



City of Gilroy

2017 General Plan Annual Report

March 19, 2018

1. Introduction

A. Purpose of the General Plan Annual Report

The General Plan Annual Report fulfills the requirements of California Section 65400 of the California Government Code, which requires all jurisdictions to prepare an annual report addressing two primary topics:

- The status of the General Plan, including progress made towards implementation of goals, policies and implementation measures contained in the Plan, and identification of any changes needed in the Plan or its implementation programs.
- Progress towards meeting the city's share of regional housing needs (RHNA) and efforts to remove governmental constraints to the maintenance, improvement and development of housing.

This report includes three distinct sections:

- *Section 2. Status of 2017 Activities Affecting the Implementation of the General Plan* contains updates on the implementation of Measure H, the resumption of the 2040 General Plan process, pending Urban Service Area amendments, changes to ordinances and City Council policies, the status of Gilroy's three specific plans, and the status of the Neighborhood Districts. These topics collectively provide a broad view of the current issues affecting the implementation of the General Plan during 2017.
- *Section 3. Development Activity in 2017* describes the amount of new development permitted through both discretionary land use permits and building permits.
- *Section 4. Annual Housing Element Progress Report* fulfills the second primary topic described above, a description of progress towards meeting the city's share of regional housing needs (RHNA) and efforts to remove governmental constraints to the maintenance, improvement and development of housing.

The report is to be presented to the legislative body, the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) on or before April 1 of each year.

B. Background of the General Plan

Every city and county in California must have a general plan, which is the local government's long-term framework or "constitution" for future growth and development. The general plan represents the community's view of its future and expresses the community's development goals. The general plan consists of the policy text, containing goals, policies and implementation actions, and the land use diagram, displaying the planned future land uses and pattern of development. All decisions by the Planning Commission and City Council must be

consistent with the adopted General Plan. Typically, a general plan is designed to address the issues facing the city for the next 15-20 years. State Planning Guidelines recommend updating the General Plan about every 10 years.

Under California law, cities are required to address seven issue areas or “elements” in their general plans: land use, transportation, housing, safety, open space, conservation, and noise. The State allows considerable flexibility in how these elements are organized, and encourages the inclusion of additional “elements” to ensure that plans are truly comprehensive and effective in addressing local issues. The Gilroy 2020 General Plan incorporates the State-mandated elements, but organizes them into five major policy areas: Community Design and Development; Housing; Transportation and Circulation; Public Facilities and Services; and Community Resources and Potential Hazards. The General Plan also addresses a number of topics sometimes included in General Plans as “optional elements” to address key issue areas. These include Agriculture, Air Quality, Economic Development, Historic Preservation, Parks and Recreation, Schools and Water Supply and Quality.

The current Gilroy 2020 General Plan was adopted in June, 2002. There have been multiple individual amendments to both the policy text and the land use diagram since that time.

In October, 2013, the City embarked on Gilroy 2040, a comprehensive update of the General Plan. A 25-member General Plan Advisory Committee (GPAC), appointed by the City Council met 23 times and completed its work on October 28, 2015. The GPAC approved a Draft General Plan Policy Text and Draft General Plan Land Use Diagram for transmittal to the Planning Commission and City Council for their review. On January 4, 2016, the City Council approved the Draft Policy Text and Land Use Diagram for purposes of defining the “Project” to be evaluated in the General Plan Environmental Impact Report (EIR).

In April, 2016, the General Plan process was suspended pending the outcome of Measure H, the Urban Growth Boundary ballot initiative. In November 2016, Measure H passed, establishing an Urban Growth Boundary that restricts new development outside the boundary through 2040. See Section 2, below for further discussion about Measure H and the resumption of the 2040 General Plan process.

2. *Status of 2017 Activities Affecting the Implementation of the General Plan*

This section describes a variety of activities initiated by the city or others during 2017 that affect the implementation of the current 2020 General Plan and/or the Gilroy 2040 General Plan Update, in progress.

A. *Measure H – Urban Growth Boundary Ballot Measure*

Measure H implemented amendments to the 2020 General Plan Policy Text and Land Use Diagram. The following is an excerpt from Policy 2.13 Urban Growth Boundary, added by Measure H:

“In 2016, the people of the City of Gilroy approved an Urban Growth Boundary (“UGB”) by initiative to protect the unique character of the City of Gilroy and the agriculture and open space character, of the surrounding areas. The UGB is a line beyond which

urban development is not allowed. Except for public parks, public educational facilities (such as public schools and public colleges), and public wastewater, sewer, storm drain, and water recycling facilities, only uses consistent with: 1) the General Plan "Open Space" land use designation as this designation existed on February 26, 2016; and (2) the uses of "open space land" as set forth in Government Code section 65560, are allowed outside the UGB."

Table 1 shows the changes in land use triggered by the implementation of Measure H and resulting reductions in potential future housing and job capacity of the General Plan. Figure 1A is the 2020 General Plan Land Use Diagram prior to approval of Measure H, and Figure 1B shows the amended Land Use Diagram, including the Urban Growth Boundary and designation of lands outside it as Open Space. As shown, a significant amount of potential future development in both residential and employment lands was eliminated by the approval of Measure H. The 2040 General Plan Update process will be addressing this issue and evaluating possible changes to the Draft 2040 General Plan.

