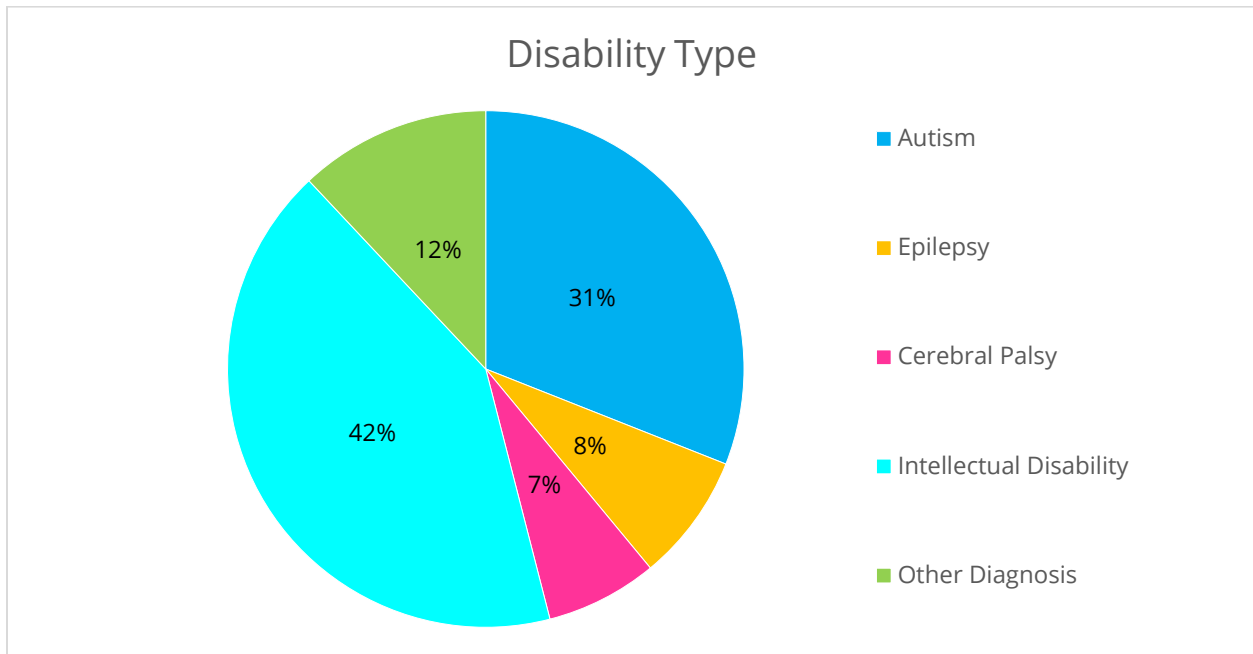
According to the Developmental Disabilities Housing Needs Analysis report provided by Kalisha Webster with Housing Choices.org, assessing the housing needs of adults with developmental disabilities is of particular importance because, as they age, the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. Living arrangements for adults with developmental disabilities in Gilroy closely mirror that of all adults with developmental disabilities in the County. As of November 2021, the San Andreas Regional Center reported that the family home is the most common living arrangement for Gilroy adults with developmental disabilities, with 65 percent of adults continuing to live in the family home; the same percentage is found throughout the County. Only 8 percent of Gilroy adults with developmental disabilities have successfully transitioned to living in their own apartment, which is lower than the County's percentage, at 11 percent. This is most likely due to a lack of deeply affordable housing in the City. The availability of extremely low income (30% AMI) housing is needed for adults with developmental disabilities to live independently. As of 2021, 26 percent of Gilroy adults with developmental disabilities were reported to be living in licensed care facilities, higher than the County overall (23%). Opportunities for adults to live in a licensed care facility are declining throughout the County, thus fueling the need for affordable housing with supportive services, to decrease the risk of homelessness or displacement when a parent or family member is no longer able to provide housing for the developmentally disabled individual.

Table 32: Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	Gilroy	Santa Clara County
<u>In the family home</u>	<u>200 (65%)</u>	<u>4,362 (65%)</u>
<u>Own apartment with supportive services</u>	<u>26 (8%)</u>	<u>756 (11%)</u>
<u>Licensed Facilities</u>	<u>79 (26%)</u>	<u>1,525 (23%)</u>
<u>Other (including homeless)</u>	<u>3 (1%)</u>	<u>94 (1%)</u>
<u>Total Adults</u>	<u>308</u>	<u>6,737</u>

Source: Kalisha Webster, Housing Choices.org

The San Andreas Regional Center provides service to developmentally disabled individuals throughout Santa Clara, Santa Cruz, San Benito, and Monterey Counties. According to the California Department of Developmental Services, as of December 2020, the San Andreas Regional Center served 17,309 residents with developmental disabilities in the region. Figure 6 displays the breakdown of type of developmental disabilities served at the San Andreas Regional Center. The largest populations served are those with an intellectual disability (42 percent) followed by autism (31 percent).

Figure 6: Developmental Disability by Type Served by San Andreas Regional Center, 2020

Source: California Department of Developmental Services, 2020.

Outreach to Services Providers

Local Data

On January 24, 2023, in collaboration with Housing Choice, the City held a virtual meeting organized by Housing Choices for intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults). The meeting was attended by 11 participants, with representatives from Housing Choices and the San Andreas Regional Center in attendance. Housing Choices was born as an advocacy organization, mobilizing stakeholders to create new housing opportunities for people with developmental and other disabilities and are committed to educating local elected officials, city and county housing staff, and housing developers about the opportunity to plan for and include people with developmental and other disabilities in their local housing plans. The San Andreas Regional Center is a community-based, private nonprofit corporation funded by the State of California to serve people with developmental disabilities as required by the Lanterman Developmental Disabilities Act.

On February 15, 2023, City staff also met with 12 residents, caregivers, and staff at Villa Esperanza, a single-story 21-unit low-income apartment development that provides services for intellectually/ developmentally disabled (I/DD) individuals. The Villa Esperanza housing development is managed by Eden Housing and receives services from Housing Choices and the San Andreas Regional Center. Approximately 25% of the units have live-in caregivers. Some of the units are occupied by families with children.

Participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to

promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop a density bonus beyond state law to incentivize the creation of additional units to serve extremely low-income households. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Both meetings were helpful in providing staff with a better understanding of I/DD community needs. Participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need by participants was housing and services for both independent living and supportive living skills. For individuals in need of independent living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes preapproved, "model" plans for ADUs that meet zoning, building, and fire codes. The model plans will also include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes. Elderly persons are generally defined as people aged 65 years and older. They often spend a higher percentage of their income on food, housing, medical care, and personal care compared to non-elderly persons. Elderly persons may have special needs related to housing location and construction. Because of limited mobility, elderly persons typically need easier access to medical services, amenities such as shopping, and public transit. In terms of housing construction, elderly persons may need ramps, handrails, elevators, lower cabinets and counters, and special security devices to allow for greater self-protection.

According to the 2020 US Census, and as shown in Table 33, Gilroy has a slightly lower percentage of elderly householders than the County; 19 percent of Gilroy's residents were elderly, while 21.3 percent of the County's residents were elderly.

Table 33: Householders by Age, 2020

Householder Age	Gilroy		Santa Clara County	
	Households	%	Households	%
15-24 Years	271	1.7%	15,468	2.4%
25-34 Years	1,990	12.3%	107,194	16.8%
35-64 Years	10,794	66.9%	381,415	59.7%
65-74 Years	1,921	11.9%	74,305	11.6%
75 Plus Years	1,150	7.1%	61,833	9.7%
Total	16,126	100%	640,215	100%

Source: 2019 ACS 5 Year Estimates.

As indicated in Table 34, the 2019 median household income for households with a resident aged 65 and older was \$71,432 in Gilroy and \$75,758 in Santa Clara County. This is compared to the citywide median income of \$101,616 and countywide median income of \$133,076 in 2019. The lower income is likely because fewer elderly persons are working full-time, and most income comes from Social Security and/or part-time work.

Table 34: Median Household Income for Elderly Households, 2019

Householder Age	City of Gilroy Median Income	Santa Clara County Median Income
65 Years and Older	\$71,432	\$75,758
All Households	\$101,616	\$133,076

Source: ACS 2019 5 Year Estimates

Based on HUD's 2014-2018 CHAS data shown in Table 35, 47.4 percent of elderly households in Gilroy are in one of the lower-income categories. Santa Clara County had a slightly smaller percentage of elderly households within the lower-income categories, at 45.8 percent.

Table 35: Income Distribution, Elderly Households, 2018

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	980	20.2%	39,300	19.7%
Greater than 30% but less than or equal to 50% of HAMFI	695	14.3%	26,085	13.1%
Greater than 50% but less than or equal to 80% of HAMFI	625	12.9%	26,380	13.2%
Greater than 80% of HAMFI	2,555	52.6%	108,105	54.1%
Total	4,855	100%	199,870	100%

Source: HUD 2014-2018 CHAS data.

Table 36 displays the percentage of the elderly population and their disability status. Of people aged 65 and above, 11.3 percent have one type of disability and 16.5 percent have two or more disabilities. The City and County have similar percentages of elderly individuals with disabilities, at 27.8 and 30.7 percent, respectively.

Table 36: Elderly People with Disabilities, 2019

Disability Status	# of Elderly People with a Disability	% of People Age 65+	# of Elderly People with a Disability	% of People Age 65+
	Gilroy		Santa Clara County	
With one type of disability	669	11.3%	31,527	12.4%
With two or more types of disability	978	16.5%	46,455	18.3%
Total, Elderly with a Disability	1,647	27.8%	77,982	30.7%

Source: ACS 2019 Table C18108.

Table 37 provides a summary of housing problems experienced by elderly households in Gilroy. According to the 2014-2018 CHAS data, 61.6 percent of all elderly households experience some type of housing problem. This includes 81.3 percent of elderly renters and 54.5 percent of elderly owners. The increasing number of elderly persons in the population is creating a demand for more affordable and accessible housing.

The City will address the needs of the elderly population through Program E - 6, which will develop incentives for senior housing in the City. Program E - 6 will also remove potential zoning constraints to the development of senior housing. The City will conduct a study to determine if reduced parking standards for senior housing are appropriate and, based on the findings of the study, may revise the Zoning Ordinance to reduce said parking standards for senior housing. In addition, the Gilroy Senior Center provides access to a variety of support services at the center, including the YMCA Nutrition program, which serves lunch Monday to Friday; free legal services through Senior Adults Legal Assistance; and information and assistance with social security, housing, and employment matters through Sourcewise Community Resources Solutions. Through CDBG and the Housing Trust/PLHA Funds, the City allocated funds for Meals on Wheels and Rebuilding Together Silicon Valley's Rebuilding Home Repair, Rehabilitation and Accessibility Modification Program. Also, Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors.

Table 37: Elderly Households by Housing Problems and Tenure, 2018

Housing Problem Type	Renters	Owners	Total (Elderly Households)
% with any Housing Problem	81.3%	54.5%	61.6%
% with Cost Burden	29.5%	15.7%	19.4%
% with Severe Cost Burden	29.1%	20.0%	22.4%
Total	843	2,350	3,193

Source: 2014-2018 HUD CHAS data.

Large Households

State housing law defines large households as households with five or more members. Large households are considered a special needs group based on the limited availability of adequately sized, affordable housing units. Large households may have lower incomes, which could result in the overcrowding of smaller units. Table 38 displays household size by tenure for both Gilroy and the County. In 2019, there were 3,916 large households, representing 24.3 percent of all households in Gilroy. Compared to the County as whole, Gilroy has almost double the percentage of large households (24.3 versus 12.4 percent). The disproportionately high number of large households may indicate a need for larger units in Gilroy to accommodate large households. The City is including Program E - 11 to prioritize funds to assist in the development of housing to serve special needs households, such as large families. The 5th Cycle Program H-4.A: Housing for Large Families has been consolidated with included Program A - 12 to include density bonus incentives beyond state law for developments that include housing for large households.

Table 38: Large Households by Tenure, 2019

Number of Persons in Unit	Owner Occupied	%	Renter Occupied	%	Total
Gilroy					
Five	1,239	58.6%	876	41.4%	2,115
Six	636	60.7%	412	39.3%	1,048
Seven or more	405	53.8%	348	46.2%	753
<i>Total Large Households</i>	2,280	58.2%	1,636	41.8%	3,916
<i>% of Total Households</i>	23%		26.3%		24.3%
Total Households	9,914	61.5%	6,212	38.5%	16,126
Santa Clara County					
Five	26,406	57.9%	19,190	42.1%	45,596
Six	10,802	58.0%	7,822	42.0%	18,624
Seven or more	8,684	56.6%	6,650	43.4%	15,334
<i>Total Large Households</i>	45,892	57.7%	33,662	42.3%	79,554
<i>% of Total Households</i>	12.7%		12.1%		12.4%
Total Households	361,105	56.4%	279,110	43.6%	640,215

Source: 2019 ACS B25009.

Based on HUD's 2015-2019 CHAS data shown in Table 39, 51.1 percent of large households in Gilroy are in one of the lower-income categories. Santa Clara County had a smaller percentage of large households within the lower income categories, at 42.9 percent. The City is including Program E - 11 to prioritize funds to assist in the development of affordable housing and to serve special needs households, such as large families.

Table 39: Income Distribution, Large Households, 2015-2019

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
<u>Less than or equal to 30% of HAMFI</u>	<u>1,025</u>	<u>15.1%</u>	<u>16,429</u>	<u>11.9%</u>
<u>Greater than 30% but less than or equal to 50% of HAMFI</u>	<u>1,100</u>	<u>16.2%</u>	<u>20,250</u>	<u>14.7%</u>
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>1,340</u>	<u>19.7%</u>	<u>22,410</u>	<u>16.3%</u>
<u>Greater than 80% of HAMFI</u>	<u>3,320</u>	<u>48.9%</u>	<u>78,600</u>	<u>57.1%</u>
<u>Total</u>	<u>6,785</u>	<u>100%</u>	<u>137,689</u>	<u>100%</u>

Source: HUD 2015-2019 CHAS data.

Table 40 provides a summary of housing problems experienced by large households in Gilroy by tenure. As previously noted, the types of housing problems include overcrowding, overpayment, and housing lacking kitchen or plumbing facilities. CHAS data from 2014-2018 indicates that 49.2 percent of large households experience at least one of these housing problems, including 72.4 percent of large renter households and 30.3 percent of large owner households.

Currently, less than 10 percent of the City's rental housing stock has four or more bedrooms (refer to Table 24), resulting in a high percentage of large family households that are forced to live in overcrowded situations. To address this need, the Housing Element includes Program A - 12 that will adopt density bonus incentives beyond state law for developments that include housing for large households.

Table 40: Large Households by Housing Problems and Tenure, 2018

	Renters	Owners	Total (Large Households)
% with any Housing Problem	72.4%	30.3%	49.2%
% with Cost Burden	23.2%	12.6%	17.4%
% with Severe Cost Burden	24.3%	6.9%	14.7%
Total Large Households	1,360	1,665	3,025

Source: 2014-2018 HUD CHAS data.

Female-Headed Households

Female-headed households are a special needs group because they experience comparatively low rates of homeownership, lower incomes, and high poverty rates. Table 41 shows the number of female-headed households by tenure. In 2019, 16.2 percent of households in Gilroy were female-headed households. Of the 2,616 female-headed households in Gilroy, 1,410 had children under 18 living with them, while 1,206 had no children present. Gilroy has more

approximately six percent more female-headed households than the County, where 10 percent of households in the County are female-headed households.

In Gilroy, 33 percent of female-headed households with children under 18 were below the poverty line, (approximately 465 households).⁹ This is significantly higher than the poverty rate in Santa Clara County, which is 6.6 percent.

Table 41: Female-Headed Households by Tenure, Gilroy, 2019

Household Type	Owner Occupied		Renter Occupied		Total	% of Total Households (16,126)
	Number	%	Number	%		
Female householder, no spouse present, with children under 18	377	2.3%	1,033	6.4%	1,410	8.7%
Female householder, no spouse present, without children	639	4%	567	3.5%	1,206	7.5%
Total	1,016	6.3%	1,600	9.9%	2,616	16.2%

Source: ACS 2019 Table B25115.

Homeless/Unhoused Population

In [2022](#), the County of Santa Clara, in conjunction with Applied Survey Research, conducted the [2022 Santa Clara County Homeless Census and Survey](#). This survey is conducted every two years in the last ten days of January. [The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3 percent from the count conducted in 2019.](#) Table 42 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were [814](#) homeless persons surveyed in Gilroy [in January 2022](#), including [606](#) sheltered and [208](#) unsheltered persons.

⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B17010.

Table 42: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	<u>606</u>	<u>208</u>	<u>814</u>
Campbell	<u>216</u>	<u>0</u>	<u>216</u>
Cupertino	<u>102</u>	<u>0</u>	<u>102</u>
Los Altos	<u>65</u>	<u>0</u>	<u>65</u>
Los Altos Hills	<u>0</u>	<u>0</u>	<u>0</u>
Los Gatos	<u>58</u>	<u>0</u>	<u>58</u>
Milpitas	<u>249</u>	<u>25</u>	<u>274</u>
Monte Sereno	<u>0</u>	<u>0</u>	<u>0</u>
Morgan Hill	<u>60</u>	<u>0</u>	<u>60</u>
Mountain View	<u>206</u>	<u>140</u>	<u>346</u>
Palo Alto	<u>263</u>	<u>0</u>	<u>263</u>
San Jose	<u>4,975</u>	<u>1,675</u>	<u>6,650</u>
Santa Clara	<u>375</u>	<u>65</u>	<u>440</u>
Saratoga	<u>0</u>	<u>0</u>	<u>0</u>
Sunnyvale	<u>279</u>	<u>106</u>	<u>385</u>

Source: Santa Clara County Office of Supportive Housing, October 29, 2022.

Local Data

According to one of the City of Gilroy's Quality of Life Officers, a majority of unhoused individuals are Hispanic, consistent with the overall population of Gilroy. Based on his observations, unhoused persons in Gilroy mostly reside in creek areas, including for example Miller creek. Many unhoused persons also reside near the IOOF bridge. Although most of the observed unhoused persons are physically able to move around by either walking or riding a bicycle, they do not generally migrate to hillside areas or edges of city where there are fewer businesses or access to food. Furthermore, based on his observations, a very large majority of the unhoused are mentally challenged, whether it be self-induced from drugs, or because they are mentally ill. The Quality of Life Officer also stated that less than 20% of the unhoused persons he encounters take advantage of available services.

Table 43 lists emergency shelters and transitional housing in Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. Projects funded include:

- \$55,000 to St. Joseph's Family Center for Homeless Prevention Services
- \$35,000 to St. Joseph's Family Center for the Gilroy Street Team
- \$40,000 to South County Compassion Center for Outreach for the unhoused
- \$20,000 to CARAS for the Homeward Bound Program

Table 43: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds or Families Served
<u>Gilroy Shelter</u>	<u>Emergency Shelter</u>	<u>Adults Only</u>	<u>100</u>
Arturo Ochoa Migrant Center ¹⁰ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

¹⁰ The Arturo Ochoa Migrant Center is located slightly outside city bounds, but serves Gilroy residents.

Farmworkers

Farmworkers are defined as persons whose primary incomes are earned through seasonal agricultural work. The demographics on farm laborers in all California markets are collected and reported on a regional or countywide basis. The data collected includes income, household status, and length of time the laborers work in each area.

There are generally three classifications:

- Migrant workers who move from place to place, planting and harvesting; and
- Annual workers who generally work in the same agricultural area year after year for nine or ten months and spend the rest of the year in their home country; and
- Permanent workers who are employed most of the year in one location and may collect unemployment for the remainder of the year.

Traditionally, Gilroy has been home to many agricultural businesses and industries; however, the increase in the retail and service trade and the expansion of the City as a “bedroom community” for northern Silicon Valley jobs continues to reduce the role of agriculture. Many of these farms are located in the southern areas of the County, in the regions surrounding Gilroy. The majority of farmworkers, almost 80 percent, work on farms with more than 10 employees.

The US Department of Agriculture conducts a Census of Agriculture every five years. As indicated in Table 44, there were an estimated 4,175 farmworkers in the County working on 359 farms in 2017. This represents a decrease of 1,414 farmworkers compared to the 2007 study, when there were 5,589 farmworkers.

The 2019 ACS estimates indicate that 2.9 percent of Gilroy is employed in the agriculture and natural resource industry, a decrease from 4.6 percent in 2012.¹¹

Table 44: Number of Santa Clara County Farmworkers and Farms, 2017

Farm /Worker Type	Farmworkers	Farms
Farm Size		
Farms with less than 10 employees	847	293
Farms with more than 10 employees	3,328	66
Length of Employment of Workers		
Workers working 150 days or more	2,418	-
Workers working less than 150 days	1,757	-

Source: 2017 Census of Agriculture, Table 7.

¹¹ US Census Bureau, American Community Survey (2015–2019), Table C24030.

The California Department of Conservation's Important Farmland Finder indicates that the vicinity to the east and south of the Gilroy City limits includes large amounts of prime farmland, farmland of local or statewide importance, and unique farmland.¹² The presence of such farmland indicates a need for farmworker housing to support those who work on farmland in and around the City.

Due to the seasonal nature of agricultural work and relatively low wages, farmworker households often have a difficult time securing safe, habitable, and affordable housing.

Eden Housing manages three housing developments within Gilroy City limits, providing 56 housing units for farmworkers:

- 14 units at The Trees
- 24 apartments at Aspen Grove
- 18 units at Maple Gardens

The Rodriguez Migrant Labor Camp, which houses 37 seasonal farmworkers, is privately owned, and is also located just outside of the City limits.

EAH Housing also operates the Arturo Ochoa Migrant Center, located just outside Gilroy City limits. The center functions as a migrant camp from April through November each year, providing housing for 100 farmworker families within 33 three-bedroom and 67 two-bedroom apartments.

Local Data

In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp.

The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and needing temporary housing.

Additionally, the primary issues limiting housing options for respondents included insufficient money available for the deposit (24), and credit history or low credit scores (8). The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.

The Gilroy Zoning Ordinance makes available zoning to accommodate various housing types to address the needs of farmworkers. Manufactured and modular homes are permitted by-right in all residential zoning districts; boarding and rooming houses are allowed in all

¹² California Department of Conservation. California Important Farmland Finder. <https://maps.conservation.ca.gov/DLRP/CIFF/>

residential zoning districts with a conditional use permit; and multifamily units are allowed in the R3 and R4 residential zoning districts by right. Currently, the City's Zoning Ordinance is not consistent with the Employee Housing Act;¹³ therefore, as part of this Housing Element update, the City is including Program E - 8 to revise the Zoning Ordinance in 2023.

Extremely Low-Income Households

Extremely low-income households in Gilroy are defined as households with income less than 30 percent of the Santa Clara County AMI. The provisions of Government Code Section 65583 (a)(1) require quantification and analysis of existing and projected housing needs of extremely low-income households. In 2018, 16.1 of Gilroy households were within the extremely low-income category, a decrease from 18.9 percent in 2012.

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock.

Table 45 provides a summary of overcrowding rates experienced by extremely low-income households in Gilroy compared to other income levels. Households in Gilroy experience overcrowding at a higher rate than those in the County. Extremely low-income owner-occupied households experience overcrowding at a similar rate to low-income owner-occupied households, but at a higher rate than other owner-occupied households. Extremely low-income renter-occupied households experience overcrowding at a lower rate than very low- and low-income renter-occupied households.

Overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. In the 5th cycle, the City included program H.2-G to encourage the development of extremely low-income housing, and the City will continue to encourage developers to include extremely low-income units in their housing projects. The City is also including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City will develop an inclusionary housing policy under Program A - 11 and incentives to create extremely low-income units under a density bonus beyond state law Program A - 12.

¹³https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=13.&title=&part=1.&chapter=1.&article

Table 45: Overcrowding by Income Level, 2019

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
City of Gilroy: Owner Households					
Less than or equal to 30% of HAMFI	880	70	8.0%	20	2.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,024	44	4.3%	4	0.4%
Greater than 50% but less than or equal to 80% of HAMFI	1,385	115	8.3%	35	2.5%
Greater than 80% but less than or equal to 100% of HAMFI	1,295	20	1.5%	0	0.0%
Greater than 100% of HAMFI	5,334	99	1.9%	4	0.1%
Total	9,918	348	3.5%	63	0.6%
City of Gilroy: Renter Households					
Less than or equal to 30% of HAMFI	2,195	375	17.1%	200	9.1%
Greater than 30% but less than or equal to 50% of HAMFI	1,300	310	23.9%	125	9.6%
Greater than 50% but less than or equal to 80% of HAMFI	1,160	255	22.0%	40	3.5%
Greater than 80% but less than or equal to 100% of HAMFI	570	55	9.7%	25	4.4%
Greater than 100% of HAMFI	975	135	13.9%	80	8.2%
Total	6,200	1,130	18.2%	470	7.6%
Santa Clara County: Owner Households					
Less than or equal to 30% of HAMFI	34,600	975	2.8%	280	0.8%
Greater than 30% but less than or equal to 50% of HAMFI	33,095	1,870	5.7%	345	1.0%
Greater than 50% but less than or equal to 80% of HAMFI	38,665	2,155	5.6%	510	1.3%
Greater than 80% but less than or equal to 100% of HAMFI	31,345	1,665	5.3%	585	1.9%
Greater than 100% of HAMFI	223,395	5,530	2.5%	1,130	0.5%

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
Total	<u>361,100</u>	<u>12,195</u>	<u>3.4%</u>	<u>2,850</u>	<u>0.8%</u>
Santa Clara County: Renter Households					
<u>Less than or equal to 30% of HAMFI</u>	<u>64,310</u>	<u>9,360</u>	<u>14.6%</u>	<u>3,830</u>	<u>6.0%</u>
<u>Greater than 30% but less than or equal to 50% of HAMFI</u>	<u>40,810</u>	<u>9,000</u>	<u>22.1%</u>	<u>3,705</u>	<u>9.1%</u>
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>37,760</u>	<u>7,305</u>	<u>19.3%</u>	<u>2,400</u>	<u>6.4%</u>
<u>Greater than 80% but less than or equal to 100% of HAMFI</u>	<u>26,915</u>	<u>4,000</u>	<u>14.9%</u>	<u>1,520</u>	<u>5.6%</u>
<u>Greater than 100% of HAMFI</u>	<u>109,315</u>	<u>10,360</u>	<u>9.5%</u>	<u>4,320</u>	<u>4.0%</u>
Total	<u>279,110</u>	<u>40,025</u>	<u>14.3%</u>	<u>15,775</u>	<u>5.7%</u>

Source: 2015-2019 CHAS data

Table 46 provides a summary of housing problems experienced by extremely low-income households in Gilroy. Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

Extremely low-income renter-occupied households experience both overpayment and overcrowding. According to 2014–2018 CHAS data provided by HUD, 79.7 percent of extremely low-income households experience at least one type of housing problem. Housing rehabilitation and repair may be more of a cost burden on lower-income households, which may lead to a higher proportion of housing problems. To enhance the quality of existing neighborhoods, the City is including Program C - 2 to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Table 46: Extremely Low-Income Households with Housing Problems, 2018

Income Level	Renters	%	Owners	%	Total	%
<u>Household Income < 30% MFI</u>	<u>1,990</u>		<u>625</u>		<u>2,615</u>	
<u>With any Housing Problem</u>	<u>1,610</u>	<u>80.9%</u>	<u>475</u>	<u>76.0%</u>	<u>2,085</u>	<u>79.7%</u>
<u>With a Cost Burden 30-50%</u>	<u>360</u>	<u>18.1%</u>	<u>70</u>	<u>11.2%</u>	<u>430</u>	<u>16.4%</u>
<u>Cost Burden > 50%</u>	<u>1,230</u>	<u>61.8%</u>	<u>400</u>	<u>64.0%</u>	<u>1,630</u>	<u>62.3%</u>

Source: HUD 2014-2018 CHAS data.

Summary of Housing Needs

An analysis of the housing needs in the City of Gilroy reveals a number of trends, such as an increased need for housing large households and farmworkers. Additionally, compared to the County, Gilroy has a lower median income and larger percentage Hispanic or Latino population.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing

Introduction, Outreach, and Assessment

Introduction

Assembly Bill (AB) 686 requires a jurisdiction's housing element to provide an analysis of contributing factors to fair housing issues and to commit to actively and meaningfully affirmatively further fair housing. This analysis includes an assessment of fair housing enforcement, outreach activities, integration and segregation, racially and ethnically concentrated areas of affluence and poverty, disparities in access to opportunities, disproportionate housing needs, and any other contributing factors that serve as impediments to fair housing. The assessment also analyzes the extent to which the identified Regional Housing Needs Allocation (RHNA) sites affirmatively further fair housing.

Public Outreach

The City of Gilroy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below.

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus groups
- Webpage on City website
- Email list
- City newsletter
- Community workshops
- Joint City Council and Planning Commission study session
- Utility billing mailing insert
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- Housing & Neighborhood Revitalization Committee
- St. Joseph's Family Center
- Gilroy Historical Society

- Rebuilding Together Silicon Valley
- Project Sentinel
- Gilroy Compassion Center
- Live Oak Adult Day Services
- Silicon Valley at Home
- South County Collaborative
- League of Women Voters
- Aperto Property Management
- Housing Choices
- Health Trust
- Visit Gilroy
- MidPen Housing
- Garlic World
- CARAS South County
- Eden Housing
- Gilroy Unified School District Migrant Education Program

Housing Element Update Website

The City created the Housing Element update webpage on the City's website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft, dated September 12, 2022, the October 31, 2022 revised draft as submitted to the California Department of Housing and Community Development (HCD) following the 30-day public comment period, and the second public review draft revised in response to HCD comments;
- Recordings of the community workshop presentations in English and Spanish;
- Notification to the public of future events; and
- Notification and interest sign-up lists and pathways for residents to get involved in the process and to provide comments or questions to the project team or City representatives.

Stakeholder Interviews

The City reached out to 40 individuals and groups who represented service providers, nonprofits, and other stakeholders to participate in focus group interviews about the housing needs and issues in Gilroy. Out of the 40 individuals and groups that were contacted, 25 people participated in the focus groups. Four focus groups were held: Tuesday, March 29, 2022, at 1:00 PM; Tuesday, April 5, 2022, at 1:00 PM; Thursday, April 7, 2022, at 1:00 PM; and Tuesday, April 12, 2022, at 10:00 AM. Hosting the focus group on four different days provided multiple opportunities to accommodate different schedules. The stakeholders who participated discussed a variety of concerns, including:

- Need for incentives to support farmworker housing;
- Need for more education and outreach to inform residents of housing law and affordable housing;
- Need for emergency, short-term stay housing, and senior housing at the extremely low-income area median income (AMI);
- Disparity of housing and quality of infrastructure and amenities between the east side and west side of the City;
- Disparity of incomes between Gilroy and the County AMI, as the City's AMI was \$33,871 less (24%) in 2020;
- Challenges and lack of support for homeownership; and
- Need to incentivize accessory dwelling unit (ADU) construction.

The participants had varying perspectives informed by their involvement and familiarity with Gilroy, but increased services, education and support, equitable development and investment, and a lack of extremely low-income housing were the most consistent and prevalent issues covered.

Public Workshops

Prior to releasing the first public draft of the Housing Element, the City held two bilingual virtual public workshops. The meetings were held on Wednesday, March 30, 2022, at 6:00 PM and Tuesday, June 28, 2022, at 6:00 PM to present information on the Housing Element update and gather public input. Sixty-one members of the community participated in the workshops and provided feedback via live polling and questions and answers on the Housing Element update process including housing needs, the potential RHNA sites, draft goals, and programs. Presentation slides were in English and Spanish. Live Spanish interpretation was provided, recorded, and posted on the project webpage for both workshops.

Following release of the first public draft, the City held a third virtual public workshop on Tuesday, September 27, 2022, at 6:00 PM. The presentation provided a high-level overview of the draft Housing Element chapters and appendices, and the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact

on housing production, removal of governmental constraints, and meeting special housing needs. The meeting also included a question-and-answer session with public attendees.

The public workshops were held at 6:00 PM on weekdays to accommodate a typical work schedule. Materials and video recordings of the presentations in English and Spanish were made available on the Gilroy Housing Element webpage on the City's website for those who could not attend, or who wanted to review the materials and meetings at their leisure.

Study Session

An in-person bilingual joint public study session with the City Council and Planning Commission was held on Monday, August 29, 2022, at 6:00 PM. This bilingual meeting included a summary of proposed housing programs to address the identified needs of the community and a map of properties that are currently vacant or underutilized that may provide an opportunity for redevelopment with new housing. The meeting included comments from the public and a question-and-answer session with the Council and Planning Commission.

Spanish interpretation and translation were provided. The meeting recording and the presentation slides in both English and Spanish were posted on the project webpage.

Public Hearings

Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022, at 6:00 PM (City Council) and Thursday, October 20, 2022, at 6:00 PM (Planning Commission). The purpose of the meetings was to give the public and the City's decision makers another opportunity to provide comments and suggestions prior to sending the draft to HCD for its review.

Public hearings will be held on April 20, 2023 (Planning Commission) and May 1, 2023 (City Council) to give the public and the City's decision makers an opportunity to review and comment on the Housing Element following HCD's review and subsequent revisions.

Housing Element Survey (general population)

Another component of the outreach effort was the Housing Element survey, posted on the City's website from April 2022 through August 2022, and promoted through a myriad of channels for the furthest outreach. The survey was available in both English and Spanish. As of August 2, 2022, a total of 367 English and 143 Spanish completed surveys were received, with 244-248 (51-34%) respondents being homeowners, 125 (17%) being renters, 184-191 (39-35%) of respondents being white or Caucasian, and 215-236 (46-44%) being Hispanic or Latino.¹⁴ Responses to the survey primarily revealed concerns from residents regarding:

- Difficulty paying rent, mortgage, or down payment;

¹⁴ Note: 510 total surveys were completed to various degrees of completeness. Respondents did not answer every question; therefore percentages represent the percentage of respondents to each question not total number of survey respondents.

- Homelessness; and
- Insufficient housing supply including affordable housing.

Respondents also believe that the greatest housing needs are lower- and middle-income workforce housing and affordable housing. The survey results show strong support for more affordable housing while some respondents feel the City is growing too much and thus did not support more development. Most of the survey and stakeholder responders believe that there are not enough services or housing to support individuals who fall within the extremely low-income designation. Stakeholder interviewees and 94 percent of survey respondents supported the adoption of an inclusionary housing ordinance.

Housing Element Survey (focused outreach)

In addition to posting the housing element survey on the City website, City staff conducted a focused bilingual survey effort for farmworkers, youth, and senior citizens. Hard copy and online surveys were distributed between November 2022 and the end of January 2023.

- **Farmworker Outreach.** Twenty six (26) surveys were completed, the top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and needing temporary housing.
- **Youth Outreach.** Eight (8) surveys were completed, the top three housing issues identified by this group was; difficulty paying rent, mortgage, down-payment, overcrowding, homelessness and lack of suitable housing types. Responses also reflected the desire for the City to implement programs to require affordable housing units in new developments and assist residents with finding available housing.
- **Seniors Outreach.** Nineteen (19) surveys were completed, the top three housing issues identified by seniors similarly to farmworkers was difficulty paying rent, mortgage, down-payment (12), followed by lack of suitable housing types (9), and insufficient housing supply (7). Respondents identified requiring affordable housing units in new developments (10) and access to low-cost pre-designed plans for ADUs as potential programs to improve housing access in Gilroy.

Stakeholder Meetings

On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal

feedback. On February 15, 2023, the City also met with gathered verbal feedback from residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units for persons with disabilities.

Findings

Most focus group attendees and survey respondents support the provision of more assistance, financial or otherwise, to the extremely low-income population in finding housing.

City Overview

Much of the fair housing analysis is based upon census data provided at the census tract level. Gilroy has a total of 11 census tracts. Figure 7 displays the census tracts in the City and the RHNA sites within those census tracts; however, several of the census tracts are not solely in Gilroy and have large portions in neighboring jurisdictions. As a result, demographic information for these census tracts reflects neighboring communities, as well as Gilroy. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Several of the tracts include more land and more households in adjacent jurisdictions other than in Gilroy. These external households are included in the census data, which may affect the displayed maps.

Until 2018, a large portion of the Downtown Specific Plan area and several properties west of downtown were designated as a Neighborhood Revitalization Strategy Area by the US Department of Housing and Urban Development (HUD). A number of capital improvements, youth activities, neighborhood beautification projects, and other downtown revitalization efforts were pursued during this time.¹⁵ The downtown area in Gilroy is also identified as a Priority Development Area in the Association of Bay Area Governments' Plan Bay Area 2050.

The AFFH section also considers the effects that the selected RHNA sites may have on fair housing. Selected RHNA sites are primarily in the eastern portion of the City, while pipeline projects are more evenly distributed throughout Gilroy. Pipeline projects are defined as pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the planned high speed rail station, parking management plan, Downtown Specific Plan update, and currently funded place-based improvements. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th Cycle and the extent to which the existing use may preclude development.

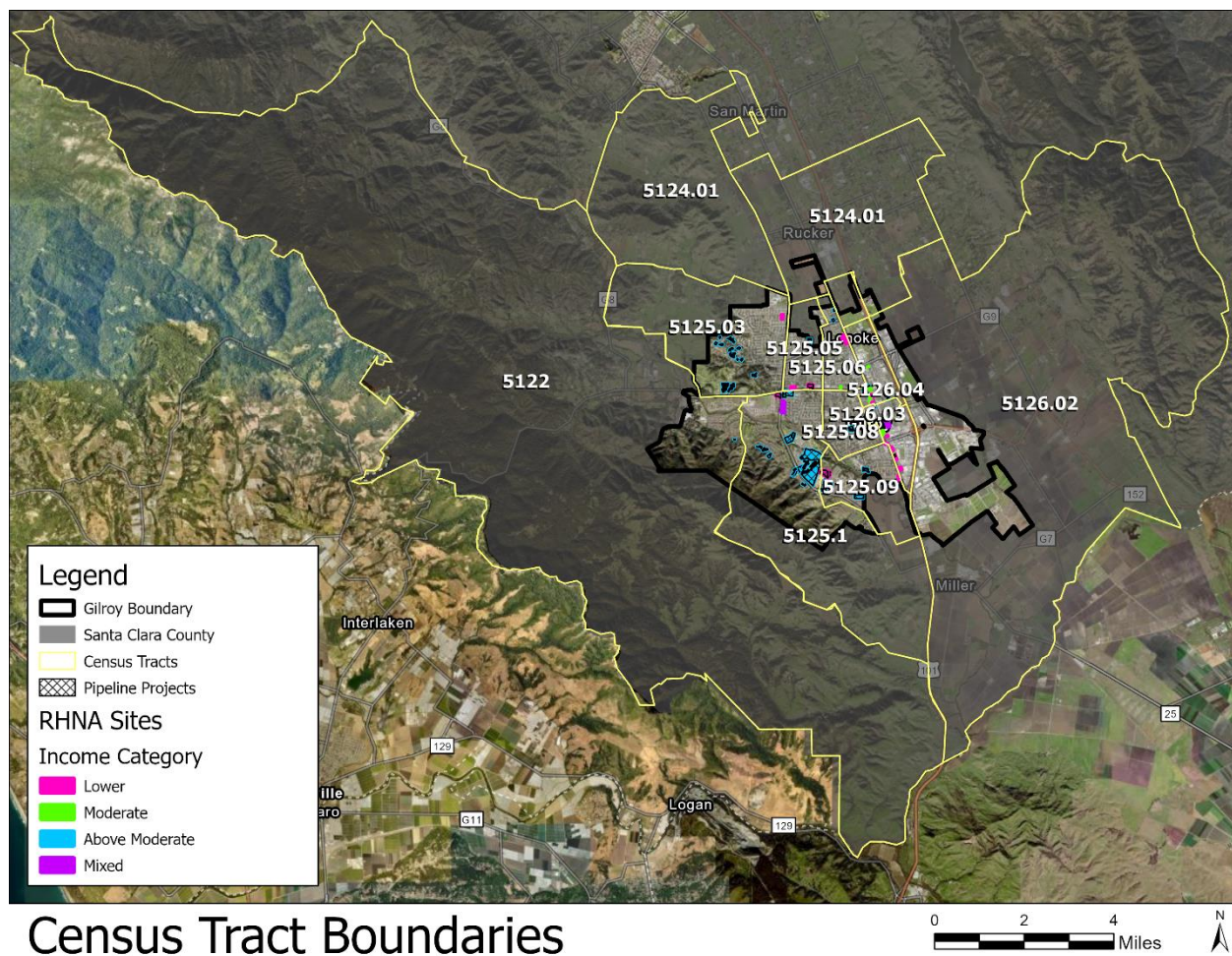
The City is including Program F - 3 for place-based improvements in the downtown area. The City is also including programs to encourage ADU development in the western portion of the

¹⁵ Neighborhood Revitalization Strategy Area Renewal Request for 2013-2018.

<https://www.cityofgilroy.org/DocumentCenter/View/9045/NRSA-Strategy-Renewal-Request-for-2013-2018>

City to promote housing mobility and increased housing opportunities (Program A - 6).¹⁶ To encourage a variety of housing types throughout the City, a program to create a ministerial permit process for duplexes, triplexes, and quadplexes that meet objective design standards is included (Program A - 10). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.

Figure 7: Census Tracts and RHNA Sites, 2022



Source: HCD AFFH Data Viewer

¹⁶ ADUs are calculated on a citywide basis and are not represented on the sites maps

Eight of the eleven census tracts that intersect Gilroy have the majority of their area located inside City limits, as noted in Table 47. Gilroy is split between the Low, Moderate, and High Opportunity categories, with the intersecting tracts in the west being considered a Racially Concentrated Area of Affluence (RCAA) and the tracts in the east containing a Racially and Ethnically Concentrated Area of Poverty (R/ECAP)¹⁷. These are relative rankings based on composites of the environmental, economic, and education scores.

Of the 2,053 RHNA sites, including pipeline projects and opportunity sites, 23 percent of units are in Low Resource tracts, 71 percent of units are in Moderate Resource tracts, and 6 percent of units are in High Resource tracts. Additionally, 41 percent of units are in the tract with the second highest median income, of the eight tracts mostly in the City. Both High Resource tracts, 5125.03 and 5122, have a large portion of their land area as rural and undeveloped. Due to the large quantities of open space in these tracts, they have disproportionately high environmental TCAC scores (see the California Tax Credit Allocation Committee (TCAC) section for more information). Tract 5122 has an environmental resource category of 91, while the education resource category is scored at 27. The disproportionately high environmental score of this majority rural, open space, steep tract skews the overall opportunity category towards High Resource. This indicates that disparities between the developable area that is actually within the City bounds, and the Low and Moderate Resource opportunity areas of the City may be smaller than indicated. In fact, educational opportunity is significantly higher in the R/ECAP, with an index of 40.

Less than 25 percent of the RHNA units are in the R/ECAP. The majority of the lower-income RHNA sites are in higher opportunity areas outside of the R/ECAP. It is unlikely that the location of proposed RHNA sites will exacerbate any fair housing conditions. The City encourages development and redevelopment in the older Downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and not likely to develop or redevelop. This area is the most distant from transit, employment, and services and would not likely score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource areas.

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, as well as advertise opportunities to increase density and reuse single-family dwellings in multi-family zones. As a part of Program A - 10, the City will allow duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet (approximately 1,106 parcels

¹⁷ HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

as shown in Figure 33). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

The City currently has approximately 1,067 parcels that are single-family homes on corner lots greater than 6,000 square feet in the R1 zone. Allowing duplexes, triplexes, and quadplexes by right on all of these corner lots would allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City and thus would allow for increased capacity for housing and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots in the R2 zone. There are parcels with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Table 47: Comparison of Fair Housing with Respect to Location

<u>Census Tract</u>	<u>RHNA Units¹</u> <u>(% Total)</u>	<u>Total Household</u> <u>s²</u>	<u>Total Population</u> <u>¹⁺²</u>	<u>TCAC Composite</u> <u>Category</u>	<u>Median Household</u> <u>Income</u>	<u>% with a Disability</u>	<u>% of Children in FHH</u>	<u>CalEnviroScreen</u> <u>Percentile</u>	<u>% Non-White</u>	<u>R/ECAP Present</u>
Census Tracts Mostly Inside of Gilroy										
<u>5125.03</u>	<u>116</u> <u>(6%)</u>	<u>2,567</u>	<u>9,452</u>	<u>High Resource</u>	<u>\$135,863</u>	<u>5.9%</u>	<u>8.2%</u>	<u>15.9</u>	<u>45.8</u>	<u>No</u>
<u>5125.05</u>	<u>211</u> <u>(10%)</u>	<u>2,058</u>	<u>8,373</u>	<u>Moderate Resource</u>	<u>\$77,481</u>	<u>8.3%</u>	<u>16.2%</u>	<u>32.7</u>	<u>75.5</u>	<u>No</u>
<u>5125.06</u>	<u>156</u> <u>(8%)</u>	<u>1,779</u>	<u>7,443</u>	<u>Moderate Resource</u>	<u>\$54,770</u>	<u>11.3%</u>	<u>26.1%</u>	<u>56.3</u>	<u>83.0</u>	<u>No</u>
<u>5125.08</u>	<u>19</u> <u>(1%)</u>	<u>2,644</u>	<u>8,007</u>	<u>Moderate Resource</u>	<u>\$74,032</u>	<u>11.2%</u>	<u>15.6%</u>	<u>52.1</u>	<u>65.7</u>	<u>No</u>
<u>5125.09</u>	<u>216</u> <u>(11%)</u>	<u>1,239</u>	<u>5,244</u>	<u>Moderate Resource</u>	<u>\$79,306</u>	<u>6.5%</u>	<u>5.8%</u>	<u>38.8</u>	<u>70.2</u>	<u>No</u>
<u>5125.1</u>	<u>846</u> <u>(41%)</u>	<u>2,270</u>	<u>7,352</u>	<u>Moderate Resource</u>	<u>\$85,960</u>	<u>10.0%</u>	<u>25.4%</u>	<u>29.4</u>	<u>61.9</u>	<u>No</u>
<u>5126.03</u>	<u>376</u> <u>(18%)</u>	<u>971</u>	<u>4,563</u>	<u>Low Resource</u>	<u>\$37,301</u>	<u>9.5%</u>	<u>30.9%</u>	<u>90.8</u>	<u>91.2</u>	<u>Yes</u>
<u>5126.04</u>	<u>112</u> <u>(5%)</u>	<u>1,161</u>	<u>4,854</u>	<u>Low Resource</u>	<u>\$35,297</u>	<u>6.0%</u>	<u>23.6%</u>	<u>75.8</u>	<u>91.2</u>	<u>Yes</u>
Census Tracts Mostly Outside of Gilroy										
<u>5126.02</u>	<u>0</u>	<u>805</u>	<u>2,377</u>	<u>Low Resource</u>	<u>\$64,375</u>	<u>13.0%</u>	<u>37.7%</u>	<u>78.0</u>	<u>58.1</u>	<u>No</u>

<u>Census Tract</u>	<u>RHNA Units¹</u> <u>(% Total)</u>	<u>Total Household</u> <u>s²</u>	<u>Total Population</u> <u>¹²³</u>	<u>TCAC Composite</u> <u>Category</u>	<u>Median Household</u> <u>Income</u>	<u>% with a Disability</u>	<u>% of Children in FHH</u>	<u>CalEnviroScreen</u> <u>Percentile</u>	<u>% Non-White</u>	<u>R/ECAP Present</u>
<u>5124.01</u>	<u>0</u>	<u>1,427</u>	<u>4,782</u>	<u>Moderate Resource</u>	<u>\$107,599</u>	<u>13.1%</u>	<u>17.2%</u>	<u>42.4</u>	<u>55.2</u>	<u>No</u>
<u>5122</u>	<u>1</u>	<u>1,612</u>	<u>3,895</u>	<u>High Resource</u>	<u>\$124,130</u>	<u>6.1%</u>	<u>12.8%</u>	<u>13.4</u>	<u>33.8</u>	<u>No</u>

Note:

- 1) Includes opportunity sites and pending projects.
- 2) Includes all households in the tract, including those not within the bounds of the City of Gilroy.

Fair Housing Enforcement and Outreach Capacity

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

Project Sentinel provides fair housing counseling services for the City of Gilroy. The City publishes the availability of both tenant/landlord counseling and fair housing services via its website. In the fiscal years 2022-2023 and 2023-2024, the City of Gilroy allocated \$80,000 in total funds to two Project Sentinel programs: Fair Housing and Landlord/Tenant Counseling and Dispute Resolution. The funds are provided through the Permanent Local Housing Allocation (PLHA) fund, which is administered by Santa Clara County's Office of Supportive Housing.

Project Sentinel is a nonprofit organization that provides a variety of fair housing resources and services in Northern California, including resources for tenants, property managers, and service providers, dispute resolution, and housing counseling. Annually, Project Sentinel processes over 10,000 initial contacts; handles over 400 housing discrimination complaints and over 1,700 landlord tenant and community dispute cases; counsels over 750 homeowners; and provides monthly workshops on housing topics.

Local Data

On March 8, 2023, staff from Project Sentinel provided information for the Housing Element update related to fair housing activity in the City of Gilroy. Project Sentinel has received 256 calls on behalf of the City of Gilroy since 2017 and has managed 139 cases on behalf of the City since 2015. Over the approximately 7 to 8-year period, 32 cases cited different terms/conditions, 15 cited eviction, 46 cited reasonable accommodation or modifications/accessibility, 16 cited coercion or intimidation/harassment, and 20 cited a refusal to rent. The remaining cases cited either repairs not being completed, a hostile environment, or being falsely denied. As shown in Table 48, over 60 percent of the cases since 2015 (86 cases) were filed by residents in the 0 to 30 percent income category. Residents from all age categories have filed cases, with no strong patterns identified (Table 49). Of the cases, seven (7) were filed by Black households, 109 were submitted by White households, two (2) were submitted by Native American households, and six (6) were submitted by other or multiple racial identifying households (Table 50).

Table 48: Dispute Cases by Income Category, 2015-2022

Income Category of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
0-30%	<u>5</u>	<u>14</u>	<u>18</u>	<u>8</u>	<u>17</u>	<u>11</u>	<u>6</u>	<u>7</u>
31-50%	<u>3</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>	-	<u>2</u>	-
51-80%	<u>10</u>	<u>1</u>	<u>1</u>	-	<u>2</u>	-	-	<u>2</u>
80% +	<u>3</u>	<u>1</u>	<u>4</u>	-	<u>1</u>	-	-	<u>1</u>
N/A	-	-	-	-	<u>3</u>	<u>10</u>	<u>1</u>	-
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>26</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

Table 49: Dispute Cases by Age, 2015-2022

Age of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
≤30	<u>3</u>	<u>1</u>	<u>5</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>
30-40	<u>9</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>6</u>	<u>1</u>	<u>2</u>
41-50	<u>4</u>	<u>3</u>	<u>5</u>	<u>1</u>	<u>4</u>	-	<u>1</u>	<u>4</u>
51-60	<u>2</u>	<u>1</u>	<u>4</u>	-	<u>2</u>	<u>1</u>	<u>3</u>	<u>3</u>
61-70	-	<u>4</u>	<u>3</u>	<u>4</u>	<u>7</u>	<u>1</u>	<u>1</u>	-
71-80	<u>1</u>	<u>1</u>	<u>2</u>	-	<u>2</u>	-	<u>1</u>	-
>80	<u>1</u>	<u>2</u>	<u>1</u>	-	-	-	-	-
N/A	<u>1</u>	-	-	-	<u>6</u>	<u>11</u>	<u>1</u>	-
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>26</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

Table 50: Dispute Cases by Race, 2015- 2022

Race of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
White	<u>21</u>	<u>15</u>	<u>19</u>	<u>10</u>	<u>19</u>	<u>9</u>	<u>6</u>	<u>10</u>
Black	<u>-</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Native American	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other/Multi-Racial	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>1-</u>	<u>-</u>
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>23</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

The City is including Program F - 1 to coordinate with Project Sentinel to conduct a workshop to inform residents of income protection and state rent control laws. Additionally, under Program F-1, the City will continue to coordinate outreach efforts to inform landlords and tenants of recent change to state law. The City is including Program F - 2 to commit to work with the Fair Housing Provider to track number of households assisted in Gilroy annually.

The Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO) enforces fair housing by investigating complaints of housing discrimination. Over the 7- to 8- period from 2013-2021, there were 15 fair housing inquiries filed with FHEO on behalf of the City of Gilroy. Three (3) inquiries referenced disability concerns, one (1) inquired on race, and the remaining 11 were found to have no identity-based inquiries. Of these inquiries, nine (9) were found to have no valid case of fair housing discrimination, five (5) failed to respond or continue further with the inquiry process, and one (1) resulted in other disposition. There are no outstanding lawsuits or complaints regarding fair housing in the City.

Integration and Segregation

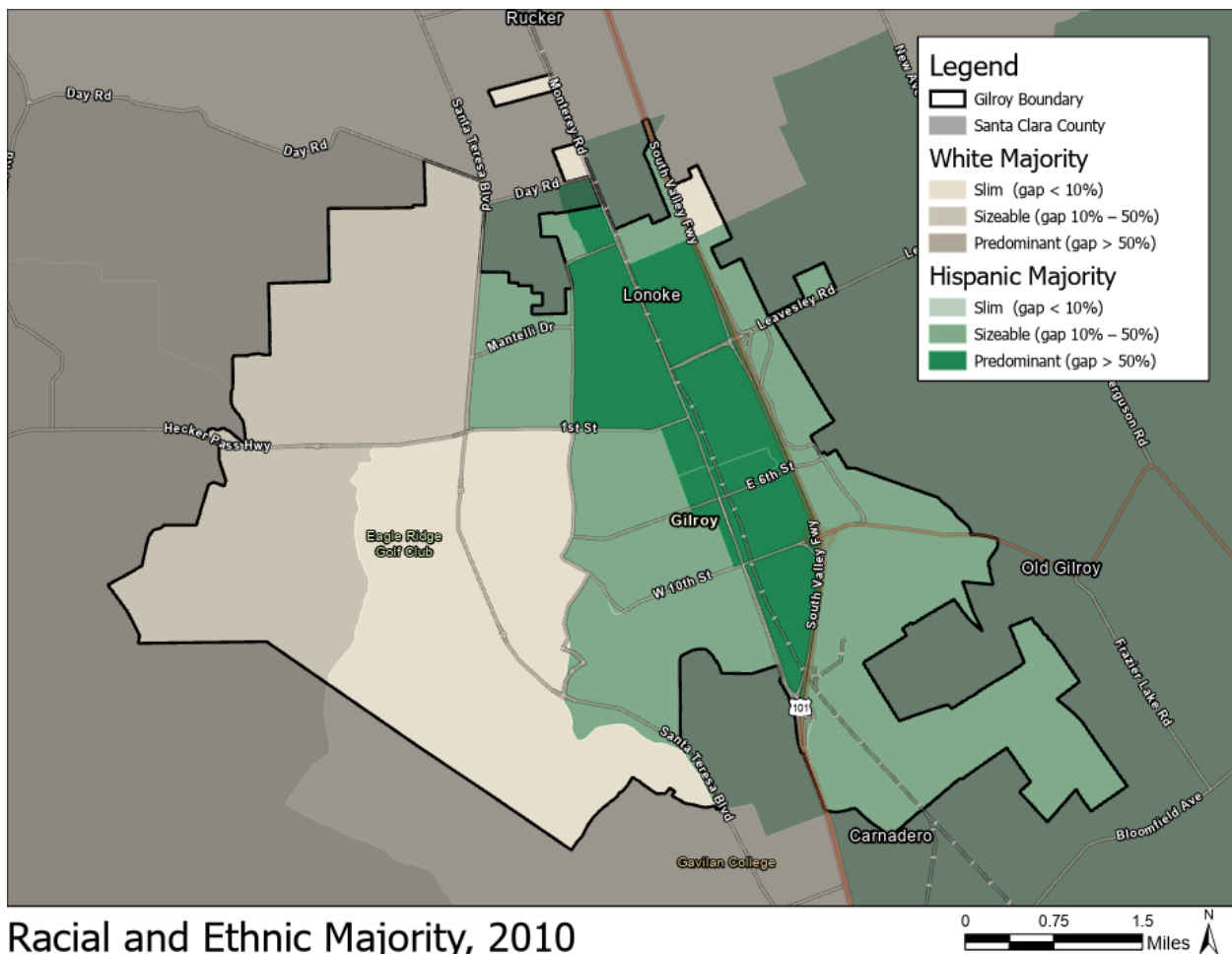
Race and Ethnicity

Figure 8 shows the racial and ethnic majority by census tract in the City of Gilroy. As illustrated, the western half of the City has a slim (<10%) to sizeable (10%–50%) White majority, while the eastern half of the City has areas with sizeable (10%–50%) to predominant (> 50%) Hispanic majorities. The tracts with Hispanic majorities have larger low- to moderate-income populations and a higher quantity of female-headed households than the majority White tracts. The City is including a program to increase Spanish language engagement in order to target outreach to the Hispanic population (Program G - 7). The area with the predominant Hispanic majority also contains a R/ECAP. HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a

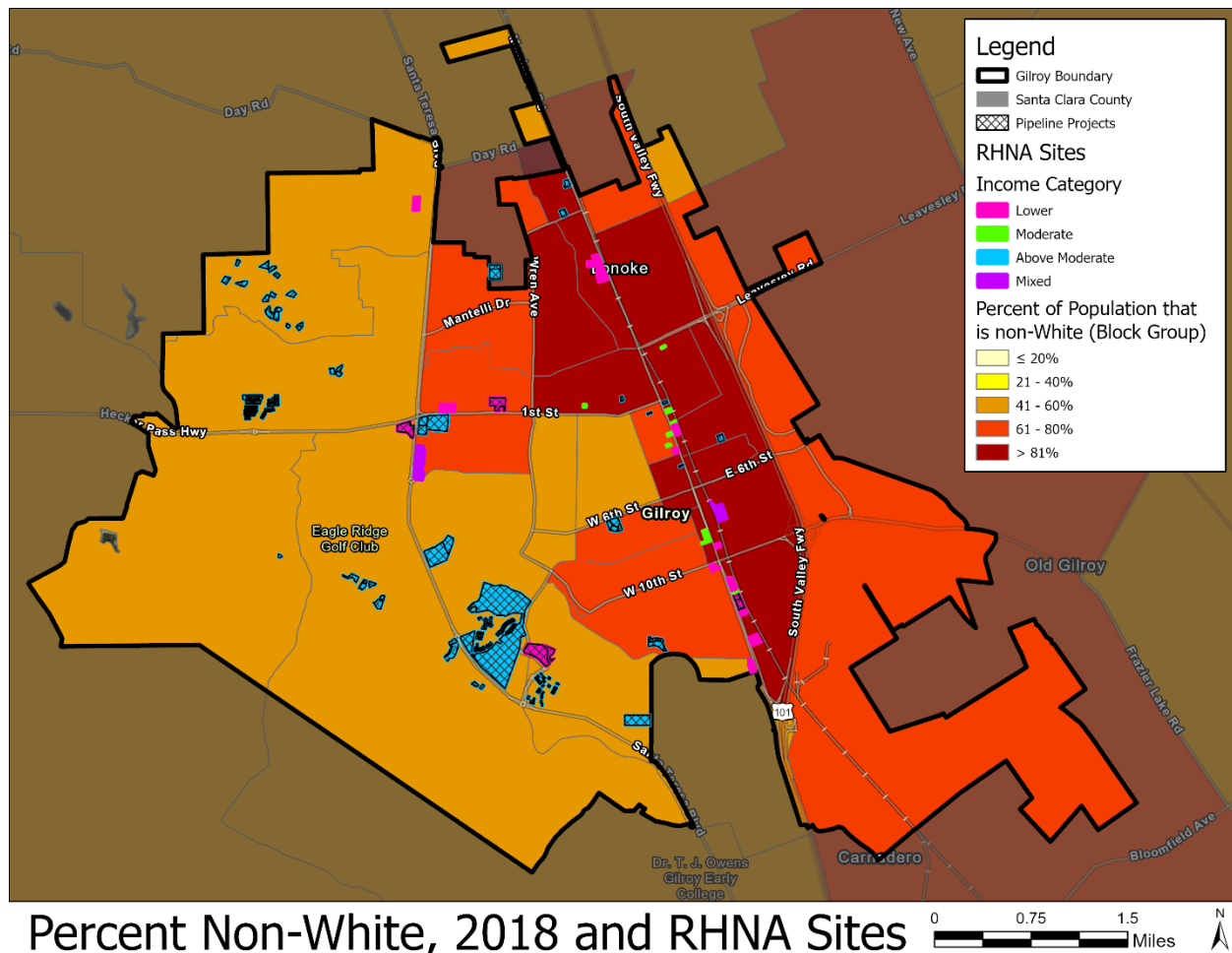
R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Regionally, there is a common correlation between wealth and race, which may help explain the racial/income concentrations in the City. The City has a significantly larger Hispanic population (57.6 percent) in comparison to the County (25.1 percent). Gilroy has a much smaller Asian/Asian Pacific Islander (API) population (9 percent) compared to the County (37 percent), and a slightly smaller non-Hispanic White population (28 percent) compared to the County (32 percent).

Figure 8: Racial and Ethnic Majority, 2010



As shown in Figure 9, there are no block groups in the City with a non-White population less than 41 percent. The area with the highest non-White percentage is also the area with the R/ECAP. In the City, newer developed single-family housing is primarily available in the west, while the multifamily, more affordable housing opportunities are primarily available in the east of the City, where there is a larger non-White population. As of 2019, 72 percent of the City was non-White while 68 percent of the County was non-White, indicating that the overall distribution of the non-White population is similar between the City and the region as a whole.

Figure 9: Percentage of the Population that is Non-White, 2018

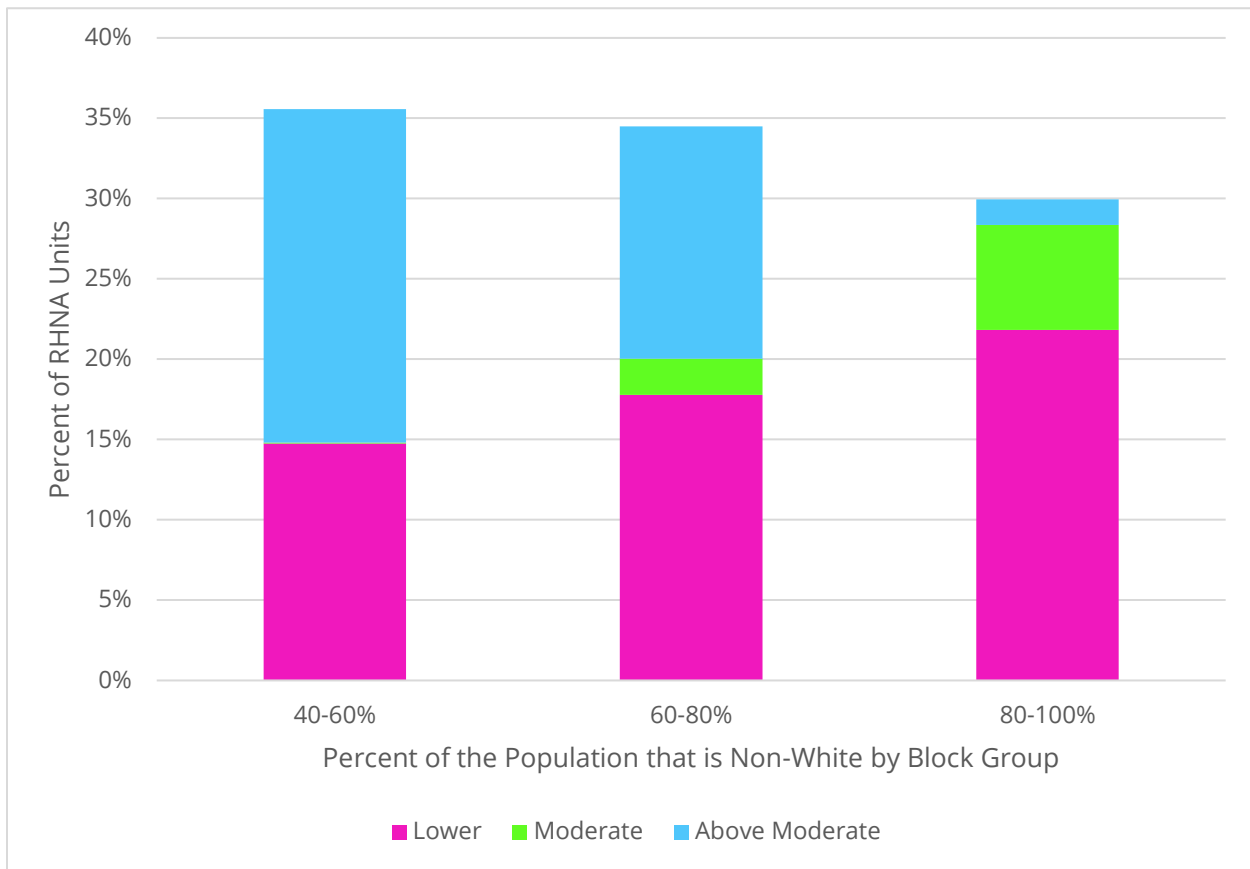
Source: HCD AFFH Data Viewer

Figure 10 compares the RHNA units with the percentage of the population that is non-White. While many sites are in the downtown area, where there is a large non-White population, this area is where the City is targeting revitalization, and place-based improvements, which includes plans for significant investment, further economic development, and a future high speed rail station.

The City is including Program F - 5, Displacement Prevention Policy, to ensure that existing residents are protected from displacement. Program F - 2 includes multilingual tenant counseling through a partnership with Project Sentinel. The City is also including programs to encourage development opportunities throughout the City, including Program G - 3 for ADU outreach focused in the western portion of the City, Program A - 11 for adoption of an inclusionary housing policy, and Program A - 10 allowing duplexes, triplexes, and fourplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows

duplexes in the R1 zone, Program A-10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 10: Percent non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹⁸ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White

¹⁸ Measures of Residential Segregation. <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

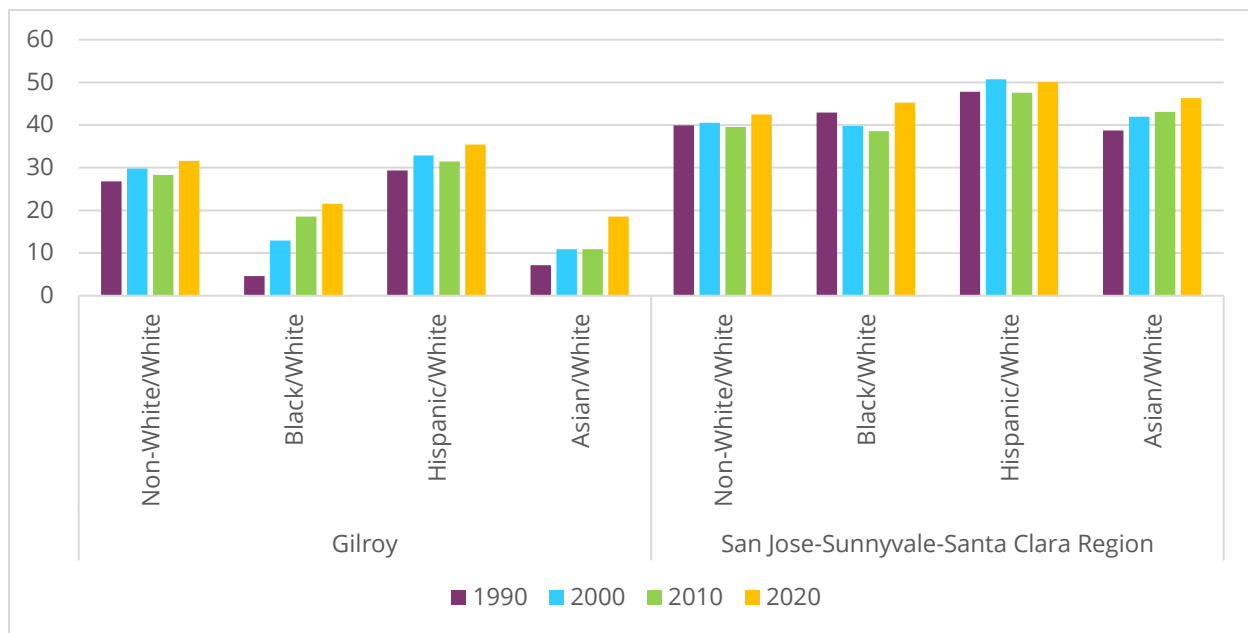
population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by the HCD AFFH Guidance Document.

The categories for the dissimilarity index on a scale of 1-100 are as follows:

- <30: Low Segregation
- 30 – 60: Moderate Segregation
- >60: High Segregation

Figure 11 provides the dissimilarity index values in Gilroy, indicating the level of segregation between White residents and residents who are non-White, Black, Hispanic, or Asian. In 2020, there was moderate segregation between the Hispanic and White populations and low segregation between the Black and White populations, and between the Asian and White populations. A moderate dissimilarity index of 35.41 in the figure below means that 35.41 percent of Gilroy's Hispanic or White residents would need to move to a different census block to create balanced integration between Hispanic and White residents. Segregation at the City level is much lower than Santa Clara County as a whole.

Figure 11: Dissimilarity Index for Race



Source: HUD AFFH Data tool.

Income

The dissimilarity index can also be used to calculate income segregation, using the same scale as above. The segregation between below-moderate and above-moderate income groups is moderate. Regionally in the Bay Area, segregation is also moderate.

Table 51: Dissimilarity Index for Income

	2010		2015	
	Below 80% AMI / Above 80% AMI	Below 50% AMI / Above 120% AMI Dissimilarity	Below 80% AMI / Above 80% AMI Dissimilarity	Below 50% AMI / Above 120% AMI Dissimilarity
Gilroy	31.5	46.2	41.6	53.3
Bay Area	28.7	36.6	27.4	35.1

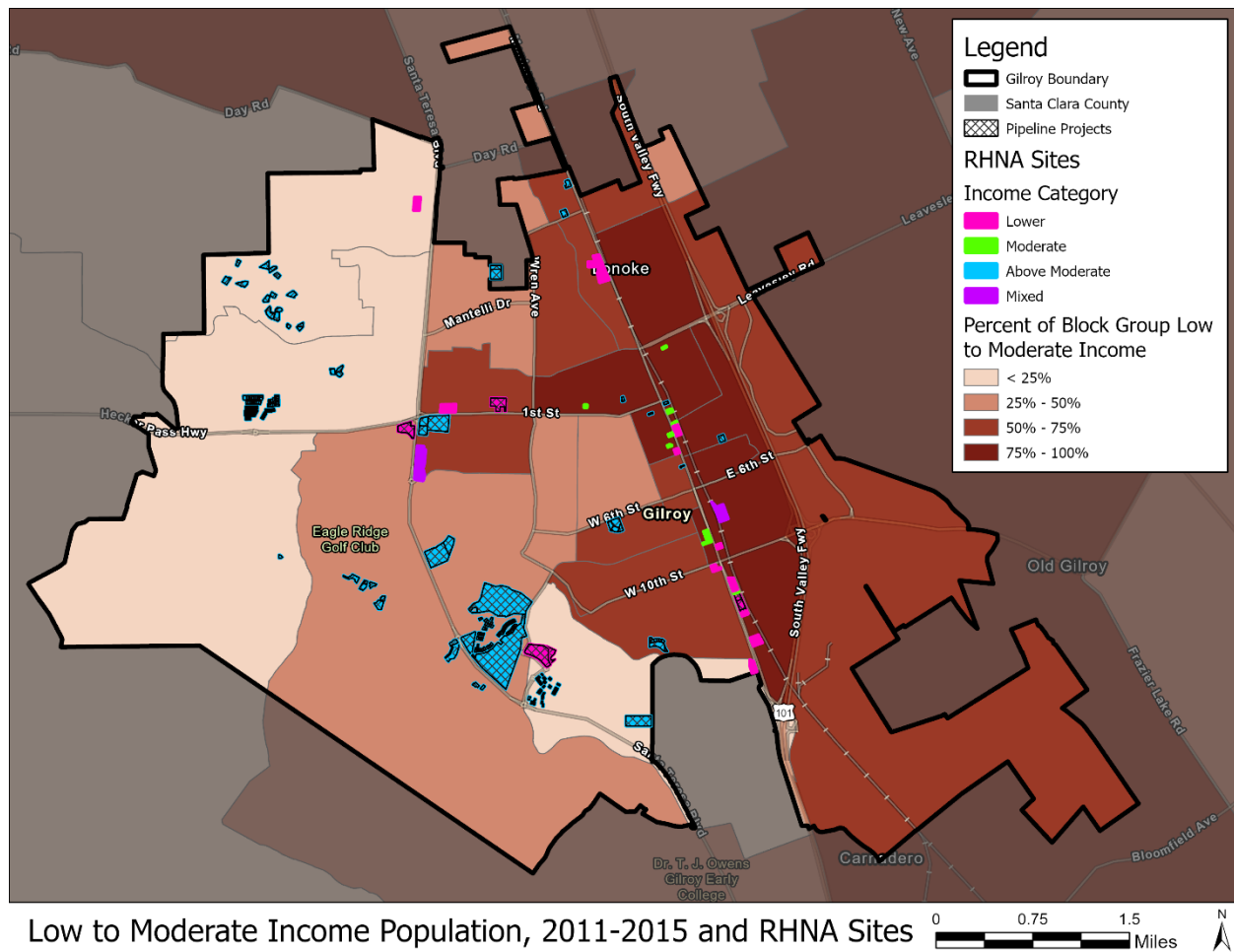
Source: Association of Bay Area Governments AFFH Data Report.

