



City of Gilroy

2019 General Plan Annual Report

March 16, 2020

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 regional housing needs allocation (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 2019 Activities Affecting the Implementation of the General Plan* contains updates on the resumption of the 2040 General Plan Update 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 2019.
- *Section 3. Development Activity in 2019* 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 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 land use 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 2019 Activities Affecting the Implementation of the General Plan

This section describes a variety of activities initiated by the city or others during 2019 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) was appointed by the City Council to guide the update process. Two lengthy delays have caused the General plan process to take significantly longer than originally planned.

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 June 2017, the GPAC reconvened, based on an amended work program approved by the City Council, to complete the 2040 General Plan Update. In April 2018, the City Council placed the General Plan process on hold pending the completion of an economic development strategic study underway. The Gilroy Place-Based Economic Development Strategy final report was presented to the City Council in January 2019.

The GPAC process restarted in March 2019 and concluded on January 23, 2020, having forwarded recommendations to the Planning Commission and City Council for approval of the Draft 2040 General Plan Preferred Land Use Alternative and Draft Public Review Policy Text. Adoption of the 2040 General Plan is scheduled for December, 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.”

Review of two privately initiated Urban Service Area (USA) amendment applications was completed in late 2019, with City Council approval in January, 2020.

- 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 260 new single-family and multi-family residential dwellings 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 48 single-family residential dwellings.

The proposed amendments 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.

Figure 1, on the following page, is a location map showing the two USA amendments.

Figure 1



C. Changes to Ordinances and City Council Policies

State law allows local jurisdictions within a county to form a sub-region to conduct a housing needs allocation process that parallels, but is separate from, the regional process conducted by the Association of Bay Area Governments (ABAG). In August, 2019, the City Council approved the city’s participation in the proposed Santa Clara County RHNA Sub-region for preparation of the 2023 – 2031 Regional Housing Needs Allocation. The sub-region process, including Santa Clara County and some or all 15 cities, would be assigned the combined total RHNA allocation of all participating

jurisdictions, as identified by ABAG, and develop a methodology for the distribution of the amount of housing in each income level to each jurisdiction. Conflicts between the RHNA process schedules of ABAG and the California Housing and Community Development Department (HCD), rendered the sub-region development process infeasible. In November 2019 the City Council endorsed the city's participation in the Santa Clara County Planning Collaborative, intended to facilitate Santa Clara County jurisdictions to work together on joint issues including collaboration on regional planning issues, consideration of future housing opportunities, and development of draft policies and programs to incorporate in their respective Housing Elements.

D. Status of Specific Plans

Gilroy has three adopted Specific Plans; Glen Loma Ranch, Hecker Pass and Downtown. See Figure 2. The Glen Loma Ranch and Hecker Pass Specific Plans were adopted in 2005. Construction began on Hecker Pass in 2014 and Glen Loma Ranch in 2015. In addition, the Downtown Specific Plan Update/Downtown Station Area Plan project has been in progress since 2015.

