



**City of Gilroy**

# **2018 General Plan Annual Report**

**April 1, 2019**



## 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 2018 Activities Affecting the Implementation of the General Plan* contains updates on 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 2018* 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.

## **2. Status of 2018 Activities Affecting the Implementation of the General Plan**

This section describes a variety of activities initiated by the city or others during 2018 that affect the implementation of the current 2020 General Plan and/or the Gilroy 2040 General Plan Update, in progress.

### ***A. 2040 General Plan Update***

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. 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 selected three land use alternatives for thorough comparison and analysis in an Alternatives Analysis report. On March 22, 2018, the GPAC reviewed the draft report and provided comments. A community workshop was scheduled to receive public input on the alternatives, however, it was canceled due to City Council direction to suspend the General Plan Update process for a second time. The Council direction on April 16, 2018, was based on the need to await completion of an economic development strategic study underway.

The Gilroy Place-Based Economic Development Strategy final report was presented to the City Council on December 17, 2018, and was the subject of an in-depth Council Study Session on January 14, 2019. The report findings and recommendations will be presented to the GPAC on March 28, 2019. The General Plan Update process will continue, with Plan adoption estimated to occur in late 2020.

### **B. 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 1, on the following page, is a location map showing the two USA amendments.

**Figure 1**



The two applications are currently on hold, awaiting further direction from the City Council as to when to proceed with scheduling public hearings for consideration of the requests. 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.

### **C. Changes to Ordinances and City Council Policies**

Two amendments to the Zoning Ordinance and one City Council policy decision relating to the General Plan were completed in 2018.

Zoning Ordinance Article 30.38 "Landscaping", was replaced in its entirety by a new Article 30.38 entitled "Landscaping, Water Efficiency and Stormwater Retention and Treatment", addressing the installation and maintenance of landscaping in existing and new development. This ordinance amendment implements General Plan policies calling for landscaping in all forms of new development to enhance the enjoyment of the community and supportive of economic development goals.

A new section of Article 30.38 Landscaping, Water Efficiency, and Stormwater Retention and Treatment was added, entitled Section 30.38.270 Protected Tree Removal. This ordinance amendment established the requirement for approval of a permit for removal of indigenous tree species of a certain size on private property. The permit process will provide a discretionary process for the city to ensure that removal of such trees is necessary and will reduce the indiscriminate removal of significant trees when not warranted. Protection of significant trees provides multiple community benefits, including a variety of environmental advantages, increased property values, enhanced economic vitality of business areas, and beautification of our community.

The Gilroy City Council approved the city's participation in the Santa Clara County RHNA Sub-region for preparation of the 2023 – 2031 Regional Housing Needs Allocation. State law allows local jurisdictions within a county to form a sub-region to conduct an allocation process that parallels, but is separate from, the regional process conducted by the Association of Bay Area Governments (ABAG). The RHNA sub-region will include Santa Clara County and all 15 cities and will be assigned the combined total RHNA allocation of all participating jurisdictions, as identified by ABAG. The Sub-region membership will develop a methodology for the distribution of the amount of housing in each income level to each jurisdiction. The final approval of the sub-region allocations to each participating jurisdiction will require approval of the majority of participants, and the approval of each jurisdiction that is allocated a greater share of housing than the initial ABAG allocation for that jurisdiction. The Sub-region approach is consistent with General Plan Housing goals and policies supporting provision of affordable housing and housing for all income levels.