As shown in Figure 12, the area with a large low-to-moderate income population is also the area with a predominant Hispanic majority, and largest non-White population. This area is also where the R/ECAP is located. There is a large low- to moderate-income population in the area with more multifamily housing. Income often correlates with housing type—i.e., large single-family areas generally have higher incomes. Compared to the region, Gilroy has a lower median income and a higher income disparity.

While a large percentage of the RHNA units are in the area with the highest concentration of the low- to moderate-income population, this area also falls within downtown Gilroy, which provides residents with close access to transit, resources, and employment opportunities. The anticipated development of the future high-speed rail station is also expected to increase economic investment in the downtown. The Housing Element includes programs to help ensure redevelopment of nonresidential sites downtown and to minimize displacement. Programs include the creation of an inclusionary housing ordinance (Program A - 11), multilingual tenant support in partnership with Project Sentinel (Program F - 2), and a displacement prevention policy (Program F - 5).

The City also has an affordable housing portfolio available to lower-income households, including ownership and rental units. The below market-rate units are administered by HouseKeys through Programs C - 1, C - 4, and C - 5, which include monitoring of units at risk of converting to market rate and resale/rent control on BMR units. There are over 400 units in the BMR program.

The City is including programs to encourage development opportunities in the western portion of the City that are not captured by the sites inventory. Programs include ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (Program A - 11), allowing duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in R1 and R2 zones (Program A - 10), and a density bonus beyond state law policy (Program A - 12). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 12: Low to Moderate Income Population and RHNA Sites, 2011-2015

Source: HCD AFFH Data Viewer

Figure 13 shows the percentage of RHNA units compared to the percent of each block group that is in the low- to moderate-income category. The lower- and moderate-income RHNA sites are proposed in the areas with a larger low- to moderate-income population to provide new housing opportunities without displacing current residents from their neighborhoods.

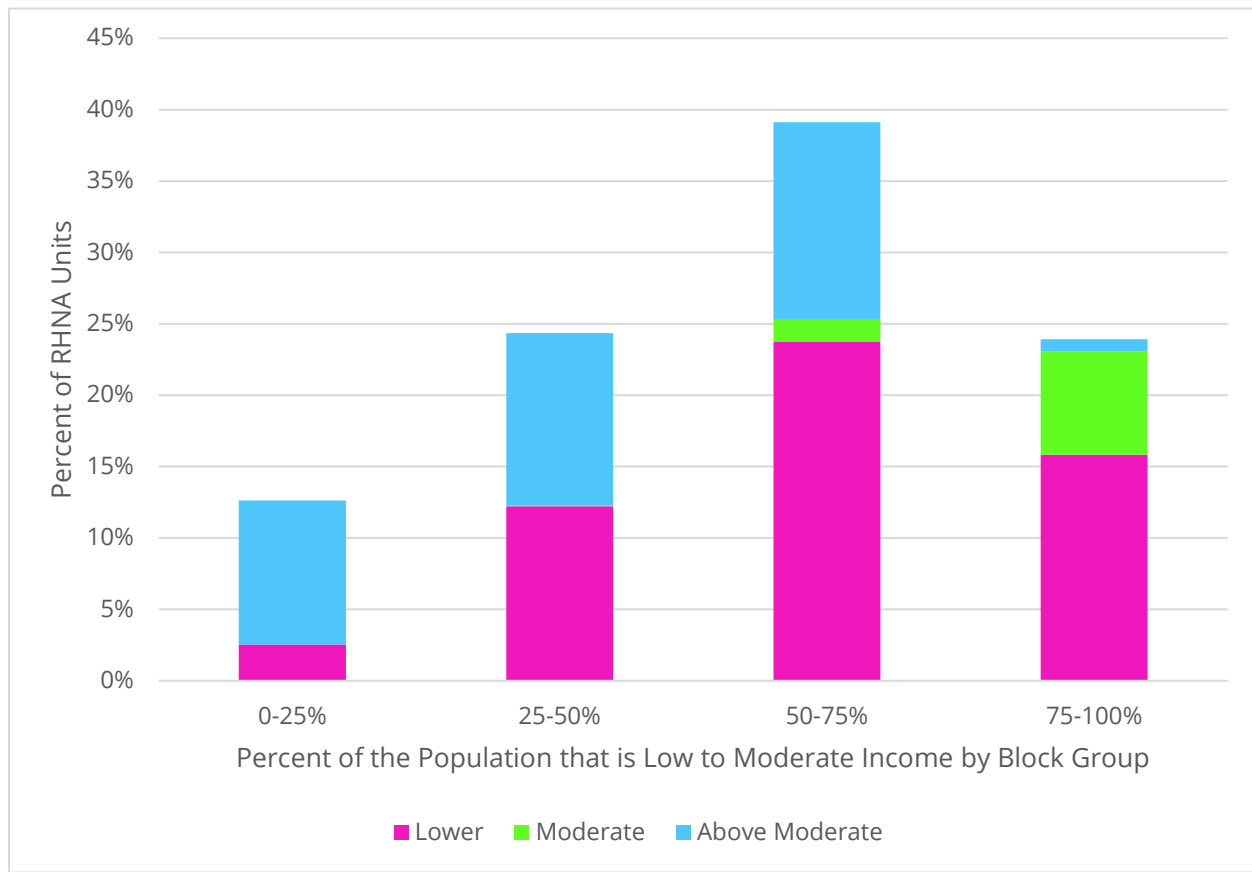
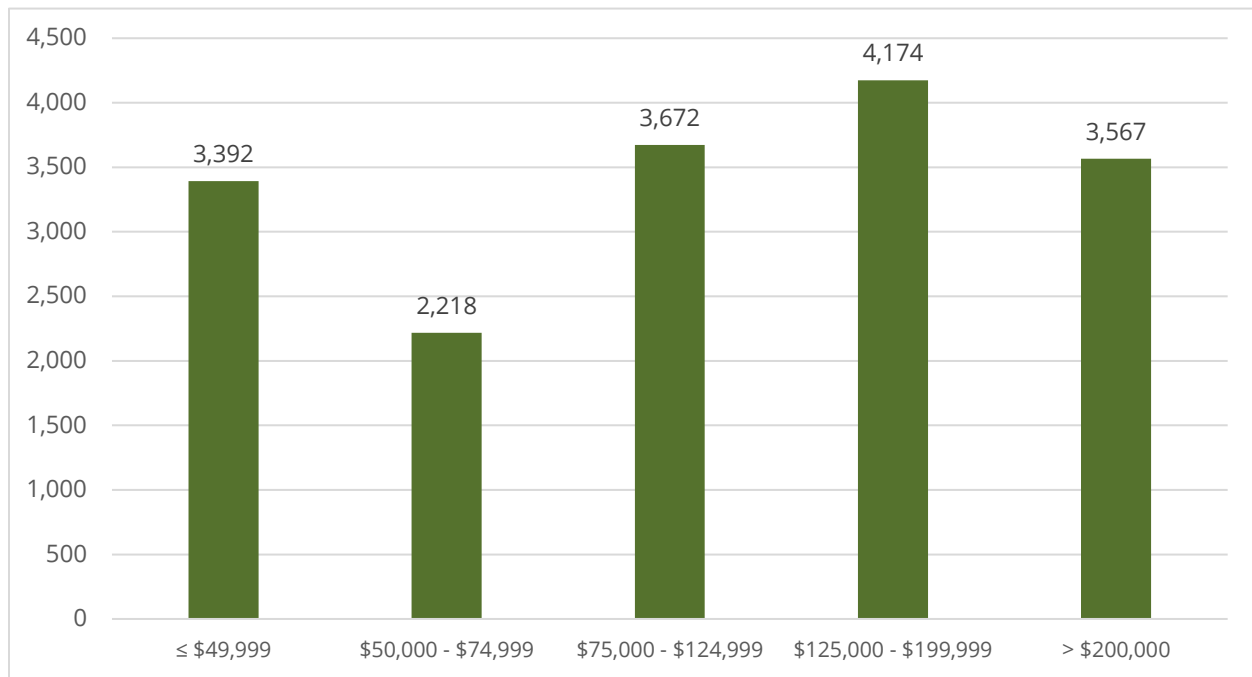
Figure 13: Low to Moderate Income Population Comparison of RHNA Units

Figure 14 shows the number of households with income levels similar to the income ranges provided by the HCD Income Limits. The moderate-income category has the largest percentage of the population, while the very low-income population has the smallest population. The remaining income categories have relatively comparable population sizes without extreme discrepancies.

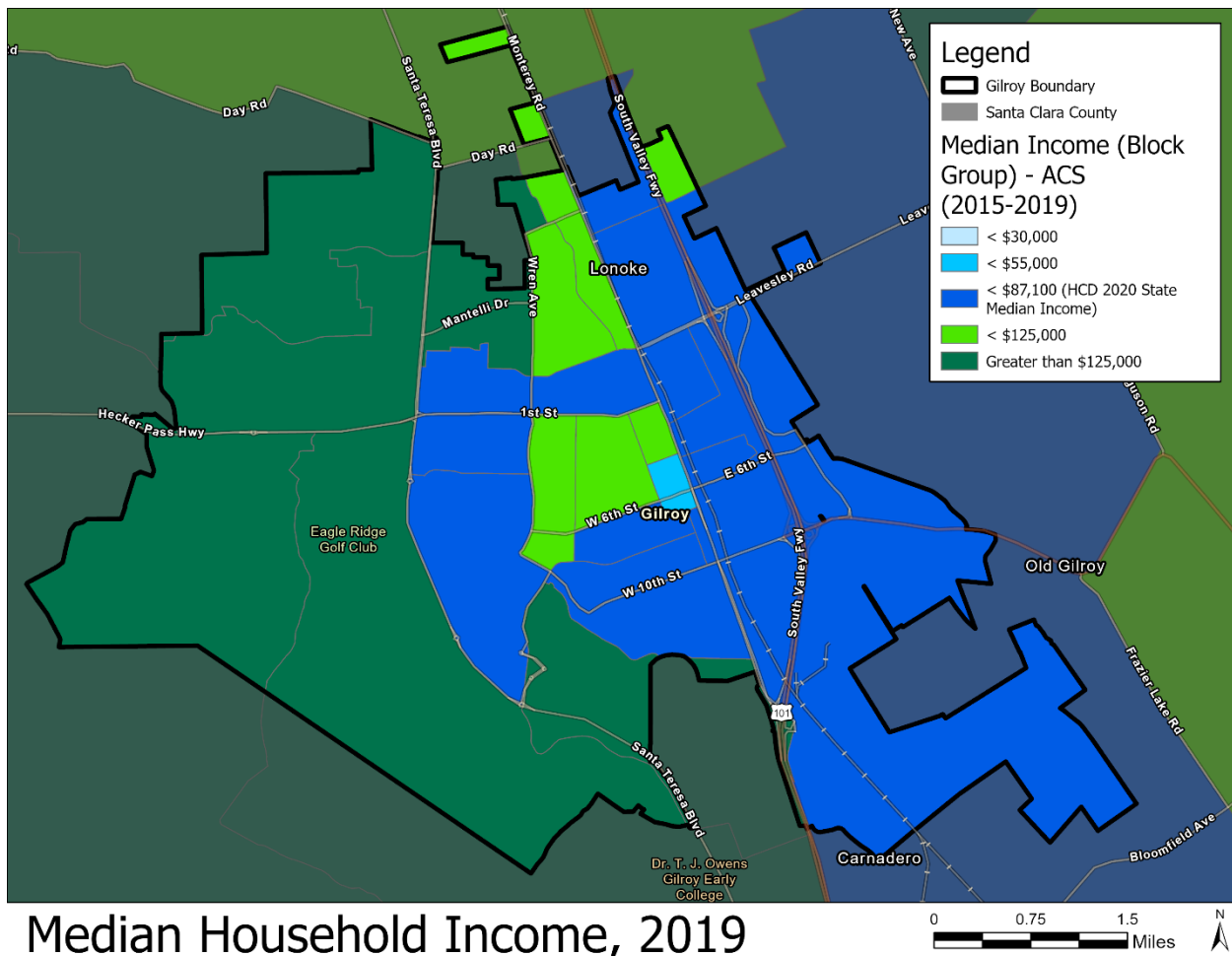
Figure 14: Households per Income Level, 2021

Source: 2021 ACS Table B19001

According to US Census 2015-2019 American Community Survey estimates, the median household income for Gilroy was \$101,616. This is about 18 percent lower than the Santa Clara County median household income of \$124,055.

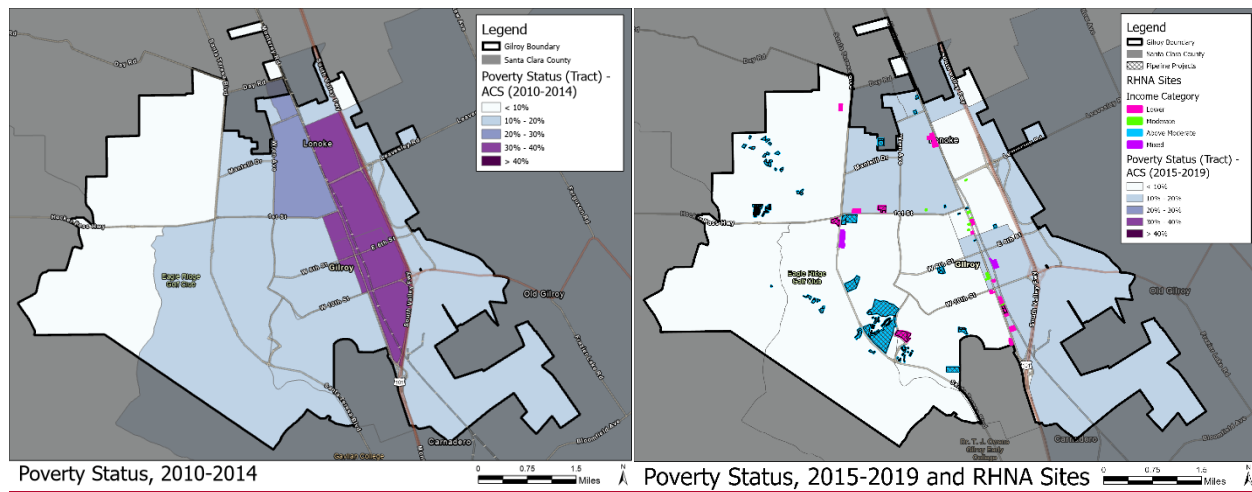
Figure 15 shows median household income by census block group. In Gilroy, the highest median household incomes are located in the western portion of the City, where there is more single family zoning and open space. The lowest median incomes are in the central and eastern portions of the City, including downtown, which is the oldest area of the City.

The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, the block groups in the western region of Gilroy have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for overall trends. Newer single-family development primarily occurs in the west and are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer western areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities, including ADU production, in the western portion of the City.

Figure 15: Median Household Income, 2019

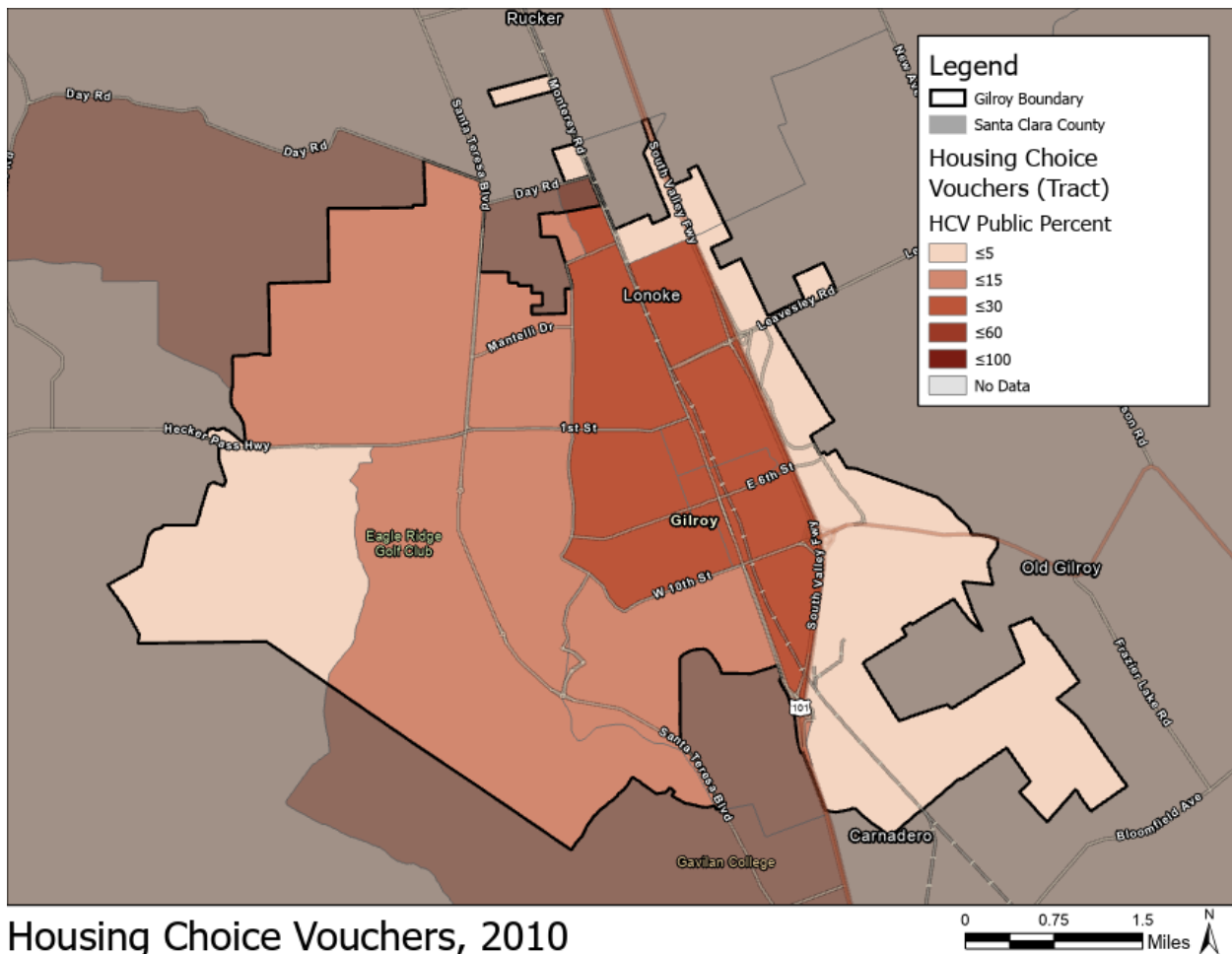
Source: [HCD AFFH Data Viewer](#)

Figure 16 shows the change in the population under the federal poverty line by census tract from 2010–2014 to 2015–2019. Poverty is defined by incomes falling below the annually defined thresholds for family size by the Census. Poverty levels in the eastern area, where the downtown R/ECAP is located, decreased significantly over this period. From 2010 to 2014, 30–40 percent of households in the eastern downtown R/ECAP area were living in poverty. Between 2015 and 2019, the percentage decreased significantly, with less than 20 percent, and in some cases less than 10 percent, of residents in this area living in poverty. Similarly, the number of impoverished residents in southern Gilroy decreased between 2010 and 2019, with less than 10 percent of these residents currently living in poverty. The 2015–2019 map shows lower levels of poverty Citywide and increased geographic parity. The 2015–2019 map also shows that pipeline projects and proposed RHNA Opportunity sites are spread throughout the City with more pipeline projects in the west and proposed RHNA sites in the east. It is the intent of the City's placed based improvements and revitalization efforts in the downtown R/ECAP area to further minimize poverty by providing safe affordable housing choices to residents living in this area.

Figure 16: Poverty Status, 2010-2014 and 2015-2019

Source: HCD AFFH Data Viewer

Figure 17 displays the distribution of housing choice vouchers in the City. The Santa Clara County Housing Authority (SCCHA) is the regional Public Housing Authority for the City of Gilroy and administers the Housing Choice Voucher (HCV) program (also known as Section 8). The HCV program is a 100 percent federally funded rental subsidy for low-income households living in privately owned rental units. The City does not own any public housing; however, the SCCHA owns and manages affordable housing units in Gilroy and throughout the County of Santa Clara. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is little housing choice voucher use in the west side of the City. The majority of housing choice voucher usage is in the R/ECAP, where there is more multifamily housing and rental apartments.

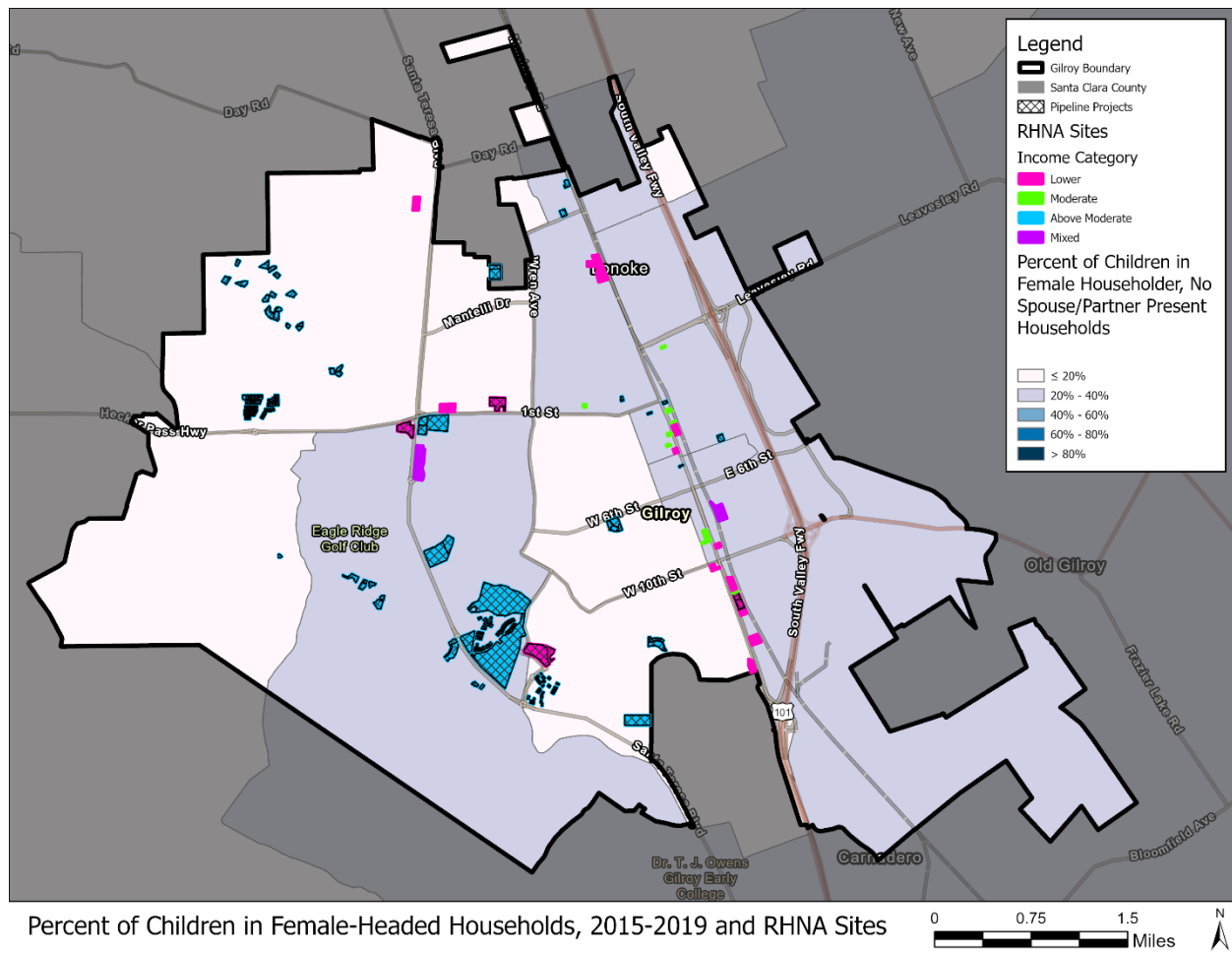
Figure 17: Housing Choice Vouchers

Source: HCD AFFH Data Viewer

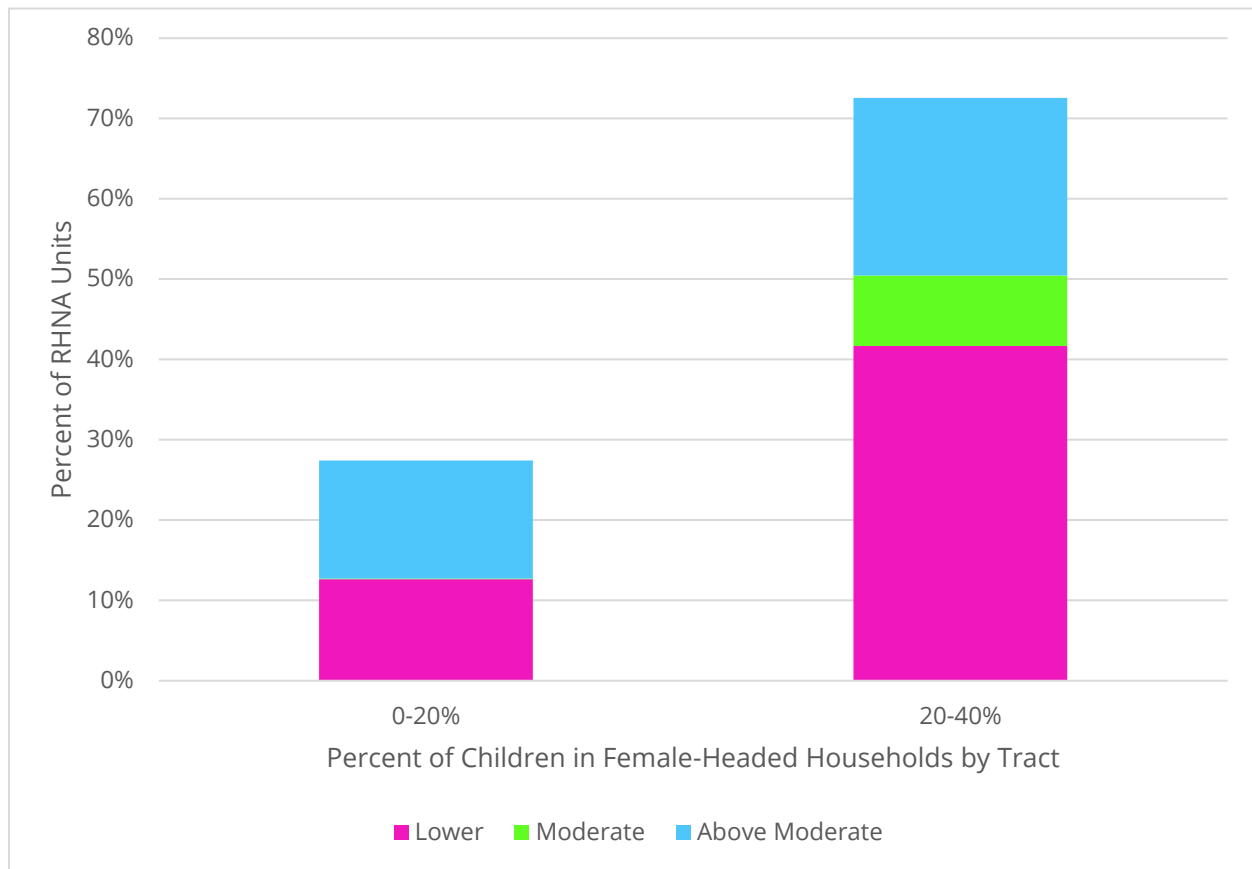
Familial Status

Figure 18 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pipeline projects and proposed RHNA Opportunity sites. In 2019, 2,616 households, or 16.2 percent of the total households in Gilroy, were female-headed households, which is about 6 percent higher than in the County, at 10 percent. There is no tract with a significant concentration of children in female-headed households. As shown in Figure 19, RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. For example, ~~27.4~~ 31.4 percent of the RHNA units are located in tracts where 0-20% of children are living in female-headed households with no spouse.

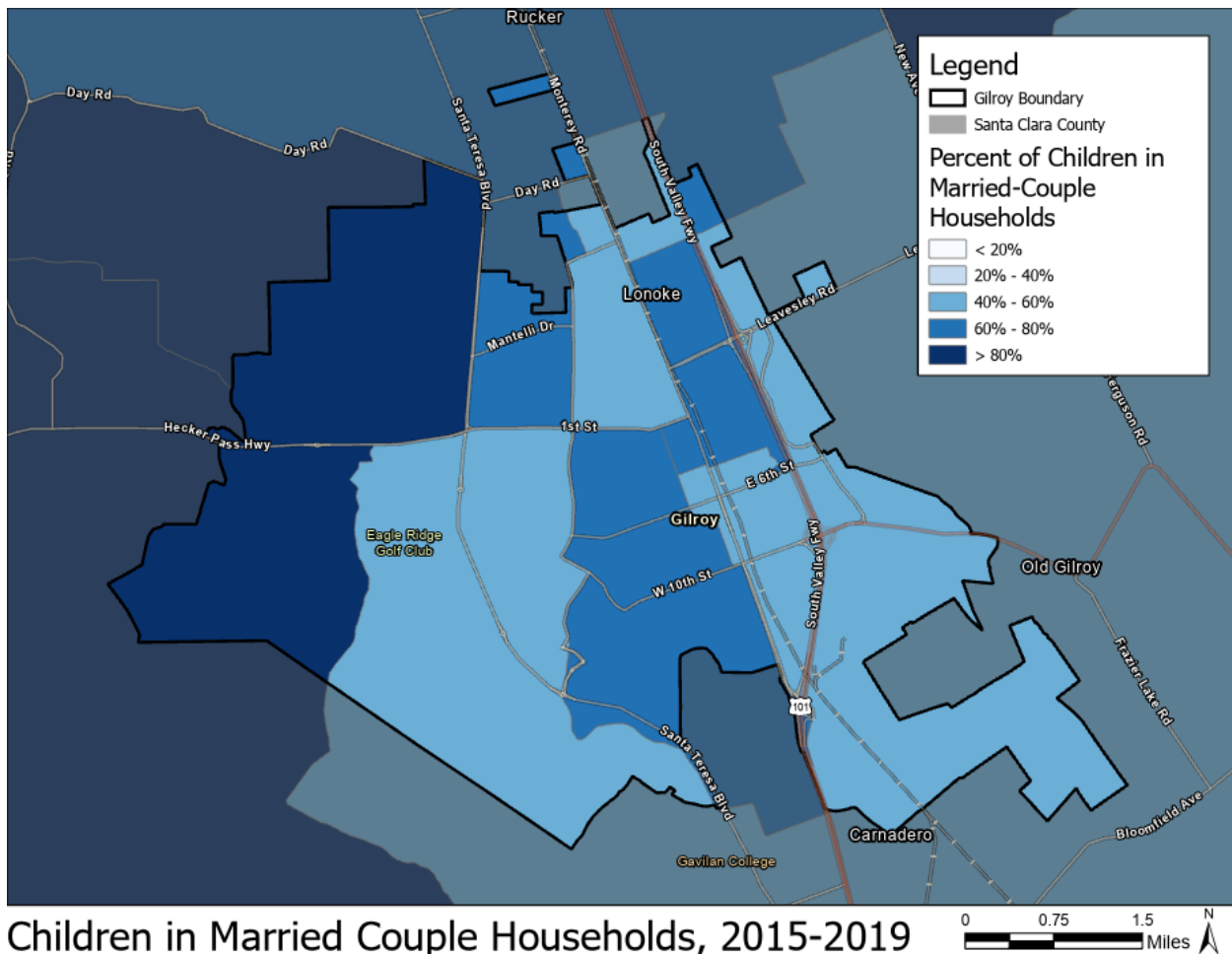
Figure 18: Children in Female-Headed Households and RHNA Sites



Source: HCD AFFH Data Viewer

Figure 19: Female Headed Households Comparison of RHNA Units

As shown in Figure 20, areas with high concentrations of children in married-couple households are also areas with large numbers of single-family households. In Gilroy, 30.5 percent of households are married-couple households with children present, compared to 26.6 percent countywide. RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure 20: Children in Married-Couple Households

Source: HCD AFFH Data Viewer

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs group. The 2019 American Community Survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.¹⁹

The types of disabilities included in the Census are:

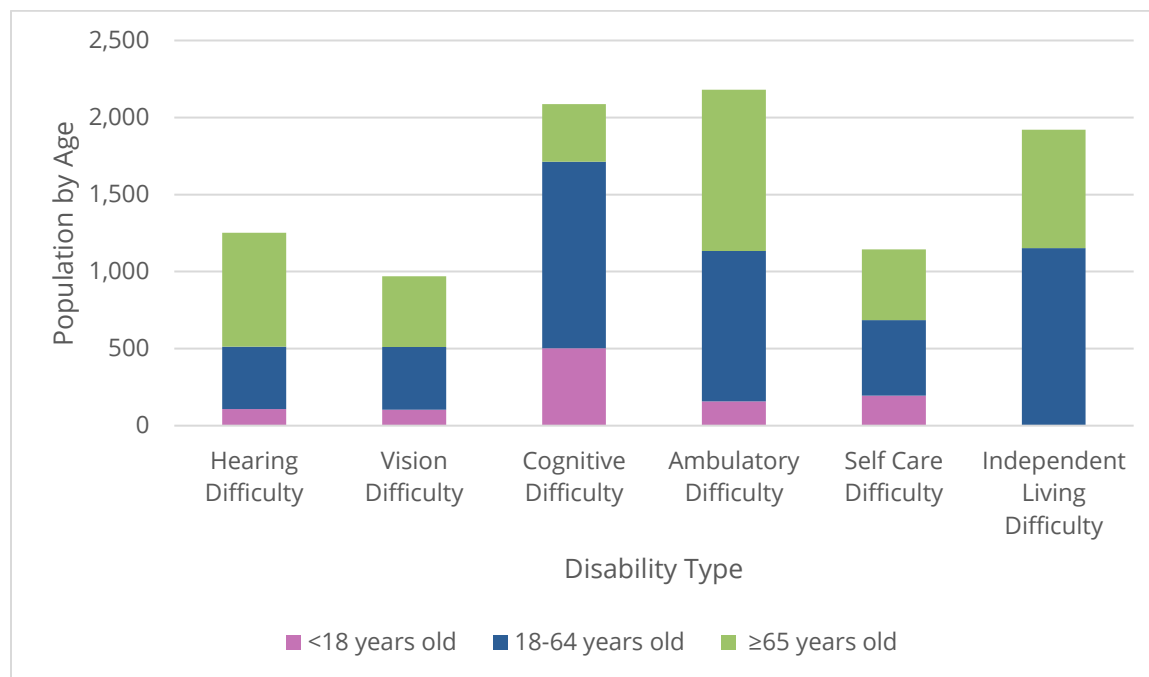
¹⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 21 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability countywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities.

Figure 21: Disability Characteristics, Gilroy, 2019



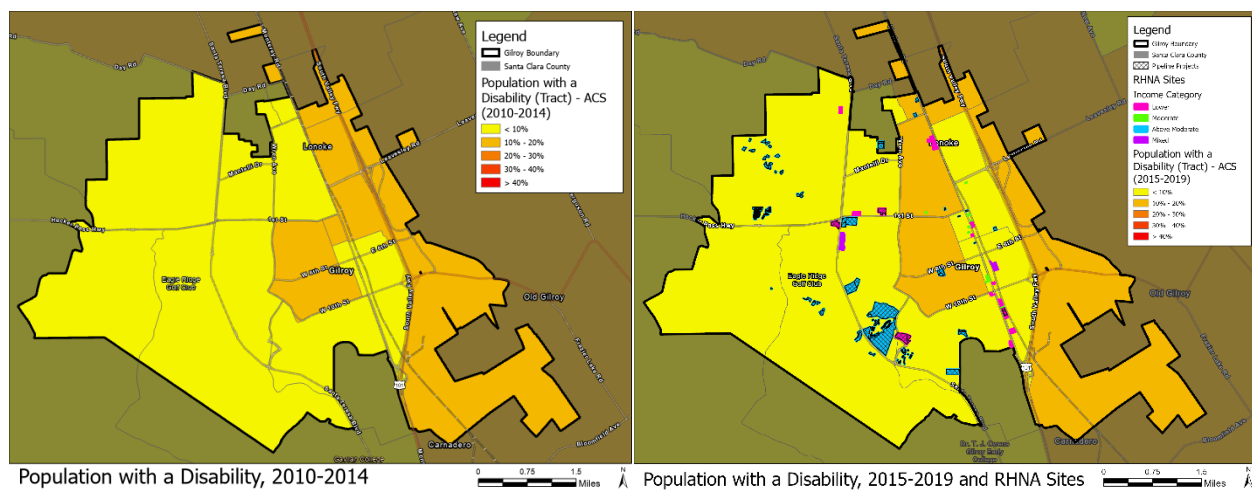
Source: 2019 ACS B18108.

Figure 22 shows that the disabled population is relatively evenly distributed throughout Gilroy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2015–2019. There is no area of the City with an extreme concentration of persons with disabilities. The area in the east of the City with a larger low- to moderate-income population and larger non-White population does have a slightly larger disabled population, though the difference is minimal. Furthermore, the west tracts have more open space and

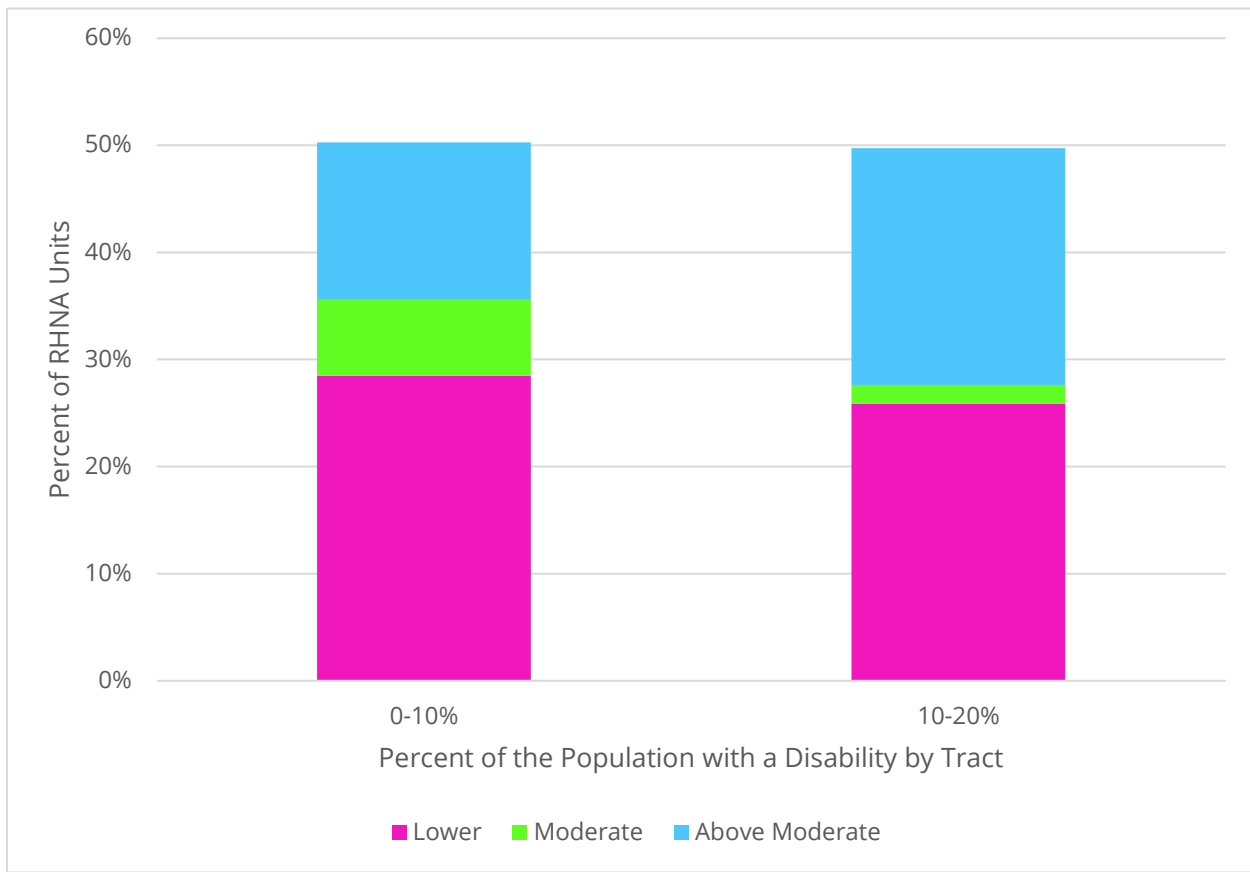
agriculture, so the population is generally more concentrated in the east, which may skew data perception. A larger or more concentrated disabled population may indicate a greater need for access to health care. However, health care facilities are also more concentrated in the areas to the east.

Figure 22 also shows pipeline and proposed RHNA Opportunity sites in the context of persons with a disability. As shown in Figure 23, the RHNA sites are relatively evenly distributed between areas with higher and lower concentrations of the disabled population. For example, ~~50.3~~ 55.0 percent of the RHNA units are located in the area where 0-10% of the population has a disability. As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure 22: Population with a Disability, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 23: Population with a Disability Comparison of RHNA Units**Local Data**

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting with intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), with representatives from Housing Choices and the San Andreas Regional Center in attendance.

I/DD participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop a density bonus beyond state law to incentivize the creation of additional units to serve extremely low-income households. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

I/DD participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering project-based vouchers.

The City shall notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need was housing and services for both independent living and supportive living skills. For many in need of independent living assistance, ADUs may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes preapproved, "model" plans for ADUs that meet zoning, building, and fire codes. Models plans also include designs that are Americans with Disabilities Act (ADA) accessible. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Findings

Overall, the City of Gilroy has higher concentrations of non-White and low- to moderate-income residents in the eastern portion of the City. This area saw a reduction over time in households under the federal poverty level, from 30-40 percent in 2010-2014 to either 10-20 percent or less than 10 percent in 2015-2019. This area is also where housing choice voucher use primarily occurs. Many of the pipeline and proposed RHNA Opportunity sites are located in this area, which includes place-based improvements in the Downtown Specific Plan area, including the future high-speed rail station. The selected RHNA sites are not anticipated to cause displacement or worsen patterns of segregation. The City is including programs to address needs in the downtown. These programs include an inclusionary housing policy (A - 11), multilingual tenant outreach in partnership with Project Sentinel (F - 1), a displacement prevention ordinance (F - 5), and place-based improvements in this area (F - 3).

Much of the western portion of Gilroy was developed relatively recently, leaving few vacant or underdeveloped sites that would likely be redeveloped during the 2023-2031 eight-year planning cycle. Furthermore, most of the remaining undeveloped parcels on the west side do not meet the size requirements for lower-income units. However, the City is including programs to encourage development opportunities in the western portion of the City, including an ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (A - 11) to provide integrated and affordable housing, and allowing duplexes, triplexes, and fourplexes meeting objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A - 10). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Racially and Ethnically Concentrated Areas of Poverty and Affluence

R/ECAPs

HUD defines R/ECAPs as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds

40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Gilroy has a R/ECAP in Census Tracts 5126.03 and 5126.04. The tracts are shown in Figure 25 along with the proposed RHNA sites by their income levels. The tracts include the Downtown Specific Plan area and the future high-speed rail station, which will increase access to transit options and employment centers for potential residents. Existing and proposed transit bring the opportunity for transit-oriented development to the R/ECAP area. The downtown area has excellent proximity to commercial and employment resources and opportunities. Additionally, placing new housing sites in this area allows lower-income residents to stay in their neighborhood and take advantage of new, high-quality housing with new amenities. The location of RHNA sites in the R/ECAP will not exacerbate or create any additional R/ECAPs.

Figure 26 compares the percent of RHNA units within the R/ECAP area by their income levels, illustrating that the majority of the RHNA units are located in non-R/ECAP areas. About 24.7 percent of units from pipeline projects and potential RHNA Opportunity sites are proposed in the R/ECAP. Less than 30 percent of lower-income units are in the R/ECAP. This area is also designated for higher density housing options in a smart growth pattern with access to transit, employment, and service uses and facilities. Furthermore, planning for more affordable units in this area will help minimize displacement of existing residents when older properties are redeveloped.

Less than 25 percent of the RHNA units are in the R/ECAP. The City encourages development and redevelopment in the older downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and less likely to develop or redevelop. This area is the most distant from transit, employment, and services and would likely not score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource area. Placed based improvements planned and currently financed for this area and other Programs, efforts, and opportunities described below will improve conditions rather than exacerbate existing conditions.

As a part of the 2040 General Plan update, the City adopted an Environmental Justice Element focused on the eastern portion of the City, including the R/ECAP. The Environmental Justice Element includes programs to improve the quality of life in the R/ECAP.

The two census tracts that make up the R/ECAP are also qualified Opportunity Zones as designated by the Tax Cuts and Jobs Act of 2017. Opportunity Zones are designated census tracts where new investments may be eligible for preferential tax treatment. The Opportunity Zones designator helps spur economic investment by providing tax incentives that defer or eliminate federal taxes through a temporary deferral, step-up in basis, or permanent exclusion. These census tracts are also qualified census tracts in the New Market Tax Credit program, which incentivizes community development and economic growth by using tax credits.

The City is including multiple programs to ensure that the sites in the R/ECAP improve conditions rather than exacerbate existing conditions. These include place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas (Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2).

Place-based improvements in 2023 include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

As shown in Figure 24, the City is using CDBG funding to improve the quality of life, infrastructure, neighborhood conditions, and ADA improvements throughout the City, including in the R/ECAP. Pavement rehabilitation is being targeted at:

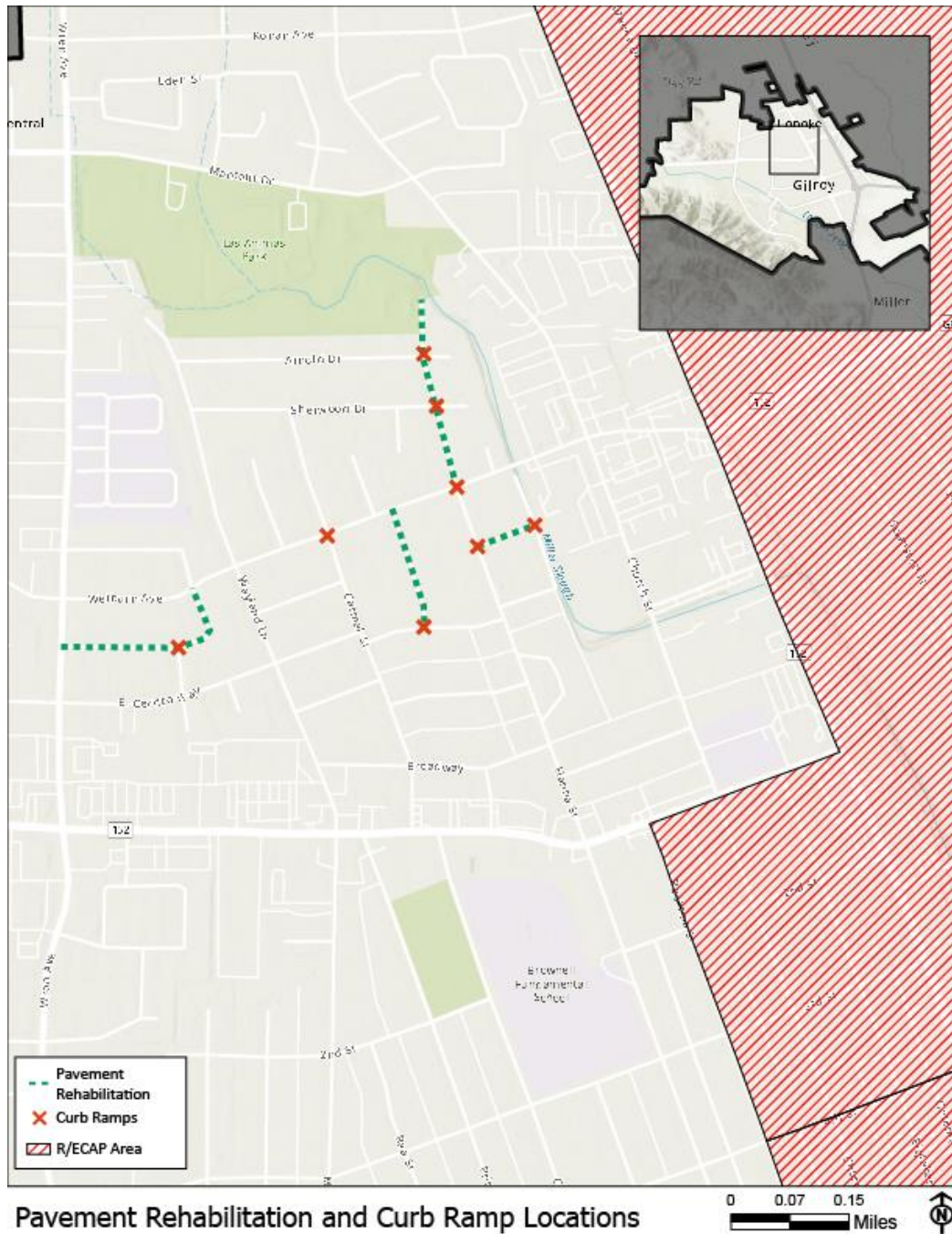
- Hanna Street from Welburn Avenue to its northern terminus
- El Toro Drive from Hanna Street to La Coche Way
- Glenwood Drive from Welburn Avenue to El Cerrito Way
- La Paloma Way from Wren Avenue to Welburn Avenue

Additionally, curb ramps are being installed at the following street corners:

- La Paloma Way / Chiesa Drive
- Welburn Avenue/ Carmel Street

- El Cerrito Way / Glenwood Drive
- Welburn Avenue / Glenwood Drive
- El Toro Drive / Hanna Street
- El Toro Drive / La Coche Way
- Hanna Street / Welburn Avenue
- Hanna Street / Sherwood Drive
- Hanna Street / Arnold Drive

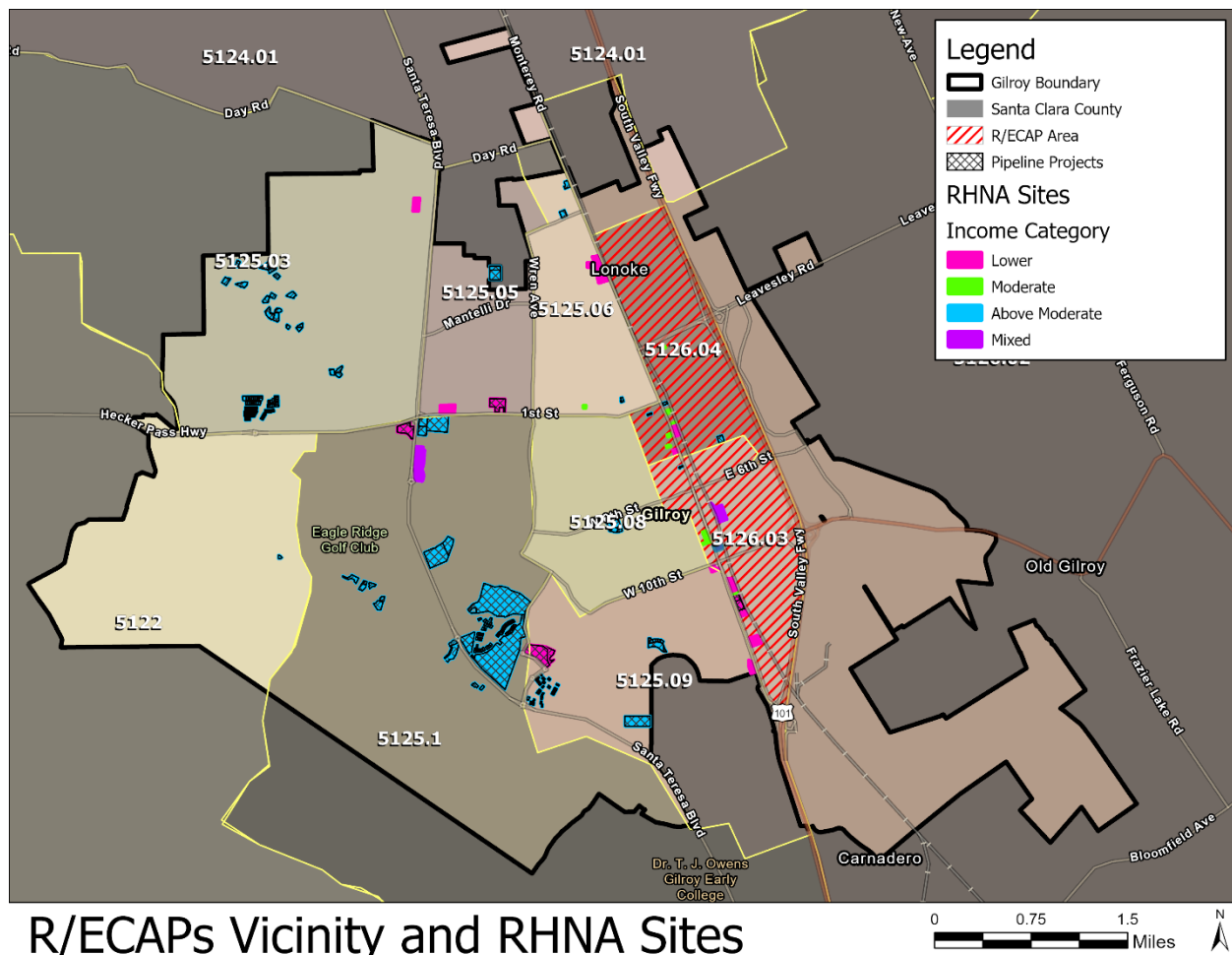
Figure 24: Infrastructure Improvements



Local Data

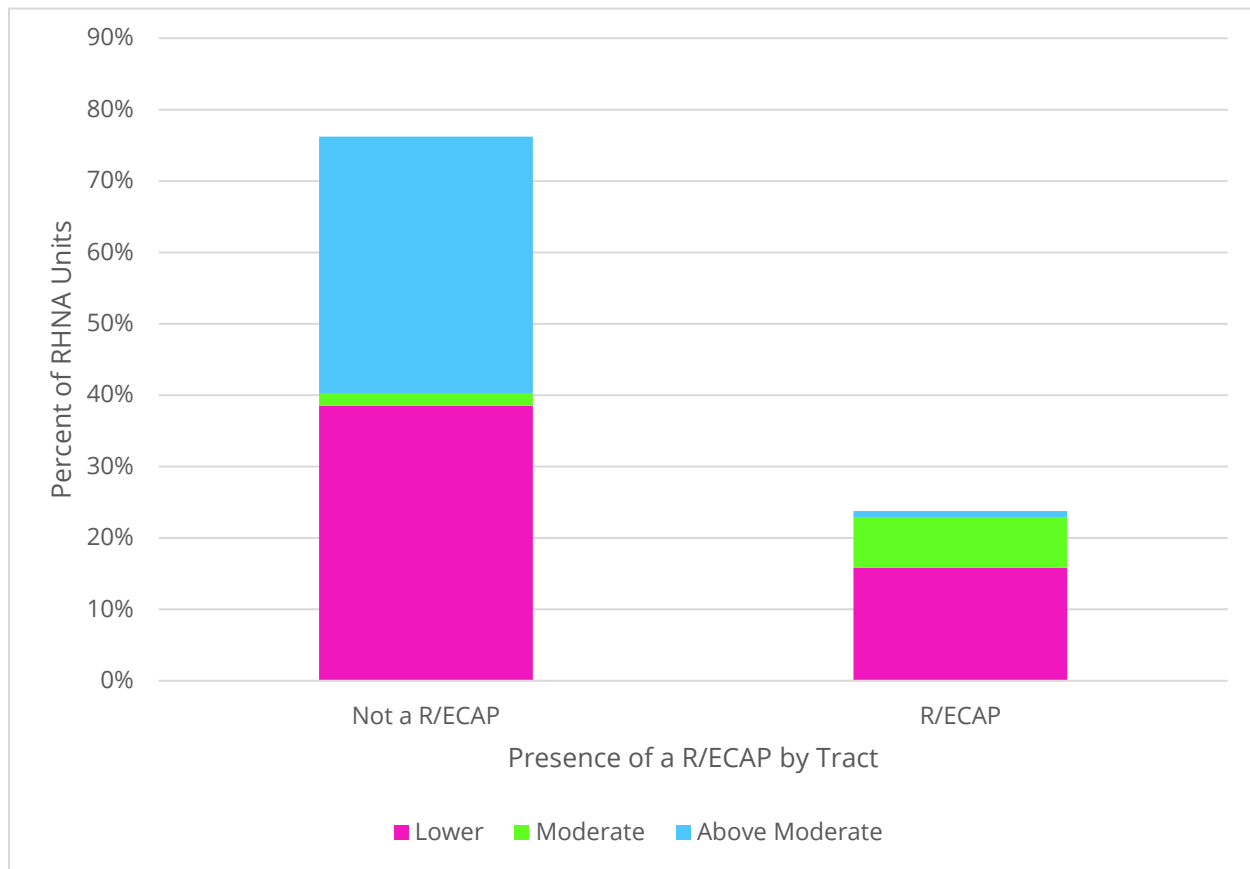
The City's Code Enforcement Officer noted that improvements to the sidewalks are being made throughout the City, without an area of concentration. The code enforcement officer also noted that community amenities such as health clinics or hospitals are concentrated in the eastern areas of the City, making these resources accessible to those in the R/ECAP area. They also noted that transit routes are more accessible on the east side, where the R/ECAP is located, and is only minimally accessible in the higher resource western areas of the City. Grocery stores are well distributed throughout the City including the eastern R/ECAP area.

Figure 25: R/ECAPs in the City and Vicinity



Source: HCD AFFH Data Viewer

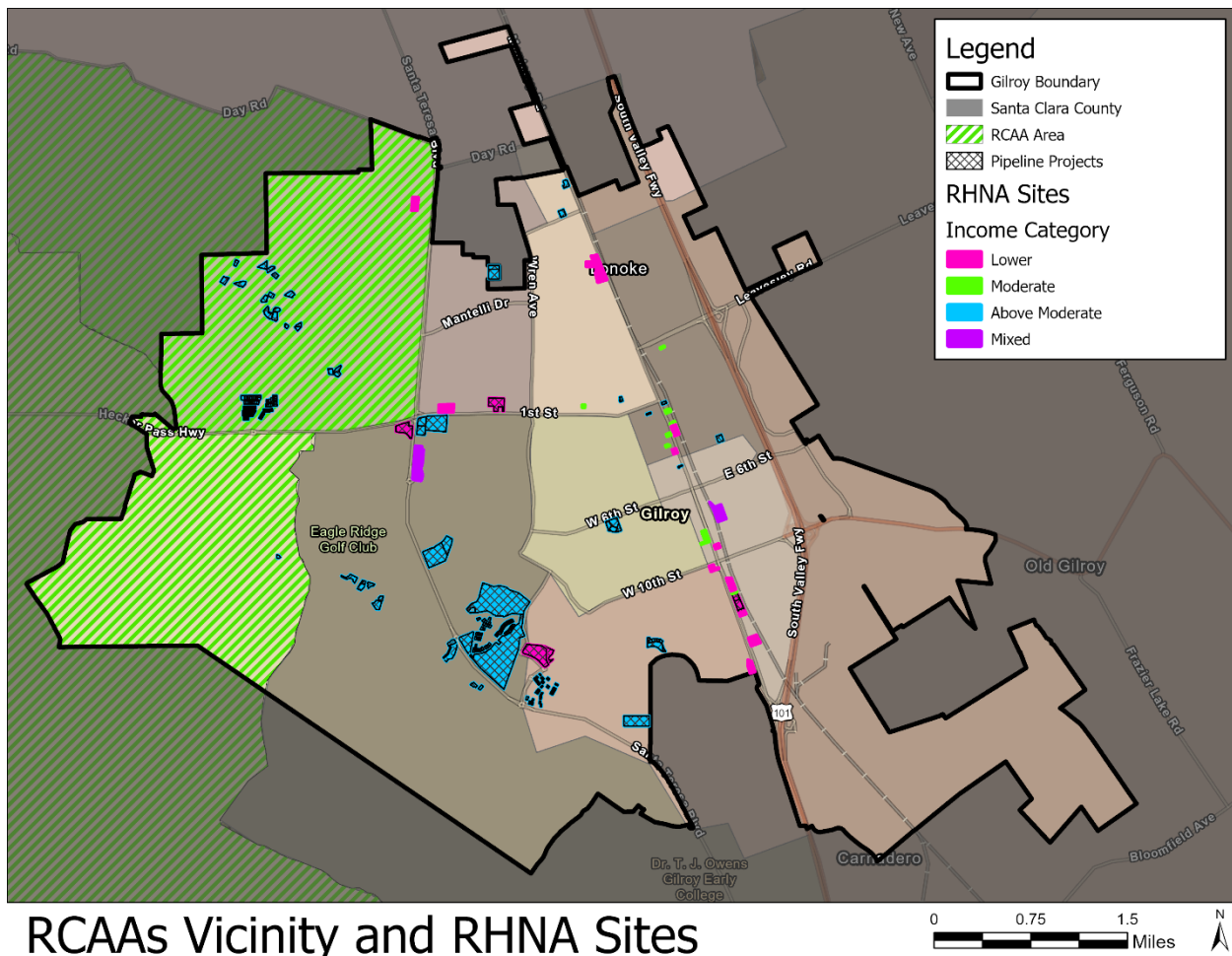
As shown in Figure 26, the majority of the RHNA pipeline and opportunity site units are located in non-R/ECAP areas. The City is including multiple programs to ensure that the units that are included in the R/ECAP improve conditions rather than exacerbate existing conditions.

Figure 26: Presence of a R/ECAP Comparison of RHNA Units

Racially Concentrated Areas of Affluence

HUD defines RCAAs as areas where the percentage of the population in a tract that is White is over 1.25 times the average percentage of the population that is White in the given Council of Governments (COG) region and median income is 1.5 times higher than the COG or State AMI, whichever is lower.

The City of Gilroy has an RCAA area along the western portions of the City. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, these census tracts have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for this overall designation. However, newer single-family development primarily occurs in these areas. Newer large homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities including ADU development in the western portion of the City.

Figure 27: RCAAs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

Disparities in Access to Opportunities

California Tax Credit Allocation Committee (TCAC)

One tool that can be used to analyze disparities in access to opportunities is the California Tax Credit Allocation Committee's (TCAC) Opportunity Area scores. These were prepared by a task force commissioned by the TCAC and HCD to identify areas statewide whose economic, educational, and environmental characteristics support positive outcomes for low-income families. The map is updated annually. Opportunity maps are made for three domains: economic, environmental, and education. Each map uses categorical indicators to determine its individual score. A composite score and resource designation combining all three designations is then assigned to each block group.

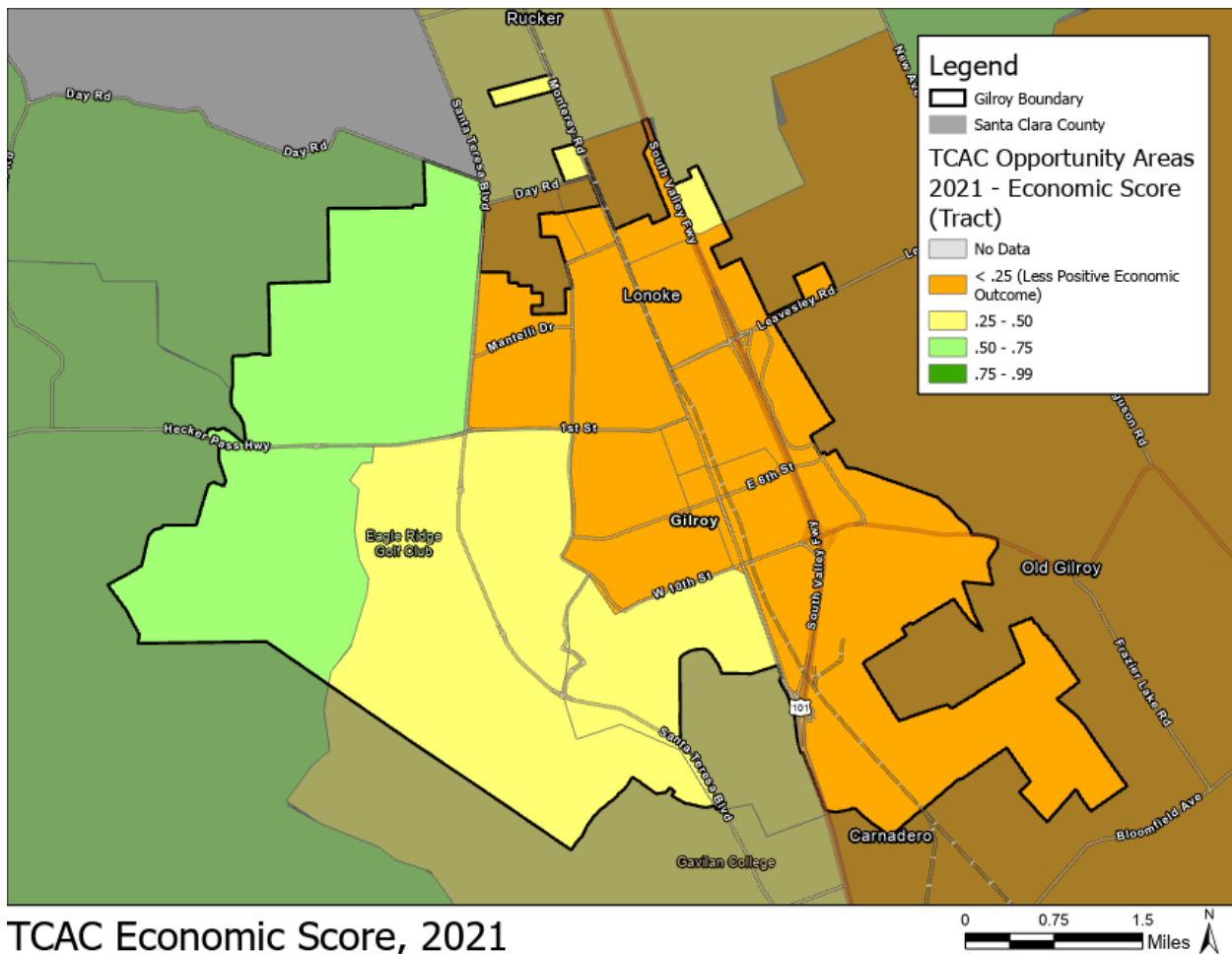
To determine the final resource category, the top 20 percent of overall scores in a county are labeled as highest resource and the next 20 percent of scores are labeled as High Resource. Then, any area that is considered segregated and that has at least 30 percent of the population

living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between Moderate Resource and Low Resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program.²⁰ Additional information regarding these indicators in Gilroy are provided on the following pages.

Economic Indicators

Economic indicators include poverty, adult education, employment, job proximity, and median home value. The scores for Gilroy are shown in Figure 28. Gilroy has more positive economic scores in the west, and less positive scores in the eastern parts of the City. The less positive scoring area includes the R/ECAP, while the more positive scoring area contains single-family homes. The more positive scoring area also has some open space, which may slightly skew results. The City is located far away from major regional job centers. For this reason, the City also trends lower in score when compared to the region as a whole.

²⁰ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure 28: TCAC Economic Score, 2021

Source: HCD AFFH Data Viewer

Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. The entirety of Gilroy is served by the Gilroy Unified School District, which includes 11 elementary schools, 6 middle schools, and 6 high schools. According to Great Schools, 31 percent of schools in the district are rated below average, 44 percent are rated average, and 25 percent are rated above average.²¹

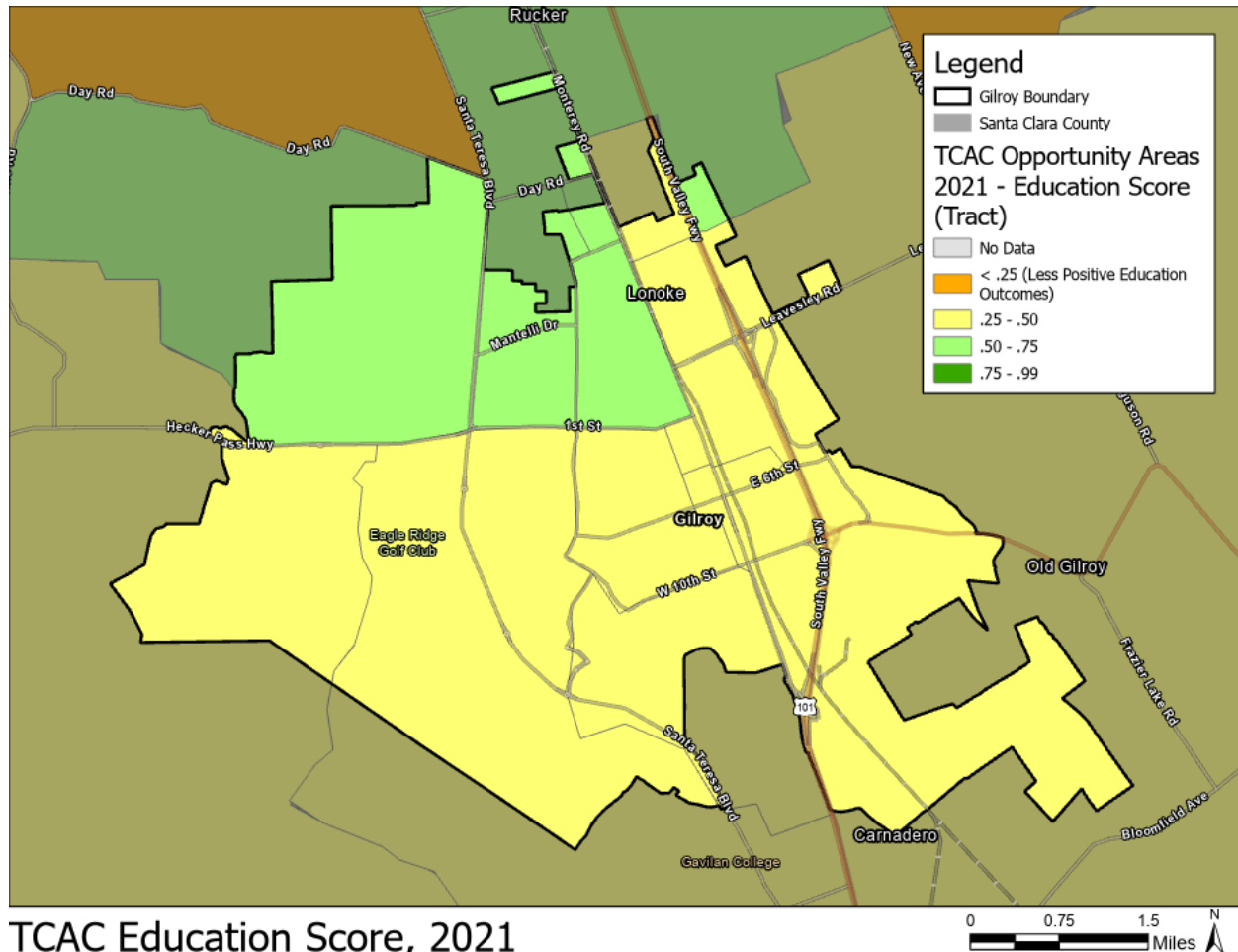
The Gilroy Unified School District has a Migrant Education Program which aims to ensure that all migrant students experience a high-quality education. This program includes actions to ensure that migrant children who move among the states are not penalized by disparities among the states in curriculum, help students overcome language barriers, and more.²²

²¹ Great Schools, Gilroy Unified School District Summary. https://www.greatschools.org/california/gilroy/gilroy-unified-school-district/#summary_rating

²² Migrant Education Program. <https://www.gilroyunified.org/departments/educational-services/migrant-education>

As shown in Figure 29, most of the City has less positive education outcome scores, with the northmost areas being positive. Additionally, the above average poverty rates in the City have a negative effect on TCAC educational scores, as poverty rates are included in this calculation.