Table 1					
Reductions in Land Use Capacity Due to Measure H					
(from Draft 2040 Land Use Diagram)					
Residential			Employment*		
Neighborhood District North	450 acres	4,344 DU's	General Commercial	171 ac.	5,900 jobs
			Industrial Park	156 ac.	
			Total.	327 ac	
			*The "660" Campus Industrial area was eliminated in the Draft 2040 Land Use Diagram		

Figure 1A

2020 General Plan: Original UGB

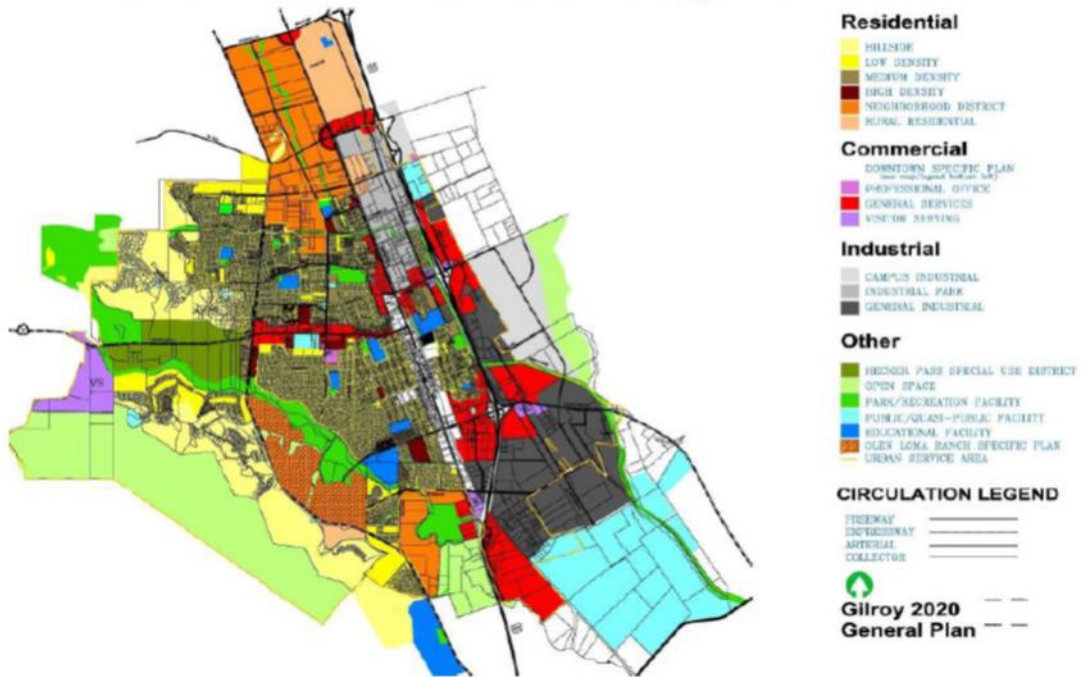
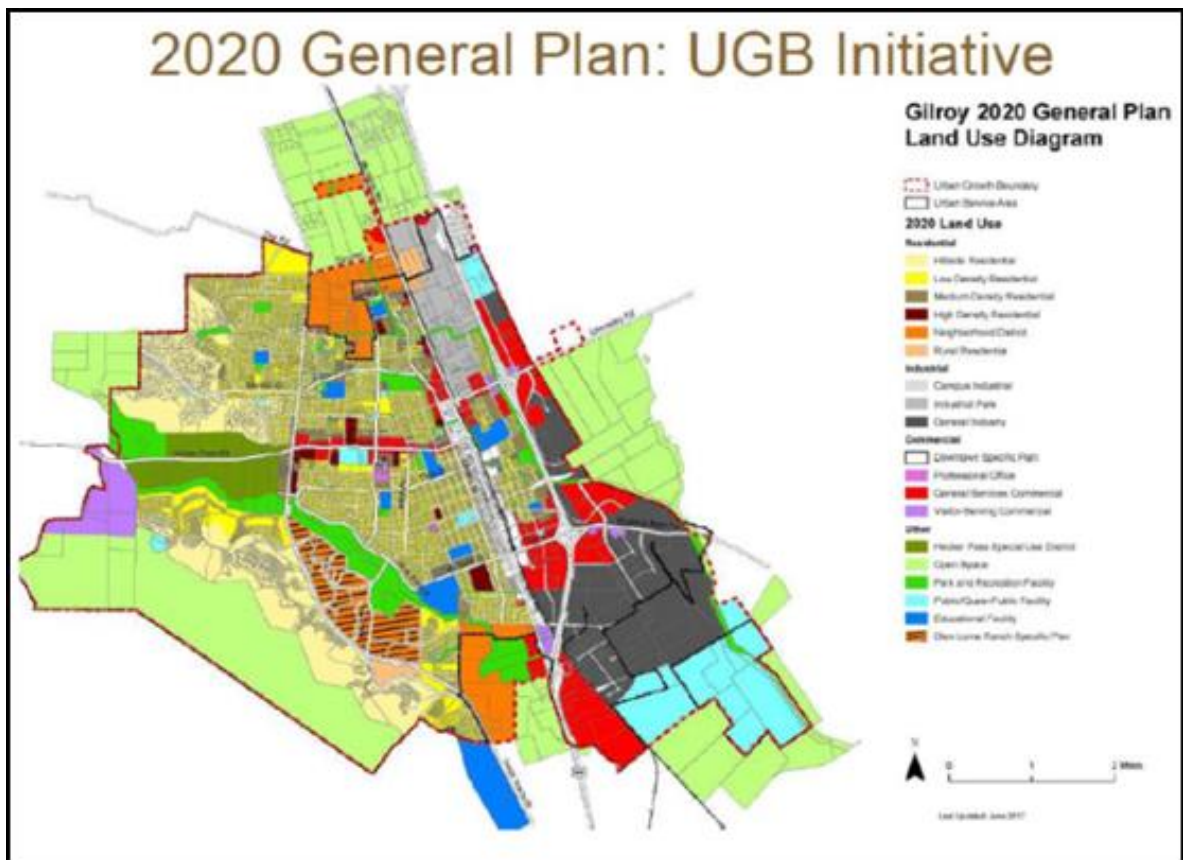


Figure 1B

2020 General Plan: UGB Initiative



B. Resumption of the Gilroy 2040 General Plan Update

In January 2017, the City Council approved an amended work program to complete the 2040 General Plan Update, which was initiated on June 29, 2017, with the first meeting of the reconvened and expanded General Plan Advisory Committee (GPAC).

The GPAC has selected three land use alternatives for thorough comparison and analysis in an Alternatives Analysis report. On March 22, 2018, the GPAC will review the draft report and provide comments. Upon completion of the public draft report, a community workshop will be held to receive public input on the alternatives. The final Alternatives Report will be presented to the Planning Commission and City Council for their consideration and for City Council selection of a Preferred Land Use Alternative. Adoption of the Gilroy 2040 General Plan is scheduled for the end of 2019.