### **D. Status of Specific Plans**

Gilroy has three adopted Specific Plans; Glen Loma Ranch, Hecker Pass and Downtown. See Figure 2. 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 up to 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 393 units have been permitted through 2018. Architectural and Site Approval was granted by the City Council for a commercial and mixed use development on 6 acres within the agri-tourism commercial area. The project, located along the south side of Hecker Pass Highway, and west of Two Oaks Lane,

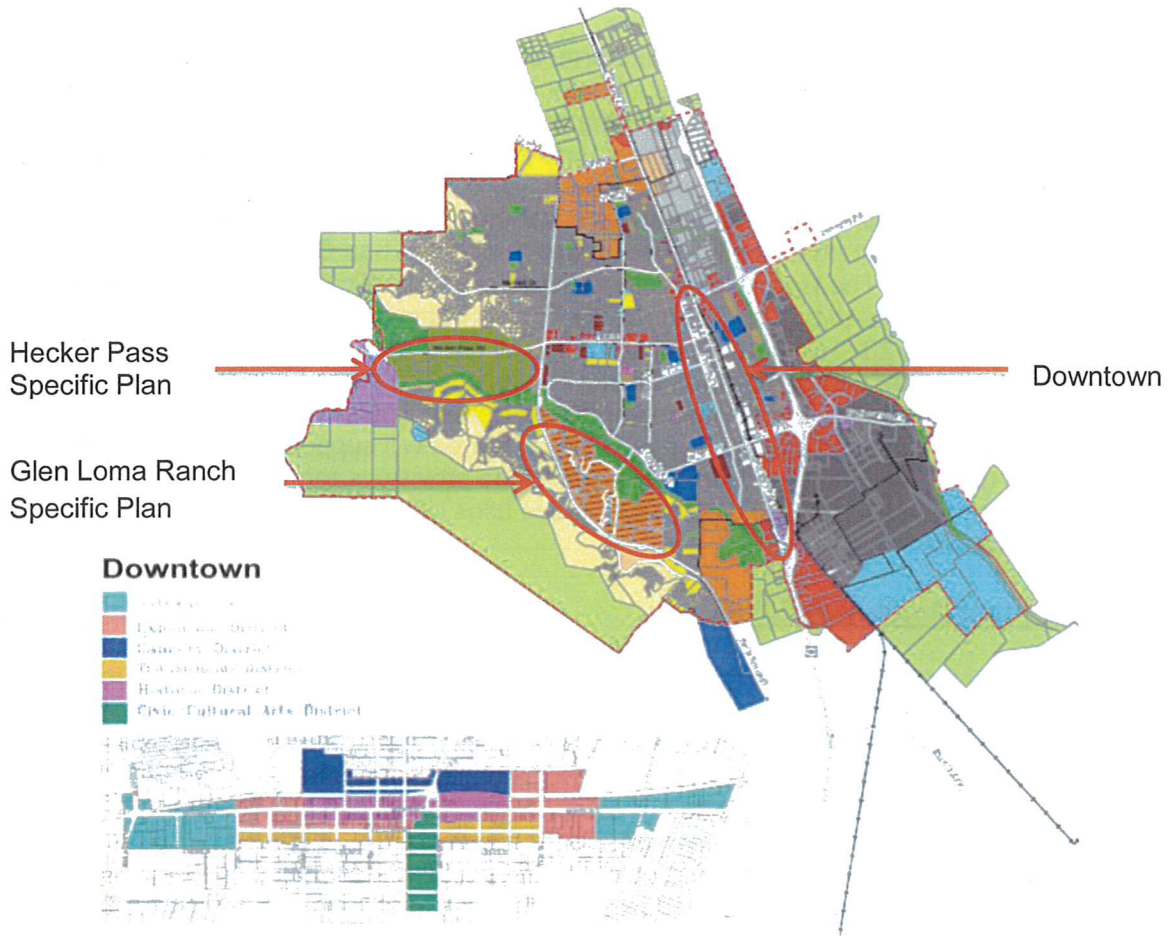
will consist of three buildings – one for winery functions, and two with ground floor restaurant and retail uses and 22 live/work units on the second floor.

- 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 367 dwelling units have been permitted through 2018.