Figure 29: TCAC Education Score



Environmental Indicators

The environmental domain utilizes CalEnviroScreen (CES) 3.0²³ pollution indicators and values (see below for more discussion on CES). As shown in Figure 30, the scores vary throughout the City, with environmental outcomes becoming less positive as the tracts move eastward. The tracts bisected by the 101 Highway have lower outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be contributions from the large agriculture industry in the City.

²³ Note that the 2021 TCAC environmental score relies on CES 3.0, rather than the updated CES 4.0.

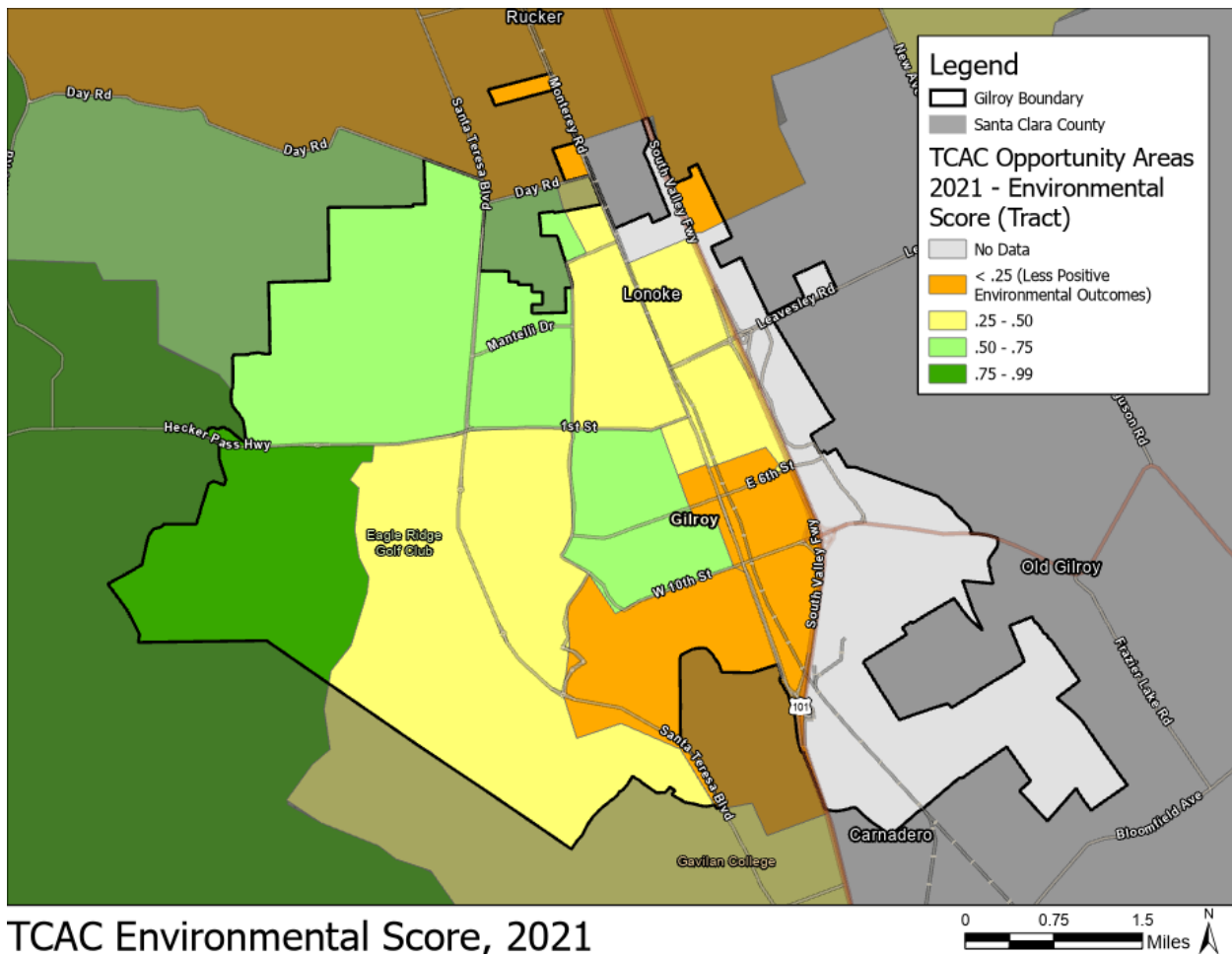
Figure 30: TCAC Environmental Score**TCAC Composite Score**

Figure 31 displays the 2022 TCAC composite score for the City. The vast majority of the City is in the moderate or low resource area. A corner of the City is a part of a large census tract that is high resource. The portions of this tract in the City contain mostly hillside open space and the Gilroy Gardens Family Theme Park, along with two single-family neighborhoods. A large portion of the population in the census tract lives outside of the City.

The downtown area has access to regional transit, employment opportunities, and social resources. Furthermore, through the 2040 General Plan and the Downtown Specific Plan, the City is focusing growth and economic development to revitalize the downtown area. Investments in the area, including the future construction of a high-speed rail station are expected to increase access to opportunity and increase resources in the low resource area of the City. As such, the majority of RHNA opportunity sites are located in the downtown, which is currently considered a low resource area.

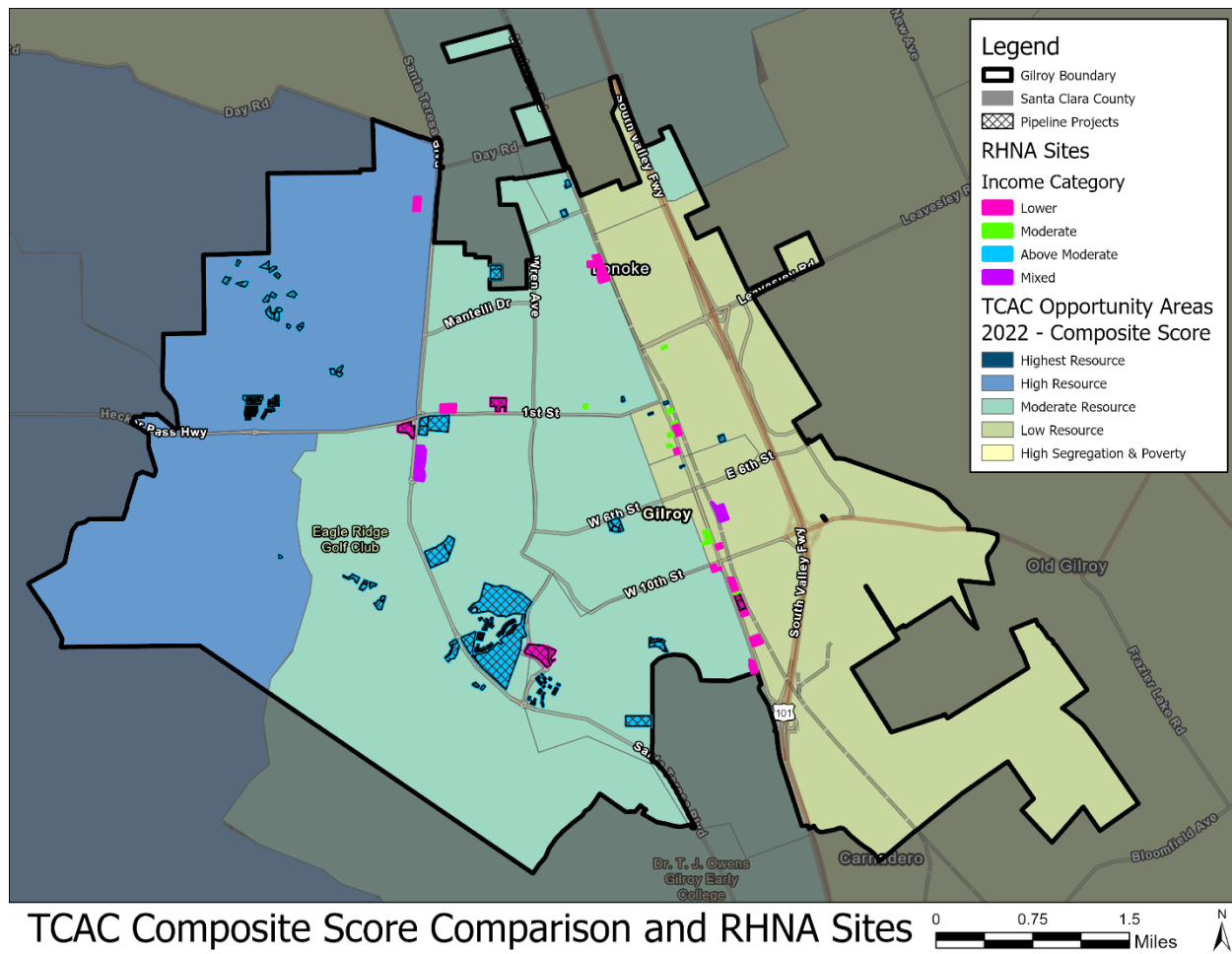
Place-based improvements in the downtown area includes the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

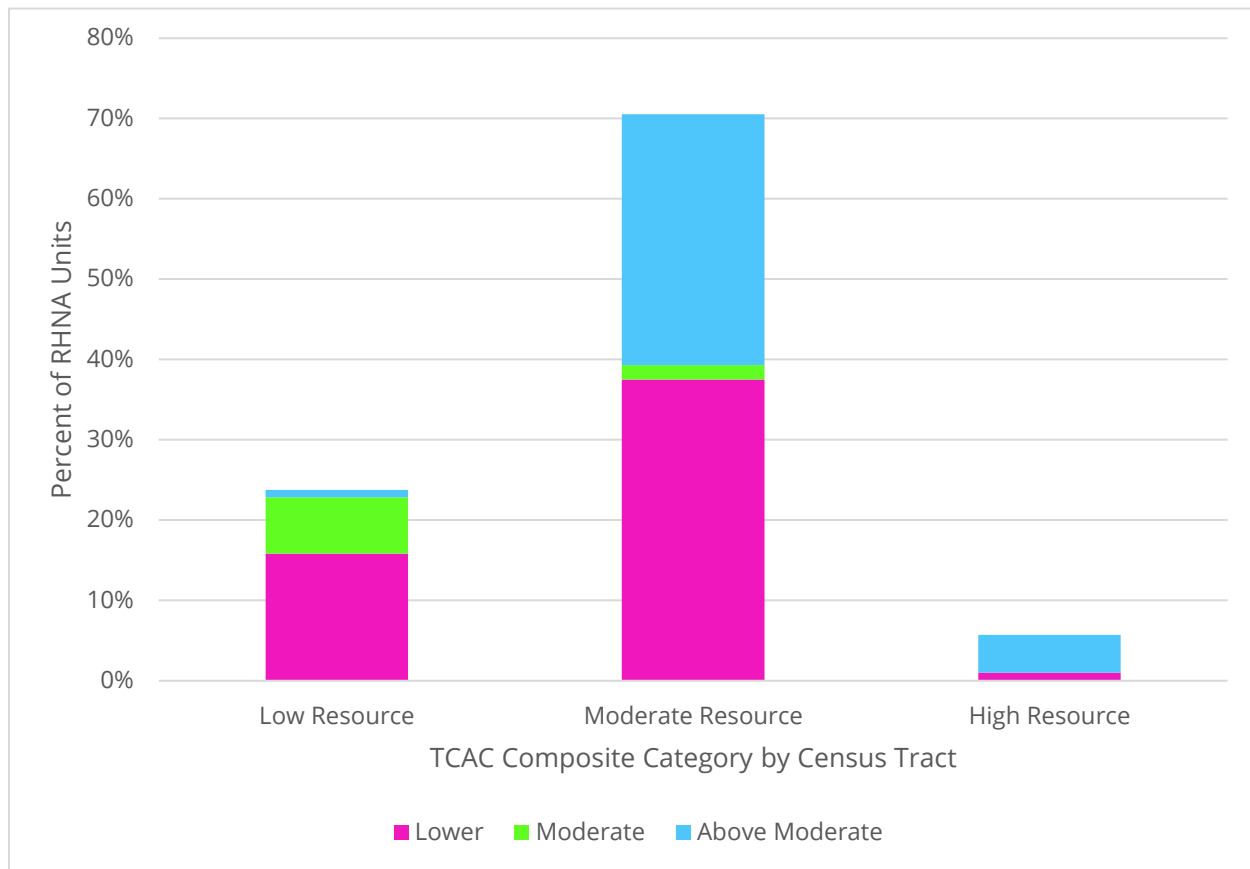
- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

Many of the pipeline projects, including low- and moderate-income units, are located in the moderate resource areas of the City. The City is also including programs to encourage development in the Moderate Resource area of the City. Programs include targeted ADU outreach to the single-family neighborhoods (Program A - 6), and ministerial approval of duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones throughout the City (Program A - 10). The City is also adopting an inclusionary housing ordinance (Program A - 11) and a program to develop density bonuses beyond state law (Program A - 12).

Figure 31: TCAC Composite Score and RHNA Sites

Source: HCD AFFH Data Viewer

As shown in Figure 32, the majority of RHNA pipeline and opportunity sites in the City are in low or moderate resource areas, with a large majority of above moderate pipeline projects in the moderate resource area. The area of the City with the highest resource category is about half open space. As the majority of the City is moderate resource, distributing RHNA sites of a variety of income in areas of these categories is unlikely to exacerbate any conditions or make any negative changes to the resource designation. Just over 30 percent of the City is low resource, and 24.7 percent of RHNA sites are located in the low resource area.

Figure 32: TCAC Designation Comparison of RHNA Units

Increasing Housing Opportunities in Higher Resource Areas

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, as well as advertise opportunities to increase density and reuse single-family dwellings in multi-family zones. Program A - 10 consists of creating a ministerial approval process for duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB9 currently allows duplexes in the R1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

Prior to the passing of Senate Bill 9 (SB9), the City of Gilroy allowed the development of duplexes on corner lots in R1 zones that meet certain conditions. Duplexes are also already permitted in the R2 zone. As a part of Program A - 10, the City will allow duplexes, triplexes, and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet. The policy would apply to approximately 1,106 total parcels in the R1 and R2 zones, as shown in Figure 33.

The City currently has approximately 1,067 parcels that are single-family homes on corner lots greater than 6,000 square feet in the R1 zone. Allowing duplexes, triplexes, and quadplexes by right on all of these corner lots would allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City, so this would allow for increased capacity for housing in these zones and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots in the R2 zone. There are parcels with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Figure 33: Existing Single-Family Homes on Corner Lots in R1 and R2 Zones



Source: City of Gilroy

Access to Opportunities, Regional Comparisons

HUD has developed a series of indices for fair housing analysis to assist cities in identifying disparities in access to opportunity. The following indicators are scored on a scale from zero to 100.²⁴

- **Low Poverty Index:** The low poverty index captures poverty at the census tract level. The higher the score, the less exposure to poverty.
- **School Proficiency Index:** The school proficiency index uses the performance of fourth-grade students on state exams to describe which areas have higher and lower performing schools. The higher the score, the higher the school system quality.
- **Labor Market Index:** The labor market index measures the relative intensity of labor market engagement and human capital. The index is calculated using employment levels, labor force participation, and education attainment. The higher the score, the higher the labor market participation in a neighborhood.
- **Transit Index:** The transit index is based on estimates of transit trips taken by a three-person, single-parent family with income at 50 percent of the median income for renters for the region. The higher the index, the more likely that the residents use public transit.
- **Low Transportation Cost Index:** The low transportation cost index is calculated based on estimates for a three-person, single-parent family with income at 50 percent of the median income for renters for the region. More specifically, this index considers transportation costs as a percentage of income for this household type. The higher the index, the lower the cost of transportation.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region. Larger employment centers are more heavily weighted. The higher the index, the better access to employment opportunities.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to a variety of toxins that are harmful to human health. The higher the index, the less exposure to toxins.

As shown in Table 52, the most variation between different ethnicities in Gilroy is seen in the low poverty index, with the Hispanic population at 41.0 while the Asian and White populations score 60.1 and 57.7, respectively. The labor market index also shows variation, with the Hispanic population at 43.7, while the Asian population scores 59.0.

²⁴ HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation

Compared to the wider Santa Clara County region as a whole, Gilroy scores lower in all index categories for all groups, indicating the City may have less access to resources when compared to the County as a whole. This means that Gilroy generally has more exposure to poverty and lower performing elementary school students. Gilroy scores are about the same as the region's scores in the low transportation cost index. Gilroy also has a lower score in the environmental health index, indicating higher exposure to toxins than the region. Additionally, scores in job proximity are much lower than in the region, which is likely due to the City's distance from tech industry jobs in the region, since the City is located in the southern portion of the County.

Table 52: Opportunity Indicators²⁵

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Gilroy							
White	57.7	59.5	57.8	55.4	88.6	16.4	39.1
Black	54.1	62.5	54.8	55.1	88.8	16.9	39.1
Hispanic	41.0	58.4	43.7	55.3	90.8	21.1	38.9
Asian	60.1	62.4	59.0	55.3	88.3	15.8	39.0
Native American	45.1	59.4	46.8	54.9	90.4	20.9	39.0
Santa Clara County							
White	81.1	81.9	82.2	68.1	91.2	52.8	58.8
Black	72.9	74.1	74.2	73.4	93.1	57.1	53.5
Hispanic	65.3	58.9	61.9	64.5	91.3	43.2	54.6
Asian	82.0	85.3	83.3	71.4	91.4	51.7	61.6
Native American	70.9	69.4	68.4	67.2	91.8	50.6	56.7

Source: Decennial Census; American Community Survey; Great Schools; Common Core of Data; School Attendance Boundary Information System; Local Affordability Index; Longitudinal Employer Household Dynamics; National Air Toxics Assessment

Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The Valley Transportation Authority (VTA) serves Santa Clara County, and there is also a commercial shuttle service available from the San Francisco and San Jose airports. Both public transportation and Highway 101 provide access from Gilroy to north Santa Clara County. The City is the southernmost stop on the Caltrain, which operates

²⁵ HUD Affirmatively Furthering Fair Housing. <https://egis.hud.gov/affht/>

commute service to the Santa Clara Valley, San Francisco Peninsula, and San Francisco. Amtrak's Capitol Corridor line runs a thruway line from San José to Santa Barbara with a stop in Gilroy. The Monterey-Salinas Transit Line 55 stops in Gilroy and provides rush hour service between San José and Monterey. The San Benito County Express provides intercounty bus service from Gilroy to Hollister and San Juan Bautista.

Transit routes in Gilroy are shown in Figure 34. The VTA provides service to Gavilan College with bus lines along Luchessa Avenue and Santa Theresa Boulevard. The City also has a full network of bike lanes which connect all elementary, middle, and high schools in the area.

A future high-speed rail station is proposed in downtown Gilroy at the existing Caltrain station on Monterey Street between 7th and 9th Streets. This station will be a transit hub for southern Santa Clara County and provide additional transit access for the community. Many RHNA sites have been chosen specifically for their proximity to existing and proposed transit.

The City will work with California High Speed Rail to develop a station area plan for the proposed station through Program A - 13. The existing transit and proposed high speed rail bring the opportunity to create transit-oriented development in the downtown area.

Figure 34: Transit Route Map

Source: Valley Transportation Authority, 2022

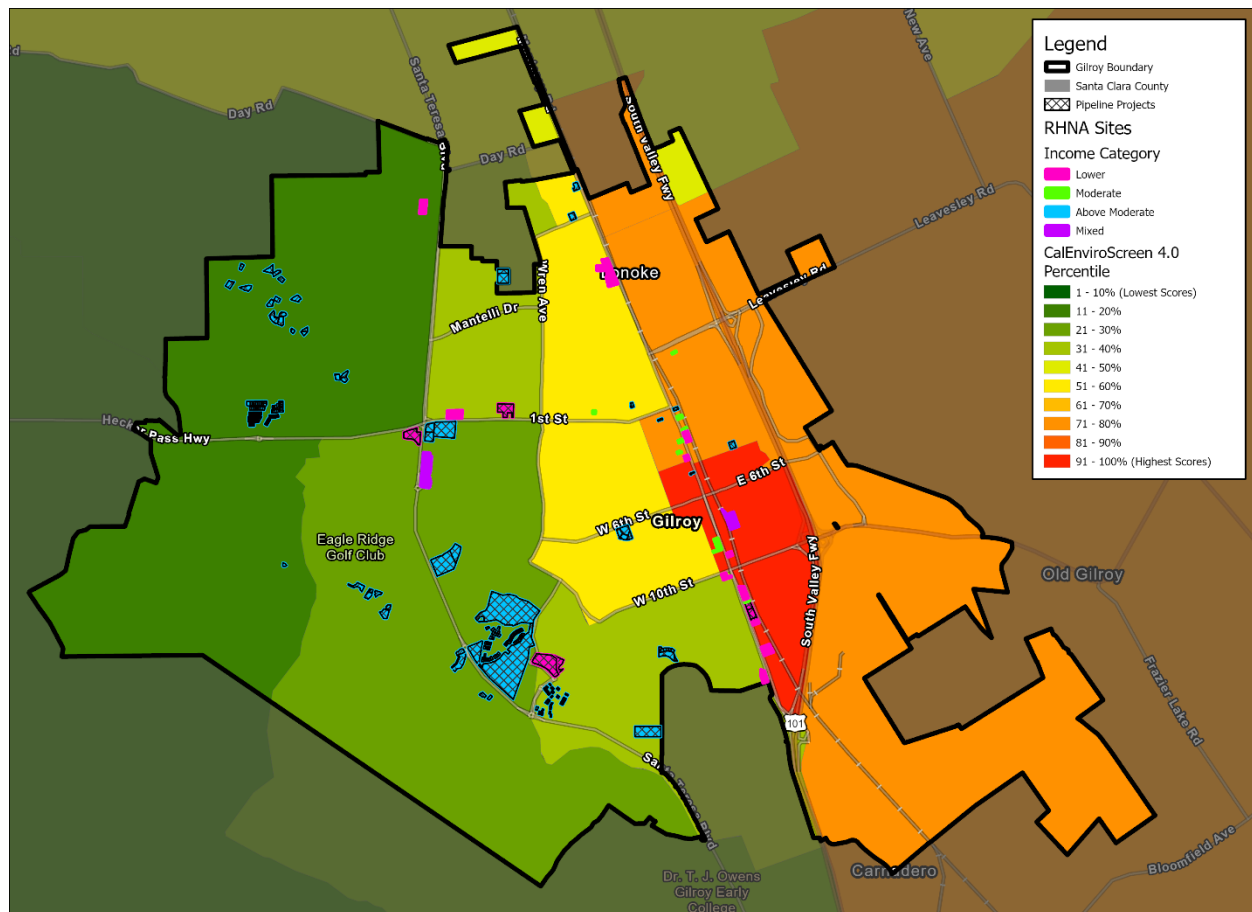
CalEnviroScreen 4.0

CES 4.0 is a tool that identifies communities in California that are disproportionately burdened by pollutants. Factors used to identify communities include ozone, particulate matter, drinking water contaminants, pesticide use, lead, diesel particulates, asthma rates, and linguistic isolation. A higher score indicates a higher effect of pollutants for the area.

The CES scores for the City of Gilroy in Figure 35 show that highest scores occur in the eastern half of the City, where the R/ECAP is located. CES scores are lower in the west. The areas

bisected by the 101 Highway have less positive outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be attributed to both permitted and unpermitted contributions from the large agriculture industry in the City. The lower density western portion of Gilroy contains steeply sloped areas and low-density development, and large open areas that significantly limit development, contributing to lower CES scores.

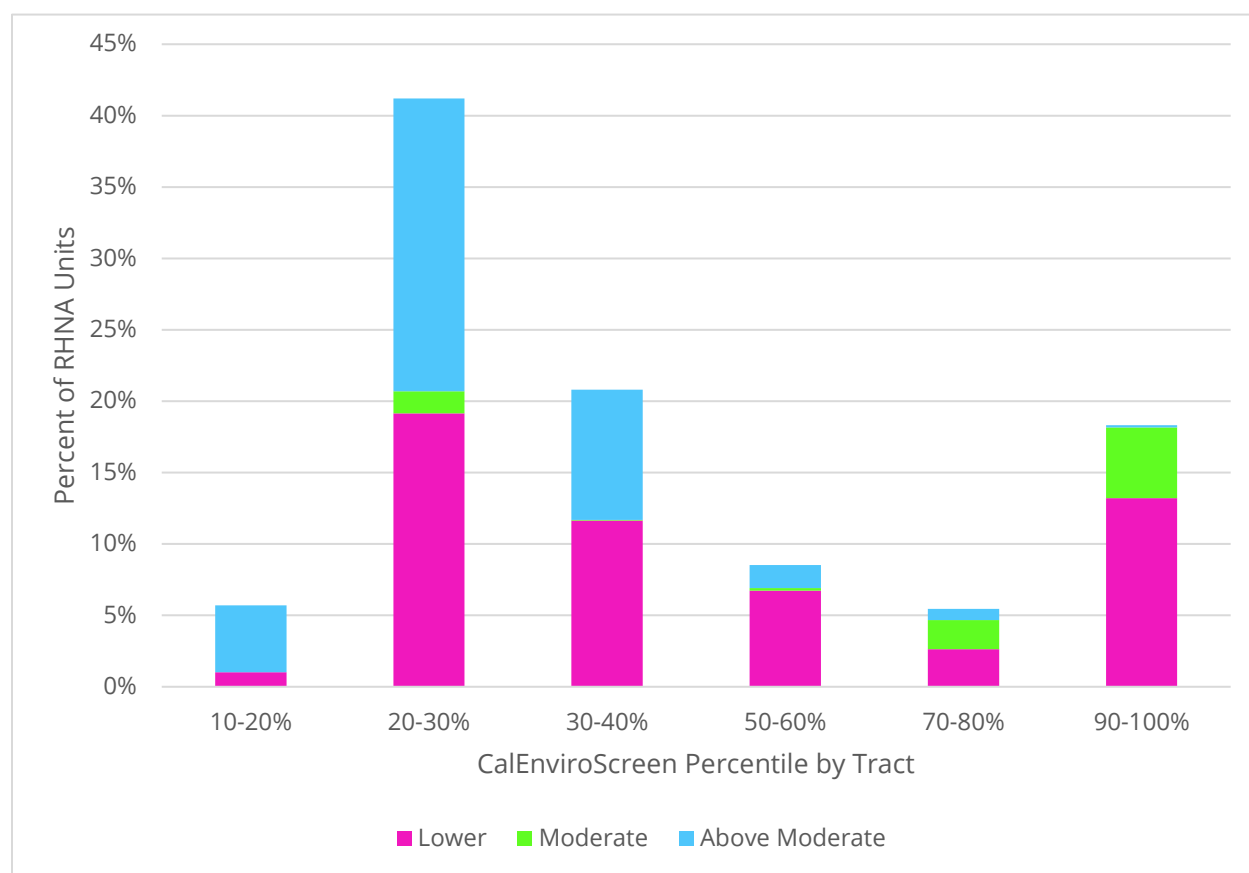
Figure 35: CES Percentile and RHNA Sites



CalEnviroScreen 4.0 Percentile Score and RHNA Sites

Source: HCD AFFH Data Viewer.

As shown in Figure 36, RHNA pipeline and opportunity sites are distributed throughout both the lower and higher scoring areas of the City. For example, ~~41.2~~ 36.5 percent of RHNA units are located in a tract in the 20-30% CalEnviroScreen Percentile. Although the Downtown Specific Plan area contains the highest CES scores in the City, RHNA sites in this area will provide potential residents with access to transit and employment resources, including a new future high speed rail station.

Figure 36: CalEnviroScreen Percentile Comparison of RHNA Units

Findings

Overall, the City of Gilroy is largely of lower and moderate resource. The City has lower scores in opportunity metrics compared to the County as a whole. As such, many of the RHNA sites are located in a low-resource area (see Figure 31), which includes the Downtown Specific Plan area. The low resource area is also where housing choice voucher use primarily occurs. While pipeline projects are more evenly distributed throughout the City, proposed RHNA sites in the downtown area will provide potential residents the best access to services, employment resources, and transit, including the future high-speed rail station.

The City is including Program F - 3 to ensure that the RHNA site selection will improve access to place-based improvements in lower-resource areas, such as the \$3.9 million grant in the historic downtown. The grant funding is for streetscape improvements, including new pedestrian and bicycle-friendly paving/markings, lighting, signage, benches, street trees, and waste receptacles. The Housing Element also includes a displacement prevention program (Program F - 5), tenant mediation program (Program F - 2), and targeted funding such as Housing Rehabilitation (Program C - 2), CDBG funding (Program D - 5), and the Permanent Local Housing Allocation (PLHA) Fund (Program D - 1).

Additionally, other programs in the Housing Element are intended to spur housing development in the moderate- and high-resource areas of the City. This includes a program that geographically targets ADU education (Program G - 3), development of an inclusionary housing policy (Program A - 11), development of a density bonus program that goes beyond state law (Program A - 12), and ministerial approval of duplexes, triplexes, and quadplexes that meet objective design standards (Program A - 10).

Disproportionate Housing Needs

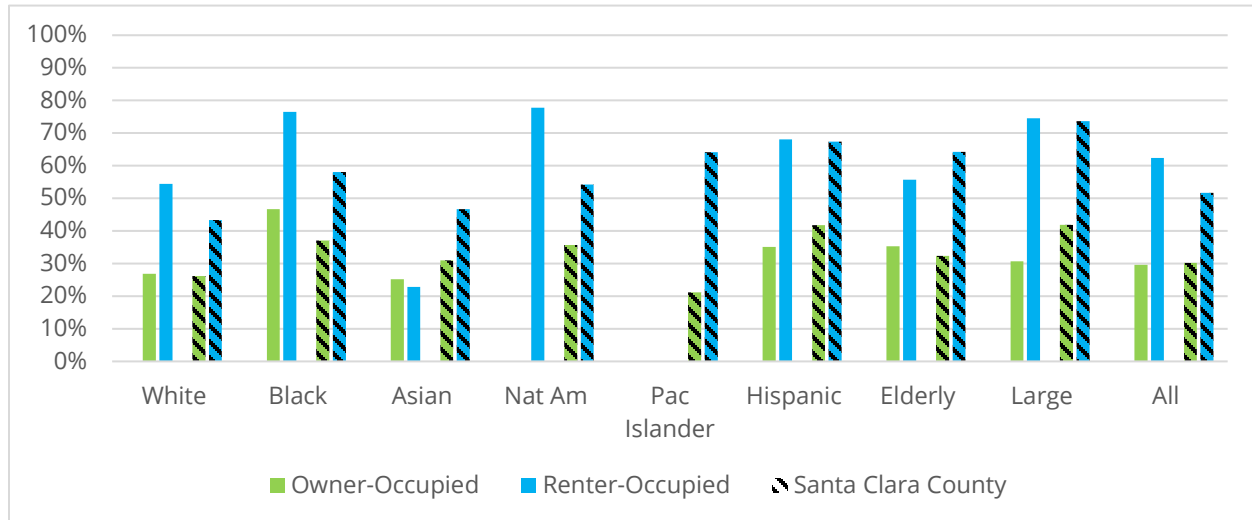
Substandard Housing

Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Household is cost burdened
- Housing unit is overcrowded

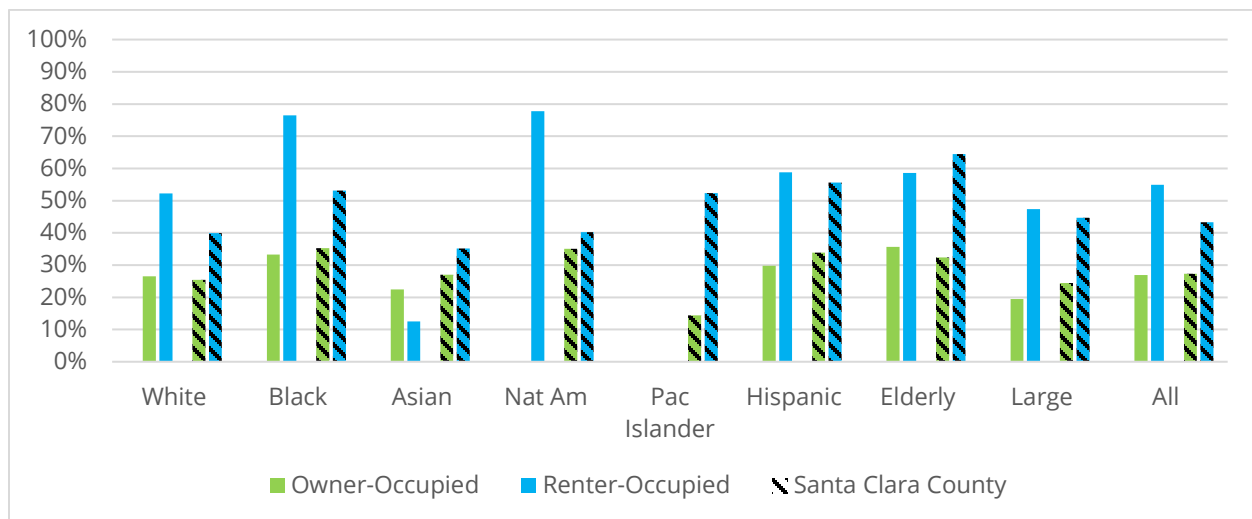
Large and elderly households are often more likely to experience housing problems. A large household is a household with three or more children, but is also often calculated as a household with five or more people. An elderly household is calculated as any household with a person over 62 years of age.

Black and Native American renters experience housing problems at the highest rate, around 75 percent, while only about 25 percent of both Asian and White owners experience housing problems. Rates of housing problems for Hispanic owners vary between the City (35.1%) and the County (41.8%), while rates of housing problems for Hispanic renters are relatively comparable between the City (68.1%) and the County (67.4%). In 2018, there was no Pacific Islander population in the City, which indicates why Figure 37 reads that 0 percent of that population experiences housing problems.

Figure 37: Housing Problems by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Cost burden is when a household spends more than 30 percent of its monthly income on housing costs such as rent, mortgage, or utilities. Large households have more costs to support more people, and may experience cost burden or a lack of excess funds to amend housing problems. Elderly households may be on a fixed income, which affects excess funds necessary for maintenance in an older home bought before retirement.

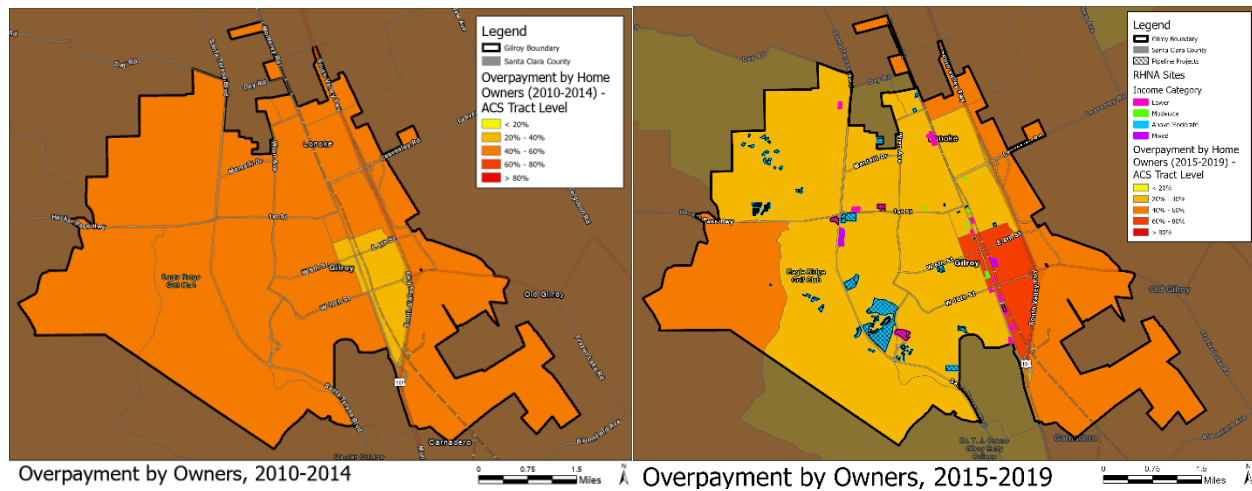
Figure 38: Cost Burden by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Overpayment by both owners and renters has decreased in Gilroy over time in most areas of the City. The area with the highest levels of overpayment is the same area that has low environmental scores and higher levels of poverty. Overpayment in the City occurs at a similar, though slightly higher level than in the County, with 38 percent of households experiencing a

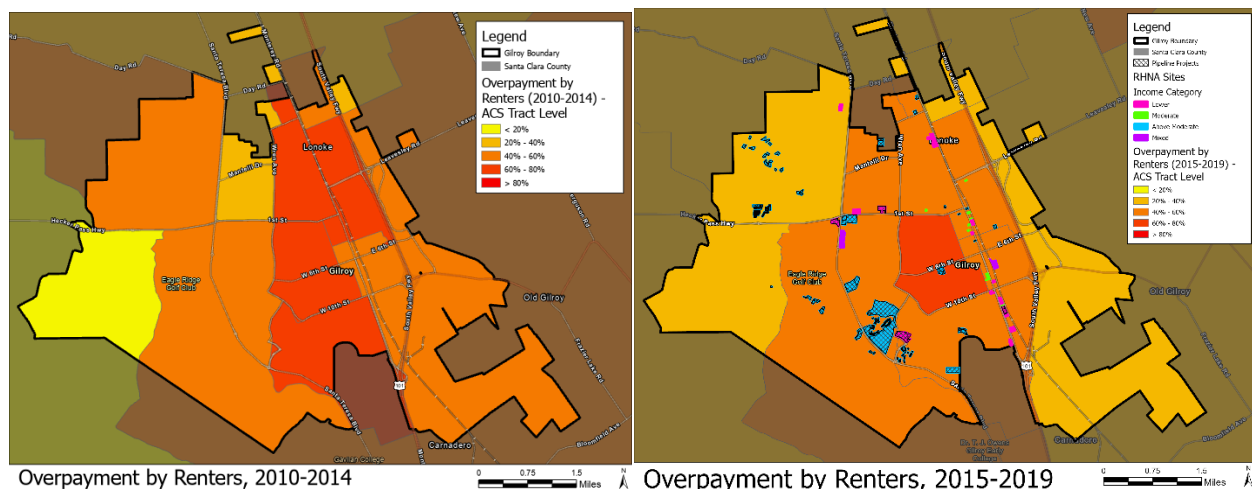
cost burden Citywide, compared to 34.2 percent in the County. In both cases, renters have higher rates of overpayment than owners.

Figure 39: Overpayment by Owners



Source: HCD AFFH Data Viewer

Figure 40: Overpayment by Renters



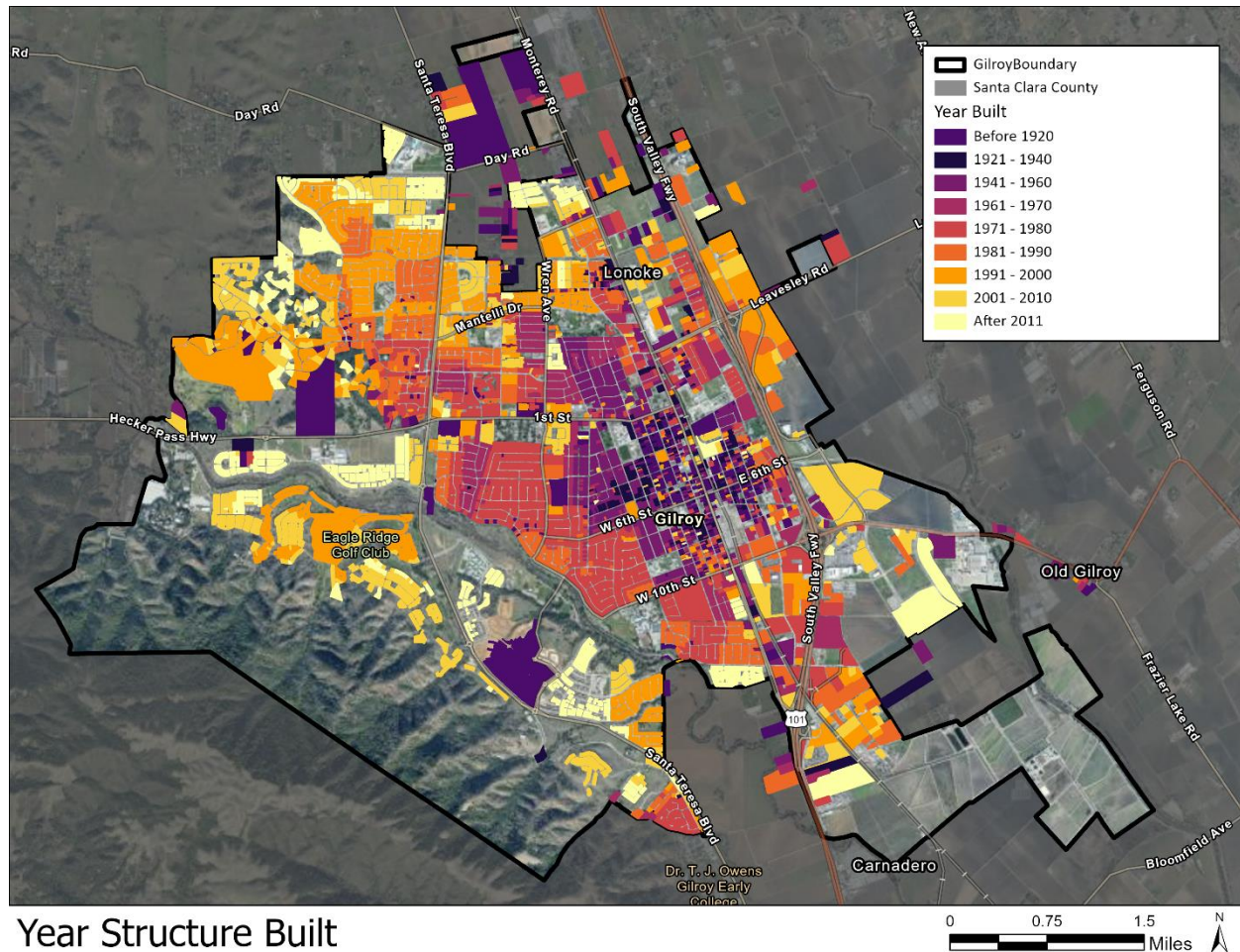
Source: HCD AFFH Data Viewer

Local Data

Per conversations with the City's Code Enforcement officers in March 2023, the areas with housing conditions in potentially higher need of rehabilitation and replacement are the areas with the oldest housing stock in Gilroy. As shown in Figure 41, housing stock in the eastern portions of the City is generally older and there are –more households experiencing overcrowding. The City is including multiple place-based programs to promote improvement in the eastern, older portions of the City, including place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas

(Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2). Code Enforcement officers also noted that the eastern or downtown areas of Gilroy have better access to transit, health care facilities, and other resources than the newer neighborhoods in the west.

Figure 41: Year Structure Built



Source: County Assessor data and Michael Baker International

Overcrowding

A household is considered overcrowded when there is more than one person per room, including living and dining rooms but excluding bathrooms and kitchens. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community.

In Gilroy, areas with high concentrations of overcrowding are in areas with high levels of poverty and low economic opportunity, where the R/ECAP is located. Overcrowding is only

slightly more prevalent in Gilroy (9.2%) than in the County (7.8%), as a whole. Overcrowding is more prevalent for renters than owners both in the City and regionwide.

Figure 42: Overcrowded Households

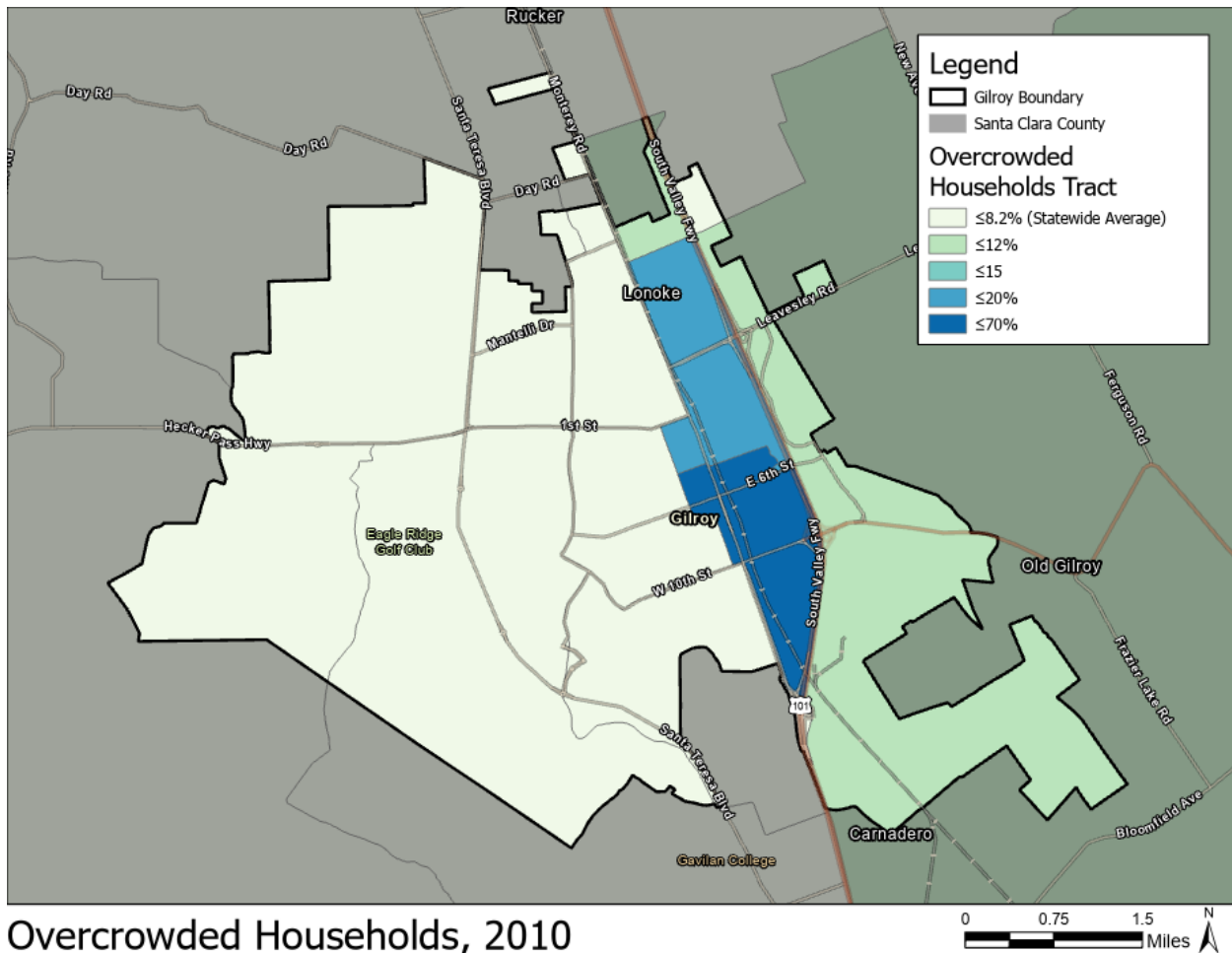


Table 53 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households, roughly 9.2 percent of all households in Gilroy, were experiencing overcrowding in 2019. This included 347 owner-occupied households and 1,135 renter-occupied households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 53: Overcrowding, 2019

Jurisdiction	Persons per Room	Owners		Renters		Total	
		Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Gilroy	1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
	>1.50	62	0.4%	470	2.9%	532	3.3%
	Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County	1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
	>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
	Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: HUD CHAS Data, 2018

Homelessness

Table 54 lists emergency shelters and transitional housing in and adjacent to Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. Projects funded include:

- \$55,000 to St. Joseph's Family Center for Homeless Prevention Services
- \$35,000 to St. Joseph's Family Center for the Gilroy Street Team
- \$40,000 to South County Compassion Center for Outreach for the unhoused
- \$20,000 to CARAS for the Homeward Bound Program

Table 54: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds <u>or</u> families served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ²⁶ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last 10 days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless population. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3% from the count conducted in 2019. Table 55 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.-

²⁶ The Arturo Ochoa Migrant Center is located slightly outside City bounds, but serves Gilroy residents.

Table 55: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	<u>606</u>	<u>208</u>	<u>814</u>
Campbell	<u>216</u>	<u>0</u>	<u>216</u>
Cupertino	<u>102</u>	<u>0</u>	<u>102</u>
Los Altos	<u>65</u>	<u>0</u>	<u>65</u>
Los Altos Hills	<u>0</u>	<u>0</u>	<u>0</u>
Los Gatos	<u>58</u>	<u>0</u>	<u>58</u>
Milpitas	<u>249</u>	<u>25</u>	<u>274</u>
Monte Sereno	<u>0</u>	<u>0</u>	<u>0</u>
Morgan Hill	<u>60</u>	<u>0</u>	<u>60</u>
Mountain View	<u>206</u>	<u>140</u>	<u>346</u>
Palo Alto	<u>263</u>	<u>0</u>	<u>263</u>
San Jose	<u>4,975</u>	<u>1,675</u>	<u>6,650</u>
Santa Clara	<u>375</u>	<u>65</u>	<u>440</u>
Saratoga	<u>0</u>	<u>0</u>	<u>0</u>
Sunnyvale	<u>279</u>	<u>106</u>	<u>385</u>

Source: Santa Clara County Office of Supportive Housing, 10-29-22

Local Data

In March 2023, the South County Compassion Center noted concentrations of the homeless population in the center of Gilroy, between Monterey Avenue and Highway 101, which is the R/ECAP area. Similar to comments made by the City's Quality of Life officer, they noted that there is not much migration of the population beyond these areas into the primarily residential neighborhoods. Specifically, there are concentrations of the homeless population in Tomkins Encampment, the IOOF bridge area, Garlic Farm, San Ysidro Park, and Christmas Hill. The homeless population in this area primarily travel by biking or walking, and 70 have an Uplift pass for public transportation.

Place-based improvements in these areas include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.

- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

The City is including Program G - 6 which includes educating the public on homelessness, consolidating information on resources for the unhoused population on a dedicated webpage, and restarting monthly meetings of the unhoused service providers group.

Permanent Local Housing Allocation Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public services addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. Table 56 displays funding approved by the City Council for FY 22-23 and FY 23-24.

Table 56: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph's Family Center	Homeless Prevention Services	\$55,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
St Joseph's Family Center	Gilroy Street Team	\$35,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Displacement

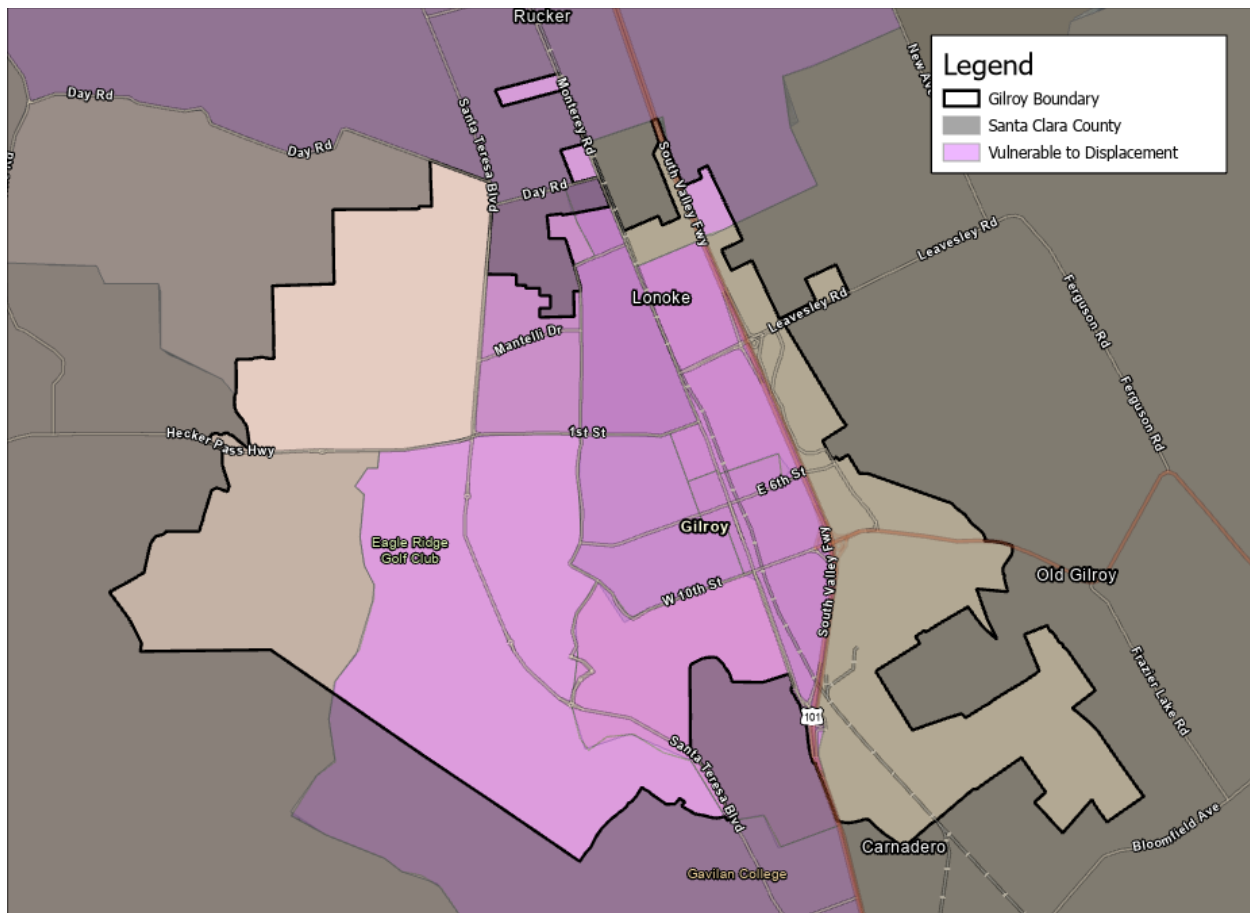
The Urban Displacement Project at the University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.
- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

Figure 43 shows the areas vulnerable to displacement as identified by the Urban Displacement Project. The center of the City, including the downtown area in the east, is considered vulnerable to displacement. Areas north and south of the City show similar risk.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City's RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to counteract this vulnerability and minimize displacement by planning for and providing new housing opportunities for all income levels in areas with greater risk of displacement. Additionally, the City is including a displacement prevention policy (Program F - 5), adopting an inclusionary housing policy (Program A - 11), and providing multilingual tenant support to further minimize the risk of displacement in the City (Programs F - 1 and F - 2).

Figure 43: Communities Vulnerable to Displacement



Communities Vulnerable to Displacement, 2017

Source: HCD AFFH Data Viewer

Findings

Overall, the City of Gilroy experiences housing problems at a similar or lower rate than the region as a whole, while rates of cost burden or overpayment are higher. However, the

percentage of the population experiencing overpayment has decreased over time. Overcrowding citywide occurs at a similar rate regionally but is more prevalent in the R/ECAP area, potentially indicating a need for larger units or shared multiplexes in the R/ECAP area.

The City is including Program F - 3, a place-based improvement program, to ensure that the RHNA site selection will improve access to resources in the R/ECAP area. Primarily vacant sites were chosen in the R/ECAP area, allowing residents to find available housing in their own neighborhood and to help prevent displacement due to gentrification of older housing stock. Additionally, Program E - 12 is included to allow stand-alone residential projects in in the Downtown Expansion District. This program will also provide flexibility on the type of non-residential uses proposed in the new Mixed-Use First Street Corridor.

Other Contributing Factors

Historic Immigration and Land Use Patterns

Gilroy got its start in 1850 as a stagecoach stop for passengers traveling to San Francisco. During the 1850s, a nucleus of houses and small businesses were constructed along Monterey Road, the old El Camino Real. The railroads connected Gilroy with San José in 1869, and Gilroy incorporated with the State as a charter city in 1870. At that time, Gilroy had a population of 1,625 residents.

The original City began development in what is now considered the downtown area. Portions of the downtown are designated as the Downtown Historic District, which is intended to foster the historic downtown as a unique commercial resource. As is typical, these older areas and older housing tend to be lower cost than newer areas and newer housing. These older city centers also tend to have the most multifamily and rental housing as these were the most efficient land use patterns at the time of development. As a result, the older areas often have higher proportions of affordable housing without subsidies and lower-income households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

In 1936, the City of Gilroy zoned the city into five distinctive districts: Single Family Residences; Multiple Family Residences; Business Districts; Industrial Districts; and Residential-Agricultural. The single-family district was located between Hanna, Princevalle, First, and Seventh Streets. The multiple-family residence district, which constituted an area approximately double that designated for single-family residences, was located between Egleberry and Hanna Streets, and First and Tenth Streets as well as a section to the east of Monterey Street between Old Gilroy and Lewis Street.²⁷

Residential development in Gilroy during the post-war period continued in the pattern established by early subdivision developers. Like many other cities in California, Gilroy's population continued to grow in the decade following the close of World War II, and the need for residential development required more space than the remaining undeveloped areas

²⁷ Eugene Lewis Conrotto. *The Urbanization of the Southern Santa Clara Valley: Gilroy*. (Gilroy, CA: Gilroy Historical Museum, 1951).

within the City limits could allow. To house Gilroy's many incoming residents, annexation of new territory by the mid-1950s was essential to keep pace with the steadily rising demand for housing.

By 1960, the population of Gilroy had soared to 7,348 persons, from 4,951 persons recorded in 1950. The influx of people to the City required even more newly annexed areas devoted to residential developments as well as supporting infrastructure like schools, parks, churches, and commercial centers. In 1965, the City annexed 750 acres of land, effectively increasing the area of the City by 50 percent during that year alone.²⁸ Many of these annexed regions were developed into modern residential neighborhoods.

The City expanded as the agricultural industry expanded, but in the late twentieth century, the economy shifted from agriculturally based to an urban service-oriented community.²⁹ This change in economy contributed to the growth of the City. Christmas Hill Park began construction in 1964.³⁰ By 1970, when the population of Gilroy had nearly doubled within the decade to 12,665 persons, there were approximately 3,000 residences.³¹ Several single-family homes were built in the surrounding neighborhoods in the following years, leading to the highest rates of population growth in the City's history in the 1970s and 1980s. The newer areas of the City are in the moderate resource category as the infrastructure and housing is more recently developed. The City continues to expand to the west with the recent Hecker Pass and Glen Loma Specific Plan areas.

Historically, other cities in Santa Clara County had racial covenants, which led to thriving immigrant communities settling in the City of Gilroy. This first included the Chinese population, which settled in Gilroy after immigrating to the United States to build railroads and work in gold mines, tobacco fields, and orchards.³² Since the migrations of the Chinese population to the central county, the Latino population has been largely responsible for the thriving businesses in Gilroy. Over 50 percent of Gilroy's current population is Hispanic.

The City has taken multiple steps to encourage economic revitalization and growth in the older, downtown areas of the City. The two tracts that are designated as R/ECAPs are each classified as an Opportunity Zone by the federal government and are eligible for a number of tax-based incentives. In 2022, Gilroy was awarded a \$3.9 million grant for improvements in the historic downtown area. In 2020, 2021 and 2023, the City operated a Downtown Improvement Incentive Program which included reductions on development fees and a grant to help fund minor façade improvements for businesses downtown. The City continues to partner with organizations such as Visit Gilroy, the Gilroy Downtown Business Association, and the Gilroy Chamber of Commerce to promote economic development in downtown Gilroy.

²⁸ San Jose Mercury-News. 1966.

²⁹ A Brief History of Gilroy. <https://www.cityofgilroy.org/381/History-of-Gilroy>

³⁰ The Mercury News, Gilroy Timeline. <https://www.mercurynews.com/2007/02/05/gilroy-timeline/>

³¹ Gilroy Chamber of Commerce. "Standard Industrial Survey Report: Gilroy, Santa Clara County, California." (Gilroy, CA: Gilroy Chamber of Commerce, March, 1969). Gilroy Historical Museum.

³² Gilroy Dispatch. <https://gilroydispatch.com/immigrants-play-big-part-in-gilroy-history/>

Urban Growth Boundary

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses." (p. LU-15).

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which "the City Council determines that doing so is necessary to comply with State law regarding the provision of housing for all segments of the community" and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or re-designated is immediately adjacent to: (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low and very low-income housing pursuant to the Housing Element of this General Plan;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with State law." (p. LU-22)

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³³

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The USA is reviewed and amended by the Local Agency Formation (LAFCO).

³³City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as important, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table 57 on the following page displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table 57: Fair Housing Issues, Contributing Factors, and Proposed Action

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Disproportionate Housing Needs	Risk of displacement in downtown Lack of missing middle housing Lack of affordable housing for special needs groups (large households, seniors, farmworkers)	• ADU education targeting high resource areas (A - 6) • Incentives for affordable ADUs (A - 8) • Facilitate Missing Middle / Middle Income Housing (A - 10) • <u>Coordination with Santa Clara County Office of Supportive Housing (A - 14)</u> • Permit streamlining (B - 5) • Incentivize micro-units (E - 5) • Develop incentives for housing for seniors, farmworkers, and large families (E - 6) • Development and conservation of housing for farmworkers (E - 7) • <u>Development and Rehabilitation of Housing for Persons with Disabilities (E - 10)</u> • <u>Housing For Extremely Low Income and Special Needs Households (E - 11)</u> • <u>Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households (E - 12)</u> • Fair housing counseling (F - 2) • Place-based economic investments in downtown (F - 3) • Displacement prevention ordinance (F - 5)	High
Access to Opportunities	Presence of a R/ECAP Lower access to opportunities than the County as a whole	• Facilitate Missing Middle / Middle Income Housing (A - 10) • Adoption of inclusionary housing policy (A - 11) • Density bonus beyond state law (A - 12) • <u>SB 9 streamlining (A - 16)</u> • Permit streamlining (B - 5) • Source of income protection / housing mobility (F - 1) • Place-based economic investments in downtown (F - 3)	High

Identified Fair Housing Issue	Contributing Factor	Action	Priority
	Lack of missing middle / middle income housing	Targeted outreach in higher resource areas (F - 4)	
<u>Integration and Segregation</u>	<u>East/west income segregation</u> <u>Lack of inclusionary housing policy</u>	<u>Incentives for affordable ADUs (A - 8)</u> - Facilitate Missing Middle / Middle Income Housing (A - 10) <u>Adoption of inclusionary housing policy (A - 11) to require development of affordable housing on the west side</u> <u>Creation of density bonuses beyond state law (A - 12) to encourage development of affordable housing on the west side</u> <u>Source of income protection (F - 1)</u>	<u>Medium</u>
Outreach and Enforcement Capacity	Access to materials in appropriate languages Lack of education and outreach in the R/ECAP area City staff capacity	- Fair housing counseling (F - 2) - Targeted outreach in moderate and high resource areas (F - 4) - Interagency collaboration for lower cost housing (G - 1) - Community access to housing information program (G - 5) - Unhoused population education and outreach (G - 6) - Bilingual engagement (G - 7)	Low

Table 58 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table 58: AFFH Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Disproportionate Housing Needs				
A - 6: ADU Tracking and Monitoring and Ordinance Updates	Continuously track the number of building permits issued for ADUs. <u>If annual production and affordability rates do not match the estimates included in the Housing Sites and Resources section, the City will update the ADU strategy to ensure that the City continues to maintain adequate capacity for all income levels. In the event of an ADU shortfall that results in a net loss of units below the RHNA, the City will adopt another ADU program within six months to facilitate additional ADU production or identify additional RHNA sites from the City's No Net Loss Inventory, as discussed in Program A - 1.</u> <u>The City will hold a focus group event with local stakeholders in spring or fall 2026 if the average ADU production is less than 25 units in year 2025. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production.</u> The City will review geographic distributions of ADUs biennially. <u>Updates to the ADU ordinance are included in Program A - 15.</u>	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. <u>Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in year 2025.</u> <u>Identify additional programs or sites within six months of shortfall.</u>	High Resource Areas	Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.
A - 8: Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development.</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.	After program funding is secured and sufficient for the intended purpose. <u>Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated.</u>	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	<u>Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards.</u> <u>Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106</u>	<u>By Q2 2025</u>	<u>Citywide</u>	<u>Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<u>(lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>			
A - 14: Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This will include the offer of impact fee waivers through a memorandum of understanding. The MOU was approved by the County Board of Supervisors in 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups).	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.	Citywide	Development of affordable housing on the 8 th and Alexander property by the end of 2028.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
E - 5: Incentivize Micro-Units	Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-units development. Ensure that provisions for efficiency units are consistent with AB 352 (2017).	<u>Within one year of Housing Element adoption By Q2 2024.</u>	Citywide	Adopt the policy.
E - 6: Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.	<u>Within 3 years of Housing Element adoption By Q2 2026.</u>	Citywide	Conduct study and revise Zoning Ordinance, as necessary.
E - 7: Development and Conservation of Housing for Farmworkers	<u>In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project.</u> The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing including identification of State and Federal funding opportunities. <u>At least once a year, the City will forward information about surplus City-owned land and other development opportunities to developers and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the developer list created through Program G - 1.</u>	Ongoing throughout planning period	Citywide	Preserve and maintain the <u>43</u> farmworker housing developments (<u>5684</u> units) and Ochoa Migrant Center (100 units).

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
E - 10: <u>Development and Rehabilitation of Housing for Persons with Disabilities</u>	<u>As part of the 2023 comprehensive Zoning Code update, the City will evaluate and revise as necessary its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities. The City will also evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.</u>	<u>By Q2 2024.</u>	<u>Citywide</u>	<u>Evaluate and revise as necessary reasonable accommodation standards and procedures and permit requirements for residential care homes.</u>
E - 11: <u>Housing For Extremely Low Income and Special Needs Households</u>	<u>The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers, providing site information, assisting in the entitlement processes, and considering on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards.</u> <u>As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable.</u> <u>Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.</u>	<u>As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.</u>	<u>Citywide</u>	<u>Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.</u>
E - 12: <u>Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households</u>	<u>The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.</u>	<u>Amendments by Q3 2025.</u>	<u>Downtown Expansion District</u>	<u>Adopted zoning amendments. Facilitation of 50 units using the adopted process in the planning period.</u>
F - 2: <u>Fair Housing Counseling</u>	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	<u>Annual or biennial award of funds. Provision of pamphlets by Q2 2024, within one year of Housing Element adoption.</u>	<u>Downtown</u>	<u>Work with Fair Housing Provider to track number of households assisted in Gilroy annual. Provide information to 30 households annually.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 3: Place-Based Improvements in <u>Downtown Gilroy</u>	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: • <u>As part of the \$3.9 million</u> Clean California Grant, <u>the City will</u> renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. • As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. • As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million). • <u>As a part of the CIP, to support pedestrian infrastructure in the <u>Downtown Specific Plan (DTSP)</u> area, install and upgrade ADA curb ramps in Downtown Gilroy. <u>In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy.</u></u> • <u>The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.</u> • <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.</u>	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.
F - 5: Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction policy, and relocation agreements.	By Q2 2025.	Areas denoted above as having vulnerability to displacement	Adopt the policy.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.			
Access to Opportunities				
A – 10: Facilitate Missing Middle / Middle Income Housing	<u>Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards.</u> <u>Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106 lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>	<u>By Q2 2025</u>	<u>Citywide</u>	<u>Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.</u>
A - 11: Inclusionary Housing Policy	<u>Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category).</u> <u>Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market both the below market-rate units and accessible/adaptable units.</u>	<u>By the end of 2024.</u>	<u>Citywide</u>	<u>Amend Zoning Ordinance; Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.</u>
A - 12: Density Bonus Beyond State Law	<u>Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low income households, and farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.</u>	<u>Within 2 years of Housing Element adoption By Q2 2025.</u>	<u>Citywide</u>	<u>Adoption of Zoning Ordinance amendment; Increased housing choice and mobility for special needs households.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 16: SB 9 Streamlining	The City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law.	By Q2 2024.	Citywide	Update SB 9 webpage; c. Create instructions for processing SB 9 units and lot splits; h. Hold informational meetings with building and engineering/land development divisions.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: Creating a ministerial use permit process Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition).	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach by Q2 2024. Outreach to 50 landlords or tenants annually.	Downtown	Conduct workshop with residents.
F - 3: Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) - As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; Reconstruction of 20 curb ramps.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<u>owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.</u> <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.</u>			
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially in specified areas of the City (Program A - 9A-9). - Adopt a density bonus beyond state law to include incentives for special needs households (Program A - 11A-11) Adopt an inclusionary housing policy (Program A - 10A-10)	<u>Within 3 years of Housing Element adoption By Q2 2026.</u>	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
Integration and Segregation				
A - 8: Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development.</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.	After program funding is secured and sufficient for the intended purpose. <u>Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated.</u>	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	<u>Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially on corner lots in the R1 and R2 zones so long as the project complies with objective design standards.</u> <u>Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Create an informational and promotional pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106</u>	<u>By Q2 2025</u>	<u>Citywide</u>	<u>Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<u>lots). Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>			
A - 11: Inclusionary Housing Policy	Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. <u>Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category).</u> Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households. <u>or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing.</u> The inclusionary housing ordinance will include a requirement that the developer market both the BMR units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.
A - 12: Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, and farmworkers, and households with intellectual or developmental disabilities. <u>In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.</u>	<u>By Q2 2025</u> <u>Within 2 years of Housing Element adoption</u>	Citywide	Adoption of Zoning Ordinance amendment; I Increased housing choice and mobility for special needs households.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach within one year of Housing Element adoption <u>by Q2 2024</u> . Annual education and outreach to landlords and tenants.	Downtown	Outreach to 50 landlords or tenants annually.
Outreach and Enforcement Capacity				
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets <u>by Q2 2024</u> <u>within one year of Housing Element adoption.</u>	Downtown	Annual or biennial award of funds. Provision of pamphlets <u>by Q2 2024</u> <u>within one year of Housing Element adoption.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially <u>on corner lots in the R1 and R2 zones in specified areas of the City</u> (Program A - 9). - Adopt a density bonus beyond state law <u>policy</u> to include incentives for special needs households (Program A - 12). - Adopt an inclusionary housing policy (Program A - 11).	<u>Within 3 years of Housing Element adoption By Q2 2026.</u>	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
G - 1: Collaboration with Development Community	The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period. <u>Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting.</u> <u>The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable, and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.</u>	Collaboration with other agencies on an annual basis.	Countywide	Host an annual developer roundtable meeting: <u>create a developer interest list by Q1 2024.</u>
G - 5: Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: - Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. - Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. - Promoting housing resources at an informational booth at four community events a year, such as the Farmer's Market in the DTSP area. - Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. <u>Create a dedicated Missing Middle webpage and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. Provide the pamphlets online, at City Hall, and at informational booths where housing resources are provided.</u>	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. Presence at 4 community events annually.	Downtown Specific Plan Area	Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
G - 6: Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population.	Between Q4 2024 to Q2 2025 – 24 months after Housing Element adoption; monthly meetings of the unhoused service providers group.	City-wide, Eastern Gilroy, R/EACAP	• Creation of a dedicated webpage with general information on homelessness, information on the 211 system, and a short informational video. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • Restarting the “unhoused service providers group” which consists of monthly meetings with service providers in the City. The group serves to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts.
G - 7: Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	Immediately upon adoption of the Housing Element.	Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Monthly service provider meetings throughout the planning period.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE

CONSTRAINTS ON HOUSING

Constraints on Housing

There are a wide variety of factors that influence whether, where, when, how, and what type of housing is constructed. While many factors enable, guide, and even incentivize housing construction, almost all also pose some sort of limitation or constraint as well. Land use policies and regulations are necessary but, by definition, establish limits on growth and development. These limits work with, influence, and are balanced by market forces.

There are generally two types of constraints: governmental and nongovernmental. Governmental constraints include the policies, regulations, and procedures that directly affect housing. This includes the goals, policies, and programs of the General Plan and the development standards and requirements of the Zoning Ordinance and other land use ordinances. Nongovernmental constraints include those factors that are beyond the direct control and authority of the City.