C. Urban Service Area Amendments

The General Plan Land Use Diagram includes the area designated the Urban Service Area. Policy 2.07 of the 2020 General Plan states the following:

“Urban Service Area. Establish and maintain an Urban Service Area that indicates the area of land that could potentially be developed in the next 5 years and to which the City is committed to providing basic infrastructure and services. Urban zoning, development approvals, and building permits will only be granted to properties within the Urban Service Area. The City will not accept development proposals on land outside the Urban Service Area, and will coordinate with the County to discourage premature subdivision of such land. Applications for inclusion in the Urban Service Area will be accepted annually and evaluated in light of General Plan policies promoting infill development and efficiency in the provision of urban services.”

There are currently two privately-initiated Urban Service Area (USA) amendment applications in progress.

- USA 12-01 – Wren Investors – 50 acres

The Wren Investors project site is located immediately north of the Gilroy city limits southwest of the intersection of Vickery Avenue and Wren Avenue. Existing uses on the approximately 50.3-acre site include rural residential uses, the Gilroy High School Future Farmers of America Club farm laboratory, two vacant Santa Clara Valley Water District parcels comprising the Lions Creek channel and a paved community bike path, and vacant land. A conceptual future development plan incorporates a mix of single-family and multi-family residential, and neighborhood commercial uses. Approximately 160 new dwelling units could be accommodated by this proposal.

- USA 14-02 Hewell – 5.4 acres

The Hewell project site is located just outside the northern city limits northeast of the intersection of Vickery Avenue and Kern Avenue. The approximately 5.4-acre project site consists of two parcels. A portion of the site is developed with one

single-family residence and the remainder of the site is vacant grassland. The conceptual development plan for the Hewell project is comprised of 28 single-family and multi-family residential dwellings.

Figure 2, on the following page, is a location map showing the two USA amendments.

These two applications will be presented to the Planning Commission and City Council in mid-2018. If the City Council approves one or both of the applications, they will be submitted to the Santa Clara County Local Agency Formation Commission (LAFCO), the state-mandated independent local agency with responsibility to oversee and make decisions on the boundaries of cities and special districts, including Urban Service Areas.

General Plan policies addressing USA amendments include Policy 2.01, which states that new growth should be “located to maximize existing infrastructure and service investments - and avoid premature investment for facility and service extensions. As a second-tier priority, direct new development to areas that border on existing urban development or are immediately adjacent to the USA, prohibiting ‘leap-frog’ development and ensuring a compact development pattern, consistent with the UGB by directing growth to vacant and under-utilized lands within the Urban Service Area (USA), consistent with the Urban Growth Boundary”. Policy 2.02 states that the rate of growth should be “controlled such that resource and system capacity constraints are not exceeded (e.g., water supply and sewage treatment) and necessary urban services (e.g., sewer, water supply, police, and schools) are funded, implemented and completed prior to occupation of new buildings”.

Figure 2



D. Changes to Ordinances and City Council Policies

Three amendments to the Zoning Ordinance and two City Council policy revisions relating to the General Plan were completed in 2017. In addition, a new complete streets design plan for First Street was developed.

Sobrato Transitional Apartments Conversion (Z 16-06, RDO HE 16-01) – approved January 25, 2017.

Eden Housing received city approval to convert 45 apartment units from transitional housing to permanent supportive housing. The development, commonly known as the Sobrato Transitional Apartments is located at 9369 Monterey Road. Transitional housing units are intended to serve low-income and very low-income households transitioning out of homelessness and are limited to a two-year length of tenancy. Permanent supportive housing units also serve low-income and very low-income households, including households transitioning out of homelessness or on the verge of homelessness. Permanent supportive housing also includes health and other related services and has no length of tenancy restriction. Both unit types serve the same population. The project was consistent with the City Council-endorsed 'Community Plan to End Homelessness in Santa Clara County 2015-2020'.

General Plan Policies supporting the project include providing a variety of housing options for Gilroy residents, assisting lower-and moderate-income households to secure affordable housing, and supporting efforts to provide emergency shelter, transitional housing, and permanent supportive housing for homeless persons and those at risk of homelessness.

Accessory Dwelling Unit Ordinance (Z 17-06) – Initial approval November 20, 2017, final approval with refinements January 8, 2018.

On January 1, 2017 new state legislation became effective that reduces local authority to regulate accessory dwelling units (ADUs) and requiring all jurisdictions to amend existing regulations to establish a ministerial approval process for ADUs. The Gilroy City Code (GCC) defines accessory dwelling units as “an additional dwelling unit located on a lot zoned for single-family residential uses having sleeping, kitchen and sanitation facilities and being attached to or detached from an existing single-family dwelling located on the same lot.”

Changes to reflect the new legislation include three areas: parking, types and size of units, and approval process and timelines. An overview of the proposed amendments is provided below.

- Parking. Per existing code, one parking stall will continue to be required for an ADU in addition to the two stalls required for the primary dwelling. However, parking cannot be required for an ADU that meets certain criteria, location within ½ mile of a public transit station, location within an historic district, or where the ADU is contained within the existing space of the single-family residence.
- Types and Size of Units. The maximum size of an ADU is 600 square feet. The floor area of an attached ADU may not exceed 50 percent of the existing living area. No building setback shall be required for an existing garage that is converted to an ADU. A setback of no more than five feet from the side and rear lot lines may be required for an ADU that is constructed above a garage. ADUs constructed above a

garage have a maximum height of 24 feet. New detached ADUs are limited to single-story with a maximum height of 15 feet.

- Approval Process and Timelines. Limited architectural review is allowed to verify the design of the ADU is compatible with the primary residence, entrances are screened from street view, and windows/doors/decks are placed to preserve privacy. Architectural review for consistency with the Secretary of Interior's Standards would also be allowed for ADUs located within an historic site or neighborhood combining district. Applications for a building permit to construct an attached or detached ADU must be approved through a ministerial process within 120 days from receipt of the application.

General Plan policies supporting the ADU ordinance include providing a variety of housing options for Gilroy residents, encouraging construction of infill residential development, and supporting the development of housing for low income households.