Two significant public facilities planned as part of the Glen Loma Ranch Specific Plan have been in the planning stages since 2018. 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. The Alexander Station apartment project, providing 262 low income units, completed occupancy of the first 131 units in December, 2018. The second phase of the project is expected to open in Summer, 2019. The 104-unit Cannery development, also 100% low income, was nearing completion at the end of 2018. Finally, building permits for the 75-unit Gilroy Gateway project were issued in September, 2018. The project was originally approved as a 100% Senior affordable apartment development. Subsequent to City Council approval, the applicant received a \$7.5 million grant from the Santa Clara County Affordable Housing Bond program, resulting in 37 units re-programmed to provide Permanent Supportive Housing in the Extremely Low Income range. The remaining 38 units will continue to be offered to Low Income Senior residents.

**Figure 2**



- 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, 2018 where additional comments were received. In June, 2018, 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. No new information on the status of the project was available at the end of 2018. However, in February, 2019, Governor Gavin Newsome announced potential changes to the future implementation of the HST, which are still being clarified.

### **E. Status of Neighborhood Districts**

The Gilroy 2020 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 adoption of the Urban Growth Boundary (UGB) in November, 2016. The North Neighborhood District decreased by approximately 750 acres to 277 acres, bounded by Day Road, 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 2018**

Table 2, below, provides a summary of the development activity that occurred in Gilroy in 2018, including discretionary permits received and approved and building permits issued. Approved discretionary permits were issued for a total of 12 projects, comprising 379 single-family dwellings, 158 multi-family dwellings and just over 204,000 square feet of non-residential development. The residential projects are comprised mainly of new phases of the Glen Loma Ranch Specific Plan area, including two affordable housing projects consisting of 77 low income apartments and 81 senior affordable apartments. Non-residential development included 200,000 square feet of new industrial warehouse space in three projects and one new 4,000 square foot retail commercial building.

Building Permits were issued for 122 single family dwellings, 6 Accessory Dwelling Units (ADU's) and 103 multi-family dwellings. The multi-family projects included 28 market rate apartments on Wren Avenue and the 75-unit Gilroy Gateway project, comprised of 37 Extremely Low Income Permanent Supportive Housing units and 38 low income senior affordable units. 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.

Non-residential new construction permitted during 2018 included a total of 321,346 square feet in four projects; Performance Food Group (PFG) (189,303 sq. ft.), Gilroy Self Storage (113,675 sq. ft.), Germains Seeds (15,796 Sq. ft.), and a Chevron Service Station (2,572 Sq. ft.).

<b>Table 1 Development Activity - 2018</b>				
	No. of Applications	Single Family Dwellings (0 – 8 DU/AC)	Multi- family Dwellings (9 DU/Ac & above)	Commercial/ Industrial (sq. ft.)
Discretionary applications received	16	537	0	207,037
Discretionary applications approved/ Denied	12/0	379	158	204,055
Building Permits issued	136	128	103	341,346

#### **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 four years of the eight-year RHNA cycle. As described above, building permits were issued for 75, deed-restricted affordable units in the Gilroy Gateway Apartment project. 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.

In 2018, the Area Median Income (AMI) for a four-person household in for Santa Clara County, as defined by the California Department of Housing and Community Development (HCD) was \$125,000. Based on this, the following are the income limits for the various affordable housing categories:

- Extremely Low Income (ELI) 0 – 30% AMI – \$39,900
- Very Low Income (VLI) 31 – 50% AMI –\$66,500
- Low Income (LI) - 51 – 80% AMI – \$94,450
- Moderate Income 81 – 120% AMI - \$150,250
- Above Moderate – Above 120% AMI

Table 2							
Regional Housing Needs Assessment Progress (2015 – 2018)							
Income Level	RHNA Allocation by Income	2015	2016	2017	2018	Units Permitted To-date	Units Remaining
Extremely Low Income (0 – 30% AMI)	236	0	0	0	37	37	163
Very Low (31 – 50% AMI*)		26	0	10	0	36	
Low (51 – 80% AMI)	160	249	0	192	38	479	0
Moderate (81 – 120% AMI)	217	7	0	0	0	7	210
Above Moderate (Above 120% AMI)	475	406	321	243	156	1,126	0
Total	1,088	688	321	445	231	1,685	
Remaining Need							373

\*AMI – 2018 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 2018 include:

- Initial tasks required for development of the new Land Management System (LMS) occurred in 2018. The LMS project kickoff, involving staff representatives from several City Departments occurred over a week-long period in October 2018. A Request For Proposals (RFP) is anticipated to be issued in March, 2019, with vendor proposals due by late April/early May. Once the City evaluates the proposals, the selection process, including an extensive proof of capabilities will begin.
- The Community Development Department hosted Developer’s Roundtable meetings in February, May and September, 2018, intended to provide information on current topics and promote a dialog with area developers. Topics included: recent Zoning Code updates, the Green Building Code, Land Management System updates, new Planning application submittal requirements, Public Works standard conditions of approval, revised Public Works Plan Check and Inspection fees, and revised Stormwater submittal requirements.

- Preparation of updated, more detailed application requirements for all discretionary applications.
- Reorganization of the Development Review Group Pre-application program to focus on applications in progress or close to submittal. The addition of two new Senior Planners provides adequate staff to address most preliminary development inquiries directly over the counter, providing more expeditious customer service.
- Updated customer information regarding Accessory Dwelling Units was developed.
- The new Landscaping, Water Efficiency, and Stormwater Retention and Treatment ordinance was adopted, which will provide updated requirements for installation of landscaping in all future new development.

**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 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 28.8 acres were rezoned, on First Street, and on Monterey Road. Two approved projects have been approved on these sites, a 202-unit market-rate townhouse project at the southeast corner of Santa Teresa Blvd. and First St., and a 78-unit apartment project including 69 market-rate and nine low-income units (approved on Jan. 7, 2019). A 120-unit market-rate project proposed at the northeast corner of First Street and Kern Avenue, has remained in a pending status throughout 2018, due to the applicant's desire to sell the project to another developer. A proposal to convert the project to affordable housing is currently under review.

**Appendix A** - 2018 Annual Housing Element Progress Report



Jurisdiction	Gilroy	
Reporting Year	2018	(Jan. 1 - Dec. 31)

Entitled Units Summary		
Income Level		Current Year
Very Low	Deed Restricted	16
	Non-Deed Restricted	0
Low	Deed Restricted	142
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		379
Total Units 44		537

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

Submitted Applications Summary	
Total Housing Applications Submitted:	192
Number of Proposed Units in All Applications Received:	743
Total Housing Units Approved:	498
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

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

Income Level	1										Total Units to Date (all years)	Total Remaining RHNA by Income Level	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
Very Low	26		10	37								73	163
Low	247		192	38								477	
Moderate	14											14	293
Above Moderate	406	321	243	111								1081	
<b>Total RHNA</b>	<b>693</b>	<b>321</b>	<b>445</b>	<b>186</b>								<b>1645</b>	<b>366</b>

Note: units serving extremely low-income households are included in the very low-income permitted units totals  
Cells in grey contain auto-calculation formulas

Table D

## Program Implementation Status pursuant to GC Section 65583

## Housing Programs Progress Report

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.

1	2	3	4
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 (est. end of 2020)	The 2040 General Plan Update process 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 was suspended again, from April, 2018 and is expected to resume in Spring, 2019. 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, 2020.
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.	Following adoption of the New General Plan (est. end of 2020)	The 2040 General Plan Update process 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 was suspended again, from April, 2018 and is expected to resume in Spring, 2019, with completion estimated at the end of 2020. 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 and the Neighborhood District Ordinance will be reviewed and updated.
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.	Biennially starting in 2016	A 78-unit multi-family residential project with 69 market-rate units and nine Low-Income units was approved. A project with 77 low income apartments and 81 senior affordable apartments was approved. A project with 75-unit affordable housing project with 37 Extremely Low Income and 38 Low-Income units began construction. A 104-unit, 100% Low Income project was almost complete in 2018.
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.	Starting in 2016, and implement changes as appropriate.	Initial tasks required for development of the new Land Management System (LMS) occurred in 2018. The LMS project kickoff, involving staff representatives from several City Departments occurred over a week-long period in October 2018. A Request For Proposals (RFP) is anticipated to be issued in March, 2019, with vendor proposals due by late April/early May. Once the City evaluates the proposals, the selection process, including an extensive proof of capabilities will begin. Three Developer Roundtable meetings were held to maintain a dialog with the Development Community. Updates to development applications, ADU information, the Development Review Group Pre-application process and the Landscape Ordinance were completed.
Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Code to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Following adoption of the New General Plan (est. end of 2020)	On November 20, 2017, the City Council approved the Accessory Dwelling Unit provisions of the Zoning Ordinance. The micro-unit study will begin in the 3rd
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.	FY2017/18	Planning Staff have begun review of how micro-units or "tiny homes" may be addressed in the Zoning Ordinance. The Micro-Unit study will be incorporated into the Comprehensive Zoning Code Update, to be completed after the adoption of the 2040 General Plan.

Develop Affordable Housing Incentives	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.	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; monitor effectiveness of incentives and regulatory concessions biennially, starting in 2016; on-going monitoring of development within Downtown Specific Plan.	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. Since that change, three affordable multi-family housing projects providing 441 dwelling units have been approved and are under construction, two nearing completion, in the Downtown Specific Plan area.
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: <ul style="list-style-type: none"> <li>• One Bay Area Grants awarded by the Association of Bay Area Governments;</li> <li>• HCD Local Housing Trust Fund Program;</li> <li>• HUD Section 811 funding for supportive housing for extremely low-income residents;</li> <li>• The state Infill Infrastructure Grant program, sponsored by the Department of Housing and Community Development (HCD); and</li> <li>• The State Multifamily Housing Program (MHP), sponsored by HCD.</li> </ul>	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. No such hearings were requested in 2018.
Community Development Block Grant Program	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.	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 homeowners.
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, shelter for battered women and their children, 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 posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley and to House Keys, an organization that helps first-time homebuyers secure Below Market Rate(BMR) downpayment assistance.
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 referrals on an on-going 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.

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 in 2021), as appropriate, following adoption of the 2040 General Plan.	A comprehensive update of the Zoning Ordinance is underway and will be completed in 2021, after adoption of the 2040 General Plan. A project including 37 Extremely Low-Income units was approved in 2018, and is under construction.
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 five years, starting in 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.	On-going	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 home owners.
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.	On-going	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 dead-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.	On-going	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 BelowMarket 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.	On-going	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program.
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.	On-going	Rent and resale restrictions are implemented through the City's Affordable Housing Policy
Housing for Large Families	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.	Review and amend Zoning Code (estimated in 2021), as appropriate, following adoption of the 2040 General Plan.	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan, in 2021. The Alexander Station affordable housing project, nearing completion, includes 103 three-bedroom and 32 four-bedroom units that will support large families.

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 in 2021), as appropriate, following adoption of the 2040 General Plan.	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan (est. 20201). In December, 2015, the 75-unit Gilroy Gateway affordable housing project was approved by the City Council, and will include 38 senior affordable units.
Reduced Parking Standards 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 Code, as necessary, to reduce parking standards for senior housing.	Review and amend Zoning Code (estimated in 2021), as appropriate, following adoption of the 2040 General Plan.	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan, in 2021.
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.	
Consistency with 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 in 2021), as appropriate, following adoption of the 2040 General Plan.	A comprehensive update of the Zoning Ordinance is underway and will be completed shortly after completion of the General Plan, in 2021.
Support Homeless Services Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	On-going	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 the 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.	On-going	The City continues to utilize CDBG funding to support the Home Access Program. The city will 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 coordination by 2016	A link to the San Andreas Regional Center website is available on the city's 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.	Complete	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.
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.	On-going	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.	On-going	The City partners with the County who provides direct subsidies for up to three 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.