This section identifies and evaluates those factors that may pose significant constraints or burdens that may limit or constrain the production of housing to meet local and regional housing needs and the goals and objectives of the General Plan. Such constraints, particularly those that limit the construction of or fair access to affordable housing, must be addressed with clear, measurable, and timely programs.

Governmental Constraints

Governmental constraints can limit or deter the operations of the public, private, and nonprofit housing development sectors, make it difficult to meet the demand for housing, and limit housing supply in a region. Such constraints can limit access to housing mobility and housing choice, or prevent lower-income segments of the population from having adequate housing opportunities. Governmental constraints may include, but are not limited to, land use controls, development standards, local processing and procedures, and permitting fees.

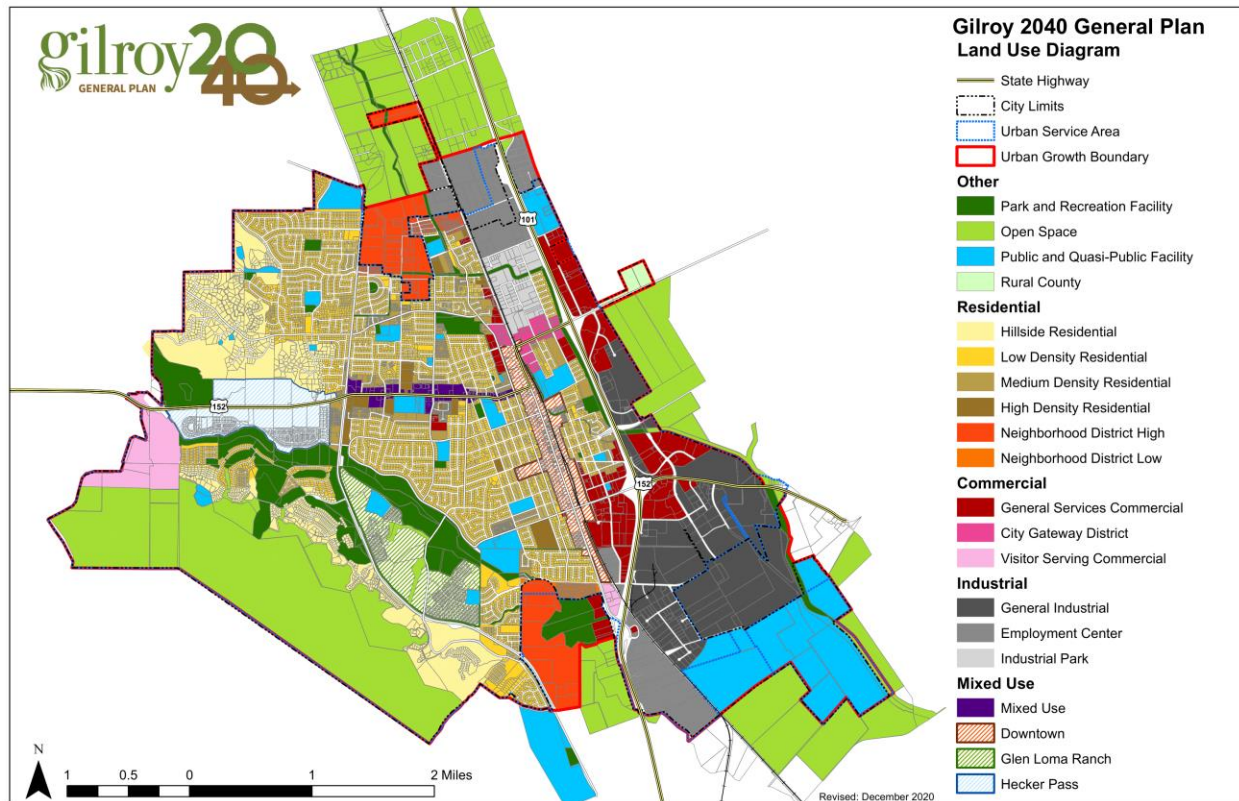
Land Use Controls

General Plan

The City of Gilroy adopted an updated General Plan in November 2020. The Gilroy 2040 General Plan is a comprehensive, long-range general policy document that expresses the community's vision and establishes eight guiding principles for development. One of the guiding principles includes encouraging a mix of housing types to create diverse neighborhoods to meet the needs of all residents. Among other efforts, the Gilroy 2040 General Plan allows for an increase in housing by creating a new Mixed-Use land use designation and removing the maximum density specified for the High-Density Residential land use area. The Land Use Element of the General Plan identifies the location, distribution, density, and intensity of land use within the City. The Environmental Impact Report (EIR) for

the 2040 General Plan analyzed the development potential of the plan for up to 6,477 new housing units and an additional population of 19,756.³⁴

Figure 44: Gilroy Land Use Map



There are seven residential land use designations in the Gilroy General Plan, as follows:

- **Hillside Residential (HR):** This designation is generally applied to developable hillside areas with slopes of 10 percent to 30 percent. Developments in these areas must follow special design and siting criteria to preserve the sensitive hillside environment together with the views and vistas of surrounding hillsides, hilltops, and ridgelines. The permitted density is 0 to 4 dwelling units per net acre (du/ac). The implementing zone is the Residential Hillside (RH) district.
- **Low Density Residential (LDR):** This is the most common residential land use designation in Gilroy. It is applied to areas of predominantly single-family detached dwellings, with typical lot sizes ranging from 5,000 square feet to 7,000 square feet. Appropriate residential uses include single-family detached homes and secondary ("accessory") dwelling units (ADU) that comply with City standards. The permitted density is 3–8 du/ac. The implementing zones are R1 and R2.

³⁴Final Gilroy 2040 General Plan EIR. <https://www.cityofgilroy.org/DocumentCenter/View/11308/Draft-EIR---Gilroy-2040-General-Plan-?bidId=>

- **Medium Density Residential (MDR):** This designation is intended primarily for multifamily attached structures (townhomes, condominiums, and apartment buildings). Buildings are typically two to three stories tall. This designation is typically applied to transition areas between lower-density neighborhoods and higher-density developments or commercial areas. The permitted density is 8–20 du/ac. The implementing zone is R3. While the R3 zone currently only allows 8–16 du/ac, it will be updated in the comprehensive zoning update to allow for 8–20 du/ac (Program B - 2).
- **High Density Residential (HDR):** This designation allows higher density attached housing types (apartments and condominiums), often within walking distance of commercial areas. The predominant housing type is multifamily dwellings, such as apartments or condominiums, with buildings typically comprising two or more stories. The permitted density is 20+ du/ac, with no maximum density or floor area ratio (FAR) requirements. The implementing zone is R4. The R4 zone currently allows for 20–30 du/ac, and the upper limit will be removed in the ongoing comprehensive Zoning Ordinance update to ensure consistency with the General Plan (see Program B - 2).
- **Mixed Use (MU):** The purpose of this designation is to encourage a mix of retail, office, and high-density residential uses. Mixed-use could also include mixed-use commercial (e.g., retail and office). Multi-story structures and more intense uses should be located at major intersections and lower-intensity uses adjacent to neighborhoods. Street-level frontage of mixed-use projects shall be developed with pedestrian-oriented, typically commercial, uses. Residential uses can be integrated on the same site with other uses in either a vertical or horizontal design. Stand-alone residential uses are not allowed. The permitted density is a minimum of 20 and a maximum of 30 du/ac. The implementing zones are within the Downtown Specific Plan area and the mixed-use corridor along 1st Street. As a part of its comprehensive code update, the City is in the process of creating a zoning district for the mixed-use 1st Street corridor with the anticipated completion in 2023 (Program B - 2). Any mixed-use development within the 1st Street mixed-use corridor will be entitled in accordance with the development standards set forth in the Zoning Ordinance and the density allowance per the 2040 General Plan. The design of projects will be subject to the City's existing objective development design standards until the 1st Street Corridor mixed-use design and development standards are adopted.
- **Rural County (RC):** The purpose of this designation is to preserve rural residential, hillside, and productive agriculture land uses located outside areas planned for urban development. Allowed uses include rural residential, grazing, active agricultural production, associated agricultural processing, sales, and support uses. Typical building types include low-intensity structures associated with farming and agricultural processing and sales. One single dwelling unit per parcel is allowed. The implementing zone is RR.

- **Neighborhood District (ND High, ND Low):** The purpose of these designations is to encourage compact, complete, neighborhood-style development. Traditional single-family uses will comprise a substantial portion of these districts. Commercial and medium- to high-density residential uses should be clustered to form neighborhood centers. Neighborhood District High and Low may use a Neighborhood Commercial (NC) designation to designate land in neighborhood centers to encourage low-intensity commercial uses that cater directly to residents in the immediate neighborhood. The 0–7 du/ac category is intended for single-family detached dwellings with varying lot sizes. The 7–9 du/ac category is intended for a combination of two-family and some single-family detached dwellings. The 9–16 du/ac category is intended to accommodate a combination of small-lot and attached single-family dwellings, as well as multifamily dwelling options. The 16–30 du/ac category is intended to provide a variety of attached single-family and multifamily residential styles of development. The implementing zone is ND.
 - The Neighborhood District land use designation is generally applied to vacant land that is currently outside the City's Urban Service Area (USA) but within the City's Urban Growth Boundary (UGB) area. The UGB area applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. There are two designated neighborhood districts, one in the north and one in the south, that are currently outside of the USA. The City is in the process of requesting approval from the Santa Clara County Local Agency Formation Commission (LAFCO) to bring approximately 54 acres of unincorporated county land into the City's USA. The land is located just outside City limits to the north. The City also received a preliminary application for a USA amendment for land located just outside City limits to the south. If the USA is amended and the land is eventually annexed into the City (a lengthy two-step process), the property would be subject to the City's inclusionary policies for the Neighborhood District.
 - Each Neighborhood District development is required to construct a minimum of 15 percent of its units at affordable prices. Specific requirements regarding the level of affordability were contained in the City's Residential Development Ordinance (RDO) policy. However, this policy is no longer in effect due to state legislation (e.g., Senate Bill [SB] 330) and the implementing ordinance will be repealed in accordance with Program B - 1. To ensure compliance with state law, and provide more comprehensive affordability benchmarks, Program A - 5 is included to review and revise the Neighborhood District Policy. Program A - 11 will include analyzing potential adoption of an Inclusionary Housing Policy that would apply to properties outside the Neighborhood District planning area.
 - Table 59 displays the target densities for both low and high Neighborhood District designations. Neighborhood Districts include the Hecker Pass Specific Plan area and the Glen Loma Ranch Specific Plan area; development for both are underway. The rows denote the maximum or minimum percentages of the

land area within this land use designation that must fall within the specified density.

- Neighborhood District target densities and inclusionary requirements may act as a potential constraint to housing; however, the City has found that they do not discourage development. As a part of Program A - 5, the City is revising Neighborhood District standards to no longer rely on the RDO and is updating the Neighborhood District's inclusionary housing policy.

Table 59: Neighborhood District Target Densities

	0-7 du/ac	7-9 du/ac	9-16 du/ac	16-30 du/ac
Low	82% max.	5% min.	10% min.	3% min.
High	60% max.	5% min.	25% min.	10% min.

Source: City of Gilroy 2040 General Plan.

Hecker Pass Specific Plan

The Hecker Pass Specific Plan projects the development of 521 housing units. The Specific Plan designates three “clusters” for residential development: North Cluster (57 units), West Cluster (205 units), and East Cluster (259 units). The Specific Plan aims to provide for a variety of housing types in each cluster, but offers some flexibility in how that variety is achieved. The Specific Plan gradually transitions the intensity of development from the Village Green project into the Specific Plan area, with more intensive development on the eastern side of the plan as it moves from rural to urban. The Hecker Pass Specific Plan was approved before inclusionary housing policies were adopted, and thus was not subject to the Neighborhood District Policy's affordable housing requirement.

Glen Loma Ranch Specific Plan

The Glen Loma Ranch Specific Plan area is approximately 392 acres located between Santa Teresa Boulevard and the Uvas Creek corridor. The project includes a maximum of approximately 1,693 residential units in up to 17 neighborhoods comprising detached single-family residences, attached townhomes, apartments, and senior-only units. Under the Neighborhood District Policy, 15.1 percent of units will be affordable to very low-, low-, and moderate-income households.

Downtown Specific Plan

The Downtown Specific Plan contains six districts with the purpose of creating a pedestrian-oriented and economically vibrant downtown. Adopted in 2005, the Downtown Specific Plan anticipated potential for development of 1,576 new residential units over 20 years. Mixed uses and residential development above the ground floor are encouraged in the Downtown Specific Plan.

The Downtown Specific Plan allows 100 percent commercial use in all of its zones. Mixed-use residential is encouraged but not required and could include mixed-commercial (e.g., retail and office). Although 100 percent commercial use is allowed, City staff have not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. Residential dwelling units are permitted by-right in all Downtown Specific Plan districts, on the second story and above.

Downtown Historic District (DHD)

This district is suitable for the improvement and maintenance of existing commercial structures or the conversion to or construction of new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Historic District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Historic District. A conditional use permit is required for residential uses on the first floor.

Downtown Expansion District (DED)

This district is suitable for the improvement and maintenance of existing commercial structures or the construction of or conversion to new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Expansion District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Expansion District. A conditional use permit is currently required for residential uses on the first floor. Program E - 12 would allow 100 percent residential uses in the Downtown Expansion District for projects that accommodate extremely low-income or special needs households.

Civic/Cultural Arts District (CCA)

This district is suitable for the development of new multi-use civic, cultural and civic-serving uses. The Civic/Cultural Arts District also allows commercial and mixed-use projects. Residential mixed-use projects are encouraged but not required. Residential units may be allowed on the ground floor if they are located between Egleberry Street and Church Street and behind a business. From Monterey Street to Church Street, commercial and mixed-use projects have a maximum FAR of 1.5, and from Church Street to Dowdy Street there is a maximum FAR of 1.0.

Transitional District (TD)

This district is suitable for the conversion of existing residential structures to commercial uses and for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 1.5. Stand-alone residential projects are at most 20 du/ac.

Cannery District (CD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a FAR of 2.0. The minimum density for the residential component of mixed-use projects is 20 du/ac. Stand-alone residential projects must develop at a density ranging from 20 to 40 du/ac.

Gateway District (GD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 0.75. Stand-alone residential projects have at most 30 du/ac.

Downtown Specific Plan Development Standards

Table 60 displays the allowable densities and development standards in each of the Downtown Specific Plan districts. The FARs only apply to the commercial uses within a mixed-use development. The districts also generally have very permissive development standards, including zero-foot minimum setbacks, and height limits of 50 feet or 4 stories in all areas not fronting Railroad Street.

The passing of Assembly Bill (AB) 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit. Prior to the passage of AB 2097, the Downtown Specific Plan area already had lower parking requirements than other residential areas in the City. For projects not subject to AB 2097, the parking requirements for residential units are 1 space per unit and 1 guest space per 6 units for units that are up to 800 square feet. If greater than 800 square feet, the requirement is 1.5 spaces per unit and 1 guest space per 4 units. Parking standards are often a potential constraint to development. However, in Gilroy, they are appropriate and not excessive, given Gilroy's suburban context outside urban job centers to the north.

Table 60: Downtown Specific Plan Development Standards

District	Lot Requirements Lot Size in Square Feet (min)	Yard Requirements (Setbacks in Feet Measured from Property Line) (min/max)				Height Requirements (max)		FAR	Density	Building Form	
		Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Feet ⁶	Stories ⁷			Street Front Building Height (Min Feet)	Third and Fourth Floor Setback Required
Downtown Historic District (DHD)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Downtown Expansion District (DED)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Civic/Cultural Arts District (CCA)	N/A	0/none	0/none ¹	0/none ²	0/none	50	4	-	N/A ⁸	25	Yes
Transitional District (TD)	N/A	-	-	-	-	40	3	1.5 ⁵	20 du/ac (max)	N/A	No
Cannery District (CD)	N/A	0/15	10/none ¹	0/10	0/none	50	4	2.0 ⁵	20-40 du/ac (min/max)	25	No
Gateway District (GD)	N/A	15/none	15/none	15/none	10/none	40	3	0.75 ⁵	30 du/ac (max)	N/A	No

Table 61: Downtown Specific Plan Development Standards (Special Circumstances)

District	Eigleberry Street to Church Street				Church Street to Dowdy Street				East of Eigleberry Street				West of Eigleberry Street			
	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear
<u>Civic/Cultural Arts District (CCA)</u>	0/10	10/non e	0/10	10/non e	20/non e	10/non e	10/non e	10/non e	=	=	=	=	=	=	=	=
<u>Transitional District (TD)</u>	=	=	=	=	=	=	=	=	0/15	10/non e ¹	0/none ²	0/5	15 ⁴ /none	10/non e	5/none	10/none

Source: City of Gilroy Zoning Ordinance

¹ To be reviewed for vehicular sight distance.

² To be reviewed by staff to ensure compliance with urban design principles.

³ Rear yard setback for parcels east of Monterey Street, between Lewis and Seventh is 51 feet to accommodate drive access and parking.

⁴ Ten-foot setback to property line allowed with a porch.

⁵ Use floor area ratio to determine project size for commercial and mixed-use development and use residential density to determine project size for stand-alone residential development. Residential use is only allowed as part of a mixed use development within the DHD, DED and CCA districts. Standalone (multifamily) residential development is only allowed within the CD, GD and TD districts. See Article XIV for additional specifications.

⁶ The planning division manager may approve architectural features such as tower elements, elevator service shafts, and roof access stairwells which extend up to 10 percent above the height limit.

⁷ New buildings should be no more than two stories higher or lower than neighboring buildings. If higher or lower buildings are desired, the massing should be stepped so as to create a smooth transition.

⁸ No min/max density. See Downtown Specific Plan for additional specifications. Residential apartments, townhomes, and live/work units above/behind ground floor are only allowed between Eigleberry Street and Church Street.

Zoning Ordinance

The Zoning Ordinance, Chapter 30 of the Gilroy City Code, is the primary tool for implementing the land use designations in the Gilroy 2040 General Plan. The Zoning Ordinance provides controls over land use. The following discussion represents standards in the Gilroy Zoning Ordinance as of April 2023. In conformance with the 2040 General Plan and current state housing law, a comprehensive update of the Zoning Ordinance is anticipated to be complete by the end of 2023. As such, some existing standards identified in this analysis will be updated with the new Zoning Ordinance. Known instances are noted and the appropriate programs are referenced. Existing residential development standards are shown in Table 62.

The City's General Plan allows for a range of densities and housing types to meet the needs of all income levels. AB 2348 established "default" density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Pursuant to AB 2348 and the 2020 decennial census, Gilroy is considered a "jurisdiction within a metropolitan county" with a "default" density for affordable units of 30 du/ac. Densities of at least 30 du/ac are allowed in the High-Density Residential zone and Neighborhood District. Densities of 30 du/ac are also allowed in the 1st Street mixed-use corridor and specified Downtown Specific Plan designations, described above.

Table 62 displays the existing residential standards as outlined in the City's Zoning Ordinance as of April 2023. Note that there are instances where state law may supersede the current standards in the Zoning Ordinance. If there is a conflict, state law supersedes the Zoning Ordinance, and staff will process development applications accordingly. For instance, SB 9 applies to many parcels in the R1 zone and allows them to have up to four units, though the current maximum density is one dwelling unit per lot. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB 9 currently allows duplexes in the R-1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter. Furthermore, the City has a dedicated webpage that provides SB 9 information (e.g., more permissive development standards) to the public and potential applicants.

Residential Densities

The Zoning Ordinance will be updated in 2023 so that development standards permit the allowed densities under the 2040 General Plan. To facilitate consistency, the consultant who prepared the City's new General Plan is also preparing the Zoning Ordinance update.

Planned Development Exceptions

Most single-family residential projects are approved ministerially. Hillside residential single-family and multifamily residential projects that comply with objective development and design standards can generally be approved through an administrative staff review process, without the need for public hearings. However, applicants can request smaller lot sizes, increased height, and decreased setbacks (for example) through the Planned Development process, which is outlined in the Zoning Ordinance. The Planned Development process allows for more economical and efficient land use through diversification in development standards for buildings, structures, and open spaces. Public hearings are required in exchange for this flexibility.

Lot Size

The Zoning Ordinance will be updated in 2023 to be consistent with the lot sizes described in the 2040 General Plan. For example, the typical lot size for the low-density single-family residential land use designation in the 2040 General Plan ranges from 5,000 square feet to 7,000 square feet.

Height Limits

The City has two types of height limits in residential districts: a maximum height measured in stories and an absolute height. Height limits in the R3 zone are 3 stories or 45 feet. For the R4 zone, the height limits are 6 stories or 75 feet, whichever is less. Parking garages that are aboveground would count toward the story limit, while those that are belowground do not. The height limits do not constrain development from reaching their prescribed General Plan densities (8-20 du/ac for medium density sites and 20+ du/ac for high density sites).

Setbacks

All residential zones have setbacks, which are the minimum distances between a structure and a lot line. Setbacks in Gilroy are largely uniform between the residential zones, with 26-foot front setbacks, 6- to 12-foot interior side setbacks, 21-foot street side setbacks, and 15-foot rear setbacks. While all setbacks reduce the amount of land that is developable on a site, the setbacks do not constrain projects from reaching the maximum housing density in a zone.

Floor Area

The City of Gilroy does not regulate residential floor area, other than for ADUs. The ADU Ordinance will be updated in 2023 (and in future years) to be compliant with current state law. Although not required by state law, the City will increase the allowable floor area for ADUs from 1,000 square feet to 1,200 square feet through Program A - 15.

Lot Coverage

The City of Gilroy does not regulate residential lot coverage, other than restricting the amount of paving in the front yard to 50 percent maximum.

Table 62: Residential Standards (2022)

District	Lot Requirements Lot Size in Square Feet (Lots Using Street Standards Adopted in February 2006) ¹	Yard Requirements (Minimum Setbacks in Feet. Property Lines Adjacent to Streets Measured from the Face of Curb)						Height Requirements		Density	
		Front	Front (Lots on Bulb of Cul-de-sac)	Side (Adjacent to a Street)	Side (All Other Side Yards)	Rear	Rear (Yards Backing onto Street)	Feet	Stories	Maximum Density	Units per Acre
A1	20 acres	26 ²	22 ²	21	12	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	
RR	2.5 acres	26 ²	22 ²	21	12	15 ⁶	26	30	2	Maximum of one dwelling unit per lot	
R1	6,660 sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	Maximum of one dwelling unit per lot (not including units permitted through SB 9)	3 – 7.25
R2	8,880 ⁴ sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	One dwelling unit per 4,000 square feet of land to a maximum of two units per lot	3 – 9
R3	8,880 sf	26 ²	22 ²	21	12	15 ⁶	26	45 ⁵	3	One dwelling unit per two 2,722 square feet of lot area	8 – 16
R4	13,320 sf	26 ²	22 ²	21	12	15 ⁶	26	75 ⁵	6	One dwelling unit per 1,452 square feet up to a maximum site area of 2,178 square feet per unit	20 – 30
HR	N/A	±	±	±	±	±	±	30	2	Determined by the average slope with a maximum of two acres/unit	
ND*	*	*	*	*	*	*	*	*	*	*	*

Source: Gilroy City Code Chapter 30.

1 See Zoning Ordinance for lot size requirements for lots using street standards adopted prior to 2006.

2 Garage vehicular entrances shall be set back from the property line such that they have a minimum 18-foot-long driveway measured from the back of the sidewalk.

3 For dwellings located within new subdivisions (after the effective date of the ordinance codified in this chapter), containing five or more lots, the total width of the two side yards for any one lot in an R1 or R2 district must equal 12 feet. For structures in existence on the effective date of the ordinance codified in this chapter, a 6-foot side yard setback shall be maintained, unless a smaller side yard has been allowed by a variance, planned unit development, or preexisting, nonconforming use.

4 7,000 square feet for preexisting lots created prior to September 15, 1983; 6,000 square feet for one single-family dwelling.

5 For R3 and R4 lots proposed to be developed with one single-family residence as the primary use, the height of the residential dwelling unit shall not exceed two stories and 35 feet.

6 Rear yard setbacks may be reduced to 10 feet to accommodate a 5-foot encroachment for rear yard patio covers.

* -Residential site and building requirements shall be established by the master plan or specific plan for the neighborhood district area in which the property is located.

+ All setback requirements shall be as specified in the planned unit development (PUD) approval which shall be obtained according to the provisions of section 30.50.50.

Parking

The provision of parking is a significant cost for all forms of development. High parking requirements reduce the potential land available for development and increase the cost of development. Table 63 displays the parking requirements for residential developments in Gilroy. Parking requirements often pose a potential constraint on development. However, construction of recent developments, including below market-rate units, demonstrate that Gilroy's existing parking requirements are appropriate and are not an unreasonable constraint.

In addition to these minimum standards, Gilroy has a maximum parking requirement. Per Gilroy City Code Section 30.31.30 (a), the maximum parking requirement is 10 percent above those listed in the parking schedule, and any parking spaces beyond the 10 percent must be offset with an equal amount of landscaping.

Table 63: Residential Parking Standards (2022)

Type of Residential Development	Required Parking Spaces (off street)
Single- and two-family dwellings	Two stalls per dwelling unit, one of which shall be a covered carport or garage (each space must be at least 10 feet by 20 feet).
Multiple family dwellings	One and one-half stalls per one-bedroom or two-bedroom dwelling unit and two stalls for each unit having three or more bedrooms or rooms which could be used as bedrooms, plus one stall for every four units for guests. One stall for each unit shall be covered with a garage or carport.
Accessory dwelling units (detached)	One stall per unit*
Downtown Specific Plan Residential Parking Requirements	
Residential units < or equal to 800 sq. ft.	One space per unit plus one guest space per six units
Residential units > 800 sq. ft.	1.5 spaces per unit plus one guest space per four units

Source: Gilroy City Code Chapter 30.

* A parking stall will not be required for an accessory dwelling unit that meets any of the following criteria:

1. The accessory dwelling unit is created as a result of the conversion of existing area of the single-family residence or existing permitted single-family residential accessory structure.
2. An existing single-family residential garage, carport, or parking structure is converted or demolished to accommodate an accessory dwelling unit in the same location.
3. The accessory dwelling unit is within 0.5-mile walking distance of a public transit station, such as a bus stop or train station.
4. The property is in an architecturally and historically significant historic district.
5. On-street parking permits are required in the area but not offered to the occupant of the residential accessory dwelling unit.
6. A car share vehicle is located within one block of the accessory dwelling unit.

Cumulative Effect of Development Standards

The City of Gilroy has permissive standards for development, especially in its Downtown Specific Plan area. The cumulative effect of development standards is not likely to constrain the ability of developers to achieve densities on site development. This is evident in the entitled

and pending [projects analysis \(see Table 79\)](#). Additionally, many recent projects have been developed at the City's standards that are able to achieve moderate and high densities. [Multi-family developments in R-4 and Downtown Specific Plan Zone areas have consistently been approved or constructed to the maximum density \(or higher pursuant to state Density Bonus Law or other provisions\)](#). Recently proposed or approved developments include:

- A four-story, 120-unit affordable development on 3.4-acre parcel in the R4 zone (35 du/acre)
- A 100-unit affordable development on a 3.9-acre parcel in the R4 zone (25 du/acre)
- A 75-unit development on a 1.86-acre parcel in the Gateway District in the Downtown Specific Plan (40 du/acre)
- A 120-unit development on a 3.9-acre parcel in the R4 zone (30.8 du/acre)
- A 268-unit development in the Downtown Expansion District in the Downtown Specific Plan on 6.8 acres (38.7 du/acre)
- A preliminary proposal for a 94-unit affordable development in the Downtown Gateway District on 2.9 acres (32.4 du/acre)

These and other entitled and pending projects include a total of 62 very low-, 401 low-, and 3 moderate-income units.

[Developers, residents, and other stakeholders participated in the public engagement process for the Housing Element Update and provided suggestions for several aspects of the City's development standards that could be changed to facilitate the production of housing. These included removing parking minimums, rezoning nonresidential areas to allow residential development, and increased density.](#)

In the effort to reduce and/or eliminate constraints identified in Gilroy's land use controls, the City will study and consider adopting a density bonus above state law (A - 12), amend the Zoning Ordinance to ensure that the General Plan maximum densities are achievable by the implementing zones (B - 2), review and revise development standards to ensure objectivity (B - 6), and evaluate development standards for all zones including the Downtown Specific Plan zones for potential constraints (B - 7).

Density Bonus

California Government Code Sections 65915 through 65918, known as the density bonus law, were enacted to encourage developers to build affordable housing by requiring local governments to provide meaningful incentives in exchange for those affordable units.

The City addresses the density bonus requirement through the implementation of Section 30.46.40 of the Gilroy City Code. This section of the Gilroy City Code references and incorporates the state density bonus law. The City is fully compliant with density bonus law, and knows how to properly implement it if requested by a developer. Multiple projects have utilized the density bonus, including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the 1st and Kern Apartments (120 units).

The City is including Program A - 12 to study and adopt a density bonus ordinance beyond what is required by state law to further encourage development of affordable housing. The program will specifically consider additional incentives for households with special needs such as large households, extremely low-income households, households with developmentally disabled individuals, and farmworker households.

Providing for a Variety of Housing Types

Table 64 shows the allowed uses within residential zones in the City's Zoning Ordinance. In some instances, state law also affects the uses that are allowed in a zone. If there is a conflict, state law supersedes the Zoning Ordinance. For instance, SB 9 applies to many parcels in the R1 zone, and allows them to have up to four units. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

As discussed in the following section, ADUs and junior ADUs are allowed in all residential zoning districts under Section 30.54 of the City's Zoning Ordinance. Single-family residential zoning includes four districts: A1, RR, RH, and R1. Single-family units are permitted as a matter of right in all single-family residential districts. Single-family dwellings are permitted as a matter of right in all multifamily residential districts, except for mixed-use zones in the Downtown Specific Plan area. Single-family development in the R3, R4 and RH zones has the potential to prevent the achievement of the planned densities.

Multifamily residential zoning includes the R2, R3, and R4 districts. Duplexes are permitted as a matter of right in the R2, R3, and R4 districts. Duplexes are also allowed in the R1 district on corner lots of a certain size, when meeting certain conditions; however, this existing standard has been superseded by current state law (SB 9), which is more permissive. Condominiums and townhouses are permitted as a matter of right in the R3 and R4 districts; they are also permitted in the RH district when conforming to the density limits through clustering. Multiple family buildings are permitted as a matter of right in R3 and R4 districts.

The City of Gilroy has also established a Neighborhood District zone. Land in the Neighborhood District may be used as specified by a Master Plan or Specific Plan adopted for each Neighborhood District area. In addition to including 15 percent of the units as affordable, each development must provide compatible uses such as parks, schools, and neighborhood-serving commercial facilities.

The City is including several programs in the Housing Element to further encourage a variety of housing types across the City. One of these programs includes adoption of an affordable housing policy to encourage and incentivize development of affordable housing (Program A - 12). Another program may incentivize the production of missing middle housing, by allowing ministerial approvals for duplexes, triplexes, and fourplexes on corner lots in R1 and R2, zones that comply with the City's objective design standards (Program A - 10). SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. While SB 9 currently allows duplexes in the R—1 zone, Program A - 10 provides further flexibility by allowing triplexes and fourplexes as an alternative

design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Additionally, the City is considering a program to incentivize micro-units (Program E - 5).

Table 64: Residential Use Table (2022)

Housing Types Permitted	A1	RR	R1	R2	R3	R4	RH	ND
Accessory Dwelling Unit ¹	--	X	X	X	X	X	X	*
Condominiums	--	--	--	--	X	X	X	*
Duplex	--	--	X ²	X	X	X	--	*
Mobile Home Park	--	--	C	C	X	X	--	*
Multi-Family Building	--	--	--	--	X	X	--	*
Residential Care Homes (> 6 Residents)	--	C	C	C	C	C	C	*
Residential Care homes (≤ 6 residents)	--	X	X	X	X	X	X	*
Single-Family Dwelling or Modular Home	X ⁴	X	X	X	X	X	X	*
Townhouse**	--	--	--	--	X	X	X	*
Emergency Shelters	C	C	C	C	C	C	C	*
Supportive and Transitional Housing ³	X	X	X	X	X	X	X	*

Source: City of Gilroy Zoning Ordinance, Section 11. 10.

Notes:

X = Unconditionally Permitted; C = Permitted only with conditional use permit granted by planning commission; -- Not permitted

* = Refer to master plan or specific plan adopted for the neighborhood district area in which the property is located.

**= Program B - 7 is included to remove reference of condominium ownership in the definition of Townhome.

1 Accessory dwelling unit(s) and/or junior accessory dwelling units may be allowed subject to compliance with the regulations prescribed in Article LIV.

2 Notwithstanding units permitted by SB 9, a duplex dwelling is permitted when all of the following conditions are met:

- (a) The duplex dwelling shall be located on a corner lot only; and
- (b) The corner lot shall have a minimum area of 8,000 square feet and be so designated for a duplex unit on a tentative and final map; and
- (c) The duplex shall not increase the overall density within any given land subdivision beyond the maximum of 7.25 dwelling units per net acre.

3 Supportive and/or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home shall only be allowed upon the granting of a conditional use permit.

4 One residential dwelling unit may be permitted on an A1-zoned parcel that has a minimum size of 20 acres or more. Subdivision of land for further development is not permitted without rezoning to another zoning district that implements the General Plan land use map.

Accessory Dwelling Units

ADUs provide additional housing opportunities for people of all ages and economic levels. The City of Gilroy permits ADUs on any residential parcel in any zoning district that permits residential or residential mixed-use development.

The City submitted its current ADU ordinance (Chapter 30.54) to the state in 2020 and worked with the state to ensure its compliance with state law at that time. The City will continue to update the ADU ordinance (Program A - 15) as necessary and work with the state to ensure compliance with new state law and remain in compliance even if the Legislature makes changes to ADU regulations (e.g., Government Code Section 65852.2).

The City is also including multiple programs to monitor, incentivize, and encourage ADU development across the City. This includes monitoring and tracking ADUs and their affordability (Program A - 6), adopting a set of preapproved plans (Program A - 7), incentives for ADUs restricted to lower-income households (Program A - 8), and encouraging the development of ADUs through education and marketing (Program G - 4).

Senate Bill 9

Effective January 1, 2022, SB 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. The City adopted two objective design standard policies for SB 9 projects on December 13, 2021, and revised them effective April 4, 2022, following additional interpretation by the state. Consistent with state law, the adopted standards are purely objective in nature, providing information to property owners on the SB 9 process and associated standards in Gilroy. The City's SB 9 2-Unit Objective Design Standards Policy and the SB 9 Lot Split Objective Design Standards Policy both closely follow state law. The City website has readily available information regarding ADU and SB 9 applicability and standards.

SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The four units can be a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. The City is including Program E - 12 to provide further flexibility by allowing triplexes and fourplexes as an alternative design to the traditional duplex with an ADU or a junior ADU allowed through SB 9. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.

Emergency Shelters

An emergency shelter is housing with minimal supportive services for unhoused persons that is limited to occupancy of 180 days or less per calendar year by an unhoused person. No individual or household may be denied emergency shelter because of an inability to pay.

The City's emergency shelter requirements are currently provided in the Performance Standards section of the Zoning Ordinance (Chapter 30.41) and the Residential Use Tables in Section 30.11.10. Current City Code does not meet state law requirements (Government Code

Section 65583) and will therefore be amended through Program E - 3. These zoning amendments will be processed during the same meeting in which the City is adopting the Housing Element Update. The proposed zoning amendment will modify 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 to ensure emergency shelters are allowed by right in the R4 and MU zones.

Currently, emergency shelters may be permitted in any zone with a conditional use permit; however, emergency shelters in the agriculture and residential zoning districts may only serve families. Through Program E - 3, the City will allow emergency shelters by-right in the City's R4 and new mixed-use zone along 1st Street by removing the conditional use permit requirement in those zones. Program E - 3 will also amend current City Code standards related to on-site management, waiting and intake areas, and set parking based on the number of staff only.

Based on the 2022 Point-in-Time Count, an estimated 208 homeless persons are located in Gilroy. At 200 square feet per bed, 208 beds could be accommodated in facilities totaling approximately 41,600 square feet of floor area to accommodate the City's estimated unsheltered need.

The City has sufficient properties in the R4 and mixed-use zones to accommodate Gilroy's unsheltered population. The R4 zone covers just over 16 acres on 25 parcels, including five sites and 13.7 acres currently identified in the sites inventory. The R4 zone is located in the transit accessible areas of the City and is within walking distance to support services (e.g., South County Compassion Center and Saint Joseph's Family Center Food Center). The 1st Street Mixed-Use zone district encompasses approximately 71 acres on 87 parcels, including four sites and 3.1 acres currently identified in the sites inventory. The mixed-use zone is located along the First Street corridor, which contains a range of service uses including South County Compassion Center and Saint Joseph's Family Center Food Center. Surrounding uses and permissive development standards in the R4 and forthcoming mixed-use zone will make it feasible to develop or convert existing structures to shelter use in these two zones. In addition to the development of vacant parcels in the R4 and mixed-use zones, adaptive reuse of existing structures is another option for establishing shelter facilities without redevelopment of the properties.

Low Barrier Navigation Centers

Low barrier navigation centers (LBNC) are service-enriched shelters that are focused on moving individuals into more permanent housing. LBNCs provide temporary housing while case managers connect individuals experiencing homelessness to shelter, public benefits, and health services. Under the Housing for Homeless Act (2019), local governments are required to allow LBNCs by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Gilroy does not currently explicitly allow LBNCs in any zone, though this would not prevent their development if an application for one were received. Per Program E - 4, the City will

amend its Zoning Ordinance pursuant to Government Code Section 65583 to allow for LBNCS by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Modular Homes

The permitting of modular, or manufactured, housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City of Gilroy permits modular homes by right in all residential zones that permit single-family dwellings by right.

Transitional and Supportive Housing

Supportive or transitional housing that serves up to six individuals is allowed by right in all residential zones. Supportive or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home is allowed in any zone upon the granting of a conditional use permit. While the conditional use permit may be a potential constraint on the development of group homes with more than six residents, the City has added Program E – 3 which will amend its Zoning Ordinance pursuant to Government Code Section 65651 to allow supportive housing by-right in zones where multifamily and mixed uses are permitted. The City has also added Program E - 10 to evaluate and address the potential constraint regarding the permit requirements for group homes in medium- and higher-density residential zones. The City has objective standards for these homes to add certainty to the development process. As a part of Program B - 6, the City's objective standards will be reviewed and modified as necessary to ensure they are purely objective in nature.

Single-Room Occupancy Units

Single-room occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis, typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly unhoused, and disabled persons. SRO units are not specifically defined or included in the City's Zoning Ordinance; however, there is precedence for their allowance within the City.

The City of Gilroy has one SRO development, which opened in 2016. The 25-unit SRO project, the Gilroy Studios (26 units including a manager's unit), was added to the Sobrato Transitional Apartments, aimed at serving the unhoused population in Gilroy. This project shows that there are no demonstrated constraints on the development of SROs in the City.

Residential Development Ordinance

The Residential Development Ordinance (RDO) was first established in 1979 to monitor the amount of residential growth in the City by limiting the number of dwelling units that could be built in a 10-year period. The RDO is a potential constraint on development; however, it has been made null by provisions of SB 330 and SB 8, both effective through 2030. The RDO limitations are not currently utilized by the City and will not be included in the City's new zoning

ordinance, and thus do not pose a constraint to development. Program B - 1 requires the removal of the RDO as a part of the comprehensive zoning update.

Affordable Housing Policy

The City does not have an inclusionary policy in effect for the whole City. Although the City currently has an inclusionary housing requirement for developments in its Neighborhood District areas, the policy is limited to property with a Neighborhood District land use designation. The Neighborhood District Policy requires developments to construct a minimum of 15 percent of its units at affordable prices. Incentives for constructing affordable housing in the Neighborhood Districts include density bonuses, reduction in City standards (including zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes), and reduction in road widths. All affordable units must be developed on-site and there is no option for an in-lieu fee. The lack of an in-lieu fee is a constraint to development and does not comply with Government Code Section 65850(g). Program A - 5 is included to revise the Neighborhood District Policy to ensure it is fully compliant with state law.

Similarly, though the RDO growth limits are no longer in effect due to state law, the RDO Exemption Policy was an effective tool for incentivizing affordable restrictions in a development. Portions of the RDO Exemption Policy were set up similarly to an inclusionary housing ordinance, by including resale controls and rental price controls for a minimum of 55 or 30 years, respectively, and specifying a minimum percentage of units for different affordability categories, as follows:

- At least 40% of units affordable to households below 60% of the AMI
- At least 15% of units affordable to households between 60% and 80% of the AMI
- At least 15% of units affordable to households between 80% and 100% of the AMI
- No more than 30% of the units affordable to households between 100% and 120% of the AMI

Both the Neighborhood District Policy and the RDO affordability standards can be used as a benchmark for the affordable housing policy adopted by the City (Program A - 11). The City also understands that inclusionary housing often raises the cost of development by mandating a price subsidy. An inclusionary housing policy is a potential constraint on development.

Urban Growth Boundary and Urban Service Area

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses."

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the

General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which the City Council determines that doing so is necessary to comply with state law regarding the provision of housing for all segments of the community and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or redesignated is immediately adjacent to (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low- and very low-income housing pursuant to the Housing Element;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by redesignating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with state law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with state law.

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³⁵

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The City accepts applications for USA modifications in the month of July only. The USA is reviewed and amended by the Local Agency Formation (LAFCO) if desired by the City. At the time the drafting of this document, the City is currently waiting for LAFCO's decision on an USA amendment application for property north of Gilroy. The City also received an applicant request to amend the USA boundary south of Gilroy. These applications are a good indication of developer interest in Gilroy. The USA acts as a potential constraint to development within City boundaries, which has more permissive development standards than the unincorporated County. Despite this potential constraint, the City has capacity for new housing within the USA and UGB, and has increased residential densities in the Gilroy 2040 General Plan to accommodate any capacity lost under Measure H. Furthermore, the UGB does not restrict the number or timing of permits within the USA or UGB.

³⁵City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Development Review and Permitting Procedures

The efficiency and timing of a jurisdiction's processes for review and approval of residential development has a significant impact on the amount and pace of housing construction. The procedures for development review and permitting in the City of Gilroy are described below.

Permit Processing

The requirements of the permit processing procedure have the potential to act as a constraint to the development of housing. The time and uncertainty of the review and revision cycle can contribute significantly to the overall cost of the project, ability to obtain and maintain funding, and the cost of each dwelling unit. Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the developmental review and approval process does not act as a constraint to development by adding excessive costs or discouraging housing development.

In 2020, the City awarded a contract to Tyler Technologies for the purchase and implementation of a Land Management System. The Land Management System helps to manage land development applications, special event permits, code enforcement cases, and fire prevention/pre-treatment/hazardous materials management. The City began configuring the system in 2021 and intends to "go live" with the public by the end of 2023. This Land Management System will modernize the City's application processes by allowing online application submittals and coordinated digital plan review. The system will automate many steps in the existing permitting process and help mitigate potential constraints caused by a lengthy permitting process. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow.

Development Community Stakeholder Outreach

The City evaluates its permitting and processing procedures biannually. It consults builders and other parties engaged in housing development activities to identify concerns and potential constraints in the permit processing procedure. The City will continue to hold development stakeholder roundtable meetings to maintain a dialogue with the development community. Topics discussed at the roundtable have included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan. Meetings were held virtually in 2020 and 2021.

Zoning Ordinance Streamlining

In 2021, the City began a comprehensive update of the City's Zoning Ordinance to ensure that it is compliant with the 2040 General Plan. Updates will include changes to help streamline the permit process, including but not limited to creating an administrative use permit process, as currently all use permits require a public hearing before the Planning Commission. City staff is also recommending a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential additions). Staff will also be recommending streamlined processing for planned development projects that do not require

a zoning amendment or General Plan amendment. Program B - 5 includes the above changes to streamline the permitting process.

Planning Permit Processing Procedure

The typical planning permit process follows the steps below.

1. Optional Pre-Application Submittal Meeting
2. Application Submittal
3. Input from Other Departments
4. Status Letter to Applicant
5. Plan Revision, as needed (if yes, return to Step 2)
6. Planning Staff Analysis
7. Project Decision, including conditions of approval if applicable

The project decision may be appealed, which would result in project review by either the Planning Commission or City Council, depending on the permit.

Administrative versus Discretionary Planning Permits

As discussed previously, most single-family residential projects can be approved ministerially. Single-family hillside homes and multi-family residential projects that comply with objective development and design standards are approved through an administrative planning staff review process, without the need for public hearings, unless another entitlement tied to the project would require a public hearing.

However, if an applicant wants to change the zoning or land use designation of a particular property, the project will require review and approval by the Planning Commission and City Council, respectively, at separate public hearings. Furthermore, if an applicant wants to request flexible development standards through the Planned Development process, the application currently requires public hearings before the Commission and Council. The Zoning Ordinance update will include a recommendation by staff to streamline the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council, respectively. This streamlined process would reduce the review time by approximately two months.

Permit Processing Time

The processing time needed to obtain development permits and required approvals can act as a constraint to development and contribute to the high cost of housing. Permit processing times are partially dependent on the number of staff available to review projects. When staffing levels drop due to attrition (e.g., voluntary termination) or cutbacks (e.g., layoffs), permit processing times increase. In 2017, the City hired Management Partners to complete an organizational review of the Community Development Department, including

recommended staffing levels. Many of the report's recommendations, such as over-the-counter plan checks, were implemented to reduce permit processing times. The report also recommends that the City reevaluate staffing levels on a regular basis to determine when additional staff resources are needed to meet service demand.

The permit processing times for various permits are shown in Table 65. The level of project review depends on the type of project. Most single-family projects require only a zoning clearance from the Planning Department as part of the ministerial building permit process. Single-family residential hillside projects can be approved by planning staff through an administrative architecture and site review permit. Similarly, most multifamily (no subdivision map), commercial, industrial, and professional office projects can be approved administratively. These staff-level discretionary planning projects typically take three to six months (depending on application completeness) to obtain planning entitlements, while applications for building permits take another three to four months. Projects that require a tentative subdivision map require Planning Commission review and City Council approval. The subdivision review and approval process typically takes approximately one year to complete, depending on the required California Environmental Quality Act (CEQA) documentation. Once final maps are recorded, building permit applications may be filed, which typically takes another three to four months for approval.

Table 65: Permit Processing Time (2022)

Permit Type	Length of Approval	Approval Body
Building Permit	3-4 months*	Issued by Building and Safety Division
Conditional Use Permit	3-4 months	Planning Commission
Variance	3-4 months	Planning Commission
Zone Change / Zoning Amendment	6-12 months	City Council
General Plan Amendment	6-12 months	City Council
Architecture and Site Review	3-6 months	Community Development Director (or designee)
Planned Unit Development	6-9 months	City Council
Tentative Tract Map	6-9 months	City Council
Negative Declaration	6-9 months	Same as project approval body
Environmental Impact Report	12 months	Same as project approval body
Final Subdivision Map	2-4 months	City Council
Parcel Map	1-2 months	City Council

Source: City of Gilroy, 2022

*Pursuant to AB 2234, must determine whether a post-entitlement phase permit application is complete within 15 business days of submittal. Furthermore, the City must approve a post-entitlement phase permit application or return a full set of written

comments to the applicant: (1) within 30 business days of the application being deemed complete if the housing development project has 25 or fewer units; or (2) within 60 business days if the project has more than 25 units, unless otherwise exempted by law.

The Santa Clara County Planning Collaborative collected data through a survey to provide a regional comparison of permit processing times for jurisdictions across the County. Table 66 displays the permit processing time in months for various types of residential permits. Gilroy has similar or slightly quicker processing times, compared to other County jurisdictions for most permits. For example, the City has a shorter processing time on discretionary permits that go to City Council (5–6 months) than all jurisdictions except two.

Table 66: Permit Processing Time, Months, Regional Comparison (2021-2022)

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Gilroy	1 - 2	1 - 2	2 - 4*	N/A	4 - 5	5 - 6
Campbell	1	1	3	N/A	5	8
Cupertino	1 - 3	1 - 6	2 - 4	2 - 4	3 - 6	6 - 12
Los Altos Hills	1 - 2	0.5 - 2	2 - 3	3 - 4	4 - 6	5 - 8
Los Gatos	N/A	1 - 2	1 - 2	2 - 4	4 - 6	6 - 12
Milpitas	1 - 3	1 - 3	2 - 4	3 - 4	4 - 6	6 - 12
Monte Sereno	0.75	0.75	1	1 - 2	1 - 2	1 - 2
Morgan Hill	1 - 2	1 - 2	2 - 3**	2 - 3	4 - 6	4 - 6
Mountain View	3 - 5	4 - 6	2 - 3	6 - 18**	N/A	12 - 24
San Jose	2	1 - 3	7	7	7 - 11	5 - 12
Santa Clara	0 - 1	0 - 1	0 - 3	4 - 9	6 - 9	6 - 12
Saratoga	1	1 - 2	2 - 3	N/A	4 - 6	6 - 12
Sunnyvale	1 - 3	1 - 3	3 - 6	6 - 9	9 - 18	9 - 18
Unincorporated County	4 - 6	6 - 8	9 - 12	12 - 15	15 - 18	15 - 18

Source: Cities Association of Santa Clara County, Planning Collaborative. 2022.

*Gilroy does not have "discretionary by-right" permits This timeline represents "Discretionary (Staff)". This timeline also depends on level of CEQA review.

**Entitlements only

Objective Design Standards Policy

In October 2021, the City of Gilroy adopted the Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy. The objective design standards were created to ensure the City's compliance with the Housing Accountability Act. The objective design standards apply to residential projects that are multifamily or mixed-use. Consistent with state

law, the standards are purely objective in nature. The objective design standards are also intended to increase consistency in decision making, minimize applicant delays, better utilize limited staff resources, and promote good design principles that help ensure that Gilroy is an attractive place to live and visit.

The City will utilize the objective design standards to implement Program A - 10 to incentivize the production of missing middle housing by allowing ministerial approval of duplexes, triplexes, and quadplexes, on corner lots in the R1 and R2 zones.

Planning, Building, and Development Impact Fees

Housing developments are typically subject to three types of fees: planning permit fees, building permit fees, and development impact fees. The fees are charged by the City and other agencies to cover administrative processing costs associated with development and help ensure the provision of adequate services.

Fees vary based on the type of application necessary for project approvals. The processing fees are typically recouped through the rent or sales price, so excessive fees may ultimately affect the affordability of housing. It is best practice to periodically conduct user fee studies to ensure the City is recouping the cost of providing services in areas for which fees apply. In May 2022, the City completed a Comprehensive User Fee Study to update the City's user fees schedule, which had been last updated and adopted in 2014. City staff advertised the proposed fee increases to the City's list of development professionals, including local builders and contractors. Following community meetings and public hearings with the City Council, a new fee schedule was adopted, effective August 1, 2022. There was no public opposition to the proposed fees, which may be an indication that the fees remain reasonable. The most current fee schedule is available on the City's website. Planning related fees for the City of Gilroy are shown in Table 67.

Table 67: Planning Related Fees (August 2022)

Applications	Fee
Annexation	\$19,632 + actual attorney fees
Architectural Site Review – Residential	
<i>New Construction</i>	\$8,294/first lot + \$592/additional flat land tract plan + \$1,203/additional hillside lot
<i>New Hillside Lot - SFD</i>	\$4,532
<i>Additions</i>	\$2,648
Development Agreement	\$19,081 minimum deposit (hourly rate invoiced against initial deposit, plus \$10,000 deposit for attorney fee)
Environmental	
<i>Categorical Exemption</i>	\$536.00
<i>Initial Study/ND/MND, non-complex project (Staff Review)</i>	\$12,113.17 (minimum)

<i>Environmental Impact Report (staff review)</i>	\$23,739.79 (minimum)
<i>EIR/MND/Initial Study (Consultant Contract)</i>	Actual contract cost plus 15% of contract cost + 15% staff review + 10% contingency
General Plan Map Amendment	\$15,604/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs
Planned Unit Development	\$16,203
Tentative Parcel Map	\$10,253 (up to 4 lots), plus publishing
Tentative Tract Map	\$19,036/(5-12 lots) + \$302/additional flat land lot + \$877/additional hillside lot, plus publishing costs
Urban Service Area Extension	\$29,188/first 10 acres + \$423/each additional 10 acres + publishing ¹ + LAFCO fees
Variance	\$5,470, plus attorney fees and publishing costs
Zoning Map Amendment	\$11,884/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs

Source: City of Gilroy. Effective August 1, 2022. (<https://www.cityofgilroy.org/DocumentCenter/View/12973/2022--Comprehensive-User-Fee-Schedule-Effective-August-1-2022>)

1. For those projects involving multiple public hearing applications, the publication costs will be reduced to a single charge when it is determined, and reasonably possible, that the public-hearing applications can be processed together.

The City of Gilroy Public Works Department provides a fee schedule for development impact fees. Impact fees are updated each fiscal year. The 2022 impact fee schedule, which runs from July 1, 2022, to June 30, 2023, was updated to reflect the fees adopted as part of the 2022 Comprehensive User Fee Study discussed above. Development impact fees add to the cost of residential development; however, they can be a cost-effective mechanism for financing the new infrastructure (e.g., water, sewer, roads) required to support new development. The fees allow for the consolidation of infrastructure projects when it is more cost-effective to do so and, by law, must be linked to the actual impact of the specific project.

The City of Gilroy imposes a number of development impact fees, including for public facilities, sewer development, storm development, traffic, and water development. Typically, fees per unit for high-density residential are lower than fees per unit for low-density residential. Development fees for the City of Gilroy are shown in Table 68.

In 2022, the development impact fee was \$15.82 per square foot for ADUs that are greater than 750 square feet. Thus, the maximum impact fee for a 1,000-square-foot ADU would be \$15,820. In 2022, ADU costs range from approximately \$50,000 (conversion of habitable, already-finished space) to \$120,000 (new construction). In this case, the impact fee represents 31 percent (\$50,000) to 13 percent (\$120,000) of the total cost of development. Comparatively, Gilroy's impact fee is 34 percent less than the City of Morgan Hill, which charges \$21,209 for the same size (1,000 square foot) detached ADU.³⁶

³⁶ <https://www.morganhill.ca.gov/DocumentCenter/View/42497/Detached-ADU-checklist-for-Morgan-Hill---FINAL-with-Impact-Fees?bidId=>

The impact fees for ADUs in Gilroy are calculated proportionately in relation to the ADU square footage and the square footage of the primary dwelling unit; however the fees may still create a constraint on ADU production. The City will review ADU impact fees as a potential constraint for affordable housing through Program A - 8.

Table 68: Development Impact Fees (2022)

Fee Type	Fee
Public Facilities Impact Fees	
Residential – Low Density	\$22,617/unit
Residential – High Density	\$19,028/unit
Sewer Development Impact Fees	
Residential – Low Density	\$13,262/unit
Residential – High Density	\$7,176/unit
Storm Development Impact Fees	
Residential – Low Density	\$598/acre
Residential – High Density	\$940/acre
Traffic Impact Fees	
Residential – Low Density	\$13,012/unit
Residential – High Density	\$10,548/unit
Water Development Impact Fees	
Residential – Low Density	\$4,556/unit
Residential – High Density	\$1,843/unit
ADUs	ADU impact fees are not assessed for the first 750 square feet. Any floor area above 750 square feet will be assessed an impact fee of \$15.82/square foot

Source: City of Gilroy. Fees to Build Effective July 1, 2022.

In late 2021/early 2022, the Santa Clara County Planning Collaborative collected data through a countywide survey to provide a regional comparison of fees for different types of development. Total fees per unit for single-family, small multifamily, and large multifamily at the time of publication are shown in Table 69. Generally, Gilroy's fees are comparable to the region. For single-family fees, Gilroy was the sixth least expensive of the thirteen jurisdictions with listed fees. For small multifamily units, Gilroy was seventh of the twelve listed fees, and for large multifamily Gilroy was eighth of twelve listed fees.

Table 70 displays a regional comparison of fees as a percentage of total development costs. At the time of publication, Gilroy's single-family fees (1.5 percent of total development) rank sixth least expensive out of fourteen jurisdictions listed. For small multifamily fees, Gilroy ranks seventh out of twelve jurisdictions listed (5.3 percent), and for large multifamily fees, Gilroy is eighth of the twelve jurisdictions listed (5.6 percent).

Table 69: Total Fees per Unit, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	\$69,219	\$40,195	\$39,135
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$72,034	\$7,299	\$3,048
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292

Source: Santa Clara County Planning Collaborative. 2022.

Table 70: Fees as Percentage of Total Development Costs, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	1.5%	5.3%	5.6%
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	N/A

Source: Santa Clara County Planning Collaborative. 2022.

On average, Gilroy's fees are comparable to surrounding jurisdictions in Santa Clara County. Fees may represent a barrier to the construction of housing as they increase the minimum cost of development for a dwelling unit and may be passed onto the purchaser or renter. However, the City's fees are not excessive and do not constitute unreasonable constraints on

the production of housing, as the City has seen robust housing production during the 5th RHNA Cycle.

School Fees

In addition to the costs above, the Gilroy Unified School District charges development fees. The entirety of Gilroy is served by the Gilroy Unified School District. As of 2018, the residential development fees for the school district were \$3.79 per square foot.³⁷ The City does not have control over these fees, but the fees have not constrained the development of housing in recent years.

Transparency of Development Standards

The City of Gilroy provides its development standards on the City website. The Gilroy City Code, General Plan, permit and development fees, affordability requirements, and zoning maps can all be accessed on the City's website. This includes the most recent Comprehensive User Fee Study. City staff are available to assist applicants or interested parties that do not have internet access. The City is in compliance with requirements set forth in AB 1483.

SB 35 Approval Procedure

SB 35 (2017) requires a Streamlined Ministerial Approval process for developments in jurisdictions that have not made sufficient progress towards their Regional Housing Needs Allocation. Program B - 3 establishes and implements expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330.

As of August 2022, the City of Gilroy has not received an SB 35 application. If the City were to receive an SB 35 application, it would follow state law procedure. The following permitting procedure that the City will follow is from the Streamlined Ministerial Approval process guidelines outlined by HCD.

After receiving a notice of intent from the applicant intending to submit an application for a Streamlined Ministerial Approval process, the following steps must occur:

1. The City will complete the tribal consultation process outlined in Government Code Section 65913.4(b) prior to accepting an application for a Streamlined Ministerial Approval process.
2. Once the tribal consultation process is complete, the City will begin processing the submitted application for a Streamlined Ministerial Approval process.
3. The City will perform a determination of consistency with regard to objective zoning, subdivision, and design review standards.
4. The City will perform a determination of consistency with density requirements.

³⁷ Gilroy Unified School District. Developer Fee Justification Study. 2018.
<https://resources.finalsite.net/images/v1529100379/gusdk12caus/qszb2awtcdnj2lpzxcc8/DeveloperFeeJustificationStudy.pdf>.

5. The City will complete the design review within the following timeline, following acceptance of the application in item #2 above:
 - Within 60 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 90 calendar days of submittal of the application to the City if the development contains more than 150 housing units.
6. The City will determine whether the application for Streamlined Ministerial Approval complies with all applicable requirements, and will approve or deny the application, within the following timeline:
 - Within 90 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 180 calendar days of submittal of the application to the City if the development contains more than 150 housing units.

Housing for Persons with Disabilities

The US Census Bureau defines persons with disabilities as those with a long-lasting physical, mental, or emotional condition. Certain conditions affect a person's housing choices, whether it creates a need for accessibility, living spaces for caretakers, transit access, or other.

Reasonable Accommodation Procedures

The City of Gilroy has a Reasonable Accommodation Procedure adopted in 2014 outlined in Section 30.50.23 of the Zoning Ordinance. A request for reasonable accommodation may be made by any person with a disability, their representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

Requests for reasonable accommodation shall be reviewed by the Community Development Director or their designee if no other approval is sought. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority responsible for reviewing the discretionary land use application, in conjunction with that application. The written decision to approve or deny a request for reasonable accommodation shall be based on consideration of the following factors:

- Whether the housing will be used by a disabled individual.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability.
- Potential impact on surrounding uses.
- Physical attributes of the property and structures.
- Alternative accommodations which may provide an equivalent level of benefit.

- Whether the requested accommodation would impose an undue financial or administrative burden on the City.
- Whether the requested accommodation would require a fundamental alteration of a City program.

The reviewer must make a written determination within 45 days of receipt of a complete application and either approve, approve with modifications, or deny a request for reasonable accommodation.

The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to help provide accessibility improvements to very low-income households.

The City supports equal access to housing for persons with disabilities and will evaluate its reasonable accommodation standards and procedures as a potential constraint to accommodating persons with disabilities (Program E - 10).

Definition of Family

The Gilroy City Code defines family as “one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.” This definition is consistent with state law and does not pose a constraint on the development of housing for persons with disabilities.

Building Code

The City of Gilroy has adopted the 2022 California Building Code, adopted from the 2021 International Building Code, with local amendments. When development plans are submitted for plan check, they are reviewed by the Building and Safety Division for compliance with the California Building Code. The local amendments were adopted with recommendation by the City of Gilroy chief building official. Modifications and changes are reasonable and necessary due to local climactic, geological, or topographical conditions or are otherwise permitted by state law. Most notably, the City has incorporated electric vehicle (EV) charging requirements for new construction, roofing requirements in Wildland-Urban Interface Fire Areas, and grading requirements for erosion control. While these requirements may add to the cost of construction of residential units, they are necessary to help mitigate the risk of damage by wildfire and contribute to sustainability goals.

Local amendments to the building code can be found in Gilroy City Code Chapter 6, Article II, Section 6.7. Amendments are minor changes, and no modifications pose constraints to development.

Code Enforcement

The City's Code Enforcement staff responds to potential violations of the Gilroy City Code. There are two code enforcement officers. Code enforcement is reactive and officers respond to complaints reported by residents. Common violations include abandoned or dangerous

buildings, blighted property and maintenance concerns, unsafe living conditions, construction without land use/zoning permits, and illegal tree removal. The City provides CDBG funding to Rebuilding Together Silicon Valley to operate and expand the Home Repair and Accessibility Modification program in Gilroy.

On- and Off-Site Improvement Requirements

The City requires on- and off-site improvements for new developments, which are intended to meet health and safety requirements of the community. Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. The City's General Guidelines for development were last updated in August 2014. They include local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, street lighting, erosion control, landscaping, and easements.

Notably, all streets must be designed in accordance with accepted engineering principles and conform to the design standards, the standard details, and the complete streets resolution approved by City Council. All exceptions to the General Guidelines must be approved by the City Engineer prior to the approval of a tentative map. These requirements are similar to those of other jurisdictions and are not considered an unreasonable constraint on development.

Although requirements for on- and off- site improvements do add to the overall cost of the development, they are necessary to ensure provision of vital infrastructure services to residents. Based on the recent entitled and pending housing types (see Table 79), the City's site improvement requirements do not create an undue constraint on development.

The following example highlights the requirements for a 29-unit single-family redevelopment project, approved in 2020, which was previously an office park.

- **Street Trees:** The applicant shall plant street trees along the project frontage to match the City of Gilroy's Street Tree Plan in effect at the time of construction. The street tree plans shall be per City Standard Drawings and will include City Standard tree grates.
- **Tree Grates:** The applicant shall install City Standard Tree Grates as specified in the approved plans. Tree grates shall be 4'x6', model OT-T24 by Urban Accessories, and shall be black power coated. The tree grates shall be shown on the improvement plans to be located at the back of curb to the approval of the City Engineer and shall be installed with the street trees prior to the first occupancy.
- **Street Markings:** The applicant shall install necessary street markings of a material and design approved by the City Engineer and replace any that are damaged during construction. These include but are not limited to all pavement markings, painted curbs, and handicap markings. All permanent pavement markings shall be thermoplastic and comply with Caltrans Standards. Color and location of painted curbs shall be shown on the plans and are subject to approval by the City Engineer. Any existing painted curb or pavement markings no longer required shall be removed by grinding if thermoplastic, or sand blasting if in paint.
- **Sidewalk:** The applicant shall replace to existing City standards all sidewalk surrounding the project site. The actual amount of sidewalk to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. Sidewalk replacement shall be constructed per the City Standard Drawings.
- **Curb Ramp(s):** The applicant shall construct 4 curb ramps in accordance with the latest Caltrans State Standard Drawing at the Princeville & W 6th St intersection. The actual ramp "Case" shall be identified on the plans and shall be to the approval of the City Engineer.
- **Curb and Gutter:** At the time of the A&S application was filed, a minimum of 450-ft linear feet of curb and gutter will need to be replaced. This figure is provided only to determine minimum bonding requirements for the encroachment permit. The actual amount of curb and gutter to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. New curb and gutter shall be constructed per the City Standard Drawing STR-12.
- **Driveway Approaches:** The applicant shall install driveway approaches as shown on the approved plans. The new residential driveway approaches shall be constructed per the City Standard Drawing.
- **Driveway Removal:** The applicant is to remove the existing driveway approaches located along the project frontage as shown on the approved A&S application plans, and replace them with sidewalk, curb, and gutter per the City Standard Drawing.

- **Sewer Lateral:** The applicant shall install as a minimum a four (4) inch City Standard sewer lateral connection from the property line to the sewer main located in the street right-of-way for each proposed lot. The installation shall be done in accordance with the City Standard Drawing SWR-6 including a 6" property line clean-out.
- **Sewer Clean-Out:** The applicant shall install a sewer lateral clean-out at the property line for each proposed lot in accordance with the City Standard Drawing SWR-6.
- **Sanitary Sewer Manholes:** The applicant shall install standard sanitary sewer manholes, per approved plans and in accordance with the City Standard Drawing.
- **Storm Water Catch Basins:** The applicant shall install standard storm water catch basins, in accordance with the City Standard Drawing.
- **Street Lights:** The applicant shall provide and install standard aluminum electrolier street lights per City Standard Drawing EL-1 to EL-5. The applicant is responsible for all PG&E service fees and hook-up charges. Any new service point connection required to power the new lights shall be shown on the construction drawings along with the conduit, pull boxes and other items necessary to install the street lights. An Isometric lighting level needs to be provided by the designer/contractor. A separate light study may be required by the City Engineer. The new street light shall have 32' mounting height per Standard Drawing EL-3, with mounting arm length per Standard Drawing EL-4, the Fixture shall be Leotek GC1 or GC2 series in an approved configuration per detail EL-2 or approved equal. The arm shall be installed at the location as shown on the approved plans.
- **Fire Hydrants:** The applicant shall install new fire hydrants along the project frontage. Spacing shall meet City and Fire Marshall requirements.

Based on the recent proposals submitted and entitled citywide for a range of housing types, the City's site improvement requirements do not create an undue constraint on development.

Nongovernmental Constraints

Requests to Develop Below the Anticipated Density

In some regions, market factors such as the demand for single-family housing or larger high-end condominiums can lead to properties being developed below the maximum allowable density. Requests to develop housing at densities below those anticipated in the Housing Element act as a potential constraint to housing development. However, the City does not generally receive any requests to develop below densities anticipated. For example, one of the low-income sites identified in the 2015-2023 Housing Element (LI-4) developed above the anticipated density identified in the 2015-2023 RHNA sites inventory. The site was projected for 78 low-income units and was constructed with 120 low-income units for a surplus of 42 units.

The 11 entitlement projects noted in Table 76 had densities between 13.4 and 40.3 du/ac with an average yield percentage of approximately 111 percent; out of this total, 8 entitlement

projects analyzed (72 percent) developed above the anticipated density. Entitled projects largely exceed the density assumptions made in the 5th RHNA cycle. For example, in the Downtown Specific Plan Area (excluding the Cannery District), the R4 zone, and the Neighborhood District, the average base densities of actual projects were all higher than assumed.

Projects developed at a lower density than previously assumed, whereas primarily located in the R3 zone. Sites in this district are typically smaller and under separate ownership, and therefore more constrained. In addition, projects in the R3 zone are typically infill or smaller additions to existing structures, which would characteristically yield a lower density.

Consistent with the 2040 General Plan, the City will amend the Zoning Ordinance to increase the maximum density in the R3 zone and remove the maximum density in the R4 zone. This will help ensure adequate baseline capacity to meet RHNA targets and achieve Housing Element compliance (B - 2).

Land Costs

Land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land increases. The scarcity of adequate housing opportunities in northern Santa Clara County have influenced upward pressure on land and housing costs in Gilroy.

The price of land varies depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities. Vacant land sales (in early 2022) are shown by cost and acreage in Table 71. The price ranges from \$1.80 to \$9.69 per square foot, with an average price of \$6.75 per square foot (or \$293,843 per acre). The City has little control over land costs, which can pose a constraint to development.

Table 71: 2022 Vacant Lot Sales in Gilroy

Acreage	Land Cost	Cost per sq. ft.	Date Sold
7.34	\$3 million	\$9.38	2/28/2022
1.26	\$335,000	\$6.10	2/18/2022
13.11	\$1.03 million	\$1.80	2/15/2022
7.67	\$900,000	\$2.69	2/11/2022
1.14	\$400,000	\$8.06	2/1/2022
2.38	\$985,000	\$9.50	1/5/2022
1.09	\$460,000	\$9.69	1/4/2022

Source: Zillow.com, 2022

Construction Costs

Construction costs include the cost of materials and labor. Materials costs include the cost of building materials (wood, cement, asphalt, roofing, pipe, glass, and other interior materials), which vary depending on the type of housing being constructed and amenities provided. In general, construction costs can be lowered by increasing the number of units in a development, until the scale of the project requires a different construction type that has a lower cost per square foot.

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data are national and do not account for regional differences, nor include the price of the land upon which the building is built. The Building Valuation Data, dated August 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows:

- Residential Multifamily: \$136.73 to \$203.34 per square foot
- Residential One- and Two-Family Dwelling: \$148.33 to \$189.34 per square foot
- Residential Care/Assisted Living Facilities: \$172.87 to \$240.35 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per square foot in 2018.³⁸

Financing Availability

Interest rates affect homeownership opportunities throughout the City. In August 2022, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 5.55 percent on a 30-year fixed-loan rate. While low interest rates are expected to prolong the availability of financing, low housing inventory can create competition among potential homebuyers, especially for first-time homebuyers. The sales price of housing is typically adjusted for changes in mortgage rates. The Housing Trust of Silicon Valley administers the Santa Clara County Empower Homebuyers First Time Homebuyer Loans and HELP for Homebuyers programs.

Table 72 displays the number of loan applications received in 2020 for the purpose of purchasing a home in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which includes the City of Gilroy. Specifically, the table provides the number of total applicants, the number of loans originated, the number of applications that were approved but not accepted by the applicant, and the number of applications denied across various types of loans.

³⁸ Turner Center for Housing Innovation. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. March 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

Table 72: Disposition of Home Loans, 2020

Loan Type	Total Applicants	Originated	Approved Not Accepted	Denied	Withdrawn / Other
Conventional Purchase	24,691	15,660	644	1,942	6,445
Government Backed Purchase	1,879	986	71	138	684
Home Improvement	5,206	2,998	165	961	1,082
Refinance	41,117	21,078	1,208	5,930	12,901
Total	72,893	40,722	2,088	8,971	21,112

Source: lendingpatterns-lite.com, 2020

Federal and State Programs

There is limited funding available for housing assistance programs from the state and federal governments. For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 each year in CDBG funds from the US Department of Housing and Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities.

For the 2022-2023 and 2023-2024 fiscal years, the City also allocated \$237,000 (each year) in Permanent Local Housing Allocation Fund funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities.

Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, soil conditions, flood risk, vegetation and wildlife habitat, toxic and hazardous waste, fire hazards, noise levels, and preservation of agricultural lands. In Gilroy, seismic hazards provide the greatest threat to the built environment. Infrastructure constraints include the availability and cost of water and sewer services. The following hazards may impact future development of residential units in the City and can pose a potential constraint to housing development.

Environmental Constraints

Seismic Hazards

The topography of Santa Clara County consists of three principal geologic features: the Santa Clara Valley, the Santa Cruz Mountains, and the Diablo Range. The area is dominated by a complex system of faults associated with motion between the Pacific and North American plates. The most significant fault is the San Andreas Fault. The area is seismically active and includes other major, active strike-slip faults, including the Calaveras Fault, as well as active

folding and thrust faulting. The Sargent Fault, northeast of the City of Gilroy, has significant potential to cause seismic shaking.