Wireless Telecommunications Facilities, Antennas and Windmills Ordinance (Z 17-05)

Revisions to the Zoning Code provisions addressing wireless telecommunications facilities were approved by the City Council on December 4, 2017 to bring the Zoning Ordinance into conformance with federal and state legislation governing how local jurisdictions regulate installation of wireless telecommunications facilities in public right-of-way and on private property. The primary modifications of the ordinance included the following:

- Wireless telecommunication facilities including Distributed Area Systems and Small Cell Wireless Networks attached to city-owned facilities (e.g., street lights) in public right-of-way (ROW), are exempt from the requirements of Chapter 30.35 Wireless Telecommunications, Antennas and Windmills.
- Such networks require execution of a master lease agreement with the City for use of the facilities. The lease will incorporate all of the applicable requirements from the Zoning Ordinance, eliminating the need to process discretionary permits for such projects and establish other provisions including facility rent, maintenance, etc.
- Discretionary permit requirements (Architecture and Site Review or Conditional Use Permit) are eliminated for the category of modifications to existing wireless facilities defined in Federal law as co-locations (adding equipment to an existing wireless facility). A new Zoning Clearance ministerial review is created to be conducted prior to Building Permit approval, at which time Planning Staff will verify that all Chapter 30.35 requirements are being met in the proposed Building Permit application.

RDO Interim Exemption Extension

Gilroy's Residential Development Ordinance (RDO) was established in the 1980s as a means of moderating growth, ensuring that the city could provide adequate and efficient public services and that the Gilroy Unified School District could provide adequate schools to accommodate new residences. The RDO was also an important tool to ensure that growth did not outpace the city's ability to provide adequate sewage capacity; to maintain the

quality of the environment; to ensure a jobs and housing balance; to ensure that the city met its Regional Housing Needs Assessment, including the provision of low and very-low income housing; and to ensure the construction of high-quality development.

The RDO operated in 10-year cycles. As part of the RDO process, the City Council established the maximum number of units that may be constructed within the 10-year cycle, with an annual numeric limit established for each year of that cycle. To allocate units during the 10-year cycle, the city held periodic competitions, with the City Council allocating units to projects based on their results of the competition. Land Use Entitlements were then approved based on the RDO allocations.

After holding a few RDO competitions, it became apparent that certain categories of projects would never successfully compete against large projects, because they lacked the size or financial resources to provide the amenities that large projects could provide. Because of this, very important categories of housing were not being developed. To address this issue, the city council created the following RDO-exempt categories: Small Project Exemption ; Affordable Housing Exemption ; Senior Housing Exemption; and Affordable Senior Exemption. The City Council then diverted a portion of the units from the 10-year numeric limit and allocated specified numbers of units to each of these categories. Developers who wanted to build units in any of these specified categories could submit an RDO housing exemption request to obtain units at any time during the RDO cycle, as long as units were available. Over time, other exemption categories were created for special circumstances.

The last RDO cycle ran from 2004-2013. Since 2013, no new allocations have been available through the competition or through any of the RDO exemption categories that obtain allocations via the 10-year numeric limit. The City Council decided that it did not want to establish a new RDO cycle until after the city adopted the new general plan and potentially considered changes to the RDO process. To allow housing to continue to develop in the interim period, the City Council created the RDO Interim Exemption. Each year, the Council established a number of units that would be available for new residential development projects requesting entitlements.

The most-recent RDO Interim Exemption period ended on October 3, 2017; all non-allocated RDO Interim Exemption units expired at the end of that period, such that no units remain for allocation. On November 6, 2017, the City Council declined to establish a new RDO Interim Exemption period and allocate additional RDO Interim Exemption units. The impact of declining to allocate additional RDO units is that staff cannot accept new applications for residential projects, with the exception of projects that have existing RDO allocations and projects that are not subject to RDO numeric limits. Projects not subject to RDO numeric limits include:

- Projects consisting of four or fewer units,
- Projects located within the Downtown Specific Plan area; and
- Projects that receive a Special Exception from the City Council

Economic Incentive Policy (Z17-04)

The California economy continues to improve, and businesses are eager to explore new locations and opportunities to expand or otherwise grow their operations. Effective economic incentive policies can be quite successful in attracting larger companies, which provide jobs and revenue to the City. In October, 2017, the City Council approved revisions to the current Economic Incentive Policy program and related ordinances to include a payment plan option for development impact fees. The proposed payment plan allows a qualifying commercial/industrial development, hotel, or downtown mixed-use project to make payments in three annual installments instead of having to pay all at once prior to issuance of a Certificate of Occupancy. The first payment would be due upon issuance of the Certificate of Occupancy (C of O). The second payment would be due no later than one year after C of O, and the final payment due no later than two years after C of O. Shortly after approval of the policy revisions, a significant project, the 189,300 square foot Performance Food Group (PFG) Distribution Center on Monterey Street became the first project to qualify for the new payment plan.

The Economic Incentive Policy is consistent with General Plan policies that seek to attract employers that provide a diversity of well-paying job opportunities for local residents and to broaden the City's revenue base.

First Street Complete Streets Design Plan

The city received a grant from the Santa Clara County Public Health Department's Partnerships to Improve Community Health Program, funded by the Centers for Disease Control and Prevention. The grant was awarded for the preparation of a Complete Streets Plan for the First Street Corridor from Santa Teresa Boulevard to Monterey Street. A complete street is a transportation facility that is planned, designed, operated, and maintained to provide safe mobility for all users, including bicyclists, pedestrians, transit vehicles, truckers, and motorists. The focus of the study was to identify opportunities expand and improve bicycle and pedestrian access and safety. The plan was completed in September, 2017 and accepted by the Gilroy Bicycle and Pedestrian Commission. The timing of the grant and the opportunity to prepare this plan is particularly important, based on the plans by the city and Cal Trans for a complete resurfacing of First Street in the near future. The approved plan will provide detailed design guidance for the inclusion of bicycle and pedestrian facilities in the refurbished First Street Corridor.