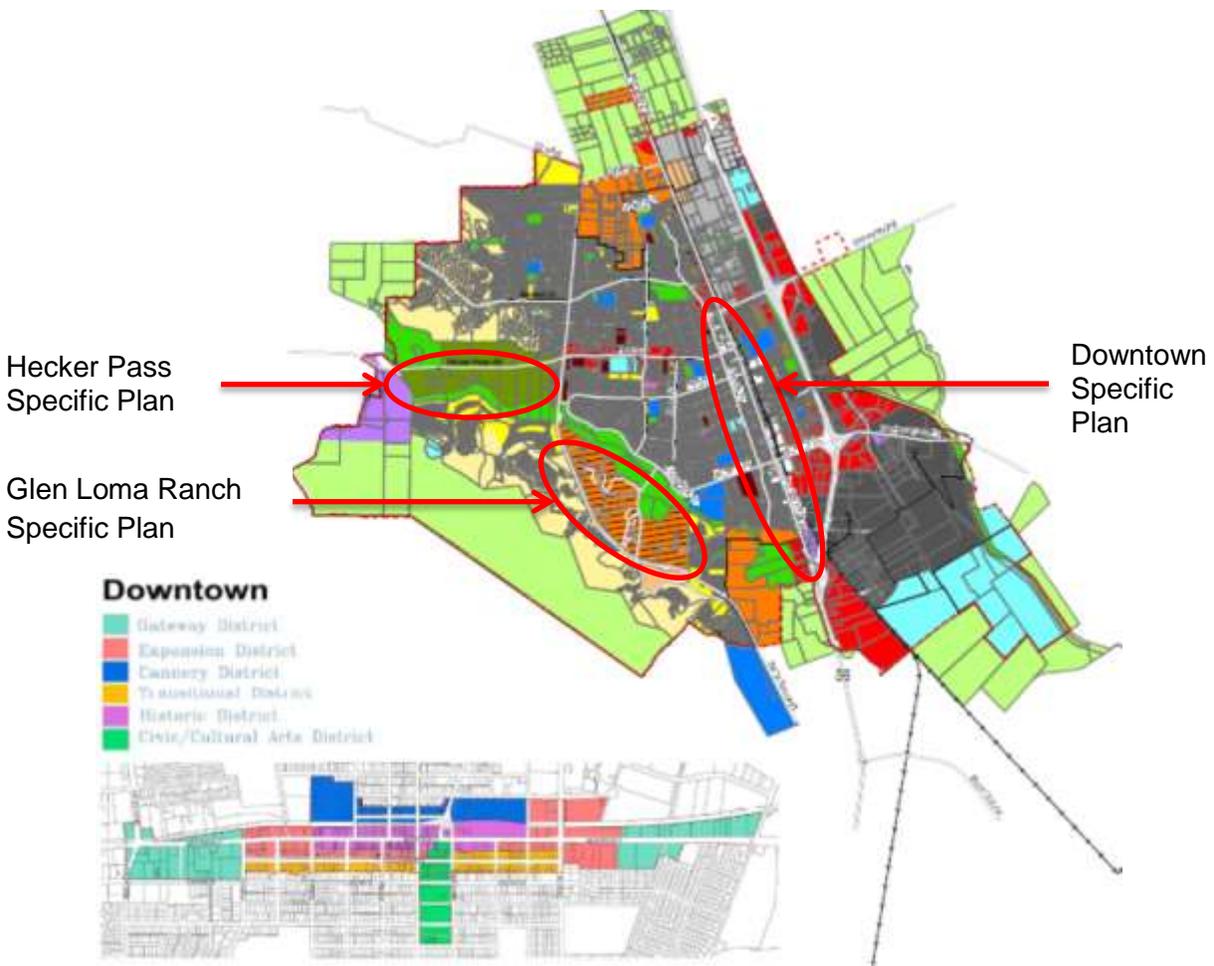
- Hecker Pass Specific Plan comprises 423 acres, located on both sides of Hecker Pass Highway, westerly of Santa Teresa Boulevard, and includes up to 521 single-family dwelling units, 145 acres of permanent open space and parkland, 59 acres of permanent agriculture and 55 acres of planned agri-tourism commercial. Construction began in 2014, and 402 units have been permitted through 2019. Remaining development planned for the Hecker Pass Specific Plan area includes two approved projects, yet to proceed, both located on Hecker Pass Highway: a mixed use project comprising 32,700 square feet of commercial uses and 22 live-work apartments, and a 73-unit single-family residential project on the north side of the highway.
- 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. The project includes a 125-unit townhome project and two affordable housing developments consisting of 77 low-income family apartments and 81 low-income senior units. Building permit applications for the affordable projects were submitted in August 2019. A total of 505 dwelling units have been permitted through 2019.

Two significant public facilities are planned as part of the Glen Loma Ranch Specific Plan. 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. Plans are progressing to locate a temporary station at the site with construction of the complete station to follow. Plans for a new Gilroy Unified School District Elementary School on a 12.7-acre parcel located at the northeast corner of Santa Teresa Boulevard and Club Drive have been put on hold, due to declining enrollment.

- 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 its second phase of occupancy in Summer 2019. The 104-unit Cannery development, also 100% low income, was completed in September 2019 and is fully occupied, as well. Finally, the 75-unit Gilroy Gateway project, comprising 37 units of permanent supportive housing and 38 units for low-income senior residents, is anticipated to receive final occupancy approval in mid-2020. Another important aspect of continuing to improve Downtown is the revitalization of multiple URM buildings, long vacant per state law, due to lack of required structural retrofit construction. After several years of inaction, a city-property owner URM Task Force has facilitated agreements with property owners resulting in significant progress. A total of 10 of 17 remaining URM buildings have completed structural modifications sufficient to qualify them to be re-occupied, resulting in a major reduction in vacant storefronts and the opportunity for new businesses to locate downtown.

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 guide private development and public improvements in Downtown in conjunction with the proposed California High Speed Rail (CHSR) project. The study, begun in 2015,

included preparation of an Alternatives Analysis Report, guidance from a Citizens Advisory Committee and input from community meetings. A Draft Preferred Alternative was presented to the City Council in January, 2019. In June, 2019, the City Council placed the Station Area Plan project on hold until the CHSR Authority identified a preferred alignment as a part of its environmental review process for the San Jose to Merced segment of its system. In September, 2019, the CHSRA adopted a preferred alignment, comprised of an at-grade design paralleling and utilizing portions of Union Pacific Railroad (UPRR) right-of-way for the route through Gilroy. In late 2019, CHSRA and city staff began discussions regarding resuming the Downtown Specific Plan Update/Station Area Plan process.