Soils

The soils in the Gilroy area consist of gravel, silt, and clay that are often poorly drained with flooding and deposition occurring along the major streams. Because these soils exhibit site-specific properties, site-specific studies should be completed at the project design stage to characterize the suitability and behavior of soil for specific development applications.

Flooding

The City of Gilroy area lies within two major watersheds: the Uvas Creek watershed and the Llagas Creek watershed. The City of Gilroy Flood Plain Management Ordinance was updated in 2016 to adopt regulations designed to promote public health, safety, and general welfare. The standards require all new developments in the 100-year floodplain, regardless of project size, to develop a base flood elevation in areas without a determined base flood elevation.

Vegetation and Wildlife Habitat

Vegetation and wildlife habitat within the Gilroy area include both developed and natural areas. Developed areas include urban and agricultural land. Natural communities include annual grassland, coastal oak woodland, and valley foothill riparian habitat.

The 2040 General Plan includes policies aimed at protecting sensitive communities from urban development, in-stream capital projects, and in-stream operations and maintenance. These sensitive communities include wetlands and waterways (including associated freshwater marsh vegetation and riparian corridor habitats), serpentine rock formations that support native species, and native oak woodlands.

Toxic and Hazardous Wastes

Hazardous waste management in Gilroy includes three areas: control of production, control of disposal, and control of transportation of hazardous waste. A limited number of hazardous materials are produced in the City. Among those produced by point sources are waste oil, antifreeze, solvents, x-ray solutions, and materials associated with graphic design. Hazardous wastes associated with non-point sources include waste oil, antifreeze, and other pollutants associated with motorized vehicles. The City of Gilroy's Hazardous Materials Specialists and Pretreatment Inspectors and the County Public Health Department regularly inspect activities that store and/or use hazardous materials. Regular inspections and monitoring help ensure compliance with local, state, and federal regulations and help reduce the risks associated with the use and handling of hazardous materials and waste.

Fire Hazards

The City of Gilroy receives fire protection from the Gilroy Fire Department. The areas outside the City are under the jurisdiction of the South Santa Clara County Fire Protection District. The two jurisdictions have a mutual aid agreement that allows reciprocal aid to be provided on an

as-needed basis during major emergencies. High Fire Hazard (or “Mutual Threat Zones”) areas are designated by the district. These include much of the hillsides on the western boundary of the City. The City of Gilroy Fire Department has in place a hazard (weed) abatement program. The City’s Hillside Development Guidelines contain policies relating to fire hazards.

Noise

One of the primary noise sources in the Gilroy area is traffic on local roadways, primarily the result of tire noise on the road surface and the Union Pacific Railway line. Other typical noise sources, as in all suburban areas, include construction, barking dogs, children playing, industry, and recreational activities. Overflying aircraft are also occasionally audible in the Gilroy area. These sources are not significant compared to the noise produced by the dominant transportation sources.

The City is responsible for evaluating noise impacts as part of the review and approval process for new discretionary project proposals. Project approval may include conditions to mitigate noise levels for project occupants and nearby neighbors. There is no noise impact fee. The cost of construction, as well as maintenance of noise mitigation measures, is borne by the developer. The City of Gilroy aims to buffer residential areas from sources of noise pollution through appropriate zoning wherever possible (e.g., locating commercial uses between residential uses and light industrial uses).

Agricultural Lands

To protect and preserve agricultural land, the City of Gilroy adopted an Agricultural Mitigation Policy. The policy was adopted in 2004 and revised in 2016. CEQA requires all feasible mitigation for significant unavoidable impacts. Upon certification of the City’s General Plan EIR, the City Council established the Agricultural Mitigation Policy to implement the mitigation measures identified in the 2020 General Plan EIR and 2040 General Plan EIR for loss of agricultural lands. Therefore, significant agricultural impacts as determined under CEQA would be subject to the City’s Agricultural Mitigation Policy. The policy establishes the criteria for determining when mitigation would be required and what lands are acceptable for preservation. The policy requires mitigation for the conversion of agricultural lands to urban uses at a 1:1 replacement ratio. Mitigation may be accomplished with one of two options and the options shall include all costs to cover program administration, monitoring and management of established easements as outlined in the policy.

The policy established a preferred area for the preservation of agricultural lands. This area is located within the City’s Sphere of Influence and outside the General Plan 20-year boundary, east of Highway 101 and south of Masten Avenue. At the time the map was created in 2004, this area contained the greatest concentration of “Prime” and “Statewide Important” farmland remaining in south Santa Clara County. The policy requires new developments to establish a minimum of 150 feet for an agricultural buffer adjacent to permanent agricultural and open space areas. This applies only to a few areas in the City and would aim to reduce potential conflicts between agricultural and non-agricultural uses.

The Agricultural Mitigation Policy poses a potential constraint to development, but also allows for certain exemptions from the 1:1 mitigation ratio as follows:

- Up to 100 feet in width of a permanent agricultural buffer area;
- Public facilities established in the City's General Plan or Parks Master Plan; and
- Lands dedicated for public rights-of-way that service the overall community, not just the specific development.

Infrastructure Constraints

Water

The Llagas Basin Aquifer serves as Gilroy's potable water source for most residential, municipal, industrial, and agricultural land uses. It is estimated that the municipal demand will increase to 53,000 acre-feet per year by 2040.

The City depends solely on local groundwater from wells for its water supply. Currently, there are 15 active wells that serve three water pressure zones. The City's water supply system relies on well pumping from dispersed sources to supply system pressures in areas of lower elevation during peak demand conditions. Gilroy will continue to meet its future demands through its 2020 Urban Water Management Plan.

Sewer

The City sewer collection system consists of approximately 162 miles of 3-inch through 48-inch diameter sewers. The system consists of trunk sewers that convey the collected wastewater flows to the Wastewater Treatment Plant. The plant, operated by the South County Regional Wastewater Authority, treats the collected wastewater from the City.

During dry weather conditions, the maximum day and peak wastewater hour flows from the City are 2.8 million gallons per day (mgd) and 5.4 mgd, respectively. During wet weather conditions, the maximum day and peak wastewater hour flows from the City are 6.6 mgd and 20 mgd, respectively.

According to the City's Sanitary Sewer Master Plan, the existing system was well planned to meet the needs of existing customers. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction. Some project improvements in the master plan will mitigate flows caused by infiltration and inflows that occur during significant storm events.

Energy Conservation

Energy Conservation State law (Government Code §65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

The Bay Area Regional Energy Network (BayREN) is a coalition of the Bay Area's nine counties that partners to promote resource efficiency at the regional level, focusing on energy, water and greenhouse gas emissions reductions. BayREN offers rebates, funding, and technical assistance to help residents, property owners, business owners, and local governments improve the resource efficiency and carbon footprint of their buildings. They include additional programs and incentives for lower-income households.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings (single-family homes, duplexes, and townhouses of 3 stories or less, including ADUs) through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City of Gilroy adopted and implemented the code. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money. The City provides links to these PG&E programs as well as listing energy-saving measures for residents on the City's website for energy conservation.

In November 2022, the City adopted the 2022 California Building Code with local amendments. On January 1, 2023, the codes became effective citywide. Among the codes, Gilroy adopted the 2022 California Green Building Standards Code with reach code amendments that further reduce greenhouse gas emissions. The reach code amendments were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. The reach code amendments provide a higher percentage of charging infrastructure in new construction through a combination of Level 2 electric vehicle supply equipment (EVSE) and Low Power Level 2 Electric Vehicle (EV) Charging Receptacle with varying readiness. The reach code amendments help reduce greenhouse gas emissions, save on future retrofit costs, and stimulate the use of electric vehicles in the Gilroy community.

In addition, in the reach code amendments, the inclusion of the long-term bicycle parking standards for multifamily buildings and long-term bicycle parking for hotels and motels will include more bicycle parking availability and promote the use of bicycles as an affordable sustainable method of transportation. The California Green Building Standards Code, with reach code amendments, help increase access to renewable energy and reduce fossil fuel consumption, greenhouse gas emissions, and our communities' carbon footprint.

The City of Gilroy participated in the Silicon Valley Clean Energy reach code grant offering, which provided \$10,000 for presenting reach codes to the City Council for consideration. Silicon Valley Clean Energy also offers incentives and rebates to residents and businesses to help advance clean, electric buildings and transportation.

In summer 2022, the City of Gilroy started a pilot program with Solar Automated Permit Processing Plus (SolarAPP+) and completed the public launch in early 2023. This online platform offers a portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker, which helps decrease our community's nitrogen and carbon emissions footprint and provides clean energy. SolarAPP+ permits PV contractors to upload qualifying solar photovoltaic system

specifications. It reviews the submission for code compliance and verifies code-compliant systems. Furthermore, SolarAPP+ increases access to renewable energy, helps reduce fossil fuel consumption, and helps reduce our communities' carbon footprint, particularly carbon dioxide (CO₂), and improves air quality.

These programs, along with smart growth strategies which the City of Gilroy is promoting and implementing as part of the Housing Element, will further local and statewide energy conservation goals.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
HOUSING SITES AND RESOURCES

Housing Sites and Resources

Land Inventory

This section of the Housing Element addresses resources available for the development, rehabilitation, and preservation of housing in Gilroy. It provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing need. The financial and administrative resources available to support affordable housing are also discussed.

Housing Allocation

As discussed in the needs section, California General Plan law requires that a community plan for an adequate number of sites to allow for and facilitate production of its share of the regional housing need. Each jurisdiction must identify “adequate sites” to determine whether that jurisdiction has sufficient land to accommodate its share of regional housing needs for each income level. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. As shown in Table 73, Gilroy’s RHNA for the 2023-2031 (6th Cycle) planning period is 1,773 units. Broken down by income level, the allocation is 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Table 73: 2023–2031 RHNA

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773

Source: Regional Housing Needs Allocation, ABAG, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

As shown in Table 74, the pipeline projects and projected ADUs have already met and exceeded the low- and above moderate RHNA for Gilroy by 15% and 48%, respectively.

Table 74: Pipeline Projects and ADUs Progress Towards RHNA

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	<u>RHNA</u>	<u>669</u>	<u>385</u>	<u>200</u>	<u>519</u>	<u>1,773</u>
B	<u>Pipeline Projects</u>	<u>62</u>	<u>401</u>	<u>3</u>	<u>756</u>	<u>1,222</u>
C	<u>ADUs</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>14</u>	<u>140</u>
D	<u>Surplus / (Deficit) of RHNA</u>	<u>(565)</u>	<u>58</u>	<u>(155)</u>	<u>251</u>	<u>=</u>
E	<u>Percent Surplus Met by ADUs and Pipeline Projects</u>	<u>=</u>	<u>15%</u>	<u>=</u>	<u>48%</u>	<u>=</u>

Target Sites Capacity – 15% No Net Loss Buffer

Changes to state law require jurisdictions to continually maintain adequate capacity in their site inventories. In the event that a site is developed below the anticipated density or at a different income level than projected in the Housing Element, the City must still have adequate sites available to accommodate the remaining balance of the RHNA. Alternatively, the City may identify new sites or rezone sites to continue to accommodate the remaining need. A buffer is not required or appropriate for RHNA income categories that have been met by pipeline projects or projected ADUs. For this reason, the City is including a buffer of 15 percent above the RHNA not met by ADUs or pipeline projects in each income category not met by ADUs or pipeline projects. Table 75 identifies the total target capacity based on the RHNA plus 15 percent of any unmet RHNA. As shown, the pending projects (Row B) and projected ADUs (Row C) are subtracted from the RHNA (Row A) to determine the unmet RHNA (Row D). The unmet RHNA of 565 very low- and 155 moderate-income units is multiplied by 15 percent (Row E). Note that because the RHNAs have been met for the low- and above moderate-income categories, there is no unmet RHNA and no target buffer for these income levels. Row F sums the RHNA (Row A) and the 15 percent of the unmet RHNA (Row E) to show the total target sites capacity of 1,881 units.

Table 75: Target Sites Capacity (15% No Net Loss Buffer of Unmet RHNA)

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
<u>A</u>	RHNA	669	385	200	519	1,773
<u>B</u>	<u>Pipeline Projects</u>	<u>62</u>	<u>401</u>	<u>3</u>	<u>756</u>	<u>1,222</u>
<u>C</u>	<u>ADUs</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>14</u>	<u>140</u>
<u>D</u>	<u>Unmet RHNA (A-B-C)</u>	<u>565</u>	<u>0</u>	<u>155</u>	<u>0</u>	<u>720</u>
<u>E</u>	<u>Target Buffer (15% of Unmet RHNA) (D*0.15)</u>	<u>85</u>	<u>0</u>	<u>23</u>	<u>0-78</u>	<u>108</u>
<u>F</u>	<u>Total RHNA + Target Buffer (A+E)</u>	<u>754</u>	<u>385</u>	<u>223</u>	<u>519</u>	<u>1,881</u>

Realistic Capacity

State law requires that a jurisdiction project realistic estimates for housing capacity on its RHNA sites. The realistic capacity of sites may be calculated using recent project history, a minimum density, or other methods. As a majority of growth is expected to take the form of multifamily housing, recently constructed multifamily projects were reviewed to understand and establish historical trends for multifamily housing development in the City. The realistic capacity calculation also takes into account recent permit and inquiries for uses in zones that allow mixed-use or stand-alone commercial uses.

The Downtown Specific Plan allows 100 percent commercial in all six of its zones. Three Downtown Specific Plan districts allow 100 percent residential uses, and mixed-use residential is encouraged in all zones. Mixed -use could also include mixed -commercial (e.g., retail and office). Residential uses are unconditionally permitted on the second story and above in all Downtown Specific Plan zones. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. This has been taken into account through both site selection and a reduction from maximum yield.

Local Data

To understand development trends in the City, recent inquiries and permit applications were reviewed. In discussions with City staff, including one planner who has worked for the City of Gilroy for over 30 years, staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Although 100 percent commercial use is allowed, City staff has not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. When mixed use is required, staff stated that developers typically propose a minimal amount of commercial square footage, citing concerns over the viability of

commercial uses outside the downtown core. In cases where the likelihood of commercial vacancies is high, staff is generally supportive of amending the zoning to allow 100 percent residential uses.

Inquiries and submittals have included residential uses on upper stories in applications for adaptive reuse of existing historic buildings (i.e., tenant improvements) with new commercial uses (e.g., new restaurant in existing building), and new construction and redevelopment (e.g., adding new square footage). For example, the City is currently processing a preliminary application to add two new stories of residential uses to an existing two-story building located at 7541 Monterey Road in the City's Downtown Historic District.

Development inquiries and proposals illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. Additionally, Program E - 12 is included to allow stand-alone residential projects in the Downtown Expansion District and flexibility for non-residential uses in the 1st Street Mixed-Use Corridor, should the projects meet certain criteria to provide housing for special needs groups.

Multifamily developments in the City have had success in meeting the densities allowed by the zoning ordinance. Recent projects in multifamily zones, their land uses, zones, and densities are shown in Table 76. Eight of the eleven recent projects have achieved a yield over 100 percent of the maximum density. The average of these yields is 125 percent, suggesting that most developments are able to meet the maximum density, or in the case of zones with no maximum density, a density of at least 30 dwelling (du)/acre. For projects in zones that allow densities of up to or greater than 30 du/acre, the average density of recent projects is 33.1 du/acre. Three of these recent projects utilized density bonuses: the JEMCOR apartments, Hecker Pass apartments, and the 1st and Kern apartments.

The Cannery Apartments project yields a noticeably lower percentage of the maximum density than the other projects on the list. This is due to an environmental constraint, as Miller Slough runs through the northern part of the parcel. There was also a homeless encampment within the upper Miller Slough drainage channel which separates the Forest Park single-family development from the Cannery development. Accordingly, there is an "Easement, Joint Use and Maintenance Agreement" encumbering this development. Disregarding the Miller Slough on the northern portion of the parcel, the yield is closer to 70%.

Table 76: Example Multifamily Project Densities

Project	Land Use	Zoning	Project Density	Number of Units	Max Density	Yield Percentage
The Cannery Apartments	Cannery District DTSP	CD	21.1	104	40	53%
Cantera Commons Mixed-Use Apts	Downtown Expansion District DTSP	DED	34.5	10	N/A*	115%
Alexander Station Apts	Downtown Expansion District DTSP	DED	38.7	263	N/A*	129%
Monterey/Gilroy Gateway Apts	Gateway District DTSP	GD	40.3	75	30	134%
Kern Ave Apts	Low Density	R3	13.7	27	16	86%
Royal Way Townhomes (proposed)	Medium Density	R3	13.4	45	16	83%
Hecker Pass Apts	Medium Density	R3	26.2	100	16	164%
Gurries Duets	Medium Density	R3	17.4	4	16	109%
Gurries Townhomes	Medium Density	R3	21.1	4	16	132%
JEMCOR Apts	High Density	R4	30.8	120	30	103%
Harvest Park Apts	Neighborhood District	ND	35.2	81	30**	117%

Source: City of Gilroy.

* The DED district in the Downtown Specific Plan has no maximum density. As such, a maximum density of 30 was used to ensure suitability for low-income development per HCD guidelines.

** The ND designation has a variety of densities within the designation, and there is no one maximum density for the zone.

Table 77 shows the assumed yields for higher density zones in the City. The yields were determined based on recent multifamily trends and development standards assessed in the constraints section. Though recent projects suggest that most projects in Gilroy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the purposes of RHNA projection. The simple average yield is 101 percent, and the weighted average based on the number of units is 109 percent. All of the assumed yields in Table 77 are significantly below the observed yields and averages. For example, recent multifamily projects in the DED and DHD zones have been developed at densities of 34.5, 38.7, and 40.3 du/acre. Although the DED and DHD districts do not have maximum densities, the

yield was conservatively assumed at 100 percent of 30 du/acre. The five R3 sites averaged 92 percent yield versus the assumed yield of 70 percent.

Table 77: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
R3	20 du/acre	70%	<u>14</u> du/acre
R4	30 du/acre	80%	24 du/acre
CD	40 du/acre	70%	28 du/acre
DED	30 du/acre*	100%	30 du/acre
DHD	30 du/acre*	100%	30 du/acre
GD	30 du/acre	80%	24 du/acre
Mixed-Use Corridor	30 du/acre	70%	21 du/acre

* The DED and DHD districts have no maximum density.

Assumed Affordability

Density

The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction's share of lower-income units. For Gilroy, this density is 30 du/acre. The selected RHNA sites within the R4 zone, mixed-use corridor on 1st Street, and CD, DED, DHD, and GD districts in the Downtown Specific Plan meet the requirements of Government Code Section 65583.2(c)(3)(B). Table 78 shows the income levels, densities, and their implementing zones in Gilroy.

Moderate-income housing can be accommodated through medium- and higher-density zones, with maximum densities ranging from 15 to 30+ du/ac. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 15 du/ac range.

Table 78: Densities, Affordability, and Implementing Zones

Income	Density Range (du/acre)	Gilroy Implementing Zone
Above Moderate	0-15	RH, LDR, RR, ND
Moderate	15-30	MDR, ND, TD, DHD, DED, TD, CD, GD, R3, R4
Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4
Very Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4

Size

Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites for lower-income units meet these criteria. Sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

The exception to this is one 0.49-acre vacant parcel in the mixed-use corridor. The site is part of a cluster of three vacant sites in the 1st Street mixed-use corridor (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purpose of its development.

Environmental and Infrastructure Constraints

The Opportunity site inventory analysis takes into consideration any environmental constraints such as habitat, flood, noise hazards, and steep slopes, among others. Any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for in the site/unit capacity analysis. In general, the deductions in yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints.

Local Data

In 2005, during the preparation of the Downtown Specific Plan IS/MND for 416 parcels and approximately 160 acres, one contaminated site was identified at 7301-7363 Monterey Road. A Phase I Environmental Site Assessment was completed in 2016, and cleanup was deemed not necessary. The following are examples of recent projects that completed an environmental analysis.

- The ROEM development was submitted with a Phase I Environmental Site Assessment in August 2022. The study did not identify evidence of Recognized Environmental Conditions or Controlled Recognized Environmental Conditions in connection with the property; however, the report recommended subsurface investigation due to the historical use of the property as an auto dismantling storage yard from approximately

1963 to 2014. The applicant did not reduce the capacity of the project due to these contaminants and has not asked for any concessions related to the contaminants.

- An initial study was prepared for the Monterey Gateway projects, and identified no significant adverse effects on the environment; a Mitigated Negative Declaration (MND) was prepared.

There are no known RHNA sites with contamination and no sites were identified as having contamination in either the 2040 Gilroy General Plan EIR or the Downtown Specific Plan MND.

Flooding

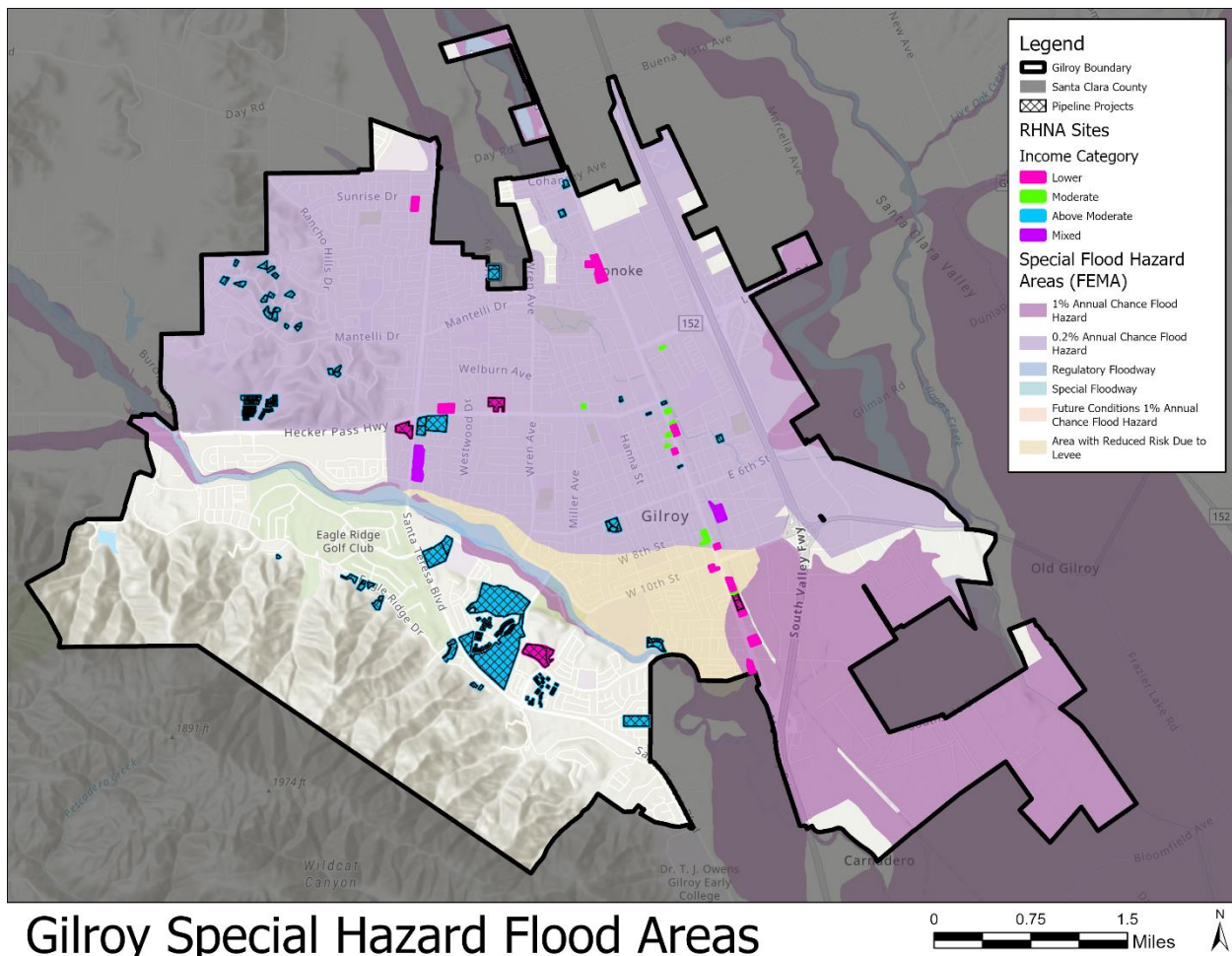
Portions of Gilroy fall into flood hazard zones as defined by the Federal Emergency Management Agency (FEMA). The City has been a participating community in the National Flood Insurance Program since August 1, 1980. Figure 45 displays the special flood hazard areas in Gilroy. The northern part of the City falls into flood zone “X”, which has a 0.2 percent annual chance of flooding; these areas are not subject to special standards. The large majority of the City has some amount of flood risk.

The southeast portion of the City is within the “AH” flood zones, which indicate areas that are subject to inundation by 1 percent annual chance of shallow flooding. Seven sites located along Monterey Street are within this zone, including three proposed for low-income development. The City’s standards for development in the identified flood areas were adopted in 2016.³⁹ The City allows for residential development within its floodplains, provided mitigating strategies and design choices are made to ensure safety and limit flood damage. In “A” flood zones, the construction must be elevated to or above the base flood elevation and the lowest floor must be elevated at least one foot above the base flood elevation. While the requirements for floodplain development may act as minor constraints to housing production, they are not expected to reduce development yields or preclude new housing production in general. Most of the recent and pipeline projects that are not a part of the Hecker Pass or Glen Loma Specific Plans are located in a flood zone. This includes the Cannery apartments, 1st and Kern apartments, Harvest Park apartments, and JEMCOR apartments.

The City does not have any RHNA sites within floodways, which is a water channel that directly conveys stormwater and experiences rapid velocities during wet weather events.

³⁹ City of Gilroy Floodplain Ordinance. <https://ca-gilroy.civicplus.com/DocumentCenter/View/6324/Gilroy-Flood-Ordinance-Update?bidId=>

Figure 45: Gilroy Special Flood Hazard Areas

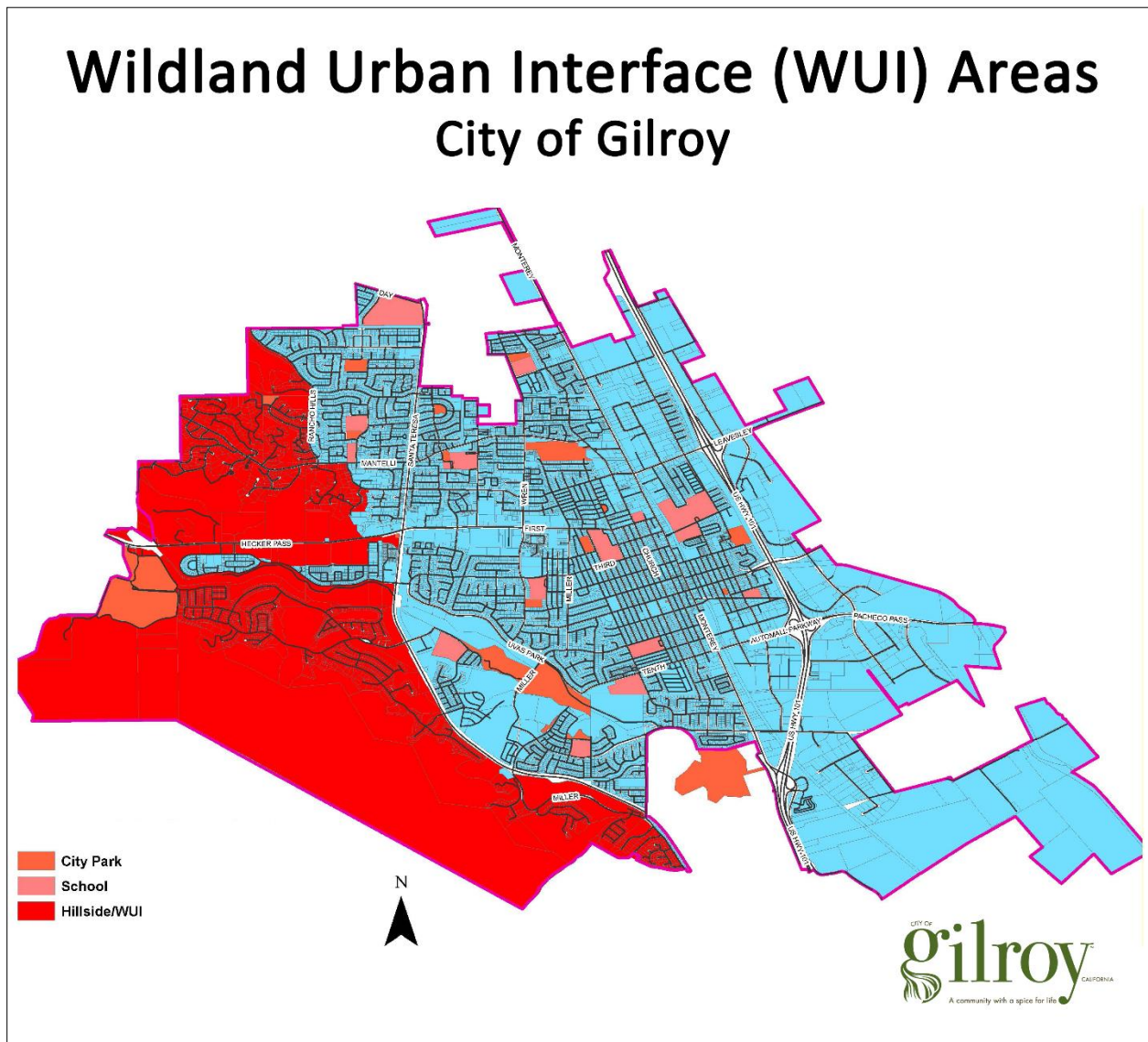


Source: Federal Emergency Management Agency.

Fire

Although the City of Gilroy does not have any areas identified by the state as very high fire severity zones, the City has identified properties for potential fire risk through its own Wildland Urban Interface (WUI) area [map](#), as shown in Figure 46. According to FEMA, the adoption and effective implementation of up-to-date building codes is the most effective community mitigation measure. Furthermore, the City's development standards recommend that people living in the WUI areas prepare for wildfires by maintaining adequate defensible space around their property, hardening their home by using building materials and installation techniques that increase resistance to heat, flames, and embers, and having a pre-evacuation plan prepared in the event of a wildfire and subsequent evacuation orders. The majority of the Gilroy Designated WUI is zoned for open space, Residential Hillside (RH, areas with 10%–30% slopes), R1, and the Hecker Pass Special Use District. None of the RHNA sites are within the WUI areas.

Figure 46: Gilroy Wildland Urban Interface Areas



Source: City of Gilroy.

Infrastructure

The City has enough capacity to accommodate the entire RHNA site inventory within the Urban Service Area, where the City is committed to providing basic infrastructure services for urban development. Full urban-level infrastructure services, including water and sewer, are available throughout the City and to the sites in the RHNA inventory. Program E - 1 states that the City will work with public service providers to ensure there is the prioritization of services to housing developments serving lower-income households.

Entitled and Pending Pipeline Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.⁴⁰ Table 79 includes pipeline projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pipeline project unit counts were based on City approved entitlements, building permits issued, and submitted applications. The City has reviewed the pipeline projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from being completed. Any phasing or build-out horizons are considered in unit counts.

All of the lower income units identified in Table 79 are (or will be) deed restricted for a period of 55 years.

- The 1st and Kern and Hecker Pass apartments are both density bonus projects that are deed restricted for 55 years. The 1st and Kern and Hecker Pass apartments affordable units were under construction in January 2023 with final occupancy anticipated before the end of 2024.
- The Glen Loma Apartment Project is subject to the 15 percent affordable unit requirement under the Neighborhood District Policy and has a 55-year regulatory agreement. Construction of the Glen Loma affordable units was nearing completion in January 2023 with final occupancy anticipated before the end of 2023.
- The 94-unit affordable project at 6630--6680 Monterey Street was under review by the Planning Department in January 2023. The environmental review and planning entitlements are anticipated to be complete by the end of 2023. Assuming a two-year construction timeline, this project would potentially be occupied in 2025 or early 2026.

City staff anticipates that the City's allocation of above-moderate income units will be completed and exceeded during the 2023-2031 planning period.

All pipeline project units are anticipated to be completed in the planning period. The City will monitor the actual units constructed and income/affordability when the pipeline projects are developed as a part of Program A - 1. If the pipeline projects are not developed or are developed with fewer units than anticipated, the City will identify additional sites needed to make up the loss. Sites will be identified from the No Net Loss Inventory List created through Program A - 1.

⁴⁰ HCD Sites Inventory Guidebook https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 79: Pipeline Projects Counted in 6th Cycle (Proposed, Entitled, Permits Issued)

PIPELINE PROJECTS	Status	Very Low	Low	Moderate	Above Moderate	Total
<u>JEMCOR 1st & Kern Apts.</u> <u>975 First Street</u>	<u>Building Permits</u> <u>Issued on 4-21-2021</u>	<u>12</u>	<u>107</u>	<u>1</u>	<u>-</u>	<u>120</u>
<u>JEMCOR Village at Santa Teresa Apartments</u> <u>1520 Hecker Pass</u>	<u>Building Permits</u> <u>Issued 04-12-2022</u>	<u>30</u>	<u>69</u>	<u>1</u>	<u>-</u>	<u>100</u>
<u>Glen Loma BMR Apartments</u> <u>1301-1345 Luchessa Ave</u>	<u>Building Permits</u> <u>Issued 06-11-2020</u>	<u>-</u>	<u>152</u>	<u>-</u>	<u>-</u>	<u>152</u>
<u>Glen Loma, Royal Way, and Gurries Townhomes</u>	<u>Various stages of review/issuance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>326</u>
<u>7888 Monterey Mixed-Use Project</u>	<u>Building Permit Applied 09-22-21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<u>108 Chickadee Lane Mixed-Use Project</u>	<u>Submitted to Planning 05-24-22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
<u>6630-6680 Monterey Street Affordable Housing Project</u>	<u>Submitted to Planning 12-07-22</u>	<u>20</u>	<u>73</u>	<u>1</u>	<u>-</u>	<u>94</u>
<u>Single Family Homes, Subdivisions</u>	<u>Various stages of review/issuance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>408</u>
Total		<u>62</u>	<u>401</u>	<u>3</u>	<u>756</u>	<u>1,222</u>

Source: City of Gilroy.

Accessory Dwelling Units (ADUs)

The City of Gilroy has seen the number of ADU permits increase over recent years. A section of the City website is dedicated to ADU information, including FAQs, links to helpful resources, required documents, and the template to deed-restrict ADUs and junior ADUs. Table 80 displays ADU development trends in Gilroy. Based on the average number of building permits for ADUs in the last four years (17.5), the City is conservatively projecting 140 ADUs over the 2023–2031 6th cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 7 percent of the RHNA plus the buffer).

The City is including Programs A - 6, A - 7, and G - 3 to incentivize and specifically facilitate ADU construction for lower-income households per California Government Code Section 65583(c)(7).

Table 80: ADUs Toward the RHNA

Year	# of ADUs
2018	7
2019	16
2020	20
2021	27
Average	17.5

Source: City of Gilroy.

Assumed Affordability

The levels of affordability assumed for the 140 ADUs projected during the 6th Cycle period is based off the ABAG affordability survey data.⁴¹ The study allocated 30 percent of ADUs in each of the very low-, low-, and moderate-income categories, and the remaining 10 percent in the above moderate-income category. Table 81 displays the assumed affordability and projected number of ADUs in each income category.

Table 81: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	42
30%	Low	42
30%	Moderate	42
10%	Above Moderate	14
		140 ADUs (total)

Source: ABAG ADU Technical Assistance Memo, City of Gilroy.

Ability to Meet the RHNA

As shown in Table 82, the City has identified sufficient capacity to meet Gilroy's RHNA, in addition to a 15 percent buffer, without rezoning. California Government Code Section 65583.2 (c) states that cities must have a program to facilitate by-right approval for projects that include at least 20 percent of the units for lower-income housing on rezoned low-income sites. The City of Gilroy is not rezoning any sites to meet the RHNA. Thus, this provision is not applicable to the RHNA sites inventory for Gilroy.

⁴¹ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

Table 82: RHNA Capacity and Buffer

	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (Table 79)	62	401	3	756	1,222
C	ADUs (Table 80)	42	42	42	14	140
D	Unmet RHNA (A - B - C)	565	-	155	-	720
E	Vacant Opportunity Sites (Table 84)	324	-	116	-	440
F	Non-Vacant Opportunity Sites (Table 85)	329	-	62	-	391
G	Opportunity Site Capacity (E + F)	653	-	178	-	831
H	Total Capacity (B + C + G)	757	443	223	770	2,193
J	Surplus of RHNA (H - A)	88	58	23	251	420
K	% Buffer Above Unmet RHNA ((E - D) / D)	16%	-	15%	-	-

Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. Fifty percent of the 1,054 lower-income RHNA is 527 units. The requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 31.2 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites ($329/1,054 = 31.2\%$). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated elsewhere in this chapter.

Table 83: Lower Income RHNA Capacity

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Pipeline Projects (Table 79)	<u>463</u> (62 + 401)	<u>43.9%</u>
ADUs (Table 80)	<u>84</u> (42 + 42)	<u>8.0%</u>
Vacant Opportunity Sites (Table 84)	<u>324</u> (324 + 0)	<u>30.7%</u>

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Non-Vacant Opportunity Sites (Table 85)	329 (329 + 0)	31.2%
Total Lower Income Sites	1,200 (757 + 443)	113.9%

There are enough pipeline projects to fully meet the above moderate and the low-income RHNA categories. There is also sufficient capacity with pipeline projects, ADUs, and opportunity sites to meet the City's RHNA for all income categories with a 15 percent buffer for the unmet RHNA.

Zoning for Moderate and Above Moderate Households

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate and above moderate RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table 82, above moderate sites are met entirely through pipeline projects and ADU projections (756 and 14 units, respectively). The 770 units exceed the above moderate RHNA allocation (519) by 251 units. There is no remaining above moderate RHNA that needs to be identified.

There is a remaining need of 155 moderate units after pipeline projects and projected ADUs. The Opportunity Sites Inventory identifies 178 moderate-income RHNA opportunity site units. Of these, 167 are on sites that allow for at least four units of development. Only 11 moderate units are identified on sites that allow for less than four units of housing. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units on a site-by-site basis is shown in Appendix B.

Market Demand

The following inquiries for residential development act as indicators for potential development in the Downtown and 1st Street Mixed-Use corridor areas:

- Inquiries from two different parties to redevelop property located at 7744 and 7740 Egleberry Street with residential uses
- Inquiry on upzoning the vacant parcel at 820 Sunrise Drive to higher density residential
- 7050 Monterey Road (and the two non-vacant parcels on either side of it)
- 1355 First Street
- 1440 Ponderosa - large vacant site on west side
- 8955 Monterey Road
- APN 841-13-022 - vacant Pacific Railroad / future High Speed Rail site
- APN 790 36 012 - car lot, Church/Howson northeast corner, west of Church, east of Monterey

- APN 790-35-001 and 790-36-02 - two vacant parcels, west of Church, east of Howson / Monterey

Opportunity Site Details

The Opportunity Site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pipeline projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took into consideration community character as well as development constraints when evaluating each site's development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, smaller sites (< 0.5 acres), zoned for up to and greater than 30 du/acre, may be suitable for moderate-income households. For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD's Housing Element Sites Inventory Guidebook, a vacant site is one "without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property."⁴² Table 84 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 440 lower- and moderate-income units can be accommodated with currently vacant residentially zoned land. This includes 324 very low units and 116 moderate-income units.

⁴² HCD Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 84: Residential Vacant Sites Capacity

Zone	Capacity
1 st Street Mixed-Use Corridor	30
Downtown Specific Plan	<u>171</u>
Neighborhood District	31
R3	<u>6-9</u>
R4	<u>202-173</u>
Total	<u>440-484</u>

Non-Vacant Sites

As shown in Table 82 and Table 83, only 329 (31.2%) of the 1,054 lower-income RHNA units will be met by non-vacant RHNA opportunity sites. When considering both lower-income (329 units) and moderate income (6279 units), 391 units are accommodated through non-vacant opportunity sites. Table 85 summarizes the capacity of non-vacant sites included to meet the RHNA broken down by their existing General Plan use. As shown in Table 85, the 391 non-vacant site units are located in the 1st Street mixed-use corridor (32 units), the R4 zone (109 units), Downtown Specific Plan areas (229 units), and the Public Facility zone (21 units).

Table 85: Non-Vacant Site Capacity

Existing GP Use	Capacity
1st Street Mixed-Use Corridor	32
Downtown Specific Plan	<u>229</u>
R4	<u>109</u>
PF	21
Total	<u>391</u>

Source: City of Gilroy.

Non-Vacant Site Details

Local Data

The City has seen recent interest in redevelopment of non-vacant sites for affordable and market-rate housing. This includes a project proposed in 2022 for a 94-unit, 100 percent lower-income project on three parcels in the Gateway District in the Downtown Specific Plan. Current uses on these parcels include a two-story office building, multiple single-story commercial structures, and their paved parking areas. Another project proposed on a non-vacant site includes the development of an affordable housing project on land owned by Santa Clara County that currently consists of four large structures. The City of Gilroy and the Santa Clara County Office of Supportive Housing entered into a Memorandum of Understanding in

October 2022 regarding the development of 57 units for households earning less than 80 percent of AMI. This project is not included in RHNA projections since a formal proposal has not yet been received. The City has also received interest in developing market-rate housing from a developer for a parcel that includes a car dealership in Downtown.

These projects demonstrate the viability and interest in redeveloping non-vacant sites in downtown Gilroy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next 8 years.

The following section provides further detail on each of the non-vacant sites identified in the inventory. The non-vacant sites were selected based on their existing uses, capacity for residential redevelopment, and their high potential for short-term redevelopment. Land-improvement ratios were also calculated and considered in site selection. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a ratio of well under 0.2, or where the improvements are valued at five times the value of the land.

R4 Northern Cluster



The parcels at 8985, 8955, and 8915 Monterey Road are all R4 zoned sites adjacent to one another, which provides an opportunity for consolidation. There are no existing residential uses on the sites. Their combined acreage is 3.59 acres. The combined realistic capacity for these sites is 86 lower-income units. The northern and central buildings were built prior to 1956. There is no maximum FAR and no maximum density in the R4 zone.

8985 Monterey Road (R4 High Density)

The 0.80-acre site at 8985 Monterey Road is currently occupied by a preschool and day care center. More than half of the lot is a parking lot and is underutilized relative to its potential under the current zoning. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The land-improvement ratio for this site is 1.05. The realistic capacity for this site is 19 units. The site could be developed to retain the existing use in either existing or new buildings as part of new residential development.



8955 Monterey Road (R4 High Density)

The 2.05-acre site at 8955 Monterey Road is currently occupied by a church, a closed commercial building, formerly the office of a general contractor, and several storage containers.

Commercial structures on the lot are single story, while the church is partially two stories. Approximately half the site is used for parking or vehicle access. It is located in the center of an existing residential community, making this site optimal for further residential development. There is potential for partial redevelopment of the site, on the western portion of the site, which could maintain some of the existing uses during redevelopment. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 49 units. It may be possible to achieve this capacity while maintaining some of the existing uses, specifically the church.



8915 Monterey Road (R4 High Density)

The 0.74-acre site at 8915 Monterey Road is currently occupied by a used car sales lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. It is nearly all surface parking, with no expensive or modern permanent structures that would preclude

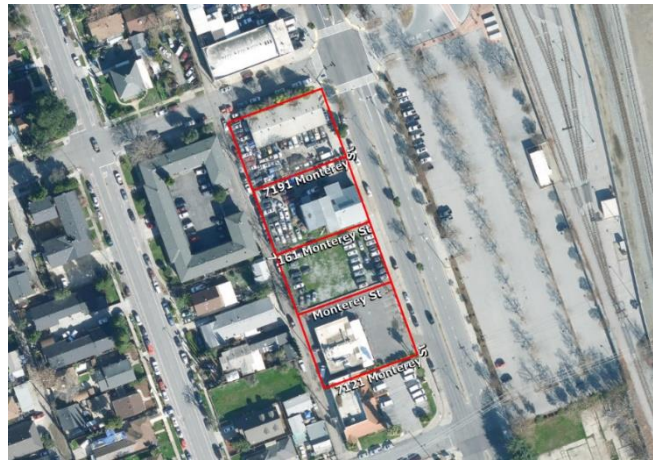
redevelopment. The land-improvement ratio for this site is 19.01. The realistic capacity for this site is 18 units.



R4 Northern Cluster	Description		
APNs	<u>790-14-025</u>	<u>790-14-075</u>	<u>790-14-091</u>
Size (Ac)	<u>2.05</u>	<u>0.74</u>	<u>0.80</u>
Zoning	<u>R4</u>		
General Plan Designation	<u>High Density Residential</u>		
Current Use	<u>Commercial</u>	<u>Commercial</u>	<u>Preschool</u>
Land Improvement Ratio	<u>N/A</u>	<u>19.01</u>	<u>1.05</u>
Within 1 mile of:			
Daycare	<u>Yes - Little Blue Star Daycare, 826 Mantelli Dr</u>		
Grocery	<u>Yes - Lopez Produce Market, 8655 Monterey Hwy</u>		
School	<u>Yes - Vine Academy, 8455 Wren Ave</u>		
Income Category	<u>Lower</u>		
Total Units	<u>49</u>	<u>18</u>	<u>19</u>

Monterey Cluster 1 (Downtown Expansion District)

The parcels at 7191, 7161, 7121 Monterey Street and Monterey Street (west side), north of W Ninth Street are all adjacent to one another, which provides an opportunity for a larger moderate-income residential community. The sites are near several restaurants, a grocery store, and a train station, which provide necessary resources for residents. Their combined acreage is 1.32 acres. The combined realistic capacity for these sites is 40 units.



Mixed-use projects have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac. There is no maximum density.

7191 Monterey Street (Downtown Expansion District)

The 0.34-acre site at 7191 Monterey Street is currently partially occupied by a vacant single-story office space. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and potential lot consolidation. The land-improvement ratio for the site is 0.64. The realistic capacity for this site is 10 moderate-income units.



7161 Monterey Street (Downtown Expansion District)

The 0.32-acre site at 7161 Monterey Street is currently partially occupied by a small plumbing and auto sales office that was built in 1930 (non-historic). More than half of the lot is parking for the used cars being sold by the dealer. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio for this site is 1.90. The realistic capacity for this site is 10 moderate-income units.



Monterey Street (west side), north of W Ninth Street (Downtown Expansion District)

The 0.30-acre site at Monterey Street is currently entirely used as a parking lot or for the used cars being sold by the auto dealer on the adjoining parcel. Redevelopment of this site would benefit the community as its single level use as a parking lot renders the land underutilized and below its zoning potential. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units.



7121 Monterey Street (Downtown Expansion District)

The 0.36-acre site at 7121 Monterey Street is currently half occupied by a seafood restaurant with some outdoor dining spaces. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio is 1.24. The realistic capacity for this site is 11 moderate-income units.



Monterey Cluster 1	Description			
APNs	799-10-033	799-10-034	799-10-048	799-10-049
Size (Ac)	0.34	0.32	0.30	0.36
Zoning	DED – Downtown Expansion District			
General Plan Designation	Downtown Specific Plan			
Current Use	Commercial	Commercial	Parking Lot	Commercial
Land Improvement Ratio	0.64	1.90	N/A	1.24
Within 1 mile of:				
Daycare	Yes - Hunny Bunny Daycare, 7361 Egleberry St			
Grocery	Yes - Gilroy Valley Market, 7237 Monterey Hwy #6921			
School	Yes - Glen View Elementary School, West 8th St			
Income Category	Moderate			

Monterey Cluster 1	Description			
Total Units	10	10	9	11

Monterey Cluster 2 (Gateway/-Downtown Expansion District)

The parcels at 6790 and 6620 Monterey Road are both in Gateway District zoned sites adjacent to one another in the Downtown Specific Plan area. 6920 Monterey Road is located in the Downtown Expansion District, and is also included in this group of sites. These sites provide an opportunity for a larger residential community and a potential for lot consolidation. The sites are near several restaurants, a bulk grocery store, and a high school, which provide necessary resources for residents. These



sites all have high land-improvement ratios indicating strong potential for redevelopment. These sites are adjacent to a proposed project located at 6730, 6630, and 6680 Monterey Street, which are denoted with a crosshatch in the aerial above. Their combined acreage is 2.61 acres and the combined realistic capacity is 73 units. This cluster of sites spans two districts. Mixed-use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Mixed-use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.

6920 Monterey Road (Downtown Expansion District)

The 1.69-acre site at 6920 Monterey Road is currently about two-thirds underutilized vacant lot, with the only building being a permanently closed furniture store. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 0.81. The realistic capacity for this site is 51 lower-income units.



6790 Monterey Road (Gateway District)

The 0.39-acre site at 6790 Monterey Road currently has an electric company building occupying about 25 percent of the parcel, while the large majority of the site is an underutilized surface parking lot. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 2.37. The realistic capacity for this site is 9 moderate-income units. It is possible these units could be built without displacing the existing use.



6620 Monterey Road (Gateway District)

The 0.53-acre site at 6620 Monterey Road is currently almost all parking lot and vehicle access, with a small commercial construction building. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 3.33. The realistic capacity for this site is 13 lower-income units.



Monterey Cluster 2	Description		
<u>APNs</u>	<u>841 14 006</u>	<u>841 14 081</u>	<u>841 14 083</u>
<u>Size (Ac)</u>	<u>0.39</u>	<u>0.53</u>	<u>1.69</u>
<u>Zoning</u>	<u>GD – Gateway District</u>	<u>GD – Gateway District</u>	<u>DED – Downtown Expansion District</u>
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>		
<u>Current Use</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Parking</u>
<u>Land Improvement Ratio</u>	<u>2.37</u>	<u>3.33</u>	<u>0.81</u>
<u>Within 1 mile of:</u>			
<u>Daycare</u>	<u>Yes - Clever Kidz Home Daycare, 295 London Dr</u>		
<u>Grocery</u>	<u>Yes - Smart & Final Extra!, 250 E 10th St</u>		
<u>School</u>	<u>Yes - Glen View Elementary School, West 8th St</u>		
<u>Income Category</u>	<u>Moderate</u>	<u>Very Low</u>	<u>Very Low</u>
<u>Total Units</u>	<u>9</u>	<u>13</u>	<u>51</u>

Monterey Cluster 3 (Gateway District)

The parcels at 6320, 6470, and 6380 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near a park, a school, and a grocery outlet, which provide necessary resources for residents. Their combined acreage is 2.06 acres and the combined realistic capacity is 48 units. Mixed use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.



6320 Monterey Road (Gateway District)

The 0.55-acre site at 6320 Monterey Road is currently occupied by a single-family home and a permanently closed hardware store. Half of the parcel is an underutilized empty lot, making this site optimal for further residential development. The land-improvement ratio for the site is 0.87. The realistic capacity for this site is ~~43~~12 lower-income units.



6380 and 6470 Monterey Road (Gateway District)

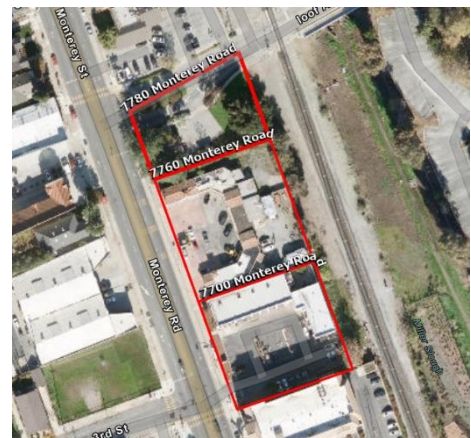
The 0.77- and 0.74-acre sites at 6380 and 6470 Monterey Road are currently an unoccupied former lumber yard and associated buildings. The majority of the parcels are vacant and underutilized. They are adjacent to an existing residential community, making these sites optimal for further residential development. The land-improvement ratio for these sites is 1.25 and 22.52, respectively. The realistic capacity for each site is 18 lower-income units.



Monterey Cluster 3	Description		
APNs	<u>841 14 015</u>	<u>841 14 036</u>	<u>841 14 037</u>
Size (Ac)	<u>0.55</u>	<u>0.74</u>	<u>0.77</u>
Zoning	<u>GD – Gateway District</u>		
General Plan Designation	<u>Downtown Specific Plan</u>		
Current Use	<u>Single - Family Residential</u>	<u>Industrial</u>	<u>Industrial</u>
Land Improvement Ratio	<u>0.87</u>	<u>22.52</u>	<u>1.25</u>
Within 1 mile of:			
Daycare	<u>Yes - Clever Kidz Home Daycare, 295 London Dr</u>		
Grocery	<u>Yes- Smart & Final Extra!, 250 E 10th St</u>		
School	<u>Yes - Gilroy High School, 750 W 10th St</u>		
Income Category	<u>Very Low</u>		
Total Units	<u>12</u>	<u>18</u>	<u>18</u>

Monterey Cluster 4 (Downtown Expansion District)

The parcels at 7780, 7760, and 7700 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near multiple schools and a grocery store, which provide necessary resources for residents. Their combined acreage is 1.75 acres. The combined realistic capacity for these sites is 52 units. Mixed use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density).



7780 Monterey Street Road (Downtown Expansion District)

The 0.44-acre site at 7780 Monterey Road is currently occupied by a single-story office space and a small shed. About 25 percent of the parcel is an underutilized surface lot. Businesses that occupy the site seem to have limited hours, which may eliminate the need for an office space. There is also the possibility for a mixed-use development without displacement of existing businesses. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 13 moderate-income units.



7760 Monterey Street Road (Downtown Expansion District)

The 0.7-acre site at 7760 Monterey Road is currently occupied by a single-story strip mall that includes a restaurant and a window tinting business. About 75 percent of the parcel is an underutilized surface lot with vehicle access both in front of and behind existing businesses. Development without displacement of existing businesses is possible. The land-improvement ratio for the site is 1.35. The realistic capacity for this site is 21 lower-income units.



7700 Monterey Street Road (Downtown Expansion District)

The 0.61-acre site at 7700 Monterey Road is currently occupied by a single-story small office park. Over half the site is underutilized lot and vehicle access. The land-improvement ratio for the site is 0.75. The realistic capacity for this site is 18 lower-income units.

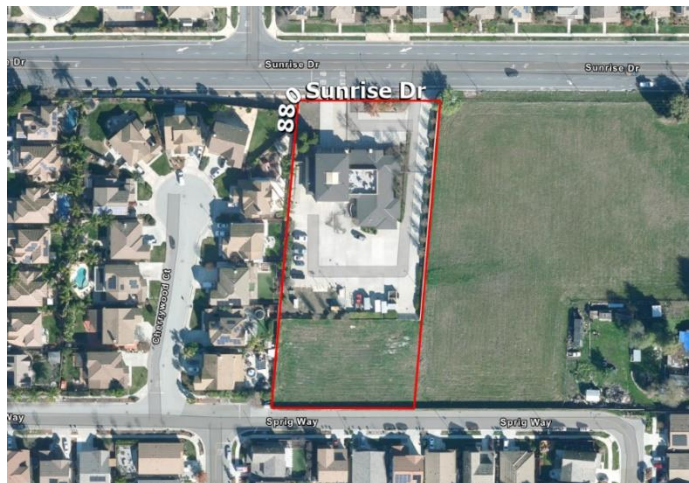


Monterey Cluster 4	Description		
<u>APNs</u>	<u>841 04 018</u>	<u>841 04 019</u>	<u>841 04 020</u>
<u>Size (Ac)</u>	<u>0.61</u>	<u>0.70</u>	<u>0.44</u>
<u>Zoning</u>	<u>DED – Downtown Expansion District</u>		
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>		
<u>Current Use</u>	<u>Office</u>	<u>Commercial</u>	<u>Office</u>
<u>Land Improvement Ratio</u>	<u>0.75</u>	<u>1.35</u>	<u>N/A</u>
<u>Within 1 mile of:</u>			
<u>Daycare</u>	<u>Yes - Forget Me Not Day Care, 7661 Rosanna St</u>		
<u>Grocery</u>	<u>Yes- El Charrito Market, 7638 Monterey Hwy</u>		
<u>School</u>	<u>Yes - Gilroy Prep School, 277 loof Ave</u>		
<u>Income Category</u>	<u>Very Low</u>		<u>Moderate</u>
<u>Total Units</u>	<u>18</u>	<u>21</u>	<u>13</u>

Other Zoning Districts and Designations

880 Sunrise Drive (PF)

The 1.98-acre site at 880 Sunrise Drive is currently two-thirds occupied by a City of Gilroy fire station. The remainder of the site is vacant. The PF zone permits all facilities owned or leased, operated, or used by the City or other governmental agencies on the site. It is located in the center of an existing residential community in a higher resource area of the City, making this site optimal for further residential development. The site is near several schools and a daycare center, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions of the site, while retaining the existing fire station.

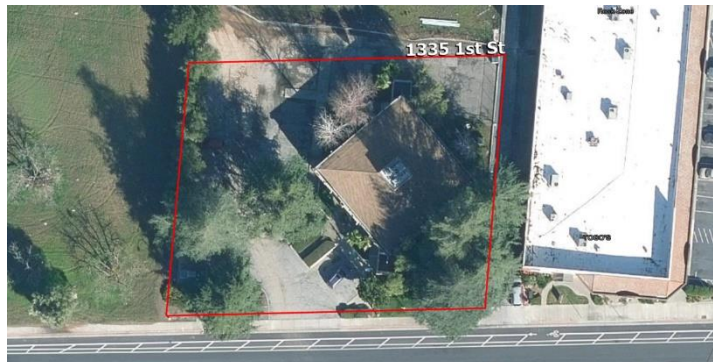




880 Sunrise Drive	Description
<u>APNs</u>	<u>783 20 050</u>
<u>Size (Ac)</u>	<u>1.98</u>
<u>Zoning</u>	<u>PF – Park/Public Facilities District</u>
<u>General Plan Designation</u>	<u>Low Density Residential</u>
<u>Current Use</u>	<u>Fire Station</u>
<u>Land Improvement Ratio</u>	<u>N/A</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Kool Kids Day Care, 1030 Cheyenne Dr</u>
<u>Grocery</u>	<u>No - Safeway, 905 1st St (2.2 miles)</u>
<u>School</u>	<u>Yes - Christopher High School, 850 Day Rd</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>21</u>

1335 1st Street (1st Street mixed-use corridor)

The 0.55-acre site is adjacent to two vacant parcels also listed on the sites inventory, with strong potential for redevelopment of all three parcels. This lot is currently occupied by a two-story commercial building which includes a dental care office and a permanently closed pregnancy resource center. The building was built between 1968 and 1980. The site has a land-improvement ratio of 0.50. Existing uses are not expected to preclude development of this site. The realistic capacity for this site is 12 lower-income units. [The General Plan allows a](#)



density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects.



<u>1335 1st Street</u>	<u>Description</u>
<u>APNs</u>	<u>790 39 029</u>
<u>Size (Ac)</u>	<u>0.55</u>
<u>Zoning</u>	<u>C3 – Shopping Center Commercial District</u>
<u>General Plan Designation</u>	<u>Mixed Use</u>
<u>Current Use</u>	<u>Office</u>
<u>Land Improvement Ratio</u>	<u>0.5</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Sunnyside Daycare, 7962 Westwood Dr A305</u>
<u>Grocery</u>	<u>Yes - Safeway, 905 1st St.</u>
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>12</u>

1395 1st Street (1st Street mixed-use corridor)

The 0.97-acre site is adjacent to two vacant parcels and one other non-vacant parcel also listed on the sites inventory, with strong potential for redevelopment of all four parcels. This lot is currently occupied by a one-story building, which contains a martial arts studio, and a large surface parking lot. The building was built between 1987 and 1998. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0.45. The



realistic capacity for this site is 20 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects.



<u>1395 1st Street</u>	<u>Description</u>
<u>APNs</u>	<u>790 39 020</u>
<u>Size (Ac)</u>	<u>0.97</u>
<u>Zoning</u>	<u>C3 – Shopping Center Commercial District</u>
<u>General Plan Designation</u>	<u>Mixed Use</u>
<u>Current Use</u>	<u>Office</u>
<u>Land Improvement Ratio</u>	<u>0.45</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Sunnyside Daycare, 7962 Westwood Dr A305</u>
<u>Grocery</u>	<u>Yes - Safeway, 905 1st St</u>
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>20</u>

8897 Monterey Hwy Road (R4)

The 0.95-acre site is adjacent to a vacant parcel and is surrounded by residential and commercial land uses. This parcel is currently occupied by four single-story buildings that comprise a Budget Motel and a large paved and unpaved parking area. The primary buildings were built in 1952 and the last building was constructed between 1968 and 1980. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 2.09. The realistic capacity for this site is 23 lower-income units. The zoning allows a density range of up to 30 du/net acre in the R4 High Density Residential zone.



8897 Monterey Hwy Road	Description
<u>APNs</u>	<u>790 15 041</u>
<u>Size (Ac)</u>	<u>0.95</u>
<u>Zoning</u>	<u>R4 – High Density Residential</u>
<u>General Plan Designation</u>	<u>General Services Commercial</u>
<u>Current Use</u>	<u>Commercial</u>
<u>Land Improvement Ratio</u>	<u>2.09</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Tiny Tots Preschool & Daycare, 8985 Monterey Hwy</u>
<u>Grocery</u>	<u>Yes - Lopez Produce Market, 8655 Monterey Hwy</u>

8897 Monterey Hwy Road	Description
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>23</u>

Monterey Hwy Street south of Ninth Street (Downtown Expansion District)

The 0.5-acre site is adjacent to a parking lot and railway and is surrounded by residential, industrial, and commercial land uses. This parcel is currently a storage yard for trucks and is a large, paved parking area. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0 as there are no structures on-site. The realistic capacity for this site is 16 lower-income units. The zoning allows a density range of up to 30 du/net acre in the Downtown Expansion District- within the Downtown Specific Plan Area.



Monterey St., south of Ninth St. (Downtown Expansion District)	Description
<u>APNs</u>	<u>841 14 001</u>
<u>Size (Ac)</u>	<u>0.5</u>
<u>Zoning</u>	<u>DED – Downtown Expansion District</u>
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>
<u>Current Use</u>	<u>Storage</u>
<u>Land Improvement Ratio</u>	<u>0</u>
<u>Within 1 mile of:</u>	

<u>Monterey St., south of Ninth St. (Downtown Expansion District)</u>	<u>Description</u>
<u>Daycare</u>	<u>Yes – Hunny Bunny Daycare, 7361 Egleberry St.</u>
<u>Grocery</u>	<u>Yes – Grocery Outlet, Smart & Final; E. 10th St.</u>
<u>School</u>	<u>Yes – Glen View Elementary School, 600 W 8th St</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>16</u>

Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

Countywide Programs

2016 Measure A – Affordable Housing Bond

In November 2016, Santa Clara County voters approved Measure A, the \$950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community's poorest and most vulnerable residents. It provides affordable housing for vulnerable populations, including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, homeless persons, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds would contribute to the creation and/or preservation of approximately 4,800 affordable housing units in Santa Clara County.

The housing bond will enhance the County's ability to achieve its housing priorities which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons;
- Increasing the supply of housing that is affordable to extremely low-income households; and
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

About \$7.5 million in Measure A funds was used to develop the Monterey Gateway Senior Apartments, a 75-unit affordable housing complex for low-income seniors that was constructed in Gilroy in 2020.

MHSA Housing Program

The California Department of Mental Health, the California Housing Finance Agency, and the County Mental Health Directors Association announced a new housing program in 2016 under which \$400 million in Mental Health Services Act (MHSA) funds were made available to finance the capital costs associated with development, acquisition, construction, and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including unhoused individuals. The new MHSA Housing Program, and funds for capitalized operating subsidies, are included in the \$400 million that has been designated for the program.

This program will serve persons with serious mental illness who are currently unhoused or at risk of homelessness and who meet the MHSA Housing Program target population description. Santa Clara County's allocated amount is \$19,249,300, of which \$6,416,400 can be used for capitalized operating subsidies. MHSA funding pays only for housing units designated to qualified consumers.

The Sobrato Transitional Apartments is an MHSA housing project in Gilroy. The Sobrato Transitional Apartments, developed and constructed by South County Housing Corporation, provides 35 single-occupancy studio units in Gilroy for unhoused individuals with incomes below 30 percent of the area median income (AMI). The South County Housing Corporation will set aside 17 units for individuals that are currently unhoused or at risk of becoming homeless due to mental illness.

U.S. Department of Housing and Urban Development (HUD) Grants

HOME

The HOME Program is federally funded by HUD to provide decent affordable housing to lower-income households. The HOME Program is administered on behalf of the Santa Clara County Urban County cities, which includes Gilroy.

Community Development Block Grant

The City of Gilroy is an entitlement jurisdiction participating in HUD's Community Development Block Grant (CDBG) Program. A requirement of receiving CDBG funds is the City having a five-year Consolidated Plan, which identifies local community development needs and sets forth a strategy to address these needs over a five-year period. The City's current 5-Year Consolidated Plan spans July 1, 2020 – June 30, 2025.

Developing an Annual Action Plan (AAP) for each of the fiscal years within the Consolidated Plan is also required. AAPs program the use of federal funding for their respective fiscal year by outlining which specific projects or programs will receive funding from the annual allocation. Funding available for housing assistance programs from the state and federal governments is extremely limited. The AAP, which gives a complete breakdown of public service descriptions and use of funds, is available on the City's website.

For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 (each year) in CDBG funds from HUD. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities. A breakdown of CDBG-funded agencies are listed below:

Table 86: CDBG Funded Agencies

Activity Name	2020/2021 Entitlement	2021/2022 Entitlement	2022/2023 Entitlement
Program Administration	\$97,250	\$87,874	\$87,635
Gilroy Youth Center	\$38,452	\$38,452	\$38,452
Rebuilding Home Repair Program	\$144,364	\$140,000	\$140,000
Gilroy Compassion Center	\$16,318	-	-
Live Oak Adult Day Care	\$11,549	\$8,560	\$10,000
Meals on Wheels	-	\$8,643	-
Community Outreach PREP	-	\$10,250	-
Boys & Girls Club - Core Enrichment	-	-	\$8,500
C.A.R.A.S - Ryse Up Program	-	-	\$8,500
Cherry Blossom Rehab	-	\$81,475	-
Monterey Gateway Improvements	-	\$70,592	-
Code Enforcement	\$7,700	-	-
Sidewalk / Curb Ramp CIP Project	\$156,155	-	\$145,090

Source: City of Gilroy, 2022.

CDBG CARES ACT-Coronavirus (CDBG-CV) Funds

CDBG-CV funds were specifically made available for programming that would address the impacts resulting from the COVID-19 pandemic, and include the following programs:

Table 87: CARES Act CDBG-CV Funds

Activity Name	Entitlement
St. Joseph's Rental Assistance	\$150,000
Small Business Assistance	\$125,486
Small Business Assistance	\$100,000
St. Joseph's Rental Assistance	\$137,309
YMCA Healthy Food Delivery	\$100,359

Source: City of Gilroy, 2022.

Rental Assistance/Subsistence Program

The St. Joseph's Rental Assistance program utilizes CARES Act funding for Gilroy residents needing rental assistance. Rent relief is provided to persons and households directly affected by the COVID-19 pandemic.

Small Business Relief Grant Program

The Small Business Assistance Program, originally developed in 2020, includes \$435,000 in professional support for local businesses with processing applications for federal and state loans/grants. This program aligns with the purpose of the CARES Act to provide small grants (\$5,000 to \$10,000) to help local businesses cope with the COVID-19 related economic downturn by providing funds needed for working capital that will result in low-income jobs being retained and/or created.

Housing Trust Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council replaced the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. The HTF will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements, until the money is depleted.

Permanent Local Housing Allocation Fund

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. The following agencies were approved by the City Council for FY 22-23 and FY 23-24:

Table 88: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph's Medical Center	Homeless Prevention Services	\$55,000
St Joseph's Family Center	Gilroy Street Team	\$35,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is a rental assistance program that helps very low-income families to live in market-rate housing units rather than public housing. Households are provided with vouchers that are paid to private market-rate landlords, who are then reimbursed by HUD. In addition to the regular voucher program, Santa Clara County Housing Authority (SCCHA) administers special housing programs. These programs include the Veterans Affairs Supportive Housing (VASH) Program, Mainstream Program, and Emergency Housing Vouchers (EHV).

- The VASH Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Veterans Affairs Palo Alto and SCCHA have partnered to provide rental vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VA Medical Center that they are homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.
- The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private rental market. Mainstream applicants are offered a voucher as allocations become available. Applicants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.
- The EHV program is available through the American Rescue Plan Act. Through EHV, HUD provided SCCHA with 664 housing vouchers to assist individuals and families who are homeless, at risk of homelessness, were recently homeless or have a high risk of housing instability; or who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Project-Based Voucher Program

The Project-Based Voucher Program provides rental assistance to households living in specific housing sites. Because the rental assistance is tied to a particular unit, a family cannot retain the assistance if they move (voluntarily or through eviction). The Housing Authority administers different waiting lists by bedroom size for each project-based housing site. These housing sites are either multifamily or senior housing developments.

Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects in Gilroy.

Senate Bill 2 (SB 2) Grant. In 2020, the City was awarded \$160,000 in SB 2 grant funding to create and adopt objective design standards for mixed-use and multifamily residential projects in Gilroy. The City also used the funding to create and adopt objective design standards for SB 9 projects. The project implements the SB 2 *Objective Design and Development Standards* Policy Priority Area eligibility criteria. The goal of the project was to create objective design standards

that would increase consistent decision making; minimize applicant delays; better utilize staff resources; and promote/require good design principles in Gilroy to help ensure that housing development projects conform to the City's minimum design expectations.

Local Early Action Planning (LEAP) Grant. In 2020, the City was awarded \$150,000 in LEAP grant funding. A portion (or potentially all) of the funding will be used to help supplement costs associated with preparation of the 2023-2031 Housing Element. Funds must be expended by December 2023.

Regional Early Action Planning (REAP) Grant. In 2021, the City was awarded \$32,603 in REAP grant funding to further supplement costs associated with preparation of the 2023-2031 Housing Element.

The No Place Like Home Program

The No Place Like Home Program provides loans to eligible counties to acquire, design, construct, rehabilitate, and/or preserve permanent supportive housing for persons who are experiencing homelessness or chronic homelessness, or who are at risk of chronic homelessness, and who need mental health services. Projects funded through this program must be apartment complexes of five or more units.

Administrative Resources

The City of Gilroy's Community Development Department consists of the Housing and Community Development (HCD) Division, the Planning Division, and the Building and Safety Division which includes code enforcement. The Community Development Department helps implement several of the programs outlined in this Housing Element with the help of the City's HCD Technician. The Community Development Director manages the City's Housing and Community Development program and administers the CDBG funds, the City's PLHA Fund, and the former HTF. The Planning Division reviews land-use entitlement applications and is responsible for the implementation of the General Plan, Zoning Ordinance, and adopted specific plans. The Building and Safety Division processes and issues building permits, conducts plan reviews, conducts building inspections, and resolves land-use related violations through Code Enforcement.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
HOUSING GOALS, POLICIES, AND PROGRAMS

Housing Goals, Policies, and Programs

The section of the Housing Element outlines the City of Gilroy's goals, policies, and implementation programs for the preservation, conservation, improvement, and production of housing for the 2023 – 2031 planning period. The goals, policies, programs, and quantified objectives are designed to help ensure housing opportunities for all existing and future residents of the community.

Housing Production

Goal 1

HOUSING PRODUCTION

Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types

Policy 1.1: The City shall encourage the provision of a variety of housing options for Gilroy residents.

Policy 1.2: The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.

Policy 1.3: The City shall encourage the provision of new affordable housing.

Policy 1.4: The City shall encourage partnerships between non-profit and for-profit housing developers to encourage affordable housing production.

Policy 1.5: The City shall continue to implement the Downtown Specific Plan and encourage and coordinate activities with Downtown stakeholders.

Policy 1.6: The City shall support the development of workforce housing to enable the workforce to live in the community.

Removal of Governmental Constraints

Goal 2

REMOVAL OF GOVERNMENT CONSTRAINTS

Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

Policy 2.1: The City Shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not unreasonably constrain housing development and are consistent with State law.

Policy 2.2: The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.

Policy 2.3: The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the City.

Housing Preservation and Rehabilitation

Goal 3

HOUSING PRESERVATION AND REHABILITATION

Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.

Policy 3.1: The City shall strive to preserve the affordability of existing below market rate housing units.

Policy 3.2: The City shall promote the maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.

Policy 3.3: The City shall encourage the retention and rehabilitation of older homes in and near the historic City Center and ensure that rehabilitation activities are sensitive to the historic character of the building and/or site.

Housing Assistance to Meet the Needs of All Income Levels

Goal 4

HOUSING ASSISTANCE TO MEET THE NEEDS OF ALL INCOME LEVELS

Encourage and support the provision of a variety of affordable housing types.

Policy 4.1: The City shall continue to participate in programs that assist lower- and moderate-income households to secure affordable housing, such as the County's Mortgage Credit Certificate program, Housing Choice Voucher programs, and Silicon Valley's assistance programs.

Policy 4.2: The City shall support homeownership opportunities for low- and moderate-income households.

Policy 4.3: The City shall provide incentives for affordable housing, including but not limited to the density bonus ordinance and expedited project review.

Special Housing Needs

Goal 5

SPECIAL HOUSING NEEDS

The City shall increase access to decent and suitable housing for Gilroy residents with special housing needs.

Policy 5.1: The City shall encourage housing opportunities for special needs groups, including: seniors; persons with disabilities, including developmental disabilities; the unhoused; large households; single female-headed households; and farmworkers.

Policy 5.2: The City shall encourage the development, rehabilitation, and preservation of affordable and market-rate housing for seniors, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Policy 5.3: The City shall support efforts to provide emergency shelter, transitional housing, and permanent supportive housing for unhoused persons and those at risk of homelessness.

Policy 5.4: The City shall support the development of permanent and seasonal farmworker housing in appropriate areas of the City.

Policy 5.5: The City shall encourage affordable housing developments to include units that can accommodate large households of five or more.

Policy 5.6: The City shall encourage the development and maintenance of housing accessible to people with disabilities, including developmental disabilities.

Affirmatively Furthering Fair Housing

Goal 6

FAIR HOUSING

Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policy 6.1: The City shall promote fair housing standards and comply with State laws.

Policy 6.2: The City shall refer discrimination complaints to Project Sentinel or other organizations that address housing discrimination.

Policy 6.3: The City shall prioritize economic investment and opportunity in the Downtown Specific Plan area, especially the Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and the Equity and Engagement District (EED), which is the focus of the City's Environmental Justice goals, policies, and programs.

Education and Outreach

Goal 7

EDUCATION AND OUTREACH

Increase awareness of and participation in housing programs.

Policy 7.1: The City shall consolidate and disseminate housing related resources to provide better access to information on available housing programs and affordable housing units.

Policy 7.2: The City shall encourage the production of secondary units in single family districts through outreach and educational materials.

Policy 7.3: The City shall provide information on resources available to assist residents facing foreclosure.

Policy 7.4: The City shall encourage involvement of all Gilroy neighborhoods in the public decision-making process.

Quantified Objectives

Government Code Section 65583 (b) requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. The quantified objectives set a target goal for Gilroy to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Table 89 summarizes Gilroy's quantified objectives for the 6th Cycle.

Table 89: Total Quantified Objectives, 2023 – 2031

Target	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
New Construction	334	335	385	200	519	1,773
<u>Conservation</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	-	<u>120</u>
Rehabilitation	80				-	80
Preservation	55			-	-	<u>55</u>
Total						<u>2,028</u>

Programs

The programs in this section of the Housing Element describe specific actions the City will carry out over the eight-year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized by the following seven major housing goals:

- Housing Production
- Removal of Governmental Constraints
- Housing Preservation and Improvement
- Housing Assistance
- Special Housing Needs
- Affirmatively Furthering Fair Housing
- Education and Outreach

A. Housing Production

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 1	No Net Loss <u>Inventory and</u> Monitoring	To ensure that the City monitors its compliance with SB 166 (No Net Loss), the City will develop a procedure to and will track: - Unit count and income/affordability assumed on parcels included in the sites inventory. - Actual units constructed and income/affordability when parcels are developed. - Net change in capacity and summary of remaining capacity in meeting remaining RHNA. <u>To ensure the City has adequate sites to accommodate any net loss of Regional Housing Needs Allocation (RHNA) capacity due to development of RHNA sites or accessory dwelling units (ADUs) below projections, the City shall create a No Net Loss Inventory of replacement sites within one year of adoption of the Housing Element. The backup replacement sites in the No Net Loss Inventory will be separate and distinct from the identified RHNA sites inventory included in Appendix B. The No Net Loss Inventory replacement sites are all appropriate for lower-income development based on the criteria used for RHNA site selection. The City has begun development of this list and initial estimates include capacity for approximately 600 units, if needed.</u> Quantified Objective: No net loss of capacity below the RHNA requirement during the planning period.	CDD	General Fund	Adopt procedure <u>and create No Net Loss Inventory by Q2 2024.</u> Review RHNA site status twice yearly and <u>update No Net Loss Inventory as necessary to maintain adequate RHNA sites.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 2	Surplus Lands/Affordable Housing on City-Owned Sites	Assess City-owned properties for their potential redevelopment or development for residential uses that include housing for extremely low-income households and those with special needs such as seniors and persons with disabilities. <u>The RHNA sites inventory includes one City-owned site (880 Sunrise Drive). This property includes a fire station adjacent to a large, unused portion of the parcel.</u> Implement the Surplus Lands Act to annually review City-owned parcels and provide affordable housing developers the first priority for designated surplus lands as applicable per Government Code Section 54227. <u>The City will advertise surplus land opportunities to affordable housing providers, the Santa Clara Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing).</u> <u>Quantified Objective:</u> <u>The City will contact affordable housing developers regarding any City owned sites (e.g., 880 Sunrise Drive) on the RHNA Sites Inventory or the No Net Loss Inventory, with the goal of developing at least 21 lower-income units through the Surplus Lands Act</u>	CDD	General Fund	<u>Advertise surplus land opportunities and contact affordable housing developers regarding the one City-owned RHNA site by Q1 2025.</u> Annual review in conjunction with the review of surplus lands.
A - 3	By-Right Approval of Projects with 20 Percent Affordable Units on "Reused" RHNA Sites	Pursuant to the statutory requirements of Government Code Sections 65583.2(h) and (i), amend the Zoning Ordinance to require by-right approval any "reuse" 4th and 5th Cycle sites being used to meet the 6th Cycle RHNA, if 20 percent of the units in the development are affordable to lower-income households.	CDD	General Fund	Within one year of Housing Element adoption<u>By Q2 2024.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 4	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the inventory to developers. The City shall update the list of sites annually, or as projects are approved on the sites. Quantified Objective: Maintain accurate and publicly available residential sites inventory throughout the planning period.	CDD	General Fund	Post on website within six months of adoption <u>by Q4 2023</u> ; update annually.
A - 5	Revise Neighborhood District Policy	The City will revise the Neighborhood District Policy so it does not rely on the Residential Development Ordinance (RDO). Revisions to the policy include: - Studying and adopting an inclusionary housing policy and in-lieu fee for Neighborhood District areas. - Updating the Neighborhood District target densities, consistent with the Gilroy 2040 General Plan. - Adopting standards related to the distribution of units across the levels of affordability (e.g., 30% of the 15% affordable units shall be designated for low income). - Adopting standards related to the term of affordability (e.g., rental units shall be restricted as affordable for a minimum of 55 years).	CDD	General Fund	Within three years of Housing Element adoption <u>By Q2 2026</u> .

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 6	ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. <u>If annual production and affordability rates do not match the estimates included in the Housing Sites and Resources section, the City will update the ADU strategy to ensure that the City continues to maintain adequate capacity for all income levels. In the event of an ADU shortfall that results in a net loss of units below the RHNA, the City will adopt another ADU program within six months to facilitate additional ADU production or identify additional RHNA sites from the City's No Net Loss Inventory, as discussed in Program A - 1.</u> <u>The City will hold a focus group event with local stakeholders in spring or fall 2026 if the average ADU production is less than 25 units in year 2025. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production.</u> The City will review geographic distributions of ADUs biennially. <u>Updates to the ADU ordinance are included in Program A - 15.</u> Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018--2021) to an average of approximately 25.	CDD	General Fund	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. <u>Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in year 2025. Identify additional programs or sites within six months of shortfall.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 7	ADU Preapproved / Pre-Reviewed Plans	The City will develop an ADU program that includes pre-reviewed “model” plans for ADUs that meet zoning and building, and fire codes, including designs that are Americans with Disabilities Act (ADA) accessible. The program may be modeled after successful programs implemented in other cities. The City will work with the Santa Clara County Planning Collaborative <u>and join the ADU Advisory Committee</u> on the option of creating a sub-regional program of pre-reviewed ADU plans <u>and a variety of ADU tools and resources</u> that can be available to all residents and cities in Santa Clara County <u>to encourage ADU production</u>. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	Within 3 years of Housing Element adoption <u>By Q1 2024.</u>
A - 8	Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development.</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	CDD	In-lieu fees, other applicable affordable housing funding	After program funding is secured and sufficient for the intended purpose. <u>Evaluate the effect of impact fees on ADU development by Q3 2024 if ADU production is lower than anticipated.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 9	Monitor Permit Requirements, Processing Procedures, and Land Use Controls	Implement the Land Management System for Tyler Technologies with a "go-live" date in 2023 and hold an outreach meeting to educate users on how to use the new permitting system. To assess the effectiveness of the new Land Management System, the City will survey users six months after its launch. The City will also create metrics that track the time to process permits. These metrics can be compared year-to-year to determine if process and procedure are efficient or need refinement. As a part of the City's outreach and engagement with developers, the City shall consult builders and other parties engaged in housing development activities to identify potential constraints in the City's permit requirements, processing procedures, and land use controls and analyze potential streamlining where feasible. Outreach methods will include or be equivalent to the City's annual developer roundtable meeting. Quantified Objective: Increase the percentage of permits that are processed online. Decrease the time it takes to process permits.	CDD	General Fund	Survey six months after "go-live" date. Annual outreach to builders and developers, such as through the City's annual developer's roundtable meetings.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 10	Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially <u>on corner lots in the R1 and R2 zones</u> so long as the project complies with objective design standards. <u>Amend the Zoning ordinance to allow duplexes, triplexes, and fourplexes on all corner lots with a minimum 6,000 sf lot size. While SB9 currently allows duplexes in the R1 zone, this Program provides further flexibility by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Create an informational and promotional -pamphlet regarding opportunities to develop duplexes on corner lots in R1 and R2 zones by right (approximately 1,106 lots).</u> <u>Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u> Quantified Objective: Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 2023 – 2031 planning period.</u>	CDD	General Fund	Within two years of Housing Element adoption <u>By Q2 2025.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 11	Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units. Quantified Objective: Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.	CDD	General Fund	By the end of 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 12	Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance/policy above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided. Quantified Objective: Increased housing choice and mobility for special needs households.	CDD	General Fund	Within two years of Housing Element adoption By Q2 2025.
A - 13	Coordination with California High Speed Rail Authority	Continue to coordinate with the California High Speed Rail Authority so that the Station Area Plan includes the development of a mix of affordable and market-rate housing and commuter parking on the parcels associated with the High Speed Rail Station. Quantified Objective: Develop a specific commitment to housing development; set objective targets for the development of affordable and market-rate housing on the High Speed Rail site.	CDD, California High Speed Rail Authority	General Fund	Immediately and throughout the planning period until the Station Area Plan is complete.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 14	Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups). Quantified Objective: Development of affordable housing on the 8th and Alexander property by the end of 2028.	CDD, Santa Clara County Office of Supportive Housing	General Fund	Continual partnership throughout the planning period. Anticipated project completion by the end of 2028.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 15	<u>ADU Ordinance Updates</u>	The City worked in collaboration with the California Department of Housing and Community Development (HCD) on its current ADU ordinance. The City will continue to work with HCD to make necessary changes and ensure compliance with state law. The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will accelerate and streamline the process for approving ADUs in the City. The City will use the affidavits to track the number of ADUs to ensure they are being built at the assumptions in the Housing Sites and Resources section. To further incentivize ADU production, the City will increase the allowable floor area from 1,000 square feet to 1,200 square feet. Program A - 6 includes adopting additional programs should the actual number of ADU permits differ from assumptions. <u>Quantified Objective:</u> Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	<u>CDD</u>	<u>General Fund</u>	<u>Within one year of Housing Element adoption By Q2 2024.</u>
A - 16	<u>Senate Bill (SB) 9 Streamlining</u>	The City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law. <u>Quantified Objective:</u> Process ten (10) SB 9 applications in the planning period.	<u>CDD</u>	<u>General Fund</u>	<u>Within one year of Housing Element adoption By Q2 2024.</u>

B. Removal of Government Constraints

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 1	Residential Development Ordinance (RDO) Removal	Repeal the RDO. The growth control measures of the City's RDO have been made null and void by SB 330 (2019). The RDO will be repealed as a part of the City's comprehensive zoning update. Portions of the policy related to affordability requirements may be used as a benchmark for the City's proposed Inclusionary Policy.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 2	Zoning and General Plan Densities	Amend the Zoning Ordinance to ensure that the Gilroy 2040 General Plan maximum densities are achievable in the implementing zones (Housing Accountability Act/AB 3194). Changes include: - Increasing the maximum density in the R3 (medium density) zone from 16 to 20 dwelling units per acre; - Removing the maximum density in the R4 (high density) zone; - Creating a zoning district for the mixed-use 1st Street corridor with a density range of 20–30 dwelling units per net acre; and - Creating Neighborhood District High and Neighborhood District Low zoning designations with density allowances that are consistent with the 2040 General Plan.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 3	Senate Bill (SB) 35 Permit Processing and SB 330 Compliance	Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330. <u>Create checklists and instructions for reviewing and approving SB9 and SB330 projects.</u> <u>The City shall amend the Zoning Ordinance to ensure that any demolished units shall be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g).</u> Add information regarding the expedited permit process on the City's website.	CDD	General Fund	Within two years of Housing Element adoption <u>By Q2 2025.</u>
B - 4	Public Fees, Standards, and Plans Online	Pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location. The City will continue to provide a high-quality, parcel-specific zoning map and General Plan map online.	CDD	General Fund	Within one year of Housing Element adoption <u>By Q2 2024.</u>
B - 5	Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234. Quantified Objective: Decreased permit processing time.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 6	Objective Standards	Review and revise development standards, design guidelines, and findings to ensure they are objective and facilitate development of properties at their maximum densities.	CDD	General Fund	Within three years of Housing Element adoption By Q2 2026.
B - 7	Zoning Ordinance Update	<u>As a part of the 2023 comprehensive Zoning Ordinance update to ensure compliance with the 2040 General Plan and streamline various application processes (Program B – 5), the City will evaluate development standards for all zones including the Downtown Specific Plan zones, for potential governmental constraints.</u> The City will <u>also</u> revise the definition of “townhouse” to be consistent with state law.	CDD	General Fund	Within one year of Housing Element adoption By Q2 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 8	Entitlement Roadmap Webpage	To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources. The webpage will advertise the City's ministerial process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards.	CDD	General Fund	By the end of 2023.
B - 9	<u>Building Department Webpage</u>	<u>To reduce applicant time and cost and increase certainty, the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes.</u> <u>Quantified Objective: Updated website by January 1, 2024.</u>	<u>CDD</u>	<u>General Fund</u>	<u>No later than January 1, 2024.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 10	<u>Zoning Code Annual Updates</u>	<u>California's legislature continues to pass new laws each year to encourage housing production and address the state's severe housing shortage. Under this program, the Community Development Department will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use.</u> <u>Quantified Objective:</u> <u>Following passage of new state legislation, Community Development Department staff will develop a list of laws that require updates to the City's policies, codes and ordinances.</u>	<u>CDD</u>	<u>General Fund</u>	<u>The City will update City policies, codes and ordinances annually, or as needed to comply with new state laws.</u>

C. Housing Preservation and Rehabilitation

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 1	Monitoring of Units At Risk of Converting to Market Rate	Continue to provide regular monitoring of deed-restricted units that have the potential of converting to market rate. The City currently contracts with HouseKeys to serve as the Below Market Rate (BMR) Program Administrator of the City's below market-rate homeownership and rental property program. The BMR Program Administrator will continue to monitor and evaluate the City's current multi-family affordable housing stock to determine if any developments are at risk of conversion. Together with the BMR Program Administrator, the City will implement strategies to preserve projects identified as being at risk of converting to market-rate housing. Strategies include: • Monitoring affordable housing term expiration status annually. • Notifying property owners annually about compliance with the extended noticing requirement (three year, one-year, and six-month Notice of Intent) under state law. • Including preservation as an eligible use in Notices of Funding Availability. • If below market-rate units appear to be at risk of conversion, work with qualified operators, the California Department of Housing and Community Development (HCD), and the property owners to preserve the housing for lower-income households. • Biennial contact with property owners of affordable units.	CDD and Program Administrator (e.g., HouseKeys)	General Fund	Annually review affordable housing term expirations. Noticing as needed with expiration of covenants.

Number	Title	Action	Responsible Party	Funding Source	Timeline
		• Identification of funding opportunities to purchase and preserve affordable units. • Noticing of tenants and technical assistance with applications for funds. <i>Quantified Objective:</i> Preservation of below market-rate units.			
C - 2	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. For example, the City has provided CDBG grants to the Rebuilding Together Silicon Valley Home Repair, Rehabilitation and Accessibility Modification program, which provides a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low-income homeowners in Gilroy. The City will facilitate Tax Equity and Fiscal Responsibility Act (TEFRA) hearings throughout the planning period to allow for the development and rehabilitation of affordable housing units throughout the City. Quantified Objective: Provide assistance to 100 households. Target 25% in the Racially and Ethnically Concentrated Area of Poverty (R/ECAP) and DTSP area.	CDD	General Fund	Annually evaluate progress and review contract. <u>Following each contract renewal, hold informational meetings to alert the community about the availability of programs such as Rebuilding Together rehabilitation loans.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 3	Code Enforcement Program	Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the Rebuilding Together Program (or similar) and landlord/tenant information and mediation services. Quantified Objective: Provide information regarding the Rebuilding Together (or similar) and landlord/tenant information and mediation services to 240 households.	CDD	General Fund	Ongoing throughout the planning period.
C - 4	Resale Control on Owner-Occupied Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 5	Resale Control on Rental Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on renter-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 6	Identification and Preservation of At-Risk Units	The City will complete its ongoing effort to create an inventory of BMR units. In the event that the City identifies units with restrictive covenants that expire during the 6th Cycle, the City will ensure that owners of the properties are contacted, encouraged to extend or renew the rent or sales price restrictions. The City will also ensure appropriate advanced notice of conversion to tenants is provided.	CDD	General Fund	Within one year of Housing Element adoption By Q2 2024.

D. Housing Assistance

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 1	Permanent Local Housing Allocation Fund	The City shall continue to utilize the Permanent Local Housing Allocation (PLHA) Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City contracts with Santa Clara County Office of Supportive Housing to administer the PLHA Fund, which provided \$237,000 in funding each year during the FY 22-23 and FY 23-24 funding periods for homelessness prevention services, fair housing, and basic needs (e.g., meals on wheels). The City shall continue to inform nonprofit organizations of funding availability through the City's website and informational packets at City Hall. Quantified Objectives: Through various eligible funding programs, assist 80 households annually.	CDD	Permanent Local Housing Allocation Fund	The PLHA funds span a 5-year basis. Conduct outreach and allocate funding every two years.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 2	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance and <u>inform the public of existing resources</u>, including the availability of State HCD, CalHFA funds, HOME, Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and Santa Clara County funds. The City shall improve public outreach activities through <u>conducting workshops and outreach events and</u> the compilation of resources for down payment assistance and other means of acquiring a home. Quantified Objectives: The City will <u>conduct public outreach to inform the community of existing resources, assistance programs, and funding opportunities, and</u> annually pursue funding for down payment assistance and increase awareness as new funding is available.	CDD	General Fund	<u>Conduct public outreach on existing housing resources and</u> pursue funding and conduct research annually.
D - 3	Housing Choice Voucher Referrals	The City shall provide information to City residents on the Santa Clara County Housing Authority Housing Choice Voucher (HCV) program. This information shall also be available on the City website. The City shall notify interested residents and provide technical assistance to residents who need help applying to the Housing Choice Voucher program. The City shall refer residents that experience discrimination based on source of income (including vouchers) to Project Sentinel. Quantified Objective: Assist or refer 40 individuals annually.	CDD	General Fund	Immediately upon opening of HCV waitlist. Technical assistance to residents as needed. Annual education and outreach to landlords.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 4	Pursue Funding for Affordable Housing	The City shall pursue funding from state, federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by ABAG; • HCD Local Housing Trust Fund Program; • US Department of Housing and Urban Development (HUD) Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by HCD; and • The State Multifamily Housing Program, sponsored by HCD.	CDD	General Fund	Pursue funding sources annually.
D - 5	Community Development Block Grant Program	The City shall continue to utilize the CDBG Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homelessness assistance, public services, and public improvements. The City shall continue to inform nonprofit organizations of funding availability through the City's website and email distribution lists. The City will advertise funded programs that provide public assistance on its website and through informational brochures at City Hall. The City expects to receive an estimated \$4040,000 in CDBG funds from HUD each year. The primary objectives of the CDBG Program include activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need.	CDD	General Fund	Administer funds annually.

E. Special Housing Needs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 1	Priority Water and Sewer Service for Affordable Housing Developments	Pursuant to Government Code 65589.7, <u>the City will review and update, as necessary, the Water and Sewer Service Priority Policy, and</u> work with public service providers to ensure prioritization of services to housing developments serving lower-income households. <u>This policy is currently in place.</u> <u>The Housing Element will be provided to water and sewer service providers upon adoption.</u>	CDD	General Fund	Within one year of <u>Housing Element adoption</u> <u>By Q2 2024.</u>
E - 2	Zoning to Encourage and Facilitate Single-Room Occupancy Units	As a part of the comprehensive Zoning Ordinance update, the City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
E - 3	Emergency Shelter Standards	Amend the Zoning Ordinance to modify the requirements for emergency shelters in compliance with <u>Assembly Bill (AB) 2339, AB 139, and</u> Government Code <u>Section 65583(a)(4).</u> The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's <u>R4 zone and 1st Street mixed-use corridor.</u> <u>Pursuant to AB 2339, emergency shelters and other interim interventions, including but not limited to a navigation center, bridge housing, and respite or recuperative care, will not require a conditional use permit or any other discretionary permit in zones designated for emergency shelters. The Zoning Ordinance will be revised to set parking requirements based on staff levels only.</u>	CDD	General Fund	<u>At the time of Housing Element adoption.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 4	Low Barrier Navigation Centers	Pursuant to Senate Bill (SB) 48 <u>and AB 2339</u> , amend the Zoning Ordinance to allow low-barrier navigation centers, meeting specific objective requirements, by-right in areas zoned for nonresidential uses, including mixed-use zones and multi-family zones.	CDD	General Fund	Within one year of Housing Element adoption <u>By Q2 2024.</u>
E - 5	Incentivize Micro-Units	Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development. Ensure that provisions for efficiency units are consistent with AB 352 (2017).	CDD	General Fund	Within one year of Housing Element adoption <u>By Q2 2024.</u>
E - 6	Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing are appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within 0.5 miles of public transit.	CDD	General Fund	Within 3 years of Housing Element adoption <u>By Q2 2026.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 7	Development and Conservation of Housing for Farmworkers	<u>In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project.</u> The City shall continue to partner with the Housing Authority of Santa Clara County and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. <u>At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the developer list created through Program G - 1.</u> Quantified Objective: Preserve and maintain the <u>3</u> farmworker housing developments (<u>56</u> units) located in Gilroy.	CDD	General Fund	Ongoing throughout the planning period.
E - 8	Consistency with the Employee Housing Act	As a part of the 2023 comprehensive Zoning Ordinance update, the City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code Section 17021). This act generally requires by-right approval of employee housing for agricultural employees (i.e., farmworker housing) as follows: Less than six persons: by-right in all zones allowing single-family residential uses. No more than 12 units or 36 beds: by-right in all zones allowing agricultural uses.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 9	Priority for Gilroy	The City will develop a system to prioritize occupancy of affordable for-sale and for-rent units in Gilroy for income-eligible Gilroy residents and/or individuals working in the City of Gilroy, who originate in the City of Gilroy. The City will determine how to weigh specific factors and develop a process for priority tenure, while affirmatively furthering fair housing.	CDD	General Fund	Within two years of Housing Element adoption By Q2 2025.
E - 10	<u>Development and Rehabilitation of Housing for Persons with Disabilities</u>	<u>As part of the 2023 comprehensive Zoning Code update, the City will evaluate and revise as necessary its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities. The City will also evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.</u>	<u>CDD</u>	<u>General Fund</u>	Within one year of Housing Element adoption By Q2 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 11	<u>Housing For Extremely Low Income and Special Needs Households</u>	<u>The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers, providing site information, assisting in the entitlement processes, and considering on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards.</u> <u>As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable.</u> <u>Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.</u> <u>Quantified Objective:</u> <u>Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.</u>	<u>CDD</u>	<u>General Fund, PLHA funding</u>	<u>As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 12	<u>Allow 100% Residential in the Downtown Expansion District and allow flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households</u>	<u>The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor such as supporting amenities, facilities or services, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.</u> <u>Quantified Objective:</u> <u>Adopted zoning amendments. Facilitation of 50 units using the adopted process in the planning period.</u>	<u>CDD</u>	<u>General Fund</u>	<u>Amendments by Q3 2025</u>

F. Affirmatively Furthering Fair Housing

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 1	Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility. Quantified Objective: Outreach to 50 landlords or tenants annually.	CDD	General Fund	Informational outreach within one year of Housing Element adoption <u>by Q2 2024</u>. Annual education and outreach to landlords and tenants.
F - 2	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. Quantified Objective: Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.	CDD	General Fund	Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption <u>by Q2 2024</u>.

F - 3	Place-Based Improvements <u>in Downtown Gilroy</u>	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) - As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. <u>In March 2023 the City Council awarded a contract to</u>	CDD, Public Works	General Fund	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space will be complete by the end of May 2023.
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Number	Title	Action	Responsible Party	Funding Source	Timeline
		<u>conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy.</u> • <u>The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes approved blight removal activities, solely in the determination of the City.</u> • <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets</u>			

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 4	Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially <u>on corner lots in the R1 and R2 zones</u> (Program A-9). - Adopt a density bonus beyond state law <u>policy</u> to include incentives for special needs households (Program A-11) - Adopt an inclusionary housing policy (Program A-10)	CDD	General Fund	Within 3 years of Housing Element adoption <u>By Q2 2026.</u>
F - 5	Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.	CDD	General Fund	Hold focus group and complete analysis within two years of Housing Element adoption <u>by Q2 2025</u> . Adopt policy within three years of Housing Element adoption.

G. Education and Outreach

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 1	Collaboration with Development Community	The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period. <u>Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting.</u> <u>The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable, and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.</u> Quantified Objective: Host an annual developer roundtable meeting. <u>Participation of at least four developers of affordable and special needs housing in the annual roundtable.</u>	CDD	General Fund	Annual developer roundtable meeting. <u>Creation of developer interest list by Q1 2024.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 2	Community Outreach and Inclusion in the Decision Making Process	To implement Goal EJ 1 from the City's 2040 General Plan Environmental Justice Element, the City will encourage involvement of all Gilroy neighborhoods in the public decision-making process through the use of various methods of delivery, such as print media, mailers, web-based information, accessible meetings, <u>pop-up events</u>, and other methods that consider economic and cultural considerations unique to the City of Gilroy. Provide all pamphlets and communications in English and Spanish Geographic Targeting: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Ongoing throughout General Plan implementation.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 3	ADU Education	Develop and implement a comprehensive marketing program to advertise the benefits of ADUs and the process for constructing ADUs. The City will provide educational pamphlets on the City website and at City Hall with detailed information on the ADU process as well as basic responsibilities and legal requirements of being a landlord. The pamphlets will be provided in both English and Spanish. The City will consolidate its two ADU webpages into a single page that has all relevant information for ADUs. The City will focus outreach and education in the higher opportunity areas of the City to expand housing mobility and choice. Upon biennial review of geographic ADU distribution, the City will review and adjust promotion and outreach strategies to ensure ADUs are being marketed in high resource areas that are seeing less ADU construction. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.	CDD	General Plan	Develop marketing plan within one year of Housing Element adoption <u>by Q2 2024</u>; implement marketing program within two years of Housing Element adoption <u>by Q2 2025</u>. Biennial review of ADU geographic distribution. ADU webpage consolidation by the end of 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 4	Increased Outreach in Downtown Areas	To implement Policies EJ 1.3 and EJ 1.5 from the City's 2040 General Plan Environmental Justice Element, the City will consult with local community leaders in the Downtown Specific Plan Area to ensure community priorities are being addressed. The City will consider the viewpoints and concerns of all neighborhoods within Gilroy when drafting the High Speed rail Station Area Plan and when updating the Downtown Specific Plan. Geographic Target: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Upon receiving funding and availability of adequate staffing resources to complete these area plans.

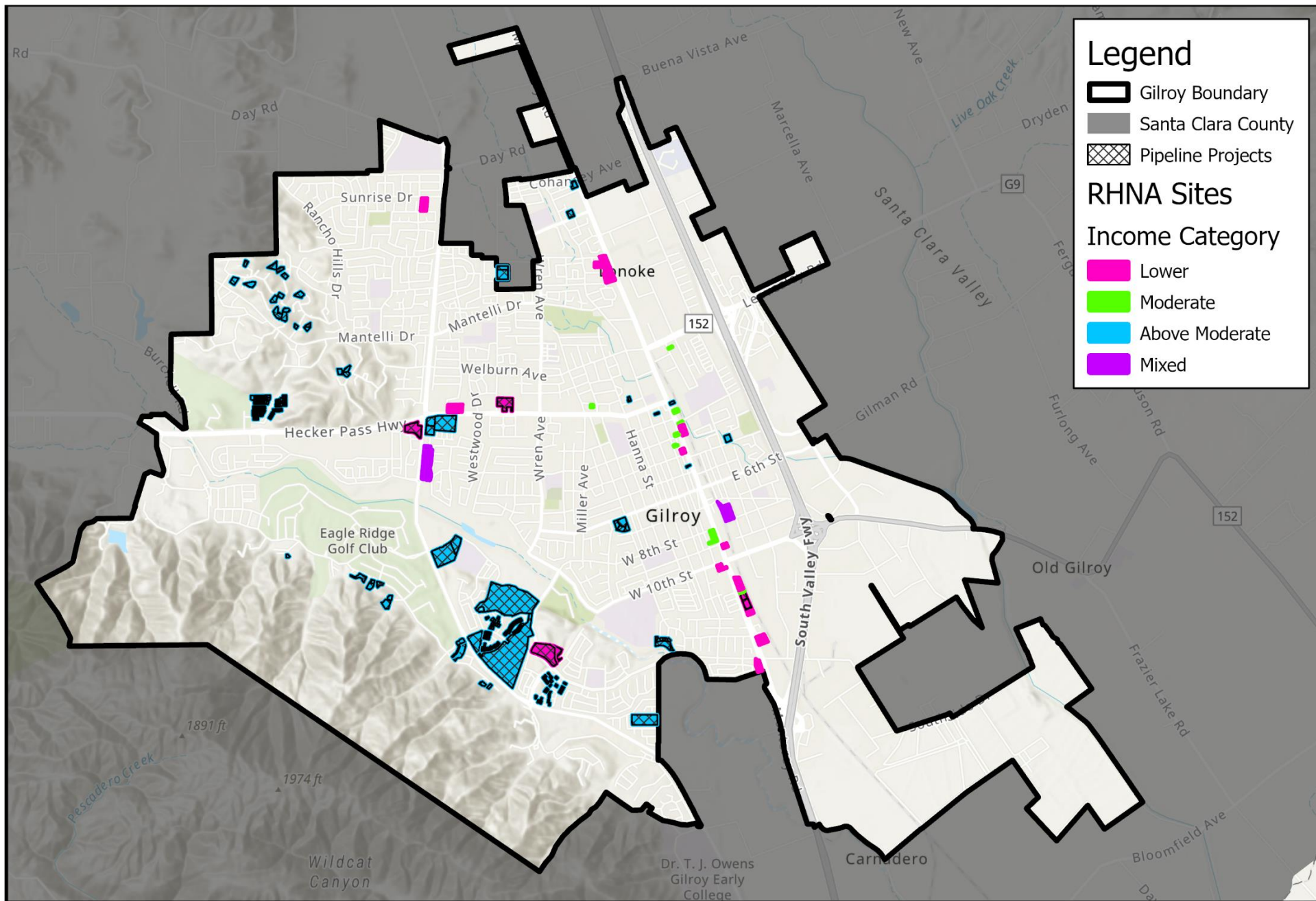
G - 5	Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: • <u>Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average.</u> • Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. • Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. • Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. • <u>Create a dedicated Missing Middle webpage and informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. Provide the pamphlets online, at City Hall, and at informational booths where housing resources are provided.</u> Geographic Targeting: Annual housing event in the DTSP area.	CDD	General Fund	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. <u>Conduct community outreach workshops on housing resources on a monthly basis on average.</u>
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Number	Title	Action	Responsible Party	Funding Source	Timeline
		Quantified Objective: Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units.</u>			

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 6	Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: • Creation of a dedicated webpage with information on <u>unhoused resources and efforts</u>. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • <u>Revamping</u> the unhoused service providers <u>network</u> which consists of monthly meetings with <u>direct unhoused</u> service providers in the City. <u>The network serves to increase collaboration and partnership among service providers and the City to connect the unhoused with services.</u> The <u>monthly meetings</u> serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts. Quantified Objective: Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.	CDD	General Fund	18–24 months after Housing Element adoption <u>Between Q4 2024 and Q2 2025</u> ; monthly (or as scheduled) meetings of the unhoused service providers network.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 7	Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	CDD	General Fund	Immediately upon adoption of the Housing Element.
G - 8	Help Cetner Webpage	<u>In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.</u> <u>Quantified Objective: The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts, following implementation</u>	CDD	General Fund	By Q1 2024

APPENDIX A: SITES INVENTORY MAP



APPENDIX B: SITES INVENTORY LIST

Table 90: Opportunity Sites

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 20 050	880 Sunrise Dr	95020	1.98	PF	Low Density	15	0	21	0	0	0	21	74 Pub,Buildings,Public	Yes	Yes	No	No	Opportunity Site
790 14 025	8955 Monterey Rd	95020	2.05	R4	High Density	30	0	49	0	0	0	49	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 075	8915 Monterey Rd	95020	0.74	R4	High Density	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 091	8985 Monterey Rd	95020	0.80	R4	High Density	30	0	19	0	0	0	19	62 Ins,Childcare,Preschl,Adult Daycare	Yes	No	Yes	Yes	Opportunity Site
790 15 036	8877 Monterey Rd	95020	1.21	R4	General Services Commercial	30	0	29	0	0	0	29	69 Vacant,Urban	Yes	No	Yes	Yes	Opportunity Site
790 15 041	8897 Monterey Rd	95020	0.95	R4	General Services Commercial	30	0	23	0	0	0	23	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 32 052	620 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 053	622 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 054	626 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 055	624 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 39 019	1375 1st St	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	69 Vacant,Urban	Yes	No	Yes	No	Opportunity Site
790 39 020	1395 First Street	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 029	1335 First St	95020	0.55	C3	Mixed Use Corridor High	30	0	12	0	0	0	12	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 030	1355 1st St	95020	0.49	C3	Mixed Use Corridor High	30	0	10	0	0	0	10	69 Vacant,Urban	Yes	No	No	No	Opportunity Site

⁴³ The APN is the most accurate representation of the location of these sites. Addresses are the addresses connected to each APN from the Assessor's portal.

⁴⁴ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 03 054	7733 Monterey Rd	95020	0.10	DED	Downtown Specific Plan Area	30	0	0	0	3	0	3	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 03 055	7711 Monterey Rd	95020	0.20	DED	Downtown Specific Plan Area	30	0	0	0	6	0	6	04 Res, 5 Or More Family Units	Yes	No	No	No	Opportunity Site
799 04 008	7601 Monterey Rd	95020	0.51	DHD	Downtown Specific Plan Area	30	0	15	0	0	0	15	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 04 016	7660 Egleberry St	95020	0.18	DED	Downtown Specific Plan Area	30	0	0	0	5	0	5	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 033	7191 Monterey St	95020	0.34	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 034	7161 Monterey St	95020	0.32	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 042	Egleberry Street (east side), north of W Ninth St	95020	0.16	TD	Downtown Specific Plan Area	20	0	0	0	2	0	2	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 048	Monterey St. (west side), north of W Ninth St	95020	0.30	DED	Downtown Specific Plan Area	30	0	0	0	9	0	9	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 049	7121 Monterey St	95020	0.36	DED	Downtown Specific Plan Area	30	0	0	0	11	0	11	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 34 036	80 W Tenth St	95020	0.89	DED	Downtown Specific Plan Area	30	0	27	0	0	0	27	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
808 01 024	Located at intersection of Santa Teresa Blvd and Third St	95020	7.22	R4	High Density	30	0	142	0	31	0	173	69 Vacant, Urban	Yes	No	No	Yes	Opportunity Site
808 21 009	10 W Luchessa Ave	95020	0.57	ND	Neighborhood District	30	0	12	0	0	0	12	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
808 49 078	Monterey Rd (west side), south	95020c	0.92	ND	Neighborhood District	30	0	19	0	0	0	19	91 Agr, Orchard	Yes	No	No	No	Opportunity Site

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
	<u>of Luchessa Ave.</u>																	
<u>841 01 064</u>	<u>Swanston Lane (east side), south of Leavesley Rd</u>	<u>95020</u>	<u>0.17</u>	<u>R3</u>	<u>Medium Density</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 02 058</u>	<u>7840 Monterey Rd</u>	<u>95020</u>	<u>0.43</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>13</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 018</u>	<u>7700 Monterey Rd</u>	<u>95020</u>	<u>0.61</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 019</u>	<u>7760 Monterey Rd</u>	<u>95020</u>	<u>0.70</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 020</u>	<u>7780 Monterey Rd</u>	<u>95020</u>	<u>0.44</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>13</u>	<u>86 Vacant,Public Uses</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 13 022</u>	<u>Alexander St (west side), south of Old Gilroy</u>	<u>95020</u>	<u>3.62</u>	<u>CD</u>	<u>Downtown Specific Plan Area</u>	<u>40</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>100</u>	<u>43 Tra,Transportation,Railroad</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 001</u>	<u>Monterey St., south of Ninth St</u>	<u>95020</u>	<u>0.55</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 006</u>	<u>6790 Monterey Rd</u>	<u>95020</u>	<u>0.39</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>9</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 015</u>	<u>6320 Monterey Rd</u>	<u>95020</u>	<u>0.55</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>1</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>	<u>01 Res.Single Family Residence</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 036</u>	<u>6470 Monterey Rd</u>	<u>95020</u>	<u>0.74</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>29 Mfg,Petroleum Products</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 037</u>	<u>6380 Monterey Rd</u>	<u>95020</u>	<u>0.77</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>10 Ind,Lumber & Other Bldg Materials</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 081</u>	<u>6620 Monterey Rd</u>	<u>95020</u>	<u>0.53</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>16 Ind,Non-Mfg,Combo Mfg & Non-Mfg</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 083</u>	<u>6920 Monterey Rd</u>	<u>95020</u>	<u>1.69</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>51</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51</u>	<u>11 Ind,Warehousing,Public</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>

Table 91: Pipeline Project Sites

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 03 073	8340 Wintergreen Court	95020	0.56	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 03 074	8350 Winter Green Court	95020	0.63	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 03 081	8341 Winter Green Court	95020	0.61	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 04 023	Hecker Pass And Autumn Way	95020	#N/A 22.4	#N/A Hecker Pass Special District	Hecker Pass Special District	-	—	-	-	-	72	72	-	Yes	No	No	No	Pending Project
783 52 050	1975 Saffron Court	95020	0.91	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 64 022	2331 Hoya Lane	95020	0.41	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 65 022	2354 Banyan Ct	95020	0.90	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 012	1870 Carob Court	95020	0.91	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 017	1820 Carob Court	95020	0.64	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 020	9145 Tea Tree Wy	95020	0.51	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 033	8971 Tea Tree Way	95020	0.57	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 036	8955 Mimosa Ct.	95020	1.39	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 055	2282 Gunnera Ct	95020	0.82	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 027	9025 Mimosa Court	95020	0.54	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 038	9005 Mimosa Court	95020	0.72	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 72 035	8950 Mimosa Court	95020	1.11	RH	Hillside Residential	0.5	—	-	-	-	1	1	-	Yes	No	No	No	Pending Project

⁴⁵ The APN is the most accurate representation of the location of these sites. Addresses are the addresses connected to each APN from the Assessor's portal.

⁴⁶ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
790 07 007	95 Farrell Avenue	95020	0.90	C1	Low Density Residential	-	---	-	-	-	4	4	-	Yes	No	No	No	Pending Project
790 17 002	9130 Kern Avenue	95020	2.54	R3	Neighborhood District	20	---	-	-	-	29	29	-	Yes	No	No	No	Pending Project
790 17 003	9160 Kern Avenue	95020	1.00	R3	Neighborhood District	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
790 21 041	975 First Street	95020	3.82	C3	High Density Residential	-	-	12	107	1	-	120	-	Yes	No	Yes	Yes	Pending Project
790 35 053	307 Gurries Drive	95020	0.23	R3	Medium Density Residential	20	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
790 35 054	308 Gurries Drive	95020	0.04	R3	Medium Density Residential	20	-	-	-	-	1	1	-	Yes	No	No	No	Pending Project
790 66 057	108 Chickadee Lane	95020	0.84	C1	Neighborhood District	-	-	-	-	-	12	12	-	Yes	No	No	No	Pending Project
799 01 058	7851 Egleberry Street	95020	0.18	R2	Downtown Specific Plan Area	10	1	-	-	-	-	-	-	Yes	No	No	No	Pending Project
799 06 049	7533 Monterey Road	95020	0.12	HD	Downtown Specific Plan Area	-	-	-	-	-	3	3	-	Yes	No	No	No	Pending Project
799 26 033	700 W 6th Street	95020	1.51	PO	Low Density Residential	-	-	-	-	-	19	19	-	Yes	No	No	No	Pending Project
799 26 037	701 W 6th Street	95020	0.67	R1	Low Density Residential	1	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 049	702 W 6th Street	95020	0.74	R1	Low Density Residential	1	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 050	703 W 6th Street	95020	0.10	R1	Low Density Residential	1	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 051	704 W 6th Street	95020	0.58	R1	Low Density Residential	1	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 26 052	705 W 6th Street	95020	0.08	R1	Low Density Residential	1	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 35 053	305 Gurries	95020	2.28#N/A	R-3#N/A	Medium Density Residential	-	---	-	-	-	2	2	-	Yes	No	No	No	Pending Project
799 44 093	Intersection of Filbro Dr and Royal Way, adjacent to 6695 Filbro Dr	95020	0.23	R3	Medium Density Residential	20	---	-	-	-	45	45	-	Yes	No	No	No	Pending Project
799 44 094	Intersection of Filbro Dr and Royal Way	95020	0.28	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 44 095	Royal Way, South of 6690 Filbro Dr	95020	0.19	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 096	Royal Way, South of 6685 Filbro Dr	95020	0.18	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 097	Intersection of Royal Way and Imperial Dr	95020	0.19	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 098	Intersection of Royal Way and Imperial Dr, adjacent to 6670 Imperial Dr	95020	0.21	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 101	Royal Way, West of 711 Antonio Ct	95020	0.00	R3	Low Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 109	Royal Way, West of 711 Antonio Ct	95020	1.92	R3	Medium Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
799 44 110	321 W Luchessa Ave	95020	0.24	R3	Low Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 01 021	1410 First St	95020	7.60	R3	High Density Residential	20	---	-	-	-	202	202	-	Yes	No	No	No	Pending Project
808 01 022	7890 Santa Teresa Blvd	95020	1.67	R3	High Density Residential	20	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 01 023	1490 First St	95020	1.57	R4	High Density Residential	30	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 19 023	NW of the intersection of Miller Ave and W. Luchessa Ave	95020	7.60	OS	Glen Loma Ranch	-	---	-	152	-	-	152	-	Yes	No	No	No	Pending Project
808 57 007	1265 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 008	1255 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 021	1290 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 022	1300 Hernandez Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 57 025	1285 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 026	1275 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 030	1235 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 031	1225 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 039	1270 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 040	1290 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 041	1300 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 042	1310 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 043	1320 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 044	1330 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 045	1340 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 046	6435 Juristac Wy	95020	0.07	Glen Loma Ranch	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 57 049	6465 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 050	6480 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 053	6450 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 054	6440 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 055	6430 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 056	6420 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 057	6410 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 070	1305 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 072	1285 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 078	1225 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 084	1240 Mirassou Ln	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 57 089	1290 Mirassou Ln	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 093	1330 Mirassou Ln	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 098	6390 Carsey Wy	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 099	6380 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 100	6370 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 106	1235 Mirassou Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 57 112	1240 Bouret Ct	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
808 18 031	North Of Santa Teresa, East Of Syrah Dr, And West Of Miller Ave.	95020	31.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	-	-	-	172	172	-	Yes	No	No	No	Pending Project
808 60 071	6811 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 072	6821 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 073	6831 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 074	6841 Vintner	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 60 075	6851 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 076	6861 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 077	6871 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 078	6881 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 079	6891 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 080	6901 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 081	6911 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 001	7001 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 002	7011 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 003	7021 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 004	7031 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 61 005	7041 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 006	7051 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 007	7061 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 008	7071 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 009	7081 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 010	7091 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 011	7101 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 012	7111 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 013	7121 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 014	7131 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 015	7141 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project
808 61 016	7100 Vintner	95020	0.16	Glen Loma Ranch	Glen Loma Ranch Special District	-	— —	*	*	*	*	—	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 61 017	7090 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 018	7080 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 019	7070 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 020	7060 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 021	7050 Vintner	95020	0.17	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 022	7040 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 61 023	7030 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 069	1470 Vinador Pl	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 037	1495 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 038	1485 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 036	1505 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
808 60 039	1475 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 054	1450 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 055	1460 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 056	1470 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 057	1480 Winzer Pl	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 015	1575 Hurka Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 003	1490 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 004	1500 Hurka Wy	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 019	1535 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 020	1525 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 021	1515 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 022	1505 Hurka Wy	95020	0.14	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District														
808 60 027	1540 Sawana Wy	95020	0.18	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 024	1510 Sawana Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 026	1530 Sawana Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 60 034	1525 Sawana Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	*	*	*	*	-	*	Yes	No	No	No	Pending Project
808 58 005	GLR Specific Plan; Northeast Of Santa Teresa & West Of Miller	95020	36.92	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	-	-	-	34	34	-	Yes	No	No	No	Pending Project
808 43 002	NE of Santa Teresa Blvd S of Club Dr	95020	8.83	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	-	-	-	59	59	-	Yes	No	No	No	Pending Project
808 39 066	6151 Thomas Road	95020	6.32	R1	Low Density Residential	1	---	-	-	-	14	14	-	Yes	No	No	Yes	Pending Project
808 43 003	Club Drive, North Of Santa Teresa Drive	95020	2.79	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	-	-	-	4	4	-	Yes	No	No	No	Pending Project
783 52 019	8772 Foxglove Court	95020	0.40	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
783 52 018	8762 Foxglove Court	95020	0.35	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 55 008	7430 Sunningdale Way	95020	0.23	R1	Hillside Residential	1	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 012	7201 Eagle Ridge Drive	95020	0.57	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 012	7201 Eagle Ridge Drive	95020	0.25	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 56 014	7221 Eagle Ridge Drive	95020	0.92	RH	Hillside Residential	0.5	---	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APN	Address ⁴⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁶	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
810 56 015	7231 Eagle Ridge Dr	95020	1.34	RH	Hillside Residential	0.5	— —	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 57 024	2031 Portmarnock Way	95020	0.43	RH	Hillside Residential	0.5	— —	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 57 029	2030 Portmarnock Way	95020	1.18	RH	Hillside Residential	0.5	— —	-	-	-	6	6	-	Yes	No	No	No	Pending Project
810 59 997	SW Of Santa Teresa, S Of Ballybunion/S.Teresa	95020	3.81	Hecker Pass Special District	Medium Density Residential	-	— —	30	69	1	-	100	-	Yes	No	No	No	Pending Project
810 66 012	1520 Hecker Pass Highway	95020	0.29	RH	Hillside Residential	0.5	— —	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 72 022	6545 Eagle Ridge	95020	0.44	RH	Hillside Residential	0.5	— —	-	-	-	1	1	-	Yes	No	No	No	Pending Project
810 72 026	6585 Eagle Ridge Court	95020	0.30	PF	Downtown Specific Plan Area	1	— —	-	-	-	12	12	-	Yes	No	No	No	Pending Project
841 02 009	7888 Monterey Road	95020	0.92	R3	Low Density Residential	20	— —	-	-	-	4	4	-	Yes	No	No	No	Pending Project
841 03 062	395 Lewis Street	95020	1.01	R1	Low Density Residential	-	— —	20	73	1	-	94	-	Yes	No	No	No	Pending Project
841 14 007	6730 Monterey Road	95020	1.41	Gateway DistrictGD	Downtown Specific Plan Area	-	— —	*	*	*	*	-	*	Yes	No	No	No	Pending Project
841 14 008	6680 Monterey Road	95020	0.47	GDGateway DistrictGD	Downtown Specific Plan Area	-	— —	*	*	*	*	-	*	Yes	No	No	No	Pending Project
841 14 009	6630 Monterey Road	95020	0.56	GDGateway DistrictGD	Downtown Specific Plan Area	0.53	— —	-	-	-	1	1	-	Yes	No	No	No	Pending Project

APPENDIX C: OUTREACH

September 8, 2022

Survey results for the City of Gilroy as of September 8, 2022

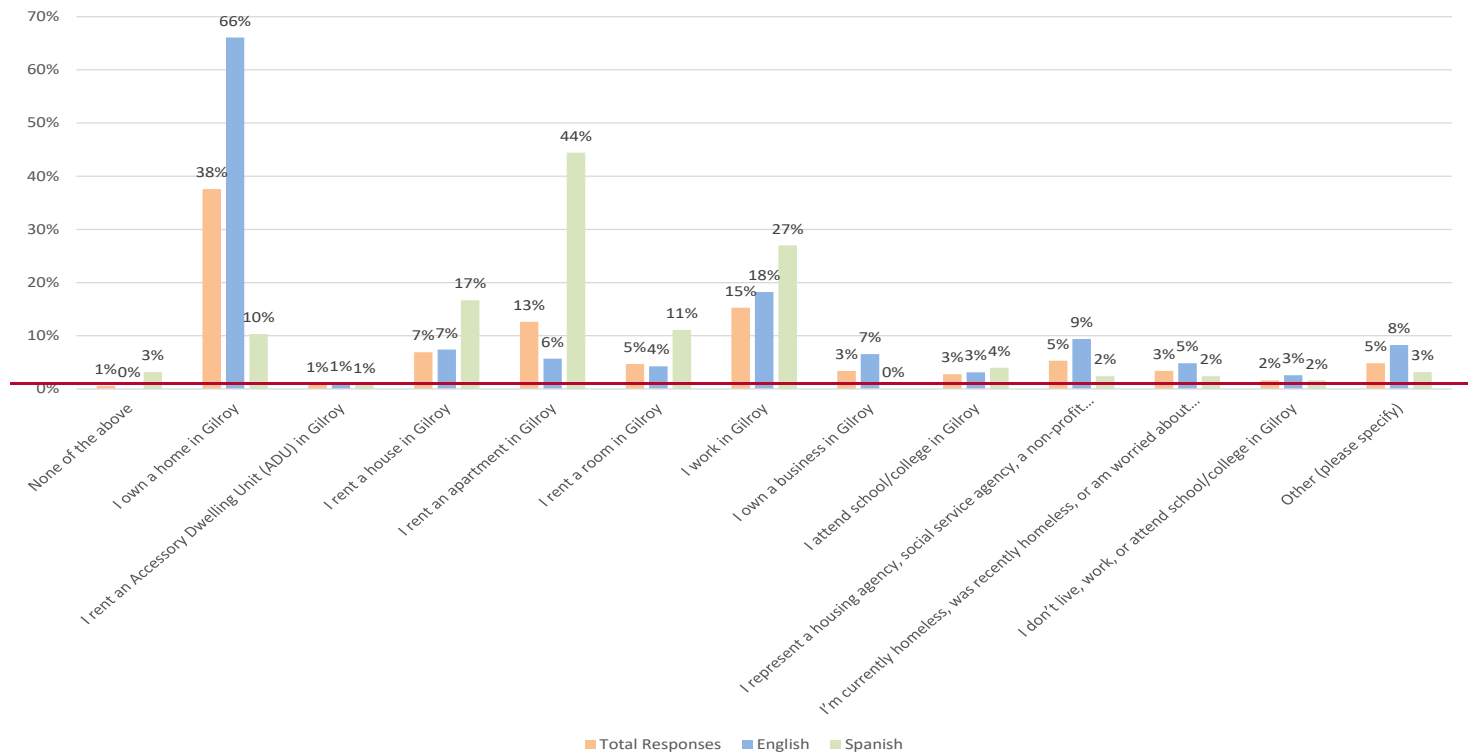
- English Responses: 367
- Spanish Responses: 143
- Total Responses: 510

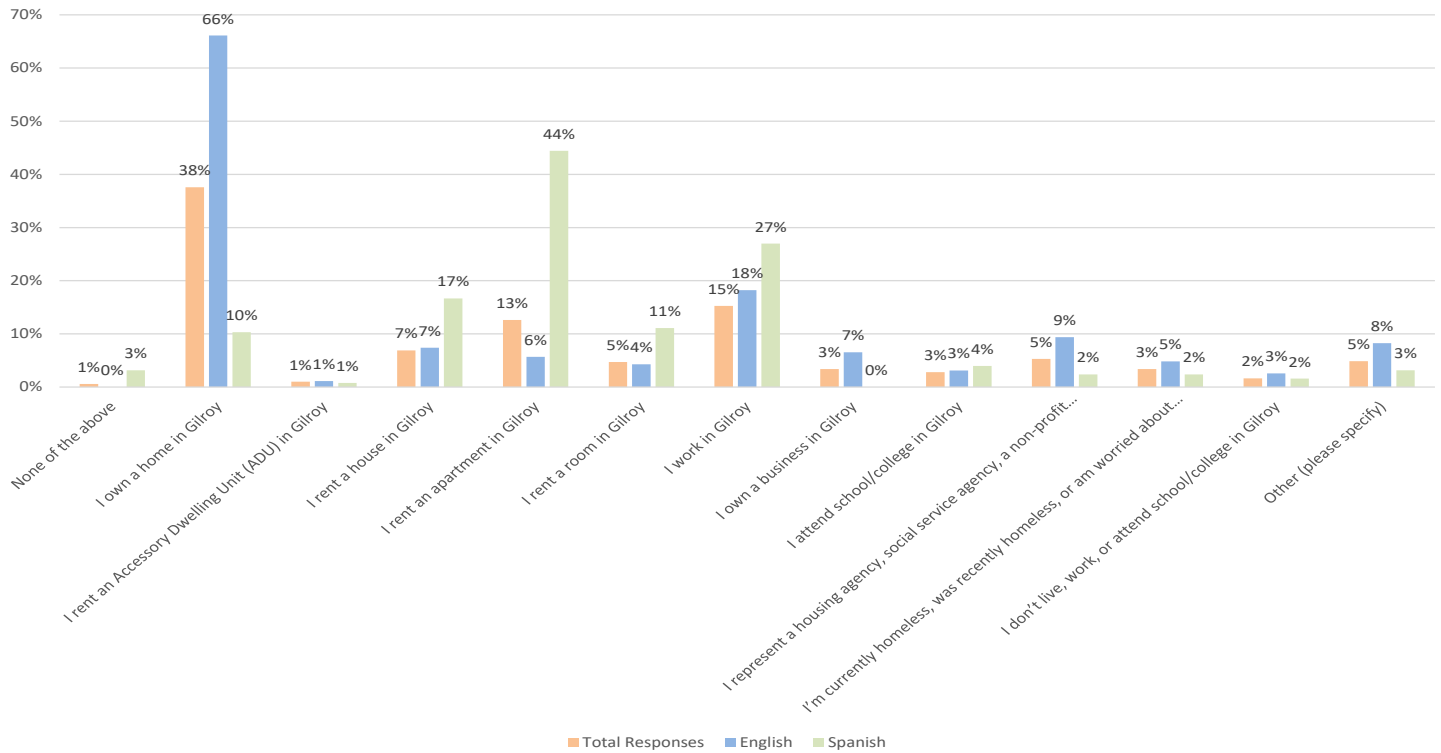
Q1. Please identify your relationship with the City of Gilroy. (Choose all that may apply)

Total: Answers = 506; Skipped = 4

English: Answered = 366; Skipped = 1

Spanish: Answered = 140; Skipped = 3



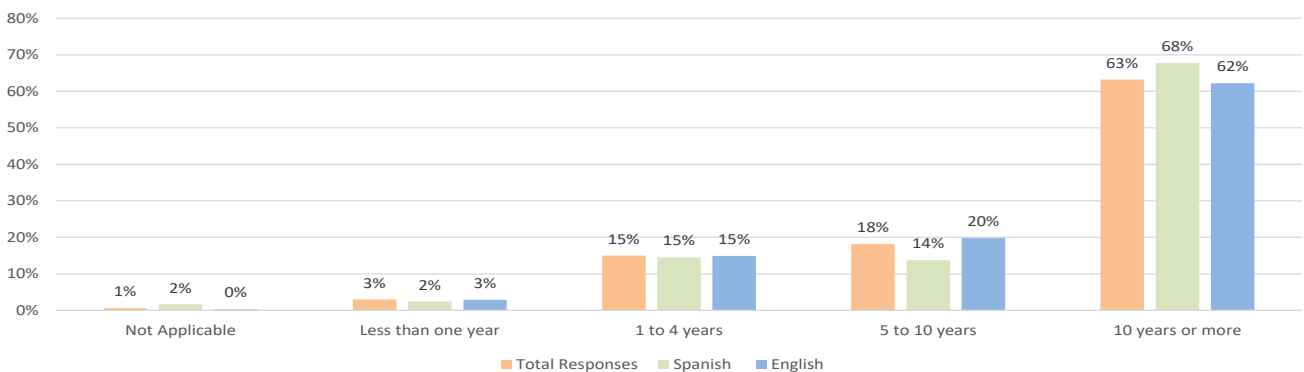
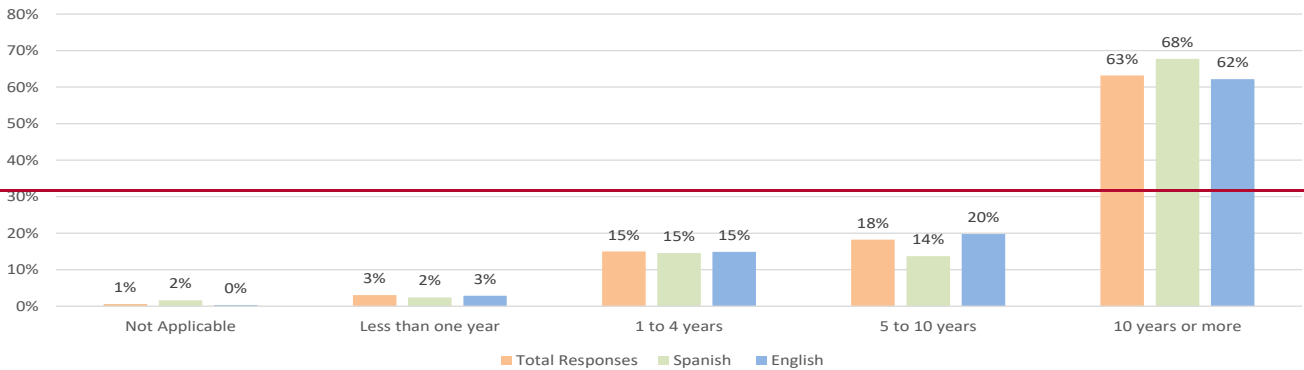


Q2. How long have you associated yourself with Gilroy?

Total: Answers = 500; Skipped = 10

English: Answered = 363; Skipped = 4

Spanish: Answered = 137; Skipped = 6

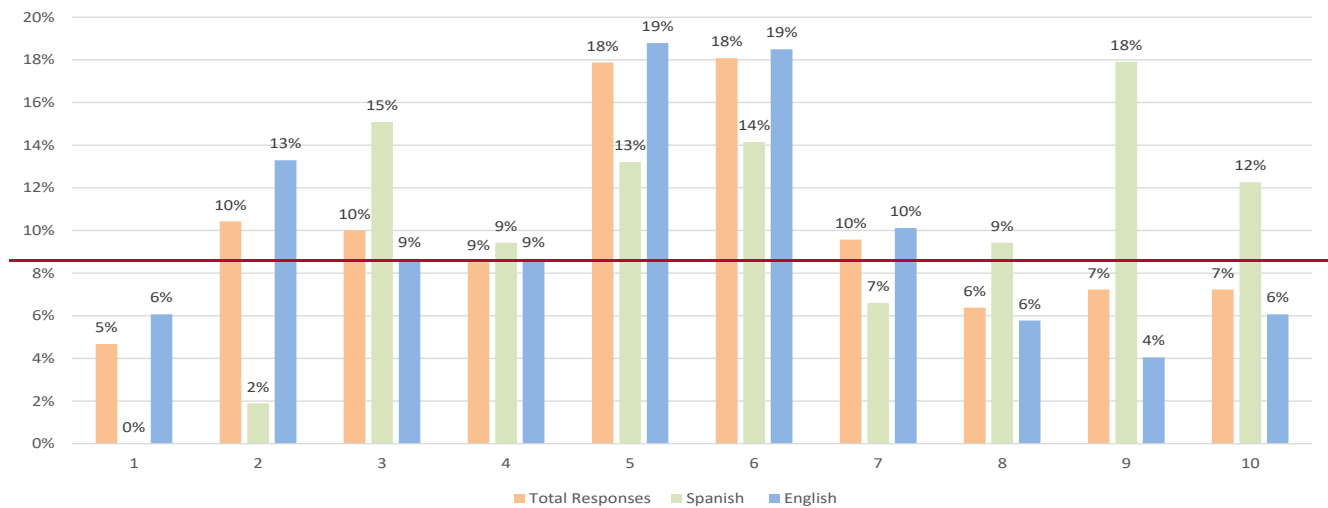
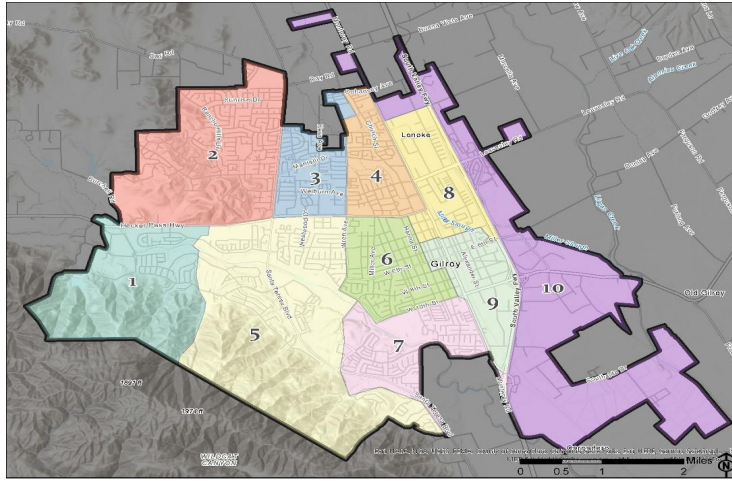


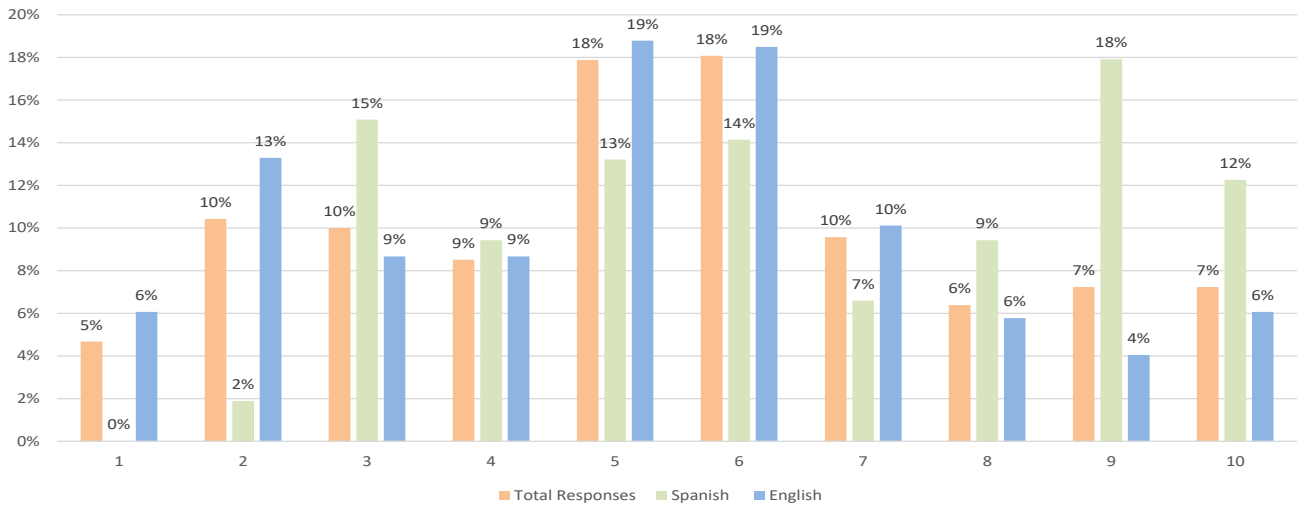
Q3. Based on the map above, please indicate in which part of Gilroy you live, work, or spend the most your time in. (Select one)

Total: Answers = 497; Skipped = 29

English: Answered = 360; Skipped = 7

Spanish: Answered = 120; Skipped = 23



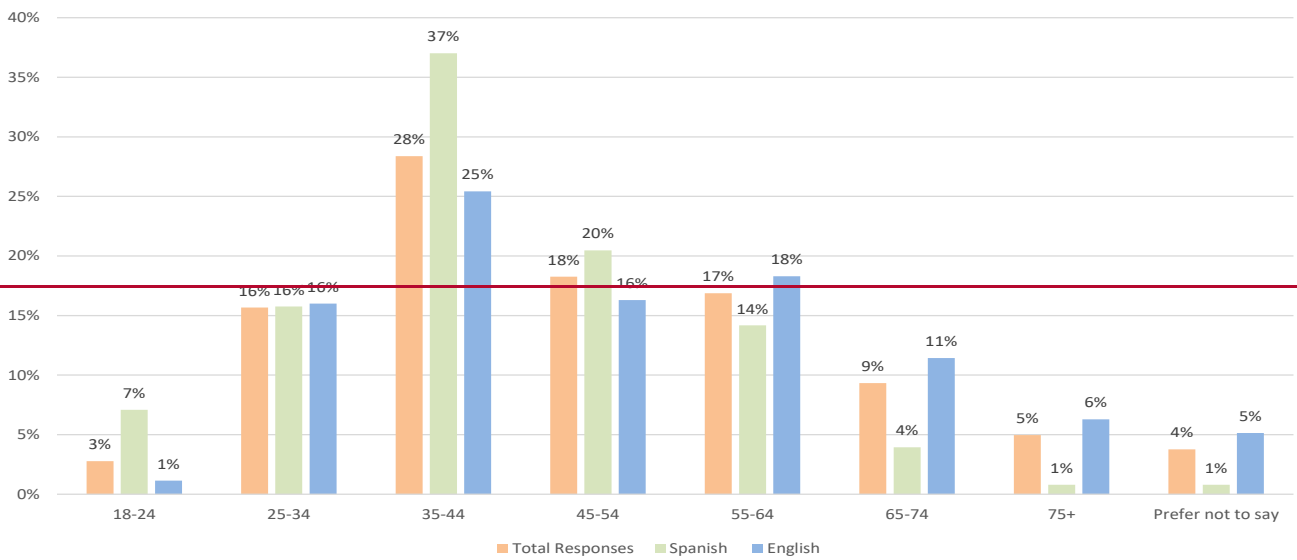


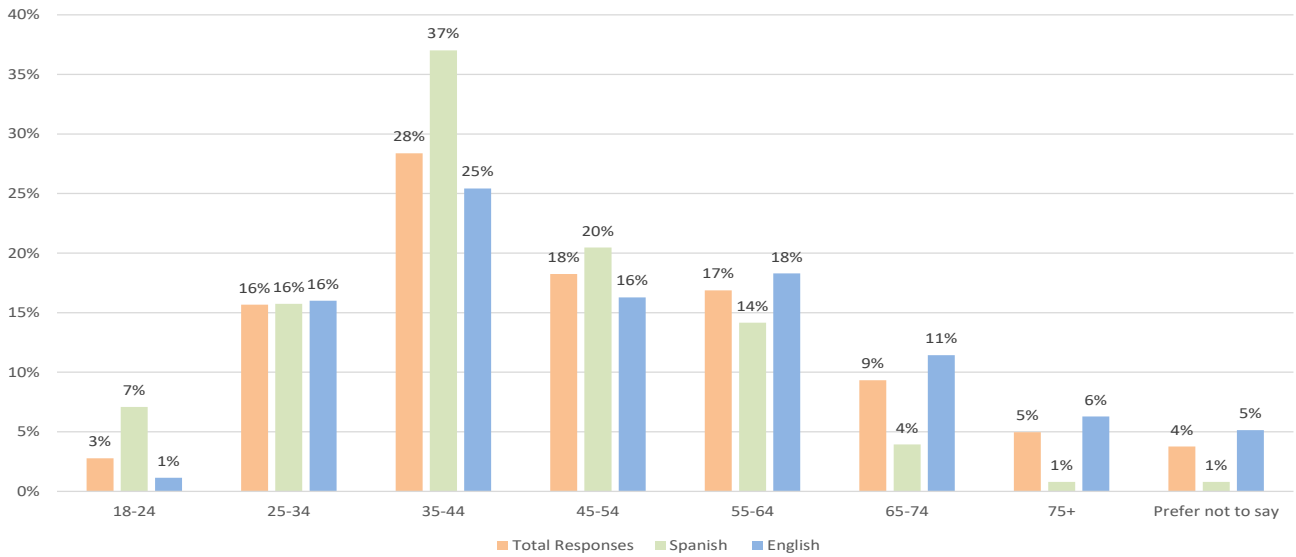
Q4. Please share your age.

Total: Answers = 504; Skipped = 6

English: Answered = 363; Skipped = 4

Spanish: Answered = 141; Skipped = 2



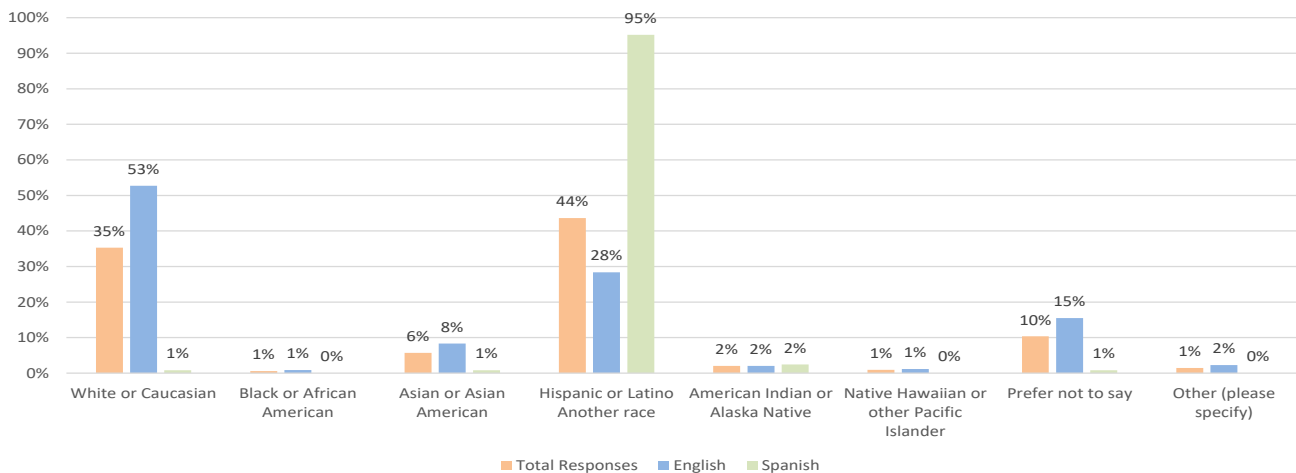
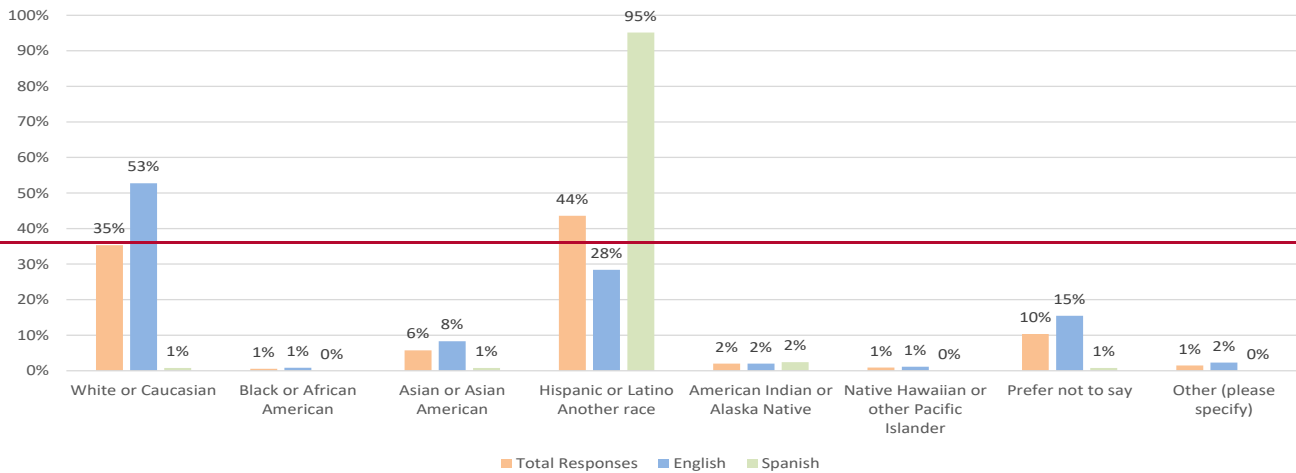


Q5. Please share your race/ethnicity. (Choose all that apply)

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5



English Responses

- White/Mexican
- American
- Mexican/German
- Asian Indian
- White/Hispanic
- American
- Mixed
- Southeast Asian

Q6. Please specify the primary language and any other secondary languages spoken in your household:

Total: Answers = 491; Skipped = 19

English: Answered = 357; Skipped = 10

Primary Language: English 338, Spanish 17, Chinese 1, Thai 1

Secondary Language: Ahmaric 1, English 23, Filipino 1, French 2, Hindi 1, Italian 1, Kutchi 1, Portuguese 1, Punjabi 1, Spanish 72, Tagalog 1, Thai 1, Urdu 1, Vietnamese 1

Spanish: Answered = 134; Skipped = 9

Primary Language: English 13, Spanish 120, Amuzgo 1

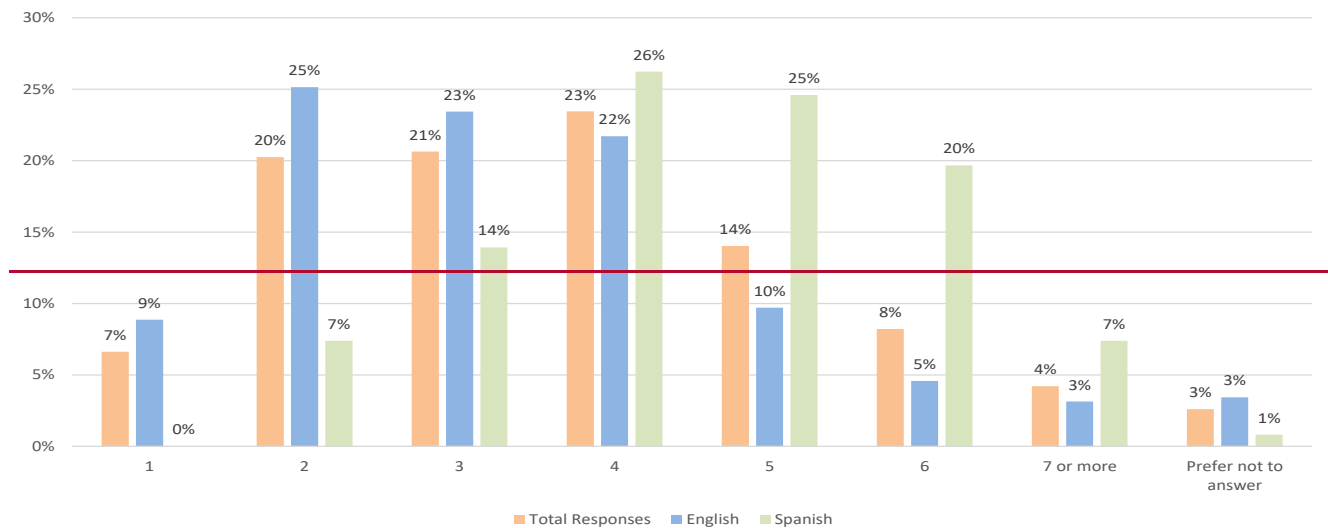
Secondary Language: English 54, Spanish 13

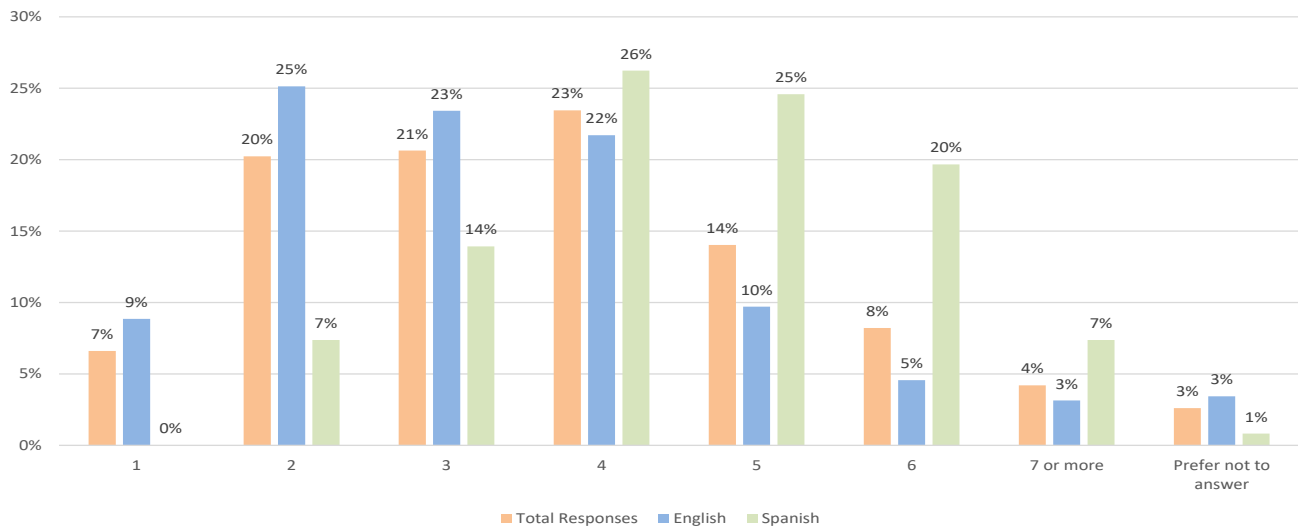
Q7. How many people including yourself live in your household?

Total: Answers = 499; Skipped = 11

English: Answered = 364; Skipped = 3

Spanish: Answered = 135; Skipped = 8



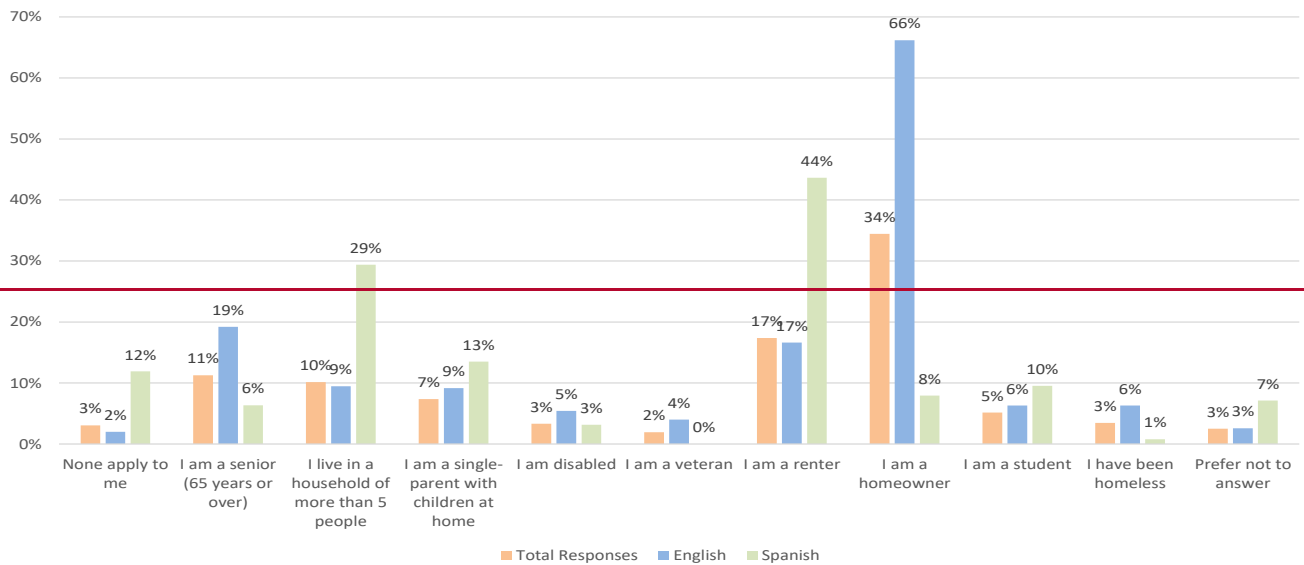


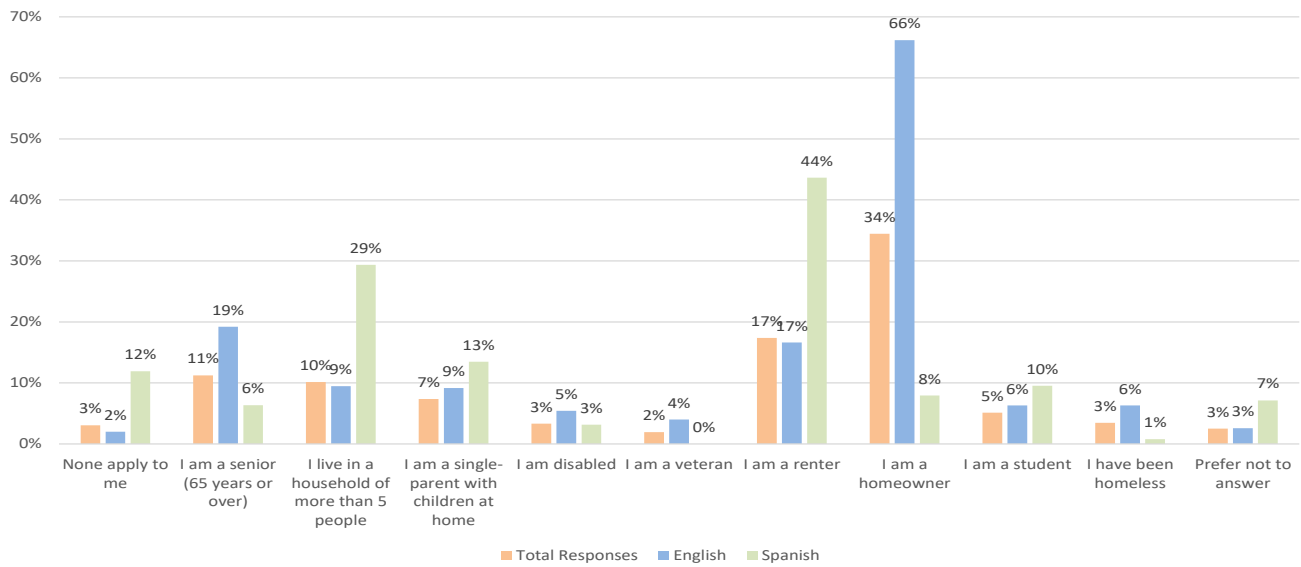
Q8. Please select all that apply to you:

Total: Answers = 498; Skipped = 7

English: Answered = 363; Skipped = 4

Spanish: Answered = 140; Skipped = 3



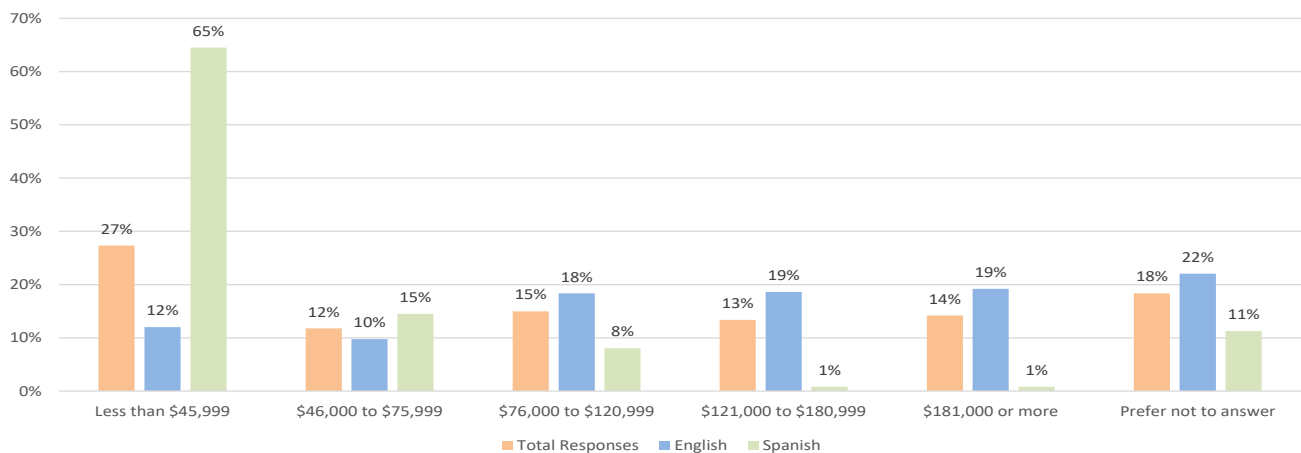
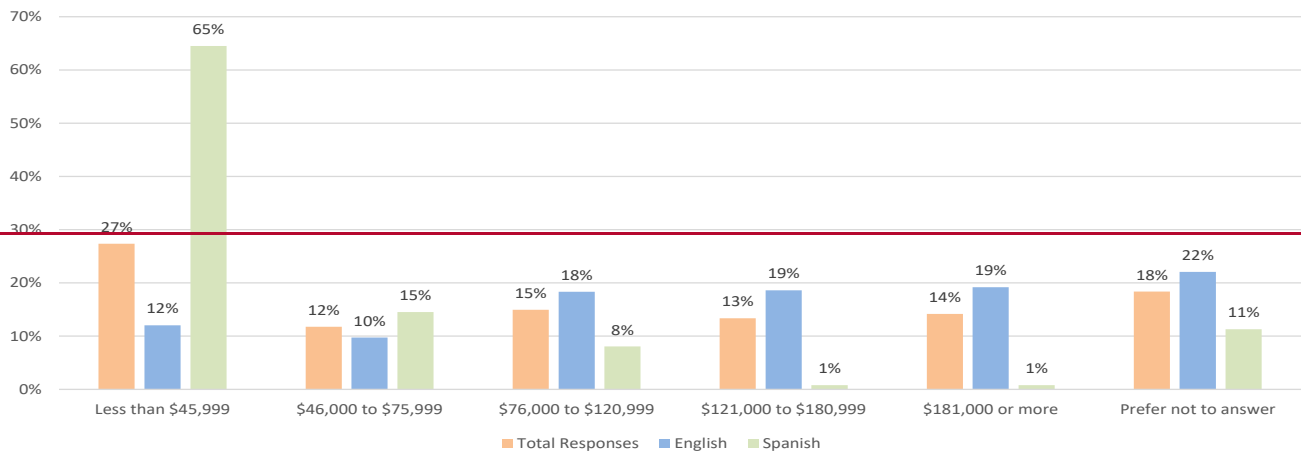


Q9. Please share the total annual household income for all adults in your household:

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5

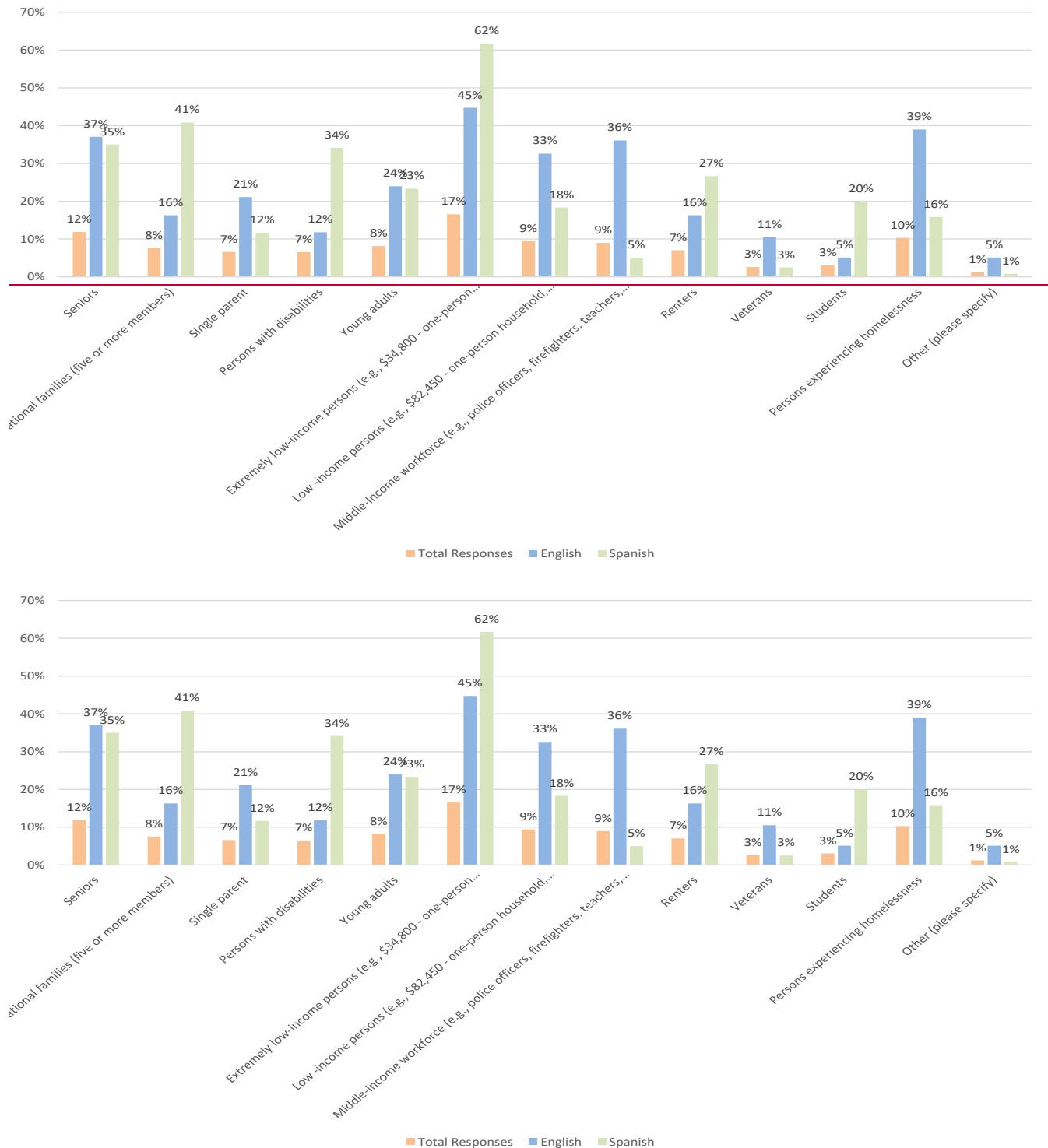


Q10. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 324; Skipped = 43

Spanish: Answered = 134; Skipped = 9



English Responses

- The rest of everyone on this list.....
- Three choices are not enough

- people who make too much for low income and not enough for regular housing market. (having to make 3x the rent in order to rent)
- People who already live in Gilroy
- People of all ages and income
- Those working at least part time, with good credit.
- Survivors of Gender Based Violence
- Persons with mental health disorders.
- High end housing
- We are overpopulated and not enough community infrastructure and commercial retail space is available. Should be spending money to fix the roads and cleanup the town. Make the city and downtown area more representable, modern and safe... rather than continuing to build home and low income housing. Gilroy needs to establish a worth and community value, not just cram everyone into the city and let it go downhill
- I am not qualified to accurately answer this question
- disabled mental health
- Homeless
- Homelessness doesn't discriminate. Homelessness occurs within every group.
- Middle income families
- People who already live here

Spanish Responses

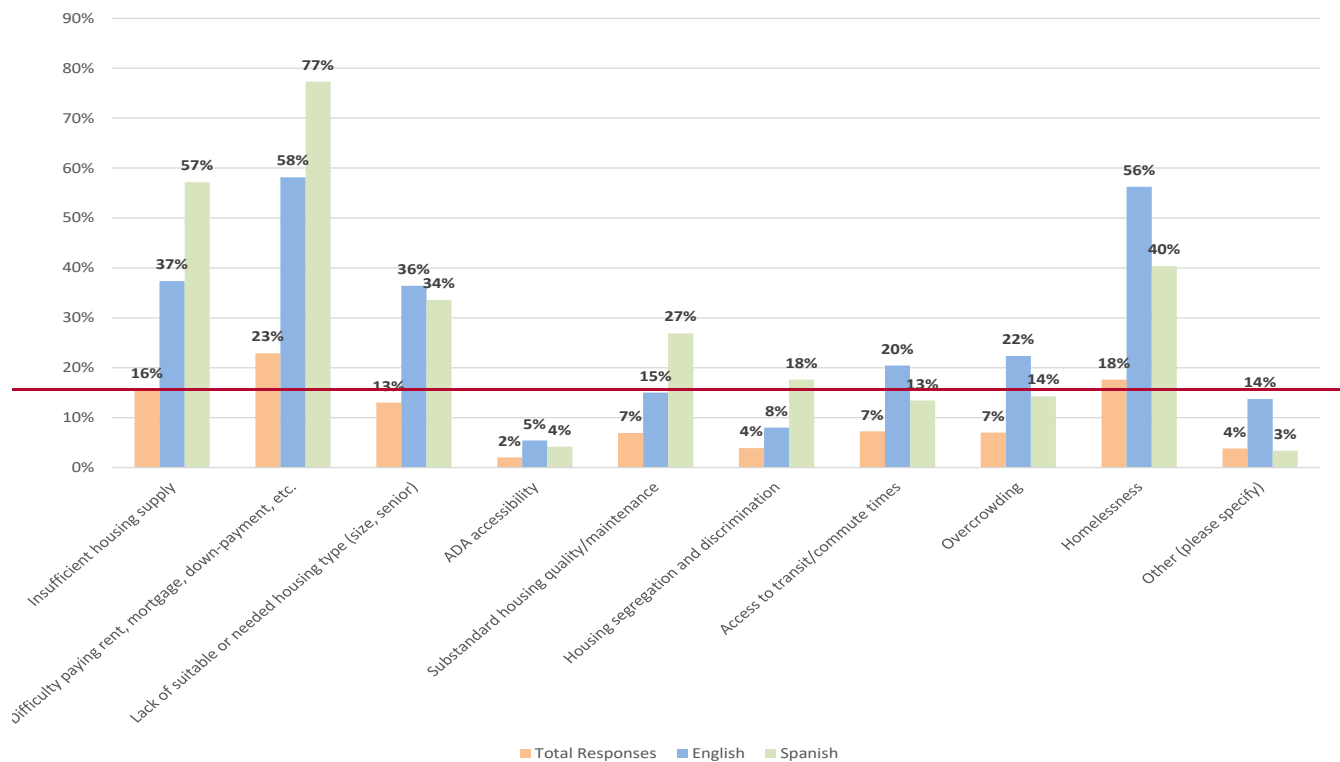
- Family making less than 80,000

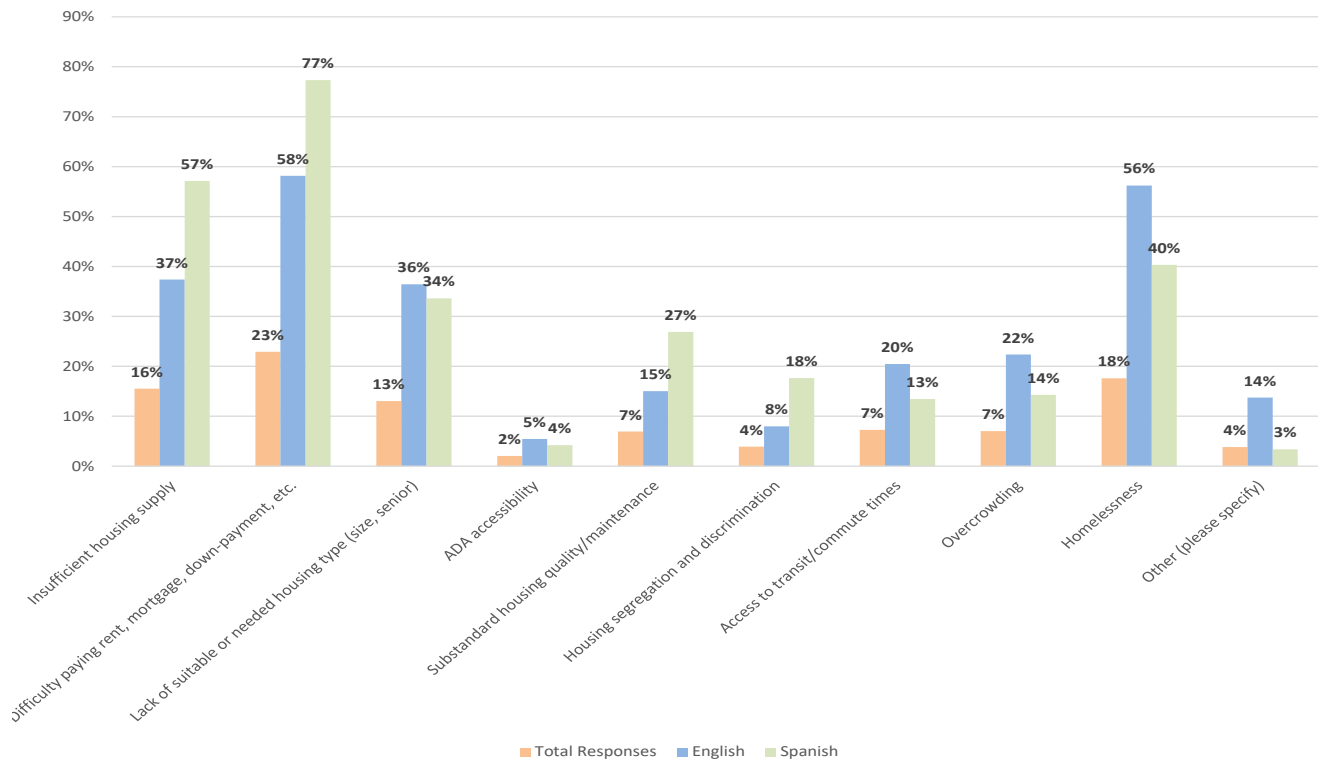
Q11. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 325; Skipped = 42

Spanish: Answered = 133; Skipped = 10





English Responses

- Builder / developer price gouging
- Lack of town center in GLR
- Affordable rent.
- No infrastructure to support
- Section 8
- Over developing in areas not intended. Housing causing traffic congestions
- Home prices
- Getting too crowded in Gilroy. Have enough housing. Not enough services and infrastructure to support current growth let alone future growth. Don't want to become another San Jose. Keep open spaces and rural community.
- city services and infrastructure stretched with current housing being built
- parking
- Irresponsible development outpacing water and services budget supply
- substance abuse, mental health issues
- no opinion
- Unrealistic costs. Cost of housing compared to income.
- poorly planned neighborhoods
- Landlords that don't follow laws
- Single story
- Homeless encampments
- Lack of funding from the State for Section 8
- Dining/entertainment for residents
- Too many homes are being built in the city and we are getting overpopulated. But only is there too many homes being built causing overpopulation and causing major traffic, it enough retail and commercial areas/plazas and schools are being built to compensate for the increasing population. Too much new homes being built and too much low income housing being built. Too
- Literally all those plus more. I can be considered to "make enough" but that doesn't reflect the responsibilities or hardships we are all going thru and I've had to choose do I pay rent or pay my cell phone bill or put food on the table for my dying grandparents. rent prices are terrible and can be increased at anytime and if u fight about it u lose your home
- No help for domestic violence victims with kids

- Too many affordable housing units being built
- Renting with no dogs
- No enough infrastructure to support new and existing housing
- lack of creative solution
- Too many condos/apts/townhomes being built
- South Gilroy housing units explosive growth is straining the necessary retail support needs for grocery and pharmacy needs to support all the new market rate housing coming on line not to mention the infrastructure of roads, water, sewer and electrical grids. We continue to experience PG & E outages because of the service grid not keeping up with expansion
- Lack of affordable housing
- insufficient planning for current and future water scarcity
- Allowing housing with little or no open space. Inadequate roads/highway to support the number of cars already on the road.
- Lack of ELI affordable housing
- Infrastructure
- Education and resources.
- Shopping center / grocery stores
- Undocumented folks who can't get a job
- We need affordable housing - not selling the dream of homeownership. The developers are using loopholes to overabundance us with housing in categories well above the 2040 quotas by throwing in a few token BMR units so the development can't be denied. They should NOT be able to build in categories above quota when the other categories are under 100%.
- Inadequate water supply; Deficit growth with housing boom; Loss of open space and farm land
- Low income housing is abused by many people who abuse the system & have no intention in finding employment. Many of these same people bring crime into our neighborhoods and make it dangerous for everyone else living in the city. I think low income housing should be available to people who are carefully screened to verify they don't have a history of living in low income housing. They should only be allowed 6 months to 1 year and then be off the system. There are too many jobs available to be unemployed or underemployed. People who abuse the system take away from people who actually need the assistance and do not want to stay in assistance.
- Price
- Mentally Ill, drug addicted
- This is America. Capitalism works. Stop interfering.
- Permanently parked motor homes in side streets.
- Cost of housing

Spanish Responses

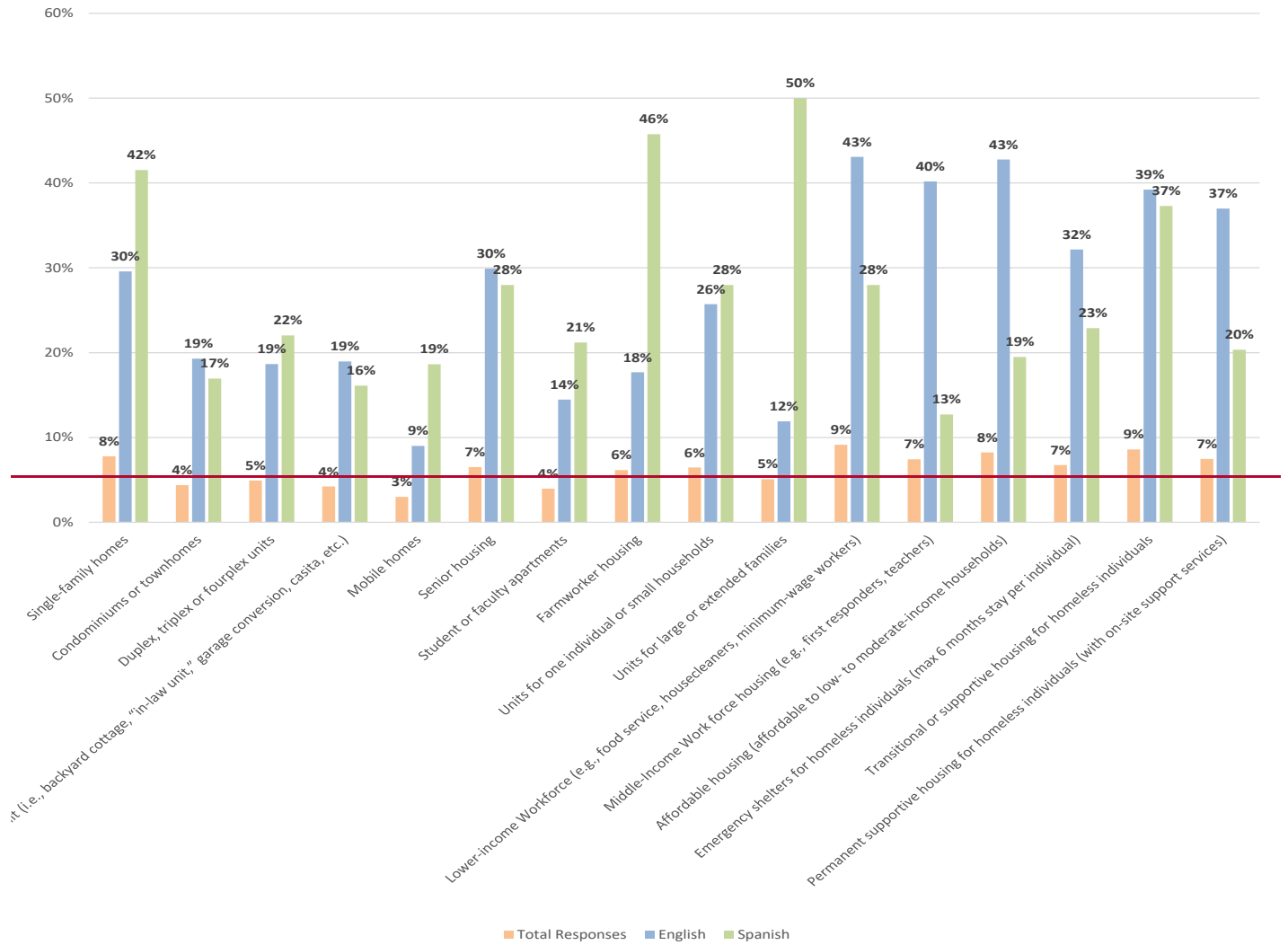
- I would like to see the city of Gilroy working more to fix the problem with the high cost of rent.
- very expensive rent
- Very demanding owner
- More accessible costs

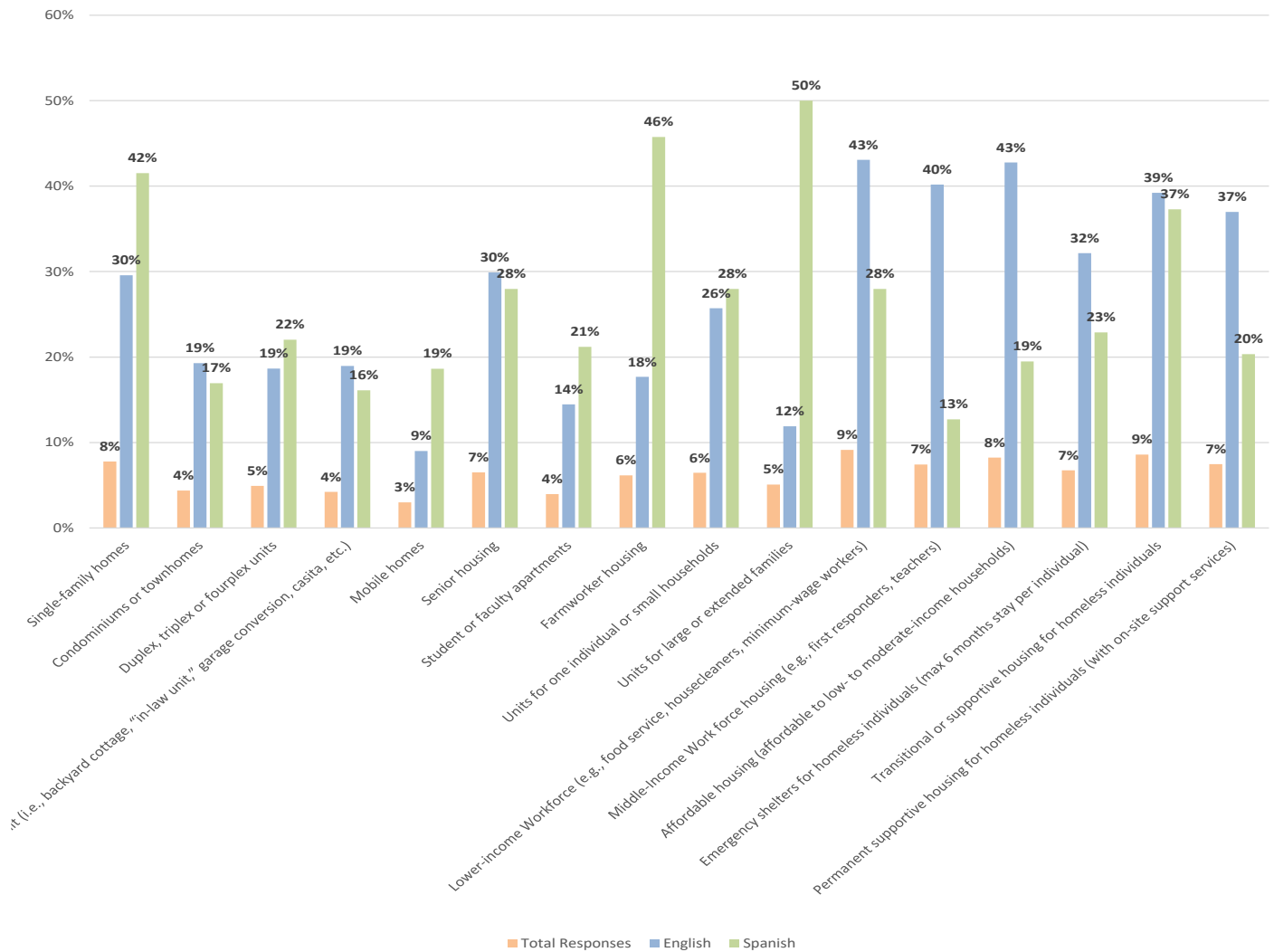
Q12. In your opinion, please note which of the following housing types are missing or most needed in Gilroy. (Select all that apply)

Total: Answers = 454; Skipped = 56

English: Answered = 322; Skipped = 45

Spanish: Answered = 132; Skipped = 11



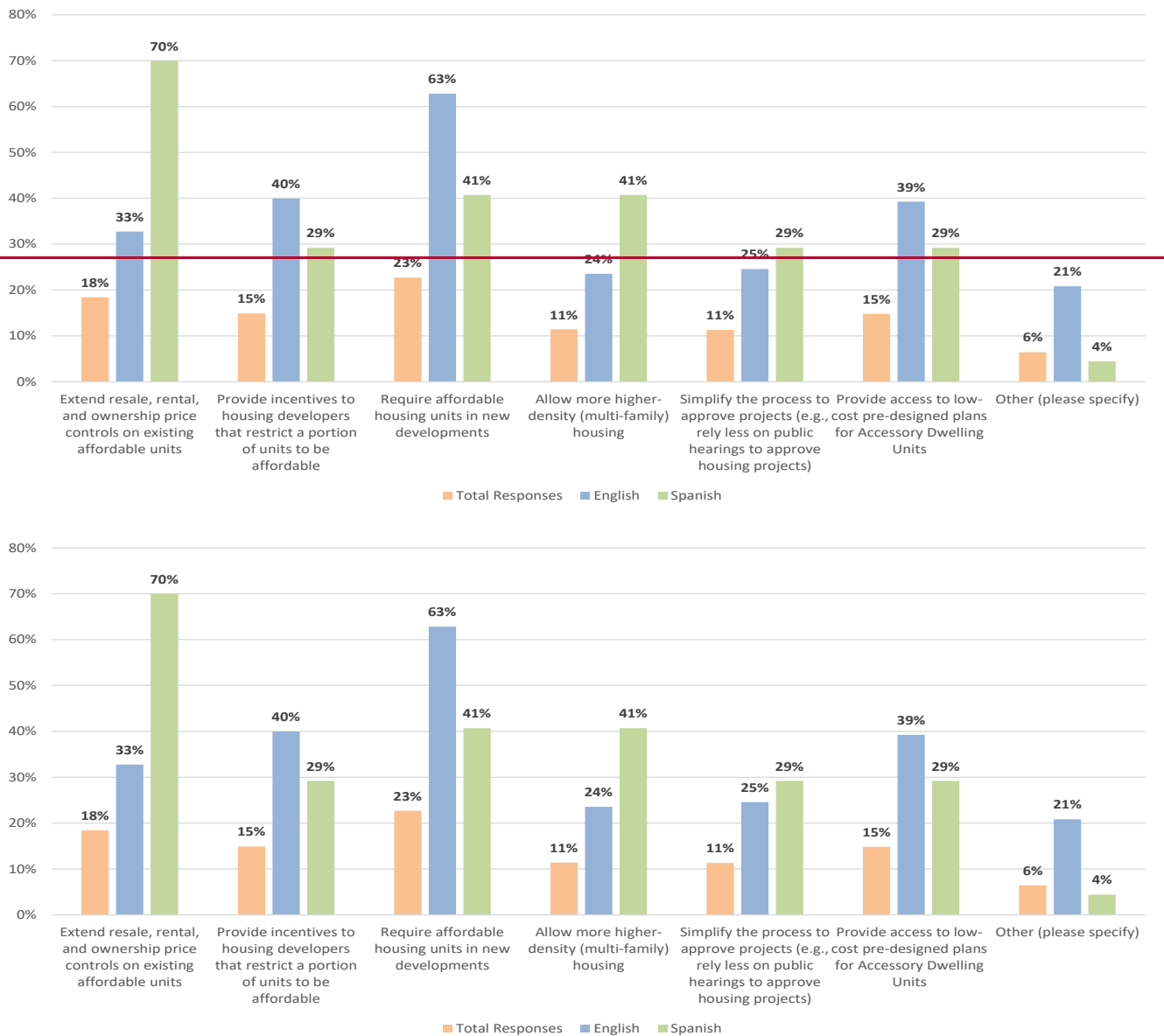


Q13. Select your top three (3) programs to improve housing access in Gilroy.

Total: Answers = 431; Skipped = 79

English: Answered = 304; Skipped = 63

Spanish: Answered = 127; Skipped = 16



English Responses

- Housing for extremely low salaries
- More Senior Housing and middle-income (not low-income) housing options
- replace single houses by townhouses or at least duplexes, need more green spaces around buildings for trees
- Rent control
- On city owned land install a "tiny" homes project.
- Less residents
- Convert large single family homes to group homes and halfway houses
- Section 8
- Over charging on rent. Should be based on gross income
- choices are too one-sided. what about current residents??
- Honestly housing numbers fine just need to lower prices and build more business for local jobs and fix downtown and add community center like MH to add revenue
- Don't need more housing unless to help young adults getting started.
- tiny house communities
- Workshops/incentives to ad ADU

- We don't need to build more houses until we have water.
- Stop building! We have too much housing and not enough resources
- Standardize process approval for projects by setting community set standards that satisfy community needs
- Affordable opportunities should be made for those who work, but cannot afford because it is too expensive (costs, rates, etc.)
- Restrict high density housing and keep low income to a realistic need, not exceed
- Promote creation of well-paying jobs for existing residents
- Fix the existing roads, why was Santa Teresa not built out to its original design 4 lanes all the way
- Provide a safe parking facility
- Not to build low income units without adding amenities
- Use affordable housing in-lieu fees to offer down payment and mortgage rate assistance.
- Offer working middle class financial backing to be able to purchase homes
- Collaborate with developers to extend preferences to survivors of gender based violence
- Middle income earners are being left out of the conversation. Too much money for affordable housing, but not enough for a down-payment. What gives?
- city-managed subsidies for housing choice
- Perhaps landowners of the Outlets and other shopping centers would be willing to redesign the buildings to include living spaces, since retail is struggling these days. They would have to hire an architect, so that the redesign looks inviting. This would benefit the businesses as well, since residents would have an easy walk to shopping.
- Low income or free help for tenants
- incentives' for ADU's
- Streamline permitting process for building ADUs
- More financial help with rent for low income families
- Invest in the community and infrastructure, not more homes. Take care of the town and existing residents, and not lure more crowds into town and have it be overwhelmed.
- The problem is NIMBY and as long as residents are allowed to vote on these projects. We will never reach affordable housing because it affects their assumed property values. Every California owner only cares about their property value not the status of their neighbor
- Help domestic violence victims with housing
- Better plan additional housing to be integrated with essential services like food and transit to reduce traffic congestion while also increasing housing availability.
- improve infrastructure
- Gilroy is crowded enough. We don't need more building.
- Stop stack-n-pack units. If Gilroy wants to grow, expand the city not put more people in a smaller space.
- Build low-cost/high density housing in areas near shopping centers/grocery stores. Building low-cost housing in areas where one would need a vehicle to get to shopping is just plain dumb and poor planning.
- Please do not approve anymore high density housing. We have way to many of these as is.
- Prevent landlords to increase rent prices
- Prioritize housing for the homeless
- permanent supportive housing in Gilroy
- We do not need to build housing in every plot of open land. What makes Gilroy so beautiful and what makes it stand out are the open areas that are around the city.
- Allow BMR owners empty nesters to rent extra rooms in their home without being penalized. Allow them to build ADUs without adding restrictions.
- The city needs more amenities like larger grocery stores. Morgan Hill has 3 large spacious store with 10K less in population than Gilroy. You are overcrowding the area of First Street, Santa Theresa, and Hecker Pass. Where are the amenities?
- smart planning
- Create more units and access to "truly" affordable housing, geared at ELI
- Education/resources for youth and young adults for homelessness prevention, and housing options from renting apartments, to roommate living, etc.
- Address the homeless encampments and escalating crime
- Housing for middle income
- Developers need to be required to build in the categories that have not met 2040 quotas before being allowed to build in categories that are above 100% of 2040 quotas. They need to actually focus on creating affordable housing - rentals before homeownership - before allowing developers to build homes - they don't build affordable housing as it's not as profitable

as the homes for sale. They also need to be required to build adequate parking along with the developments - our situation out here at the butt end of the county and being rural has different needs than those in bigger cities - the current criteria does not fit the needs of Gilroy that most developers and some city council members are pushing for. We do not need more housing in the categories above 100% of 2040 quotas - we do need more affordable rentals. No more mega monstrosity developments until there is adequate affordable housing - then the housing developments can start up again. Why is everything geared to the developers, who already use loopholes to overabundance us with the mega monstrosities??

- Attract more good jobs, not more houses!
- I think Gilroy has enough housing as is. I would prefer to eliminate low income housing that has a history of police involvement. I prefer larger city's like San Jose to create additional low income housing. I left San Jose to get away from the homelessness & transient issues that run rampant in San Jose.
- We should not encourage the homeless to congregate in Gilroy. Living in Gilroy is not a God given right.
- Tiny Homes with support services
- Need more grocery stores and highway widening before building more houses. I have been grocery shopping in Morgan Hill. The grocery stores here are always packed, day and night.
- Gilroy does not need more affordable housing. If it is not affordable as is then moving to another city should be the option. Gilroy is already too crowded and the road access has not been expanded to accommodate. None of the above programs are necessary nor will improve Gilroy.
- Stop building homes. We are too crowded. If you have to build single family homes not monster homes (2 stories 3000 sq feet) simple single family homes
- Make incentives for townhomes
- No high density housing.

Spanish Responses

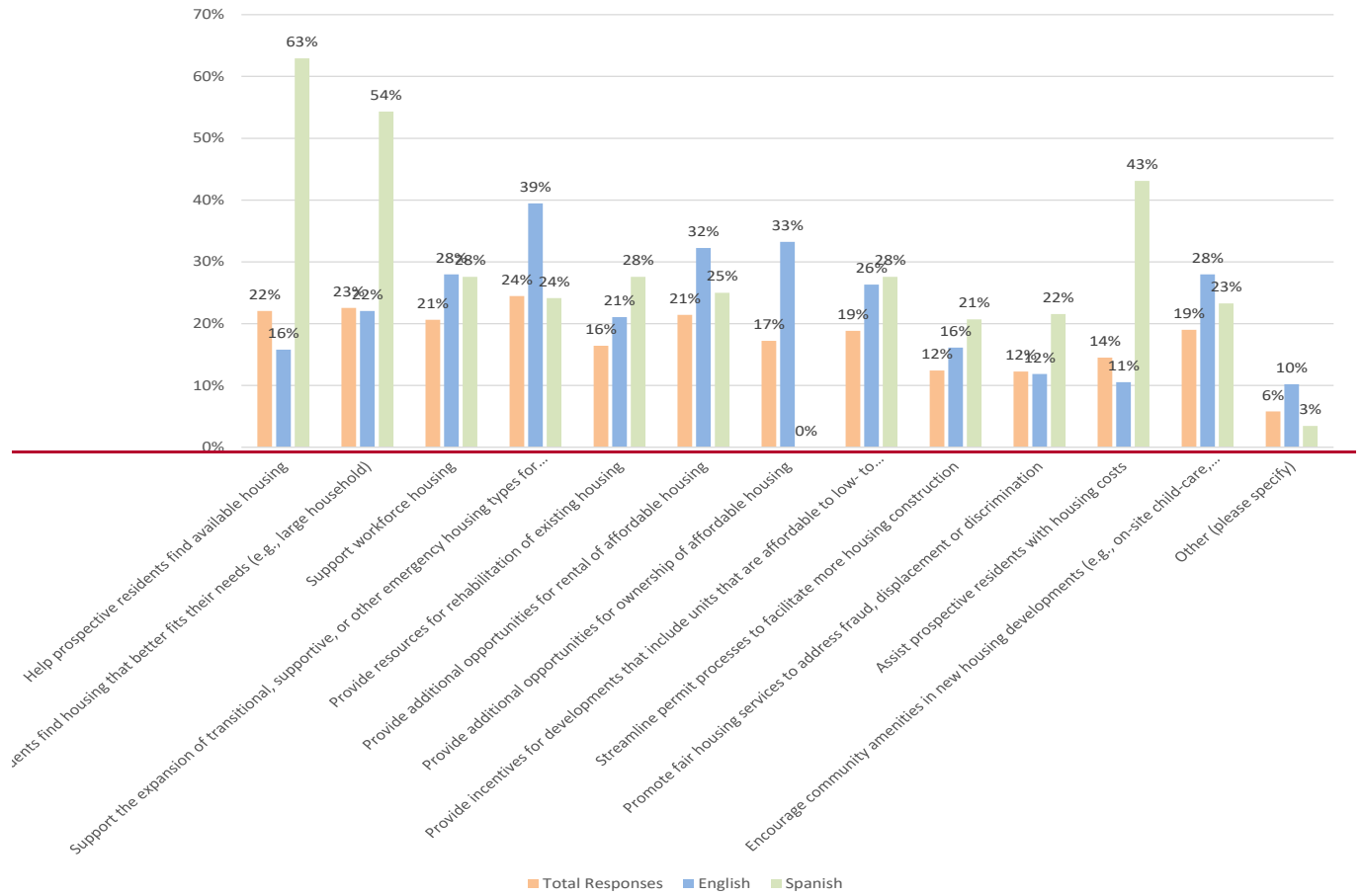
- Control price on rent and deposits.
- Extremely low income housing.
- Extremely low income housing.
- More low-income apartments.
- Help with all the requirements they ask for to rent a place. Help with that because ultimately they exaggeratedly ask for so many requirements to sell an apartment or house

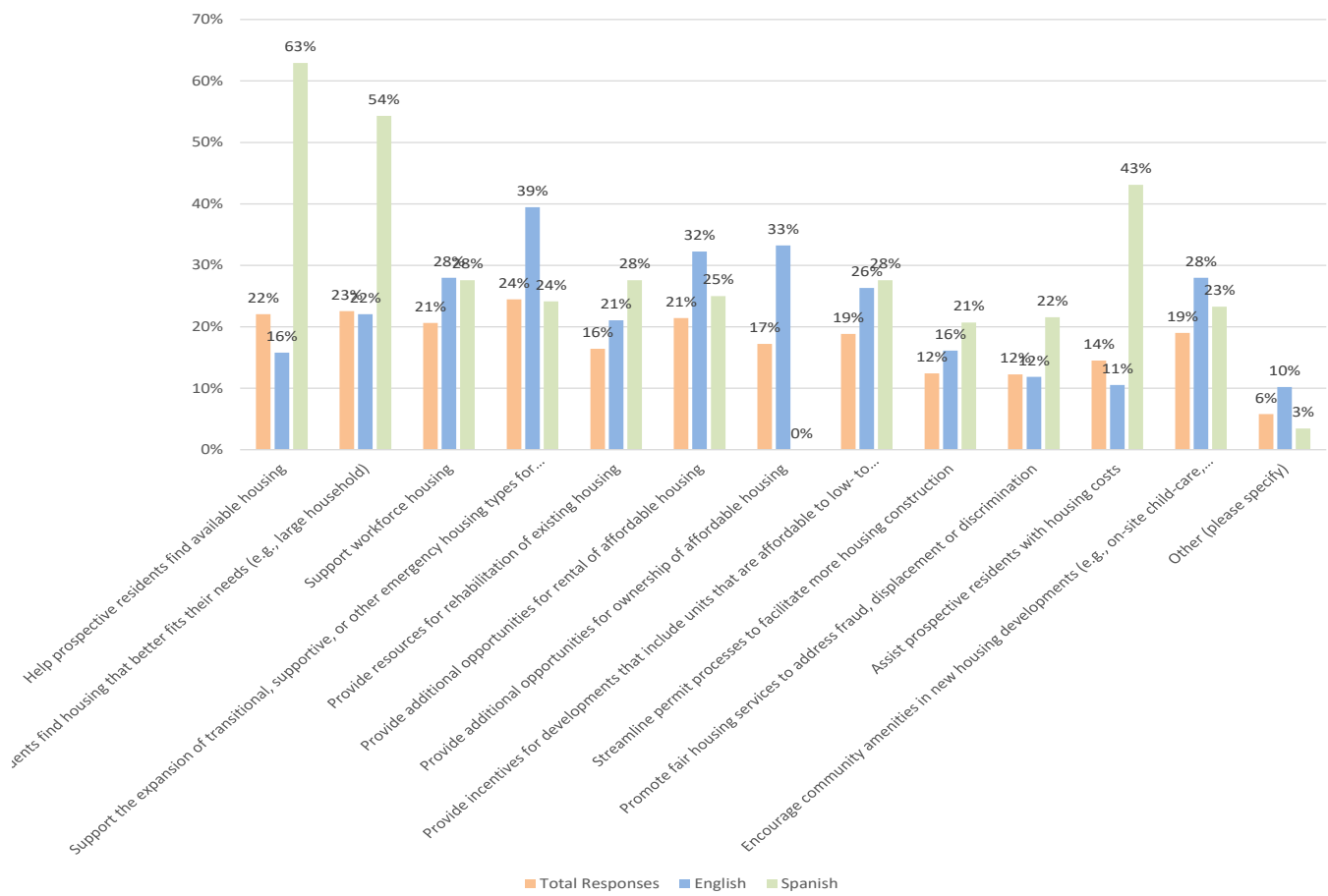
Q14. What types of programs or activities do you believe the City should implement in the 2023-2031 Housing Element to address housing needs? (Select your top 3 recommendations.)

Total: Answers = 446; Skipped = 64

English: Answered = 316; Skipped = 51

Spanish: Answered = 130; Skipped = 13





English Responses

- Promote public transit options to new home communities
- Section 8
- Low income apartments based on gross income
- Offer housing being built to LOCAL teachers, law enforcement, firefighters
- Please stop building more houses until we have more water.
- Stop building, we don't have enough resources
- Promoting affordable sustainable housing that moves towards 100% solar power that can be used to give back to the community
- Promote creation of well-paying jobs for existing residents
- Build more grocery stores, etc to accommodate all types of income. Gilroy is only building low income units and forcing the existing residents to go to Morgan Hill to grocery shop
- Inclusionary housing ordinance for all new and rehabbed residential development
- senior units
- HABITAT FOR HUMANITY HOUSING
- give low or free help to tenants
- Provide incentives for developments that include units that are affordable to Extremely Low-income households
- Provide money to Infrastructure and planning BEFORE adding any housing
- Prevent overcrowding and stop building new affordable housing complexes where they are squeezed in and increase crime in a relatively safe area.
- We need to invest in the value of our city and make it better and cleaner. More retail businesses and better quality educational system. Good rated schools
- Help CURRENT RESIDENTS WITH PROSPECTIVE HOUSING COSTS.
- Get out of CA housing plan and determine city's own future. We need to remain a community, not become another suburb of San Jose

- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of them have big yards to build ADUs.
- Increase ELI affordable housing
- Extremely low-income need truly affordable rents
- Add amnesties that compensate all the building going on in the west side. More grocery stores. Morgan hill has well managed and clean, large grocery stores with lots of parking
- Support city infrastructure
- We need to care of those that are here, before we try to attract others to move here.
- We need to re-zone to incentivize dense housing near transit.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- Please take care of the homeowners who already live in Gilroy & update the existing neighborhoods. Stop trying to bring in more low income / subsidized living, it mainly attracts the type of people who do not have anything invested in this city and when you have no skin in the game, you don't care what your "free" home or the city looks like.
- Incentivize the splitting of large plots - 1 to 5 acres - into subdivisions for Miri houses for homeless. This will mix homeless with regular society rather than putting them in concentrated areas where they are pressured into continuing or starting bad choices.
- More lower income housing for current residents
- Provide enough parking for these apartments. They overflow in to the neighborhoods and detracts from the neighborhood
- There are many places to move that is more affordable and less crowded than Gilroy. We do not need to continue to cram more housing units of various types into our already full city.

Spanish Responses

- A park for children with special needs.
- housing for loving adults with non-severe disabilities.
- to rent or Buy a house or where to live
- A park for children with special needs. Including all the children.

Q15. Please describe any other considerations, policies, or programs the City should consider here:

Total: Answers = 131; Skipped = 379

English: Answered = 119; Skipped = 248

Spanish: Answered = 12; Skipped = 131

English Responses:

- Need case managers who do not discriminate or only help who they want.
- Safe Park, transitional housing, family homeless shelter
- Lower taxes on single family homes
- There are too many badly planned housing developments like the one next to the armory on Wren or by the south sports park, 3' setbacks do not allow plants to improve climate control. Townhouses would be a much better option.
- Low income rent control. The moreover income can save the sooner we can vacate the unit to home ownership
- More affordable Recreational Programs for all ages
- The city of Gilroy is sprawling everywhere and it's sad to see. Gone are the nice areas around Christmas Hill Park. Filling every green space with housing is idiocy. I've seen this in city after city, most recently Morgan Hill. They built high density housing on Monterey that look like prison barracks. And what followed was a whole host of problems, gun shots all hours of the day and night, constant police calls, harassment of established single home residents, a plethora of non working street walking thugs. Morgan Hill used to have the criminal element that rented hotel rooms and worked their crimes. Now the city council decided to invite them to live in the city by building huge multi people cramped high rises. It was a bad decision by the city council, one that I would hope Gilroy would be smarter about. Lets talk about infrastructure - we don't or won't have water for increased housing. We are all cutting back drastically now! How can you allow developments to keep building without addressing the water issue. Even the water we have is polluted with high nitrates. Don't buckle under to developers and the lure of more tax dollars. You'll be spending far more in city services than you will ever gain. It's time to put out the "NO VACANCY" sign.
- The City must take responsibility for the fact that it's community that is homeless is THEIR responsibility and their people. The City needs to immediately find sites for emergency housing, tiny homes etc and stop making excuses for why they won't. One I hear often is prioritizing parking over housing site options. We've done too little for too long!
- Without sufficient water resources, this area can't support any additional citizens
- More police
- Co-join as many programs that would help fund the housing we need
- Allow below-market housing by right

- Most housing requires 3x the rent or more which makes it difficult for people to get into and keep housing. Minimum wage is not comparable to cost of living
- Section 8
- Helping first time owners, who live and work in the town
- All current apartments should have ac units especially low income apartments
- traffic and congested street parking
- Again housing numbers are fine, need to build up business and downtown. Expanding faster than infrastructure sewer, water etc and PD and Fire. Let's focus on being able to take care of what we have before expanding more. Cart behind the horse rather than ahead of it
- Support improvements on Monterey and build apartments / condos in the downtown area.
- make tiny home communities on vacant lots
- Stop building until we are out of the drought.
- Stop building, we don't have enough resources and we are destroying the land around us!
- Public transportation, water shortage with increased housing
- There should be stricter rules, consequences, for the people who are living in our street who collect a bunch of junk. Those living conditions are a hazard to the community members who live around it to see it, smell it and live around it; putting their/families at risk. The city of Gilroy and law enforcement should be able/allowed to enforce fines, incarceration of those who are not following rules/penal codes.
- Stop accepting money in exchange for homeless groups to be bussed and left on our streets. Bus them back to where they came from and clean up the camps. What has happened is terrifying.
- In any development there should be required large open spaces for families to enjoy. The city should be having ideas about where to put more open parks for families, children to go and enjoy
- Stop all new housing construction. Extend recycled water to existing homes for landscape use. Subsidize grey water use for landscape. Promote creation of well-paying jobs for existing residents.
- how to overcome objections to changing nature of neighborhoods in line with State focus on Affirmatively Furthering Fair Housing
- Gilroy is already overcrowded. Bringing in low income housing will lower the value of the current residents who worked so hard to buy their homes.
- Better roads so traffic moves and you can get to and on 101
- A safe parking facility as a bridge between homeless and housed
- Gilroy needs more amenities for all the additional housing being built. No one ever addresses this issue. There is never an answer.
- Single individuals or small workforce families 2-3 should have more help so they can get better jobs or just not be homeless. It's crazy that you have to be a single no income person on this city to get any help with access to subsidies or other programs.
- Inclusionary housing ordinance
- Policies to address the needs of people with mental illness
- Minimize construction red tape
- Whatever programs the city supports, the support should be for working class families - i.e., support wage earners first.
- There is a need for inclusionary housing ordinances in the City of Gilroy. As far as available resources, the City does not have full-time Detox/substance abuse facilities or services (we just have a mobile unit that comes into town 1 day per week.)
- Down-Payment Assistance to Middle Income work force.
- Rent control especially for low income seniors
- Zoning for high density housing downtown and near Caltrain and bus lines.
- Consider aesthetics (like landscaping, open space, architectural beauty, comfort, and eco-intelligence) in ALL new and rejuvenated construction. Such aesthetics make for happier residents throughout the city, in addition to the individual neighborhood.
- Community volunteers help seniors with painting their houses, etc.
- Program for Single Parents & Seniors affordable housing.
- renters need free help dealing with landlords who are not ethical
- Control affordable pricing.
- Establish a Safe Parking Program at 8th and Alexander
- Sanctioned encampments land/areas for people/families who are living in vehicles/oversized/RV's (and in transition of finding more permanent housing.)
- Safe parking program
- I think the most immediate need is for safe parking programs like the one in Morgan Hill in Gilroy

- Current and new affordable housing units should have an overseeing board to improve quality and safety of individuals and families living there
- Studies, planning, to City of Gilroy's infrastructure is required followed by funding then changes. The city's water, sewer, power, garbage, and school require attention. The police department needs to be increased now. The current department is useless as they make no efforts to stop crime, or murders. The downtown buildings on Monterey Rd. are substandard. The retail and food is lost to Morgan Hill and San Jose.
- The city needs to stop taking cash grabs and refuse the new building of affordable housing duplexes. The city is small and already overcrowded. This needs to stop. It is entirely unfair to residents that have lived here more than a decade that now have to deal with the influx of new residents and yet no increase to general infrastructure. Where are the better roads? More schools? If you want to be greedy as a board and continue taking money grabs, at least fix the city's infrastructure before you allow crime and overcrowding to befall us all.
- Put pressure on the State or County to provide more Section 8 funding in order to help more people with their rent.
- Slow the growth of construction like Morgan Hill does
- Stop building new homes and low income housing communities. We need our town to be safe and modern and be of high value. More retail spaces, shopping plazas, entertainment
- I have grown up and loved in Gilroy and Morgan Hill all my life. During the 2008 housing crisis I was pushed out of my home forced from Morgan Hill to Gilroy and in 2021 I was officially pushed out of Gilroy to move out of state across country to find affordable and up to code homes. It breaks my heart to leave behind my family my friends and the only place I've ever called home. My family history goes back over 120 years in Gilroy Morgan Hill and Hollister. That is my home and to struggle for years to desperately cling to something that clearly doesn't want to keep around is sad. You talk about bringing incentive programs for prospective residents but why aren't you serving the ones you have? Please put in things to do in town for families, kids, teens, and adults alike. Don't cater to the rich they have enough.
- More rent controlled apartments, public housing Q&A, housing workshops to prepare prospective buyers build timelines.
- Programs to help people apply for housing and not be discouraged
- Have more income based housing
- Please limit the number of affordable housing units being built. Gilroy has set this quota at 59%, which is much higher than the rest of Santa Clara county. Too many affordable housing units will lead to overcrowding and crime. Plus, we simply don't have the infrastructure to support an influx of new residents. A lot of the streets are single lane, which is already leading to traffic problems during peak hours.
- Too many low income housing will negatively affect current homeowners who have worked so hard to purchase and maintain their home. Our rights to maintain our home value need to be protected too.
- make tiny home communities on vacant lots
- I cannot stress enough the fact that the current housing being built is often far from basic things like schools, food/groceries, and good public transit. Without integrating these things into new community developments, the city will have increasingly terrible traffic and turn into a smaller version of the San Jose area, which is ridiculously congested.
- Gilroy doesn't need to attract more homeless.
- make sure people who are getting support from the county actually need it--way too much abuse of the housing program
- Realistic infrastructure needs for housing and business growth to support outlying areas expansion
- Tenant protections against evictions that lead to more homelessness.
- Gated parks with cameras
- More options for homeless housing/encampments.
- Homeless programs need to be set up for our community. People are living in their cars in our neighborhood parks, on our county creeks and our city streets. It becomes a very unsafe environment for people just trying to enjoy our community. We need to keep moving these encampments off our city and county areas so they reach out to programs being provided for them.
- Please no more duplexes or apartments. Gilroy has been attracting a lot of people who commit petty crimes. I think if you allow more high density housing crime will get worse. We already have more than enough people living here. Let's instead concentrate on our homeless problem as well as use funds to spruce up the Gilroy we already have. The streets do not need anymore people on them it's congested enough all ready. The grocery stores are always packed as well. We do need anymore housing.
- Cleaning up the homeless problem
- People with disabilities and seniors are who are on fixed incomes are being left out of the planning very often. Limited funding for rental assistance and accessing it is very difficult if you are not the agency holding the purse strings. Undocumented workers and seniors with little income are also being left out of the equation
- A solid plan for housing the homeless, including a plan for the homeless with pets or those that do not want to participate and insist on living in tents
- Designate a staff associate to housing and funding availability from county and state programs.
- This City is behind in creative ways to house the homeless. Think Tiny houses, church parking spaces for families to have safe overnight stays, even if it's their cars and have services there; etc.

- I believe we must address housing needs of low income, very low income, and unhoused people. I believe all other new housing should be proven sustainable before approved for building. California is facing resource scarcity issues--notably water shortages--which must be built into planning.
- We do not need to build housing on every open piece of land. Keep Gilroy beautiful. There is a responsible way to build homes.
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of the have big yards to build ADUs.
- Restrict the number of housing units being built. Gilroy is growing too big and a majority of its residents do not work in the area or support living here. Everyone is on the road for more than two hours to and from work in Silicon Valley. We need better transit systems and better road conditions before allowing more people to move to Gilroy and travel on an already inadequate highway system.
- Need more amenities. Y developing the land around the outlets with businesses, it would bring income into the city
- Consider impact on current residents and impact on traffic, fire and police infrastructure, water needs and environment.
- Infrastructure. As a member of the Gilroy community, we need to have a town where we feel comfortable in and is sustainable. Everything is crumbling around the city and why bill more when the cost to live here is not affordable. Referencing the utilities like water garbage and PG&E. They are skyrocketing and at the same time nothing is being done to maintain these systems except increase pricing on the homeowner. Our downtown looks like shit and no one wants to visit it. We need restaurants and nice parks roads. We can't build more housing without supporting the surrounding areas
- I see so many of my peers experiencing homelessness because after their parents or whomever they lived with moved away, or their loved one died, they had no idea what to do. I experienced homelessness myself as a child, again as young adult, and now live in constant fear of not having somewhere to be safe or rest my head. I don't have any kids and make less than 30, 000 year so there just isn't any resources for me. And if there are, it should be easily available information. All I see is list with apartment phone numbers. Just not enough education on this very important matter. Thankyou.
- Do not continue to expand Gilroy with new builds without updating our infrastructure and businesses -traffic is terrible, the houses and neighbors we do have aren't nice, both of our major grocery stores are right next to one another, current residents need better quality of life before we grow
- Renters must make 3x rent amount to qualify for an apartment is impossible in most cases! Finding other ways to qualify
- Homes for seniors, single stories, 55+ adult communities.
- Coordinate county services with new affordable housing to house homeless individuals
- Expand our amenities on the west side. The city is forcing us to shop in Morgan hill because we have no consideration for expansion except to add more housing
- I get \$1000 a month for disability my rent is \$1000 in the trailer park I can't make ends meet soon I will be homeless
- Need supervised housing for small groups of mentally ill who can't adequately care for themselves or take their medication reliably.
- Sports programs for the young to teenagers
- Don't allow apartments to be built right next to nice single family homes.
- Most of us moved to Gilroy for the small rural town vibe - we do not want to be the next big city with big city problems. The 2040 quotas arbitrarily assigned by the state politicians who are totally out of touch with "our "reality will double Gilroy's population. We need to preserve the small town feel rather than give in to mass growth- we need smart growth, not overgrowth.
- Beautification of Old Gilroy, paving, implement Standard for apartment appearance.
- I'd love to see an aggressive effort to up zone our main downtown commercial areas to allow residential/mixed retail. We should build strong transit links to the job centers in Santa Clara County.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- No new housing! We need good restaurants with outdoor seating. More grocery stores such as Whole Foods. And a downtown renovation, and we need to preserve the open space we have. No new housing projects!!
- Plan housing with transportation connections, plan for active transportation, consider climate change needs
- I wish the city would install speed bumps down high traffic roads such as Wren Ave. Drivers have no regard for the speed limit or kids playing/walking in the area. High speed drivers are a safety concern and a noise nuisance.
- Inclusionary ordinance
- There needs to be affordable and low income housing in all areas of Gilroy, not just the north area. It is like the west side is exclusive and does not allow homes in that area. For too many years Gilroy has focused affordable low income housing in North Gilroy
- Stop growing the city so quickly and fix the existing issues. We don't have enough grocery stores here. We don't have enough police force available. All this excessive building is just bringing more crime to the area. We are no longer a safe city. Have you seen all these new people drive around here like we are in a Grand Prix. These new housing are not doing anything if but making our infrastructure worse. They are not bringing new kids to schools locally because they can commute with kids. Our district is broken, work on that. We can have six Starbucks but not enough places to buy food? Focus on the city improvements first
- Buy the large plot on las animas and create a better tent area with drug control, security, showers and laundry

- Rent too high
- There are more affordable places to live. It isn't any city's responsibility to make their location a handout resource using hardworking taxpayers earnings.
- Build affordable housing in a nice community
- Please add Safe Park with support services
- It's become increasingly difficult for just the regular service employer (truckers, utility workers, health care admins) to qualify for purchasing a home that so many have to leave the area just to have a respectable home. The lower middle class are now considered low income and there needs to be more than just one unit per housing development designated for the low income. Good people in good homes equals a good city. It's insane that we expect everyone to make \$250k to live here comfortably, we miss that small town feel.
- There are so many things wrong with this town. Stop building high density housing. It looks like a ghetto. The ones being built on first and Kern are going to be a nightmare. Not enough parking and the traffic lights to handle the traffic.
- I believe that understanding individual households and their needs is essential to gaining knowledge for the housing element of Gilroy. For instance, I am a single parent to two children. I've been renting for the past 6 years and make \$170k a year. The rental rates are darn near worse than mortgage rates. It is not helping to provide an option of purchasing in this area. The housing crisis of cost and not even having homes that can suit people's different family needs is unfair. Creating factory type housing of all homes bunched together is not what everyone purchasing a home wants. Preferably homes can be made with decent yard space to allow for personal gardening of produce and chickens.
- Speed traps or speed bumps on W Las Animas Ave. This is an accident waiting to happen. Vehicles passing through from Monterrey rd. to church (and vice versa) use this as an expressway at very high speeds. Please look into it.
- Do not continue to make Gilroy more over crowded than it already has become. The infrastructure to get in and out of Gilroy needs to be expanded. We do not need to make the city more appealing to increase the city population.
- More work to improve our downtown, more restaurants and shopping. Not everything has to be low income focused, there are a lot of middle class families that love living here and would like more amenities.

Spanish Responses:

- Loans for home purchase
- Loans and Incentives for Home Purchases They should encourage opportunities to own your own home and not pay rent Lifelong
- Free music classes.
- More jobs
- Base rents
- Low cost housing is in high price
- housing
- Open space for exercise
- Financial Aid for layer buyer
- Childcare

Q16. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Total: Answers = 429; Skipped = 81

English: Answered = 298; Skipped = 69

Spanish: Answered = 131; Skipped = 12



English Responses

- Predatory lending is rampant despite your income.
- Same house is appraised for more due to buyers "assumed" race

Spanish Responses

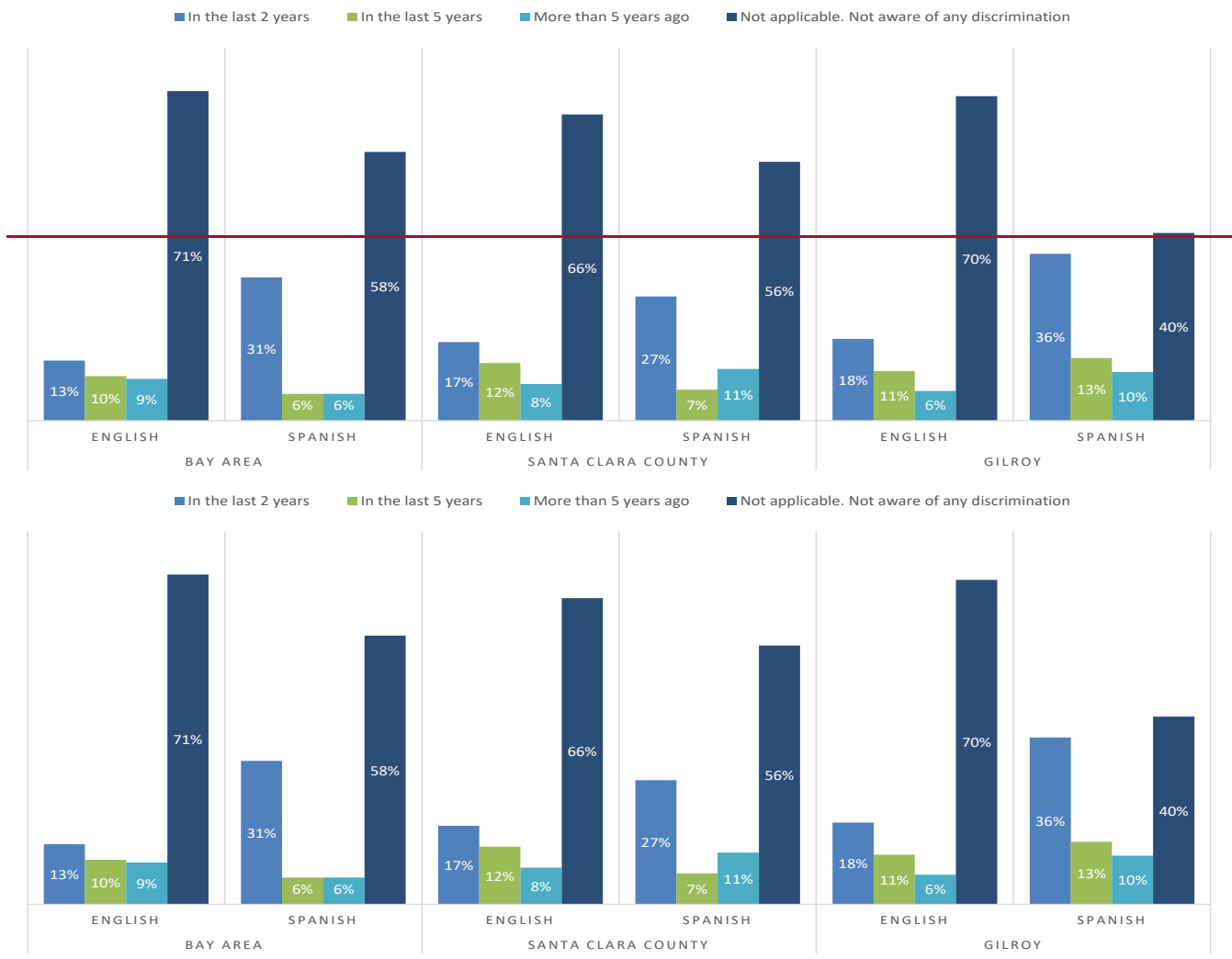
- For having a dog

Q17. If you believe that you or someone you know encountered housing discrimination, please identify when that occurred (Please check all that apply)

Total: Answers = 319; Skipped = 191

English: Answered = 215; Skipped = 152

Spanish: Answered = 104; Skipped = 39

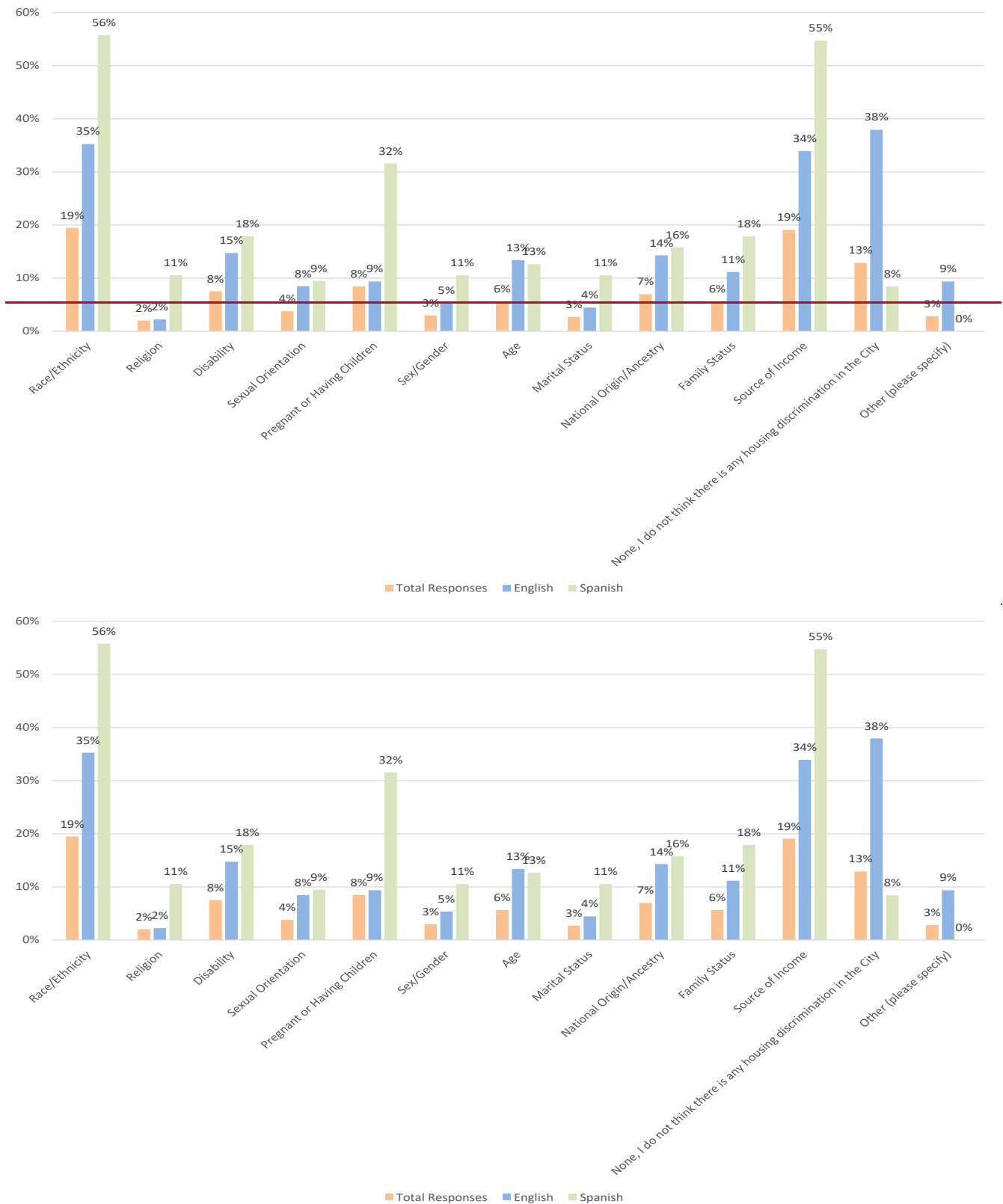


Q18. If you believe that you or someone you know encountered housing discrimination, please identify the when that occurred (Please check all that apply)

Total: Answers = 341; Skipped = 169

English: Answered = 233; Skipped = 134

Spanish: Answered = 108; Skipped = 35



English Responses

- Homelessness
- I know of no situations like this.
- I do not know enough citizen of Gilroy to be able to answer this question
- Realtors themselves are discriminatory -

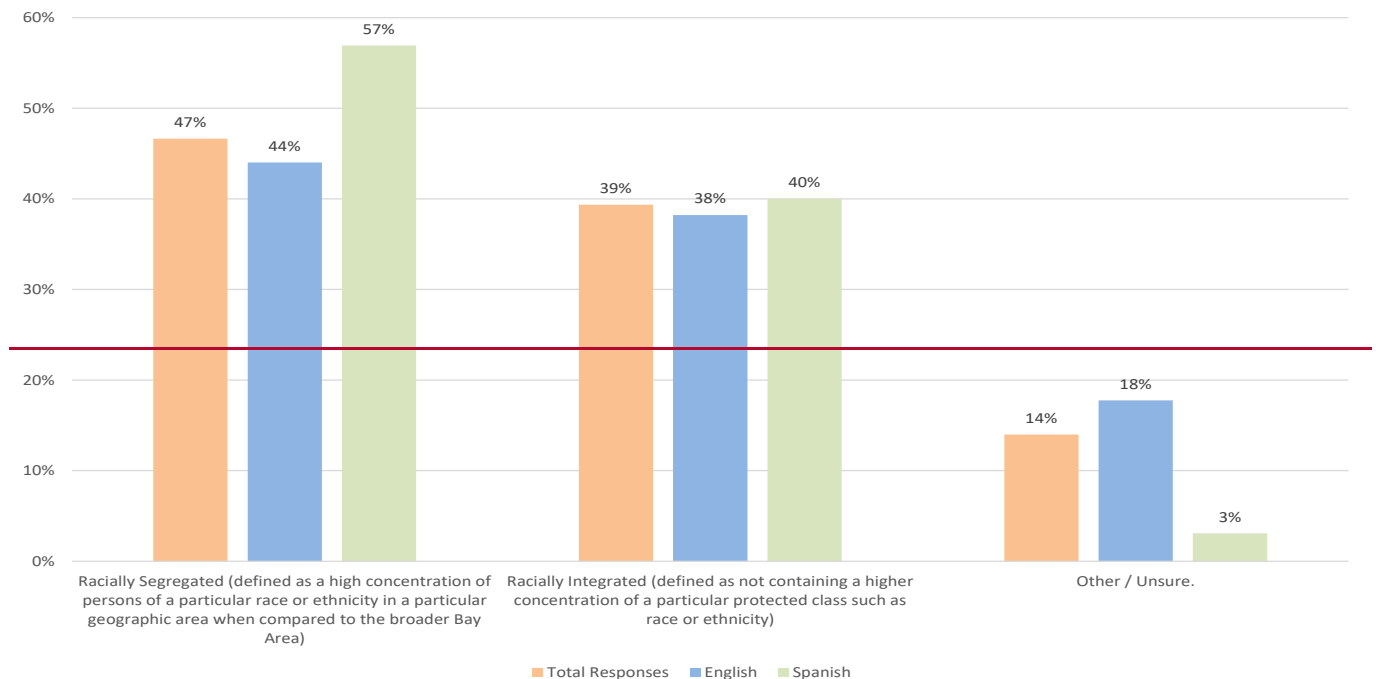
- Not accepting housing voucher
- Amount of income
- Not aware of discrimination specific cases
- no opinion
- I don't know
- victims/survivors of gender based violence
- Criminal background
- Unsure
- Financial discrimination. Most time a standard practice is first months rent plus last month's rent plus a security deposit plus a pet deposit. Then application fee. Easily over 7 to 8 k. Who the he'll has that saved
- Criminal record (non violent)
- Unknown
- Consult Project Sentinel for this data.
- I unaware of housing discrimination; we were hit with predatory lenders.
- Housing Cost
- Mentally ill and homeless
- I do not see any discrimination
- i don't feel comfortable saying Gilroy has 0 housing discrimination just because i haven't personally seen any. I'm white, so where it does exist, I'd never experience it.

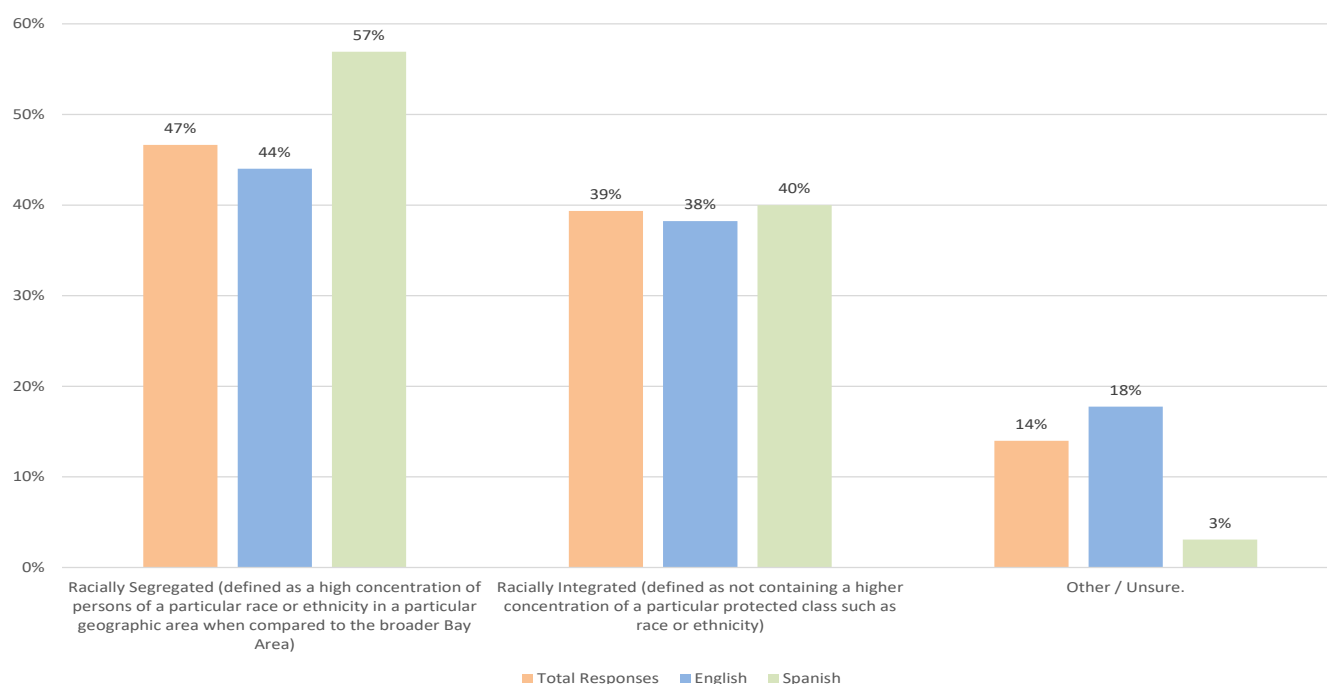
Q19. Please indicate whether you feel your city is: (Select one)

Total: Answers = -343; Skipped = 167

English: Answered = 267; Skipped = 100

Spanish: Answered = 76; Skipped = 67





English Responses

- I don't know
- I know little about the many neighborhoods in Gilroy
- Economic segregation
- One of the truly great things in CA is it's diversity - but everyone needs to understand the laws that this state, county and cities have adopted and abide by them.
- Unsure
- Unsure
- Gilroy, like everywhere, is segregated by socio economic class, which aligns pretty well with race in the US.
- unsure
- Gilroy is pretty diverse with the exception of east of the tracks
- Unsure
- I think it is somewhat diverse.
- Wonderfully diverse.
- no significant Communities of Interest in Morgan Hill
- Latinos who are lower income on east side I would guess
- This is a poorly framed question, and serves little to no purpose.
- Have not seen any stats on that
- It is neither but can become segregated if the city doesn't intervene
- Not sure
- It could be more integrated.
- Gilroy seems to have concentrations of fewer ethnicities than most of the Bay Area.
- Segregated by income which leads to segregation by race.
- Unsure
- Unsure
- Unsure
- Getting devalued and deprecated
- i don't know
- I don't know
- somewhat segregated
- Unsure

- Depends on affordability and income. You cannot buy or rent a Cadillac on a Chevrolet budget. My concern is for those who think they are “owed” the right to higher housing and don’t want to work for it.
- We have a large Hispanic population but it doesn’t show in the newly developed homes.
- I’m not really sure how racially segregated Gilroy is. I do know that a large portion of the Hispanic population lives east of Monterey Street and a very large portion of the white population lives west of Monterey Street.
- No comment
- More low income Mexican people live on the East side, but I think it is a result of income, not discrimination. Many Mexican people live in all parts of Gilroy.
- unsure
- No information
- I think Gilroy has a large Hispanic population but I think that is due to Hispanics always living here. Up until housing in areas like San Jose became unaffordable did other races start moving South.
- Gilroy does have a racial living divide. Although we all get along I believe, living areas are segregated. Not intentionally. But it has never been fixed or dealt with
- No we have a diverse city many who have been here over 20 years
- Unsure
- Unsure
- Not sure
- Unsure
- Gilroy is not segregated. It merely has different neighborhoods with varying prices of homes or living accommodations. This is how life is. If you can afford a small apartment then it will likely be located in a different area than someone who is quite wealthy living in a more expensive area. This is not complicated and should not require special programs to put all at a financially “equal” level. Handouts like affordable housing or restrictive rules will only create more financially dependent people.
- I suppose it would depend on the demographic rates but it’s probably pretty segregated.
- Unsure

Spanish Responses

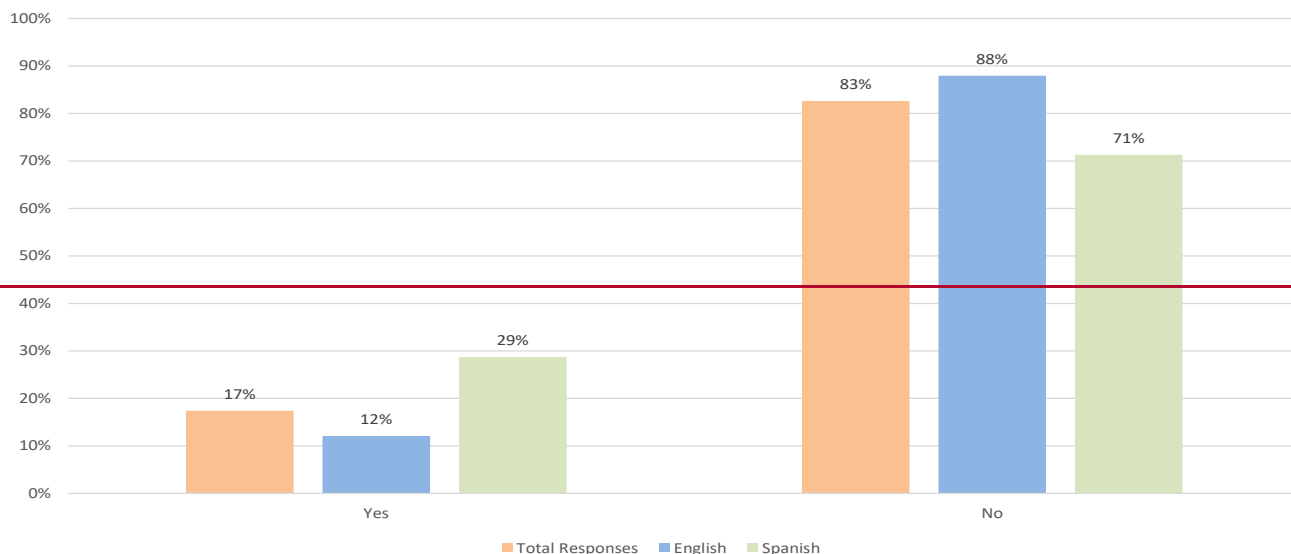
- I did not understand the question very well

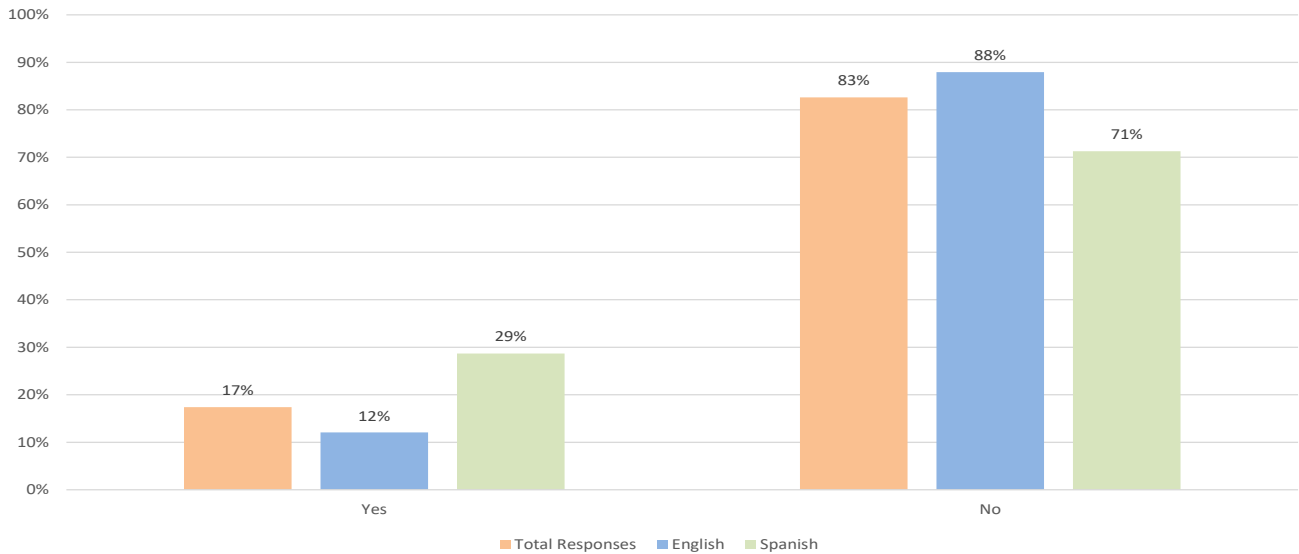
Q20. In the past five years, have you had to move out of your residence in Gilroy when you did not want to move?

Total: Answers = 414; Skipped = 93

English: Answered = 293; Skipped = 74

Spanish: Answered = 121; Skipped = 22



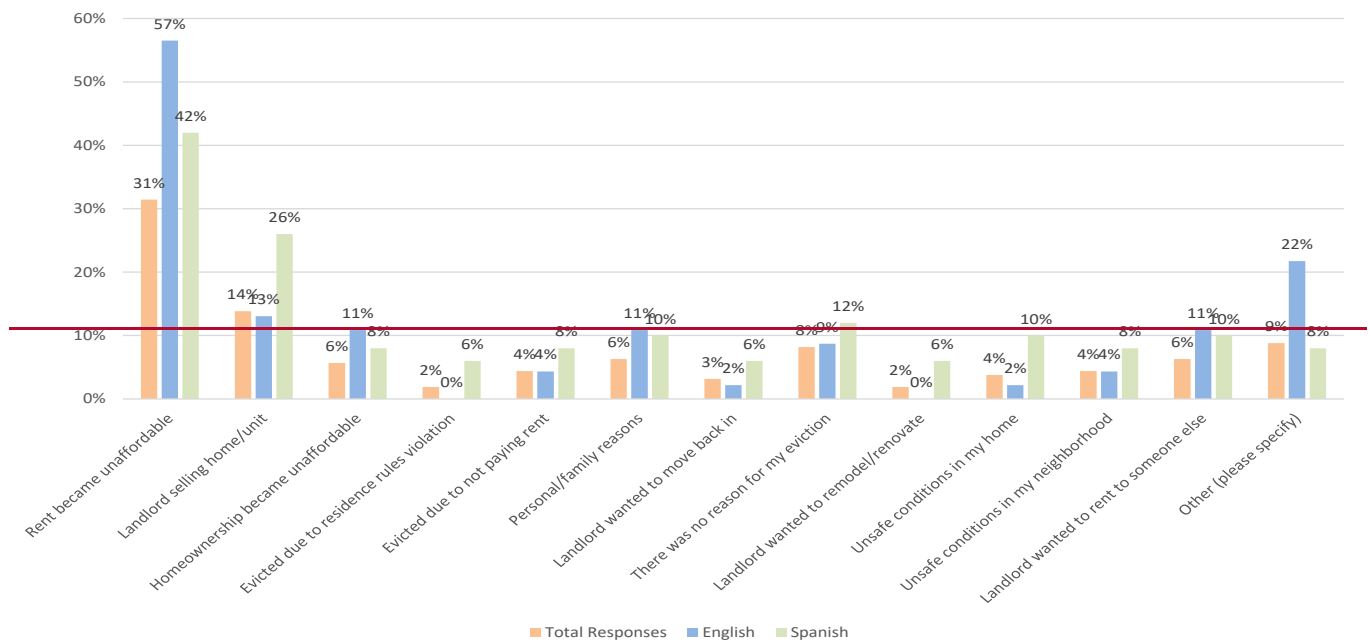


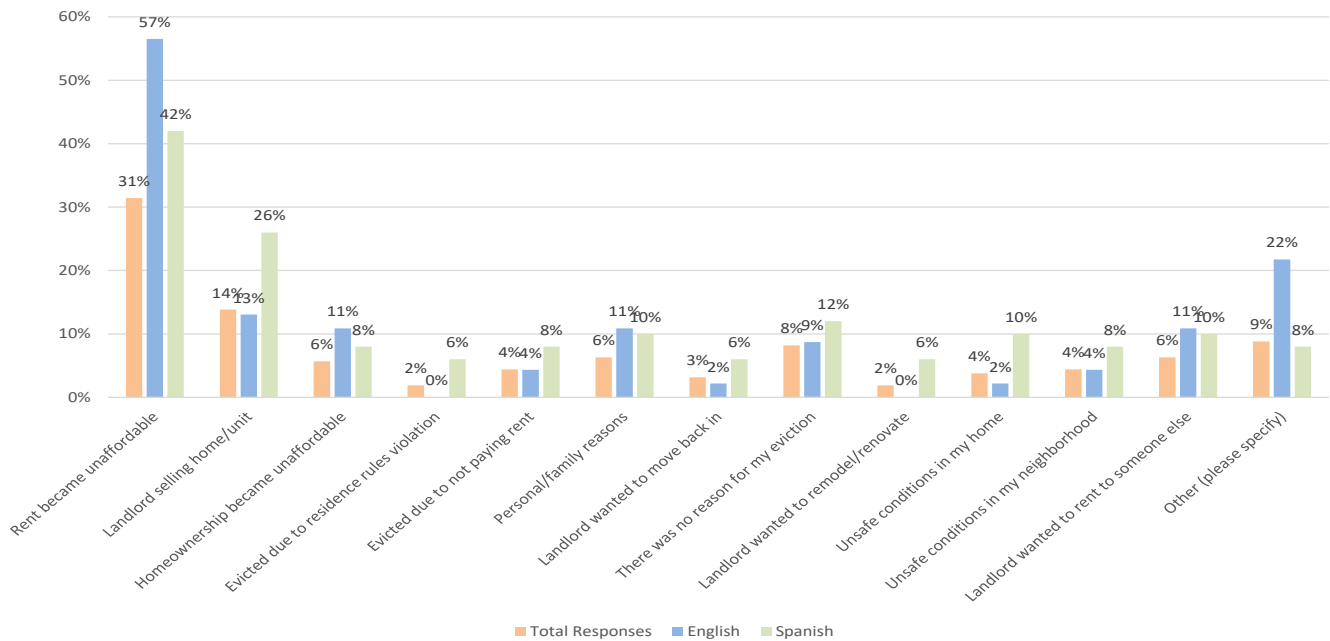
Q21. If you answered yes to the previous question, why did you have to move? (Select all that apply)

Total: Answers = 104; Skipped = 406

English: Answered = 47; Skipped = 320

Spanish: Answered = 57; Skipped = 86





English Responses

- moved from Morgan Hill because of the increase of crime.
- No protections in place to stop the landlord for doing so. They wanted more money and less accountability
- Dad kicked me out
- No
- Rent is becoming unaffordable and within a year or two or will be forced to move away
- Too many homeless were congregating near the park by my house, which was leading to crime. So I bought a home in what I perceived as a safer neighborhood. However, now that affordable housing units are popping up all over the city, I don't know if it's safe anywhere. The logical choice seems to be to move out of this city.
- Travel times to and from work.
- not applicable to me

Spanish Responses

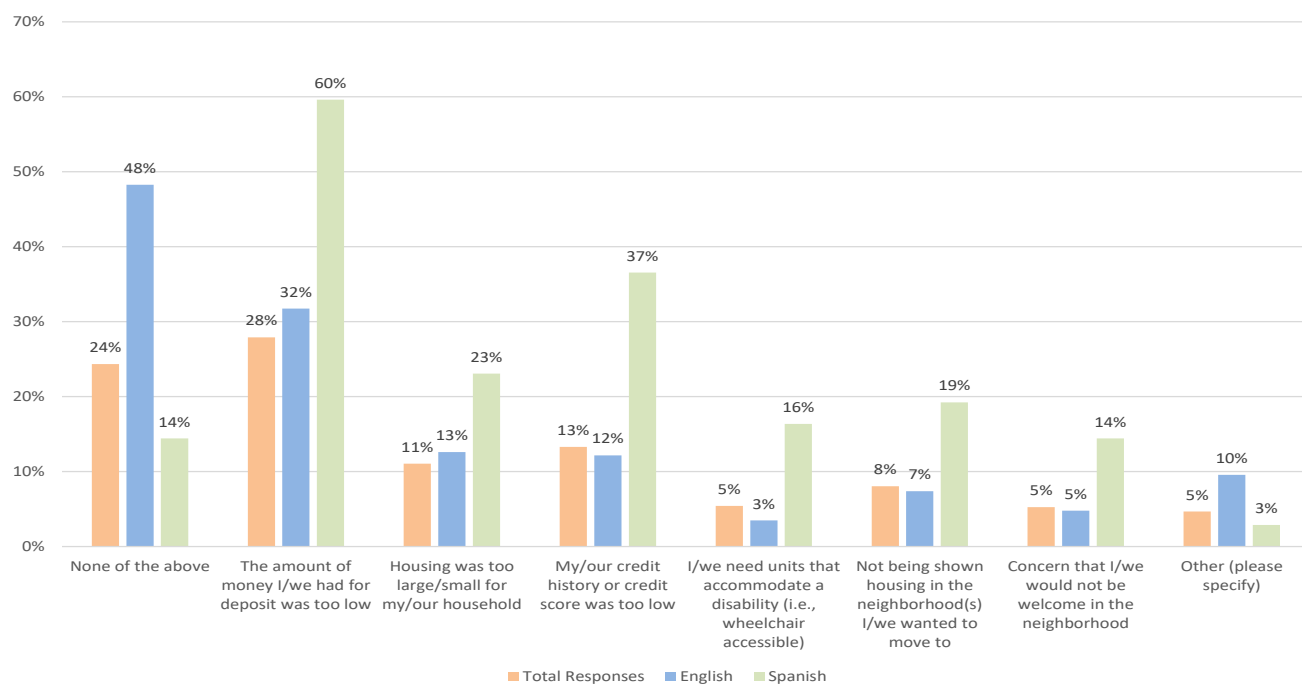
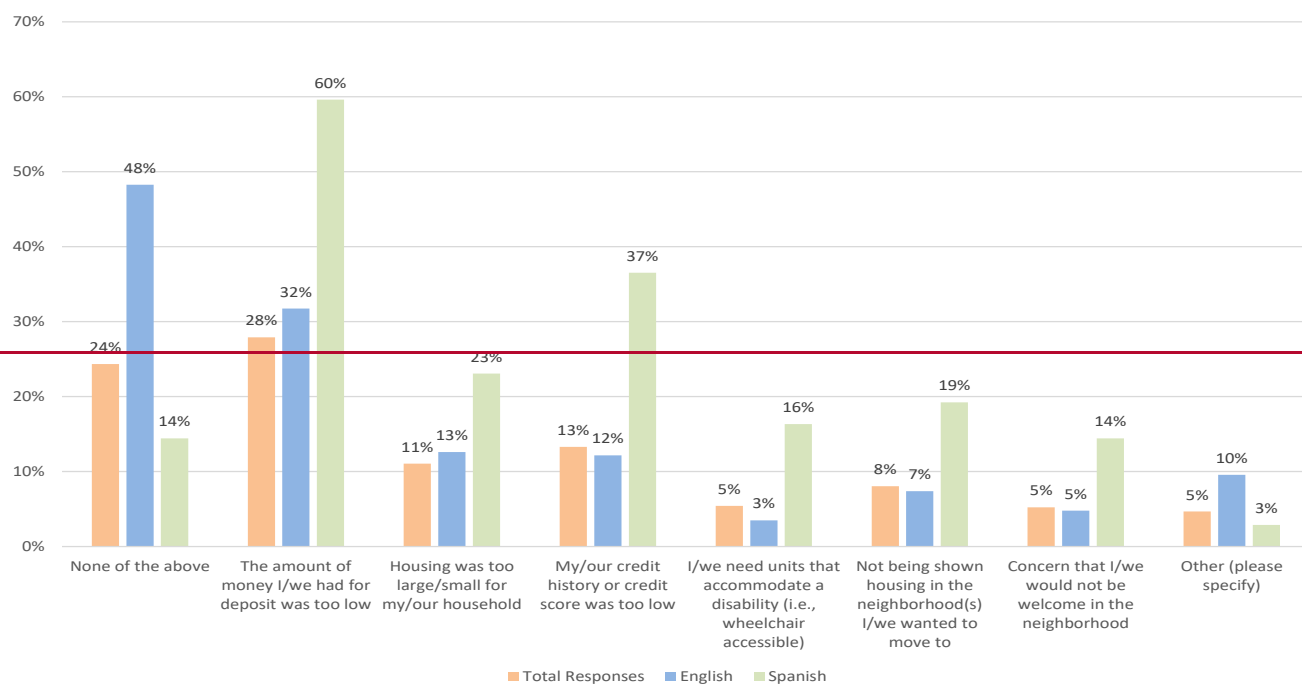
- The owner took my job
- I didn't move
- My rent went up
- Status

Q22. Which of the following issues, if any, have limited the housing options you were able to consider? (Please select all that apply)

Total: Answers = 355; Skipped = 155

English: Answered = 239; Skipped = 128

Spanish: Answered = 116; Skipped = 27



English Responses

- Lot sizes too small for anyone - (rats in a box syndrome)
- Did not make enough income to qualify or afford
- Priced out, outbid and investors buying
- House prices, priced out of market
- Having to earn 3x the rent in order to qualify for rental
- refused rental because I had money in bank but no job
- They wanted my paychecks to reflect 2.5x the cost of the rent.
- affordable financing for buying - it is very hard to come by for the wage earner
- Amount of rent
- require single story

- houses have become too expensive in Gilroy and criteria for affordable housing too strict
- I don't feel safe anywhere in this town anymore, with people shooting at cops and people walking around with knives and masks in our parks, and it's only going to get worse, it seems.
- could only afford foreclosures/fixer-uppers
- Low multi-family supply.
- Homes are very expensive in Gilroy
- Priced out of where we work. Had to move to Hollister even though our entire lives are in Gilroy.
- Neighbors did not keep up their home maintenance
- Many if those reasons applied until I worked harder and saved more money. I really wish City, state and federal government would stop trying so hard to make life easier for everyone. You remove all of the hardship involved in life and all the people you think you're helping will never appreciate anything. It's completely acceptable for people to struggle, even families with kids. Real parents will step it up and find a way when they have no other option but to work harder.
- Access to transit concerns
- Did not accept housing
- Housing prices (therefore monthly expenses) were out of our budget range.

Spanish Responses

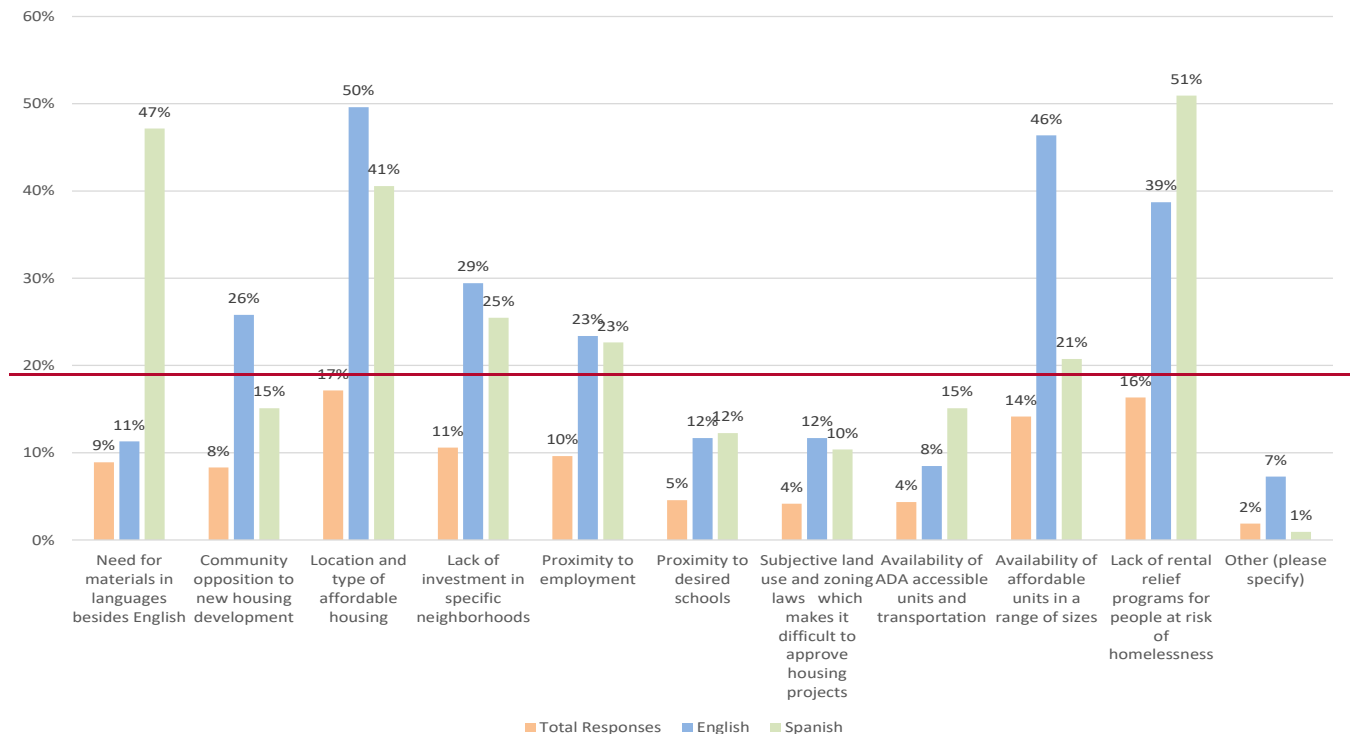
- Cost
- My parents lost their jobs.
- All this very expensive

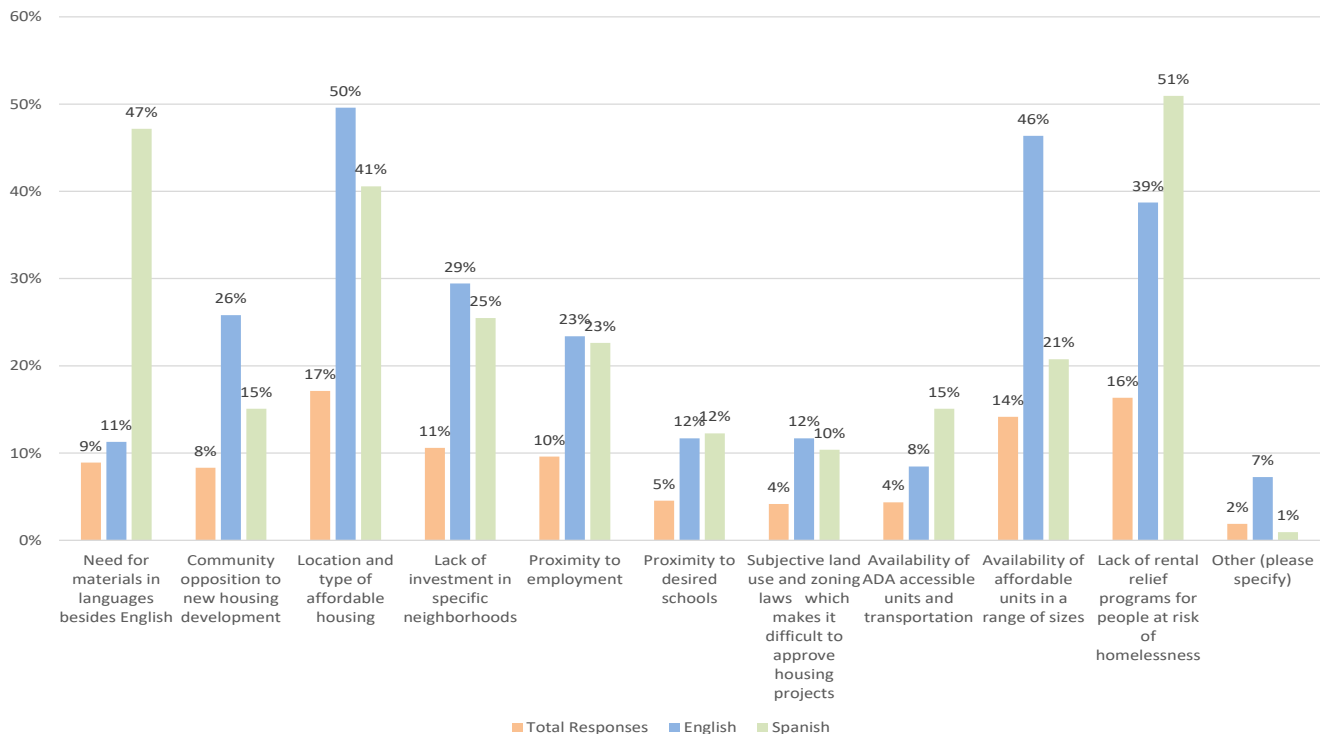
Q23. Recent California Housing Law and California Department of Housing and Community Development (HCD) require extensive analysis and identification of contributing factors for a series of fair housing issues as part requires the 2023-2031 Housing Element to include local resident and stakeholder input. Please select the most important contributing factors impacting housing in Gilroy (select up to three):

Total: Answers = 377; Skipped = 123

English: Answered = 257; Skipped = 110

Spanish: Answered = 120; Skipped = 23





English Responses:

- We have a good police department, but not enough of them. No new housing without additional city services including new water sources. Weather from air dehydration as an example. Medical services are virtually non existent except for the emergency room!
- homes being sold to outside investors
- Lack of well-paying jobs for EXISTING RESIDENTS.
- no opinion
- Not sure what sizes are needed, whether for singles or large families, but there seems to be a lack of affordable housing for very low income households.
- Too many very low income housing; need housing for moderate income households
- Continue need for tenant dispute resolution help
- We need to work on transportation/commute before expanding the city. It's ridiculous that it take 1 hour to get to work in San Jose because there is no work in town.
- Gilroy is the LAST affordable place in SC county. So affordability is not a issue. The issue is the city isn't doing enough to bring in high paying jobs. The only option people here have is to commute to the valley or work retail/service jobs. The city planners are too busy building low income housing, which is going to make matters worse. Bring in some industry, high tech, and other high paying jobs, and people will be able to afford the homes. That's the way to address the housing crisis, NOT more government funded programs.
- Lack of investment in schools in low income neighborhoods such that large differences in terms of access to technology, field trips, and other resources exist between schools in low income areas and schools in moderate to high income areas (largely connected to differing opportunities of parent groups to fundraise)
- Council should realize many want Gilroy to remain a community and moving a bunch of people in through stack-n-pack units will destroy that community.
- Lack of local high-paying job opportunities.
- lack of housing affordable housing for low income, extremely low income, and unhoused people.
- Some City Council members opposition to affordable housing
- Lack of affordable housing
- None of the above
- More Section 8 housing units are needed.
- California should not require Gilroy to change or add different housing types. Nor should Gilroy get paid as an incentive to add more affordable housing. This is a corrupt way of business.

Spanish Responses

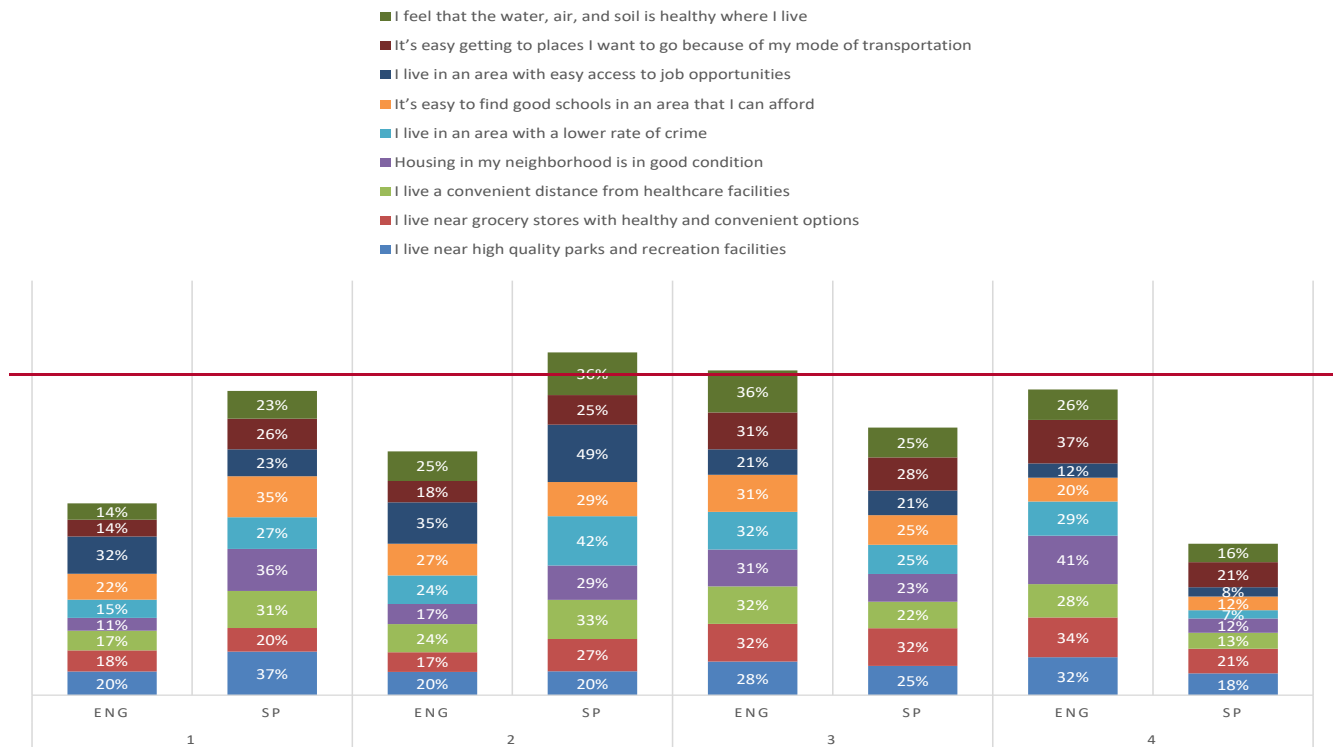
- It would be good if they didn't ask for credit because many of us don't have credit.

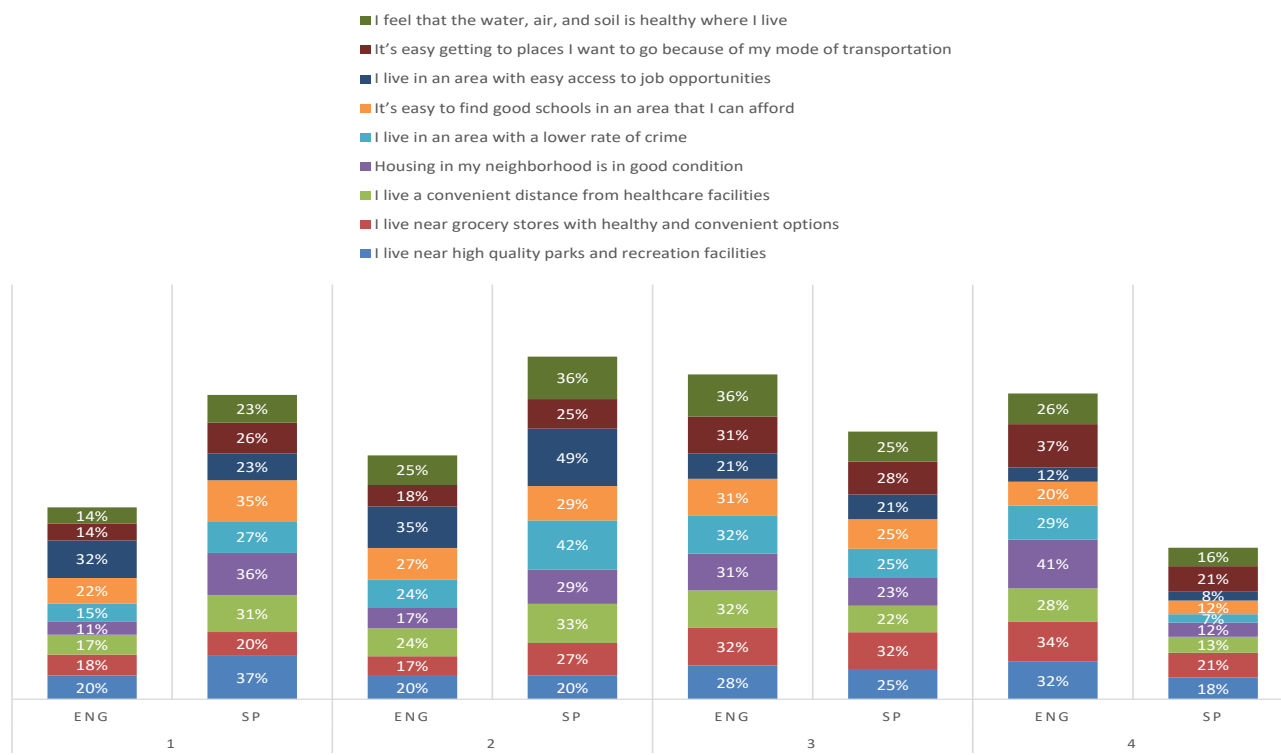
Q24. Rank your agreement with the following statements from strongly disagree (1), somewhat disagree (2), somewhat agree (3) or strongly agree (4).

Total: Answers = 418; Skipped = 92

English: Answered = 287; Skipped = 80

Spanish: Answered = 131; Skipped = 12





Q25. Please share any comments or recommendations that will help inform and guide the preparation of the City's updated Housing Element.

Total: Answers = 110; Skipped = 400

English: Answered = 77; Skipped = 290

Spanish: Answered = 33; Skipped = 110

English Responses:

- All of the low income dwellings bring lots of police and mental health activity. Most of the homeless population in the city are mostly drug addiction or mental health. They refuse to get clean to and refuse assistance because living with no responsibilities or rules is easiest. Some have families that live locally that they harass for money or their steal property. Homeless commit crimes of theft from stores and homes in the area and get away with it. The city or DA's office does not allow the police to police anymore. We need to quit giving them everything they need to stay here and terrorize downtown business and tax paying residents.
- WHEN CONSIDERING AN INCREASE IN NEW HOUSING, THERE NEEDS TO ALSO BE AN INCREASE IN GROCERY STORES AND PARKING TO ACCOMMODATE THE INCREASING POPULATION
- I love Gilroy and all it offers!
- Too many stores have closed, the water is becoming toxic and is in a declining supply. Existing city services such as fire and police hire good people, but there is not enough of them for the existing population. Drugs, guns and gangs are taking over. Medical care is lacking - why can't you attract quality medical care? Worse the city doesn't have the funding to improve on these things. The city has no business allowing any developer to even think about another housing project. Get your priorities straight - improve what you have before trying to build more ghetto like housing. The way to correct homelessness is through education and better employment opportunities. See if you can work on that - find a developer for that, not more crowded housing like Eagle ridge and that mess west of Santa Teresa.
- Homeless is an issue in Gilroy too many homeless in the streets. housing developments such as apartment building are run down make landlords liable to fix these units
- Provide housing for the people who are here, not the ones you are hoping to replace them with
- I have been here over 13 years I stay with my parents I'm on ssi and am in need of housing my dad wants me out but I don't have section 8 I need a apartment for 300 or 400 dollars a month not unless I can get housing everywhere I look it's 1,000 or more please help me get housing.
- Gilroy is a bedroom community for Silicon Valley, across all socioeconomic levels. (Although more tech professionals can WFH than before Covid-19!) Getting hourly trains from Gilroy to Palo Alto should be a priority. (Not a housing issue per se, but if people are spending less on transportation, they have more for housing.)
- moderate and Middle income Gilroy homeowners being ignored yet they pay their part in property taxes.

- Gilroy needs 3-4 bedroom town houses, condos, and houses. Reasonably priced!
- I love Gilroy!!!
- We shouldn't keep building just to build, each home should be made thoughtfully and invested in with purpose for future sustainability. Our biggest resource is the sun, let's use it and normalize accessibility to solar powered homes/communities/schools. Water is also a diminishing concerning resource as well. How can we be resourceful in that regard as well?
- A lot of cockroaches near the schools. Sidewalks are dirty. Sometimes shoes hang on electricity wires. Roads have potholes and not always paved alley ways. People let their dogs poop anywhere and everywhere so more garbage cans or doggie stations would be nice throughout.
- not sure if you can do anything about this, but marijuana smoking is a problem. I shouldn't have to smell neighbors smoking weed when I'm in my house.
- The school systems and Gilroy are very poor. And the closest good store is in Morgan Hill to shop bad. Crime and homelessness is on the rise in all areas of Gilroy. I am not comfortable walking up at the levee or around town.
- Stop building housing for new residents and concentrate on responsibly serving existing residents. Promote creation of well-paying jobs for existing residents. Look for ways to REVERSE irresponsible growth in Glen Loma and Hecker Pass. Target 50,000 as maximum sustainable Gilroy population.
- Combine with traffic and roads and parking on site, not on the street. The cars on the street at some units make them look like the projects taking away from the experience of all
- Where are the amenities with all the new housing going in!
- I'm scared that at any moment I could become homeless. If that happens, I will surely lose my job, my pregnancy and possibly my mind. It will be so hard to come back from that. But the prices in Gilroy for the most basic apartment, are simply unreasonable.
- We need extremely low income units
- More affordable housing opportunities of all kinds
- We need workforce housing opportunities
- Commercial linkage fee to pay for this type of housing
- Inclusionary housing ordinance to require 15 percent affordable units in all new residential development
- The major problem for typical residents are the costs to buy and own. If the city of Gilroy wants to truly help employees, focus on the ones that work - not the ones who don't. Help them by reducing the amount of crap in the following: 1) make building and adding ADUs as simple as possible 2) Help working-class people qualify for loans 3) keep free enterprise as the basis for your programs. Do not adopt socialism or worse yet, reward for those who do nothing.
- I don't live in Gilroy but I serve clients who live in Gilroy.
- Need to focus on housing for middle income households; excessive amount of very low income housing already exist or planned in Gilroy beyond county requirements.
- Please provide 55+ apartment, or single parent duplex communities that are affordable.
- Transitional housing options for folks at-risk of being homeless and currently homeless. Options such as ADU's, tiny homes, etc.
- "High quality" parks are needed for children. Just a few newer parks have been built where new developments are. The existing parks have not been updated.
- Unbiased studies need to be conducted. No new housing should be built until the current residences needs are addressed.
- Invest in a more walkable and bikeable Gilroy! Most businesses and amenities are along main thoroughfares or in specific parts of town, forcing most residents to drive for groceries, shopping, and other amenities. These same thoroughfares are often how drivers exit town on their way to workplaces outside the city.
- Invest in more mixed use zoning, especially in zones that are currently just residential.
- We really need to figure out commute time and access. We need more Caltrain service and expand 101 into San Jose. We need to work to afford to live in town so facilitate that first before building more homes and no jobs or roads.
- Gilroy has done more than it's share of home building over the past 20 years with one of the highest growth rate in the Bay Area, yet the price if housing has just skyrocketed! Obviously building more quantity is not the answer. First-time homebuyers and renters need financial help from the State or Federal government. The rents charged for even the affordable units are out of reach of many. I am not sure just building more units will help them.
- Overpopulation and low income housing is devaluing the city and more and more crime is evident
- Miller Park is disgusting it was our closest park for the kids and I stopped going altogether. The homelessness problem and drug use was out of control their. The police presence was completely absent unless a fight, overdose, or rape occurred. Its incredibly sad to see Gilroy feel the need to be like downtown Los Gatos. You have a predominantly Mexican population and you should be proud to cater to these traditional customs and not white wash it.
- I have lived in Gilroy my whole life I was born here. My kids and I are domestic violence victims and we are looking into moving out of my moms house but it's hard cause their is really no open waiting list or programs to help me with rent when I need it

- Bring industry and high paying jobs to the city, if you want to address the housing problem. Flooding the city with low rent apartments isn't the solution. It's going to lead to overcrowding and crime. Gilroy already has a high crime rate and an influx of low income housing is only going to make it worse. If this keeps up, all the tax paying, upstanding, home owners are going to leave the city in droves. I guess it'll definitely become affordable to live here then.
- The city and community organizations such as churches and non-profits should combine their efforts to create several types of tiny home communities for the homeless from bare minimum shelter (shed structures with access to showers and toilets) to permanent long term tiny house.
- I would love to see the city do more to promote organic, sustainable farming practices in our community in an effort to improve air and water quality.
- I don't mean to sound mean or selfish, but Gilroy is doing pretty good. Attracting low-income and homeless is not going to improve the quality of life for Gilroy.
- Infill development needs to occur within in existing infrastructure. Affordable housing for working families.
- Horrible water alkaline off the charts
- A city of homeowners is a better place to live than one with a bunch of apartments. Build more single family homes with yards and the quality of community will remain healthy and crime will remain low. Also, consider a regulation preventing REITS and other large investment firms from buying housing in Gilroy. Keep the houses in the control of families, not conglomerates.
- We need more multifamily and affordable housing for families. Quality homeless shelters and transitional housing would help the homeless that are forced to live in vehicles and tents.
- We would love for the city of Gilroy to respect and maintain the beautiful outdoor spaces, lands and Not over develop. This is why we moved to Gilroy over 25 years ago. We have seen many, many new homes developed in the past several years. Traffic has worsened, roads need repair, and it is starting to feel like we are no longer in the country.
- Too many of our residents live in Gilroy but commute to work in Silicon Valley. Gilroy needs to attract businesses that can employ these tech workers, bringing wealth, investment and a sense of community to our city.
- Homeless & crime is a large impact on community, increase in both is a concern. Roads & traffic are also being impacted by so many new homes being built with no new accommodations being made with these increases! How can one pay a million dollars or more for a home & have homeless encampments everywhere in town.
- None at this time
- Make sure there are easily accessible crosswalks that are lighted for seniors, children and families. There are many areas in the City that do not have great cross walks, especially near parks and people jay-walk all the time
- Gilroy is highly segregated, poorly designed from a city Planning perspective, including shopping and amenities. Old money, power relations and structures, old thinking and politics controls Gilroy. Please do things differently.
- We needs additional housing for low income, extremely low income, and unhoused persons. My belief is we have taken on our fair share of middle income and high income housing, and should curb other development unless we have proven resources to support, and adequate protection for the environment.
- We need better infrastructure. Al these homes are being built with no investment into a new grocery store, places to eat, places to shop. Gilroy needs more of the above items, otherwise people will continue to spend their hard earned money in other cities like Morgan Hill.
- I do not support projects that do not have to contribute to impacts such as traffic, public safety, and recreation/parks.
- Stop housing and business development impacting natural environment. e.g Hecker Pass
- Do not expand Gilroy with more new builds without investing in infrastructure, downtown and diversifying the businesses we have. Are there incentive programs (for homebuyers and/or owners) that we can implement to fix up our less beautiful neighborhoods before we just start building cookie cutter neighborhoods on the outskirts of town? It's embarrassing to be from Gilroy when our neighbors (Morgan Hill, Hollister and even San Juan Bautista) have grown so well!
- I'm not sure if this is a city or utilities issue but if high density housing is going to continue to be built there needs to be something done to address the unreliable power service we have been receiving here. The power outages due to fires is to be expected but our power goes out for hours — and even days— with no weather or fire issues at all. I really feel that in order to continue to allow building to continue at the pace it's been going this and the homeless encampments need to be address.
- Council members nor supportive of its most vulnerable population. Recall mayor
- Build no housing until the drought is over.
- Need more transportation options and improve our streets pot holes.
- Please consult with Social Service agencies, both public and non-governmental. They know the needs better than those of us not seeking housing at present.
- I love living in Gilroy because of the open farmland and the various parks. I also love that it's not overcrowded with so many people living in one home that there's no parking on the street.
- Please keep in mind parking when planning as well as not charging HOA dues.
- Just don't make Gilroy lose its hometown feeling/look by overcrowding with so much housing and integrating apartments and low income housing right next to expensive and nice homes.

- My dad gave us the down-payment so that we could meet lender qualifications and closing costs. Our loan went thru modification due to being predatory in nature; if the modification wasn't approved, we would have lost the house. The taxes and insurance added to the mortgage payment is almost unachievable; we are happy that we are getting the tax write-off as opposed to the landlord.
- The city needs to focus on creating affordable housing rather than falling for the political "selling the dream of homeownership" rather than providing adequate affordable housing. Once the homelessness crisis is addressed, then they can focus on "selling the dream of home ownership."
- I just found out - based on this survey - that we are again low income; we always just squeaked under the poverty line when the kids were young. Though we are doing ok, it's sad to know that we are again considered low income - the outrageously high cost of living combined with extremely high land values are driving people, especially families away. Why stay here just to struggle to make ends meet and find affordable rental housing, when they can move to other states where they CAN afford to purchase a home with land - the politicians are driving California to the bottom of the list - we used to be at the top of the list.
- I feel like Old Gilroy is neglected. The streets are not well taken care of, and the houses are also not taken care of, I'm assuming because of the amount of renters to owner ratio. There needs to be some kind of accountability for renters to take care of their dwelling, and for apartment owners to make their complexes up to some standard
- Gilroy should stop all detached housing construction and focus on job creation. Next priority should be on reliable, frequent, extensive and affordable public transportation.
- Do not continue to add assistance programs, affordable housing programs, etc. Put actual limits on the assistance that you do have. Most anyone that has relatively good health has no business being unemployed. If they say they can't make enough working only one job then they should get 2 jobs and continually try to add new skills and education until they can get a better job that pays more. I always loved that Gilroy residents were proud, hardworking, no nonsense, people. People that would rather take a second job or work an extra shift before they put their hand out asking someone else to give their hard earned money to support them. Unfortunately, everyone, especially our younger generation have no issue begging for others money instead of working. Complaining about how hard it is instead of realizing if they just push through, work harder, they will make it. I think there should absolutely be some forms of government assistance available. There are legitimate reasons why people need help but the help has to have limits. These programs are destroying our communities and handicapping the people you think you're helping. And what's frustrating to every hard working person who pays their taxes is that you're taking our hard earned money from us just to throw it away in programs that never work while bringing in more of these people who abuse these programs into our neighborhoods. Crime rates go up, the hardworking, proud people who moved to Gilroy to get away from cities like San Jose have to then sell their home and move away because your well intentioned programs had no regard for the families that already live here. I can't tell if this makes sense because the box is so small but I hope you get the picture and hopefully someone actually reads these.
- The city needs to prioritize resources for the unhoused population. City council members need to be better informed about how to appropriately address race and equity related to housing and overall planning. Climate adaptation also needs to be incorporated into this update. There are lots of county resources focused on increasing tree canopy, portable air filtration systems and using buses as cooling centers.
- We absolutely must build housing for the residents being pushed out by all of the "above moderate" housing. Affordable units aren't at all affordable for those working in Gilroy and our city has done too little for too long to address housing inequalities. Our people without housing is increasing because generations of locals are being silenced and ignored. The majority of voters voted for Zach and Rebecca who have robust inclusionary housing goals, want attainable housing options for lower income residents and yet time and time again our current council ignores and outvoted them. It is disheartening and frustrating to live in such an unresponsive town.
- Homeless persons w/drug addictions need permanent housing. Most housing requires sober living. If they use they're out on the street again. Where do they get to live? Also, some mentally ill people need to be monitored. Its more than just a roof, they need special care and support without being institutionalized. What can the City plan for these circumstances?
- Investing in affordable homes will dignify families that want to live in a nice area as Gilroy. Where are the plans for that? Politics sometimes don't help on this topic
- Create suitable housing for the homeless in Gilroy and stop shipping them to San José
- Focus on schools and transportation. We have plenty of housing in comparison to those needs. Stop pandering to the homeless and your homeless problem will greatly resolve. It's not heartless to encourage people to move to more affordable areas. Many of our relatives have moved to other areas and states. It's time to grow up and become adults about this. I don't go to an expensive restaurant and expect them to hand out their door for free. This is no different. Basic economics folks.
- We need to look at traffic issues.
- It may be nice to have a Trader Joes in Gilroy's southside. Mesa Ranch area.
- Thank you for the opportunity to participate in this critical issue.
- Over 40% of black/brown people are lower working class and this seems like a good time to raise them with offering them the dignity of owning a home, making better homes available and not packing them into more housing apartments like sardines and saying we're helping. What they're paying for apartments is what they should be paying for a mortgage. It's a shame how \$100k is now considered low income in our city.
- Gilroy does not need to add more affordable housing to our already crowded city. There are enough places other than Gilroy to live if it's not affordable here. We also do not need to build rehab facilities or shelters for the homeless issue. Most of the homeless population are homeless by choice. The temp shelters will continue to perpetuate the irresponsible free

life that the homeless community desires. All you need to do is interview people who work directly with the homeless and see for yourself that giving to them is not helping them.

- Our family is considered middle class but we will never be able to afford a house in Gilroy, despite saving regularly. That means we will have to leave in order to buy a house elsewhere. Gilroy is too focused on providing rentals. To close wealth disparity, give people easier access and affordability to own homes.
- All of Gilroy's water is ridiculously hard. I don't think just building houses or apartments will make people use them. People are homeless for a multitude of reasons. Address those and build out programs for that in conjunction with some sort of housing. No one that I know in Gilroy likes how low-income/high density housing looks. It's too metropolitan.

Spanish Responses:

- You have to build apartments at extremely low prices.
- That houses were built for extremely low excesses
- Gilroy needs housing for extreme low income
- Update the tabulators of the salary averages and the availability for housing payment, according to the current inflation.
- In Gilroy there are no technology companies to have prices close to those of Santa Clara, San Francisco. So there is no justification for having such high housing since the salaries mostly do not come from that branch.
- need money
- The city needs more extremely low income housing units. There are very few. The focus is always on low and very low. There are many people who can't afford low and very low income housing in Gilroy.
- We need low income apartments.
- Homes that adapt to our budgets.
- Need homes for extremely low incomes
- Gilroy needs extremely low wage housing.
- We needed extremely low income housing.
- We need housing for extremely low income farmworkers.
- We need low income housing.
- That the owners arrange the apartments that give washing machines to all the apartments.
- Take the community into account at every step.
- Maintenance of old houses.
- Extremely low income housing is needed in Gilroy.
- That they build more very low income villas. That there is no rent control every year!
- We need more housing for extremely low income people.
- We need very cheap homes because the income is very low and everything is very expensive.
- Give more publicity to housing assistance programs
- More affordable farmworker housing
- Well, beyond living more accessible for fieldworkers
- lower rents
- Rent prices are very high, we need rent control
- More low-income housing is needed
- We need economic living
- Need houses at lower prices. financial aid
- Please be aware of the requirements that they ask for to rent a place.
- Safety in Gilroy has been down. I live in the area of Las Animas park, where it used to be quiet and safe to go to the park. Now it's neither of them. And lately neighbors are suffering from theft of car parts in the middle of the day or night.
- More information in Spanish for the Hispanic community
- Previously the city had a program where families could work on the construction of the house and could buy it. This would be a very good option.

Virtual Workshop – March 30, 2022

On March 30, 2022 the City of Gilroy sponsored a virtual workshop focused on educating the community about the Housing Element Update planning process. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well as a summary of the most frequently voiced concerns.

- How can our city and region assure the building of housing does not outpace available resources? Our water resources are dwindling.
- How can we as community/housing assistance programs assist those in leadership positions to “Fast Track” building affordable housing (Particularly for the disabled community)?
- Is the city considering any reductions in impact fees to encourage more development?
- Have any office buildings or motels been reviewed for possible housing for our unhoused?
- The responsibilities fall on other cities like ours. Most folks in affordable housing are not Gilroy. We need to house our own and get resources. Why aren't other cities taking their fair share of the responsibility. It's been 30 years without enforcement
- We definitely need more supportive housing! I believe many of the mentally ill would be able to function better if they had some supervision and were able to stay on their medications.
- We need more parking, especially for affordable units.
- In addition to having a serious concern about our housing crisis, I have an infill 10,000 sq ft zoned r3 and as a PUD parcel in Gilroy. I would like to develop this land in a way that would help our City achieve some of our target goals for the lower income population. My biggest concern is dealing with the whole permitting process.
- As a current homeowner who really values Gilroy's diversity (racial/ethnic, socioeconomic, political) I really hope that we prioritize ensuring that low-income and working families can always be a part of our community. Gilroy should be a place that someone can realize the “American Dream” by working hard, raising a family, and be able to own a home. Opportunities not only for affordable rental housing but also for affordable home ownership will be critical.
- Is Supportive Housing for the homeless part of this plan? That is housing that includes resources that address medical needs, mental health needs, good public transportation, etc?
- 91% of Gilroy adults with developmental disabilities live at home with aging parents or in segregated licensed care facilities not by choice but because of the lack of deeply affordable housing available. This is an issue that affects people of all abilities in Gilroy. As we saw in tonight's presentation median income in Gilroy is significantly lower than Santa Clara County's AMI which means that the majority of low income Gilroy residents will most likely fall well below VLI maximum income. In RHNA cycle 5 the city exceeded its low income RHNA but as of 2021 has met only 63% of it Very Low Income RHNA. The city needs to develop policies and programs to create housing at affordability levels to specifically promote development of housing at deeper levels of affordability.

Virtual Workshop – June 28, 2022

On June 28, 2022 the City of Gilroy sponsored a virtual workshop focused on the RHNA sites and housing programs of Housing Element Update. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well as a summary of the most frequently voiced concerns.

- All but a few lower income sites are in areas designated by the state as low resource. How will you meet requirements to affirmatively further fair housing?
- These maps appear very segregated, all of the "low and affordable" on one side and moderate on the other side. What can we do to spread the demographics?
- The train does NOT provide robust service, nor has it for years now. I believe these policies are outdated.
- There is no enforcement on this new policy, especially not in Gilroy. Landlords and property management companies flat out refuse to take vouchers.
- Is there any way to plan housing for Gavilan College students?
- Will the western side of the city have a variety of housing; condos, market rate apartments, and single family? Something to consider is changing demographic needs, smaller family size (or no children) and the desire to downsize in retirement years
- Can survivors of gender-based violence be considered under this category?
- Will year-round emergency shelter be proposed?
- Community members have also requested that an ongoing, multi-year source of funding for basic needs services for homeless residents be identified, rather than requiring providers to reapply each year. Will this be incorporated in the housing element?
- Will an Inclusionary Housing ordinance be prioritized?
- It's wonderful to see farmworker housing on the list! A big thank you to staff and consultant, great work