The First Street Complete Streets Plan implements General Plan policies that encourage the design of future roads to accommodate bicycle and pedestrian travel and to follow the planning and design criteria outlined in the California Department of Transportation guidelines for the planning and design of bikeways in California. The plan is also consistent with the city's Complete Streets Policy adopted in 2012.

E. Status of Specific Plans

Gilroy has three adopted Specific Plans, Glen Loma Ranch, Hecker Pass and Downtown. See Figure 3. Glen Loma and Hecker Pass Specific Plans were adopted in 2005. Construction began on Glen Loma in 2015 and Hecker Pass in 2014. In addition, the

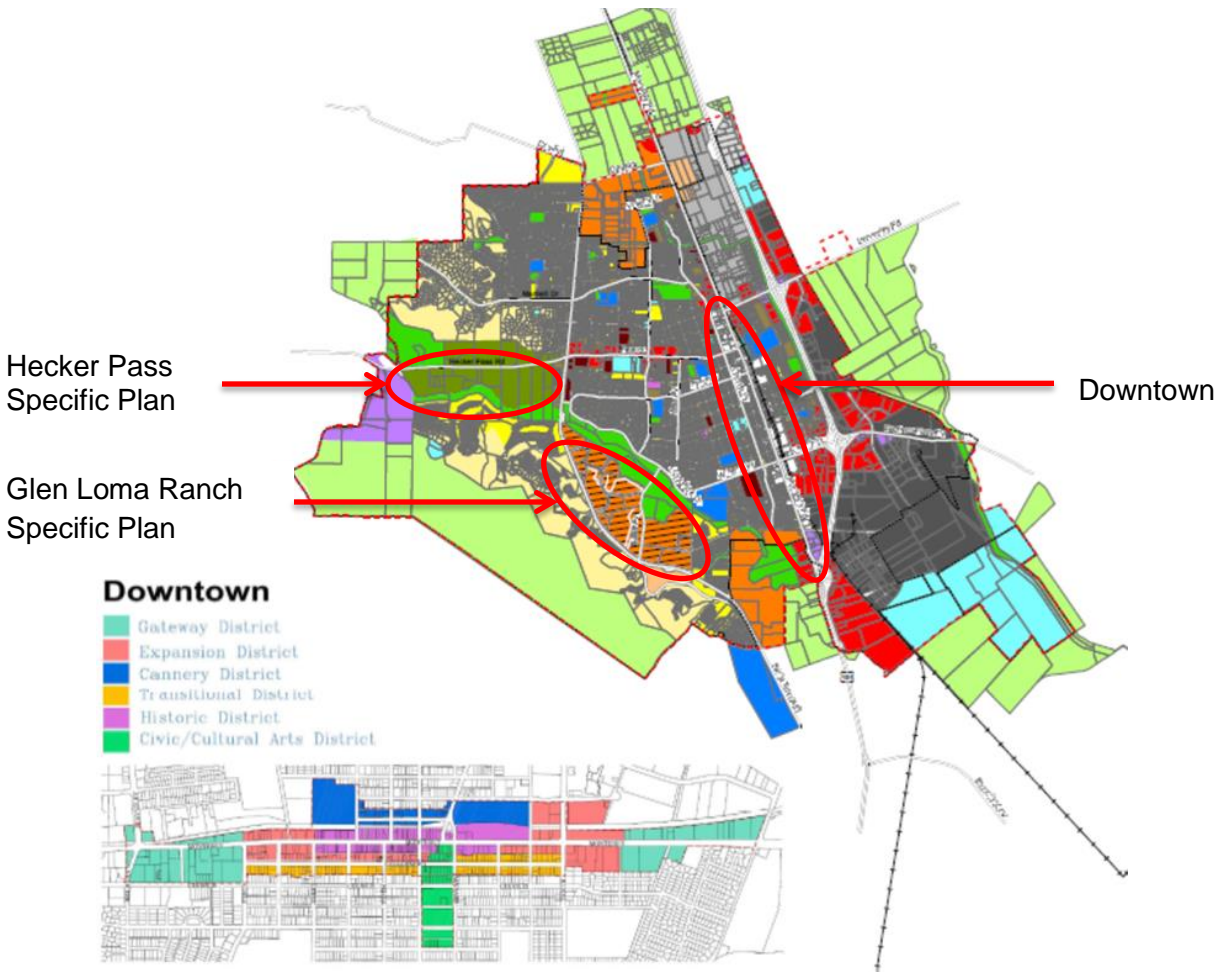
Downtown Specific Plan/Downtown Station Area Plan project has been in progress since 2015.

- Hecker Pass Specific Plan comprises 423 acres, located on both sides of Hecker Pass Highway, westerly of Santa Teresa Boulevard, and includes 521 single-family dwelling units, 145 acres of permanent open space and parkland, 59 acres of permanent agriculture and 55 acres of agri-tourism commercial. Construction began in 2014, and 383 units have been permitted through 2017.
- Glen Loma Ranch Specific Plan comprises 360 acres, bounded by Santa Teresa Boulevard on the southwest, Uvas Creek Park Preserve and Christmas Hill Park on the northeast and existing neighborhoods to the south. The Glen Loma Ranch Specific Plan allows up to 1,693 predominantly single-family dwelling units in 19 neighborhoods. In addition, a 125-unit townhome project and an affordable housing development consisting of 77 low income family apartments and 81 low-income senior units are also included. Construction began in 2015, and 324 dwelling units have been permitted through 2017.

Two significant public facilities planned as part of the Glen Loma Ranch Specific Plan have been in the planning stages during 2017. A new Fire Station will be located in the future Town Center area at the southeast corner of Santa Teresa Boulevard and the re-aligned Luchessa Avenue. A new Gilroy Unified School District Elementary School is planned for a 12.7-acre parcel located at the northeast corner of Santa Teresa Boulevard and Club Drive. The timing on construction of these facilities is not known at this time.