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 from 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 up to 2,450 future dwelling units. The Urban Service Area amendments described above are located within this area.

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 up to approximately 1,280 dwelling units. The actual development capacity of the areas may be lower, due to planning for necessary infrastructure, open space and other components of the future development. Neighborhood Districts also include provisions for future neighborhood-serving commercial, parks and other supportive uses intended to establish complete neighborhoods. The Draft 2040 General Plan includes a modification to the mix of densities allowed in the Neighborhood District designation, reducing the maximum amount of single-family dwellings from 82% to 60% and increasing the mix of medium and higher density unit types. These changes will strengthen the housing capacity of these future growth areas.

3. Development Activity in 2019

Table 1, below, provides a summary of the development activity that occurred in Gilroy in 2019, including both discretionary permits and building permits. Approved discretionary permits were issued for a total of 11 projects, comprising 9 single-family dwellings, 136 multi-family dwellings and approximately 64,100 square feet of non-residential development. The multi-family residential projects include a 120-unit, 100% low-income apartment project and a small mixed-use project with 16 live-work units. Non-residential development included approvals for the relocation of a Nissan auto dealership, the reuse of a dilapidated warehouse building for a new commercial bakery, and two new industrial warehouse buildings.

Building Permits were issued for 192 single family dwellings and 11 Accessory Dwelling Units (ADU's). No multi-family building permits were issued in 2019. However, building permit applications were submitted for the two projects comprising 158 affordable residential units in Glen Loma Ranch. Two projects receiving building permits in 2018 are nearing completion; 28

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 2019 included the 24,000 square foot Nissan dealership, a new commercial 12,000 square foot retail development at First Street and Kelton Avenue, and a 40-000 square foot addition to Gilroy Self-Storage.

Table 1 Development Activity - 2019				
	No. of Applications	Permits Issued		
		Single Family Dwelling Units/ADU	Multi-family Dwelling Units	Commercial/ Industrial (sq. ft.)
Discretionary applications received	11	9	136	7,000
Discretionary applications approved/ Denied	9/0	9	0	64,100
Building Permits issued	175	168/10	0	76,000

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 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 -2022) within which the city must work to achieve the specified amounts of new housing in each income category. Table 2, below describes the city’s progress in the first five years of the RHNA cycle. As described above, no building permits were issued in 2019 for new multi-family affordable housing projects. However, permits for 10 Accessory Dwelling Units (ADU) were issued, which qualify as moderate income based on the RHNA affordability formula. In addition, a 27-unit apartment project on Kern Avenue, which received building permits in 2018 also qualifies as moderate income. As a result, the remaining moderate income RHNA target has been reduced to 166

units. 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.

Table 2					
Regional Housing Needs Assessment Progress (2015 – 2019)					
Income Level	RHNA Allocation by Income	2015 – 2018	2019	Units Permitted To-date	Units Remaining
Extremely Low Income (0 – 30% AMI*)	236	37	0	37	163
Very Low (31 – 50% AMI)		38	0	38	
Low (51 – 80% AMI)	160	477	0	477	0
Moderate (81 – 120% AMI)	217	41	10	51	166
Above Moderate (Above 120% AMI)	475	1,126	202	1,328	0
Total	1,088	1,685	163	1,725	
Remaining Need					329

*AMI – 2019 Area Median Income in Santa Clara County

In 2019, 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 \$131,400. Based on this, the following are the income limits for the various affordable housing categories (family of four):

- Extremely Low Income (ELI) 0 – 30% AMI – \$43,900
- Very Low Income (VLI) 31 – 50% AMI –\$73,150
- Low Income (LI) - 51 – 80% AMI – \$103,900
- Moderate Income 81 – 120% AMI - \$157,700
- Above Moderate – Above 120% AMI

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 2019 include:

- New Land Management System (LMS) – work to select a vendor and develop the project scope of work for the LMS was completed in 2019. On February 3, 2020, a contract was awarded for the purchase and implementation of the new system. The new system will greatly improve customer service and staff processing efficiency. The new system will take approximately 15 months to implement.
- New Development Services Center –An architectural firm was selected to design the new Development Services Center. A preliminary design was completed. Developing the final design and preparing the construction bid package will continue in 2020.
- The Community Development Department hosted Developer’s Roundtable meetings in April and September. Topics included: the status of the General Plan Update, objective design standards for multi-family development, Fire and Building Code updates, traffic impact fees, development and customer services and the historic resources inventory.
- In June 2019, the City adopted a resolution re-establishing the Residential Development Ordinance (RDO) Interim Exemption, allowing projects that had not previously received an RDO allocation to proceed through the development review process. This action has now been rendered mute, due to new state legislation that prohibits numerical growth controls on new housing development.
- In late 2019, the city submitted an application for \$160,000 grant under the state Housing and Community Development Department (HCD) Senate Bill 2 Grant Program. The grant, approved in January 2020, will support consultant work to update zoning regulations for consistency with new state legislation addressing accessory dwelling units, density bonus provisions, and objective design standards, among others.