- The Downtown Specific Plan, approved in 2005, incorporates the properties generally within two to three blocks on both sides of Monterey Street, extending from Leavesley Avenue on the north, to U.S. 101 on the south. It extends further to the west between Sixth and Seventh Streets to incorporate the Civic Center area. The Specific Plan envisions a combination of commercial retail, office, restaurant, and entertainment uses and up to 1,576 dwelling units. To-date, 667 dwelling units have been permitted. In 2016, the Alexander Station apartment project began construction and will provide 262 low income apartments. Occupancy is expected to begin in mid-2018. In 2017, Building Permits were issued for the 104-unit Cannery development, also 100% low income. Finally, the 75-unit Monterey Gateway Senior affordable apartment project approved in 2016 is expected to begin construction in 2018.

Figure 3



- The Downtown Specific Plan Update/Downtown Station Area Plan is both an update to the existing Downtown Specific Plan and preparation of a plan to identify the best possible location for a High Speed Train (HST) Station in Downtown Gilroy. The Station Area Plan will act as a tool to guide private development and public improvements in Downtown over the next 25 years with a focus on the area near the future HST station and existing Train Station. The study began in April 2015. Following a review of existing conditions, three alternative land use and circulation plans for Downtown Gilroy were developed and reviewed in an Alternatives Analysis Report. Community input received at public meetings, and guidance from the Citizens Advisory Committee (CAC) helped create a Draft Preferred Alternative. The Draft Preferred Alternative was presented to the City Council in January, 2017 where additional comments were received. In June, 2017, the City Council reviewed an assessment of the three alignment alternatives being considered by the California High-Speed Rail Authority (CHSRA) for the Gilroy area. Subsequently, it was determined that the City would place the Station Area Plan project on hold until the CHSRA identifies a preferred alignment alternative as a part of its environmental review process for the San Jose to Merced segment of its system. Based on recent

updates received in January 2018, the CHSRA expects to identify a Preferred Alignment in May 2018. The environmental impact report would be released for public review and comment in November 2018, with adoption of the final environmental impact report and the CHSRA Record of Decision in November 2019.

F. Status of Neighborhood Districts

The Gilroy General Plan specifies three planned residential growth areas identified as Neighborhood Districts. These areas are intended to encourage compact, complete neighborhood-style development, including predominantly single-family uses, together with commercial and medium- to high-density uses clustered to form neighborhood centers. The Glen Loma Ranch Specific Plan described above, is one of these areas. The other two are located at the northern and southern reaches of the city. The northern neighborhood district was reduced significantly by the passage of Measure H, and now comprises 277 acres south of Day Road, between Santa Teresa Boulevard and Wren Avenue/Monterey Road. Under the 2020 General Plan, this area will allow approximately 2,450 future dwelling units. The southerly neighborhood district comprises 193 acres bounded by Uvas Creek on the north and east, Thomas Road and Santa Teresa Boulevard on the west, and Mesa Road on the south. In the 2020 General Plan, this area will support approximately 1,280 dwelling units. Neighborhood Districts also include provisions for future neighborhood-serving commercial, parks and other supportive uses intended to establish complete neighborhoods.

3. Development Activity in 2017

Table 2, below, provides a summary of the development activity that occurred in Gilroy in 2017, including discretionary permits received and approved and building permits issued.

Table 2 Development Activity - 2017				
	No. of Applications	Single Family Dwellings (0 – 8 DU/AC)	Multi- family Dwellings (9 DU/Ac & above)	Commercial/ Industrial (sq. ft.)
Discretionary applications received	21	38	403	223,900
Discretionary applications approved/ Denied	11 / 0	98	0	77,140
Building Permits issued	231	243	202	77,140

Approved discretionary permits were issued for a total of eleven projects, comprising 98 dwelling units. The 73-unit Heartland Gardens phase of the Hecker Pass Specific Plan and a 16-unit project in Eagle Ridge contained the bulk of the units. Applications of note received during 2017 included three multi-family projects, shown below:

- Glen Loma Ranch – 125 market rate apartments
- Glen Loma Ranch - 77 low income apartments and 81 senior affordable apartments
- First Street & Kern Avenue – 120 market-rate apartments
- First Street and Kelton Avenue – 12,000 of retail and restaurant uses

Construction of new multi-family housing, and, in particular, low income units, fulfills General Plan Housing Element policies to facilitate infill housing, to provide housing for all income levels and to provide new affordable housing.

4. Annual Housing Element Progress Report

As noted previously, the Housing Element Progress Report includes two components: 1) a detailed reporting of the city's progress in constructing the amounts of new housing specified in the Regional Housing Needs Assessment (RHNA) allocation included in the General Plan Housing Element, and 2) a description of the city's progress implementing the programs in the Housing Element intended to remove governmental constraints to the maintenance, improvement and development of housing. The full report is included as Appendix A to this report. It will be submitted electronically to HCD following City Council acceptance of this report.

A. RHNA Progress Report

The RHNA program establishes an eight-year cycle (2015 -2023) within which the city must work to achieve the specified amounts of new housing in each income category. Table 3, below describes the city's progress in the first three years of the eight-year RHNA cycle. Building permits were issued for 192, deed-restricted low income apartments in two projects, Harvest Park and The Cannery. The Cannery will also provide 10 units allotted to Very Low Income residents. The city has exceeded the RHNA allocations for Low Income and Above-Moderate (market rate) housing units. Significant amounts of Very Low Income and Moderate housing units are still needed.

The Area Median Income for a four-person household in Santa Clara County, as of June, 2017, is \$113,300. Based on this, the following are the income levels for the various affordable housing categories:

- Very Low (0 – 50% AMI*) – up to \$59,700
- Low (51 – 80% AMI) – \$59,701 - \$84,900
- Moderate (81 – 120%AMI) - \$84,901 – \$135,950

<p style="text-align: center;">Table 3 Regional Housing Needs Assessment Progress (2015 – 2022)</p>						
Income Level	RHNA Allocation by Income	2015	2016	2017	Units Permitted To-date	Units Remaining
Very Low (0 – 50% AMI*)	236	26	0	10	36	200
Low (51 – 80% AMI)	160	249	0	192	441	0
Moderate (81 – 120%AMI)	217	7	0	0	7	210
Above Moderate (Above 120% AMI)	475	406	321	243	970	0
Total	1,088	688	321	445	1,454	
Remaining Need						410

*AMI – Area Median Income in Santa Clara County

B. Activities to Remove Governmental Constraints

The second component of the Annual Housing Element Progress Report requires the city to provide information on the progress in implementing Housing Element programs and other activities intended to remove governmental constraints to the maintenance, improvement and development of housing. Efforts conducted in 2017 include:

- A Community Development Department Organization Study was completed, which examined the organizational structure, staffing and workload and made 49 recommendations for improvements to the development review process to make it more business-friendly and efficient. The 2018-19 operating budget includes funds for key projects, including a new permitting automation system
- A new Minor Modification process has been established to streamline development review for certain minor requests, most of which can be completed “over the counter”.
- In March, 2017, the city entered into a contract with HouseKeys to serve as Program Administrator for the city's Below Market Rate (BMR) Ownership and Rental Property Programs, along with the Administration of the First-Time Homebuyer Loan Program.
- In November, 2017, the Community Development Department hosted a Developer’s Roundtable meeting, intended to provide information on current topics and promote

a dialog with area developers. Topics covered included the recent Council decision not to renew the RDO Interim Exemption, proposed Landscape and Protected Tree Removal Permit ordinances, the Engineering Division Development Review Process, Park Guidelines and Amenities, and Land Entitlement Development Application Checklists

- Improvements have also been made to a number of Planning Division document templates to standardize and streamline the preparation of staff reports and permits.

C. Status of Housing Element R-4 Rezoning Sites

The current General Plan Housing Element was approved in December, 2015. In order to certify the Housing Element, the Department of Housing and Community Development required the city to rezone a minimum of 27 acres of land to R-4 High Density, in order to provide adequate land available for development of multi-family housing at a minimum of 20 dwelling units per acre, the density identified by HCD as necessary for development of affordable housing. Six parcels, totaling 32 acres were rezoned, on First Street, and on Monterey Road. Of those, two have pending development applications on file. A 120-unit market-rate project is proposed at the northeast corner of First Street and Kern Avenue, and a 78-unit project including nine low-income units is nearing approval on one of the Monterey Street sites.

Appendix A - 2017 Annual Housing Element Progress Report – to be submitted to HCD electronically

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Gilroy
Reporting Period 1/1/2017 12/31/2017

Table A
Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information							Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions		
1	2	3	4			5	5a	6	7	8	
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes			Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development See Instructions	Deed Restricted Units See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.	
			Very Low-Income	Low-Income	Moderate-Income						Above Moderate-Income
111 Lewis St.	5+	R	0	104	0	0	104	104	TCAC	104	0
11 Cohansey	5+	R	0	12	0	0	98	0	TCAC	98	0
21 Cohansey	5+	R	0	12	0	0					
31 Cohansey	5+	R	0	12	0	0					
41 Cohansey	5+	R	0	6	0	0					
51 Cohansey	5+	R	0	12	0	0					
61 Cohansey	5+	R	0	12	0	0					
305 Cohansey	5+	R	0	8	0	0					
315 Cohansey	5+	R	0	12	0	0					
325 Cohansey	5+	R	0	12	0	0					
(9) Total of Moderate and Above Moderate from Table A3						243					
(10) Total by income Table A/A3				202	0	243					
(11) Total Extremely Low-Income Units*				0							

* Note: These fields are voluntary

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Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income *	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	242	0	0	1	0	243	0

* Note: This field is voluntary

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Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2015	2016									Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	236	26	0	10							36	200
	Non-deed restricted		0	0	0								
Low	Deed Restricted	160	249	0	192							441	0
	Non-deed restricted		0	0	0								
Moderate	Deed Restricted	217	3	0	0							3	210
	Non-deed restricted		4	0	0								
Above Moderate		475	406	321	243							970	0
Total RHNA by COG. Enter allocation number:		1,088	688	321	445							1,454	410
Total Units ▶ ▶ ▶													
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶													

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
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.	Within 6 months of adoption; update annually, or as needed	The Housing Element, which includes vacant and underutilized residential sites, is on the City Web Site. The Residential Vacant Land Inventory, completed November 2015 is available to the public and is also on the City Web Site. An update to the Vacant Land Inventory is in progress.
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.	Following adoption of the New General Plan (estimated FY 2019/20)	The completion of the General Plan was suspended in April, 2016 to await the outcome of an Urban Growth Boundary Initiative on the November, 2016 ballot. In April, 2017, the City Council authorized resumption of the General Plan process with anticipated completion in Fall, 2019. On June 6, 2016 the RDO Interim Exemption was extended for 18 months to provide housing allocations pending the completion of the General Plan. Once the General Plan is completed a review of the RDO Ordinance and the Neighborhood District Ordinance will be completed. On November 6, 2017, the City Council declined to extend the INterim Exemption Ordinance allocations until completion of the 2040 General Plan, tentatively scheduled for December, 2019.

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<p>Variety of Housing in Neighborhood Districts</p>	<p>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.</p>	<p>In conjunction with the New General Plan preparation (estimated FY 2019/20)</p>	<p>The completion of the General Plan was suspended in April, 2016 to await the outcome of an Urban Growth Boundary Initiative on the November, 2016 ballot. In April, 2017, the City Council authorized resumption of the General Plan process with anticipated completion in Fall, 2019. The process will include reviewing land use alternatives including the mix of housing types and densities in the Neighborhood Districts. Once the General Plan is completed, the Residential Development Ordinance (RDO) and the Neighborhood District Ordinance be reviewed and updated.</p>
<p>Facilitate Infill Development</p>	<p>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.</p>	<p>Biennially starting in 2016</p>	<p>A 78-unit multi-family residential infill project is undergoing Site and Atchitectural review. Two affordable infill projects, one with 66 units and one with 104-units are undergoing building permit review.</p>