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 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). Neither of those projects has proceeded to building permits, yet. A 120-unit multi-family project located at the northeast corner of First Street and Kern Avenue, originally proposed as a market-rate project, has been revised to a 100% low-income project. Processing of the amended project resumed in mid-2019 and is anticipated to reach the City Council in mid-2020.

Appendix A

Summary of the
2019 Housing Element Report

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs. Please contact HCD if your data is different than the material supplied here

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Jurisdiction	City	Reporting Year	2019	(Jan. 1 - Dec. 31)									

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

Income Level	Permitted Units Issued by Affordability										Total Remaining RHNA by Income Level	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)		
Deed Restricted	26		10	37							73	163
Non-Deed Restricted	247		192	38							477	
Deed Restricted	14			27	10						51	166
Non-Deed Restricted	406	321	243	1	153						1124	
Total RHNA	693	321	445	103	163						1725	329

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

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Gilroy
Reporting Year	2019 (Jan. 1 - Dec. 31)

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.	Immediate	Senate Bill 330, signed by the governor in 2019, prohibits a jurisdiction from implementing any provision that limits the number of approvals or permits or puts a cap on the number housing units that can be approved or constructed, or limits population. As a result, the Residential Development Ordinance is now null and void and will be repealed in 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)	As noted above, the Residential Development Ordinance is no longer in effect. The 2040 General Plan Update process includes a proposal to modify the density ranges in the Neighborhood District designation to increase the number of dwelling units required in the 9 - 16 and 16 - 30 dwelling unit per acre categories. The Neighborhood District Policy will be re-evaluated based on the adopted 2040 General Plan, scheduled for the end of 2020.
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	Building permit applications were received for a project with 77 low income apartments and 81 senior affordable apartments in the Glen Loma Ranch Specific Plan area. The Gilroy Gateway affordable housing project, with 37 Extremely Low Income and 38 Low-Income units is nearing completion. The 104-unit, 100% Low Income Cannery project was completed and occupied in 2019.
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.	Preparations for the new Land Management System (LMS) continued through 2019. The project scope and process to select a vendor were completed in 2019. The City Council awarded the contract in February, 2020. The city is also moving forward with the design of a new Development Services Center (DSC), to be located in a refurbished city building adjacent to City Hall. Both the LMS and DSC projects are intended to improve customer service and staff efficiency for all departments involved in the development review process. Two Developer Roundtable meetings were held in 2019 to maintain a dialog with the Development Community. Topics included the status of the General Plan Update, objective design guidelines, Fire and Building Code updates, traffic impact fees, development and customer services and the historic resources inventory.
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)	Staff revised parking and other provisions of the Zoning Code Accessory Dwelling Unit (ADU) ordinance to comply with recent state legislation. New state legislation approved in late 2019 requires further modifications to the ADU ordinance, which staff is currently preparing for City Council consideration. Gilroy received a Senate Bill 2 Grant to prepare an ADU Guide Book to assist homeowners and contractors to successfully

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	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"> • 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. 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 provides 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, 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 nearing completion.
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.	All new development within the Urban Service Area is provided with water and sewer service. No prioritization procedure is required.
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 Accessibility 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 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.	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 developments 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.	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, completed in 2019, 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). The Gilroy Gateway affordable housing project, nearing completion, includes 38 senior affordable units. Building permit applications were received in 2019 for an 81-unit senior affordable housing project in the Glen Loma Ranch Specific Plan area.
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.	The City maintains communication with Santa Clara County and other organizations regarding the need for farmworker housing. The City and County have begun discussions about development of a farm worker housing project on a County-owned site in Gilroy, Santa Clara
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 in 2021, after completion of the General Plan Update.
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 referrals to the Santa Clara County Continuum of Care program, case management, homelessness 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	The San Andreas Regional Center no longer provides services in Gilroy.
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.

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.	On-going	The Community Development Department hosted two Developer's Roundtable meetings in 2019, intended to provide information on current topics and promote a dialog with area developers. The Housing Advisory Committee has been merged with the Neighborhood Revitalization Committee to form the Housing and Neighborhood Revitalization Committee. This will focus staff and committee resources to more efficiently address housing issues in Gilroy.
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 continued vacancy of Housing and Community Development Division Manager position.
Annual Review of the Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2018.

2019 Housing Element Report Summary

Jurisdiction	Gilroy	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	37
Above Moderate		153
Total Units		190

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

Housing Applications Summary	
Total Housing Applications Submitted:	79
Number of Proposed Units in All Applications Received:	345
Total Housing Units Approved:	0
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