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<p>Monitor Permit Requirements, Processing Procedures and Land Use Controls</p>	<p>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.</p>	<p>Starting in 2016 and implement changes as appropriate</p>	<p>The Community Development Department organization review was completed in January, 2017. The study examined the organizational structure, staffing and workload in the Community Development Department and made 49 recommendations for improvements to the development review process to make it more business-friendly and efficient. An Implementation Action Plan was also prepared and is being used to prioritize resources accordingly. The 2018-2019 Two-year operating budget includes funding for some key projects, including a new permitting automation system for the Community Development Department. A new Minor Modification process has been established to streamline development review for certain minor requests, most of which can be completed "over the counter". By providing the expedited process (often instead of the more formal Architectural and Site Permit), applicants can appreciate significant time and cost savings.</p>
<p>Zoning to Encourage and Facilitate Single-Room Occupancy Units</p>	<p>The City shall revise the Zoning Code to establish explicit definitions for and regulatory standards addressing single-room occupancy units.</p>	<p>Following adoption of the New General Plan (estimated FY 2019/20)</p>	<p>On November 20, 2017, the City Council approved the Accessory Dwelling Unit provisions of the Zoning Ordinance to comply with recent state legislation.</p>
<p>Study Micro-Units</p>	<p>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.</p>	<p>FY 2017/18</p>	<p>Planning staff have begun review of how micro-units or "tiny homes" may be addressed in the Zoning Ordinance. The Micro-Unit study will begin 3rd quarter of FY 2017/18</p>

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<p>Develop Affordable Housing Incentives</p>	<p>The City shall review and revise, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, especially within the Downtown Gilroy Specific Plan area and Neighborhood District. The City shall also provide technical assistance, as feasible. 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 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.</p>	<p>Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and regulatory concession biennially, starting in 2016; Ongoing monitoring of development within Downtown Specific Plan.</p>	<p>The City will continue to evaluate incentives. One change that was implemented was a change to the Residential Development Ordinance Affordable Housing Exemption Procedure (Procedure). Originally it required the cost of affordable rental units be equivalent to the California Tax Credit Allocation Committee (CTCAC) 50% income level rental rates for Santa Clara County. To promote further use of tax credit financing, the City changed the Procedure to allow those rents at either 50% and/or 60% income levels. As a result, two affordable multi-family housing projects providing 366 dwelling units have been approved and are under construction in the Downtown Specific Plan area.</p>
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Pursue Funding for Affordable Housing	<p>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:</p> <ul style="list-style-type: none"> • 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 of Housing and Community Development (HCD); and • The State Multifamily Housing Program (MHP), sponsored by HCD. 	At least biennially, or as funding opportunities become available	The City will evaluate funding opportunities as they arise and apply as appropriate. It will also facilitate public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.
Community Development Block Grant Program	<p>The City shall continue to administer the Community Development Block Grant (CDBG) 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.</p>	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 will provide a wide range of home repair, accessibility, mobility and rehabilitation improvements for low income residents.

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Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund (HTF) 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	The city continues to administer the HTF program and funds housing related activities as funding allows. These activities include fair housing services, tenant landlord counseling services and homeless prevention services.
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.	Ongoing review of additional funding sources for homeownership assistance.	The City has published the availability of Mortgage Credit Certificates on its website. It will do the same when other funding opportunities are available. The city also posted on its website a link to House Keys, and organization that helps first-time homebuyers secure Below Market Rate(BMR) downpayment assistance and a list of realtors who experience with BMR programs.
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	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.

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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 Code (estimated FY 2019/20), as appropriate, following adoption of the New General Plan	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan.
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	Not due this year
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 Modification program in Gilroy. This program will provide a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low income residents.

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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 utilize CDBG funding to fund housing code enforcement services within the HUD approved Neighborhood Revitalization Strategy Area.
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 development are at-risk of conversion.
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.

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<p>Rent and Income Restrictions on Rental Below-Market Rate Units</p>	<p>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.</p>	<p>Ongoing</p>	<p>Rent and resale restrictions are implemented through the City's Affordable Housing Policy.</p>
<p>Housing for Large Families</p>	<p>The City shall review and revise the Zoning Code, 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.</p>	<p>Review and amend Zoning Code (estimated FY 2019/20), as appropriate, following adoption of the New General Plan</p>	<p>A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan. The Alexander Station affordable housing project, under construction, includes 103 three-bedroom and 32 four-bedroom units that will support large families.</p>

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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 Code (estimated FY 2019/20), as appropriate, following adoption of the New General Plan	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan. In December, 2015, the 72-unit Monterey Gateway affordable senior housing project was approved by the City Council.
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 Code, as necessary, to reduce parking standards for senior housing.	Conduct study and review Zoning Code (estimated FY 2019/20) (as appropriate) following adoption of the New General Plan	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan.
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	No action was taken on this item during this calendar year

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Consistency with the Employee Housing Act	The City shall update the Zoning Code 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 Code (estimated FY 2019/20) following adoption of the New General Plan	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan.
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 programs. Services include case management, homeless prevention and provision of basic need items.
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	The City continues to utilize CDBG funding to support the Home Access Program. The city evaluate the program to allow for additional improvements.
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	A link to the San Andreas Regional Center website has been added to the city website.
Zoning Code Amendments for Transitional and Supportive Housing	The City shall update the Zoning Code 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 Code (estimated FY 2019/20) following adoption of the New General Plan	The Zoning Ordinance allows residential care homes for six or fewer residents by right in all residential zones. Residential care homes for seven or more residents are allowed with approval of a Conditional Use Permit. A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan.

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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 HTF program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.
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	The City partners with the County who provides direct subsidies for two individuals at an affordable housing apartment complex currently owned by the City. It will continue to seek similar opportunities with the County especially in light of the county's work on addressing the growing homeless problem. The city will also facilitate TEFRA hearings to allow for the development and rehabilitation of affordable housing units throughout the city. In Decemner, 2017, the city conducted a TEFRA for an approved 75 unit senior rental housing with supportive services.
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 provides periodic Developer Roundtables to discuss current topics of interest.

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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	Delayed due to the departure of the city's Housing Specialist. Other staff turn-over, including the HCD Coordinator left for another position in May 2017, further delayed this effort.
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	While that City has been timely in the past in completion of the Annual Review of the Housing Element, the departure of both the City's Housing Specialist and manager of Housing and Community Development delayed the preparation of this report. Due to HUD's delayed notice of CDBG funding the city's entitlement allocation in August 2017 and delays in finding temporary staff to assist with the housing programs, various implementation activities have been delayed, as well.

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General Comments: