

CITY OF GILROY HOUSING ELEMENT

**6TH CYCLE
2023 – 2031**

**HCD Review Draft
October 31, 2022**



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Introduction

Purpose and Content

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

Relationship to Other Elements and Plans

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

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

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

Public Participation

The City of Gilroy made a diligent effort to encourage public participation in the development of the Housing Element. Outreach for the Housing Element update began in 2021, starting with City Council public meetings to introduce the housing element update process and to get initial feedback on potential programs for inclusion in the housing element. The City of Gilroy also participated in a regional (virtual) outreach meeting through the Santa Clara County

Collaborative that included residents and stakeholders from Gilroy, Morgan Hill, and the County of Santa Clara; approximately 20 attendees participated in the Gilroy breakout room. Targeted outreach began in January 2022. This involved engaging a diverse group of people in the planning process, including community members, stakeholders, service providers, educators, and the Planning Commission and City Council in identification of Gilroy's Housing Element housing issues and goals.

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

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

public that were made for the two community meetings were repeated for the joint study session. The links to the presentation video recording were posted on the Housing Element Update website. The joint study session focused primarily on RHNA site strategy, housing issues, and proposed programs included in the Housing Element. It included a robust discussion of housing issues and responsive programs to meet the needs of all Gilroy residents. The meeting was well attended by both Spanish and English-speaking residents and stakeholders.

- **Public Draft Community Meeting.** One virtual community meeting was held on Tuesday, September 27, 2022 at 6:00 PM. The link to the presentation video recording was posted on the Housing Element Update website. The meeting provided the community with a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs.
- **Public Draft City Council and Planning Commission Public Hearings.** Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022 at 6:00 PM (City Council) and Thursday, October 20, 2022 at 6:00 PM (Planning Commission). The purpose of the meetings was to provide the public and the City's decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review.

Summary of Comments Received

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

- **Affordability:** Participants expressed the difficulties to afford homes and rent in Gilroy and the larger region; specifically identifying first time home buyers, farm workers and seniors as key impacted groups. Participants expressed concern that Gilroy incomes are lower comparatively to the regional median; therefore, housing that may be affordable for the surrounding region may not be for Gilroy residents. Program A - 11 consists of the development of an Inclusionary Housing Policy to establish inclusionary housing requirements so that new developments reserve a percentage of the total units for lower- and moderate-income households.
- **Importance of Investment in East Gilroy:** Participants noted a disparity in housing and quality of infrastructure and amenities between the east side and west side of the City. Participants noted the importance of investing in downtown to provide

access to necessary resources and adequate infrastructure concurrently with housing development. Program F - 3 is included to ensure place-based investments and improvements are occurring in the eastern areas of Gilroy, especially in the downtown area.

- **Education and Outreach:** Participants expressed a lack of community engagement and education on affordable housing, accessory dwelling units (ADUs), available housing services and programs, and housing policy. Programs G - 2, G - 3, and G - 5 implement outreach and education strategies to increase community awareness about ADUs, housing resources, and available fair housing support. Program G - 4 provides focused outreach in the downtown area.
- **Prioritizing Extremely Low-Income Housing:** Participants addressed the need for prioritizing development of extremely low-income units. Additionally, residents expressed the need to prioritize the allocation of these extremely low-income units to existing Gilroy residents. Program A - 12 considers adopting a density bonus beyond the state law program that targets extremely low-income populations and other special needs. Program E - 9 is included to develop a priority system for current residents of Gilroy and individuals working in Gilroy to inhabit these special needs households.
- **Disparity of income between the City and the larger region.** The large difference between the median income in the City and the regional area median income (AMI) was frequently noted in outreach. The difference was \$33,871 (24%) in 2020. Participants expressed the inability to afford lower-income units based on the AMI category income limits. Program E - 9 is included to develop a priority system for the allocation of extremely low-income units, including prioritizing current residents of Gilroy.

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

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

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

Comments fell into several categories including:

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

ADUs

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

Affordable Housing Incentives and Funding

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

Permitting

A number of the letters expressed concerns regarding the development process in the City and the constraints that result from the process. Commenters recommended several strategies to improve the transparency and turn-around time for getting permits approved.

The original draft included Programs B - 5 to streamline the permitting process for affordable housing and Program A - 9 that implements a new online permitting system. The revised draft submitted to HCD includes Program B - 8 which creates an Entitlement Roadmap Webpage on the City's website that provides simple and clear information on how to navigate the City's permitting process, including projects that can be approved ministerially or through a staff level administrative process.

Engagement and Education

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

Tenant Protections

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

Program Changes in Response to Public Comment

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

- Modified Program A - 6 (ADU Tracking and Monitoring and Ordinance Updates) to include the commitment to coordinate with HCD and revise the ADU ordinance in conformance with state law.
- Added Program A - 8 (Incentives for Affordable ADUs) to develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers, upon securing adequate funding for the program.

- Modified Program A - 11 (Inclusionary Housing Policy) to include a requirement that developers market both Below-Market-Rate (BMR) units and accessible/adaptable units in developments.
- Modified Program A - 12 (Density Bonus Beyond State Law) to include households with intellectual and developmental disabilities as a special needs group to consider in the expanded density bonus program. The City also noted that the Inclusionary Policy could be structured like a Density Bonus program with incentives that are tiered by level of affordability provided.
- Added Program A - 14 (Coordination with Santa Clara Office of Supportive Housing) to continue the partnership regarding the development of affordable housing on the property at 8th and Alexander, including offering impact fee waivers.
- Added Program B - 8 (Entitlement Roadmap Webpage) to develop a website to provide clear and simple information about the City's permitting process for residential development. Information will include a flow chart, FAQs, live links, and application forms.
- Modified Program D-2 (Funding Sources to Assist Homeownership) include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources.
- Modified Program E 6 (Reduced Parking Requirements for Senior Housing) to include discussion of AB 2097 which prohibits minimum parking requirement for projects within one half-mile of public transit.
- Modified Program F - 5 (Displacement Prevention Policy) to include organizing a focus group to explore displacement prevention polices and completing an analysis of best practices in jurisdictions that are similar to Gilroy.
- Modified Program G - 3 (ADU Education) committing the City to consolidate its two ADU webpages into one page, so that all ADU information is located in a single location.
- Added Program G - 6 (Unhoused Population Education and Outreach) to educate the public about the unhoused population and homelessness in the City. The program develops a dedicated website on homelessness, creates printed information for distribution at City Hall and by code enforcement officials in the field, posts resources for the unhoused population on the City website, and commits the City to restarting the unhoused service providers group meetings.
- Added Program G - 7 (Bilingual Engagement) to increase availability of bilingual outreach materials and advertise the recently expanded collective bargaining bilingual pay benefit to attract new staff that can converse with the City's Spanish-speaking population.

CITY OF GILROY **HOUSING ELEMENT**



6TH CYCLE
REVIEW OF PAST ACCOMPLISHMENTS

Review of Past Accomplishments

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

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

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

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

Housing Production

The City of Gilroy had a total RHNA allocation of 1,088 units in the 5th Cycle. As of December 2021, 2,367 units have been permitted during the 5th Cycle, exceeding the overall allocation by 1,279 units. About 60 percent of these new units were affordable to above-moderate incomes. The City produced four (4) times the low-income allocation, approximately 40% of its moderate-income allocation, and approximately 66% of its very-low income allocation. There is a remaining RHNA need of 80 very low-income units and 127 moderate income units. The following table includes data through the end of 2021, consistent with the 2021 annual progress report submitted to HCD.

Table 1: 5th Cycle RHNA Progress (2015 through 2021)

	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA Allocation	236	160	217	475	1,088
Constructed	156	686	90	1,435	2,367
Remaining Requirement	80	-	127	-	207

No Net Loss and Adequate Sites

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

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

Effectiveness at Assisting Special Needs Populations

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

Funding for housing, homeless services, and special needs populations during the 5th Cycle was provided through the Community Development Block Grant (CDBG) program, CDBG CARES ACT-Corona Virus (CDBG-CV), and the Housing Trust Fund (HTF). Recently, the City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. PLHA funding allocations were based on priorities identified in the City's consolidated plan. High priority items identified in the plan include special needs services for the elderly, special need services for youth, homeless supportive services, and rehabilitation of existing affordable housing. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

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

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

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

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

Accessibility Improvements

The need to revitalize older City infrastructure, particularly accessibility for elderly persons and persons with disabilities is identified as a top priority in the City's 2020 – 2025 Consolidated Plan and 2020 – 2021 Annual Action Plan¹. The Consolidated Plan further identifies accessibility improvements such as wheelchair ramps, curbing, and sidewalks as one solution to this need. In November 2021, the City awarded \$70,592 in CDBG funding to a consultant to design and prepare construction documents for off-site improvements in front of the Gateway Senior affordable Apartments, located at 6500 Monterey Road. The scope of work included design of a standalone HAWK (High-Intensity Activated Crosswalk) system for safe pedestrian crossing, design of two ADA compliance curb ramps and minor concrete work, and design of new striping for pedestrian crossing and safety. The full construction cost of the CIP project is estimated to be \$314,400. For the 2022-2023 fiscal year funding cycle, the City also allocated \$145,090 in CDBG funds toward improving sidewalks and curb ramps throughout the City.

Seniors and Residents with Disabilities

The City also identifies supportive services for seniors and persons with disabilities under the Special Needs section of the 2020-2025 Consolidated Plan. As noted above, the City allocated a portion of the CDBG funds and a portion of the PLHA funds towards senior services and residents with disabilities. This included \$18,560 for the Live Oak Adult Day Care program, \$20,000 for the Silicon Valley Independent Living Center Housing Services for Gilroy Residents with Disabilities program, and \$27,000 for the Health Trust Meals on Wheels food service program. This service provides access to hot meal deliveries 5-days per week to people with disabilities and seniors who are unable to leave the house. Similarly, \$100,359 of the CDBG-CV funds were allocated towards the local YMCA's food distribution program for homebound seniors impacted by the COVID-19 pandemic and shelter in place orders.

¹ City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan.
<https://www.cityofgilroy.org/DocumentCenter/View/11526/City-of-Gilroy-2020-2025-Consolidated-Plan-and-AAP-FINAL>

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

At-Risk Youth Services

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

Unhoused Outreach

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

Farmworkers

There are 184 dwelling units in Gilroy to meet the permanent and seasonal housing needs of extremely low-income and low-income farmworkers. Due to the seasonal nature of farm work, many households have a difficult time securing safe, habitable, and affordable housing. There are existing support and services for the farmworker population in the City. The Santa Clara County Housing Authority (SCCHA) has provided housing assistance through the Ochoa Migrant Center located just outside of the Gilroy city boundary. The center serves as a migrant camp 8 months out of the year (April through November) and has 100 units (233 beds)

available for farmworkers and their families. There are 33 three-bedroom apartments and 67 two-bedroom apartments. During the off-season (mid-December through mid-March), the Ochoa Migrant Center provides temporary housing for the unhoused.

There are 4 housing developments for farmworkers located in Gilroy, which are owned and managed by Eden Housing. These properties are:

- The Trees, with 14 units
- Aspen Grove, with 24 units
- Maple Gardens with 18 units
- Monterra Village, with 28 units

2015 – 2023 (5th Cycle) Housing Element Programs

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

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

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

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.C	Variety of Housing in Neighborhood Districts	The City shall review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance and making any changes to ensure the two policies are compatible and designed to reach the same goals.	Review of Neighborhood District Policy in conjunction with the New General Plan preparation (estimated FY 2015/16)	The Residential Development Ordinance is no longer in effect. The 2040 General Plan includes a new higher density Neighborhood District designation, allowing a greater range of housing types from single family detached dwellings (0-7 du/ac) to higher density multi-family dwellings (16-30du/ac).	Retain – modify the Neighborhood District policy to eliminate any references to the RDO (see discussion above) and provide standards related to the new density ranges and affordable housing requirements.	A - 5
H-1.D	Facilitate Infill Development	The City shall coordinate efforts with private and non-profit developers, and other housing related groups to encourage the construction of residential development through a menu of regulatory incentives (e.g., streamlined review and other methods that will effectively encourage infill development). The City shall monitor infill development on a biannual basis to ensure the effectiveness of programs to encourage housing development. If, based on its biannual review, the City finds that additional programs are needed to facilitate infill development, the City shall revise programs as appropriate.	Monitor biennially starting in 2016	Major Single-Family Developments approved or occupied in 2020 included 171 single-family homes in the Glen Loma Ranch Specific Plan area. Major Multi-Family Developments approved or occupied in 2020 included 199 mixed-income townhome units and 475 affordable apartment units with 75 of those units being provided for the City's senior citizens. In 2021, the City issued building permits for 276 units, including 31 condominium units in the Glen Loma Town Center, 120 apartment units in the 1st and Kern development, 97 single-family	Retain – modify with a program that will “Facilitate Missing Middle Housing” by streamlining the entitlement process with a ministerial process for duplexes, triplexes and quadplexes in specified areas of the City, that meet objective design standards.	A - 9

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				residential homes, and 27 accessory dwelling units. The City also approved planning entitlements for 100 apartment units, two duplex units, and 115 single-family dwelling units. It is anticipated that these entitled projects will be subsequently submitted for a building permit. All of these units are considered infill units.		
H-1.E	Monitor Permit Requirements, Processing Procedures and Land Use Controls	To ensure permit requirements and processing procedures do not constrain residential development, the City shall evaluate current requirements and procedures on a biannual basis. The City shall consult builders and other parties engaged in housing development activities to identify concerns. If permitting requirements are determined to be a constraint to residential development the City shall modify permitting requirements and/or procedures to address constraints, as feasible.	Biennial evaluation starting in 2016 and implement changes as appropriate	<p>In 2020, the City awarded the contract for the purchase and implementation of a Land Management System to Tyler Technologies for the implementation of EnerGov to manage and track land development applications, business and professional licenses, special event permits, code enforcement cases, and fire prevention/pre-treatment/ hazardous materials management. The City and Tyler teams kicked off the project in September of 2020 with an anticipated "go-live" in 2023.</p> <p>Applicants will be able to check the status of their permit online and staff will have greater control over the workflow. The City also continues to hold development stakeholder roundtable meetings (virtual in 2020) to maintain a dialog</p>	Retain - modify by splitting into two programs. One for the Land Management System Implementation and one that is streamlining the permit process as a part of the 2023 comprehensive Zoning Ordinance update	A - 8 and B - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				with the Development Community. Topics included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan.		
H-1.F	Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Review and Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will include a definition for and regulatory standards addressing single-room occupancy units as part of the 2023 Zoning Update.	Retain - modify	E - 2
H-1.G	Study Micro-Units	The City shall conduct a study of the appropriateness of "micro-units" in Gilroy and the existing barriers in the Zoning Ordinance to the provision of micro-units. Based on the findings of the study, the City will make a determination of the appropriateness of micro-units in Gilroy and, if determined appropriate, identify methods for eliminating barriers, and establish appropriate development standards.	FY 2017/18	Not completed. The City will define "micro-units" in Gilroy as part of the 2023 Zoning Update in anticipation of creating a program for micro-units in the 6 th cycle housing element.	Retain - modify	E - 5
AFFORDABLE HOUSING						
H.2.A	Develop Affordable Housing Incentives	The City shall review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District. Incentives and regulatory concessions may include, but	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and	Partially Complete. The City continues to monitor development in the Downtown Specific Plan area and provide technical assistance as available. In 2020, the City of Gilroy was awarded \$150,000 in funding under the Local Early Action Planning	Retain - modify	A - 10

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		<p>are not limited to parking reductions, and reduced setbacks. The City shall also provide technical assistance, as feasible; information on State and Federal funding opportunities; and marketing to potential developers.</p> <p>The City shall continue to monitor development within the City's Downtown area on a biannual basis to ensure the implementation of the Specific Plan's policy on encouraging the development of a mix of retail, office and higher density residential uses. The City shall encourage the development of uses within the area to closely follow the recommended land use assumptions contained in the Specific Plan. If, based on its biannual review, the City finds that the proportion of residential uses to non-residential uses are not being developed as assumed in the Specific Plan, the City shall investigate additional incentives, concessions or assistance and revise programs as appropriate.</p>	<p>regulatory concession biennially, starting in 2016; Ongoing monitoring of development within Downtown Specific Plan.</p>	<p>(LEAP) Grants Program, administered by the HCD. The majority of that grant money will be used towards the City's 2023-2031 Housing Element Update. One of the tasks identified in the grant application was the preparation and implementation of an Affordable Housing Ordinance.</p>		
H-2.B	Pursue Funding for Affordable Housing	<p>The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to:</p>	<p>At least biennially, or as funding opportunities become available</p>	<p>The City evaluates funding opportunities as they arise and apply as appropriate. The City also facilitates public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.</p>	Retain	D - 4

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

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.D	Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	Completed. During most of the 5 th cycle planning period, the City allocated Housing Trust funds towards housing-related activities. These activities include fair housing services, tenant landlord counseling services, and homeless prevention services. In 2022, the City replaced the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service addressing homeless basic need programs as well as programs that focus on homelessness prevention.	Retain - modify to reflect funds are from the PLHA rather than the Housing Trust Fund	D - 1
H-2.E	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, and County funds. The City shall improve public outreach activities through the compilation of resources for down payment assistance, silent second mortgages, and other means of acquiring a home.	Development of resources for public dissemination by December 2015; ongoing review of additional funding sources	Partially completed. The City has posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley, an organization that helps first-time homebuyers secure Below Market Rate (BMR) down payment assistance.	Retain - modify	D - 2
H-2.F	Section 8 Referrals	The City shall continue to provide Section 8 referral services and information to City residents. The City shall make information on the Section 8 voucher program available on the City website.	Post on website by January 2016; provide referral on an ongoing basis	Completed. The City has posted on its website a link to the Housing Authority of Santa Clara County website. Here individuals can learn more about Housing Choice voucher eligibility and determine if the current waiting list is accepting any additional households.	Retain	D - 3

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

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

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

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

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

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.E	Consistency with the Employee Housing Act	The City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right, without a CUP, in single-family zones for less than six persons, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	Review and amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). The zoning update will be completed in 2023.	Retain	E - 8
H-4.F	Support Homeless Service Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	Ongoing	The City provides funding to homeless service providers through both its CDBG and HTF/PLHA programs. Services include referrals to the Santa Clara County Continuum of Care program, case management, homelessness prevention and provision of basic need items.	Consolidate with other programs; the PLHA and CDBG funds includes funding for homelessness prevention services and homelessness assistance	D - 1 and D - 5
H-4.G	Home Access Grants	The City shall continue to administer Home Access Program to provide very low-income disabled residents with help in safely entering and exiting their homes and accessing essential areas within their homes.	Ongoing	This program was eliminated from the consolidated plan. The City continues to look at programs that can help its very-low income disabled residents, including the Home Access Program.	Remove and consolidate with Housing Rehabilitation program	C - 2
H-4.H	Coordinate with the San Andreas Regional Center	The City shall work with the San Andreas Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.	Initiate coordinate by 2016	The San Andreas Regional Center no longer provides services in Gilroy.	Remove	N/A

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.I	Zoning Ordinance Amendments for Transitional and Supportive Housing	The City shall update the Zoning Ordinance to be fully compliant with State law and allow transitional and supportive housing in all zones that allow residential uses, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Completed. The Zoning Ordinance allows transitional and supportive housing in all residential zoning districts, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Remove	N/A
FAIR HOUSING						
H-5.A	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and improvement or removal of identified impediments. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website.	Ongoing	The City funds fair housing counseling services through its Housing Trust/PLHA Fund program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.	Retain	F - 2
EXPANDING OUTREACH						
H-6.A	Interagency Collaboration for Lower Cost Housing	The City shall continue participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	Ongoing	Abode Services provides a direct subsidy to one individual at the Cherry Blossom Apartments, owned by the City, through a partnership with the City and Community Solutions. The City also facilitates TEFRA hearings, as needed, to allow for the development and rehabilitation of affordable housing units throughout the City.	Consolidate – roll into programs to outreach for developers and a program to provide for rehabilitation of affordable housing units.	G - 1 and C - 2

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.B	Collaboration with Development Community	The City shall continue to establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and collaborative approaches to affordable housing development. The City will especially utilize the Housing Advisory Committee to address housing issues and provide outreach to the development community.	Ongoing	The City continues to establish collaborative relationships with for-profit and non-profit development companies to find innovative approaches to affordable housing development in Gilroy. The housing advisory duties now fall under the Planning Commission, a decision-making body with authority to approve or recommend approval of housing developments in Gilroy. City staff continue to provide outreach to the development community.	Retain and modify	G - 1
H-6.C	Community Access to Housing Information	To ensure the Gilroy community is provided the highest level of access to information, the City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy for the delivery of housing information. The outreach strategy will consider various methods of delivery, including print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Develop housing information strategy by June 2016	The City's new 2040 General Plan includes goals, policies, and implementation actions regarding outreach and community education efforts including various methods of delivery, such as print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Retain	G - 5

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.D	Annual Review of Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2021 and will submit the 2022 annual report to HCD in March 2023.	Remove	N/A

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
HOUSING NEEDS ASSESSMENT

Housing Needs Assessment

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

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

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

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

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

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

Projected Housing Needs

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

Table 3: Gilroy RHNA, 2023–2031

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

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

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

Existing Housing Need

Demographic Characteristics

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

Population Growth Trends

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

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

Table 4: Regional Population Trends, 2010–2020

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

Source: US Census, 2010 and 2020.

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

Table 5: Average Annual Population Growth Rate

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

Source: Decennial Census, 2020

Age Composition

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

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

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

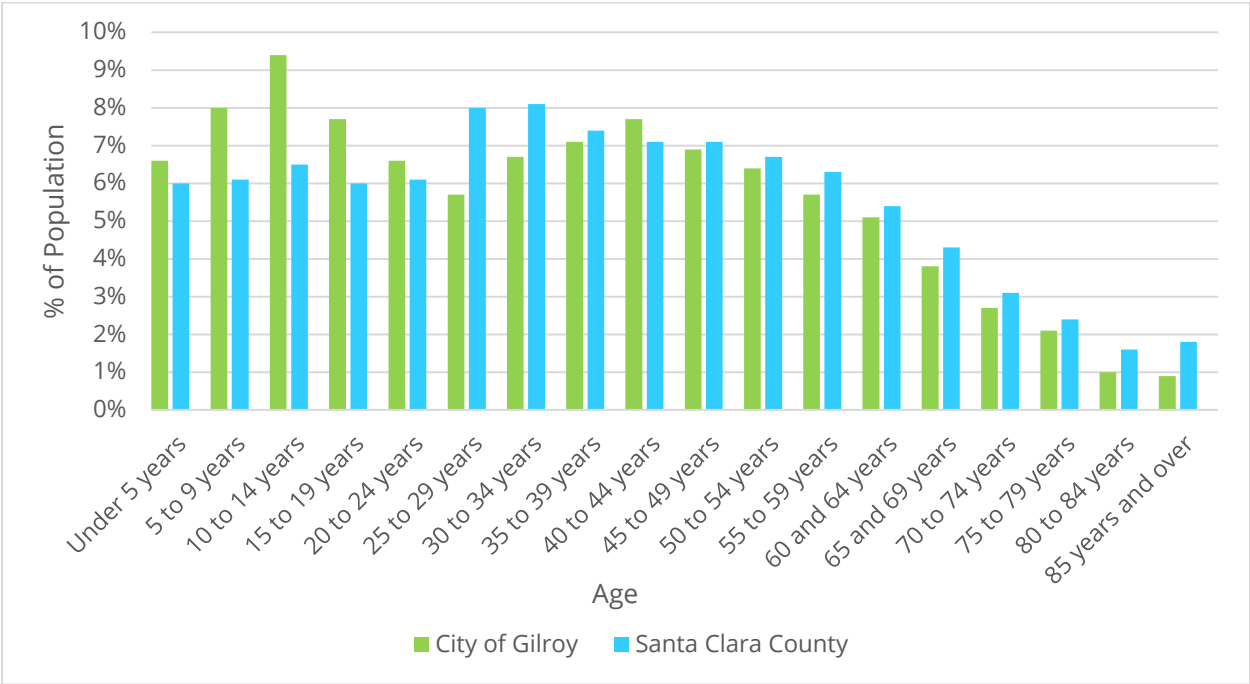
Table 6: Population Age Distribution, Gilroy

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

Source: US Census 2000, 2010, 2019

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

Figure 1: Population Age Distribution, 2019



Source: ACS 2019

Race and Ethnicity

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

³ ACS Five Year Estimates Table B25032.

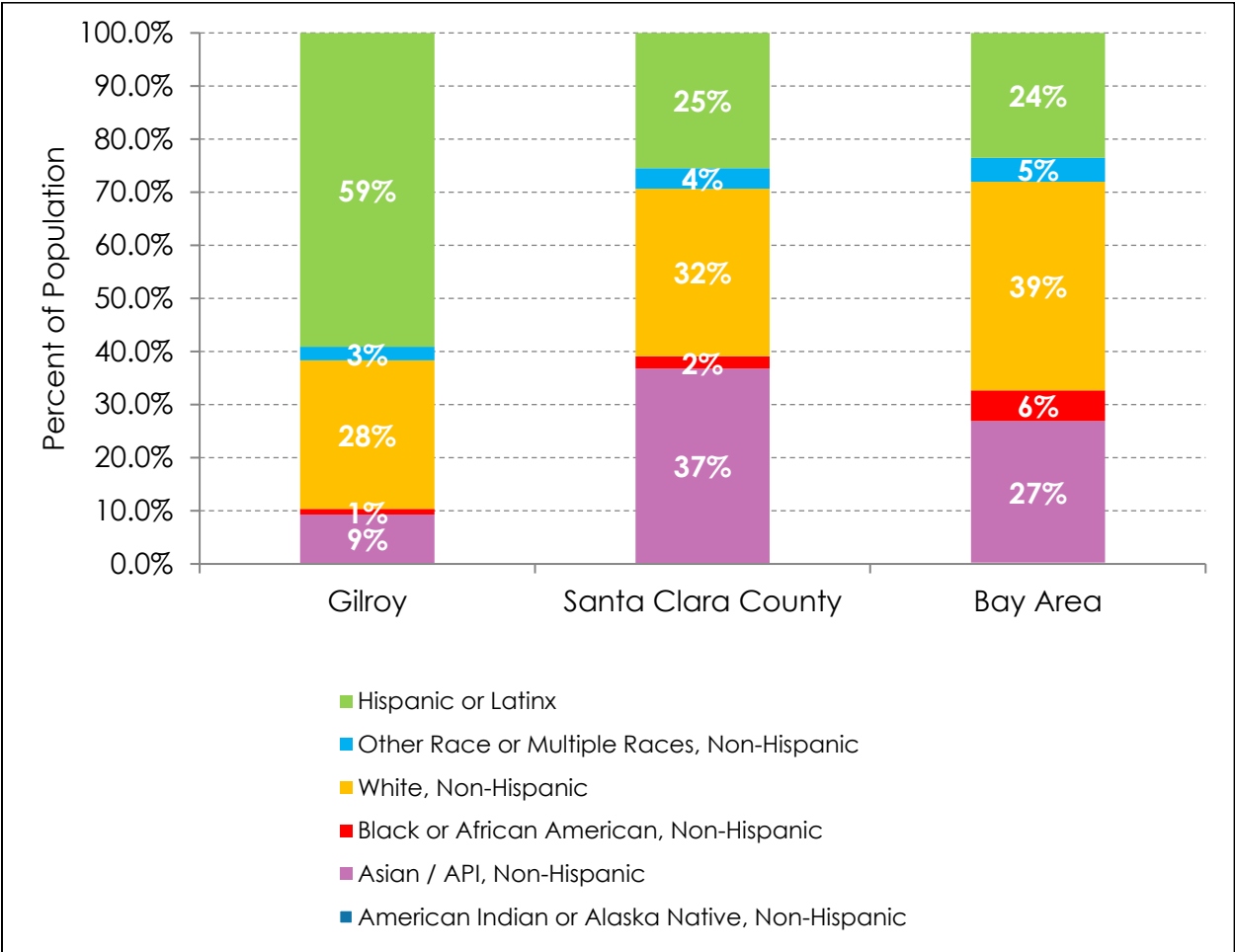
Table 7: Racial and Ethnic Composition, Gilroy

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

Source: ACS 2019 Five Year Estimates.

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

Figure 2: Regional Racial/Ethnic Composition, 2019



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

Employment Trends

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

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

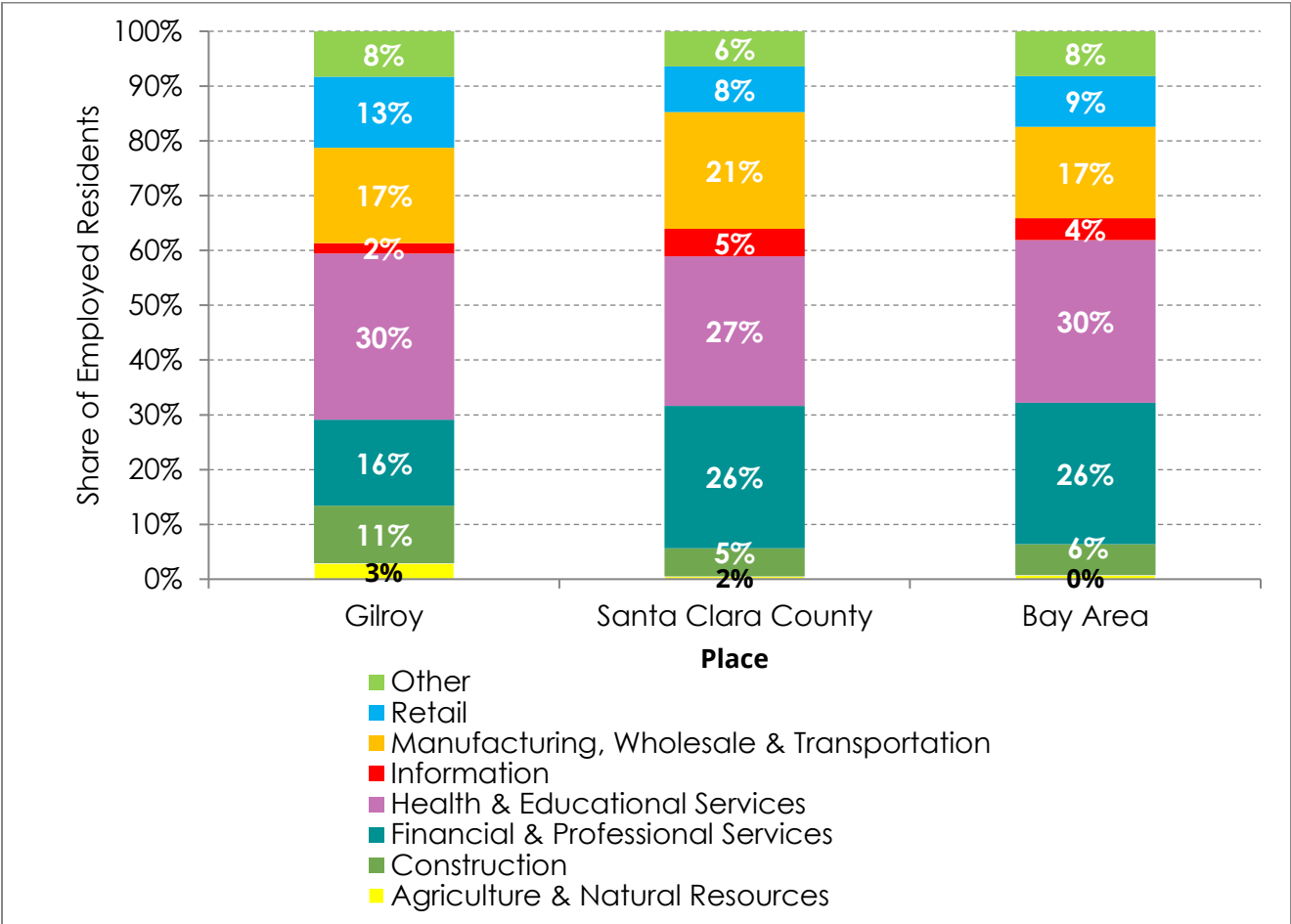
Table 8: Employment Trends, Gilroy

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

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

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

Figure 3: Regional Employment by Industry, 2019



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

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

Table 9: Major Employers, 2021

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

Source: Gilroy Chamber of Commerce, 2021.

Household and Housing Stock Characteristics

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

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

Table 10: Change in Households, 2000–2019

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

Source: US Census 2000, 2010, 2019.

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

Table 11: Regional Average Household Size

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

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

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

Table 12: Household Size Distribution, 2019

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

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

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

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

Table 13: Median Household Income by Tenure, 2019

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

Source: 2019 ACS B25119.

The State of California uses five income categories to determine eligibility for housing programs based on median family income. Because eligibility is based on the area median income (AMI) for Santa Clara County, cities such as Gilroy, which have a lower median income than the AMI, will have more residents that qualify for housing programs. Furthermore, many low-income families in Gilroy have difficulty paying for housing even with housing subsidies, which are based on County AMI. In 2019, Gilroy's median income (\$101,616) was \$29,784 less than the Santa Clara County AMI (\$131,400) at that time.

Table 13 This disparity is in part due to the fact that Gilroy is located further from high-paying technology and finance jobs in the Bay Area and Silicon Valley than the remainder of Santa Clara County jurisdictions. Table 14 shows the State-defined income ranges for each income category based on the 2022 Santa Clara County AMI of \$168,500 for a household of four, a significant increase from 2019.

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

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

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

Table 15 uses HUD Area Median Family Income (HAMFI). As discussed above, the difference between HAMFI and Area Median Income (AMI) is that HAMFI is a HUD defined term that does not utilize HCD income categories. Table 15 provides a breakdown of income level by tenure

in Gilroy, using the 2014–2018 CHAS data. The table shows that just under 40 percent of households in Gilroy are renter-occupied, compared to 43.2 percent of households in the County. In Gilroy, 42.5 percent of the population falls into the extremely low-, very low-, and low-income categories, highlighting the need for affordable housing options in the City.

Table 15: Household Income by Tenure, 2018

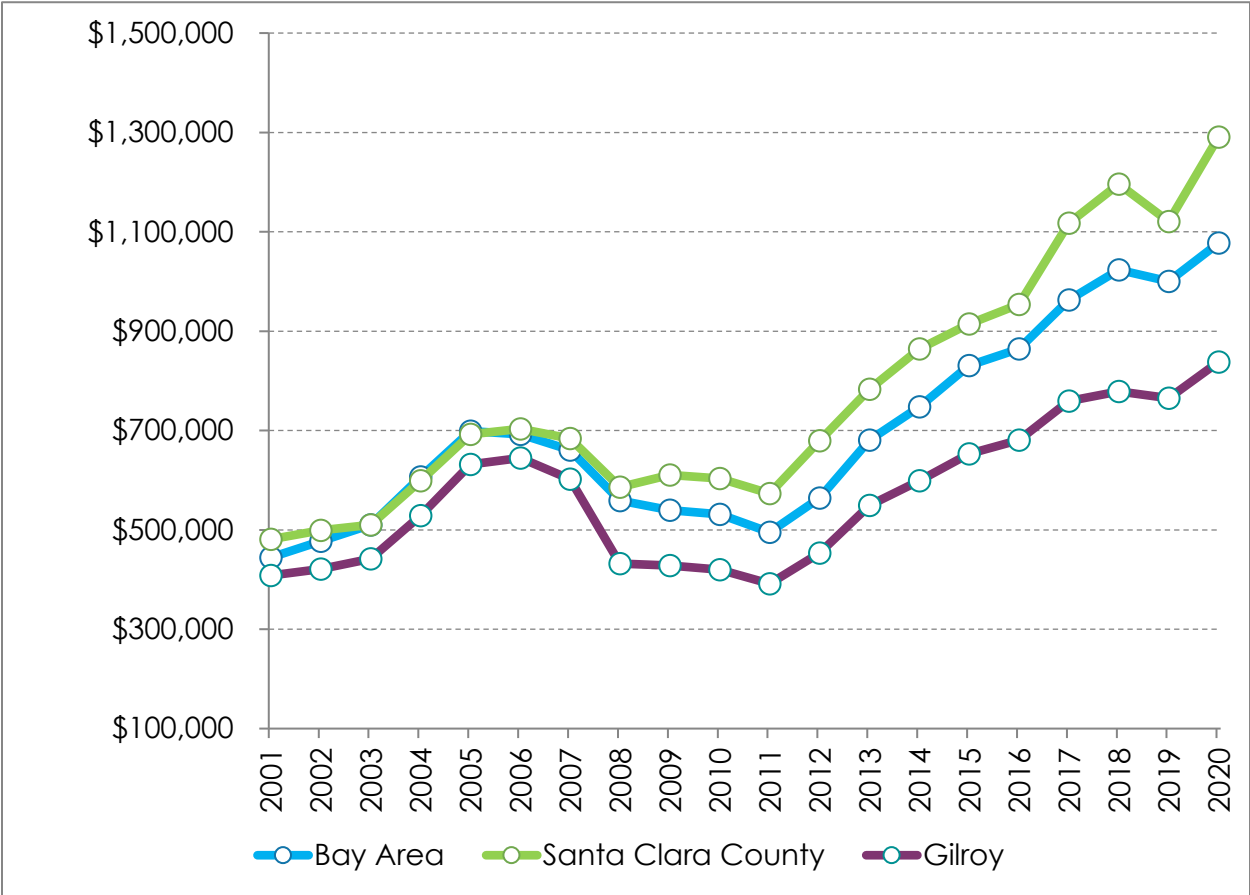
Income Level	Renter-Occupied		Owner-Occupied		Total Occupied Housing Units	
	Number	%	Number	%	Number	%
City of Gilroy						
Less than or equal to 30% of HAMFI	1,995	12.3%	644	4.0%	2,639	16.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,340	8.3%	894	5.5%	2,234	13.8%
Greater than 50% but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

Source: 2014-2018 HUD CHAS data.

Median Home Sales Price

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

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



Source: Zillow.com, 2020.

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

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

Table 16: Zillow Home Value Index, 2020 and 2021

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

Source: Zillow Housing Market Data, 2021.

Rental Prices and Affordability

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

Table 17: Average Monthly Rent by Unit Size, Gilroy, 2021

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

Source: Zumper, August 2021.

Table 18 shows the minimum income needed to afford market rate rent in Santa Clara County (including Gilroy) by the number of bedrooms in the household.

Table 18: Income Needed to Afford Market Rate Rent, Santa Clara County

Unit Size	Income Needed to Afford (hourly)	Income Needed to Afford (annually)	Fair Market Rent
Zero Bedroom	\$42.85	\$89,120	\$2,228
One Bedroom	\$49.19	\$102,320	\$2,558
Two Bedroom	\$58.67	\$122,040	\$3,051
Three Bedroom	\$76.62	\$159,360	\$3,984
Four Bedroom	\$88.33	\$183,720	\$4,593

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

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

Table 19: Maximum Affordable Monthly Rent by Income Category

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

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

In 2019, the median income in Gilroy was \$101,616. Using the assumption that any rent that exceeds 30 percent of household income renders the resident cost-burdened, the average rent for a two-bedroom unit (\$3,051) would be unaffordable to a 4-person household in the extremely low, very-low, and low-income groups, as shown in Table 17, Table 18, and Table 19. This disparity leads to overcrowding as discussed later in this chapter. While current average rents in Gilroy would allow a moderate-income household to afford a rental unit of most any size, extremely low-income households would likely be cost-burdened in any size unit. The disparity between incomes and housing costs indicates a need for more housing options at a variety of sizes available, especially to households below the AMI.

Vacancy Rates

Vacancy rates are indicators of housing supply and demand that reflect the degree of housing choice that is available. Higher vacancy rates can induce downward price pressure, while low vacancy rates can influence upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find

housing. For rental units, a 7 to 8 percent vacancy rate is considered “healthy”. For owner occupied housing, a vacancy rate of 2 percent or below is considered “healthy”.. In 2013, the vacancy rate in Gilroy was 4.6 percent, decreasing to 2.9 percent in 2019. Table 20 summarizes the number of occupied and vacant units in Gilroy from 2013 to 2019.

Table 20: Occupancy Rates

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

Source: ACS 5 year estimates, 2013 and 2019.

Overpayment

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

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

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

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30%income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
City of Gilroy: Owner Households						
Less than or equal to 30% of HAMFI	645	4.0%	470	2.9%	400	2.5%

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
Greater than 30% but less than or equal to 50% of HAMFI	895	5.6%	550	3.4%	330	2.0%
Greater than 50% but less than or equal to 80% of HAMFI	975	6.1%	465	2.9%	240	1.5%
Greater than 80% of HAMFI	7,305	45.4%	1,160	7.2%	165	1.0%
Total	9,820	61.0%	2,645	16.4%	1,135	7.0%
City of Gilroy: Renter Households						
Less than or equal to 30% of HAMFI	1,885	11.7%	1,590	9.9%	1,230	7.6%
Greater than 30% but less than or equal to 50% of HAMFI	1,339	8.3%	979	6.1%	395	2.5%
Greater than 50% but less than or equal to 80% of HAMFI	1,030	6.4%	590	3.7%	165	1.0%
Greater than 80% of HAMFI	2,029	12.6%	350	2.2%	0	0.0%
Total	6,283	39.0%	3,509	21.8%	1,790	11.1%
Santa Clara County: Owner Households						
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%

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

Source: 2014-2018 HUD CHAS data.

Overcrowding

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Table 22 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households in Gilroy, roughly 9.2 percent, were experiencing overcrowding in 2019. This

included 347 owners and 1,135 rental households. Instances of overcrowding vary by tenure with renters experiencing higher levels of overcrowding than owners.

Table 22: Overcrowded Households, 2019

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

Source: 2019 ACS B25014.

Housing Inventory and Market Conditions

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

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

Table 23: Housing Units, 2000–2019

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

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

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

Table 24: Unit Size by Tenure, Gilroy, 2019

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

Source: 2019 ACS B25042.

Table 25 summarizes Gilroy’s housing inventory by unit type from 2000 to 2021. From 2010 to 2021, the number of units for all housing types increased, except for single-family attached units and mobile homes, which remained the same at 887 and 317 units, respectively. The US Census defines single-family attached houses as houses running together or that are attached such as townhomes⁴. In 2021, there were 11,739 single-family detached units in Gilroy, comprising the largest percentage of housing stock, at almost 70 percent. Multifamily housing made up just over 23 percent of the housing stock with 3,883 units.

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

Table 25: Housing Inventory by Unit Type

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
City of Gilroy						
Single family, detached	7,768	63.8%	9,997	67.3%	11,739	69.8%
Single family, attached	742	6.1%	887	6.0%	887	5.3%
Multifamily	3,225	26.5%	3,653	24.6%	3,883	23.1%

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

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
Mobile homes	432	3.6%	317	2.1%	317	1.9%
Total Housing Units	12,167	100%	14,854	100%	16,826	100%
Santa Clara County						
Single family, detached	323,923	55.9%	344,586	54.5%	351,726	51.7%
Single family, attached	52,736	9.1%	61,517	9.7%	66,146	9.7%
Multifamily	182,999	31.6%	206,779	32.7%	243,502	35.8%
Mobile homes	19,102	3.3%	19,038	3.0%	18,924	2.8%
Total Housing Units	578,760	100%	631,920	100%	680,298	100%

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

Table 26 displays occupied housing units by tenure in Gilroy in 2019⁵. The majority of owner-occupied housing units were single family detached units (82.3 percent), while renter-occupied units were predominantly multifamily (96.7 percent).

Table 26: Unit Type by Tenure, 2019

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

Source: 2019 ACS B25032.

Age of Housing Stock

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

⁵ This excludes vacant housing units.

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

Table 27: Tenure by Housing Age

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

Source: 2019 ACS B25036.

Housing Conditions

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

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

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

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. Table 28 summarizes the number of units lacking plumbing or complete kitchen facilities. According to the 2019 ACS three-year

estimates, 47 occupied units in Gilroy lacked complete plumbing facilities. Of these, 23 were owner occupied and 24 were renter occupied. A total of 49 units lacked complete kitchen facilities. Of those, 16 were owner-occupied and 33 were renter-occupied. It should be noted that there is potential for overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities.

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

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

Source: 2019 ACS B25049 and B25053.

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

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

Preservation of Assisted Units At Risk of Conversion

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

Qualified Entities

Under Government Code Section 65863.11, owners of federally assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to qualified entities (nonprofit or for-profit organizations) that agree to preserve the long-term affordability if they should acquire

at-risk projects at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. Qualified entities are nonprofit or for-profit organizations with the legal and managerial capacity to acquire and manage at-risk properties, and agree to maintain the long-term affordability of projects. The following is a list of qualified entities from HCD for Santa Clara County that could potentially acquire and manage properties if any were at risk of converting to market rate in the future.

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

Inventory of At-Risk Units

Per government code section 65863.10, assisted housing developments are defined as multifamily, rental housing complexes that receive government assistance under any of the specified federal, state, and/or local programs.⁶ There are approximately 1,534 assisted affordable housing units in Gilroy. The City is currently inventorying its assisted housing developments to determine which developments are at risk of conversion. Table 29

Table 29 At the time of publication, the expiration dates for the two projects shown in Table 29 had not been confirmed. Thus, there are 156 units within two Low-Income Housing Tax Credit (LIHTC) funded projects may be at risk of being converted to market-rate before 2031. Program **C - 6** is included to complete the inventory of assisted units in the City. Should the units expire during the 6th Cycle, the City will ensure that owners are contacted and advanced notice to tenant is provided.

⁶ HCD Building Blocks <https://www.hcd.ca.gov/assisted-housing-developments-at-risk-of-conversion>

Table 29: Potential Units at Risk of Conversion

Project	Address	Total Units	Assisted Units
Gilroy Garden Apartments	9250 Wren Ave	74	73
Lilly Garden Apartments	8800 Lilly Ave	84	83
Total		158	156

Source: LIHTC Database, 2022.

Replacement Costs

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

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

Table 30: Replacement Cost

Unit Size	Construction Cost per Square Foot	Average Square Foot/ Unit	Replacement Cost per Unit	Number of At-Risk Units	Total Replacement Cost
1 bedroom	\$390	671	\$261,690	12	3,140,280
2 bedroom	\$390	901	\$351,390	100	35,139,000
3 bedroom	\$390	1,091	\$425,490	40	17,019,600
4 bedroom	\$390	1,268	\$494,520	6	2,967,120
Total	--	--	--	158	58,266,000

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

Financial Resources

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

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

Preservation Strategies

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

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

Federal Programs

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

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

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

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

State Programs

California Housing Finance Agency (CalHFA) Multifamily Programs – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

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

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

Program Efforts to Preserve At-Risk Units

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

Quantified Objectives

Housing Element law requires that cities establish a maximum number of units that can be converted over the planning period. Two assisted projects with unknown conversion dates and a total of 156 units may be at risk of converting to market-rate housing within the planning period. Program **C - 1** and **C - 6** are included to confirm the expiration dates and preserve at-risk units.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special needs. This section identifies the housing needs for elderly persons, large households, female-headed households, persons with disabilities (including developmental disabilities), homeless persons, farmworkers, and extremely low-income households. People may belong to more than one special needs group. Identifying special needs groups helps to fully assess Gilroy’s housing needs and develop appropriate programs

and actions to address them. The City maintains a list on its website of affordable rentals in Gilroy and what population each property serves.

Persons with Disabilities

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

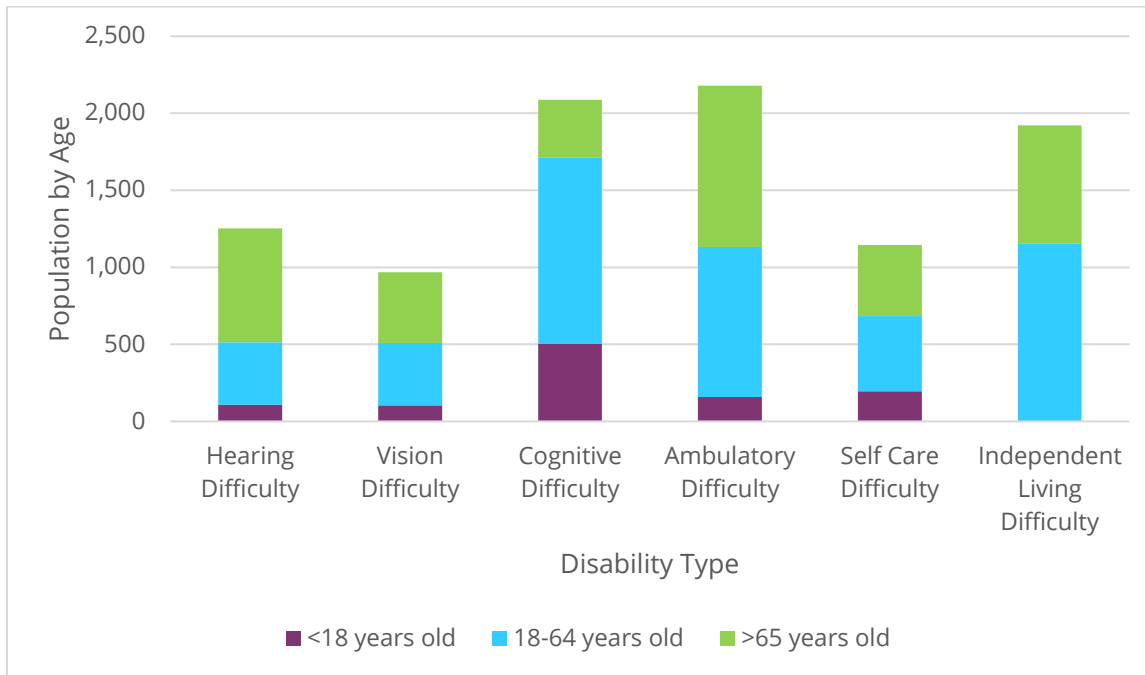
The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the Census are:

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

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

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

Figure 5: Disability by Type, 2019



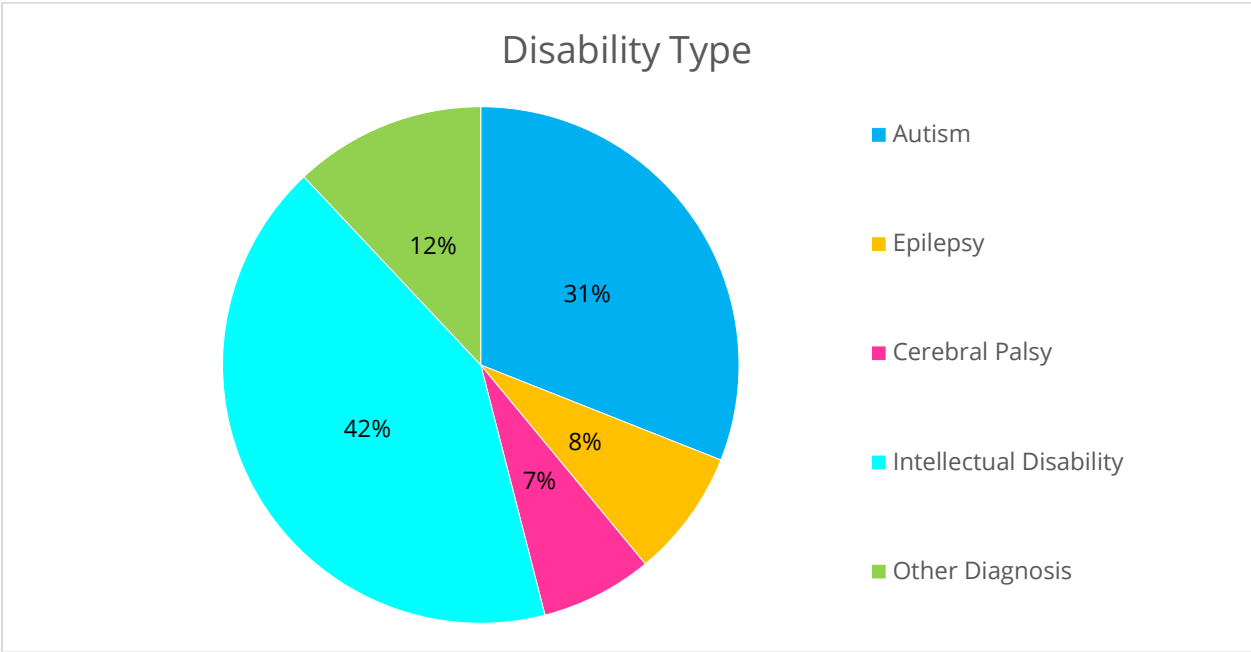
Source: 2019 ACS B18108.

Persons with Developmental Disabilities

A subgroup of disabled residents is those who are developmentally disabled. Housing Element law mandates that an analysis of special needs of disabled persons, including persons with developmental disabilities, be included in Housing Elements. Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. When developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

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

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



Source: California Department of Developmental Service, 2020.

Elderly Persons

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

According to the 2020 US Census, and as shown in Table 31, Gilroy has a slightly lower percentage of elderly householders than the County; 19 percent of Gilroy’s residents were elderly, while 21.3 percent of the County’s residents were elderly.

Table 31: Householders by Age

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

Source: 2019 ACS 5 Year Estimates.

As indicated in Table 32, the 2019 median household income for households with a resident aged 65 and older was \$71,432 in Gilroy and \$75,758 in Santa Clara County. This is compared to the citywide median income of \$101,616 and countywide median income of \$133,076 in 2019. The lower income is likely because fewer elderly persons are working full-time, and most income comes from Social Security and/or part-time work.

Table 32: Median Household Income for Elderly Households, 2019

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

Source: 2019 ACS 5 Year Estimates

Based on HUD’s 2014-2018 CHAS data shown in Table 33, 47.4 percent of elderly households in Gilroy are in one of the lower-income categories. Santa Clara County had a slightly smaller percentage of elderly households within the lower income categories, at 45.8 percent.

Table 33: Income Distribution, Elderly Households

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

Source: 2014-2018 HUD CHAS data.

Table 34 displays the percentage of the elderly population and their disability status. Of people aged 65 and above, 11.3 percent have one type of disability and 16.5 percent have two or more disabilities. The City and County have a similar percentage of elderly individuals with disabilities, at 27.8 and 30.7 percent, respectively.

Table 34: Elderly People with Disabilities

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

Source: 2019 ACS C18108.

Table 35 provides a summary of housing problems experienced by elderly households in Gilroy. According to the 2014-2018 CHAS data, 61.6 percent of all elderly households experience some type of housing problem. This includes 81.3 percent of elderly renters and 54.5 percent of elderly owners. The increasing number of elderly persons in the population is creating a demand for more affordable and accessible housing. The City will address the needs of the elderly population through Program E - 6, which will develop incentives for senior housing in the City. The Gilroy Senior Center provides access to a variety of support services at the center, including the YMCA Nutrition program, which serves lunch Monday to Friday; free legal services through Senior Adults Legal Assistance; and information and assistance with social security, housing, and employment matters through Sourcewise Community Resources Solutions. Through CDBG and the Housing Trust/PLHA Funds, the City allocated funds for Meals on Wheels and Rebuilding Together Silicon Valley's Rebuilding Home Repair, Rehabilitation and Accessibility Modification Program. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors.

Table 35: Elderly Households by Housing Problems and Tenure, 2018

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

Source: 2014-2018 HUD CHAS data.

Large Households

State housing law defines large households as households with five or more members. Large households are considered a special needs group based on the limited availability of adequately sized, affordable housing units. Large households may be of lower income and could result in the overcrowding of smaller units. Table 36 displays household size by tenure for both Gilroy and the County. In 2019, there were 3,916 large households, representing 24.3 percent of all households in Gilroy. Compared to the County as whole, Gilroy has almost double the percentage of large households (24.3 versus 12.4 percent). This may indicate a need for larger units in Gilroy to accommodate large households.

Table 36: Large Households by Tenure, 2019

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

Source: 2019 ACS B25009.

Table 37 provides a summary of housing problems experienced by large households in Gilroy by tenure. As previously noted, the types of housing problems include overcrowding, overpayment, and housing lacking kitchen or plumbing facilities. CHAS data from 2014- 2018 indicates that 49.2 percent of large households experience at least one of these housing problems, including 72.4 percent of large renter households and 30.3 percent of large owner households.

Currently, less than 10 percent of the City's rental housing stock has four or more bedrooms (refer to Table 37), resulting in a high percentage of large family households that are forced to live in overcrowded situations. To address this need, the Housing Element includes Program A - 12 that will adopt density bonus incentives beyond state law for developments that include housing for large households.

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

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

Source: 2014-2018 HUD CHAS data.

Female-Headed Households

Female-headed households are a special needs group because they experience comparatively low rates of homeownership, lower incomes, and high poverty rates. Table 38 shows the number of female-headed households by tenure. In 2019, 16.2 percent of households in Gilroy were female-headed households. Of the 2,616 female-headed households in Gilroy, 1,410 had children under 18 living with them, while 1,206 had no children present. Gilroy has more female-headed households than the County by about 6 percent, where 10 percent of households in the County are female-headed households.

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

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

Table 38: Female-Headed Households by Tenure, Gilroy, 2019

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

Source: 2019 ACS B25115.

Homeless/Unhoused Population

In 2019, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2019 Santa Clara County Homeless Count. This study is conducted every two years in the last 10 days of January. Two strategies were used to collect the data for the study: a point-in-time count (PITC) and a comprehensive qualitative survey administered to individuals experiencing homelessness after the completion of the 2019 PITC. The PITC and shelter census identified 9,706 homeless persons in Santa Clara County. Table 39 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 704 homeless persons surveyed in Gilroy, including 359 sheltered and 345 unsheltered persons. This represents an increase from 2011 (520 surveyed homeless persons).

Table 39: Regional Homeless Population

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	359	345	704
Campbell	0	74	74
Cupertino	0	159	159
Los Altos	0	76	76
Los Altos Hills	0	2	2
Los Gatos	0	16	16
Milpitas	0	125	125
Monte Sereno	0	0	0
Morgan Hill	0	114	114
Mountain View	32	574	606
Palo Alto	14	299	313
San Jose	980	5,117	6,097
Santa Clara	62	264	326
Saratoga	0	10	10
Sunnyvale	147	477	624

Source: 2019 Santa Clara County Homeless Census and Survey.

Table 40 lists emergency shelters and transitional housing in Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides cold weather shelter at the Gilroy National Guard Armory yearly from December through April. The shelter provides sleeping accommodations, meals, restrooms, and case management support services. It has a capacity of 110 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March, housing 35 to 40 unhoused families. St. Joseph's Family Center manages the shelter and referral process. EAH Housing is contracted for day-to-day property management operations and site security.

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

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

- \$55,000 to St. Joseph's Family Center for Homeless Prevention Services
- \$35,000 to St. Joseph's Family Center for the Gilroy Street Team

- \$40,000 to South County Compassion Center for Outreach for the unhoused
- \$20,000 to CARAS for the Homeward Bound Program

Table 40: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds
National Guard Winter Homeless Shelter	Cold Weather Shelter	Individuals and families	110
Arturo Ochoa Migrant Center ¹⁰ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 – 40 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25
Total			382

Source: City of Gilroy, County of Santa Clara.

Farmworkers

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

There are generally three classifications:

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

Traditionally, Gilroy has been home to many agricultural businesses and industries; however, the increase in the retail and service trade and the expansion of the City as a “bedroom community” for northern Silicon Valley jobs continues to reduce the role of agriculture in recent years. Many of these farms are located in the southern areas of the County, in the

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

regions surrounding Gilroy. The majority of farmworkers, almost 80 percent, work on farms with more than 10 employees.

The US Department of Agriculture conducts a Census of Agriculture every five years. As indicated in Table 41, there were an estimated 4,175 farmworkers in the County working on 890 farms in 2017. This represents a decrease of 1,414 farmworkers compared to the 2007 study, where there were 5,589 farmworkers.

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

Table 41: Number of Santa Clara County Farmworkers and Farms, 2017

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

Source: 2017 Census of Agriculture, Table 7.

The California Department of Conservation’s Important Farmland Finder¹² indicates that the vicinity to the east and south of the City of Gilroy includes large amounts of prime farmland, farmland of local or statewide importance, and unique farmland. The presence of such farmland indicates a need for farmworker housing to support those who work on farmland in and around the City.

Due to the seasonal nature of agricultural work and relatively low wages, farmworker households often have a difficult time securing safe, habitable, and affordable housing. To provide for the existing farmworkers, EAH Housing operates the Arturo Ochoa Migrant Center in Gilroy. The center contains 33 three-bedroom and 67 two-bedroom apartments. It functions as a migrant camp from April through November each year.

Eden Housing also manages four housing developments with 84 units for farmworkers:

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

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

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

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

The Gilroy Zoning Ordinance makes available zoning to accommodate various housing types to address the needs of farmworkers. Manufactured and modular homes are permitted by-right in all residential zoning districts; boarding and rooming houses are allowed in all residential zoning districts with a conditional use permit; and multifamily units are allowed in the R-3 and R-4 residential zoning districts by right. Currently, the City’s Zoning Ordinance is not consistent with the Employee Housing Act;¹³ therefore, as part of this Housing Element update, the City is including Program E - 8 to revise the Zoning Ordinance in 2023.

Extremely Low-Income Households

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

Table 42 provides a summary of housing problems experienced by extremely low-income households in Gilroy. Extremely low-income renter-occupied households experience both overpayment and overcrowding. According to 2014–2018 CHAS data provided by HUD, 79.7 percent of extremely low-income households experience at least one type of housing problem.

The needs of extremely low-income households include housing units designed for unhoused persons, multifamily rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, and workforce housing. The City is including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop a density bonus beyond state law to incentivize the creation of additional units to serve extremely low-income households.

Table 42: Extremely Low-Income Households with Housing Problems, 2018

Income Level	Renters	%	Owners	%	Total	%
Household Income < 30% MFI	1,990	31.1%	625	6.4%	2,615	16.1%
With any Housing Problem	1,610	80.9%	475	76.0%	2,085	79.7%
With a Cost Burden 30-50%	360	18.1%	70	11.2%	430	16.4%
Cost Burden > 50%	1,230	61.8%	400	64.0%	1,630	62.3%

Source: 2014-2018 HUD CHAS data.

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

Summary of Housing Needs

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

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE
AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing

Introduction, Outreach, and Assessment

Introduction

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

Public Outreach

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

Outreach Activities

Community members were engaged using the following methods:

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

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

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

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

Housing Element Update Website

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

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

Stakeholder Interviews

The City reached out to 40 individuals who represented service providers, nonprofits, and other stakeholders to participate in focus group interviews about the housing needs and issues in Gilroy. Out of the 40 individuals and groups that were contacted, 25 people

participated in the focus groups. Four focus groups were held, on Tuesday, March 29 at 1:00PM; Tuesday, April 5 at 1:00PM; Thursday, April 7 at 1:00PM; and Tuesday, April 12 at 10:00 AM. Hosting the focus group on four different days provided a variety of times to accommodate different schedules. The stakeholders who participated discussed a variety of concerns, including:

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

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

Public Workshops

Prior to releasing the first public draft of the Housing Element, the City held two bilingual virtual public workshops. The meetings were held on Wednesday, March 30, 2022 at 6:00 PM and Tuesday, June 28, 2022 at 6:00 PM to present information on the Housing Element update and gather public input. Sixty-one members of the community participated in the workshops and provided feedback via live polling and questions and answers on the Housing Element update process including housing needs (workshop #1) and the potential RHNA sites, draft goals, and programs (workshop #2). Presentation slides were in English and Spanish. Live Spanish interpretation was provided, recorded, and posted on the project webpage for both workshops.

Following release of the public draft, the City held a third virtual public workshop on Tuesday, September 27, 2022 at 6:00 PM. The presentation provided a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs. The meeting also included a question-and-answer session with public attendees.

The public workshops were held at 6:00PM on weekdays to accommodate a typical work schedule. Materials and video recordings of the presentations in English and Spanish were

made available on the Gilroy Housing Element web page on the City's website for those who could not attend, or who wanted to review the materials and meetings at their leisure.

Study Session

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

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

Public Hearings

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

Housing Element Survey

Another component of the outreach effort was the Housing Element survey, posted on the City's website from April 2022 through August 2022, and promoted through a myriad of channels for the furthest outreach. The survey was available in both English and Spanish. As of August 2, 2022, a total of 367 English and 143 Spanish completed surveys were received, with 244 (51%) respondents being homeowners, 184 (39%) of respondents being white or Caucasian, and 215 (46%) being Hispanic or Latino. Responses to the survey primarily revealed concerns from residents regarding:

- Difficulty paying rent, mortgage, or down payment:
- Homelessness: and
- Insufficient housing supply including affordable housing.

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

Findings

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

City Overview

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

Until 2018, a large portion of the Downtown Specific Plan area and several properties west of downtown were designated as a Neighborhood Revitalization Strategy Area by the US Department of Housing and Urban Development (HUD). A number of capital improvements, youth activities, neighborhood beautification projects, and other downtown revitalization efforts were pursued during this time.¹⁴ The downtown area in Gilroy is also identified as a Priority Development Area in ABAG's Plan Bay Area 2050.

The AFFH section also considers the effects that the selected RHNA sites may have on fair housing. Selected RHNA sites are primarily in the eastern portion of the City, while pending projects are more evenly distributed throughout Gilroy. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the planned high speed rail station, parking management plan, Downtown Specific Plan update, and currently funded place based improvements. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th cycle and the extent to which the existing use may preclude development.

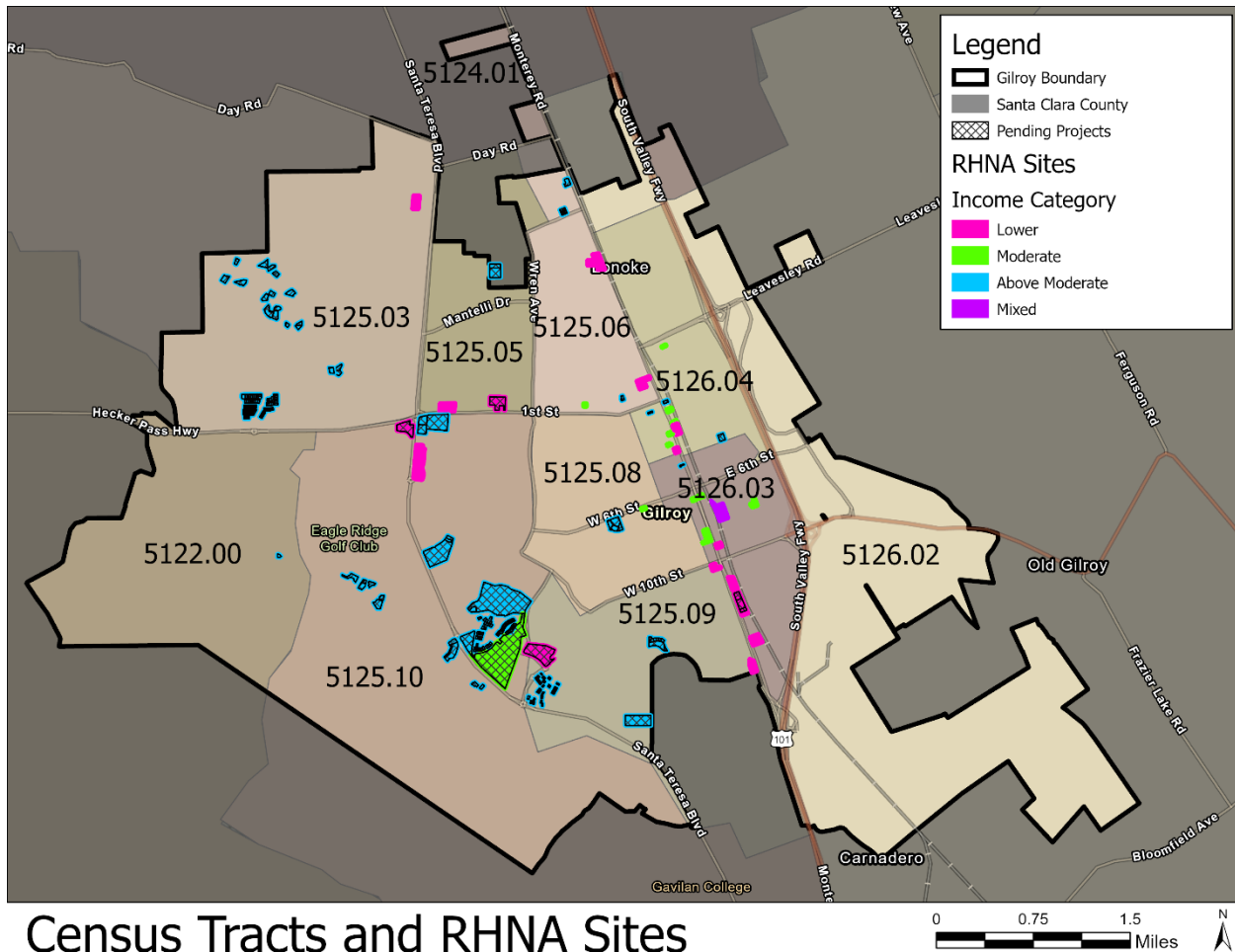
The City is including Program F - 3 for place-based improvements in the downtown area. The City is also including programs to encourage ADU development¹⁵ in the western portion of the City to promote housing mobility and increased housing opportunities (Program A - 6). To encourage a variety of housing types throughout the City, a program to create a ministerial permit process for duplexes, triplexes, and quadplexes that meet objective design standards is included (Program F - 4). This program will also encourage the development of missing middle housing in all areas of the City.

¹⁴ Neighborhood Revitalization Strategy Area Renewal Request for 2013-2018.

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

¹⁵ ADUs are calculated on a citywide basis and are not represented on the sites maps

Figure 7: Census Tracts and RHNA Sites, 2022



Census Tracts and RHNA Sites

Fair Housing Enforcement and Outreach Capacity

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

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

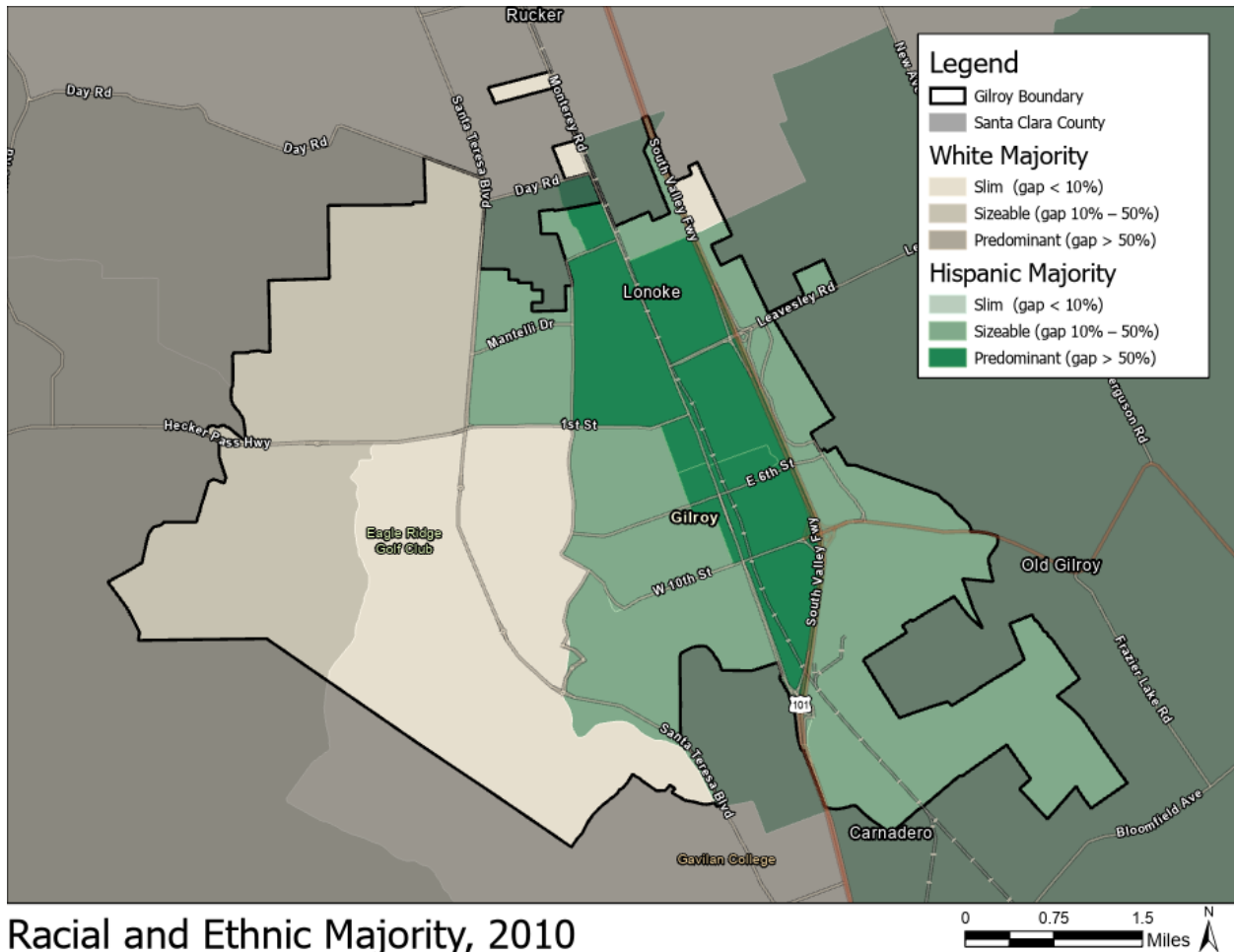
Integration and Segregation

Race and Ethnicity

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

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

Figure 8: Racial and Ethnic Majority, 2010

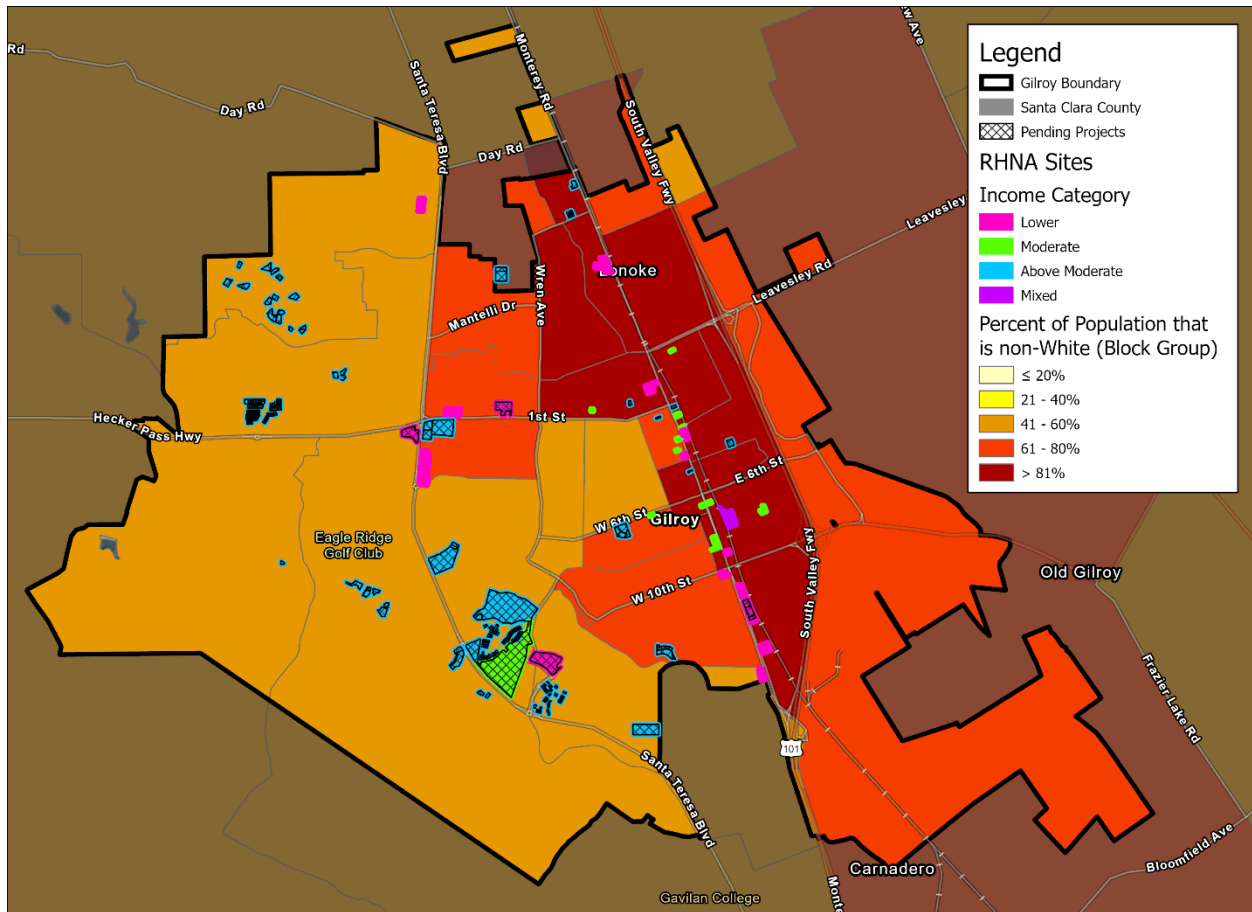


Racial and Ethnic Majority, 2010

Source: HCD AFFH Data Viewer

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

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



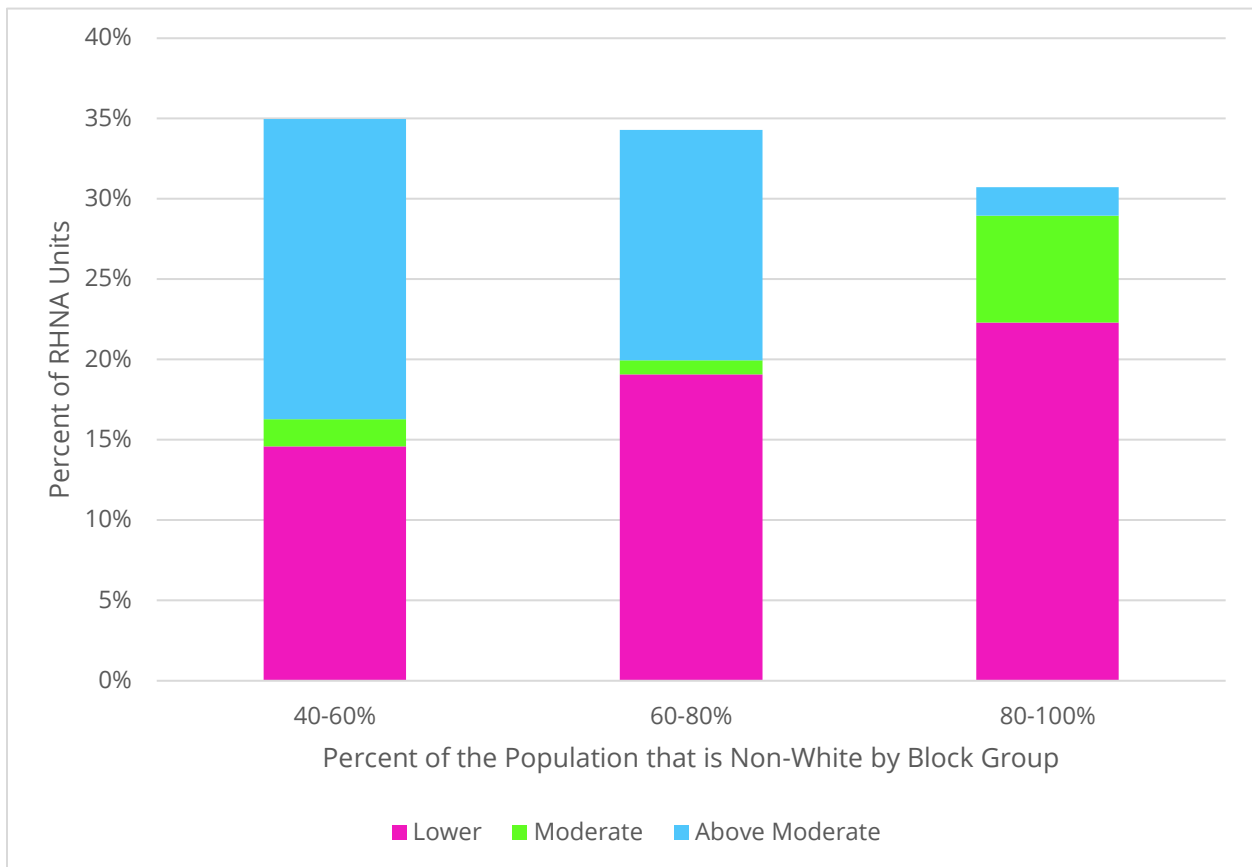
Percent Non-White, 2018 and RHNA Sites 0 0.75 1.5 Miles

Source: HCD AFFH Data Viewer

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

The City is including Program F - 5, Displacement Prevention Policy, to ensure that existing residents in sites located in the eastern portion of the City are protected from displacement. Program F - 2 includes multilingual tenant counseling through a partnership with Project Sentinel. The City is also including programs to encourage development opportunities throughout the City, including Program G - 3 for ADU outreach focused in the western portion of the City, Program A - 11 for adoption of an inclusionary housing policy, and Program A - 10 allowing duplexes, triplexes, and fourplexes that meet objective design standards to be approved ministerially in certain zones. The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 10: Percent non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹⁶ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by California Department of Housing and Community Development’s (HCD) AFFH Guidance Document.

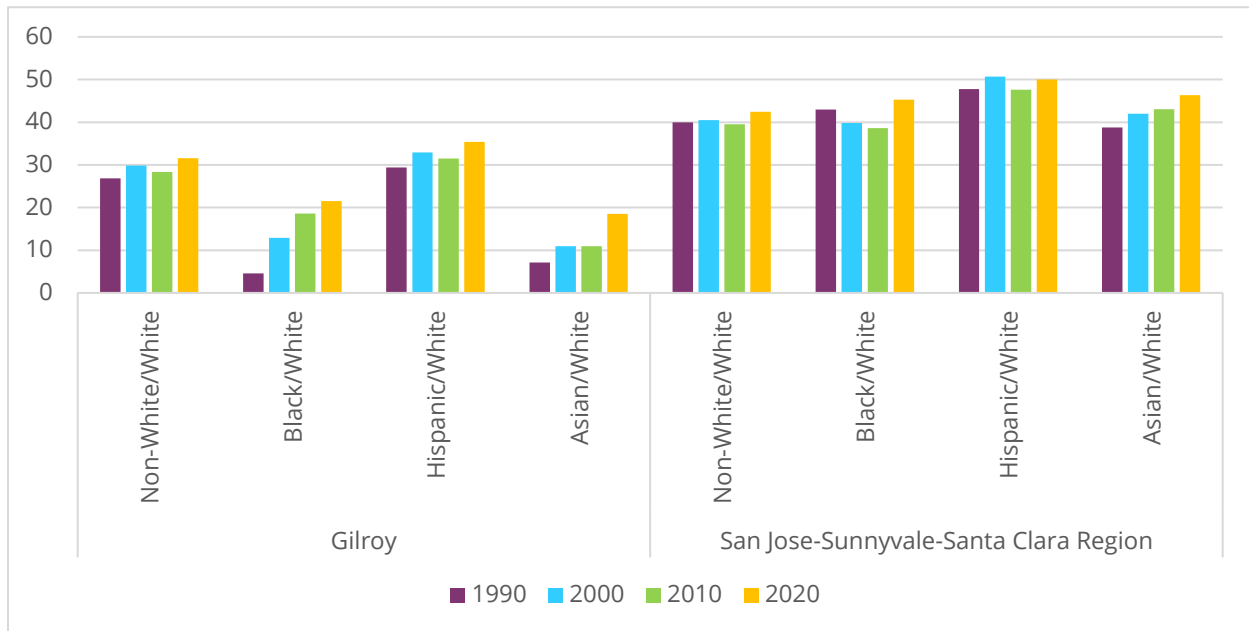
¹⁶ Measures of Residential Segregation <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

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

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

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

Figure 11: Dissimilarity Index for Race



Source: HUD AFFH Data tool.

Income

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

Table 43: Dissimilarity Index for Income

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

Source: Association of Bay Area Governments AFFH Data Report.

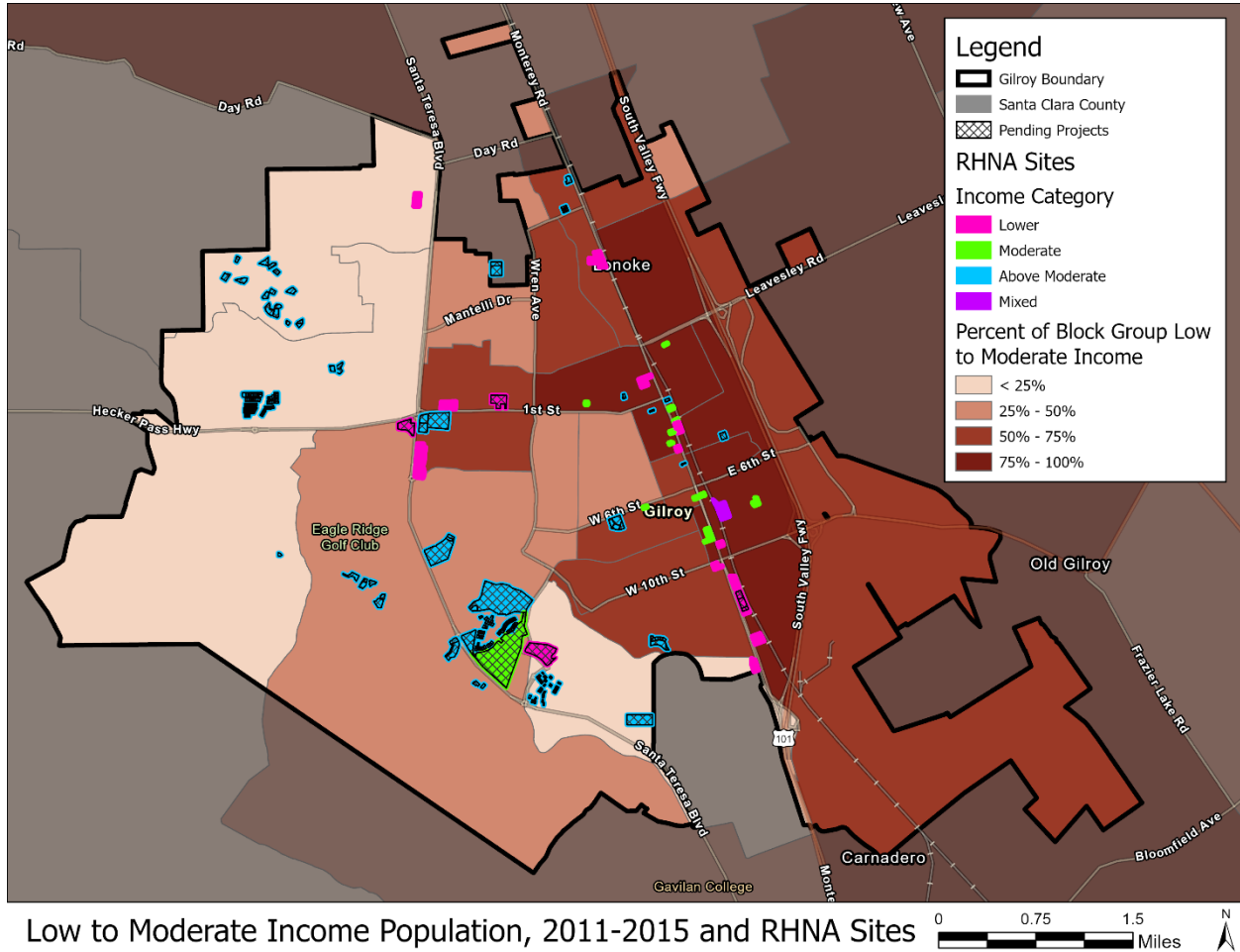
As shown in Figure 12, the area with a large low-to-moderate income population is also the area with a predominant Hispanic majority, and largest non-White population. This area is also where the R/ECAP is located. There is a large low- to moderate-income population in the area with more multifamily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

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

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

The City is also including programs to encourage development opportunities in the western portion of the City that are not captured by the sites inventory. Programs include ADU Tracking and Monitoring (Program A - 6), adoption of an Inclusionary Housing Policy (Program A - 11), allowing duplexes, triplexes, and fourplexes to be approved ministerially in certain zones (Program A - 10), and a Density Bonus beyond state law policy (Program A - 12). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

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



Source: HCD AFFH Data Viewer

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

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

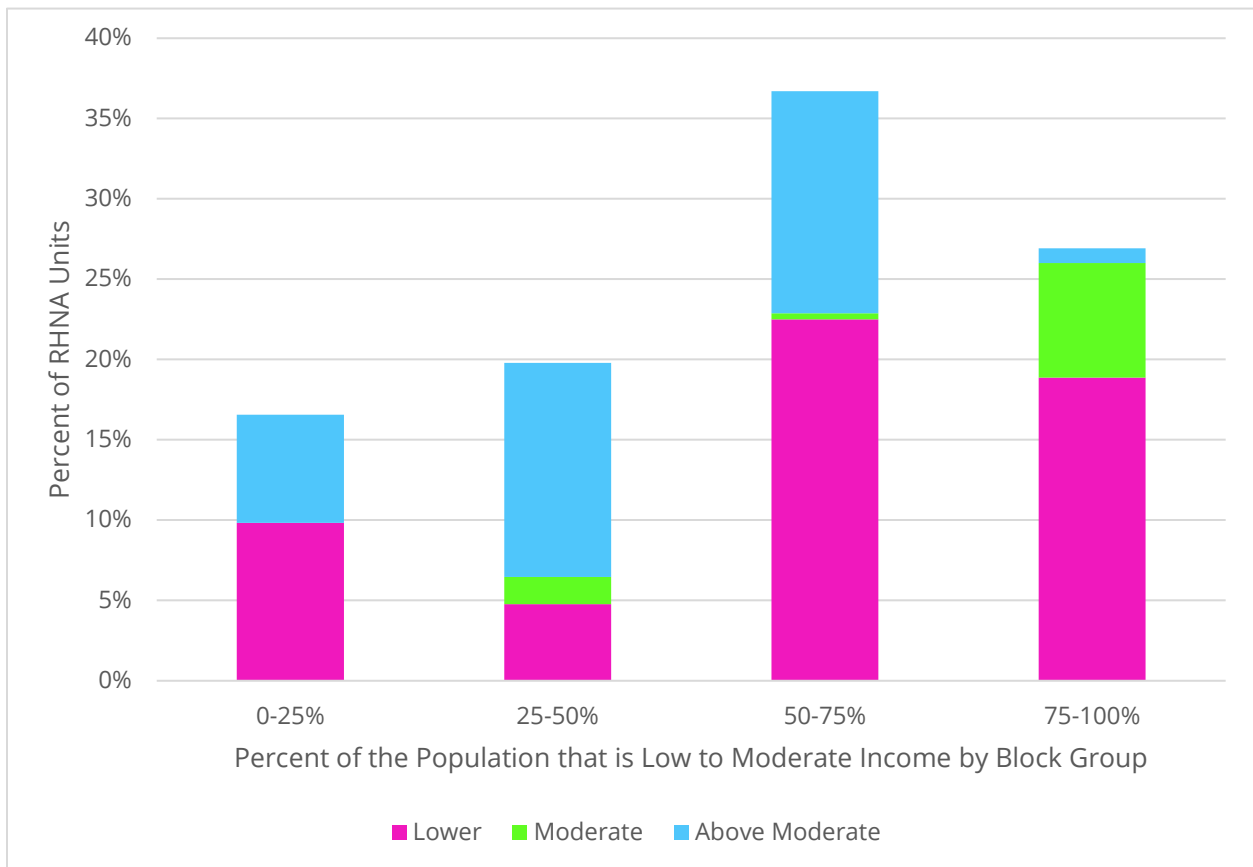
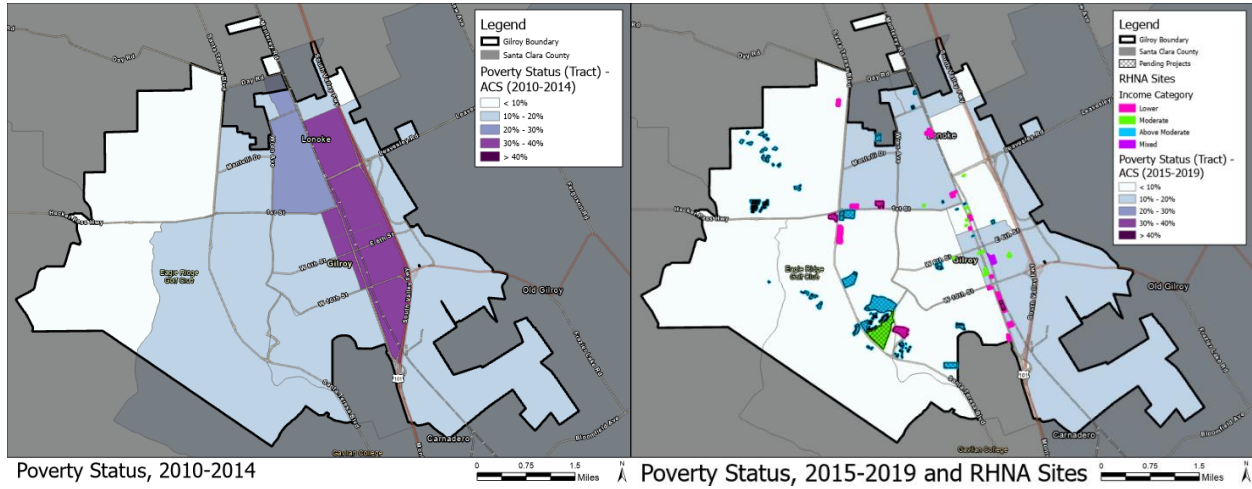


Figure 14 shows the change in the population under the federal poverty line by census tract from 2010–2014 to 2015–2019. Poverty is defined by incomes falling below the annually defined thresholds for family size by the Census. Poverty levels in the eastern area, where the downtown R/ECAP is located, decreased significantly over this period. From 2010 to 2014, 30-40% of households in the eastern downtown R/ECAP area were living in poverty. Between 2015 and 2019, the percentage decreased significantly, with less than 20%, and in some cases less than 10% of residents in this area living in poverty. Similarly, the number of impoverished residents in southern Gilroy decreased between 2010 and 2019, with less than 10% of these residents living in poverty. The 2015–2019 map shows lower levels of poverty Citywide and increased geographic parity. The 2015–2019 map also shows that pending projects and proposed RHNA sites are spread throughout the City with more pending projects in the west and proposed RHNA sites in the east.

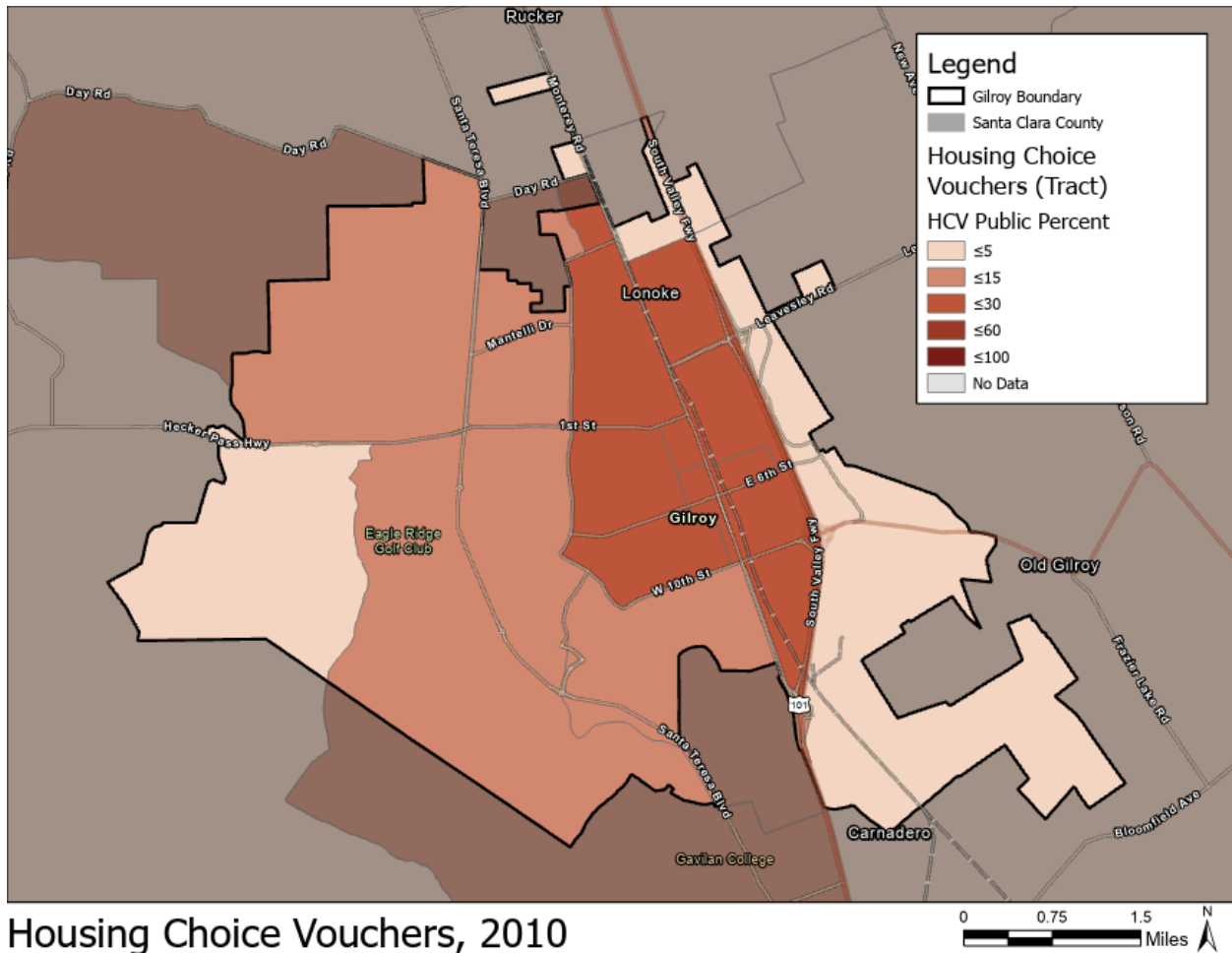
Figure 14: Poverty Status, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 15 displays the distribution of housing choice vouchers in the City. The Santa Clara County Housing Authority (SCCHA) is the regional Public Housing Authority for the City of Gilroy and administers the Housing Choice Voucher (HCV) program (also known as section 8). The HCV program is a 100% federally funded rental subsidy for low-income households living in privately owned rental units. The City does not own any public housing; however, SCCHA owns and manages affordable housing units in Gilroy and throughout the County of Santa Clara. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is little housing choice voucher use in the west side of the City. The majority of housing choice voucher usage is in the R/ECAP, where there is more multifamily housing and rental apartments.

Figure 15: Housing Choice Vouchers



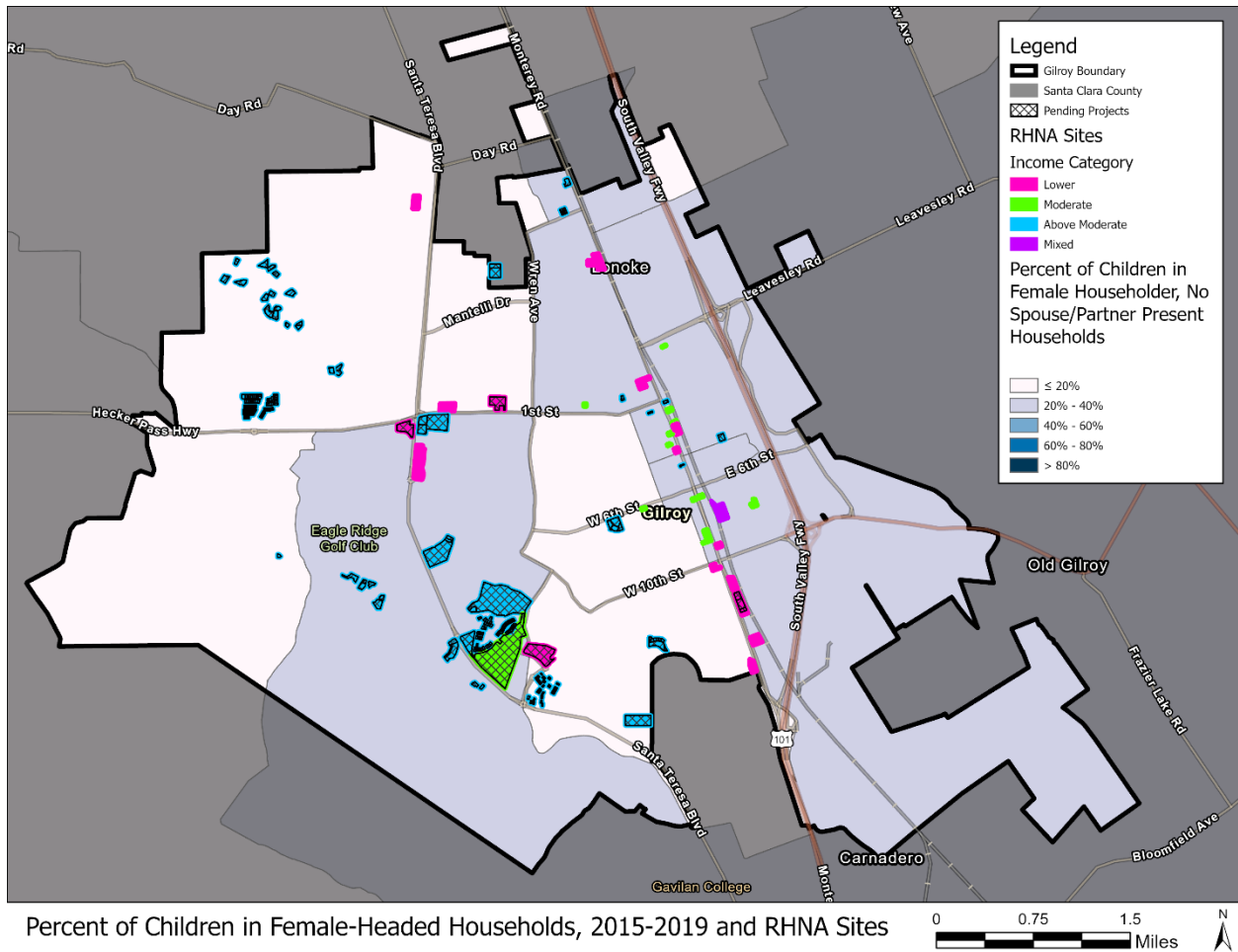
Housing Choice Vouchers, 2010

Source: HCD AFFH Data Viewer

Familial Status

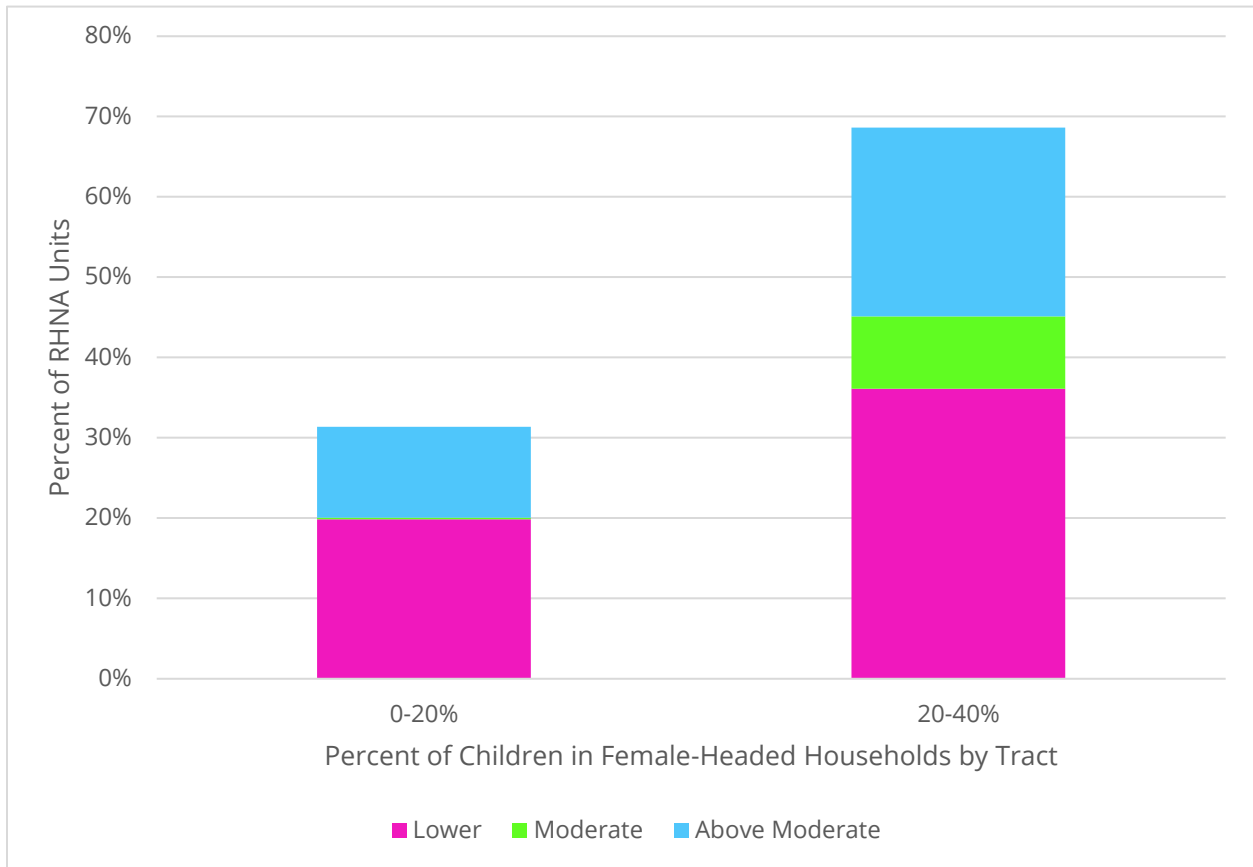
Figure 16 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pending and proposed RHNA sites. In 2019, 2,616 households, or 16.2 percent of the total households in Gilroy, were female-headed households, which is about 6 percent higher than in the County, at 10 percent. There is no tract with a significant concentration of children in female-headed households. As shown in Figure 17, RHNA sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. For example, 31.4 percent of the RHNA units are located in tracts where 0-20% of children are living in female-headed households with no spouse.

Figure 16: Children in Female-Headed Households and RHNA Sites



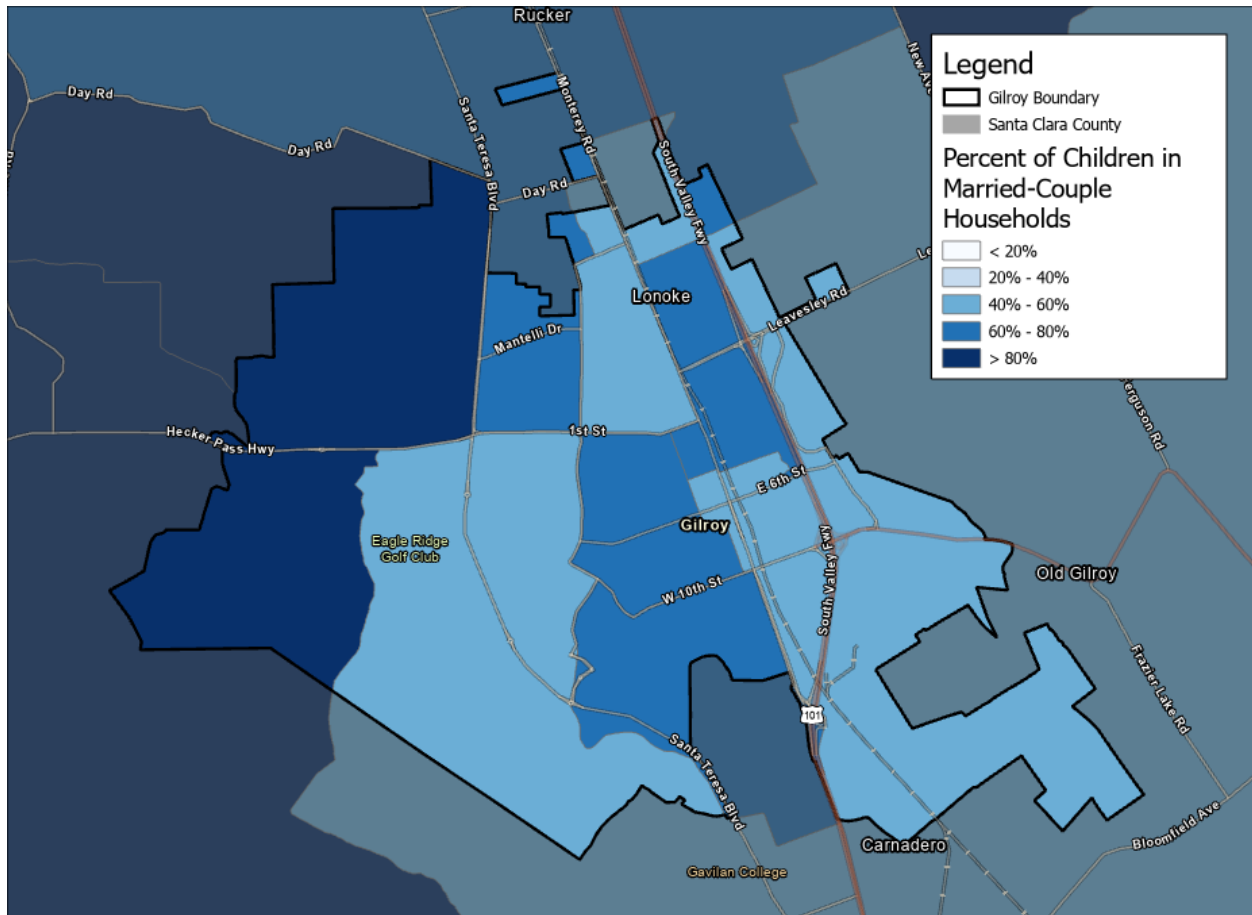
Source: HCD AFFH Data Viewer

Figure 17: Female Headed Households Comparison of RHNA Units

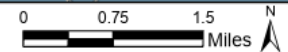


As shown in Figure 18, areas with high concentrations of children in married-couple households are also areas with large numbers of single-family households. In Gilroy, 30.5 percent of households are married-couple households with children present, compared to 26.6 percent countywide. RHNA sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure 18: Children in Married-Couple Households



Children in Married Couple Households, 2015-2019



Source: HCD AFFH Data Viewer

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs group. The 2019 American Community Survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.¹⁷

The types of disabilities included in the Census are:

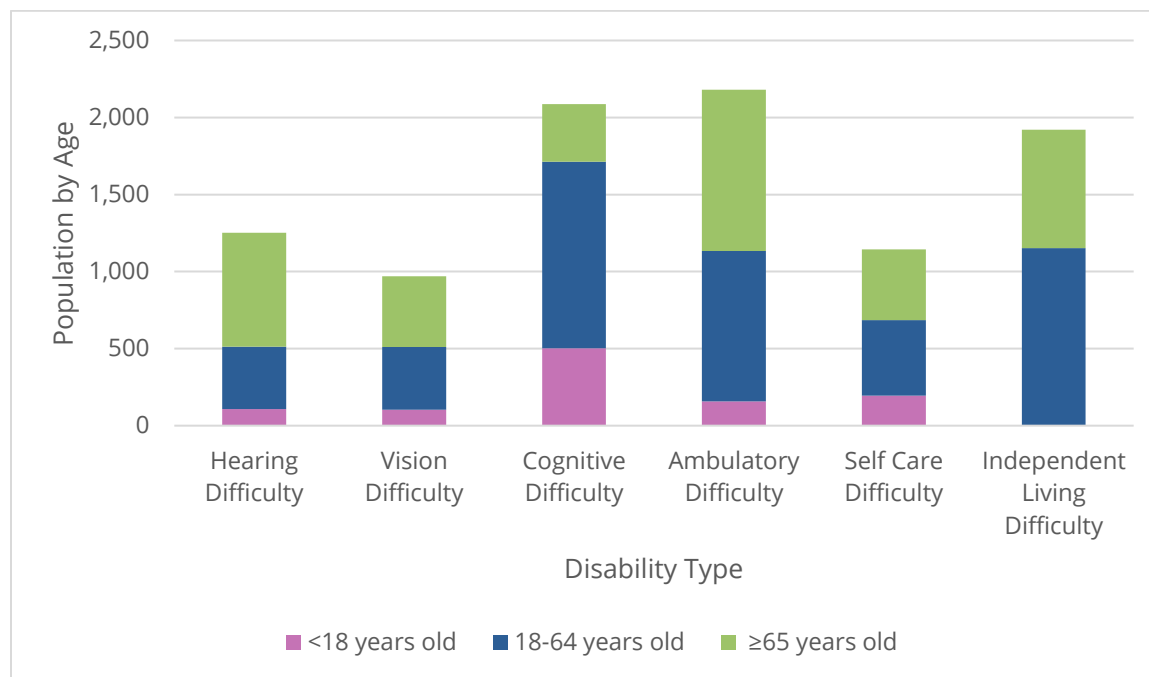
¹⁷ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

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

Figure 19 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

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

Figure 19: Disability Characteristics, Gilroy, 2019



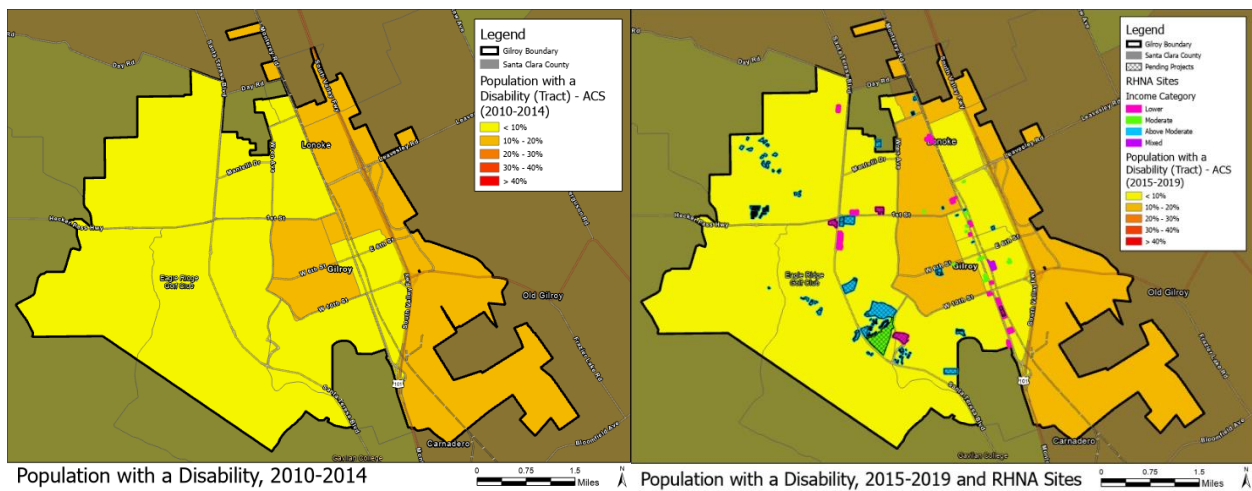
Source: 2019 ACS B18108.

Figure 20 shows that the disabled population is relatively evenly distributed throughout Gilroy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2015–2019. There is no area of the City with an extreme concentration of persons with disabilities. The area in the east of the City with a larger low- to moderate-income population and larger non-White population does have a slightly larger disabled population, though the difference is minimal. Furthermore, the west tracts have more open space and

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

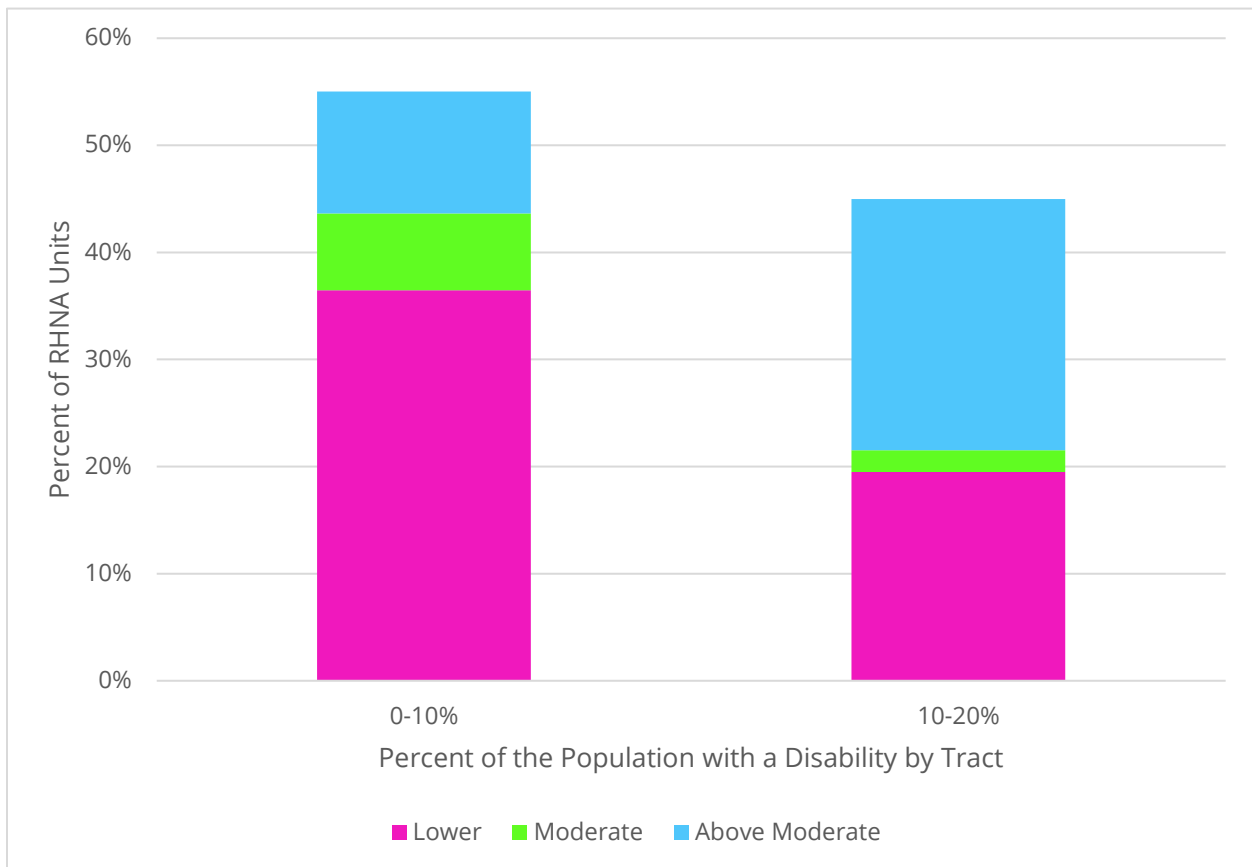
Figure 20 also shows pending and proposed RHNA sites in the context of persons with a disability. As shown in Figure 21, the RHNA sites are relatively evenly distributed between areas with higher and lower concentrations of the disabled population. For example, 55.0 percent of the RHNA units are located in the area where 0-10% of the population has a disability. As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure 20: Population with a Disability, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 21: Population with a Disability Comparison of RHNA Units



Findings

Overall, the City of Gilroy has higher concentrations of non-White and low- to moderate-income residents in the eastern portion of the City. This area saw a reduction over time in households under the federal poverty level, from 30-40% in 2010-2014 to either 10-20% or less than 10% in 2015-2019. This area is also where housing choice voucher use primarily occurs. Many of the pending and proposed RHNA sites are located in this area, which includes placed-based improvements in the Downtown Specific Plan area, including the future high-speed rail station. The selected RHNA sites are not anticipated to cause displacement or worsen patterns of segregation. The City is including programs to encourage redevelopment of sites downtown. These programs include an Inclusionary Housing Policy A - 11^(OBJ), multi-lingual tenant outreach in partnership with Project Sentinel (F - 1^(OBJ)), a Displacement Prevention Ordinance (F - 5^(OBJ)), and Place-Based Improvements in this area F - 3^(OBJ).

Much of the western portions of Gilroy was developed relatively recently, leaving few vacant or underdeveloped sites that would likely be redeveloped during the 2023-2031 eight-year planning cycle. Furthermore, most of the remaining undeveloped parcels on the west side do not meet the size requirements for lower-income units. However, the City is including programs to encourage development opportunities in the western portion of the City, including an ADU Tracking and Monitoring (Program A - 6), adoption of an Inclusionary Housing

Policy (Program A - 11), and allowing duplexes, triplexes, and fourplexes meeting objective design standards to be approved ministerially in certain zones (Program A - 10). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Racially and Ethnically Concentrated Areas of Poverty and Affluence

R/ECAPs

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

Gilroy has a R/ECAP in Census Tracts 5126.03 and 5126.04. The tracts are shown in Figure 22 along with the proposed RHNA sites by their income levels. The tracts include the Downtown Specific Plan area and the future high-speed rail station, which will increase access to transit options and employment centers for potential residents. Existing and proposed transit bring the opportunity for transit-oriented development to the R/ECAP area. The downtown area has excellent proximity to commercial and employment resources and opportunities. Additionally, placing new housing sites in this area allows lower-income residents to stay in their neighborhood and take advantage of new, high-quality housing with new amenities. The location of RHNA sites in the R/ECAP will not exacerbate or create any additional R/ECAPs.

Figure 23 compares the percent of RHNA sites within the R/ECAP area by their income levels, illustrating that the majority of the RHNA sites are located in non-R/ECAP areas. About twenty-five percent (24.7%) of pending projects and potential RHNA sites are proposed in the R/ECAP.. This area is also designated for higher density housing options in a smart growth pattern with access to transit, employment, and service uses and facilities. Furthermore, planning for more affordable units in this area will help minimize displacement of existing residents when older properties are redeveloped.

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

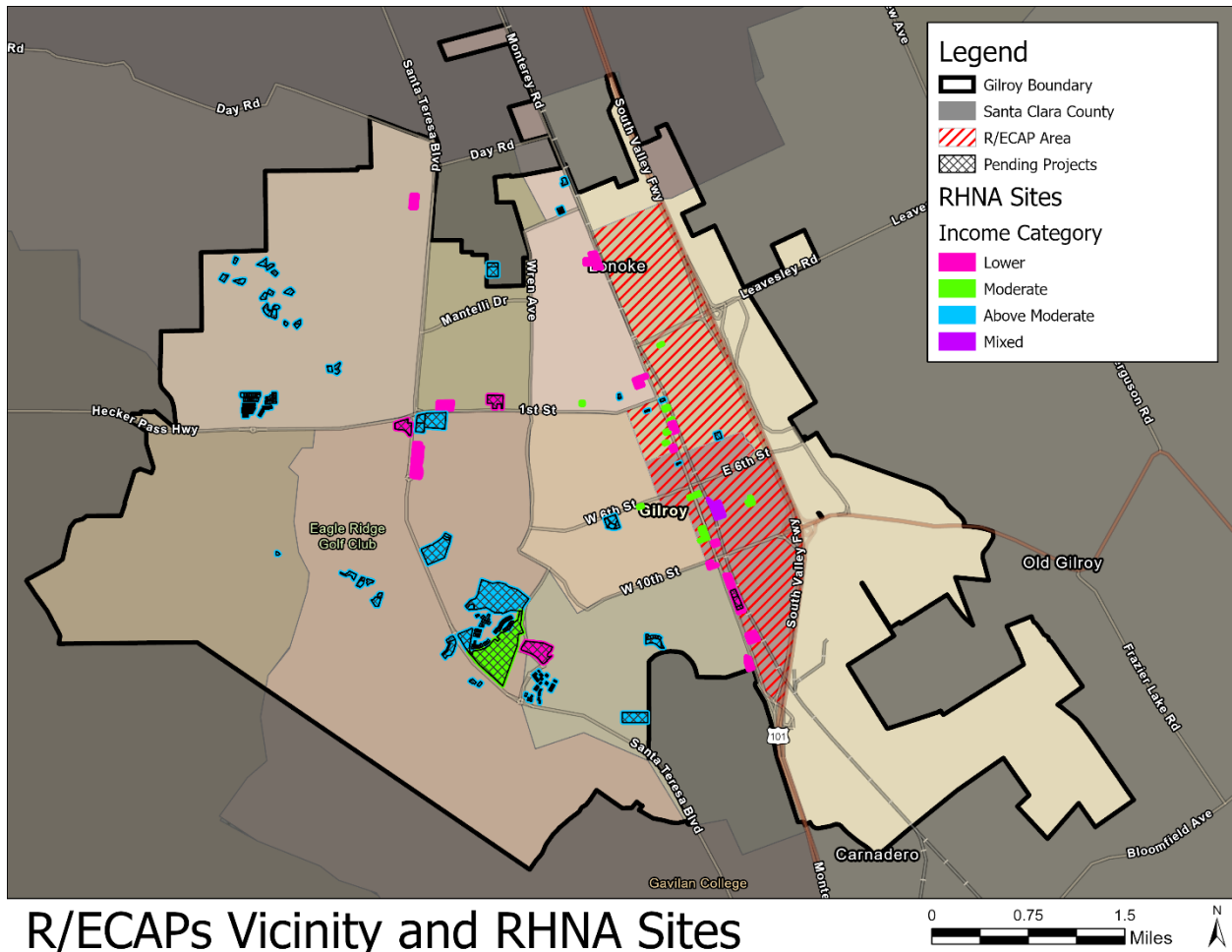
The two census tracts that make up the R/ECAP are also qualified Opportunity Zones as designated by the Tax Cuts and Jobs Act of 2017. Opportunity Zones are designated census tracts where new investments may be eligible for preferential tax treatment. The Opportunity Zones designator helps spur economic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

The City is including multiple programs to ensure that the sites in the R/ECAP improve conditions rather than exacerbate existing conditions. These include Place-Based Improvements (Program F - 3), Displacement Prevention Policy (Program F - 5), increased outreach in downtown Areas (Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2).

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

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

Figure 22: R/ECAPs in the City and Vicinity

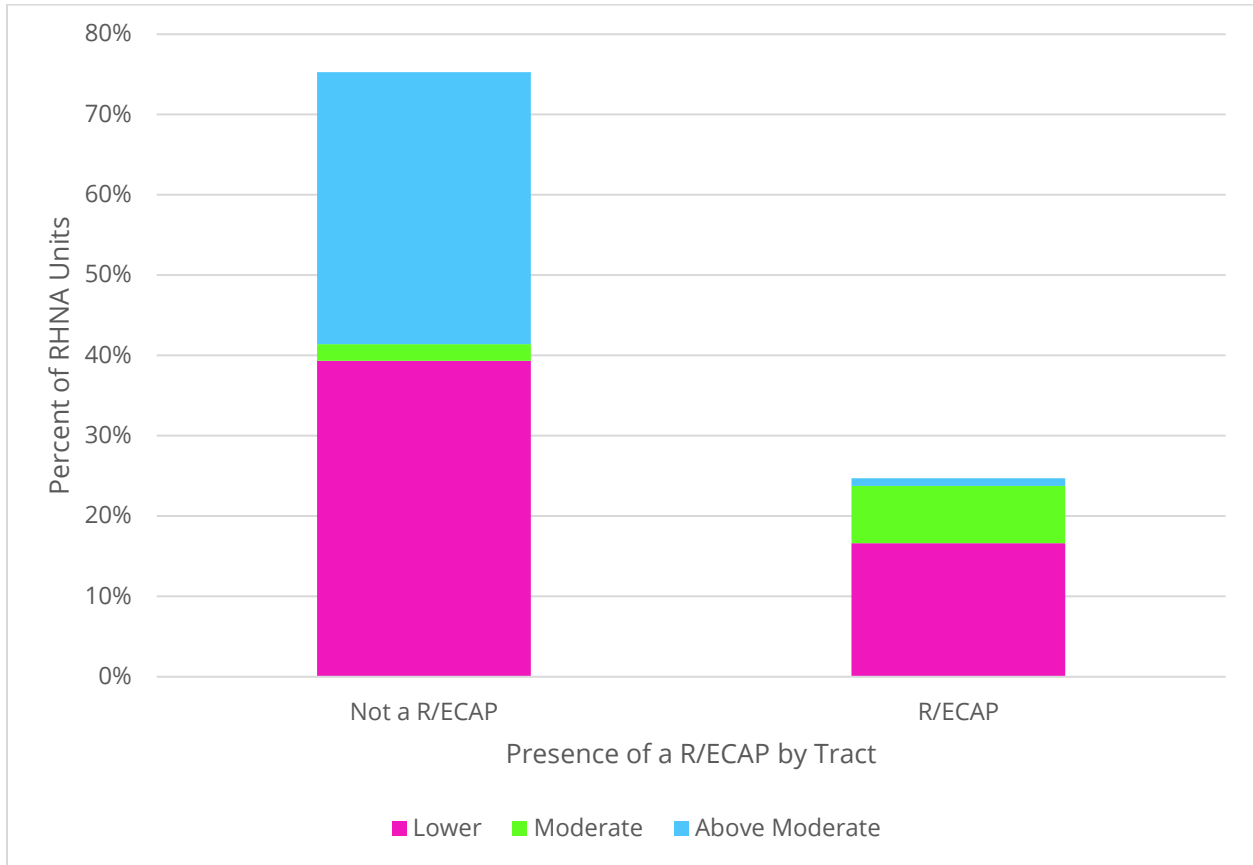


R/ECAPs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

As shown in Figure 23, the majority of the RHNA sites are located in non-R/ECAP areas. The City is including multiple programs to ensure that the sites that are included in the R/ECAP improve conditions rather than exacerbate existing conditions.

Figure 23: RHNA Sites by R/ECAP.

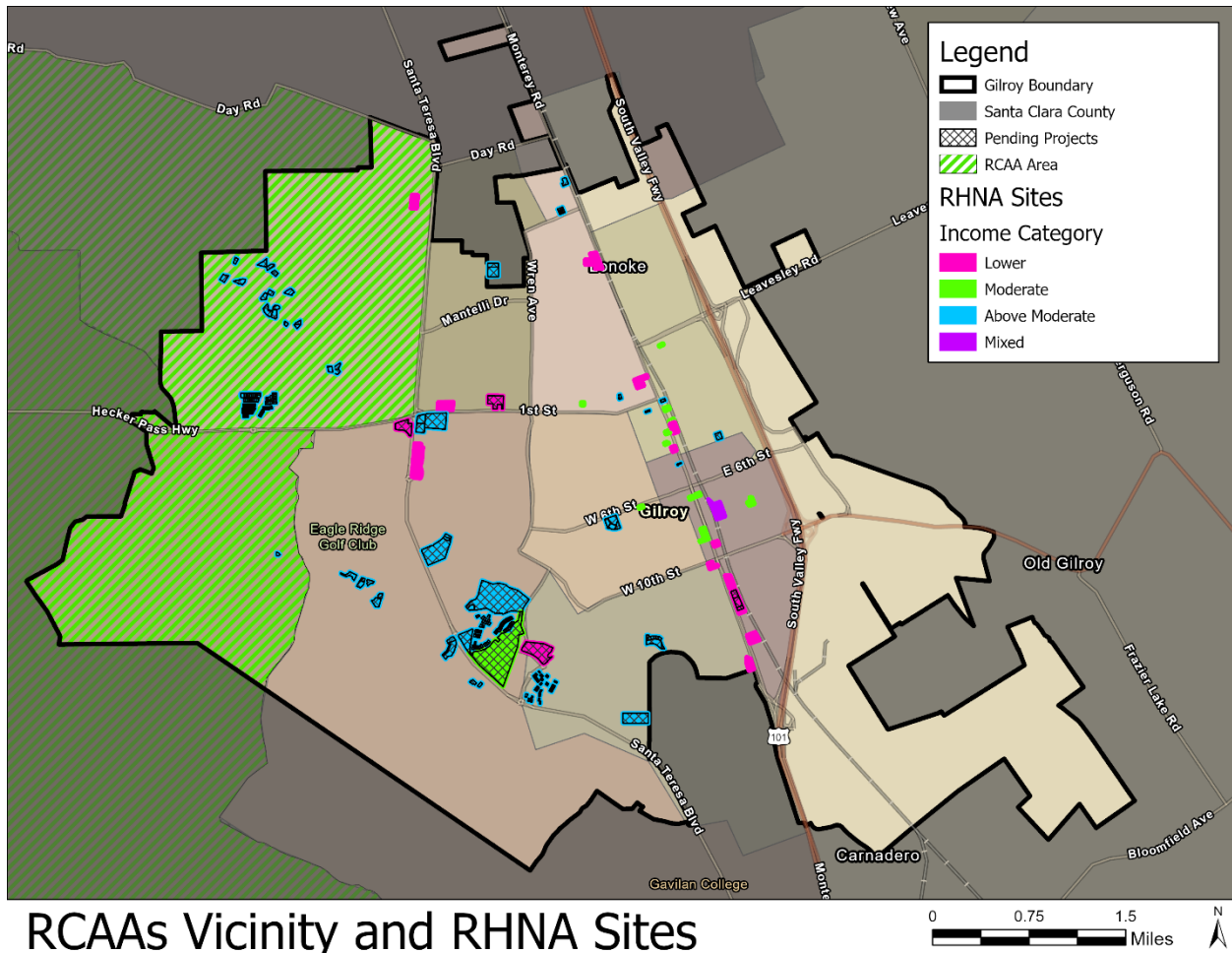


Racially Concentrated Areas of Affluence

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

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

Figure 24: RCAAs Vicinity and RHNA Sites



RCAAs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

Disparities in Access to Opportunities

California Tax Credit Allocation Committee (TCAC)

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

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

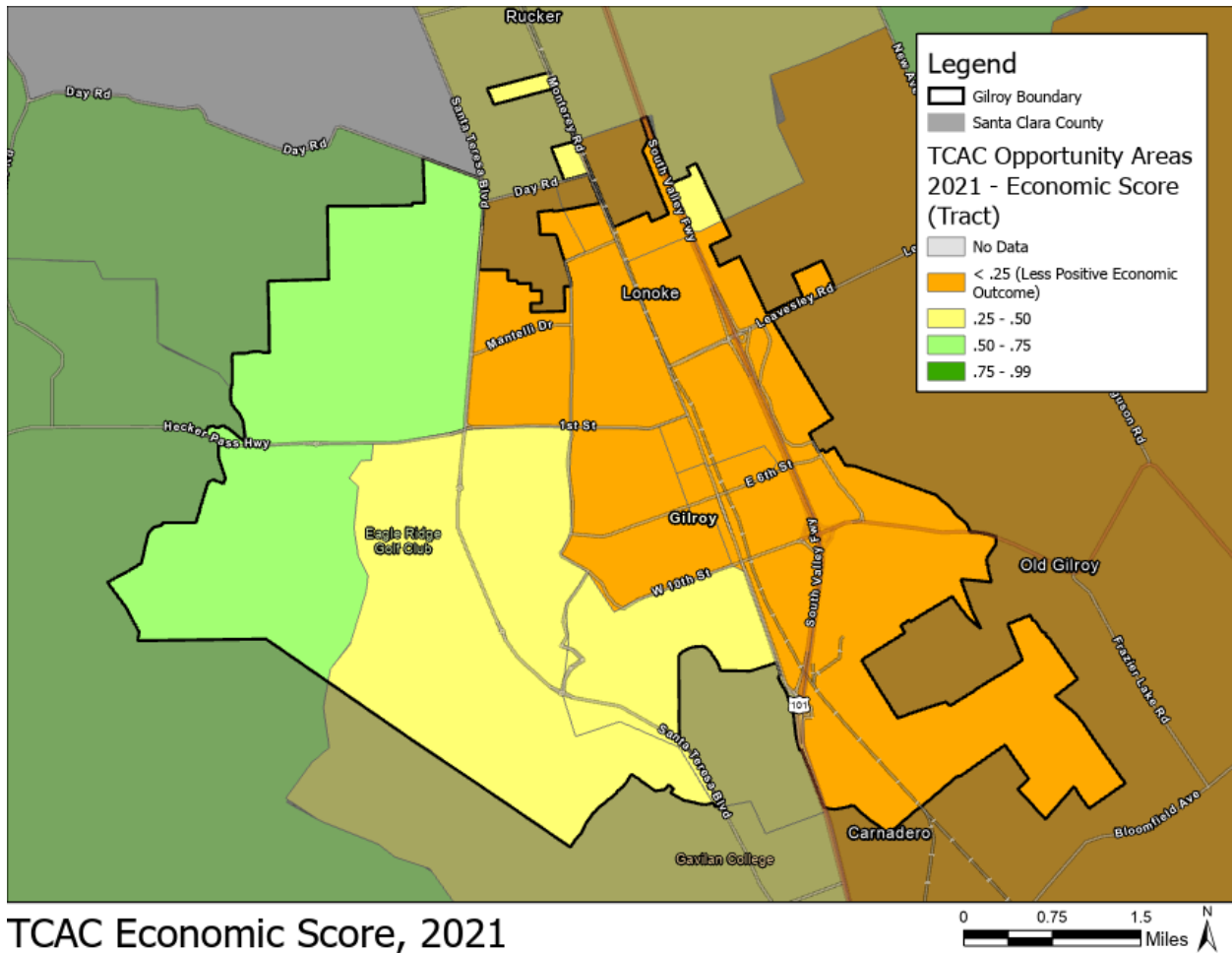
living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between moderate resource and low resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program¹⁸. Additional information regarding these indicators in Gilroy are provided on the following pages.

Economic Indicators

Economic indicators include poverty, adult education, employment, job proximity, and median home value. The scores for Gilroy are shown in Figure 25. Gilroy has more positive economic scores in the west, and less positive scores in the eastern parts of the City. The less positive scoring area includes the R/ECAP, while the more positive scoring area contains single-family homes. The more positive scoring area also has some open space, which may slightly skew results. The City is located far away from major regional job centers. For this reason, the City also trends lower in score when compared to the region as a whole.

¹⁸ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure 25: TCAC Economic Score, 2021



TCAC Economic Score, 2021

Source: HCD AFFH Data Viewer

Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. The entirety of Gilroy is served by the Gilroy Unified School District, which includes 11 elementary schools, 6 middle schools, and 6 high schools. According to Great Schools, 31 percent of schools in the district are rated below average, 44 percent are rated average, and 25 percent are rated above average.¹⁹

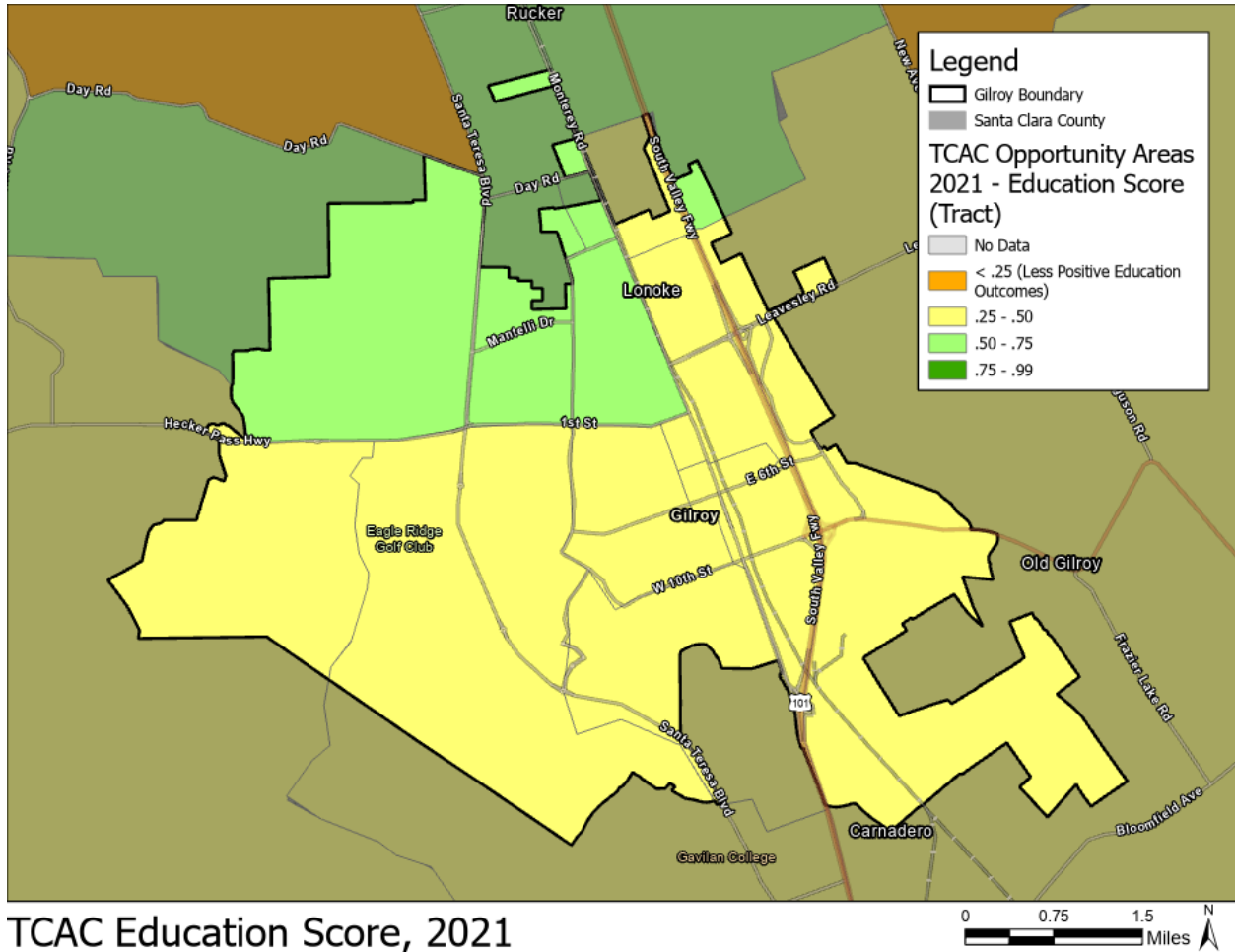
Gilroy Unified School District has a Migrant Education Program which aims to ensure that all migrant students experience a high-quality education. This program includes actions to ensure migrant children who move among the States are not penalized by disparities among the States in curriculum, help students overcome language barriers, and more.²⁰

¹⁹ Great Schools, Gilroy Unified School District Summary. https://www.greatschools.org/california/gilroy/gilroy-unified-school-district/#summary_rating

²⁰ Migrant Education Program <https://www.gilroyunified.org/departments/educational-services/migrant-education>

As shown in Figure 26, most of the City has below average education scores, with the northmost areas being slightly above average. Additionally, the above average poverty rates in the City have a negative effect on TCAC educational scores, as poverty rates are included in this calculation.

Figure 26: TCAC Education Score

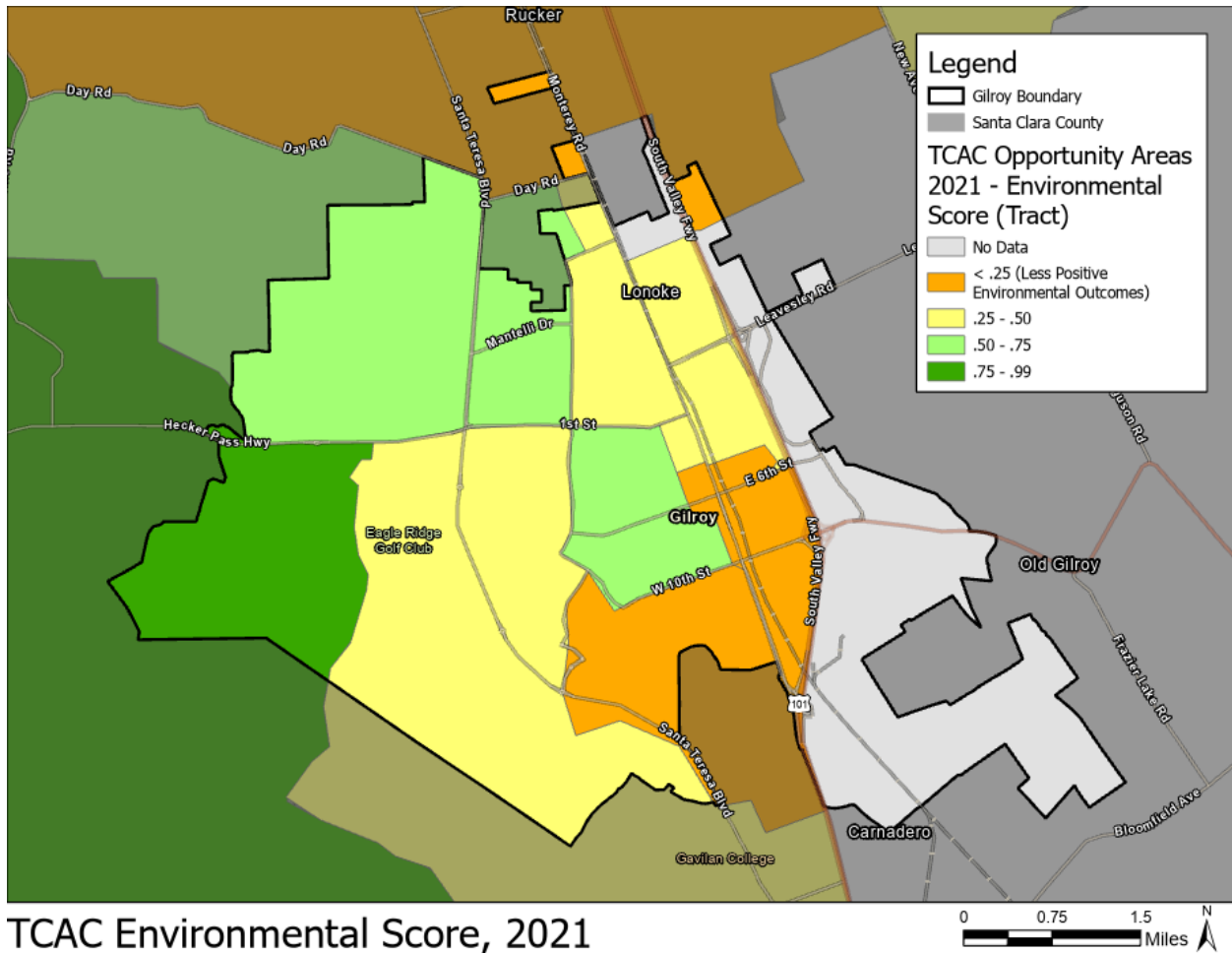


Source: HCD AFFH Data Viewer

Environmental Indicators

The environmental domain utilizes CalEnviroScreen (CES) 3.0 pollution indicators and values (see below for more discussion on CES). As shown in Figure 27, the scores vary throughout the City, with environmental outcomes becoming less positive as the tracts move eastward. The tracts bisected by the 101 Highway have lower outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be contributions from the large agriculture industry in the City.

Figure 27: TCAC Environmental Score



TCAC Environmental Score, 2021

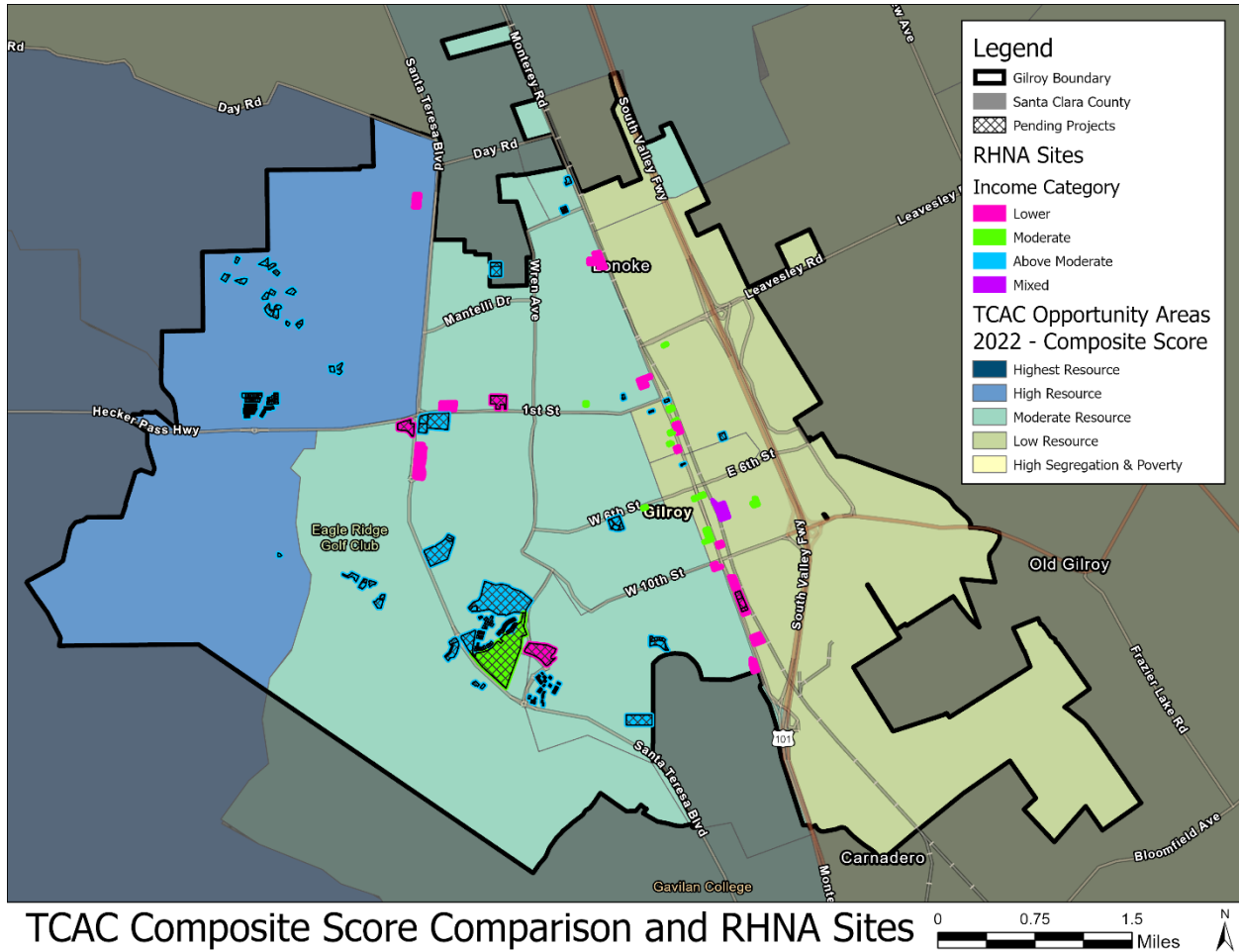
Source: HCD AFFH Data Viewer

TCAC Composite Score

Figure 28 displays the 2022 TCAC composite score for the City. The vast majority of the City is in the moderate or low resource area. A corner of the City is a part of a large census tract that is high resource. The portions of this tract in the City contain mostly hillside open space and the Gilroy Gardens Family Theme Park, along with two single-family neighborhoods. A large portion of the population in the census tract lives outside of the City. The City is focusing growth as infill within the downtown area, which has access to regional transit, employment opportunities, and social resources. As such, the majority of RHNA sites are located in this area, which is currently considered a low resource area. However, many of the pending projects, including low- and moderate-income units, are located in the moderate resource areas of the City. Furthermore, through the 2040 General Plan and the Downtown Specific Plan, the City is focusing growth and economic development to revitalize the downtown area, which will include the future construction of a high-speed rail station. Investments in the area are expected to increase access to opportunity and increase resources in the low resource area of the City. The City is also including programs to encourage development in moderate resource

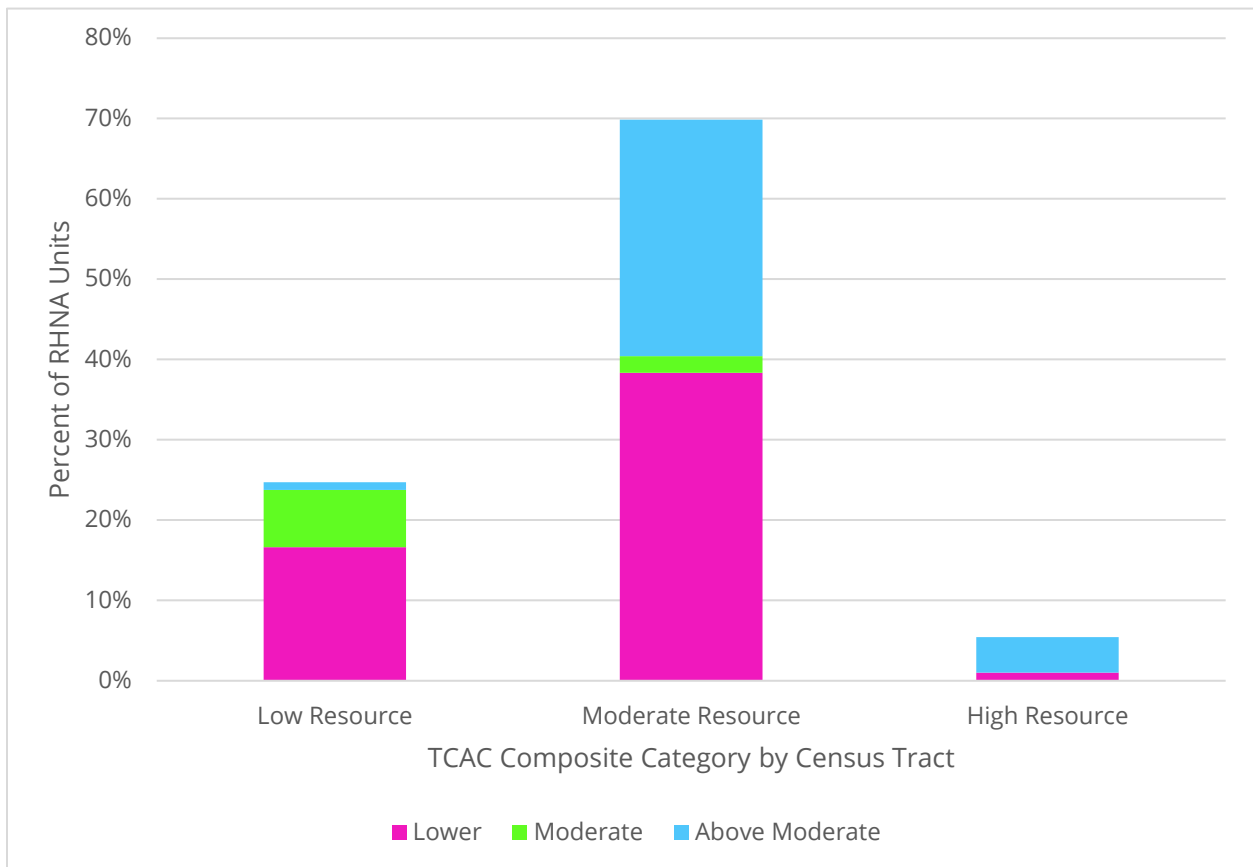
area of the City. Programs include targeted ADU outreach to the single-family neighborhoods (Program A - 6), and ministerial approval of duplexes, triplexes, and fourplexes in designated areas of the City (Program A - 10). The City is also adopting an inclusionary housing ordinance (Program A - 11) and a program to develop density bonuses beyond state law (Program A - 12).

Figure 28: TCAC Composite Score and RHNA Sites



Source: HCD AFFH Data Viewer

As shown in Figure 29, the majority of RHNA sites in the City are in low or moderate resource areas, with a large majority of above moderate pending projects in the moderate resource area. The area of the City with the highest resource category is about half open space. As the majority of the City is moderate resource, distributing RHNA Sites of a variety of income in areas of these categories is unlikely to exacerbate any conditions or make any negative changes to the resource designation. Just over 30 percent of the City is low resource, and 24.7 percent of RHNA sites are located in the low resource area.

Figure 29: TCAC Designation Comparison of RHNA Units

Access to Opportunities, Regional Comparisons

HUD has developed a series of indices for fair housing analysis to assist cities in identifying disparities in access to opportunity. The following indicators are scored on a scale from zero to 100.²¹

- **Low Poverty Index:** The low poverty index captures poverty at the census tract level. The higher the score, the less exposure to poverty.
- **School Proficiency Index:** The school proficiency index uses the performance of fourth-grade students on state exams to describe which areas have higher and lower performing schools. The higher the score, the higher the school system quality.
- **Labor Market Index:** The labor market index measures the relative intensity of labor market engagement and human capital. The index is calculated using employment levels, labor force participation, and education attainment. The higher the score, the higher the labor market participation in a neighborhood.

²¹ HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation

- **Transit Index:** The transit index is based on estimates of transit trips taken by a three-person, single-parent family with income at 50 percent of the median income for renters for the region. The higher the index, the more likely that the residents use public transit.
- **Low Transportation Cost Index:** The low transportation cost index is calculated based on estimates for a three-person, single-parent family with income at 50 percent of the median income for renters for the region. More specifically, this index considers transportation costs as a percent of income for this household type. The higher the index, the lower the cost of transportation.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region. Larger employment centers are more heavily weighted. The higher the index, the better access to employment opportunities.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to a variety of toxins that are harmful to human health. The higher the index, the less exposure to toxins.

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

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

Table 44: Opportunity Indicators²²

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

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

Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The Valley Transit Authority (VTA) serves Santa Clara County, and there is also a commercial shuttle service available from the San Francisco and San Jose airports. Both public transportation and Highway 101 provide access from Gilroy to north Santa Clara County. The City is the southernmost stop on the Caltrain which operates commute service to the Santa Clara Valley, San Francisco Peninsula and San Francisco. Amtrak's Capitol Corridor line runs a thruway line from San Jose to Santa Barbara with a stop in Gilroy. The Monterey-Salinas Transit Line 55 stops in Gilroy and provides rush hour service between San Jose and Monterey. The San Benito County Express provides intercounty bus service from Gilroy to Hollister and San Juan Bautista.

Transit routes in Gilroy are shown in Figure 30. The VTA provides service to Gavilan College with bus lines along Luchessa Avenue and Santa Theresa Boulevard. The City also has a full network of bike lanes which connect all elementary, middle, and high schools in the area.

²² HUD Affirmatively Furthering Fair Housing. <https://egis.hud.gov/affht/>

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

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

Figure 30: Transit Route Map



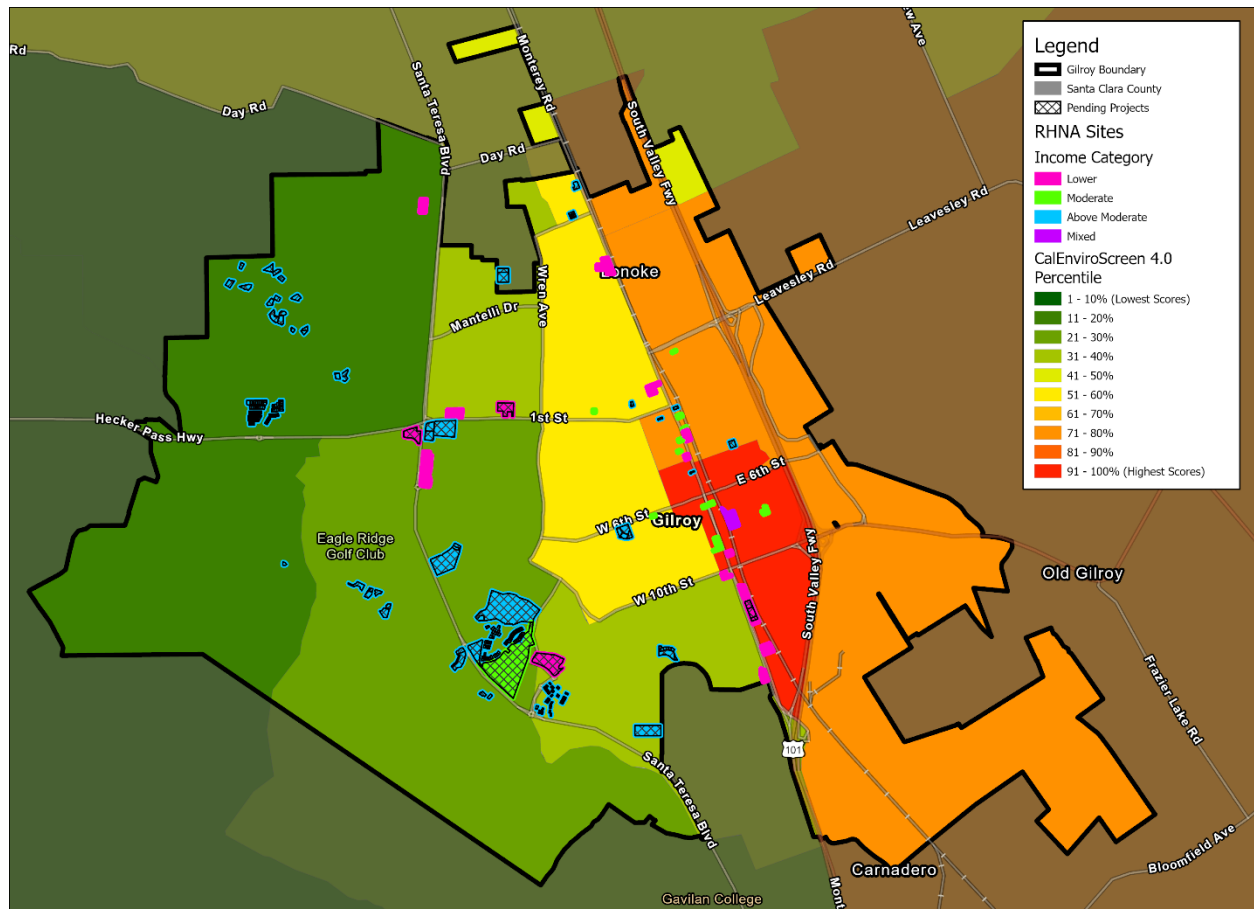
Source: Valley Transportation Authority, 2022

CalEnviroScreen 4.0

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

The CES scores for the City of Gilroy in Figure 31 show that highest scores occur in the eastern half of the City, where the R/ECAP is located. CES scores are lower in the west. The areas bisected by the 101 Highway have less positive outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be attributed to both permitted and unpermitted contributions from the large agriculture industry in the City. The lower density western portion of Gilroy contains steeply sloped areas and low-density development, and large open areas that significantly limit development, contributing to lower CES scores.

Figure 31: CES Percentile and RHNA Sites

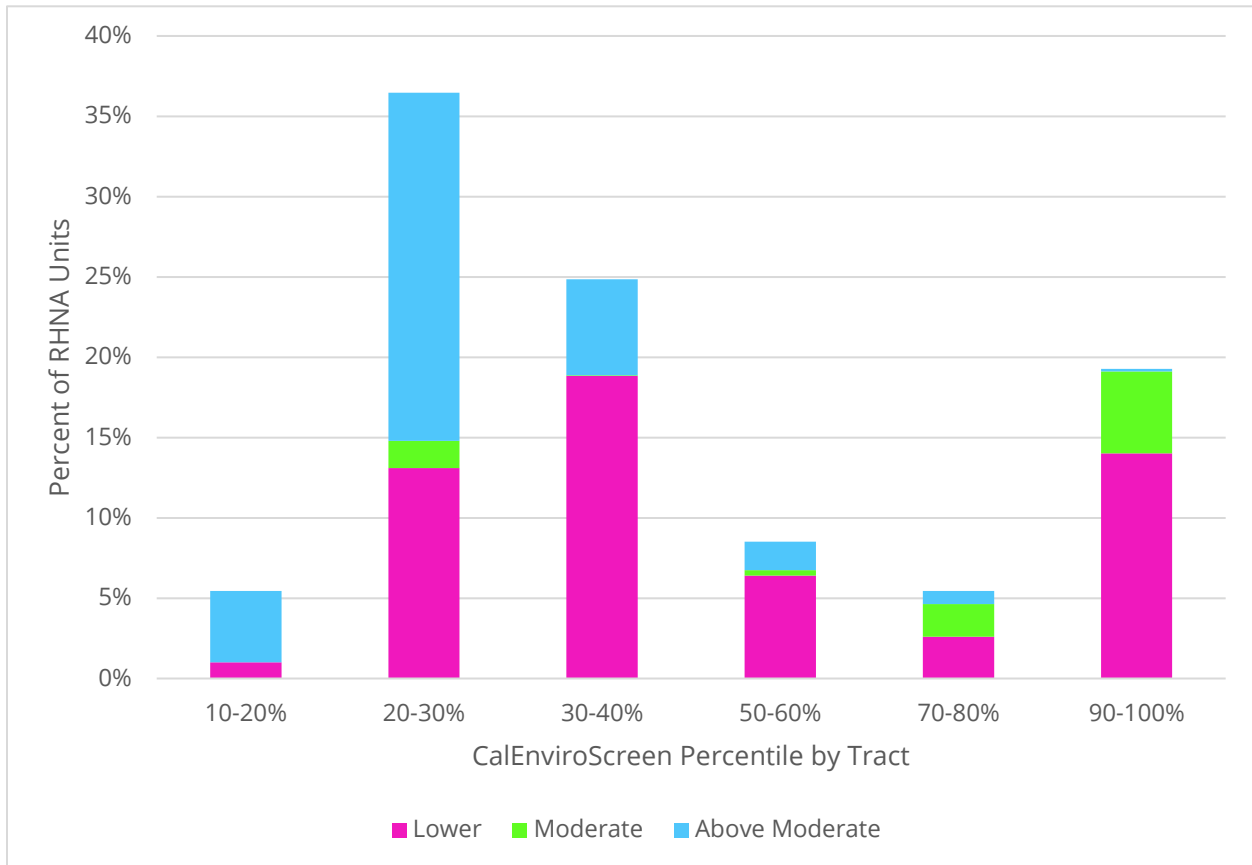


CalEnviroScreen 4.0 Percentile Score and RHNA Sites

Source: HCD AFFH Data Viewer.

As shown in Figure 32, sites are distributed throughout both the lower and higher scoring areas of the City. For example, 36.5 percent of RHNA units are located in a tract in the 20-30th CalEnviroScreen Percentile. Although the Downtown Specific Plan area contains the highest CES scores in the City, RHNA sites in this area will provide potential residents with access to transit and employment resources, including a new future high speed rail station.

Figure 32: CalEnviroScreen Percentile Comparison of RHNA Units



Findings

Overall, the City of Gilroy is largely of lower and moderate resource. The City has lower scores in opportunity metrics, compared to the County as a whole. As such, many of the RHNA sites are located in a low-resource area (see Figure 28), which includes the Downtown Specific Plan area. The low resource area is also where housing choice voucher use primarily occurs. While pending projects are more evenly distributed throughout the City, proposed RHNA sites in the downtown area will provide potential residents the best access to services, employment resources, and transit including the future high-speed rail station.

The City is including Program F - 3 to ensure that the RHNA site selection will improve access to place-based improvements in lower-resource areas, such as the \$3.9 million grant in the historic downtown. The Housing Element also includes a displacement prevention program (Program F - 5), tenant mediation program (Program F - 2), and targeted funding such as

Housing Rehabilitation (Program **C - 2**), CDBG funding (Program **D - 5**), and the Permanent Housing Allocation (PLHA) Fund (Program **D - 1**).

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

Disproportionate Housing Needs

Substandard Housing

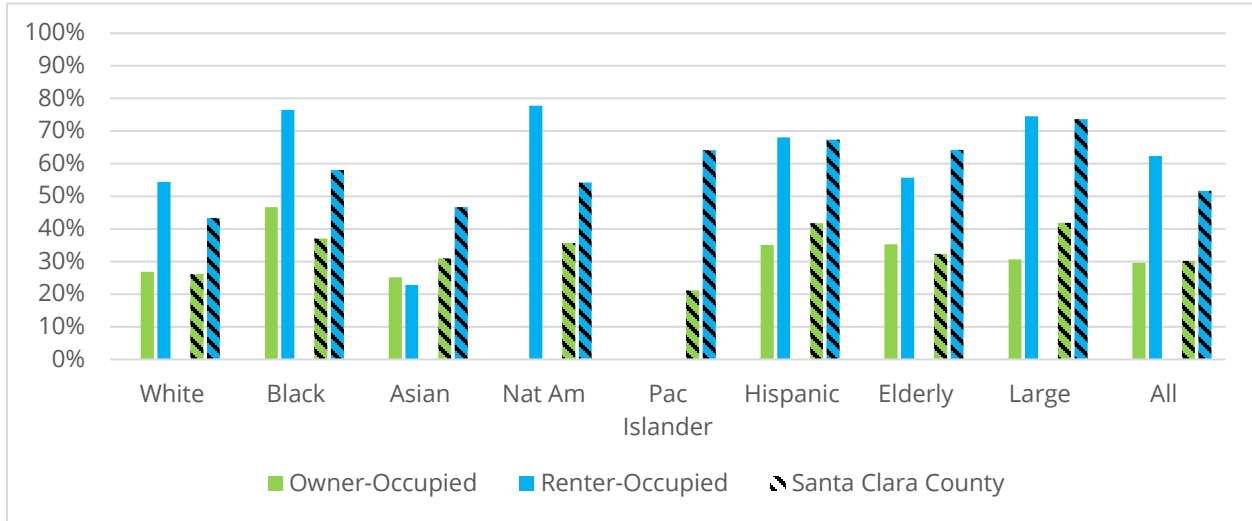
Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

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

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

Black and Native American renters experience housing problems at the highest rate, around 75 percent, while only about 25 percent of both Asian and White owners experience housing problems. Rates of housing problems for Hispanic owners vary between the City (35.1%) and the County (41.8), while rates of housing problems for Hispanic renters are relatively comparable between the City (68.1%) and the County (67.4%). In 2018, there was no Pacific Islander population in the City, which indicates why Figure 33 reads that 0 percent of that population experiences housing problems.

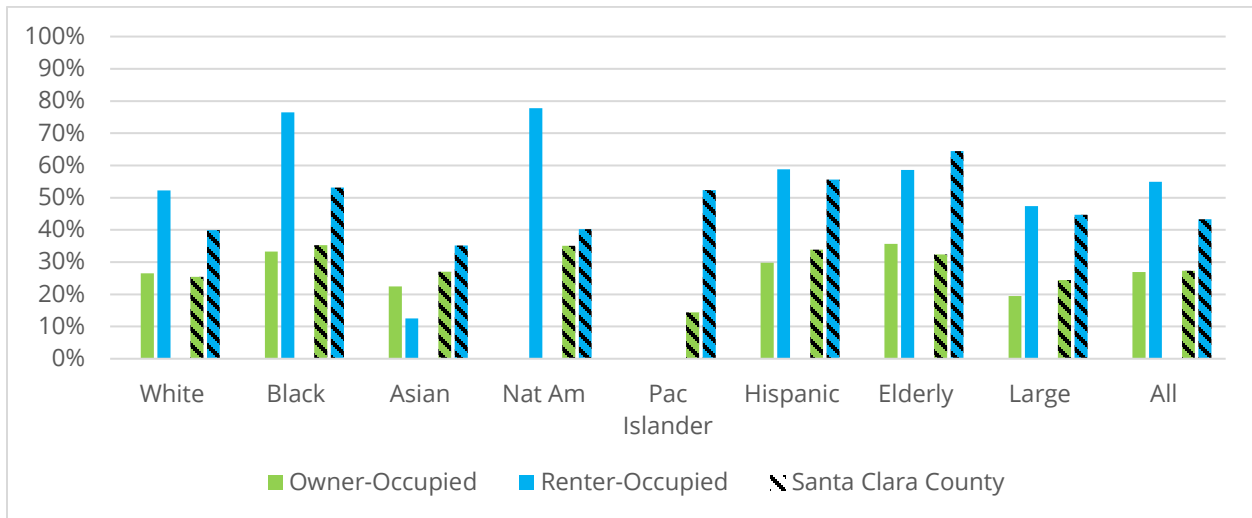
Figure 33: Housing Problems by Tenure and Race/Elderly/Housing Size



Source: HUD CHAS Data, 2018

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

Figure 34: Cost Burden by Tenure and Race/Elderly/Housing Size

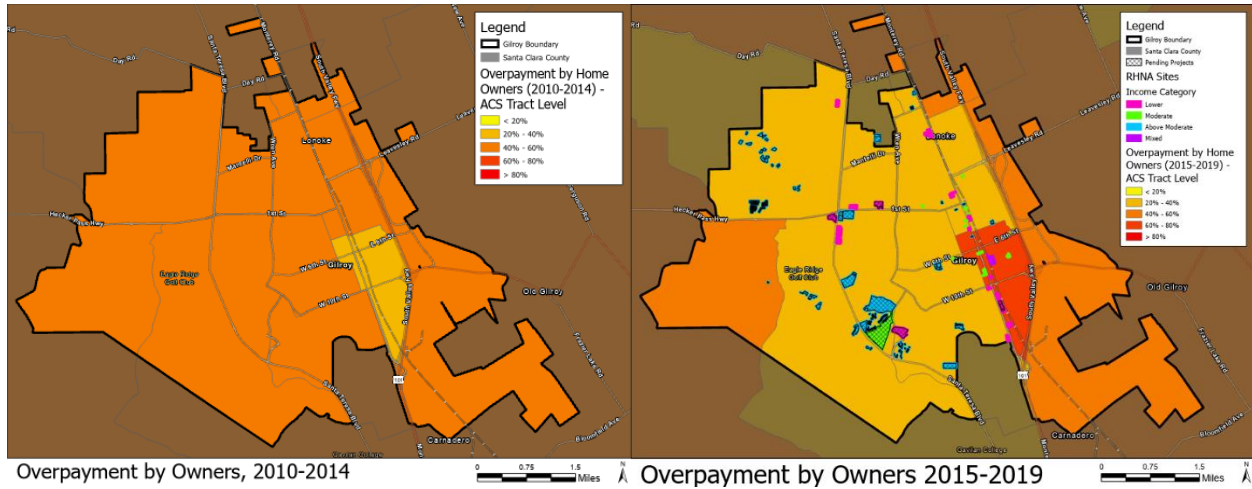


Source: HUD CHAS Data, 2018

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

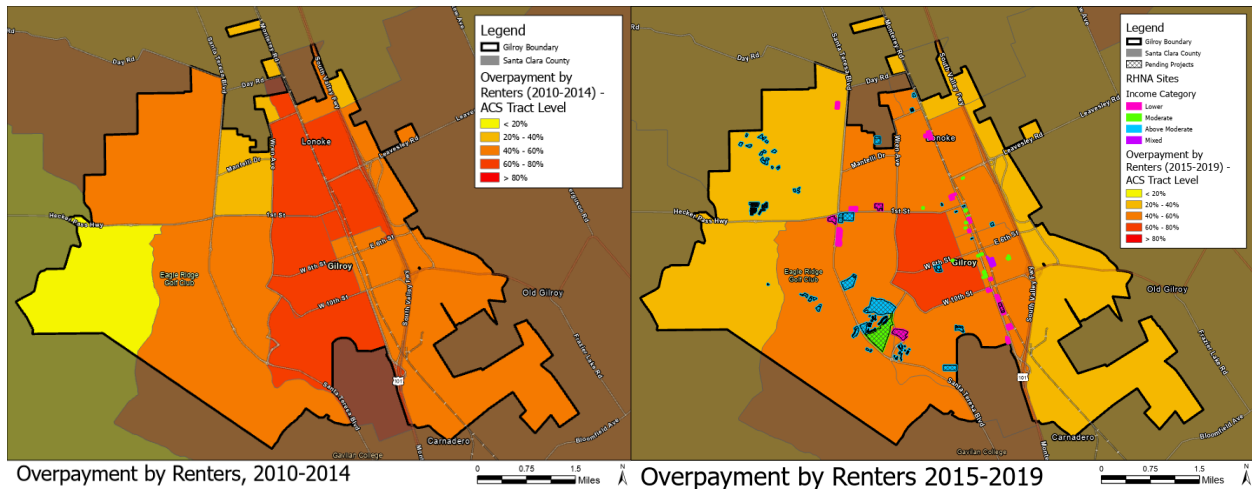
experiencing a cost burden citywide, compared to 34.2 percent in the County. In both cases, renters have higher rates of overpayment than owners.

Figure 35: Overpayment by Owners



Source: HCD AFFH Data Viewer

Figure 36: Overpayment by Renters



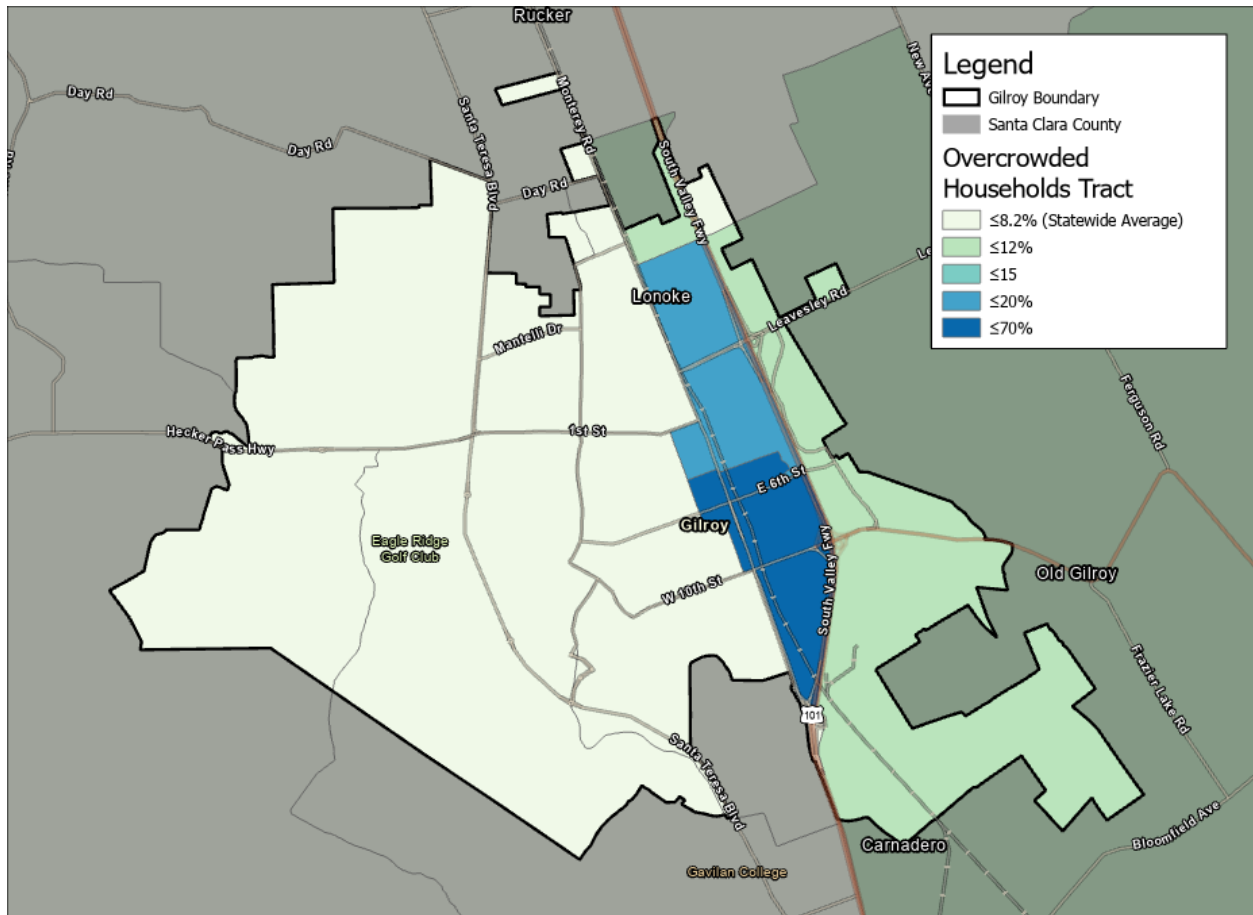
Source: HCD AFFH Data Viewer

Overcrowding

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

In Gilroy, areas with high concentrations of overcrowding are in areas with high levels of poverty and low economic opportunity, where the R/ECAP is located. Overcrowding is only slightly more prevalent in Gilroy (9.2%), than in the County (7.8%), as a whole. Overcrowding is more prevalent for renters than owners both in the City and regionwide.

Figure 37: Overcrowded Households



Overcrowded Households, 2010

Source: HCD AFFH Data Viewer

Table 45 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households, roughly 9.2 percent of all households in Gilroy, were experiencing overcrowding in 2019. This included 347 owner-occupied households and 1,135 renter-occupied households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 45: Overcrowding, 2019

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

Source: HUD CHAS Data, 2018

Homelessness

Table 46 lists emergency shelters and transitional housing in Gilroy. The Countywide services and shelter provider, HomeFirst Services, provides cold weather shelter at the Gilroy National Guard Armory yearly from December through April. The shelter provides sleeping accommodations, meals, restrooms, and case management support services. It has a capacity of 110 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March, housing 35 to 40 unhoused families. St. Joseph's Family Center manages the shelter and referral process. EAH Housing is contracted for day-to-day property management operations and site security.

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

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

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

Table 46: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds
National Guard Winter Homeless Shelter	Cold Weather Shelter	Individuals and families	110
Arturo Ochoa Migrant Center ²³ (adjacent to City)	Cold Weather Shelter	Individuals and Families	35-40 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25
Total			382

Source: City of Gilroy, County of Santa Clara.

In 2019, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2019 Santa Clara County Homeless Count. This study is conducted every two years in the last 10 days of January. Two strategies were used to collect the data for the 2019 study: a point-in-time count (PITC) and a comprehensive qualitative survey administered to individuals experiencing homelessness after the completion of the 2019 PITC. The PITC and shelter census identified 9,706 homeless persons in Santa Clara County. Table 47 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 704 homeless persons surveyed in Gilroy in January 2019, including 359 sheltered and 345 unsheltered persons.

²³ The Arturo Ochoa Migrant Center is located slightly outside city bounds, but serves Gilroy residents.

Table 47: Regional Point in Time Count, 2019

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	359	345	704
Campbell	0	74	74
Cupertino	0	159	159
Los Altos	0	76	76
Los Altos Hills	0	2	2
Los Gatos	0	16	16
Milpitas	0	125	125
Monte Sereno	0	0	0
Morgan Hill	0	114	114
Mountain View	32	574	606
Palo Alto	14	299	313
San Jose	980	5,117	6,097
Santa Clara	62	264	326
Saratoga	0	10	10
Sunnyvale	147	477	624

Source: Analysis of Impediments/Regional PITC Data

Permanent Local Housing Allocation Fund (PLHA)

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public services addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

The PLHA Fund spans a five-year period and will make available \$1.4 million dollars. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. Table 48 displays funding approved by the City Council for FY 22-23 and FY 23-24.

Table 48: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph's Family Center	Homeless Prevention Services	\$55,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
St Joseph's Family Center	Gilroy Street Team	\$35,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Displacement

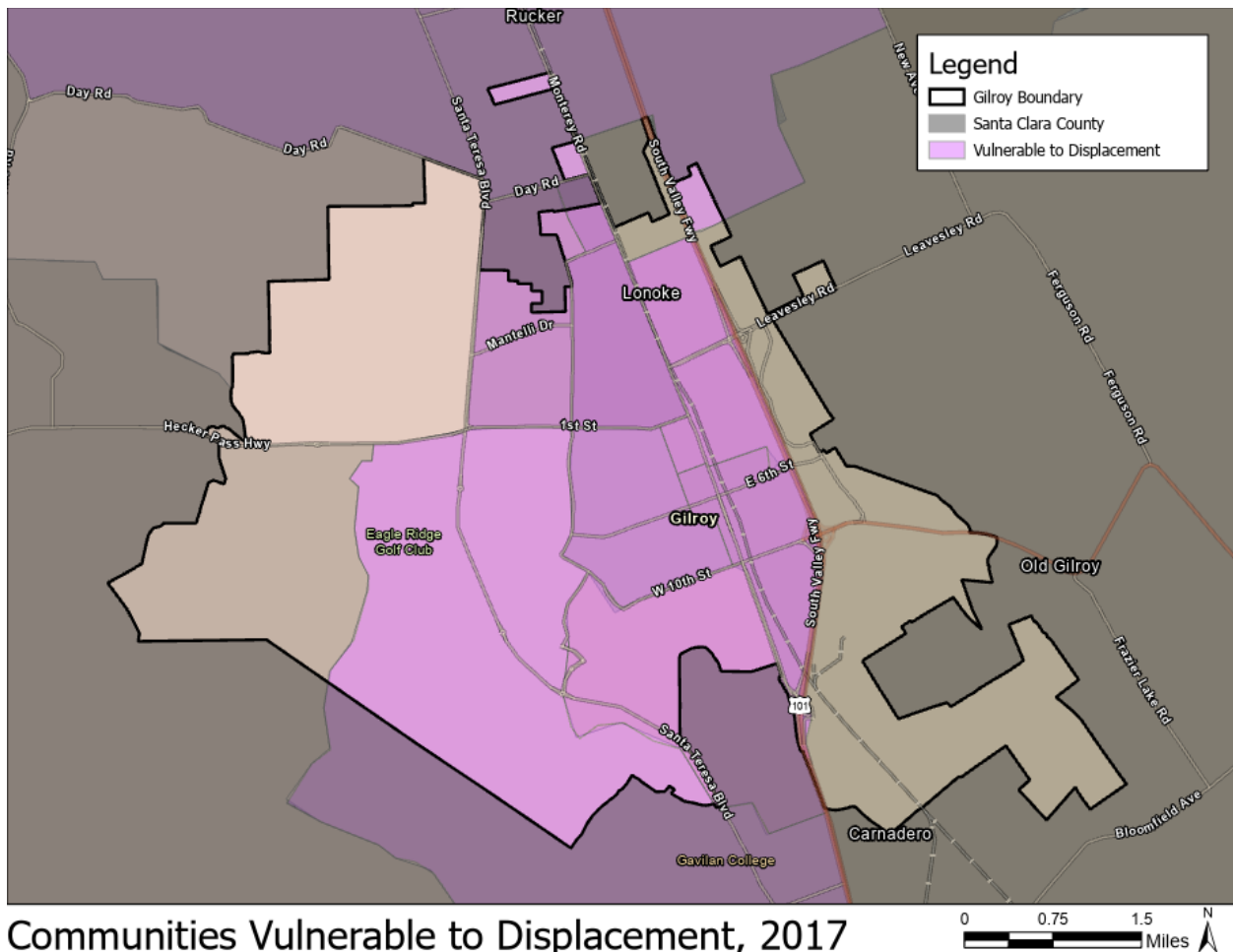
The Urban Displacement Project at University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.
- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

Figure 38 shows the areas vulnerable to displacement as identified by the Urban Displacement Project. The center of the City, including the downtown area in the east, is considered vulnerable to displacement. Areas north and south of the City show similar risk.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City's RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to minimize displacement by providing new housing opportunities for all income levels in areas with greater risk of displacement. It is counteracting this vulnerability by deliberating planning more housing in these same areas. Additionally, the City is including a Displacement Prevention Policy (Program F - 5), adopting an Inclusionary Housing Policy (Program A - 11), and providing multilingual tenant support to further minimize the risk of displacement in the City (Programs F - 1 and F - 2).

Figure 38: Communities Vulnerable to Displacement



Findings

Overall, the City of Gilroy experiences housing problems at a similar or lower rate than the region as a whole, while rates of cost burden or overpayment are higher. However, the percent of the population experiencing overpayment is decreasing over time. Overcrowding citywide occurs at a similar rate regionally but is more prevalent in the R/ECAP area, potentially indicating a need for larger units or shared multiplexes in the R/ECAP area.

The City is including Program F - 3, a Place-Based Improvement program, to ensure that the RHNA site selection will improve access to resources in the R/ECAP. Primarily vacant sites were chosen in the R/ECAP, allowing residents to find available housing in their own neighborhood and to help prevent displacement due to gentrification of older housing stock.

Other Contributing Factors

Historic Immigration and Land Use Patterns

Historically, other cities in Santa Clara County had racial covenants, which led to thriving immigrant communities settling in the City of Gilroy. This first included the Chinese population, which settled in Gilroy after immigrating to the United States to build railroads and work in gold mines, tobacco fields, and orchards.²⁴ Since the migrations of the Chinese population to the central county, the Latino population has been largely responsible for the thriving businesses in Gilroy. Over 50 percent of Gilroy's current population is Hispanic.

The City expanded as the agricultural industry expanded, but in the late twentieth century, the economy shifted from agriculturally based to an urban service-oriented community.²⁵ This change in economy contributed to the growth of the City. The Christmas Hill Park began construction in 1964.²⁶ Several single-family homes were built in the surrounding neighborhoods in the following years, leading to the highest rates of population growth in the City's history in the 1970s and 1980s. The newer areas of the City are in the moderate resource category as the infrastructure and housing is more recently developed. The City continues to expand to the west with the recent Hecker Pass and Glen Loma Specific Plan areas.

The original City, incorporated in 1870, began development in what is now considered the downtown area. Portions of the downtown are designated as the Downtown Historic District, which is intended to foster the historic downtown as a unique commercial resource. As is typical, these older areas and older housing naturally are lower cost than newer areas and newer housing. These older city centers also tend to have the most multifamily and rental housing as these were the most efficient land use patterns. As a result, the older areas naturally have higher proportions of affordable housing without subsidies and lower-income

²⁴ Gilroy Dispatch. <https://gilroydispatch.com/immigrants-play-big-part-in-gilroy-history/>

²⁵ A Brief History of Gilroy <https://www.cityofgilroy.org/381/History-of-Gilroy>

²⁶ The Mercury News Gilroy Timeline <https://www.mercurynews.com/2007/02/05/gilroy-timeline/>

households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

The City has taken multiple steps to encourage economic revitalization and growth in the older, downtown areas of the City. The two tracts that are designated as Racially or Ethnically Concentrated Areas of Poverty (R/ECAP) are classified as an Opportunity Zone by the federal government and are eligible for a number of tax-based incentives. In 2022, Gilroy was awarded a 3.9 million dollar grant for improvements in the historic downtown area. In 2020 and 2021 the City operated a Downtown Improvement Incentive Program which included reductions on development fees and a grant to help fund minor façade improvements for businesses downtown. The City continues to partner with organizations such as Visit Gilroy, the Gilroy Downtown Business Association, and the Gilroy Chamber of Commerce to promote economic development in downtown Gilroy.

Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as an important priority to address, higher priority was given to factors that limit fair housing choice and / or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table 49 on the following page displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table 49: Contributing Factors

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Segregation and Integration	East/west income segregation Lack of inclusionary housing policy	<ul style="list-style-type: none"> • Creation of density bonuses beyond state law (A - 12) to encourage development of affordable housing on the west side • Adoption of inclusionary housing policy (A - 11) to require development of affordable housing on the west side • Source of income protection (F - 1) • Incentives for Affordable ADUs (A - 8) • Ministerial approval of duplexes, triplexes and quadplexes in qualifying zones (F - 4) 	Medium
Disproportionate Housing Needs	Risk of displacement in downtown Lack of missing middle housing Lack of affordable housing for special needs groups (large households, seniors, farmworkers)	<ul style="list-style-type: none"> • Place-Based economic investments in downtown (F - 3) • ADU education targeting high resource areas (A - 6) • Incentives for Affordable ADUs (A - 8) • Fair housing counseling (F - 2) • Develop incentives for housing for seniors, farmworkers, and large families (E - 6) • Displacement prevention ordinance (F - 5) • Permit streamlining (B - 5) • Development and Conservation of Housing for Farmworkers (E - 7) • Incentivize Micro-Units (E - 5) • Ministerial approval of duplexes, triplexes and quadplexes in qualifying zones (F - 4) • Coordination with Santa Clara County Office of Supportive Housing (A - 14) 	High
Access to Opportunities	Presence of a R/ECAP Lower access to opportunities	<ul style="list-style-type: none"> • Place-Based economic investments in downtown (F - 3) • Adoption of inclusionary housing policy (A - 11) • Ministerial approval of duplexes, triplexes and quadplexes in qualifying zones (F - 4) • Targeted outreach in higher resource areas (F - 4) • Source of income protection / Housing Mobility (F - 1) 	High

Identified Fair Housing Issue	Contributing Factor	Action	Priority
	than the County as a whole Lack of missing middle / middle income housing	<ul style="list-style-type: none"> • Permit streamlining (B - 5) • Density bonus beyond state law (A - 12) 	
Outreach and Enforcement Capacity	Access to materials in appropriate languages Lack of education and outreach in the R/ECAP area City staff capacity	<ul style="list-style-type: none"> • Targeted outreach in moderate and high resource areas (F - 4) • Community access to housing information program (G - 5) • Interagency collaboration for lower cost housing (G - 1) • Fair housing counseling (F - 2) • Unhoused population education and outreach (G - 6) • Bilingual Engagement (G - 7) 	Low

Table 50 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table 50: AFFH Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Integration and Segregation				
A - 12: Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, and farmworkers, and households with intellectual or developmental disabilities.	Within 2 years of Housing Element adoption	Citywide	Adoption of Zoning Ordinance amendment; Increased housing choice and mobility for special needs households.
A - 11: Inclusionary Housing Policy	Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households. Require in-lieu fees for qualifying projects that do not construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market both the BMR units and accessible/adaptable units.	By the end of 2024	Citywide	Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter’s financial eligibility.	Informational outreach within one year of Housing Element adoption. Annual education and outreach to landlords and tenants.	Downtown	Outreach to 50 landlords or tenants annually.
Disproportionate Housing Needs				
F - 3: Place-Based Improvements	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: <ul style="list-style-type: none"> The City was awarded a \$3.9 million Clean California Grant to renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. 	Streetscape and infrastructure improvements will be completed pursuant to the City’s CIP schedule. The Clean California Grant project must be completed by June 30, 2024 Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; Reconstruction of 20 curb ramps

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<ul style="list-style-type: none"> As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy 			
A - 6: ADU Tracking and Monitoring and Ordinance Updates	<p>Continuously track the number of building permits issued for ADUs. If annual production rates do not match the estimates included in the Sites Inventory of the Housing Element, update the RHNA strategy to ensure that the City continues to maintain adequate capacity for all income-levels.</p> <p>The City will review geographic distributions of ADUs biennially.</p> <p>The City has submitted its ADU ordinance to the state. The City will continue to work with the state to make any necessary changes and ensure the ordinance is in compliance with state law.</p>	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process.	High Resource Areas	Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.
A - 8: Incentives for Affordable ADUs	<p>Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. Financial incentives may include permit or fee waivers.</p> <p>The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.</p>	After program funding is secured and sufficient for the intended purpose.	High Resource Areas	Outreach to provide information to 30 households annually
F - 2: Fair Housing Counseling	<p>The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling.</p> <p>The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.</p>	Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption.	Downtown	Work with Fair Housing Provider to track number of households assisted in Gilroy annual. Provide information to 30 households annually.
E - 6: Reduced Parking Requirements for Senior Housing	<p>The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.</p> <p>The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.</p>	Within 3 years of Housing Element adoption	Citywide	Conduct study and revise Zoning Ordinance, as necessary
F - 5: Displacement Prevention Policy	Adopt a displacement prevention policy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction policy, and relocation agreements.	Within three years of Housing Element adoption.	Areas denoted above as having vulnerability to displacement	Adopt the policy

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.			
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: <ul style="list-style-type: none"> • Creating a ministerial use permit process • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
E - 7: 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 including identification of State and Federal funding opportunities.	Ongoing throughout planning period	Citywide	Preserve and maintain the 4 farmworker housing developments (84 units) and Ochoa Migrant Center (100 units).
E - 5: Incentivize Micro-Units	Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-units development. Ensure that provisions for efficiency units are consistent with AB 352 (2017).	Within one year of Housing Element adoption.	Citywide	Adopt the policy
A - 14: Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This will include the offer of impact fee waivers through a memorandum of understanding. The MOU was approved by the County Board of Supervisors in 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups)	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.	Citywide	Development of affordable housing on the 8 th and Alexander property by the end of 2028.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Access to Opportunities				
F - 3: Place-Based Improvements	<p>Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include:</p> <ul style="list-style-type: none"> The City was awarded a \$3.9 million Clean California Grant to renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. As a part of downtown revitalization, the City is also constructing a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy 	<p>Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule.</p> <p>The Clean California Grant project must be completed by June 30, 2024</p> <p>Construction of the parking lot with community event space should be complete by the end of 2023.</p>	Downtown	Construction of one parking lot with a community event space; Reconstruction of 20 curb ramps
A - 11: Inclusionary Housing Policy	<p>Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households. Require in-lieu fees for qualifying projects that do not construct affordable housing.</p>	By the end of 2024	Citywide	Amend Zoning Ordinance; Increased production of affordable housing with new planned housing developments; increased housing choice and mobility for lower income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	<p>Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions:</p> <ul style="list-style-type: none"> Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially in specified areas of the City (Program A-9). Adopt a density bonus beyond state law to include incentives for special needs households (Program A-11) Adopt an inclusionary housing policy (Program A-10) 	Within 3 years of Housing Element adoption.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies
F - 1: Source of Income Protection	<p>Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482.</p> <p>Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.</p>	Outreach to 50 landlords or tenants annually.	Downtown	Conduct workshop with residents

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: <ul style="list-style-type: none"> • Creating a ministerial use permit process • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource. 	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.	Citywide	Shorter permit processing time.
A - 12: Density Bonus Beyond State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low income households, and farmworkers.	Within 2 years of Housing Element adoption	Citywide	Adoption of Zoning Ordinance amendment; Increased housing choice and mobility for special needs households.
Outreach and Enforcement Capacity				
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: <ul style="list-style-type: none"> • Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially in specified areas of the City (Program A-9). • Adopt a density bonus beyond state law to include incentives for special needs households (Program A-11) • Adopt an inclusionary housing policy (Program A-10) 	Within 3 years of Housing Element adoption.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies
G - 5: Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: <ul style="list-style-type: none"> • Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. • Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. • Promoting housing resources at an informational booth at four community events a year, such as the Farmer’s Market in the DTSP area. • Coordinating with the City’s Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. 	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area Presence at 4 community events annually	Downtown Specific Plan Area	Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
<p>G - 1: Collaboration with Development Community</p>	<p>The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period.</p>	<p>Collaboration with other agencies on an annual basis.</p>	<p>Countywide</p>	<p>Host an annual developer roundtable meeting.</p>
<p>F - 2: Fair Housing Counseling</p>	<p>The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.</p>	<p>Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption.</p>	<p>Downtown</p>	<p>Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption.</p>
<p>G - 6: Unhoused Population Education and Outreach</p>	<p>The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population.</p>	<p>18 – 24 months after Housing Element adoption; monthly meetings of the unhoused service providers group.</p>	<p>City-wide, Eastern Gilroy, R/EACAP</p>	<ul style="list-style-type: none"> • Creation of a dedicated webpage with general information on homelessness, information on the 211 system, and a short informational video. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • Restarting the “unhoused service providers group” which consists of monthly meetings with service providers in the City. The group serves to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts.
<p>G - 7: Bilingual Engagement</p>	<p>Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.</p>	<p>Immediately upon adoption of the Housing Element.</p>	<p>Eastern Gilroy, R/EACAP</p>	<p>Minimum of 3 medium of outreach. Monthly service provider meetings throughout the planning period.</p>

CITY OF GILROY **HOUSING ELEMENT**



6TH CYCLE
CONSTRAINTS ON HOUSING

Constraints on Housing

There are a wide variety of factors that influence whether, where, when, how, and what type of housing is constructed. While many factors enable, guide and even incentivize housing construction, almost all also pose some sort of limitation or constraint as well. Our land use policies and regulations are necessary but, by definition, establish limits on growth and development. These limits work with, influence and are balanced by market forces.

There are generally two types of constraints: governmental and non-governmental. Governmental constraints include the policies, regulations and procedures that directly affect housing. This includes the goals, policies and programs of the General Plan and the development standards and requirements of the Zoning Ordinance and other land use ordinances. Non-governmental constraints include those factors that are beyond the direct control and authority of the City.

This section identifies and evaluates those factors that may pose significant constraints or burdens that may limit or constrain the production of housing to meet our local and regional housing needs and the goals and objectives of the General Plan. Such constraints, particularly those that limit the construction of or fair access to affordable housing must be addressed with clear, measurable and timely programs.

Governmental Constraints

Governmental constraints can limit or deter the operations of the public, private, and nonprofit housing development sectors, make it difficult to meet the demand for housing, and limit housing supply in a region. Such constraints can limit access to housing mobility and housing choice, or prevent lower-income segments of the population from having adequate housing opportunities. Governmental constraints may include, but are not limited to, land use controls, development standards, local processing and procedures, and permitting fees.

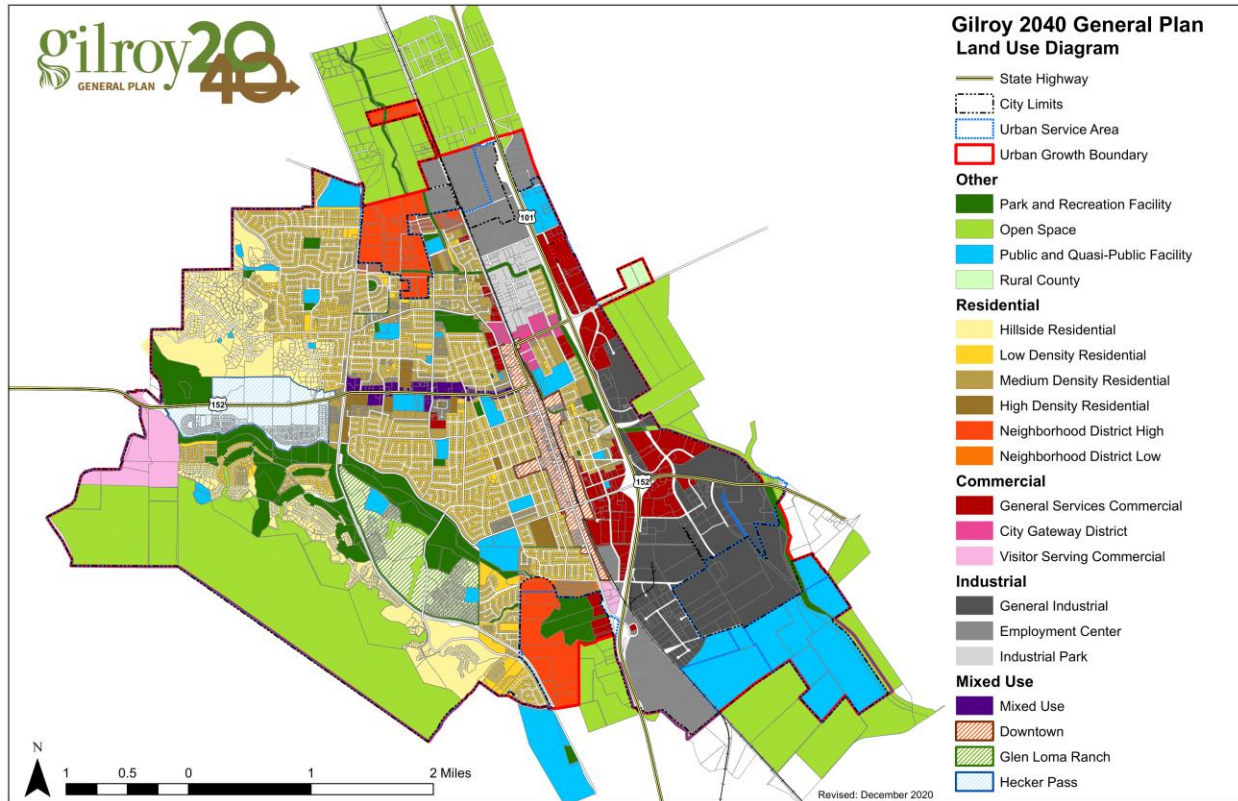
Land Use Controls

General Plan

The City of Gilroy adopted an updated General Plan in November 2020. The Gilroy 2040 General Plan is a comprehensive, long-range general policy document that expresses the community's vision and establishes eight guiding principles for development. One of the guiding principles includes encouraging a mix of housing types to create diverse neighborhoods to meet the needs of all residents. Among other efforts, the Gilroy 2040 General Plan allows for an increase in housing by creating a new Mixed-Use land use designation and removing the maximum density specified for the High-Density Residential land use area. The Land Use Element of the General Plan identifies the location, distribution, density, and intensity of land use within the City. The Environmental Impact Report (EIR) for

the 2040 General Plan analyzed the development potential of the plan for up to 6,477 new housing units and an additional population of 19,756.²⁷

Figure 39: Gilroy Land Use Map



There are seven residential land use designations in the Gilroy General Plan, as follows:

- **Hillside Residential (HR):** This designation is generally applied to developable hillside areas with slopes of 10 percent to 30 percent. Developments in these areas must follow special design and siting criteria to preserve the sensitive hillside environment together with the views and vistas of surrounding hillsides, hilltops, and ridgelines. The permitted density is 0 to 4 dwelling units per net acre (du/ac). The implementing zone is the RH district.
- **Low Density Residential (LDR):** This is the most common residential land use designation in Gilroy. It is applied to areas of predominantly single-family detached dwellings, with typical lot sizes ranging from 5,000 square feet to 7,000 square feet. Appropriate residential uses include single-family detached homes and secondary (“accessory”) dwelling units that comply with City standards. The permitted density is 3–8 du/ac. The implementing zones are R1 and R2.

²⁷Final Gilroy 2040 General Plan EIR. http://www.gilroy2040.com/wp-content/uploads/2020/09/Gilroy-2040-General-Plan_Final-EIR.pdf

- **Medium Density Residential (MDR):** This designation is intended primarily for multifamily attached structures (townhomes, condominiums, and apartment buildings). Buildings are typically two to three stories tall. This designation is typically applied to transition areas between lower-density neighborhoods and higher-density developments or commercial areas. The permitted density is 8–20 du/ac. The implementing zone is R3. While the R3 zone currently only allows 8–16 du/ac, it will be updated in the comprehensive zoning update to allow for 8–20 du/ac (Program B - 2).
- **High Density Residential (HDR):** This designation allows higher density attached housing types (apartments and condominiums), often within walking distance of commercial areas. The predominant housing type is multifamily dwellings, such as apartments or condominiums, with buildings typically comprising two or more stories. The permitted density is 20+ du/ac, with no maximum density or floor area ratio (FAR) requirements. The implementing zone is R4. The R4 zone currently allows for 20–30 du/ac, and the upper limit will be removed in the ongoing comprehensive Zoning Ordinance update to ensure consistency with the General Plan, see Program B - 2.
- **Mixed Use (MU):** The purpose of this designation is to encourage a mix of retail, office, and high-density residential uses. Street-level frontage of mixed-use projects shall be developed with pedestrian-oriented, typically commercial, uses. Residential uses can be integrated on the same site with other uses in either a vertical or horizontal design. The permitted density is a minimum of 20 and a maximum of 30 du/ac. The implementing zones are within the Downtown Specific Plan area and the mixed-use corridor along 1st Street. As a part of its comprehensive code update, the City is in the process of creating a zoning district for the mixed-use 1st street corridor with the anticipated completion in 2023 (Program B - 2). Any mixed-use development within the 1st Street mixed-use corridor will be entitled in accordance with the development standards set forth in the Zoning Ordinance and the density allowance per the 2040 General Plan. The design of projects will be subject to the City's existing objective development design standards until the 1st Street Corridor mixed-use design and development standards are adopted.
- **Rural County (RC):** The purpose of this designation is to preserve rural residential, hillside, and productive agriculture land uses located outside areas planned for urban development. Allowed uses include rural residential, grazing, active agricultural production, associated agricultural processing, sales, and support uses. Typical building types include low-intensity structures associated with farming and agricultural processing and sales. One single dwelling unit per parcel is allowed. The implementing zone is RR.
- **Neighborhood District (ND High, ND Low):** The purpose of these designations is to encourage compact, complete, neighborhood-style development. Traditional single-family uses will comprise a substantial portion of these districts. Commercial

and medium- to high-density residential uses should be clustered to form neighborhood centers. Neighborhood District High and Low may use a Neighborhood Commercial (NC) designation to designate land in neighborhood centers to encourage low-intensity commercial uses that cater directly to residents in the immediate neighborhood. The 0–7 du/ac category is intended for single-family detached dwellings with varying lot sizes. The 7–9 du/ac category is intended for a combination of two-family and some single-family detached dwellings. The 9–16 du/ac category is intended to accommodate a combination of small-lot and attached single-family dwellings, as well as multifamily dwelling options. The 16–30 du/ac category is intended to provide a variety of attached single-family and multifamily residential styles of development. The implementing zone is ND.

- The ND land use designation is generally applied to vacant land that is currently outside the City's Urban Service Area but within the City's Urban Growth Boundary (UGB) area. The UGB area applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. There are two designated neighborhood districts, one in the north and one in the south, that are currently outside of the Urban Service Area. The City is in the process of requesting approval from the Santa Clara County Local Agency Formation Commission (LAFCO) to bring approximately 54 acres of unincorporated county land into the City's Urban Service Area (USA). The land is located just outside City limits to the north. The City also received a preliminary application for a USA amendment for land located just outside City limits to the south. If the USA is amended and the land is eventually annexed into the City (a lengthy two-step process), the property would be subject to the City's inclusionary policies for the Neighborhood District.
- Each Neighborhood District (ND) development is required to construct a minimum of fifteen percent (15%) of its units at affordable prices. Specific requirements regarding the level of affordability were contained in the City's Residential Development Ordinance (RDO) policy. However, this policy is no longer in effect due to state legislation (e.g., SB330) and the implementing Ordinance will be repealed in accordance with Program B 1. To ensure compliance with State law, and provide more comprehensive affordability benchmarks, Program A - 5 is included to review and revise the Neighborhood District Policy. Another Program (A - 11) will include analyzing potential adoption of an Inclusionary Housing Policy that would apply to properties outside the Neighborhood District planning area.
- Table 51 displays the target densities for both low and high Neighborhood District designations. Neighborhood Districts include the Hecker Pass Specific Plan area and the Glen Loma Ranch Specific Plan area. The rows denote the maximum or minimum percentages of the land area within this land use designation that must fall within the specified density.

- o Neighborhood District target densities and inclusionary requirements may act as a potential constraint to housing; however, the City has found that they do not discourage development. Development of two Neighborhood Districts, the Hecker Pass Specific Plan area and Glen Loma Ranch Specific Plan area, is currently underway. As a part of Program A - 5, the City is revising Neighborhood District standards to no longer rely on the RDO and is updating the ND’s inclusionary housing policy.

Table 51: Neighborhood District Target Densities

	0-7 du/ac	7-9 du/ac	9-16 du/ac	16-30 du/ac
Low	82% max.	5% min.	10% min.	3% min.
High	60% max.	5% min.	25% min.	10% min.

Source: City of Gilroy 2040 General Plan.

Hecker Pass Specific Plan

The Hecker Pass Specific Plan projects the development of 521 housing units. The Specific Plan designates three “clusters” for residential development: North Cluster (57 units), West Cluster (205 units), and East Cluster (259 units). The Specific Plan aims to provide for a variety of housing types in each cluster, but offers some flexibility in how that variety is achieved. The Specific Plan gradually transitions the intensity of development from the Village Green project into the Specific Plan area, with more intensive development on the eastern side of the plan as it moves from rural to urban. The Hecker Pass Specific Plan was approved before inclusionary housing policies were adopted, and thus was not subject to the Neighborhood District Policy’s affordable housing requirement.

Glen Loma Ranch Specific Plan

The Glen Loma Ranch Specific Plan area is approximately 392 acres located between Santa Teresa Boulevard and the Uvas Creek corridor. The project includes a maximum of approximately 1,693 residential units in up to 17 neighborhoods comprising detached single-family residences, attached townhomes, apartments, and senior-only units. Under the Neighborhood District policy, 15.1 percent of units will be affordable to very low-, low-, and moderate-income households.

Downtown Specific Plan

The Downtown Specific Plan contains six districts with the purpose of creating a pedestrian-oriented and economically vibrant downtown. Adopted in 2005, the Downtown Specific Plan anticipated potential for development of 1,576 new residential units over 20 years. Mixed uses and residential development above the ground floor are encouraged in the Downtown Specific Plan.

Residential dwelling units are permitted by right in all Downtown Specific Plan districts. In the Downtown Historic District and the Downtown Expansion District, residential units are

permitted by right on the second story or above. A conditional use permit is required for residential uses on the first floor. In the Civic/Cultural Arts District, residential units may be allowed on the ground floor if they are located between Egleberry Street and Church Street and behind a business.

Table 52 displays the FAR and density requirements in each of the Downtown Specific Plan districts. The FARs only apply to the commercial uses within a mixed-use development. The residential densities allow for high density, with a minimum 20 units an acre and no maximum density in some cases, as illustrated below. The districts also generally have very permissive development standards, including zero-foot minimum setbacks, and height limits of 50 feet or 4 stories in all areas not fronting Railroad Street.

The Downtown Specific Plan area also has lower parking requirements than other residential areas in the City. The parking requirements for residential units are 1 space per unit and 1 guest space per 6 units for units that are less than or equal to 800 square feet. If greater than 800 square feet, the requirement is 1.5 spaces per unit and 1 guest space per 4 units. These requirements are not excessive for a suburban area. Parking standards are often a potential constraint to development. However, in Gilroy, they appear to be appropriate and reasonably accommodated as part of new high-density developments with below market rate units in the Downtown Specific Plan Area.

Table 52: Downtown Specific Plan Development Standards

Zone	Commercial FAR	Residential Density (du/ac)
Downtown Historic District (DHD)	2.5	20 (minimum)
Downtown Expansion District (DED)	2.5	20 (minimum)
Civic/Cultural Arts District (CCA)	1.5 or 1.0	n/a
Transitional District (TD)	1.5	20 (maximum)
Cannery District (CD)	2.0	20 - 40
Gateway District (GD)	0.75	30 (stand-alone residential maximum)

Source: City of Gilroy Zoning Ordinance.

Zoning Ordinance

The Zoning Ordinance, Chapter 30 of the Gilroy City Code, is the primary tool for implementing the land use designations in the Gilroy 2040 General Plan. The Zoning Ordinance provides controls over land use. In conformance with the 2040 General Plan and current state housing law, a comprehensive update of the Zoning Ordinance is anticipated to be complete by the end of 2023. As such, some existing standards identified in this analysis will be updated with the new Zoning Ordinance. Such instances are noted and the appropriate programs are referenced. Existing residential development standards are shown in Table 53.

The City's General Plan allows for a range of densities and housing types to meet the needs of all income levels. Assembly Bill (AB) 2348 established "default" density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Pursuant to AB 2348 and the 2020 decennial census, Gilroy is considered a "jurisdiction within a metropolitan county" with a "default" density for affordable units of 30 du/ac. Densities of at least 30 du/ac are allowed in the High-Density Residential zone and Neighborhood District. Densities of 30 du/ac are also allowed in the 1st Street mixed-use corridor and Downtown Specific Plan designations, described above.

Table 53 displays the existing residential standards as outlined in the City's Zoning Ordinance. Note that there are instances where state law may supersede the current standards in the Zoning Ordinance. If there is a conflict, state law supersedes the Zoning Ordinance, and staff will process development applications accordingly. For instance, SB 9 applies to many parcels in the R-1 zone and allows them to have up to four units, though the current maximum density is one dwelling units per lot. The City has a dedicated webpage that provides SB 9 information (e.g., more permissive development standards) to the public and potential applicants. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

Height Limits

The City has two types of height limits in residential districts: a maximum height measured in stories and an absolute height. Height limits in the R3 zone, are 3 stories or 45 feet. For the R4 zone, the height limits are 6 stories or 75 feet, whichever is less. Parking garages that are aboveground would count toward the story limit, while those that are belowground do not. The height limits do not constrain development from reaching their prescribed General Plan densities (8-20 du/ac for medium density sites and 20+ du/ac for high density sites).

Setbacks

All residential zones have setbacks, which are the minimum distances between a structure and a lot line. Setbacks in Gilroy are largely uniform between the residential zones, with 26-foot front setbacks, 6- to 12-foot interior side setbacks, 21-foot street side setbacks, and 15-foot rear setbacks. While all setbacks reduce the amount of land that is developable on a site, the setbacks do not constrain projects from reaching the maximum housing density in a zone.

Table 53: Existing Residential Standards

District	Lot Requirements Lot Size in Square Feet (Lots Using Street Standards Adopted in February 2006) ¹	Yard Requirements (Minimum Setbacks in Feet. Property Lines Adjacent to Streets Measured from the Face of Curb)						Height Requirements		Density	
		Front	Front (Lots on Bulb of Cul-de-sac)	Side (Adjacent to a Street)	Side (All Other Side Yards)	Rear	Rear (Yards Backing onto Street)	Feet	Stories	Maximum Density	Units per Acre
A1	20 acres	26 ²	22 ²	21	12	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	
RR	2.5 acres	26 ²	22 ²	21	12	15 ⁶	26	30	2	Maximum of one dwelling unit per lot	
R1	6,660 sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	3 – 7 ¼
R2	8,880 ⁴ sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	One dwelling unit per 4,000 square feet of land to a maximum of two units per lot	3 – 9
R3	8,880 sf	26 ²	22 ²	21	12	15 ⁶	26	45 ⁵	3	One dwelling unit per two 2,722 square feet of lot area	8 – 16
R4	13,320 sf	26 ²	22 ²	21	12	15 ⁶	26	75 ⁵	6	One dwelling unit per 1,452 square feet up to a maximum site area of 2,178 square feet per unit.	20 – 30
ND*	*	*	*	*	*	*	*	*	*	*	*

Source: Gilroy City Code Chapter 30.

1 See Zoning Ordinance for lot size requirements for lots using street standards adopted prior to 2006

2 Garage vehicular entrances shall be set back from the property line such that they have a minimum eighteen (18) foot long driveway measured from the back of the sidewalk

3 For dwellings located within new subdivisions (after the effective date of the ordinance codified in this chapter), containing five (5) or more lots, the total width of the two (2) side yards for any one (1) lot in an R1 or R2 district must equal twelve (12) feet. For structures in existence on the effective date of the ordinance codified in this chapter, a six (6) foot side yard setback shall be maintained, unless a smaller side yard has been allowed by a variance, planned unit development, or preexisting, nonconforming use.

4 Seven thousand (7,000) sq. ft. for preexisting lots created prior to September 15, 1983; and six thousand (6,000) sq. ft. for one (1) single-family dwelling.

5 For R3 and R4 lots proposed to be developed with one (1) single-family residence as the primary use, the height of the residential dwelling unit shall not exceed two (2) stories and thirty-five feet (35) feet.

6 Rear yard setbacks may be reduced to ten (10) feet to accommodate a five (5) foot encroachment for rear yard patio covers.

* Residential site and building requirements shall be established by the master plan or specific plan for the neighborhood district area in which the property is located.

Parking

The provision of parking is a significant cost for all forms of development. High parking requirements reduce the potential land available for development and increase the cost of development. The passing of AB 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit. In response to public comment, the revised draft submitted to HCD includes a program to evaluate the effects of AB 2097 on the downtown corridor and to create potential solutions to parking constraints for both housing and commercial uses downtown.

Table 54 displays the parking requirements for residential developments in Gilroy. Parking requirements often pose a potential constraint on development. However, construction of recent developments, including below market rate units, demonstrate that Gilroy’s existing parking requirements are appropriate and are not an unreasonable constraint.

In addition to these minimum standards, Gilroy also has a maximum parking requirement. Per Gilroy City Code Section 30.31.30 (a), the maximum parking requirement is 10 percent above those listed in the parking schedule, and any parking spaces beyond the 10 percent must be offset with an equal amount of landscaping.

The passing of AB 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit. In response to public comment, the revised draft submitted to HCD includes a program to evaluate the effects of AB 2097 on the downtown corridor and to create potential solutions to parking constraints for both housing and commercial uses downtown.

Table 54: Existing Residential Parking Standards

Type of Residential Development	Required Parking Spaces (off street)
Single- and two-family dwellings	Two (2) stalls per dwelling unit, one (1) of which shall be a covered carport or garage (each space must be at least ten (10) feet by twenty (20) feet).
Multiple family dwellings	One and one-half (1 1/2) stalls per one (1) bedroom or two (2) bedroom dwelling unit and two (2) stalls for each unit having three (3) or more bedrooms or rooms which could be used as bedrooms, plus one (1) stall for every four (4) units for guests. One (1) stall for each unit shall be covered with a garage or carport.
Accessory dwelling units (detached)	One (1) stall per unit*
Downtown Specific Plan Residential Parking Requirements	
Residential units < or equal to 800 sq. ft.	One space per unit plus one guest space per six units
Residential units > 800 sq. ft.	1.5 spaces per unit plus one guest space per four units

Source: Gilroy City Code Chapter 30.

* A parking stall will not be required for an accessory dwelling unit that meets any of the following criteria:

1. The accessory dwelling unit is created as a result of the conversion of existing area of the single-family residence or existing permitted single-family residential accessory structure.
2. An existing single-family residential garage, carport or parking structure is converted or demolished to accommodate an accessory dwelling unit in the same location.
3. The accessory dwelling unit is within one-half (1/2) mile walking distance of a public transit station, such as a bus stop or train station.
4. The property is within an architecturally and historically significant historic district.
5. On-street parking permits are required in the area but not offered to the occupant of the residential accessory dwelling unit.
6. A car share vehicle is located within one (1) block of the accessory dwelling unit.

Cumulative Effect of Development Standards

The cumulative effect of development standards is not likely to constrain the ability of developers to achieve densities on site development. The City of Gilroy has permissive standards for development, especially in its Downtown Specific Plan area. The development standards do not constrain the ability for projects to meet the densities in each zone.

Additionally, many recent projects have been developed at the City's standards that are able to achieve moderate and high densities. Recently proposed or approved developments include:

- A four-story, 120-unit affordable development on 3.4-acre parcel in the R-4 zone (35 du/acre)
- A 100-unit affordable development on a 3.9-acre parcel in the R-4 zone (25 du/acre)
- A 75-unit development on a 1.86-acre parcel in the Gateway District in the Downtown Specific Plan (40 du/acre)
- A 120-unit development on a 3.9-acre parcel in the R4 zone (30.8 du/acre)
- A 268-unit development in the Downtown Expansion District in the Downtown Specific Plan on 6.8 acres (38.7 du/acre)
- A preliminary proposal for a 94-unit affordable development in the Downtown Gateway District on 2.9 acres (32.4 du/acre)

These and other entitled and pending projects include a total of 62 very low, 407 low, and 38 moderate units.

Density Bonus

California Government Code Sections 65915 through 65918, known as the density bonus law, were enacted to encourage developers to build affordable housing by requiring local governments to provide meaningful incentives in exchange for those affordable units.

The City addresses the density bonus requirement through the implementation of Section 30.46.40 of the Gilroy City Code. This section of the Gilroy City Code references and incorporates the state density bonus law. The City is fully compliant with density bonus law, and knows how to properly implement it if requested by a developer. Multiple recent and

ongoing projects have utilized the density bonus including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the 1st and Kern Apartments (120 units).

The City is including Program A - 12 to study and adopt a density bonus ordinance beyond what is required by state law to further encourage development of affordable housing. The program will specifically consider additional incentives for households with special needs such as large households, extremely low-income households, the developmentally disabled, and farmworkers.

Providing for a Variety of Housing Types

Table 55 shows the allowed uses within residential zones in the Zoning Ordinance. In some instances, state law also affects the uses that are allowed in a zone. If there is a conflict, state law supersedes the Zoning Ordinance. For instance, SB 9 applies to many parcels in the R-1 zone, and allows them to have up to four units. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

As discussed in the following section, accessory dwelling units and junior accessory dwelling units are allowed in all residential zoning districts under Section 30.54 of the City's Zoning Ordinance. Single-family residential zoning includes four districts: A1, RR, HR, and R1. Single-family units are permitted as a matter of right in all single-family residential districts. Single-family dwellings are permitted as a matter of right in all multifamily residential districts, except for mixed-use zones in the Downtown Specific Plan area. Single family development in the R3, R4 and RH zones has the potential to prevent the achievement of the planned densities.

Multifamily residential zoning includes R2, R3, and R4, districts. Duplexes are permitted as a matter of right in R2, R3, and R4 district. Duplexes are also allowed in the R1 district on corner lots of a certain size, when meeting certain conditions; however as noted above, this existing standard has been superseded by current state law (SB 9) which is more permissive. Condominiums and townhouses are permitted as a matter of right in the R3 and R4 districts; they are also permitted in the HR district when conforming to the density limits through clustering. Multiple family buildings are permitted as a matter of right in R3 and R4 districts.

The City of Gilroy has also established a Neighborhood District zone. Land in the Neighborhood District may be used as specified by a Master Plan or Specific Plan adopted for each Neighborhood District area. In addition to including 15% of the units as affordable, each development must provide compatible uses such as parks, schools, and neighborhood-serving commercial facilities.

The City is including several programs in the Housing Element to further encourage a variety of housing types across the City. One of these programs includes adoption of an affordable housing policy to encourage and incentivize development of affordable housing (Program A - 12). Another program may incentivize missing middle housing, by allowing ministerial approvals for duplexes, triplexes, and fourplexes, in specified zones, that comply with the City's objective design standards (Program A - 10). Additionally, the City is considering a program to incentivize micro-units (Program E - 5).

Table 55: Residential Use Table

Housing Types Permitted	A1	RR	R1	R2	R3	R4	RH	ND
Accessory Dwelling Unit ¹	--	X	X	X	X	X	X	*
Condominiums	--	--	--	--	X	X	X	*
Duplex	--	--	X ²	X	X	X	--	*
Mobile Home Park	--	--	C	C	X	X	--	*
Multi-Family Building	--	--	--	--	X	X	--	*
Residential Care Homes (> 6 Residents)	--	C	C	C	C	C	C	*
Residential Care homes (≤ 6 residents)	--	X	X	X	X	X	X	*
Single-Family Dwelling or Modular Home	X ⁴	X	X	X	X	X	X	*
Townhouse**	--	--	--	--	X	X	X	*
Emergency Shelters	C	C	C	C	C	C	C	*
Supportive and Transitional Housing ³	X	X	X	X	X	X	X	*

Source: City of Gilroy Zoning Ordinance, Section 11. 10.

Notes:

X = Unconditionally Permitted; C = Permitted only with conditional use permit granted by planning commission;

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

**= Program B - 7 is included to remove reference of condominium ownership in the definition of Townhome.

1 Accessory dwelling unit(s) and/or junior accessory dwelling units may be allowed subject to compliance with the regulations prescribed in Article LIV.

2 A duplex dwelling is permitted when all of the following conditions are met:

(a) The duplex dwelling shall be located on a corner lot only; and

(b) The corner lot shall have a minimum area of eight thousand (8,000) square feet and be so designated for a duplex unit on a tentative and final map; and

(c) The duplex shall not increase the overall density within any given land subdivision beyond the maximum of seven and one-fourth (7 1/4) dwelling units per net acre

3 Supportive and/or transitional housing that serves more than six (6) individuals, provides on-site services and is licensed by the state as a group home shall only be allowed upon the granting of a conditional use permit.

4 One (1) residential dwelling unit may be permitted on an A1 zoned parcel that has a minimum size of twenty (20) acres or more. Subdivision of land for further development is not permitted without rezoning to another zoning district that implements the general plan land use map.

Accessory Dwelling Units

Accessory dwelling units (ADUs) provide additional housing opportunities for people of all ages and economic levels. The City of Gilroy permits ADUs on any residential parcel in any zoning district that permits residential or residential mixed-use development.

The City submitted its current ADU ordinance to the state in 2020 and worked with the state to ensure its compliance with state law at that time. The City will continue to update the ADU ordinance as necessary and work with the state to ensure compliance with new state law (e.g., Government Code Section 65852.2).

The City is also including multiple programs to monitor, incentivize and encourage ADU development across the City. This includes monitoring and tracking ADUs and their affordability (Program A - 6), adopting a set of preapproved plans (Program A - 7), incentives for ADUs restricted to lower-income households (Program A - 8), and encouraging the development of ADUs through education and marketing (Program G - 4).

Senate Bill 9

Effective January 1, 2022, Senate Bill (SB) 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The City adopted two objective design standard policies for SB 9 projects on December 13, 2021 and revised them effective April 4, 2022 following additional interpretation by the state. Consistent with state law, the adopted standards are purely objective in nature, providing property owners information on the SB 9 process and associated standards in Gilroy. The City's SB 9 2-Unit Objective Design Standards Policy and the SB 9 Lot Split Objective Design Standards Policy both closely follow state law. The City website has readily available information regarding ADU and SB 9 applicability and standards.

Emergency Shelters

An emergency shelter is housing with minimal supportive services for unhoused persons that is limited to occupancy of 180 days or less per calendar year by an unhoused person. No individual or household may be denied emergency shelter because of an inability to pay.

The City's emergency shelter requirements are currently provided in the Performance Standards section of the zoning ordinance. Currently, emergency shelters may be permitted in any zone with a conditional use permit. Emergency shelters in the agriculture and residential zoning districts may only serve families. Per City Code, one parking stall shall be provided per employee and volunteer on the shift with the greatest number of employees and volunteers, and one parking stall shall be provided for every ten beds in the shelter.

The number of beds per single room in a shelter is limited to 50, unless a larger number is approved on a temporary basis in advance by the planning manager and police chief. A shelter must include an indoor intake area that is of sufficient size to accommodate the maximum

number of clients anticipated to request sheltering at any given time, as well as an exterior area for clients waiting for the shelter to open. The waiting area must be physically separated and visually screened from the public right-of-way.

Additional requirements for emergency shelters include a management plan to address experience, neighbor issues, transportation, client supervision, screening of clients, food services, security, training, counseling, and treatment programs. The plan requires approval by the planning manager and police chief prior to operation of the emergency shelter. The plan must include a floor plan that demonstrates compliance with the physical standards of the City's code. The operator of each emergency shelter is required to annually submit the management plan with updated information for approval.

Current City emergency shelter standards do not meet state law requirements (Government Code Section 65583). The City will amend its Zoning Ordinance to comply with all portions of state law (Government Code Section 65583). The City will ensure that other development standards that apply to emergency shelters are consistent with other uses in the underlying zone (Program E - 3).

Program E - 3 is included to update emergency shelter standards to comply with state law to allow for an emergency shelter as a by-right use in the R4 zone and set parking based on the rate of staff only. The R4 zone is appropriate for emergency shelters due to their access to nearby resources such as transit and supportive services. There are 10.81 vacant or underutilized acres in the R4 zone available to accommodate emergency shelters. The R-4 zone includes sufficient capacity to accommodate the needs of unhoused individuals identified in the most recent Point in Time Count. Program B - 2 includes zoning amendments to remove the maximum density in the R4 zone, such that there is no limit to the number of beds in an emergency shelter in the City. Emergency shelters will continue to be allowed in all zones with a CUP, which increases the amount of land available for emergency shelters beyond what is required by state law.

Low Barrier Navigation Centers

Low barrier navigation centers (LBNC) are service-enriched shelters that are focused on moving individuals into more permanent housing. LBNCs provide temporary housing while case managers connect individuals experiencing homelessness to shelter, public benefits, and health services. Under the Housing for Homeless Act (2019), local governments are required to allow LBNCs by right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Gilroy does not currently explicitly allow LBNCs in any zone, though this would not prevent their development if an application for one were received. Per Program E - 4, the City will amend its Zoning Ordinance pursuant to Government Code Section 65583 to allow for LBNCs by right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Modular Homes

The permitting of modular, or manufactured, housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City of Gilroy permits modular homes by right in all residential zones that permit single-family dwellings by right.

Transitional and Supportive Housing

Supportive or transitional housing that serves up to six individuals is allowed by right in all residential zones. Supportive or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home, is allowed in any zone upon the granting of a conditional use permit. While the conditional use permit may be a potential constraint on the development of group homes with more than six residents, the City has objective standards for these homes to add certainty to the development process. As a part of Program B - 6, the City's objective standards will be reviewed and modified as necessary to ensure they are purely objective in nature.

Single-Room Occupancy Units

Single-room occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis, typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly unhoused, and disabled persons. SRO units are not specifically defined or included in the City's Zoning Ordinance; however, there is precedence for their allowance within the City.

The City of Gilroy has one SRO development, which opened in 2016. The 25-unit SRO project, the Gilroy Studios (26 units including a manager's unit), was added to the Sobrato Transitional Apartments, aimed at serving the unhoused population in Gilroy. This recent project demonstrates that there are no demonstrated constraints on the development of SROs in the City.

Residential Development Ordinance

The Residential Development Ordinance (RDO) was first established in 1979 to monitor the amount of residential growth in the City by limiting the number of dwelling units that could be built in a 10-year period. The RDO is a potential constraint on development; however, it has been made null by provisions of SB 330 and SB 8, effective through 2030. The RDO limitations are not currently utilized by the City and will not be included in the City's new zoning ordinance, and thus does not pose a constraint to development. Program B - 1 requires the removal of the RDO as a part of the comprehensive zoning update.

Affordable Housing Policy

The City does not have an inclusionary policy in effect for the whole City. Although the City currently has an inclusionary housing requirement for developments in its Neighborhood

District areas, the Policy is limited to property with a Neighborhood District land use designation. The Neighborhood District Policy requires developments to construct a minimum of fifteen percent (15%) of its units at affordable prices. Incentives for constructing affordable housing in the Neighborhood Districts include density bonuses, reduction in City standards (including zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes), and reduction in road widths. All affordable units must be developed on-site and there is no option for an in-lieu fee. The lack of an in-lieu fee is a constraint to development and does not comply with Government Code Section 65850(g). Program A - 5 is included to revise the Neighborhood District Policy to ensure it is fully compliant with state law.

Similarly, though the Residential Development Ordinance (RDO) growth limits are no longer in effect due to state law, the RDO Exemption Policy was an effective tool for incentivizing affordable restrictions in a development. Portions of the RDO Exemption Policy were set up similarly to an inclusionary housing ordinance, by including resale controls and rental price controls for a minimum of 55 or 30 years, and specifying a minimum percent of units for different affordability categories, as follows:

- At least 40% of units affordable to households below 60% of the AMI
- At least 15% of units affordable to households between 60% and 80% of the AMI
- At least 15% of units affordable to households between 80% and 100% of the AMI
- No more than 30% of the units affordable to households between 100% and 120% of the AMI

Both the Neighborhood District Policy and the RDO affordability standards can be used as a benchmark for the affordable housing policy adopted by the City (Program A - 11). The City also understands that inclusionary housing often raises the cost of development by mandating a price subsidy, an inclusionary housing policy is a potential constraint on development.

Urban Growth Boundary and Urban Service Area

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses."

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which the City Council determines that doing so is necessary to comply with state law regarding the provision of housing for all segments of the community and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or re-designated is immediately adjacent to: (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low and very low-income housing pursuant to the Housing Element of this General Plan;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with State law.

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.²⁸

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The City accepts applications for USA modifications in the month of July only. The USA is reviewed and amended by the Local Agency Formation (LAFCO) if desired by the City. The City is currently waiting for LAFCO's decision on an USA amendment application for property north of Gilroy. The City also received an applicant request to amend the USA boundary south of Gilroy. These applications are a good indication of developer interest in Gilroy. The USA acts as a potential constraint to development within City boundaries, which has more permissive development standards than the unincorporated County. . Despite this potential constraint, the City has capacity for new housing within the USA and UGB, and has increased residential densities in the Gilroy 2040 General Plan to accommodate any capacity lost under Measure H. Furthermore, the UGB does not restrict the number or timing of permits within the USA or UGB.

Development Review and Permitting Procedures

The efficiency and timing of a jurisdiction's processes for review and approval of residential development has a significant impact on the amount and pace of housing construction. The procedures for development review and permitting in the City of Gilroy are described below.

²⁸City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Permit Processing Procedure

The requirements of the permit processing procedure have the potential to act as a constraint to the development of housing. The time and uncertainty of the review and revision cycle can contribute significantly to the overall cost of the project, ability to obtain and maintain funding, and the cost of each dwelling unit. Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the developmental review and approval process does not act as a constraint to development by adding excessive costs or discouraging housing development.

In 2020, the City awarded a contract to Tyler Technologies for the purchase and implementation of a Land Management System. The Land Management System helps to manage land development applications, special event permits, code enforcement cases, and fire prevention/pre-treatment/hazardous materials management. The City began configuring the system in 2021 and intends to “go live” with the public in 2023. This Land Management System will modernize the City's application processes by allowing online application submittals and coordinated digital plan review. The system will automate many steps in the existing permitting process and help mitigate potential constraints caused by a lengthy permitting process. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow.

The City will also continue to hold development stakeholder roundtable meetings (virtual in 2020 and 2021) to maintain a dialog with the development community. Recent topics discussed at the roundtable included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan. The City evaluates its permitting and processing procedures biannually. It consults builders and other parties engaged in housing development activities to identify concerns and potential constraints in the permit processing procedure. In 2021, the City began a comprehensive update of the City's Zoning Ordinance to ensure that it is compliant with the 2040 General Plan. Updates will include changes to help streamline the permit process, including but not limited to creating an administrative use permit process, as currently all use permits require a public hearing before the Planning Commission. City staff is also recommending a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential additions). Program B - 5 includes the above changes to streamline the permitting process.

The typical planning permit process follows the steps below.

1. Optional Pre-Application Submittal Meeting
2. Application Submittal
3. Input from Other Departments
4. Status Letter to Applicant
5. Plan Revision, as needed (if yes, return to Step 2)
6. Planning Staff Analysis

7. Project Decision, including conditions of approval if applicable

The project decision may be appealed, which would result in project review by either the Planning Commission or City Council, depending on the permit.

Permit Processing Time

The processing time needed to obtain development permits and required approvals can act as a constraint to development and contribute to the high cost of housing. Permit processing times are partially dependent on the number of staff available to review projects. When staffing levels drop due to attrition (e.g., voluntary termination) or cutbacks (e.g., layoffs), permit processing times increase. In 2017, the City hired Management Partners to complete an organizational review of the Community Development Department, including recommended staffing levels. Many of the report's recommendations, such as over-the-counter plan checks, were implemented to reduce permit processing times. The report also recommends that the City reevaluates staffing levels on a regular basis to determine when additional staff resources are needed to meet service demand.

The permit processing times for various permits are shown in Table 56. The level of project review depends on the type of project. Most single-family projects require only a zoning clearance from the Planning Department as part of the building permit process. Single-family residential hillside projects can be approved by planning staff through an Architectural and Site Review permit. Similarly, most multi-family (no subdivision map) commercial, industrial, and professional office projects can be approved administratively. These staff level discretionary planning projects typically take three to six months (depending on application completeness) to obtain planning entitlements, while applications for building permits take another three to four months. Projects that require a tentative subdivision map require Planning Commission review and City Council approval. The subdivision review and approval process typically takes approximately one year to complete, depending on the required California Environmental Quality Act (CEQA) documentation. Once final maps are recorded, building permit applications may be filed, which typically takes another three to four months for approval.

Table 56: Permit Processing Time

Permit Type	Length of Approval	Approval Body
Building Permit	3-4 months	Issued by Building and Safety Division
Conditional Use Permit	3-4 months	Planning Commission
Variance	3-4 months	Planning Commission
Zone Change / Zoning Amendment	6-12 months	City Council
General Plan Amendment	6-12 months	City Council
Architecture and Site Review	3-6 months	Community Development Director (or designee)
Planned Unit Development	6-9 months	City Council
Tentative Tract Map	6-9 months	City Council
Negative Declaration	6-9 months	Same as project approval body
Environmental Impact Report	12 months	Same as project approval body
Final Subdivision Map	2-4 months	City Council
Parcel Map	1-2 months	City Council

Source: City of Gilroy, 2022

The Cities Association of Santa Clara County Planning Collaborative collected data through a survey to provide a regional comparison of permit processing times for jurisdictions across the County. Table 58 displays the permit processing time in months for various types of residential permits. Gilroy has similar or slightly quicker processing times as jurisdictions across County for most permits. The City has a shorter processing time on discretionary permits that go to City Council (5 – 6 months) than all jurisdictions except two.

Table 57: Permit Processing Time, Months, Regional Comparison

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Gilroy	1 - 2	1 - 2	2 - 4*	N/A	4 - 5	5 - 6
Campbell	1	1	3	N/A	5	8
Cupertino	1 - 3	1 - 6	2 - 4	2 - 4	3 - 6	6 - 12
Los Altos Hills	1 - 2	0.5 - 2	2 - 3	3 - 4	4 - 6	5 - 8
Los Gatos	N/A	1 - 2	1 - 2	2 - 4	4 - 6	6 - 12
Milpitas	1 - 3	1 - 3	2 - 4	3 - 4	4 - 6	6 - 12
Monte Sereno	0.75	0.75	1	1 - 2	1 - 2	1 - 2
Morgan Hill	1 - 2	1 - 2	2 - 3**	2 - 3	4 - 6	4 - 6
Mountain View	3 - 5	4 - 6	2 - 3	6 - 18**	N/A	12 - 24
San Jose	2	1 - 3	7	7	7 - 11	5 - 12
Santa Clara	0 - 1	0 - 1	0 - 3	4 - 9	6 - 9	6 - 12
Saratoga	1	1 - 2	2 - 3	N/A	4 - 6	6 - 12
Sunnyvale	1 - 3	1 - 3	3 - 6	6 - 9	9 - 18	9 - 18
Unincorporated County	4 - 6	6 - 8	9 - 12	12 - 15	15 - 18	15 - 18

Source: Cities Association of Santa Clara County, Planning Collaborative. 2022.

*Gilroy does not have "discretionary by-right" permits This timeline represents "Discretionary (Staff)". This timeline also depends on level of CEQA review.

**Entitlements only

Objective Design Standards Policy

In October 2021, the City of Gilroy adopted the Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy. The Objective Design Standards were created to ensure the City's compliance with the Housing Accountability Act. The Objective Design Standards apply to residential projects that are multifamily or mixed-use. Consistent with state law, the standards are purely objective in nature. The objective design standards are also intended to increase consistency in decision making, minimize applicant delays, better utilize limited staff resources, and promote good design principles that help ensure that Gilroy is an attractive place to live and visit.

The City is including Program A - 10 to incentivize missing middle housing by allowing ministerial approval of duplexes, triplexes, and quadplexes, in specified zones, that meet these objective standards.

Planning, Building, and Development Impact Fees

Housing developments are typically subject to three types of fees: planning permit fees, building permit fees, and development impact fees. The fees are charged by the City and other agencies to cover administrative processing costs associated with development and help ensure the provision of adequate services.

Fees vary based on the type of application necessary for project approvals. The processing fees are typically recouped through the rent or sales price, so excessive fees may ultimately affect the affordability of housing. It is best practice to periodically conduct user fee studies to ensure the City is recouping the cost of providing services in areas for which fees apply. In May 2022, the City completed a Comprehensive User Fee Study to update the City’s user fees schedule, which was last updated and adopted in 2014. Following community meetings and public hearings with the City Council, a new fee schedule was adopted, effective August 1, 2022. The most current fee schedule is available on the City’s website. Planning related fees for the City of Gilroy are shown in Table 58.

Table 58: Planning Related Fees

Applications	Fee
Annexation	\$16,632 + actual attorney fees
Architectural Site Review – Residential	
<i>New Construction</i>	\$8,294/first lot + \$592/additional flat land tract plan + \$1,203/additional hillside lot
<i>New Hillside Lot - SFD</i>	\$4,532
<i>Additions</i>	\$2,648
Development Agreement	\$19,081 minimum deposit (hourly rate invoiced against initial deposit, plus \$10,000 deposit for attorney fee)
Environmental	
<i>Categorical Exemption</i>	\$536.00
<i>Initial Study/ND/MND, non-complex project (Staff Review)</i>	\$12,113.17 (minimum)
<i>Environmental Impact Report (staff review)</i>	\$23,739.79 (minimum)
<i>EIR/MND/Initial Study (Consultant Contract)</i>	Actual contract cost plus 15% of contract cost + 15% staff review + 10% contingency
General Plan Map Amendment	\$15,604/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs
Planned Unit Development	\$16,203
Tentative Parcel Map	\$10,253 (up to 4 lots), plus publishing
Tentative Tract Map	\$19,036/(5-12 lots) + \$302/additional flat land lot + \$877/additional hillside lot, plus publishing costs
Urban Service Area Extension	\$29,188/first 10 acres + \$423/each additional 10 acres + publishing3 + LAFCO fees

Variance	\$5,470, plus attorney fees and publishing costs
Zoning Map Amendment	\$11,884/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs

Source: City of Gilroy. Effective August 1, 2022.

3. For those projects involving multiple public hearing applications, the publication costs will be reduced to a single charge when it is determined, and reasonably possible, that the public-hearing applications can be processed together.

The City of Gilroy Public Works Department provides a fee schedule for the development impact fees. The current impact fee schedule runs from July 1, 2022, to June 30, 2023. This fee schedule was recently updated to reflect the fees adopted as part of the 2022 Comprehensive User Fee Study discussed above. Development impact fees add to the cost of residential development; however, they can be a cost-effective mechanism for financing the new infrastructure (e.g. water, sewer, roads) required to support new development. The fees allow for the consolidation of infrastructure projects when it is more cost-effective to do so and, by law, must be linked to the actual impact of the specific project.

The City of Gilroy imposes a number of development impact fees, including for public facilities, sewer development, storm development, traffic, and water development. Typically, fees per unit for high-density residential are lower than fees per unit for low-density residential. Development fees for the City of Gilroy are shown in Table 59. The City also charges a development impact fee of \$15.82 per square foot for ADUs that are greater than 750 square feet.

Table 59: Development Impact Fees

Fee Type	Fee
Public Facilities Impact Fees	
Residential – Low Density	\$22,617/unit
Residential – High Density	\$19,028/unit
Sewer Development Impact Fees	
Residential – Low Density	\$13,262/unit
Residential – High Density	\$7,176/unit
Storm Development Impact Fees	
Residential – Low Density	\$598/acre
Residential – High Density	\$940/acre
Traffic Impact Fees	
Residential – Low Density	\$13,012/unit
Residential – High Density	\$10,548/unit
Water Development Impact Fees	
Residential – Low Density	\$4,556/unit
Residential – High Density	\$1,843/unit
ADUs	ADU impact fees are not assessed for the first 750 square feet. Any floor area above 750 square feet will be assessed an impact fee of \$15.82/square foot

Source: City of Gilroy. Fees to Build Effective July 1, 2022.

The Cities association of Santa Clara County Planning Collaborative collected data through a county-wide survey to provide a regional comparison of fees for different types of development. Total fees per unit for single-family, small multi-family, and large multi-family are shown in Table 60. Generally, Gilroy has fees that are comparable to the region. For single-family fees, Gilroy is the sixth least expensive of the thirteen jurisdictions with listed fees. For small multi-family units Gilroy is seventh of the twelve listed fees, and for large multi-family Gilroy is eighth of twelve listed fees.

Table 61 displays a regional comparison of fees as a percentage of total development costs. Gilroy's single-family fees (1.5 percent of total development) rank sixth least expensive out of fourteen jurisdictions listed. For small multi-family fees, Gilroy ranks seventh out of twelve jurisdictions listed (5.3 percent), and for large multi-family fees, Gilroy is eighth of the twelve jurisdictions listed (5.6 percent).

Table 60: Total Fees per Unit, Regional Comparison

Jurisdiction	Single-Family	Small Multi-Family	Large Multi-Family
Gilroy	\$69,219	\$40,195	\$39,135
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$72,034	\$7,299	\$3,048
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292

Source: Cities Association of Santa Clara County Planning Collaborative. 2022.

Table 61: Fees as Percentage of Total Development Costs, Regional Comparison

Jurisdiction	Single-Family	Small Multi-Family	Large Multi-Family
Gilroy	1.5%	5.3%	5.6%
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	N/A

Source: Cities Association of Santa Clara County Planning Collaborative. 2022.

On average, fees are comparable to surrounding jurisdictions in Santa Clara County. Fees may represent a barrier to the construction of housing as they increase the minimum cost of development for a dwelling unit and may be passed onto the purchaser or renter. However, the City's fees are not excessive and do not constitute actual constraints on the production of housing, as the City has seen robust housing production during the 5th Cycle.

School Fees

In addition to the costs above, the Gilroy Unified School District charges development fees. The entirety of Gilroy is served by the Gilroy Unified School District. As of 2018, the residential development fees for the school district are \$3.79 per square foot.²⁹ The City does not have control over these fees, but the fees have not constrained the development of housing in recent years.

Transparency of Development Standards

The City of Gilroy provides its development standards on the City website. The Gilroy City Code, General Plan, permit and development fees, affordability requirements, and zoning maps can all be accessed on the City's website. This includes the most recent Comprehensive User Fee Study. City staff are available to assist applicants or interested parties that do not have internet access. The City is in compliance with requirements set forth in AB 1483.

SB 35 Approval Procedure

SB 35 (2017) requires a Streamlined Ministerial Approval Process for developments in jurisdictions that have not made sufficient progress towards their Regional Housing Needs Allocation. Program B - 3 establishes and implements expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330.

As of August 2022, the City of Gilroy has not received an SB 35 application. If the City were to receive an SB 35 application, it would follow state law procedure. The following permitting procedure that the City will follow is from the Streamlined Ministerial Approval Process guidelines outlined by HCD.

After receiving a notice of intent from the applicant intending to submit an application for a Streamlined Ministerial Approval Process, the following steps must occur:

1. The City will complete the tribal consultation process outlined in Government Code Section 65913.4(b) prior to accepting an application for a Streamlined Ministerial Approval process.
2. Once the tribal consultation process is complete, the City will begin processing the submitted application for a Streamlined Ministerial Approval process.
3. The City will perform a determination of consistency with regard to objective zoning, subdivision, and design review standards.
4. The City will perform a determination of consistency with density requirements.
5. The City will complete the design review within the following timeline, following acceptance of the application in item #2 above:

²⁹ Gilroy Unified School District. Developer Fee Justification Study. 2018.
<https://resources.finalsite.net/images/v1529100379/gusdk12caus/qszb2awtcdnj2lpzxcc8/DeveloperFeeJustificationStudy.pdf>.

- Within 60 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 90 calendar days of submittal of the application to the City if the development contains more than 150 housing units
6. The City will determine whether the application for Streamlined Ministerial Approval complies with all applicable requirements, and will approve or deny the application, within the following timeline:
- Within 90 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units
 - Within 180 calendar days of submittal of the application to the City if the development contains more than 150 housing units.

Housing for Persons with Disabilities

The US Census Bureau defines persons with disabilities as those with a long-lasting physical, mental, or emotional condition. Certain conditions affect a person's housing choices, whether it creates a need for accessibility, living spaces for caretakers, transit access, or other.

Reasonable Accommodation Procedures

The City of Gilroy has a Reasonable Accommodation Procedure adopted in 2014 outlined in Section 30.50.23 of the Zoning Ordinance. A request for reasonable accommodation may be made by any person with a disability, their representative or any entity, when the application of a zoning law or other land use regulation, policy or practice acts as a barrier to fair housing opportunities.

Requests for reasonable accommodation shall be reviewed by the Community Development Director or their designee if no other approval is sought. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority responsible for reviewing the discretionary land use application, in conjunction with that application. The written decision to approve or deny a request for reasonable accommodation shall be based on consideration of the following factors:

- Whether the housing will be used by a disabled individual.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability.
- Potential impact on surrounding uses.
- Physical attributes of the property and structures.
- Alternative accommodations which may provide an equivalent level of benefit.
- Whether the requested accommodation would impose an undue financial or administrative burden on the City.

- Whether the requested accommodation would require a fundamental alteration of a City program.

The reviewer must make a written determination within 45 days of receipt of a complete application and either approve, approve with modifications, or deny a request for reasonable accommodation.

The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to help provide accessibility improvements to very low-income households.

Definition of Family

The Gilroy City Code defines family as “one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.” This definition is consistent with state law and does not pose a constraint on the development of housing for persons with disabilities.

Building Code

The City of Gilroy has adopted the 2019 California Building Code, adopted from the 2018 International Building Code, with local amendments. The modifications and changes were adopted with recommendation by the City of Gilroy chief building official. Modifications and changes are reasonable and necessary due to local climactic, geological, or topographical conditions or are otherwise permitted by state law. Local amendments to the building code can be found in Gilroy City Code Chapter 6, Article II, Section 6.7. Amendments are minor changes, and no modifications pose constraints to development. The City will adopt the 2022 California Building Code with local amendments on January 1, 2023, following public meetings with the City Council in the last quarter of the 2022 calendar year.

Code Enforcement

The City’s Code Enforcement staff responds to potential violations of the Gilroy City Code. There are two code enforcement officers. Code enforcement is reactive and officers respond to complaints reported by residents. Common violations include abandoned or dangerous buildings, blighted property and maintenance concerns, unsafe living conditions, construction without land use/zoning permits, and illegal tree removal. The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to operate and expand the Home Repair, and Accessibility Modification program in Gilroy.

On- and Off-Site Improvement Requirements

The City requires on- and off-site improvements for new developments, which are intended to meet health and safety requirements of the community. Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. The City’s General Guidelines for development were most recently updated in

August 2014. They include local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, street lighting, erosion control, landscaping, and easements.

Notably, all streets must be designed in accordance with accepted engineering principles and conform to the design standards, the standard details, and the complete streets resolution approved by City Council. All exceptions to the general guidelines must be approved by the City Engineer prior to the approval of a tentative map. These requirements are similar to those of other jurisdictions and are not considered a constraint on development.

Nongovernmental Constraints

Requests to Develop Below the Anticipated Density

Requests to develop housing at densities below those anticipated in the Housing Element act as a potential constraint to housing development. However, the City does not generally receive any requests to develop below densities anticipated. Several projects also take advantage of the State Density Bonus law. One of the low-income sites identified in the previous housing element (LI-4) is developing above the anticipated density identified in the previous housing element. The site was projected for 78 units and has 120 units pending for a surplus of 42 units.

Land Costs

Land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land increases. The scarcity of adequate housing opportunities in northern Santa Clara County have influenced upward pressure on land and housing costs in Gilroy.

The price of land varies depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities. Vacant land sales (in early 2022) are shown by cost and acreage in Table 62. The price ranges from \$1.80 to \$9.69 per square foot, with an average price of \$6.75 per square foot (or \$293,843 per acre). The City has little control over land costs, which can pose a constraint to development.

Table 62: Recent Vacant Lot Sales in Gilroy

Acreage	Land Cost	Cost per sq. ft.	Date Sold
7.34	\$3 million	\$9.38	2/28/2022
1.26	\$335,000	\$6.10	2/18/2022
13.11	\$1.03 million	\$1.80	2/15/2022
7.67	\$900,000	\$2.69	2/11/2022
1.14	\$400,000	\$8.06	2/1/2022
2.38	\$985,000	\$9.50	1/5/2022
1.09	\$460,000	\$9.69	1/4/2022

Source: Zillow.com, 2022

Construction Costs

Construction costs include the cost of materials and labor. Materials costs include the cost of building materials (wood, cement, asphalt, roofing, pipe, glass, and other interior materials), which vary depending on the type of housing being constructed and amenities provided. In general, construction costs can be lowered by increasing the number of units in a

development, until the scale of the project requires a different construction type that has a lower cost per square foot.

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data are national and do not account for regional differences, nor include the price of the land upon which the building is built. The most recent Building Valuation Data, dated August 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows:

- Residential Multifamily: \$136.73 to \$203.34 per square foot
- Residential One- and Two-Family Dwelling: \$148.33 to \$189.34 per square foot
- Residential Care/Assisted Living Facilities: \$172.87 to \$240.35 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per square foot in 2018.³⁰

Financing Availability

Interest rates affect homeownership opportunities throughout the City. In August 2022, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 5.55 percent on a 30-year fixed-loan rate. While low interest rates are expected to prolong the availability of financing, low housing inventory can create competition among potential homebuyers, especially for first-time homebuyers. The sales price of housing is typically adjusted for changes in mortgage rates. The Housing Trust of Silicon Valley administers the Santa Clara County Empower Homebuyers First Time Homebuyer Loans and HELP for Homebuyers programs.

Table 63 displays the number of loan applications received in 2020 for the purpose of purchasing a home in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which includes the City of Gilroy. Specifically, the table provides the number of total applicants, the number of loans originated, the number of applications that were approved but not accepted by the applicant, and the number of applications denied across various types of loans.

³⁰ Turner Center for Housing Innovation. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. Marc 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

Table 63: Disposition of Home Loans, 2020

Loan Type	Total Applicants	Originated	Approved Not Accepted	Denied	Withdrawn / Other
Conventional Purchase	24,691	15,660	644	1,942	6,445
Government Backed Purchase	1,879	986	71	138	684
Home Improvement	5,206	2,998	165	961	1,082
Refinance	41,117	21,078	1,208	5,930	12,901
Total	72,893	40,722	2,088	8,971	21,112

Source: lendingpatterns-lite.com, 2020

Federal and State Programs

There is limited funding available for housing assistance programs from the state and federal governments. For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 each year in CDBG funds from the US Department of Housing and Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities.

For the 2022 - 2023 and 2023-2024 fiscal years, the City also allocated \$237,000 (each year) in Permanent Local Housing Allocation Fund (PLHA) funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities.

Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, soil conditions, flood risk, vegetation and wildlife habitat, toxic and hazardous waste, fire hazards, noise levels, and preservation of agricultural lands. In Gilroy, seismic hazards provide the greatest threat to the built environment. Infrastructure constraints include the availability and cost of water and sewer services. The following hazards may impact future development of residential units in the City and can pose a potential constraint to housing development.

Environmental Constraints

Seismic Hazards

The topography of Santa Clara County consists of three principal geologic features: the Santa Clara Valley, the Santa Cruz Mountains, and the Diablo Range. The area is dominated by a complex system of faults associated with motion between the Pacific and North American plates. The most significant fault is the San Andreas Fault. The area is seismically active and includes other major, active strike-slip faults, including the Calaveras Fault, as well as active

folding and thrust faulting. The Sargent Fault, northeast of the City of Gilroy, has significant potential to cause seismic shaking.

Soils

The soils in the Gilroy area consist of gravel, silt, and clay that are often poorly drained with flooding and deposition occurring along the major streams. Because these soils exhibit site-specific properties, site-specific studies should be completed at the project design stage to characterize the suitability and behavior of soil for specific development applications.

Flooding

The City of Gilroy area lies within two major watersheds: the Uvas Creek watershed and the Llagas Creek watershed. The City of Gilroy Flood Plain Management Ordinance was updated in 2016 to adopt regulations designed to promote public health, safety, and general welfare. The standards require all new developments in the 100-year floodplain, regardless of project size, to develop a base flood elevation in areas without a determined base flood elevation.

Vegetation and Wildlife Habitat

Vegetation and wildlife habitat within the Gilroy area include both developed and natural areas. Developed areas include urban and agricultural land. Natural communities include annual grassland, coastal oak woodland, and valley foothill riparian habitat.

The 2040 General Plan includes policies aimed at protecting sensitive communities, including wetlands and waterways (including associated freshwater marsh vegetation and riparian corridor habitats), serpentine rock formations that support native species, and native oak woodlands, from urban development, in-stream capital projects, and in-stream operations and maintenance.

Toxic and Hazardous Wastes

Hazardous waste management in Gilroy includes three areas: control of production, control of disposal, and control of transportation of hazardous waste. A limited number of hazardous materials are produced in the City. Among those produced by point sources are waste oil, antifreeze, solvents, x-ray solutions, and materials associated with graphic design. Hazardous wastes associated with non-point sources include waste oil, antifreeze, and other pollutants associated with motorized vehicles. The City of Gilroy's Hazardous Materials Specialists and Pretreatment Inspectors and the County Health Department regularly inspect activities that store and/or use hazardous materials. Regular inspections and monitoring help ensure compliance with local, state, and federal regulations and help reduce the risks associated with the use and handling of hazardous materials and waste.

Fire Hazards

The City of Gilroy receives fire protection from the Gilroy Fire Department. The areas outside the City are under the jurisdiction of the South Santa Clara County Fire Protection District. The two jurisdictions have a mutual aid agreement that allows reciprocal aid to be provided on an

as-needed basis during major emergencies. High Fire Hazard (or “Mutual Threat Zones”) areas are designated by the district. These include much of the hillsides on the western boundary of the City. The City of Gilroy Fire Department has in place a hazard (weed) abatement program. The City’s Hillside Development Guidelines contain policies relating to fire hazards.

Noise

One of the primary noise sources in the Gilroy area is traffic on local roadways, primarily the result of tire noise on the road surface and the Union Pacific Railway line. Other typical noise sources, as in all suburban areas, include construction, barking dogs, children playing, industry, and recreational activities. Overflying aircraft are also occasionally audible in the Gilroy area. These sources are not significant compared to the noise produced by the dominant transportation sources.

The City is responsible for evaluating noise impacts as part of the review and approval process for new discretionary project proposals. Project approval may include conditions to mitigate noise levels for project occupants and nearby neighbors. There is no noise impact fee. The cost of construction, as well as maintenance of noise mitigation measures, is borne by the developer. The City of Gilroy aims to buffer residential areas from sources of noise pollution through appropriate zoning wherever possible (e.g., locating commercial uses between residential uses and light industrial uses).

Agricultural Lands

To protect and preserve agricultural land, the City of Gilroy adopted an Agricultural Mitigation Policy. The policy was adopted in 2004 and revised in 2016. The California Environmental Quality Act (CEQA) requires all feasible mitigation for significant unavoidable impacts. Upon certification of the City’s General Plan EIR, the City Council established the Agricultural Mitigation Policy to implement the mitigation measures identified in the 2020 General Plan EIR and 2040 General Plan EIR for loss of agricultural lands. Therefore, significant impacts as determined under CEQA would be subject to the City’s Agricultural Mitigation Policy. The policy establishes the criteria for determining when mitigation would be required and what lands are acceptable for preservation. The policy requires mitigation for the conversion of agricultural lands to urban uses at a 1:1 replacement ratio. Mitigation may be accomplished with one of two options and the options shall include all costs to cover program administration, monitoring and management of established easements as outlined in the Policy.

The policy established a preferred area for the preservation of agricultural lands. This area is located within the City’s Sphere of Influence and outside the General Plan 20-year boundary, east of Highway 101 and south of Masten Avenue. At the time the map was created in 2004, this area contained the greatest concentration of “Prime” and “Statewide Important” farmland remaining in south Santa Clara County. The policy requires new developments to establish a minimum of 150 feet for an agricultural buffer adjacent to permanent agricultural and open space areas. This applies only to a few areas in the City and would aim to reduce potential conflicts between agricultural and non-agricultural uses.

The Agricultural Mitigation Policy poses a potential constraint to development, but also allows for certain exemptions from the 1:1 mitigation ratio as follows:

- Up to 100 feet in width of a permanent agricultural buffer area;
- Public facilities established in the City's General Plan or Parks Master Plan; and
- Lands dedicated for public rights-of-way that service the overall community, not just the specific development.

Infrastructure Constraints

Water

The Llagas Basin Aquifer serves as Gilroy's potable water source for most residential, municipal, industrial, and agricultural land uses. It is estimated that the municipal demand will increase to 53,000 acre-feet per year by 2040.

The City depends solely on local groundwater from wells for its water supply. Currently, there are 15 active wells that serve three water pressure zones. The City's water supply system relies on well pumping from dispersed sources to supply system pressures in areas of lower elevation during peak demand conditions. Gilroy will continue to meet its future demands through its 2020 Urban Water Management Plan.

Sewer

The City sewer collection system consists of approximately 162 miles of 3-inch through 48-inch diameter sewers. The system consists of trunk sewers that convey the collected wastewater flows to the Wastewater Treatment Plant (WWTP). The WWTP, operated by the South County Regional Wastewater Authority (SCRWA), treats the collected wastewater from the City.

During dry weather conditions, the maximum day and peak wastewater hour flows from the City are 2.8 million gallons per day (mgd) and 5.4 mgd, respectively. During wet weather conditions, the maximum day and peak wastewater hour flows from the City are 6.6 mgd and 20 mgd, respectively.

According to the City's Sanitary Sewer Master Plan, the existing system was well planned to meet the needs of existing customers. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction. Some project improvements in the master plan will mitigate flows caused by infiltration and inflows that occur during significant storm events.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE
HOUSING SITES AND RESOURCES

Housing Sites and Resources

Land Inventory

This section of the Housing Element addresses resources available for the development, rehabilitation, and preservation of housing in Gilroy. It provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing need. The financial and administrative resources available to support affordable housing are also discussed.

Housing Allocation

As discussed in the needs section, California General Plan law requires that a community plan for an adequate number of sites to allow for and facilitate production of its share of the regional housing need. Each jurisdiction must identify “adequate sites” to determine whether that jurisdiction has sufficient land to accommodate its share of regional housing needs for each income level. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. As shown in Table 64, Gilroy’s RHNA for the 2023-2031 (6th cycle) planning period is 1,773 units. Broken down by income level, the allocation is 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Table 64: 2023–2031 RHNA

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773

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

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

No Net Loss Buffer

Recent changes to state law require jurisdictions to continually maintain adequate capacity in their site inventories. In the event that a site is developed below the anticipated density or at a different income level than projected in the Housing Element, the City must still have adequate sites available to accommodate the remaining balance of the RHNA. Alternatively, the City may identify new sites or rezone sites to continue to accommodate the remaining need. For this reason, the City is including a buffer of 15 percent above the RHNA in each category. So, the City is planning for a capacity of 2,039 units, including 1,212 very low- and low-income units, as shown in Table 65.

Table 65: No Net Loss Buffer

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773
Buffer (15% of allocation)	100	58	30	78	266
Total	769	443	230	597	2,039

Realistic Capacity

State law requires that a jurisdiction project realistic estimates for housing capacity on its RHNA sites. The realistic capacity of sites may be calculated using recent project history, a minimum density, or other methods. As a majority of growth is expected to take the form of multifamily housing, recently constructed multifamily projects were reviewed to understand and establish historical trends for multifamily housing development in the City.

Multifamily developments in the City have had success in meeting the densities allowed by the zoning ordinance. Recent projects in multifamily zones, their land uses, zones, and densities are shown in Table 66. Seven (7) of the eleven (11) recent projects have achieved a yield over 100 percent of the maximum density. The average of all of these yields is 111 percent, suggesting that most developments are able to meet the maximum density, or in the case of zones with no maximum density, a density of at least 30 dwelling (du)/acre. For projects in zones that allow densities of up to or greater than 30 du/acre, the average density of recent projects is 33.1 du/acre. Three (3) of these recent projects utilized density bonuses; the JEMCOR apartments, Hecker Pass apartments, and the 1st and Kern apartments.

The Cannery Apartments project yields a noticeably lower percentage of the maximum density than the other projects on the list. This is due to an environmental constraint, as Miller Slough runs through the northern part of the parcel. There was also a homeless encampment within the upper Miller Slough drainage channel which separates the Forest Park single-family development from the Cannery development. Accordingly, there is an “Easement, Joint Use and Maintenance Agreement” encumbering these three developments. Disregarding the Miller Slough on the northern portion of the parcel, the yield is closer to 70%.

Table 66: Recent Multifamily Project Densities

Project	Land Use	Zoning	Project Density	Number of Units	Max Density	Yield Percentage
The Cannery Apartments	Cannery District DTSP	CD	21.1	104	40	53%
Cantera Commons Mixed-Use Apts	Downtown Expansion District DTSP	DED	34.5	10	N/A*	115%
Alexander Station Apts	Downtown Expansion District DTSP	DED	38.7	263	N/A*	129%
Monterey/Gilroy Gateway Apts	Gateway District DTSP	GD	40.3	75	30	134%
Kern Ave Apts	Low Density	R3	13.7	27	16	86%
Royal Way Townhomes (proposed)	Medium Density	R3	13.4	45	16	83%
Hecker Pass Apts	Medium Density	R3	26.2	100	16	164%
Gurries Duets	Medium Density	R3	17.4	4	16	109%
Gurries Townhomes	Medium Density	R3	21.1	4	16	132%
JEMCOR Apts	High Density	R4	30.8	120	30	103%
Harvest Park Apts	Neighborhood District	ND	35.2	81	30**	117%

Source: City of Gilroy.

* The DED district in the Downtown Specific Plan has no maximum density. As such, a maximum density of 30 was used to ensure suitability for low-income development per HCD guidelines.

** The ND designation has a variety of densities within the designation, and there is no one maximum density for the zone.

Table 67 shows the assumed yields for higher density zones in the City. The yields were determined based on recent multifamily trends and development standards assessed in the constraints section. Though recent projects suggest that most projects in Gilroy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the purposes of RHNA projection. For example, recent multifamily projects in the DED and DHD zones have been developed at densities of 34.5, 38.7, and 40.3 du/acre. Although the DED and DHD districts do not have maximum densities, the yield was conservatively assumed at 100 percent of 30 du/acre.

Table 67: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
R3	20 du/acre	70%	20 du/acre
R4	30 du/acre	80%	24 du/acre
CD	40 du/acre	70%	28 du/acre
DED	30 du/acre*	100%	30 du/acre
DHD	30 du/acre*	100%	30 du/acre
GD	30 du/acre	80%	24 du/acre
Mixed-Use Corridor	30 du/acre	70%	21 du/acre

* The DED and DHD districts have no maximum density.

Assumed Affordability

Density

The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction’s share of lower-income units. For Gilroy, this density is 30 du/acre. Per Government Code Section 65583.2(c)(3)(B), the R4 zone, mixed-use corridor on 1st Street, and CD, DED, DHD, and GD districts in the Downtown Specific Plan meet this requirement. Table 68 shows the income levels, densities, and their implementing zones in Gilroy.

Moderate-income housing can be accommodated through medium- and higher-density zones, with maximum densities ranging from 15 to 30+ du/ac. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 15 du/ac range.

Table 68: Densities, Affordability, and Implementing Zones

Income	Density Range (du/acre)	Gilroy Implementing Zone
Above Moderate	0-15	RH, LDR, RR, ND
Moderate	15-30	MDR, ND, TD, DHD, DED, TD, CD, GD, R3, R4
Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4
Very Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4

Size

Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites for lower-income units meet these criteria. Sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

The exception to this is one 0.49-acre vacant parcel in the mixed-use corridor. The site is part of a cluster of three vacant sites in the 1st Street mixed-use corridor (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purpose of its development.

Environmental and Infrastructure Constraints

The site inventory analysis takes into consideration any environmental constraints such as habitat, flood, noise hazards, and steep slopes, among others. Any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for in the site/unit capacity analysis. In general, the deductions in yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints.

Flooding

Portions of Gilroy fall into flood hazard zones as defined by the Federal Emergency Management Agency (FEMA). The City has been a participating community in the National Flood Insurance Program since August 1, 1980. Figure 40 displays the special flood hazard areas in Gilroy. The northern part of the City falls into flood zone X, which has a 0.2 percent annual chance of flooding; these areas are not subject to special standards. The large majority of the City has some amount of flood risk.

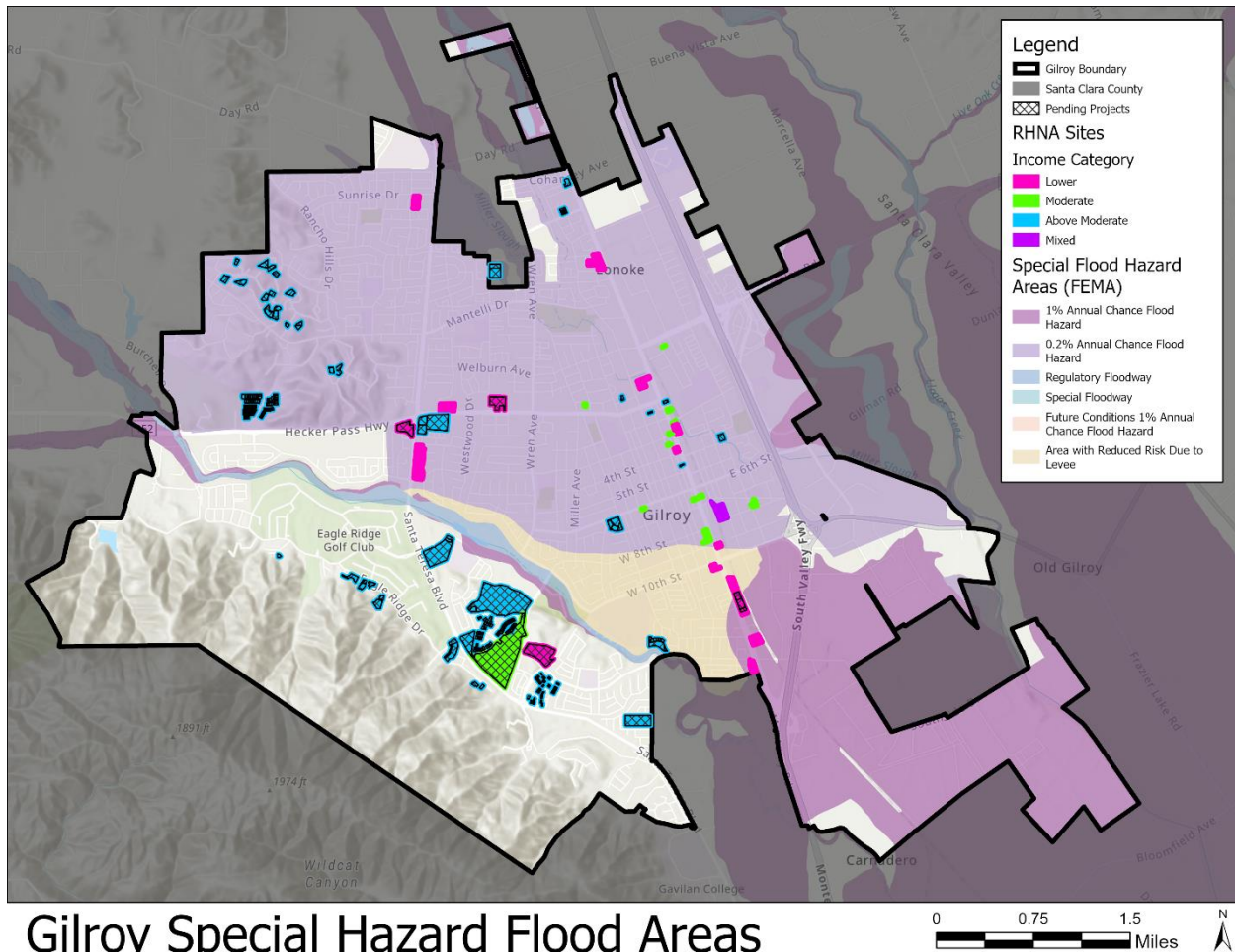
The southeast portion of the City is within the AH flood zones, which indicate areas that are subject to inundation by 1 percent annual chance of shallow flooding. Seven sites located along Monterey Street are within this zone, including three proposed for low-income development.

The City's standards for development in the identified flood areas were adopted in 2016.³¹ The City allows for residential development within its floodplains, provided mitigating strategies and design choices are made to ensure safety and limit flood damage. In "A" flood zones, the construction must be elevated to or above the base flood elevation and the lowest floor must be elevated at least one foot above the base flood elevation. While the requirements for floodplain development may act as minor constraints to housing production, they are not expected to reduce development yields or preclude new housing production in general. Most of the recent and pending projects that are not a part of the Hecker Pass or Glen Loma specific plans are located in a flood zone. This includes the Cannery apartments, 1st and Kern apartments, Harvest Park apartments, and JEMCOR apartments.

The City does not have any RHNA sites within floodways, which is a water channel that directly conveys stormwater and experiences rapid velocities during wet weather events.

³¹ City of Gilroy Floodplain Ordinance. <https://ca-gilroy.civicplus.com/DocumentCenter/View/6324/Gilroy-Flood-Ordinance-Update?bidId=>

Figure 40: Gilroy Special Flood Hazard Areas



Gilroy Special Hazard Flood Areas

Source: Federal Emergency Management Agency.

Fire

The City of Gilroy does not have any areas identified by the State as very high fire severity zones. The City does have identified Wildland Urban Interface (WUI) areas, which are high fire risk areas, as shown in Figure 41. According to the Federal Emergency Management Agency (FEMA), the adoption and effective implementation of up-to-date building codes is the most effective community mitigation measure. Furthermore, the City's development standards recommend that people living in the WUI areas prepare for wildfires by maintaining adequate defensible space around their property, hardening their home by using building materials and installation techniques that increase resistance to heat, flames, and embers, and having a pre-evacuation plan prepared in the event of a wildfire and subsequent evacuation orders. The majority of the WUI is zoned for open space, Residential Hillside RH (areas with 10%–30% slopes), R-1, and the Hecker Pass Special Use District. None of the RHNA sites are within the WUI areas.

Entitled and Pending Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.³² The City has included pending and entitled projects that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Entitled and pending projects are shown in Table 69. Lower- and moderate-income housing unit counts were based on City entitlements, and agreements or discussions with the property developers about stated intent. All of the lower income units identified in Table 69 are (or will be) deed restricted for a period of 55 years. The 1st and Kern and Hecker Pass apartments are both density bonus projects that are deed restricted for 55 years. The Glen Loma Apartment Project is subject to the 15% affordable units under the Neighborhood District Policy and has a 55-year regulatory agreement.

Table 69: Proposed, Entitled, and Pending Projects

Entitled and Pending Projects	Status	Very Low	Low	Moderate	Above Moderate	Total
JEMCOR Development, 1 st and Kern	Under Construction	12	107	1	-	120
Various Townhome Developments	Varied	-	-	-	249	249
JEMCOR Development, Hecker Pass and Santa Teresa	Approved	30	69	1	-	100
Glen Loma Apartment Project	Under Construction	-	152	-	-	152
Various Mixed-Use Projects	Varied	-	-	-	43	43
Other Single Family Homes, Subdivisions, and Caretaker Units	Varied	-	-	-	430	430
Rocky Knoll Multi-family	Proposed	-	-	34	-	34
Proposed Monterey Street Affordable Housing Project*	Pre-Application	20	73	1	-	94
TOTAL ENTITLED AND PENDING	-	62	401	37	722	1,222
6th Cycle RHNA		669	385	200	519	1,773
Percent RHNA Already Met		9%	107%	19%	139%	69%

Source: City of Gilroy.

*Pre-Application submitted. Formal project submittal forthcoming.

³² HCD Sites Inventory Guidebook https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Accessory Dwelling Units (ADUs)

The City of Gilroy has seen the number of ADU permits increase over recent years. A section of the City website is dedicated to ADU information, including FAQs, links to helpful resources, required documents, and the template to deed-restrict ADUs and Junior ADUs. Table 70 displays the recent ADU development trends in Gilroy. Based on the average number of building permits for ADUs in the last four years (17.5), the City is conservatively projecting 140 ADUs over the 2023 – 2031 6th cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 7 percent of the RHNA plus the buffer).

The City is including Programs A - 6, A - 7, and G - 3 to incentivize and specifically facilitate ADU construction for lower income households per California Government Code section 65583(c)(7).

Table 70: ADUs Toward the RHNA

Year	# of ADUs
2018	7
2019	16
2020	20
2021	27
Average	17.5

Source: City of Gilroy.

Assumed Affordability

The levels of affordability assumed for the 140 ADUs projected during the 6th cycle period is based off the ABAG affordability survey data.³³ The study allocated 30 percent of ADUs in each of the very low-, low-, and moderate-income categories, and the remaining 10 percent in the above moderate-income category. Table 71 displays the assumed affordability and projected number of ADUs in each income category.

³³ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

Table 71: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	42
30%	Low	42
30%	Moderate	42
10%	Above Moderate	14
		140 ADUs (total)

Source: ABAG ADU Technical Assistance Memo, City of Gilroy.

Ability to Meet the RHNA

The City has enough existing residentially zoned land with near-term development potential to meet its RHNA and 15 percent buffer. The existing zoning has capacity to meet the RHNA, without rezoning, through pending projects, ADUs, and both vacant and non-vacant sites, as shown in Table 72. The development considered in this table takes into consideration the community character as well as development constraints when evaluating each site’s development potential. To meet the RHNA for lower-income households, the Housing Element Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, smaller sites (< 0.5 acres), zoned for up to and greater than 30 du/acre, may be suitable for moderate-income households. There are enough pending and entitled projects to fully meet the above moderate and the low-income RHNA categories. There is also sufficient capacity with pending and projected sites to meet the City’s RHNA for all income categories with at least a 15% buffer.

California Government Code Section 65583.2 (c) states that cities must have a program to facilitate by-right approval for projects that include at least 20% of the units for lower-income housing on rezone low-income sites. The City of Gilroy is not rezoning any sites to meet the RHNA. Thus, this provision is not applicable to the RHNA sites inventory for Gilroy.

Table 72: Housing Capacity

Category	Very Low	Low	Moderate	Above Moderate	Total
RHNA	669	385	200	519	1,773
Pending Projects	62	401	37	722	1,222
ADUs	42	42	42	14	140
Vacant Site Capacity	389	20	75	-	484
Non-Vacant Site Capacity	290	-	79	-	369
Total Capacity	783	463	233	736	2,215
Total Requirements (RHNA + 15% Buffer)	769	443	230	597	2,039
Extra Buffer	14	20	3	139	-

Source: City of Gilroy.

Lower Income Capacity

Government Code Section 65583.2 (g) (2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. Fifty percent of the 1,054 lower-income RHNA is 527 units. Table 73The requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 28 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites (290 units = 28%). The remaining lower-income (low and very-low) RHNA units are met through pending/entitled sites, ADUs, and vacant sites, as shown in Table 73.

Table 73: Lower-Income RHNA Capacity (including buffer)

Category	Lower Income (VLI + LI) Capacity including buffer	Lower Income % including buffer
Non-Vacant Sites	290 units (290 + 0)	28%
Pending/Entitled Units	463 units (62 + 401)	44%
ADUs	84 units (42 + 42)	8%
Vacant Sites	409 units (389 + 20)	39%
Total capacity of Lower-Income Sites (including buffer)	1,246 units (783 + 463)	119%

Source: City of Gilroy.

Site Details

The site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the RHNA. Both vacant and non-vacant sites are included in the RHNA. For a detailed analysis of the sites as they relate to affirmatively further fair housing, see the Affirmatively Furthering Fair Housing chapter.

Non-Vacant Sites

As shown in Tables 72 and 73, only 290 (28%) of the 1,054 lower-income RHNA units will be met by non-vacant (non-pending/entitled) RHNA sites (excluding ADUs). When considering both lower-income (290 units) and moderate income (79 units), 369 units are accommodated through non-vacant (non-pending/entitled) sites. Table 74 summarizes the capacity of non-vacant sites included to meet the RHNA broken down by their existing General Plan use. As shown in Table 74, the 369 non-vacant site units are located in the 1st Street mixed-use corridor (32 units), the R3 and R4 zone (95 units), Downtown Specific Plan areas (222 units), and the Public Facility zone (21 units).

Table 74: Non-Vacant Site Capacity

Existing GP Use	Capacity
1st Street Mixed-Use Corridor	32
Downtown Specific Plan – DED	143
Downtown Specific Plan – DHD	9
Downtown Specific Plan – GD	70
R-3	9
R-4	86
PF	21
Total	369

Source: City of Gilroy.

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD’s Housing Element Sites Inventory Guidebook, a vacant site is one “without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property.”³⁴ Table 75 displays the capacity of residentially zoned vacant sites included in the inventory. A total of 484 lower- and moderate-income units can be accommodated with currently vacant (non-pending/entitled),

³⁴ HCD Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf.

residentially zoned land. This includes 389 very-low units, 20 low-income units (for a sub-total of 409 lower-income units), and 75 moderate income units.

Table 75: Residential Vacant Sites Capacity

Zone	Capacity
1 st Street Mixed-Use Corridor	30
Downtown Specific Plan – CCA	7
Downtown Specific Plan – CD	100
Downtown Specific Plan – DED	70
Downtown Specific Plan – DHD	15
Downtown Specific Plan – GD	47
Downtown Specific Plan – TD	2
Neighborhood District	31
R-3	9
R-4	173
Total	484

Non-Vacant Site Details

The City has seen recent interest in redevelopment of non-vacant sites for affordable and market rate housing. This includes a recently proposed project for a 94-unit 100% lower-income project on three parcels in the Gateway District in the Downtown Specific Plan. Current uses on these parcels include a two-story office building, multiple single-story commercial structures, and their paved parking areas. Another project proposed on a non-vacant site includes the development of an affordable housing project on land owned by Santa Clara County that currently consists of four large structures. The City of Gilroy and the Santa Clara County Office of Affordable Housing entered into a Memorandum of Understanding in October 2022, regarding the development of 57 units for households earning less than 80% of AMI. This project is not included in RHNA projections since a formal proposal has not yet been received. The City has also received interest in developing market-rate housing from a developer for a parcel that includes a car dealership in Downtown.

These projects demonstrate the viability and interest in redeveloping non-vacant sites in downtown Gilroy, including both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next 8 years.

The following section provides further detail on each of the non-vacant sites identified in the Inventory. The non-vacant sites were selected based on their existing uses, capacity for residential redevelopment, and their high potential for short term redevelopment. Land-

improvement ratios were also calculated and considered in site selection. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a ratio of well under 0.2, or where the improvements are valued at five times the value of the land.

R4 Northern Cluster

The parcels at 8985, 8955, and 8915 Monterey Road are all R-4 zoned sites adjacent to one another, which provides an opportunity for consolidation. There are no existing residential uses on the sites. Their combined acreage is 3.59 acres. The combined realistic capacity for these sites is 86 lower-income units. The northern and central buildings were built prior to 1956.



8985 Monterey Road (R4 High Density)

The 0.80-acre site at 8985 Monterey Road is currently occupied by a preschool and day care center. More than half of the lot is a parking lot and is underutilized relative to its potential under the current zoning. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The land-improvement ratio for this site is 1.05. The realistic capacity for this site is 19 units. The site could be developed to retain the existing use in either existing or in new buildings as part of new residential development.



8955 Monterey Road (R4 High Density)

The 2.05-acre site at 8955 Monterey Road is currently occupied by a church, a closed commercial building, formerly the office of a general contractor, and several storage containers.

Commercial structures on the lot are single story, while the church is partially two stories. Approximately half the site is used for parking or vehicle access. It is located in the center of an existing residential community, making this site optimal for further residential development. There is potential for partial redevelopment of the site, on the western portion of the site, which could maintain some of the existing uses during redevelopment. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 49 units. It may be possible to achieve this capacity while maintaining some of the existing uses, specifically the church.



8915 Monterey Road (R4 High Density)

The 0.74-acre site at 8915 Monterey Road is currently occupied by a used car sales lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. It is nearly all surface parking, with no expensive or modern permanent structures that would preclude redevelopment. The land-improvement ratio for this site is 19.01. The realistic capacity for this site is 18 units.



Monterey Cluster 1 (Downtown Expansion District)

The parcels at 7191, 7161, 7141, and 7121 Monterey Street are all adjacent to one another, which provides an opportunity for a larger moderate-income residential community. The sites are near several restaurants, a grocery store, and a train station, which provide necessary resources for residents. Their combined acreage is 1.32 acres. The combined realistic capacity for these sites is 40 units.



7191 Monterey Street (Downtown Expansion District)

The 0.34-acre site at 7191 Monterey Street is currently partially occupied by a vacant single-story office space. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and potential lot consolidation. The land-improvement ratio for the site is 0.64. The realistic capacity for this site is 10 moderate-income units.



7161 Monterey Street (Downtown Expansion District)

The 0.32-acre site at 7161 Monterey Street is currently partially occupied by a small plumbing and auto sales office that was built in 1930 (non-historic). More than half of the lot is parking for the used cars being sold by the dealer. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio for this site is 1.90. The realistic capacity for this site is 10 moderate-income units.



7141 Monterey Street (Downtown Expansion District)

The 0.30-acre site at Monterey Street is currently entirely used as a parking lot or for the used cars being sold by the auto dealer on the adjoining parcel. Redevelopment of this site would benefit the community as its single level use as a parking lot renders the land underutilized and below its zoning potential. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units.



7121 Monterey Street (Downtown Expansion District)

The 0.36-acre site at 7121 Monterey Street is currently half occupied by a seafood restaurant with some outdoor dining spaces. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio is 1.24. The realistic capacity for this site is 11 moderate-income units.



Monterey Cluster 2 (Gateway/ Downtown Expansion District)

The parcels at 6790, 6620, and 6920 Monterey Street are all Gateway District zoned sites adjacent to one another in the Downtown Specific Plan area. 6920 Monterey Road in the Downtown Expansion District is also included in this group of sites. These sites provide an opportunity for a larger residential community and a potential for lot consolidation. The sites are near several restaurants, a bulk grocery store, and a high school, which provide necessary resources for residents. These sites all



have high land-improvement ratios indicating strong potential for redevelopment. These sites are adjacent to a proposed project located at 6730, 6630, and 6680 Monterey Street, which are denoted with a crosshatch in the aerial above. Their combined acreage is 3.28 acres. The combined realistic capacity for these sites is 78 units; however the City has received a conceptual plan for 94 affordable units on the three parcels.

6920 Monterey Road (Downtown Expansion District)

The 1.69-acre site at 6920 Monterey Road is currently about two-thirds underutilized vacant lot, with the only building being a permanently closed furniture store. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 0.81. The realistic capacity for this site is 51 lower-income units.



6790 Monterey Road (Gateway District)

The 0.39-acre site at 6790 Monterey Road currently has an electric company building occupying about 25 percent of the parcel, while the large majority of the site is an underutilized surface parking lot. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 2.37. The realistic capacity for this site is 9 moderate-income units. It is possible these units could be built without displacing the existing use.



6620 Monterey Road (Gateway District)

The 0.53-acre site at 6620 Monterey Road is currently almost all parking lot and vehicle access, with a small commercial construction building. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 3.33. The realistic capacity for this site is 13 lower-income units.



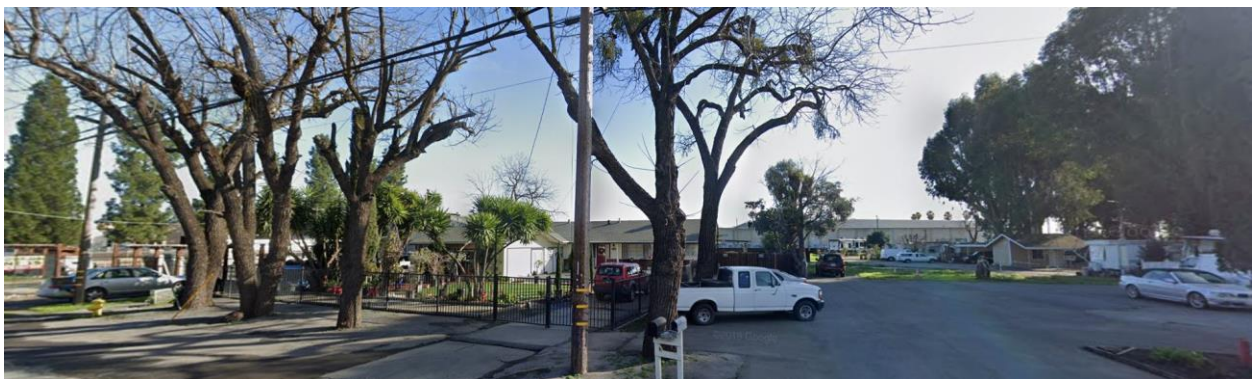
Monterey Cluster 3 (Gateway District)

The parcels at 6320, 6470, and 6380 Monterey Street are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near a park, a school, and a grocery outlet, which provide necessary resources for residents. Their combined acreage is 2.06 acres. The combined realistic capacity for these sites is 49 units.



6320 Monterey Road (Gateway District)

The 0.55-acre site at 6320 Monterey Road is currently occupied by a single-family home and a permanently closed hardware store. Half of the parcel is an underutilized empty lot, making this site optimal for further residential development. The land-improvement ratio for the site is 0.87. The realistic capacity for this site is 13 lower-income units.



6380 and 6470 Monterey Road (Gateway District)

The 0.77- and 0.74-acre sites at 6380 and 6470 Monterey Road are currently an unoccupied former lumber yard and associated buildings. The majority of the parcels are vacant and underutilized. They are adjacent to an existing residential community, making these sites optimal for further residential development. The land-improvement ratio for these sites is 1.25 and 22.52, respectively. The realistic capacity for each site is 18 lower-income units.



Monterey Cluster 4 (Downtown Expansion District)

The parcels at 7780, 7760, and 7700 Monterey Street are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near multiple schools and a grocery store, which provide necessary resources for residents. Their combined acreage is 1.75 acres. The combined realistic capacity for these sites is 52 units.



7780 Monterey Street (Downtown Expansion District)

The 0.44-acre site at 7780 Monterey Road is currently occupied by a single-story office space and a small shed. About 25 percent of the parcel is an underutilized surface lot. Businesses that occupy the site seem to have limited hours, which may eliminate the need for an office space. There is also the possibility for a mixed-use development without displacement of existing businesses. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 13 moderate-income units.



7760 Monterey Street (Downtown Expansion District)

The 0.7-acre site at 7760 Monterey Road is currently occupied by a single-story strip mall that includes a restaurant and a window tinting business. About 75 percent of the parcel is an underutilized surface lot and vehicle access both in front of and behind existing businesses. Development without displacement of existing businesses is possible. The land-improvement ratio for the site is 0.70. The realistic capacity for this site is 21 moderate-income units.



7700 Monterey Street (Downtown Expansion District)

The 0.61-acre site at 7700 Monterey Road is currently occupied by a single-story small office park. Over half the site is underutilized lot and vehicle access. The land-improvement ratio for the site is 0.75. The realistic capacity for this site is 18 lower-income units.



7310 Monterey Street (Downtown Historic District)

The parcel at 7310 Monterey Street is currently an underutilized parking lot. The parcel is 0.29 acres and is adjacent to an existing residential community, making this site optimal for further residential development. The site is near a grocery store, daycare center, and a library, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units.



Commercial Services and Other

401 E 8th Street (R3)

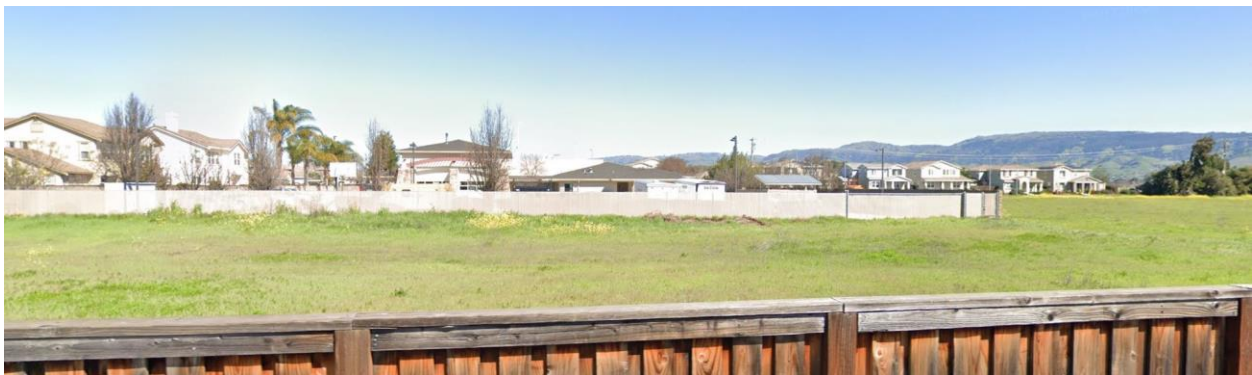
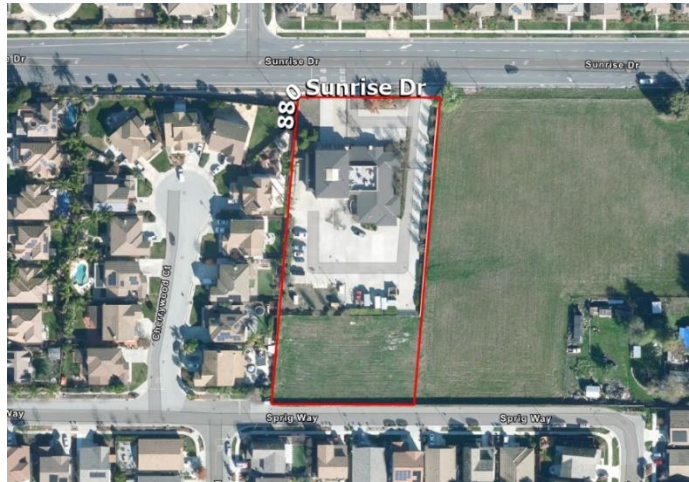
The 0.58-acre site at 401 E 8th Street is currently half occupied by a storage facility. The remaining half of the lot is an underutilized surface parking lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants, a grocery store, an elementary school, and a daycare center, which provide necessary resources for residents. The land-improvement ratio for the site is 1.20. The realistic capacity for this site is 8 moderate-income units.





880 Sunrise Drive (PF)

The 1.98-acre site at 880 Sunrise Drive is currently two-thirds occupied by a City of Gilroy fire station. The remainder of the site is vacant. The PF zone permits all facilities owned or leased, operated, or used by the City or other governmental agencies on the site. It is located in the center of an existing residential community in a higher resource area of the City, making this site optimal for further residential development. The site is near several schools and a daycare center, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions of the site, while retaining the existing fire station.



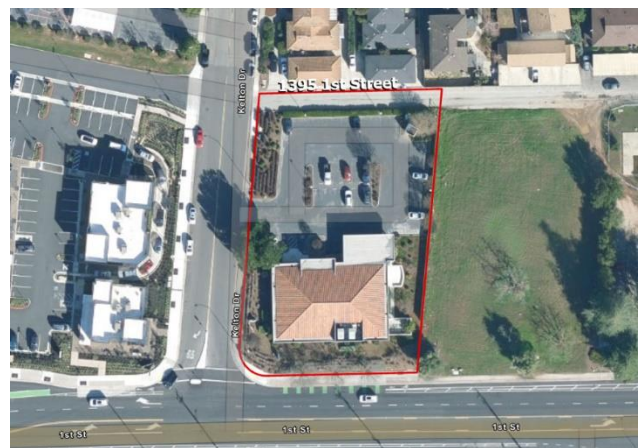
1355 1st Street (1st Street mixed-use corridor)

The 0.55-acre site is adjacent to two vacant parcels also listed on the sites inventory, with strong potential for redevelopment of all three parcels. This lot is currently occupied by a two-story commercial building which includes a dental care office and a permanently closed pregnancy resource center. The building was built between 1968 and 1980. The site has a land-improvement ratio of 0.50. Existing uses are not expected to preclude development of this site. The realistic capacity for this site is 12 lower-income units.



1395 1st Street (1st Street mixed-use corridor)

The 0.97-acre site is adjacent to two vacant parcels and one other non-vacant parcel also listed on the sites inventory, with strong potential for redevelopment of all four parcels. This lot is currently occupied by a one-story building, which contains a martial arts studio, and a large surface parking lot. The building was built between 1987 and 1998. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0.45. The realistic capacity for this site is 20 lower-income units.





Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

Countywide Programs

2016 Measure A – Affordable Housing Bond

In November 2016, Santa Clara County voters approved Measure A, the \$950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community's poorest and most vulnerable residents. It provides affordable housing for vulnerable populations including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, homeless persons, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds would contribute to the creation and/or preservation of approximately 4,800 affordable housing units in Santa Clara County.

The housing bond will enhance the County's ability to achieve its housing priorities which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons
- Increasing the supply of housing that is affordable to extremely low-income households; and
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

\$7.5 million in Measure A funds was used to develop the Monterey Gateway Senior Apartments, a 75-unit affordable housing complex for low-income seniors that was constructed in Gilroy in 2020.

MHAS Housing Program

The California Department of Mental Health, the California Housing Finance Agency, and the County Mental Health Directors Association announced a new housing program under which \$400 million in Mental Health Services Act (MHSA) funds were made available to finance the capital costs associated with development, acquisition, construction, and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including unhoused individuals. The new MHSA Housing Program, and funds for capitalized operating subsidies, are included in the \$400 million that has been designated for the program.

This program will serve persons with serious mental illness who are currently unhoused or at risk of homelessness and who meet the MHSA Housing Program target population description. Santa Clara County's allocated amount is \$19,249,300, of which \$6,416,400 can be used for capitalized operating subsidies. MHSA funding pays only for housing units designated to qualified consumers.

The Sobrato Transitional Apartments is an MHSA housing project in Gilroy. The Sobrato Transitional Apartments, developed and constructed by South County Housing Corporation (SCHC), provides 35 single-occupancy studio units in Gilroy for unhoused individuals with incomes below 30 percent of the area median income (AMI). The SCHC will set aside 17 units for individuals that are currently unhoused or at risk of becoming homeless due to mental illness.

U.S. Department of Housing and Urban Development (HUD) Grants

HOME

The HOME Program is federally funded by HUD to provide decent affordable housing to lower-income households. The HOME Program is administered on behalf of the Santa Clara County Urban County cities, which includes Gilroy.

Community Development Block Grant

The City of Gilroy is an entitlement jurisdiction participating in HUD's Community Development Block Grant (CDBG) Program. A requirement of receiving CDBG funds is the City having a five-year Consolidated Plan. The Plan identifies local community development needs and sets forth a strategy to address these needs over a five-year period. The City's current 5-Year Consolidated Plan spans July 1, 2020 – June 30, 2025.

Developing an Annual Action Plan (AAP) for each of the fiscal years within the Consolidated Plan is also required. AAP's program the use of federal funding for their respective fiscal year by outlining which specific projects or programs will receive funding from the annual

allocation. Funding available for housing assistance programs from the state and federal governments is extremely limited. The AAP, which gives a complete breakdown of public service descriptions and use of funds, is available on the City’s website.

For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 (each year) in CDBG funds from the US Department of Housing and Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities. A breakdown of CDBG funded agencies are listed below:

Table 76: CDBG Funded Agencies

Activity Name	2020/2021 Entitlement	2021/2022 Entitlement	2022/2023 Entitlement
Program Administration	\$97,250	\$87,874	\$87,635
Gilroy Youth Center	\$38,452	\$38,452	\$38,452
Rebuilding Home Repair Program	\$144,364	\$140,000	\$140,000
Gilroy Compassion Center	\$16,318	-	-
Live Oak Adult Day Care	\$11,549	\$8,560	\$10,000
Meals on Wheels	-	\$8,643	-
Community Outreach PREP	-	\$10,250	-
Boys & Girls Club - Core Enrichment	-	-	\$8,500
C.A.R.A.S - Ryse Up Program	-	-	\$8,500
Cherry Blossom Rehab	-	\$81,475	-
Monterey Gateway Improvements	-	\$70,592	-
Code Enforcement	\$7,700	-	-
Sidewalk / Curb Ramp CIP Project	\$156,155	-	\$145,090

Source: City of Gilroy, 2022

CDBG CARES ACT-Corona Virus (CDBG-CV) Funds

CDBG-CV funds were specifically made available for programming that would address the impacts resulting from the COVID-19 pandemic, and include the following programs:

Table 77: CARES Act CDBG-CV Funds

Activity Name	Entitlement
St. Joseph’s Rental Assistance	\$150,000
Small Business Assistance	\$125,486
Small Business Assistance	\$100,000
St. Joseph’s Rental Assistance	\$137,309
YMCA Healthy Food Delivery	\$100,359

Source: City of Gilroy, 2022.

Rental Assistance/Subsistence Program

The St. Joseph’s Rental Assistance program utilizes CARES Act funding for Gilroy residents needing rental assistance. Rent relief is provided to persons and households directly affected by the COVID-19 pandemic.

Small Business Relief Grant Program

The Small Business Assistance Program, originally developed in 2020, includes \$435,000 in professional support for local businesses with processing applications for federal and state loans/grants. This program aligns with the purpose of the CARES Act to provide small grants (\$5,000 to \$10,000) to help local businesses cope with the COVID economic downturn by providing funds needed for working capital that will result in low-income jobs being retained and/or created.

Housing Trust Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council replaced the HTF with the Permanent Housing Allocation (PLHA) Fund making more funds available for public service programs addressing basic needs and homelessness prevention. The HTF will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements, until the money is depleted.

Permanent Local Housing Allocation Fund (PLHA)

The PLHA Fund spans a five-year period and will make available \$1.4 million dollars. The City is contracting with Santa Clara County’s Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. The following agencies were approved by the City Council for FY 22-23 and FY 23-24:

Table 78: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Project	Funding Amount
St. Joseph’s Medical Center	Homeless Prevention Services	\$55,000
St Joseph’s Family Center	Gilroy Street Team	\$35,000
Project Sentinel	Fair Housing	\$20,000
Project Sentinel	Landlord/Tenant Counseling and Dispute Resolution	\$20,000
Community Agency for Resources Advocacy and Services (CARAS)	Homeward Bound Program	\$20,000
The Health Trust	Meals on Wheels	\$27,000
South County Compassion Center	Outreach for the Unhoused	\$40,000
Silicon Valley Independent Living Center	Housing Services Program for Gilroy Residents with Disabilities	\$20,000

Source: City of Gilroy, 2021.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is a rental assistance program that helps very low-income families to live in market-rate housing units rather than public housing. Households are provided with vouchers that are paid to private market-rate landlords, who are then reimbursed by HUD. In addition to the regular voucher program, Santa Clara County Housing Authority (SCCHA) administers special housing programs. These programs include the Veterans Affairs Supportive Housing (VASH) Program, Mainstream Program, and Emergency Housing Vouchers (EHV).

- The VASH Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Veterans Affairs Palo Alto and SCCHA have partnered to provide rental vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VAMC that they are homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.
- The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private rental market. Mainstream applicants are offered a voucher as allocations become available. Applicants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.
- The EHV program is available through the American Rescue Plan Act. Through EHV, HUD provided SCCHA with 664 housing vouchers to assist individuals and families who are:

homeless, at risk of homelessness, were recently homeless or have a high risk of housing instability; or who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking..

Project-Based Voucher Program

The Project-Based Voucher Program provides rental assistance to households living in specific housing sites. Because the rental assistance is tied to a particular unit, a family cannot retain the assistance if they move (voluntarily or through eviction). The Housing Authority administers different waiting lists by bedroom size for each project-based housing site. These housing sites are either multifamily or senior housing developments.

Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects in Gilroy.

Senate Bill 2 (SB2) Grant. In 2020, the City was awarded \$160,000 in SB2 grant funding to create and adopt objective design standards for mixed-use and multi-family residential projects in Gilroy. The City also used the funding to create and adopt objective design standards for Senate Bill 9 projects. The project implements the SB2 *Objective Design and Development Standards* Policy Priority Area eligibility criteria. The goal of the project was to create objective design standards that would: increase consistent decision making; minimize applicant delays; better utilize staff resources; and promote/require good design principles in Gilroy to help ensure that housing development projects conform to the City's minimum design expectations.

Local Early Action Planning (LEAP) Grant. In 2020, the City was awarded \$150,000 in LEAP grant funding. A portion (or potentially all) of the funding will be used to help supplement preparation of the 2023-2031 Housing Element. Funds must be expended by December 2023. If there is sufficient time and resources available before the end of 2023, the funds may also be used to prepare an affordable housing policy (a 2023-2031 Housing Element program) and update the Downtown Gilroy Specific Plan as it relates to residential or mixed-use projects. All three of these projects were identified in the grant application as potential uses of the funds.

Regional Early Action Planning (REAP) Grant. In 2021, the City was awarded \$32,603 in REAP grant funding to further supplement costs associated with preparation of the 2023-2031 Housing Element.

The No Place Like Home Program

The No Place Like Home Program provides loans to eligible counties to acquire, design, construct, rehabilitate, and/or preserve permanent supportive housing for persons who are experiencing homelessness or chronic homelessness, or who are at risk of chronic homelessness, and who need mental health services. Projects funded through this must be apartment complexes of five or more units.

Administrative Resources

The City of Gilroy's Community Development Department consists of the Housing and Community Development (HCD) Division, the Planning Division and the Building and Safety Division which includes code enforcement. The Community Development Department helps implement several of the programs outlined in this Housing Element with the help of the City's HCD Technician. The Community Development Director manages the City's Housing and Community Development program and administers the Community Development Block Grant (CDBG) funds, the City's Permanent Housing Allocation (PLHA) Fund, and the former Housing Trust fund. The Planning Division reviews land-use entitlement applications and is responsible for the implementation of the General Plan, Zoning Ordinance, and adopted specific plans. The Building and Safety division processes and issues building permits, conducts plan reviews, conducts building inspections, and resolves land-use related violations through Code Enforcement.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE
HOUSING GOALS, POLICIES, AND PROGRAMS

Housing Goals, Policies, and Programs

The section of the Housing Element outlines the City of Gilroy's goals, policies, and implementation programs for the preservation, conservation, improvement, and production of housing for the 2023 – 2031 planning period. The goals, policies, programs, and quantified objectives are designed to help ensure housing opportunities for all existing and future residents of the community.

Housing Production

Goal 1

HOUSING PRODUCTION

Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types

Policy 1.1: The City shall encourage the provision of a variety of housing options for Gilroy residents.

Policy 1.2: The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.

Policy 1.3: The City shall encourage the provision of new affordable housing.

Policy 1.4: The City shall encourage partnerships between non-profit and for-profit housing developers to encourage affordable housing production.

Policy 1.5: The City shall continue to implement the Downtown Specific Plan and encourage and coordinate activities with Downtown stakeholders.

Policy 1.6: The City shall support the development of workforce housing to enable the workforce to live in the community.

Removal of Governmental Constraints

Goal 2

REMOVAL OF GOVERNMENT CONSTRAINTS

Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

Policy 2.1: Periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not unreasonably constrain housing development and are consistent with State law.

Policy 2.2: The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning, when necessary to eliminate barriers to housing opportunities.

Policy 2.3: The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the City.

Housing Preservation and Rehabilitation

Goal 3

HOUSING PRESERVATION AND REHABILITATION

Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.

Policy 3.1: The City shall strive to preserve the affordability of existing below market rate housing units.

Policy 3.2: The City shall promote the maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.

Policy 3.3: The City shall encourage the retention and rehabilitation of older homes in and near the historic City Center and ensure that rehabilitation activities are sensitive to the historic character of the building and/or site.

Housing Assistance to Meet the Needs of All Income Levels

Goal 4

HOUSING ASSISTANCE TO MEET THE NEEDS OF ALL INCOME LEVELS

Encourage and support the provision of a variety of affordable housing types.

Policy 4.1: The City shall continue to participate in programs that assist lower- and moderate-income households to secure affordable housing, such as the County's Mortgage Credit Certificate program, Housing Choice Voucher programs, and Silicon Valley's assistance programs.

Policy 4.2: The City shall support homeownership opportunities for low- and moderate-income households.

Policy 4.3: The City shall provide incentives for affordable housing, including but not limited to the density bonus ordinance and expedited project review.

Special Housing Needs

Goal 5

SPECIAL HOUSING NEEDS

The City shall increase access to decent and suitable housing for Gilroy residents with special housing needs.

Policy 5.1: The City shall encourage housing opportunities for special needs groups, including: seniors; persons with disabilities, including developmental disabilities; the unhoused; large households; single female-headed households; and farmworkers.

Policy 5.2: The City shall encourage the development, rehabilitation, and preservation of affordable and market-rate housing for seniors, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Policy 5.3: The City shall support efforts to provide emergency shelter, transitional housing, and permanent supportive housing for unhoused persons and those at risk of homelessness.

Policy 5.4: The City shall support the development of permanent and seasonal farmworker housing in appropriate areas of the City.

Policy 5.5: The City shall encourage affordable housing developments to include units that can accommodate large households of five or more.

Policy 5.6: The City shall encourage the development and maintenance of housing accessible to people with disabilities, including developmental disabilities.

Affirmatively Furthering Fair Housing

Goal 6

FAIR HOUSING

Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policy 6.1: The City shall promote fair housing standards and comply with State laws.

Policy 6.2: The City shall refer discrimination complaints to Project Sentinel or other organizations that address housing discrimination.

Policy 6.3: The City shall prioritize economic investment and opportunity in the Downtown Specific Plan area, especially the Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and the Equity and Engagement District (EED), which is the focus of the City's Environmental Justice goals, policies, and programs.

Education and Outreach

Goal 7

EDUCATION AND OUTREACH

Increase awareness of and participation in housing programs.

Policy 7.1: The City shall consolidate and disseminate housing related resources to provide better access to information on available housing programs and affordable housing units.

Policy 7.2: The City shall encourage the production of secondary units in single family districts through outreach and educational materials.

Policy 7.3: The City shall provide information on resources available to assist residents facing foreclosure.

Policy 7.4: The City shall encourage involvement of all Gilroy neighborhoods in the public decision-making process.

Quantified Objectives

Government Code Section 65583 (b) requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. The quantified objectives set a target goal for Gilroy to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Table 79 summarizes Gilroy's quantified objectives for the 6th Cycle.

Table 79: Total Quantified Objectives, 2023 – 2031

Target	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
New Construction	334	335	385	200	519	1,773
Rehabilitation	80				-	80
Conservation/Preservation	156			-	-	156
	Total					2,009

Programs

The programs in this section of the Housing Element describe specific actions the City will carry out over the eight- year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized by the following seven major housing goals:

- Housing Production

- Removal of Governmental Constraints
- Housing Preservation and Improvement
- Housing Assistance
- Special Housing Needs
- Affirmatively Furthering Fair Housing
- Education and Outreach

A. Housing Production

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 1	No Net Loss Monitoring	<p>To ensure that the City monitors its compliance with SB 166 (No Net Loss), the City will develop a procedure to and will track:</p> <ul style="list-style-type: none"> • Unit count and income/affordability assumed on parcels included in the sites inventory. • Actual units constructed and income/affordability when parcels are developed. • Net change in capacity and summary of remaining capacity in meeting remaining RHNA. <p>Quantified Objective: No net loss of capacity below the RHNA requirement during the planning period.</p>	CDD	General Fund	<p>Adopt procedure within one year of Housing Element Adoption.</p> <p>Review RHNA site status twice yearly and as development proposals are submitted.</p>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 2	Surplus Lands/Affordable Housing on City-Owned Sites	Assess City-owned properties for their potential redevelopment or development for residential uses that include housing for extremely low-income households and those with special needs such as seniors and persons with disabilities. Implement the Surplus Lands Act to annually review city-owned parcels and provide affordable housing developers the first priority for designated surplus lands as applicable per Government Code section 54227.	CDD	General Fund	Annual review in conjunction with the review of Surplus Lands.
A - 3	By-Right Approval of Projects with 20 Percent Affordable Units on "Reused" RHNA Sites	Pursuant to the statutory requirements of Government Code sections 65583.2(h) and (i), amend the Zoning Ordinance to require by-right approval of housing development that includes 20 percent of the units as housing affordable to lower-income households on sites being used to meet the 6th Cycle RHNA that represent "reuse sites" previously identified in the 4th and 5th cycles Housing Element.	CDD	General Fund	Within one year of Housing Element adoption
A - 4	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the sites to developers. The City shall update the list of sites annually, or as projects are approved on the sites. Quantified Objective: Maintain accurate and publicly available residential site inventory throughout the planning period.	CDD	General Fund	Post on website within 6 months of adoption; update annually.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 5	Revise Neighborhood District Policy	<p>The City will revise the Neighborhood District Policy so it does not rely on the RDO. Revisions to the policy include:</p> <ul style="list-style-type: none"> • Studying and adopting an inclusionary housing policy and in-lieu fee for Neighborhood District areas • Updating the Neighborhood District Target Densities, consistent with the Gilroy 2040 General Plan. • Adopting standards related to the distribution of units across the levels of affordability (e.g., 30% of the 15% affordable units shall be designated for low income). • Adopting standards related to the term of affordability (e.g., rental units shall be restricted as affordable for a minimum of 55 years). 	CDD	General Fund	Within three years of Housing Element Adoption
A - 6	ADU Tracking and Monitoring, and Ordinance Updates	<p>Continuously track the number of building permits issued for ADUs. If annual production rates do not match the estimates included in the Sites Inventory of the Housing Element, update the RHNA strategy to ensure that the City continues to maintain adequate capacity for all income-levels.</p> <p>The City will review geographic distributions of ADUs biennially.</p> <p>The City worked in collaboration with HCD on its current ADU ordinance. The City will continue to work with the state to make any necessary changes and ensure the ordinance is in compliance with state law.</p> <p>Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.</p>	CDD	General Fund	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 7	ADU Preapproved Plans	<p>The City will develop an ADU program that includes pre-approved, “model” plans for ADUs that meet zoning, building, and fire codes, including designs that are ADA accessible. The program may be modeled after successful programs implemented in other cities.</p> <p>The City will work with the Santa Clara County Housing Collaborative on the option of creating a sub-regional program of pre-approved ADU plans that can be available to all residents and cities in Santa Clara County.</p> <p><i>Quantified Objective:</i> Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.</p>	CDD	General Fund	Within 3 years of Housing Element adoption
A - 8	Incentives for Affordable ADUs	<p>Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers.</p> <p>The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact CDFIs for potential partnerships.</p>	CDD	In-lieu fees, other applicable affordable housing funding	After program funding is secured and sufficient for the intended purpose.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 9	Monitor Permit Requirements, Processing Procedures and Land Use Controls	<p>Implement the Land Management System for Tyler Technologies with a "go-live" date in 2023 and hold an outreach meeting to educate users on how to utilize the new permitting system. To assess the effectiveness of the new Land Management System, the City will survey users 6 months after its launch.</p> <p>The City will also create metrics that track time to process permits. These metrics can be compared year-to-year to determine if process and procedural changes are successful.</p> <p>As a part of the City's annual developer's roundtable meetings, the City shall consult builders and other parties engaged in housing development activities to identify potential constraints in the City's permit requirements, processing procedures and land use controls, and analyze potential streamlining where feasible.</p> <p>Quantified Objective: Increase the percentage of permits that are processed online. Decrease the time it takes to process permits.</p>	CDD	General Fund	<p>Survey 6 months after "go-live" date.</p> <p>Annual outreach to builders and developers through the City's annual Developer's Roundtable meetings.</p>
A - 10	Facilitate Missing Middle / Middle Income Housing	<p>Amend the City Code to allow duplexes, triplexes, and fourplexes to be approved ministerially in designated zones so long as the project complies with objective design standards.</p> <p>Quantified Objective: Increased production and reduced permitting time and cost for duplexes, triplexes, and fourplexes.</p>	CDD	General Fund	Within 2 years of Housing Element adoption

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 11	Inclusionary Housing Policy	<p>Conduct an inclusionary zoning feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the Inclusionary requirements (e.g., resale controls, minimum term (years of affordability), minimum percent of units that must be restricted as affordable, minimum percentage within each affordability category, etc.). Develop an affordable housing policy and amend the Zoning Ordinance to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market both the BMR units and accessible/adaptable units.</p> <p>Quantified Objective: Increased production of affordable housing within the City, including housing choice and mobility for lower income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resources areas of the City.</p>	CDD	General Fund	By the end of 2024

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 12	Density Bonus Beyond State Law	<p>Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A 11) like a Density Bonus program with incentives that are tiered by level of affordability provided.</p> <p>Quantified Objective: Increased housing choice and mobility for special needs households.</p>	CDD	General Fund	Within 2 years of Housing Element adoption
A - 13	Coordination with California High Speed Rail Authority	<p>Continue to coordinate with the California High Speed Rail Authority so that the Station Area Plan includes the development of a mix of affordable and market-rate housing and commuter parking on the parcels associated with the High Speed Rail Station.</p> <p>Quantified Objective: To develop a specific commitment to housing development, set objective targets for the development of affordable and market-rate housing on the High Speed Rail site.</p>	CDD, California High Speed Rail Authority	General Fund	Immediately and throughout the planning period until the Station Plan is complete

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 14	Coordination with Santa Clara County Office of Supportive Housing	<p>The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in October 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups)</p> <p>Quantified Objective: Development of affordable housing on the 8th and Alexander property by the end of 2028.</p>	CDD, Santa Clara County Office of Supportive Housing	General Fund	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.

B. Constraint Removal

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 1	Residential Development Ordinance Removal	Repeal the Residential Development Ordinance. The growth control measures of the City's Residential Development Ordinance (RDO) have been made null and void by SB 330 (2019). The RDO will be repealed as a part of the City's comprehensive zoning update. Portions of the policy related to affordability requirements may be used as a benchmark for the City's proposed Inclusionary Policy.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 2	Zoning and General Plan Densities	Amend the Zoning Ordinance to ensure that the Gilroy 2040 General Plan maximum densities are achievable in the implementing zones (Housing Accountability Act/AB 3194). Changes include: <ul style="list-style-type: none"> • Increase the maximum density in the R-3 (medium density) zone from 16 to 20 du/ac; • Remove the maximum density in the R-4 (high density) zone • Create a zoning district for the mixed-use 1st street corridor with a density range from 20-30 dwelling units per net acre. • Create Neighborhood District High and Neighborhood District Low zoning designations with density allowances that are consistent with the 2040 General Plan 	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 3	SB 35 Permit Processing	Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330. Add information regarding the expedited permit process on the City's website.	CDD	General Fund	Within 2 years of Housing Element adoption

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 4	Public Fees, Standards, and Plans Online	Pursuant to AB 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location. The City will continue to provide a high-quality, parcel-specific zoning map and general plan map online.	CDD	General Fund	Within 1 year of Housing Element adoption
B - 5	Permit Streamlining	<p>As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to:</p> <ul style="list-style-type: none"> • Creating a ministerial use permit process • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). <p>Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining such as AB 2234.</p> <p>Quantified Objective: Decreased permit processing time.</p>	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
B - 6	Objective Standards	Review and revise development standards, design guidelines, and findings to ensure they are objective and facilitate development of properties at their maximum densities.	CDD	General Fund	Within 3 years of Housing Element adoption
B - 7	Zoning Ordinance Cleanup	The City will revise the definition of Townhouse to be consistent with state law.	CDD	General Fund	Within 2 years of Housing Element adoption

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 8	Entitlement Roadmap Webpage	<p>To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources.</p> <p>The webpage will advertise the City's ministerial process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards.</p>	CDD	General Fund	By the end of 2023

C. Housing Preservation and Rehabilitation

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 1	Monitoring of Units At-Risk of Converting to Market Rate	<p>Continue to provide regular monitoring of deed-restricted units that have the potential of converting to market rate. The City currently contracts with HouseKeys to serve as the BMR Program Administrator of the City's below market rate home ownership and rental property program. The BMR Program Administrator will continue to monitor and evaluate the city's current multi-family affordable housing stock to determine if any developments are at-risk of conversion.</p> <p>Together with the BMR Program Administrator, the City will implement strategies to preserve projects identified as being at risk of converting to market-rate housing. Strategies include:</p> <ul style="list-style-type: none"> • Monitoring affordable housing term expiration status annually. • Notifying property owners annually about compliance with the extended noticing requirement (three year, one-year, and 6 month Notice of Intent) under state law. • Including preservation as an eligible use in Notices of Funding Availability. • If below-market rate units appear to be at risk of conversion, work with qualified operators, HCD, and the property owners to preserve the housing for lower-income households. • Biennial contact with property owners of affordable units • Identification of funding opportunities to purchase and preserve affordable units 	CDD and Program Administrator (e.g., HouseKeys)	General Fund	<p>Annually review affordable housing term expirations.</p> <p>Noticing as needed with expiration of covenants.</p>

Number	Title	Action	Responsible Party	Funding Source	Timeline
		<ul style="list-style-type: none"> Noticing of tenants and technical assistance with applications for funds <p><i>Quantified Objective:</i> Preservation of below-market rate units.</p>			
C - 2	Housing Rehabilitation	<p>To enhance the quality of existing neighborhoods, the City shall continue to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. For example, the City has provided CDBG grants to the Rebuilding Together Silicon Valley Home Repair, Rehabilitation and Accessibility Modification program which provides a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low-income homeowners in Gilroy.</p> <p>The City will facilitate TEFRA hearings throughout the planning period to allow for the development and rehabilitation of affordable housing units throughout the City.</p> <p>Quantified Objective: Provide assistance to 100 households. Target 25% in the R/ECAP and DTSP area.</p>	CDD	General Fund	Annually evaluate progress and review contract.
C - 3	Code Enforcement Program	<p>Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the Rebuilding Together Program (or similar) and landlord/tenant information and mediation services.</p> <p>Quantified Objective: Provide information regarding the Rebuilding Together (or similar) and landlord/tenant information and mediation services to 240 households.</p>	CDD	General Fund	Ongoing throughout planning period.

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 4	Resale Control on Owner-Occupied Below Market Rate Units	<p>The BMR Program Administrator 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 per the term specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock.</p> <p>Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.</p>	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 5	Resale Control on Rental Below Market Rate Units	<p>The BMR Program Administrator shall continue to implement resale controls on renter-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained per the term specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock.</p> <p>Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.</p>	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 6	Identification and Preservation of At-Risk Units	<p>The City will complete its ongoing effort to create an inventory of below market rate units.</p> <p>In the event that the City identifies units with restrictive covenants that expire during the 6th Cycle, the City will ensure that owners of the properties are contacted, encouraged to extend or renew the rent or sales price restrictions, and ensure appropriate advanced notice of conversion to tenants is provided.</p>	CDD	General Fund	Within one year of Housing Element adoption

D. Housing Assistance

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 1	Permanent Local Housing Allocation Fund	<p>The City shall continue to utilize the Permanent Local Housing Allocation (PLHA) Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing.</p> <p>The City contracts with Santa Clara County’s Office of Supportive Housing to administer the PLHA Fund, which provided \$237,000 in funding each year during the FY 22-23 and FY 23-24 funding periods for homelessness prevention services, fair housing, and basic needs (e.g., meals on wheels).</p> <p>The City shall continue to inform non-profit organizations of funding availability through the City’s website and informational packets at City Hall.</p> <p>Quantified Objectives: Through various eligible funding programs, assist 80 households annually.</p>	CDD	Permanent Local Housing Allocation Fund	The PLHA funds span a 5-year basis. Conduct outreach and allocate funding every two years

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 2	Funding Sources to Assist Homeownership	<p>The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and Santa Clara County funds.</p> <p>The City shall improve public outreach activities through the compilation of resources for down payment assistance and other means of acquiring a home.</p> <p>Quantified Objectives: The City will annually pursue funding for down payment assistance and increase awareness as new funding is available.</p>	CDD	General Fund	Pursue funding and conduct research annually.
D - 3	Housing Choice Voucher Referrals	<p>The City shall provide information to City residents on the Santa Clara County Housing Authority Housing Choice Voucher program. This information shall also be available on the City website.</p> <p>The City shall notify interested residents and provide technical assistance to residents who need help applying to the Housing Choice Voucher program.</p> <p>The City shall refer residents that experience discrimination based on source of income (including vouchers) to Project Sentinel.</p> <p>Quantified Objective: Assist or refer 40 individuals annually.</p>	CDD	General Fund	Immediately upon opening of HCV waitlist. Technical assistance to residents as needed. Annual education and outreach to landlords.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 4	Pursue Funding for Affordable Housing	<p>The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to:</p> <ul style="list-style-type: none"> • One Bay Area Grants awarded by the Association of Bay Area Governments; • HCD Local Housing Trust Fund Program; • HUD Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by the Department of Housing and Community Development (HCD); and • The State Multifamily Housing Program (MHP), sponsored by HCD. 	CDD	General Fund	Pursue funding sources annually.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 5	Community Development Block Grant Program	<p>The City shall continue to utilize the Community Development Block Grant (CDBG) Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homelessness assistance, public services, and public improvements. The City shall continue to inform non-profit organizations of funding availability through the City's website and email distribution lists. The City will advertise funded programs that provide public assistance on its website and through informational brochures at City Hall.</p> <p>The City expects to receive an estimated \$440,000 in CDBG funds from the U.S. Department of Housing and Urban Development (HUD) each year. The primary objectives of the CDBG Program include activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need.</p>	CDD	General Fund	Administer funds annually.

E. Special Housing Needs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 1	Priority Water and Sewer Service for Affordable Housing Developments	Pursuant to Government Code 65589.7, work with public service providers to ensure prioritization of services to housing developments serving lower-income households is adopted in a written procedure.	CDD	General Fund	Within one year of Housing Element adoption.
E - 2	Zoning to Encourage and Facilitate Single-Room Occupancy Units	As a part of the comprehensive Zoning Ordinance update, the City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
E - 3	Emergency Shelter Standards	Amend the Zoning Ordinance to modify the requirements for emergency shelters in compliance with Government Code section 65583(a)(4). The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's high density residential zoning districts.	CDD	General Fund	Within one year of Housing Element adoption.
E - 4	Low Barrier Navigation Centers	Pursuant to SB 48, amend the Zoning Ordinance to allow low-barrier navigation centers, meeting specific objective requirements, by-right in areas zoned for nonresidential uses, including mixed-use zones and multi-family zones.	CDD	General Fund	Within one year of Housing Element adoption.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 5	Incentivize Micro-Units	<p>Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development.</p> <p>Ensure that provisions for efficiency units are consistent with AB 352 (2017).</p>	CDD	General Fund	Within one year of Housing Element adoption.
E - 6	Reduced Parking Requirements for Senior Housing	<p>The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.</p> <p>The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.</p>	CDD	General Fund	Within 3 years of Housing Element adoption
E - 7	Development and Conservation of Housing for Farmworkers	<p>The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing including identification of State and Federal funding opportunities.</p> <p>Quantified Objective: Preserve and maintain the 4 farmworker housing developments (84 units) located in Gilroy.</p>	CDD	General Fund	Ongoing throughout planning period.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 8	Consistency with the Employee Housing Act	<p>As a part of the 2023 comprehensive Zoning Ordinance Update, the City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). This act generally requires by-right approval of employee housing for agricultural employees (i.e., farmworker housing) as follows:</p> <ul style="list-style-type: none"> • Less than six persons: by-right in all zones allowing single-family residential uses. • No more than 12 units or 36 beds: by-right in all zones allowing agricultural uses. 	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, anticipated completion 2023.
E - 9	Priority for Gilroy	The City will develop a system to prioritize occupancy of affordable for-sale and for-rent units in Gilroy for income-eligible Gilroy residents and/or individuals working within the City of Gilroy, who originate in the City of Gilroy. The City will determine how to weigh specific factors and develop a process for priority tenure, while affirmatively furthering fair housing.	CDD	General Fund	Within two years of Housing Element adoption

F. Affirmatively Furthering Fair Housing

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 1	Source of Income Protection	<p>Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482.</p> <p>Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter’s financial eligibility.</p> <p>Quantified Objective: Outreach to 50 landlords or tenants annually.</p>	CDD	General Fund	Informational outreach within one year of Housing Element adoption. Annual education and outreach to landlords and tenants.
F - 2	Fair Housing Counseling	<p>The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.</p> <p>Quantified Objective: Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.</p>	CDD	General Fund	Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption.

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 3	Place-Based Improvements	<p>Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include:</p> <ul style="list-style-type: none"> As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy 	CDD, Public Works	General Fund	<p>Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule.</p> <p>The Clean California Grant project must be completed by June 30, 2024</p> <p>Construction of the parking lot with community event space should be complete by the end of 2023.</p>

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 4	Housing Mobility and Choice in Higher Opportunity Areas	<p>Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions:</p> <ul style="list-style-type: none"> • Allow duplexes, triplexes, and quadplexes that meet objective design standards to be approved ministerially in specified zones (Program A-9) • Adopt a density bonus beyond state law to include incentives for special needs households (Program A-11) • Adopt an inclusionary housing policy (Program A-10) 	CDD	General Fund	Within 3 years of Housing Element adoption.
F - 5	Displacement Prevention Policy	<p>Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention polices (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements.</p> <p>Pursuant to Government Code Sections 65583.2(g)(3) and 65915(c)(3), ensure that when existing housing is demolished, at least an equivalent number of units at the same affordability are created as replacements.</p>	CDD	General Fund	Hold focus group and complete analysis within two years of Housing Element adoption. Adopt policy within three years of Housing Element adoption.

G. Education and Outreach

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 1	Collaboration with Development Community	<p>The City shall continue to cultivate relationships with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development.</p> <p>Establish new relationships and maintain existing relationships with for-profit and non-profit development companies throughout the planning period.</p> <p>Quantified Objective: Host an annual developer roundtable meeting.</p>	CDD	General Fund	Annual developer roundtable meeting.
G - 2	Community Outreach and Inclusion in the Decision Making Process	<p>To implement Goal EJ 1 from the City's 2040 General Plan Environmental Justice Element, the City will encourage involvement of all Gilroy neighborhoods in the public decision-making process through the use of various methods of delivery, such as print media, mailers, web-based information, accessible meetings, and other methods that consider economic and cultural considerations unique to the City of Gilroy.</p> <p>Provide all pamphlets and communications in English and Spanish</p> <p>Geographic Targeting: R/ECAP and Downtown Specific Plan area</p>	CDD	General Fund	Ongoing throughout General Plan implementation.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 3	ADU Education	<p>Develop and implement a comprehensive marketing program to advertise the benefits of ADUs and process for constructing ADUs.</p> <p>The City will provide educational pamphlets on the City website and at City Hall with detailed information on the ADU process as well as basic responsibilities and legal requirements of being a landlord. The pamphlets will be provided in both English and Spanish.</p> <p>The City will consolidate its two ADU webpages into a single page that has all relevant information for ADUs in a single place.</p> <p>The City will focus outreach and education in the higher opportunity areas of the City to expand housing mobility and choice. Upon biennial review of geographic ADU distribution, the City will review and adjust promotion and outreach strategies to ensure ADUs are being marketed in high resource areas that are seeing less ADU construction.</p> <p>Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.</p>	CDD	General Plan	Develop marketing plan within one year of Housing Element adoption; implement marketing program within two years of Housing Element adoption. Biennial review of ADU geographic distribution. ADU webpage consolidation by the end of 2023.

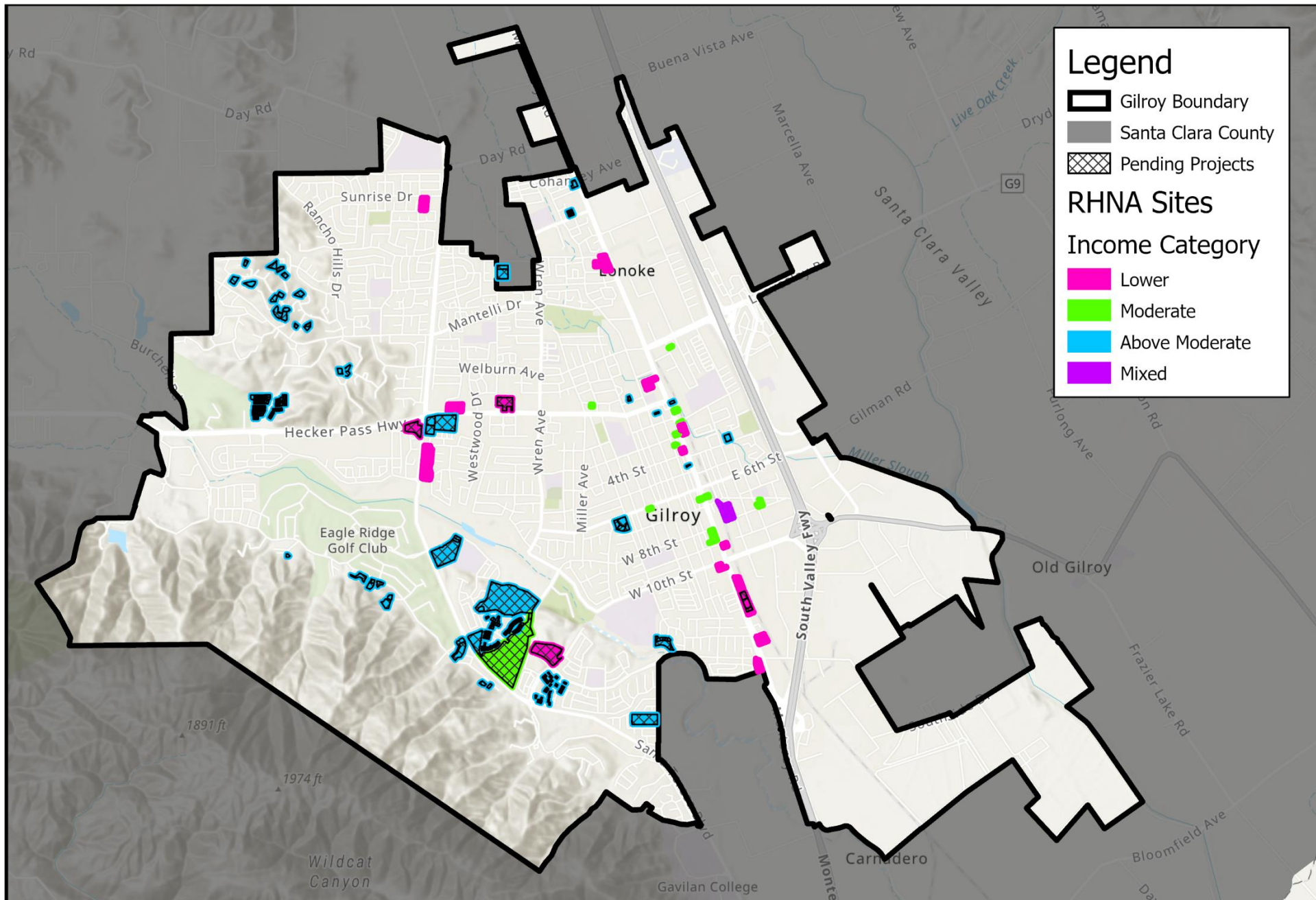
Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 4	Increased Outreach in Downtown Areas	<p>To implement Policies EJ 1.3 and EJ 1.5 from the City's 2040 General Plan Environmental Justice Element, the City will consult with local community leaders in the Downtown Specific Plan Area to ensure community priorities are being addressed. The City will consider the viewpoints and concerns of all neighborhoods within Gilroy when drafting the High Speed rail Station Area Plan and when updating the Downtown Specific Plan.</p> <p>Geographic Target: R/ECAP and Downtown Specific Plan area</p>	CDD	General Fund	Upon receiving funding and availability of adequate staffing resources to complete these area plans.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 5	Housing Outreach and Information	<p>The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as:</p> <ul style="list-style-type: none"> Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. Promoting housing resources at an informational booth at four community events a year, such as the Farmer’s Market in the DTSP area. Coordinating with the City’s Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. <p>Geographic Targeting: Annual housing event in the DTSP area.</p> <p>Quantified Objective: Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.</p>	CDD	General Fund	<p>Update the City website with housing information as new resources become available.</p> <p>Annual housing event in the DTSP area</p> <p>Presence at 4 community events annually</p>

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 6	Unhoused Population Education and Outreach	<p>The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include:</p> <ul style="list-style-type: none"> • Creation of a dedicated webpage with general information on homelessness, information on the 211 system, and a short informational video. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gather information on resources that exist in City and County for unhoused population and promote the information at City Hall and on the City’s website. This information will also be provided through the various outreach methods in Program G - 5. • Restarting the “unhoused service providers group” which consists of monthly meetings with service providers in the City. The group serves to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts. <p>Quantified Objective: Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.</p>	CDD	General Fund	18 – 24 months after Housing Element adoption; monthly (or as scheduled) meetings of the unhoused service providers group.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 7	Bilingual Engagement	<p>Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5.</p> <p>In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.</p>	CDD	General Fund	Immediately upon adoption of the Housing Element.

APPENDIX A: SITES INVENTORY MAP



APPENDIX B: SITES INVENTORY LIST

APN	Address ³⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ³⁶	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle
783 20 050	880 Sunrise Dr	95020	1.98	PF	Low Density	15	0	21	0	0	21	Public Facilities	Yes	Yes	No	No
790 14 025	8955 Monterey Rd	95020	2.05	R-4	High Density	30	0	49	0	0	49	Commercial Services	Yes	No	Yes	Yes
790 14 075	8915 Monterey Rd	95020	0.74	R-4	High Density	30	0	18	0	0	18	Commercial Services	Yes	No	Yes	Yes
790 14 091	8985 Monterey Rd	95020	0.80	R-4	High Density	30	0	19	0	0	19	Commercial Services	Yes	No	Yes	Yes
790 32 052	620 Broadway St	95020	0.06	R-3	Medium Density	20	0	0	0	1	1	Vacant	Yes	No	No	No
790 32 053	622 Broadway St	95020	0.06	R-3	Medium Density	20	0	0	0	1	1	Vacant	Yes	No	No	No
790 32 054	626 Broadway St	95020	0.06	R-3	Medium Density	20	0	0	0	1	1	Vacant	Yes	No	No	No
790 32 055	624 Broadway St	95020	0.06	R-3	Medium Density	20	0	0	0	1	1	Vacant	Yes	No	No	No
790 37 003	Monterey Road (west side), south of Howson St (empty church lot)	95020	1.95	GD	Downtown Specific Plan Area	30	0	47	0	0	47	Vacant	Yes	No	No	No
790 39 019	1375 First St	95020	0.97	C-3	Mixed Use Corridor High	30	0	20	0	0	20	Vacant	Yes	No	Yes	No
790 39 029	1335 First St	95020	0.55	C-3	Mixed Use Corridor High	30	0	12	0	0	12	Commercial Services	Yes	No	No	No
790 39 030 ³⁷	1355 First St	95020	0.49	C-3	Mixed Use Corridor High	30	0	10	0	0	10	Vacant	Yes	No	No	No
799 03 054	7733 Monterey Rd	95020	0.10	DED	Downtown Specific Plan Area	30	0	0	0	3	3	Vacant	Yes	No	No	No
799 03 055	7711 Monterey Rd	95020	0.20	DED	Downtown Specific Plan Area	30	0	0	0	6	6	Vacant	Yes	No	No	No
799 04 008	7601 Monterey Rd	95020	0.51	DHD	Downtown Specific Plan Area	30	0	15	0	0	15	Vacant	Yes	No	No	No
799 04 016	7660 Egleberry St	95020	0.18	DED	Downtown Specific Plan Area	30	0	0	0	5	5	Vacant	Yes	No	No	No
799 08 039	7355 Monterey Rd	95020	0.06	CCA	Downtown Specific Plan Area	20	0	0	0	1	1	Vacant	Yes	Yes	No	No
799 08 040	7353 Monterey Rd	95020	0.07	CCA	Downtown Specific Plan Area	20	0	0	0	1	1	Vacant	Yes	Yes	No	No
799 08 041	7347 Monterey Rd	95020	0.13	CCA	Downtown Specific Plan Area	20	0	0	0	2	2	Vacant	Yes	Yes	No	No

³⁵ The APN is the most accurate representation of the location of these sites. Addresses are the addresses connected to each APN from the Assessor's portal.

³⁶ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

³⁷ The 0.49 acre site is a part of a cluster of three vacant sites (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purposes of its development.

APN	Address ³⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ³⁶	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle
799 10 033	7191 Monterey St	95020	0.34	DED	Downtown Specific Plan Area	30	0	0	0	10	10	Commercial Services	Yes	No	No	No
799 10 034	7161 Monterey St	95020	0.32	DED	Downtown Specific Plan Area	30	0	0	0	10	10	Commercial Services	Yes	No	No	No
799 10 042	Egleberry Street (east side), north of Ninth St	95020	0.16	TD	Downtown Specific Plan Area	20	0	0	0	2	2	Vacant	Yes	No	No	No
799 10 048	Monterey St. (west side), north of Ninth St	95020	0.30	DED	Downtown Specific Plan Area	30	0	0	0	9	9	Used Car Lot	Yes	No	No	No
799 10 049	7121 Monterey St	95020	0.36	DED	Downtown Specific Plan Area	30	0	0	0	11	11	Commercial Services	Yes	No	No	No
799 17 052	7390 Dowdy St	95020	0.22	CCA	Downtown Specific Plan Area	20	0	0	0	3	3	Vacant	Yes	Yes	No	No
799 34 036	80 W Tenth St	95020	0.89	DED	Downtown Specific Plan Area	30	0	27	0	0	27	Vacant	Yes	No	No	No
808 01 024	Located at intersection of Santa Teresa Blvd and Third St	95020	7.22	R-4	High Density	30	0	173	0	0	173	Vacant	Yes	No	No	Yes
808 21 009	10 W Luchessa Ave	95020	0.57	ND	Neighborhood District	30	0	12	0	0	12	Vacant	Yes	No	No	No
808 49 078	Monterey Rd (west side), south of Luchessa Ave	95020	0.92	ND	Neighborhood District	30	0	19	0	0	19	Vacant	Yes	No	No	No
841 01 064	Swanston Lane (east side), south of Leavesley Rd	95020	0.17	R-3	Medium Density	20	0	0	0	2	2	Vacant	Yes	No	No	No
841 02 058	7840 Monterey Rd	95020	0.43	DED	Downtown Specific Plan Area	30	0	0	0	13	13	Vacant	Yes	No	No	No
841 04 018	7700 Monterey Rd	95020	0.61	DED	Downtown Specific Plan Area	30	0	18	0	0	18	Commercial Services	Yes	No	No	No
841 04 019	7760 Monterey Rd	95020	0.70	DED	Downtown Specific Plan Area	30	0	21	0	0	21	Commercial Services	Yes	No	No	No
841 04 020	7780 Monterey Rd	95020	0.44	DED	Downtown Specific Plan Area	30	0	0	0	13	13	Commercial Services	Yes	Yes	No	No
841 08 048	Monterey St, north of Hornlein Ct	95020	0.29	DHD	Downtown Specific Plan Area	30	0	0	0	9	9	Parking Lot	Yes	Yes	No	No
841 11 075	430 Old Gilroy St	95020	0.21	R-3	Medium Density	20	0	0	0	3	3	Vacant	Yes	No	No	No
841 11 076	401 Eighth St	95020	0.58	R-3	Medium Density	20	0	0	0	8	8	Storage Structure	Yes	No	No	No
841 13 022	Alexander St (west side), south of Old Gilroy	95020	3.62	CD	Downtown Specific Plan Area	40	0	50	20	30	100	Vacant	Yes	No	No	No

APN	Address ³⁵	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ³⁶	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle
841 14 001	Monterey St., south of Ninth St	95020	0.55	DED	Downtown Specific Plan Area	30	0	16	0	0	16	Vacant	Yes	No	No	No
841 14 006	6790 Monterey Rd	95020	0.39	GD	Downtown Specific Plan Area	30	0	0	0	9	9	Commercial Services	Yes	No	No	No
841 14 015	6320 Monterey Rd	95020	0.55	GD	Downtown Specific Plan Area	30	1	12	0	0	13	Single Family Home	Yes	No	No	No
841 14 036	6470 Monterey Rd	95020	0.74	GD	Downtown Specific Plan Area	30	0	18	0	0	18	Unoccupied Commercial Services	Yes	No	No	No
841 14 037	6380 Monterey Rd	95020	0.77	GD	Downtown Specific Plan Area	30	0	18	0	0	18	Commercial Services	Yes	No	No	No
841 14 081	6620 Monterey Rd	95020	0.53	GD	Downtown Specific Plan Area	30	0	13	0	0	13	Commercial Services	Yes	No	No	No
841 14 083	6920 Monterey Rd	95020	1.69	DED	Downtown Specific Plan Area	30	0	51	0	0	51	Unoccupied Commercial Services	Yes	No	No	No
790 39 020	1395 First Street	95020	0.97	C-3	Mixed Use Corridor High	30	0	20	0	0	20	Commercial Services	Yes	No	No	No

APPENDIX C: OUTREACH

September 8, 2022

Survey results for the City of Gilroy as of September 8, 2022

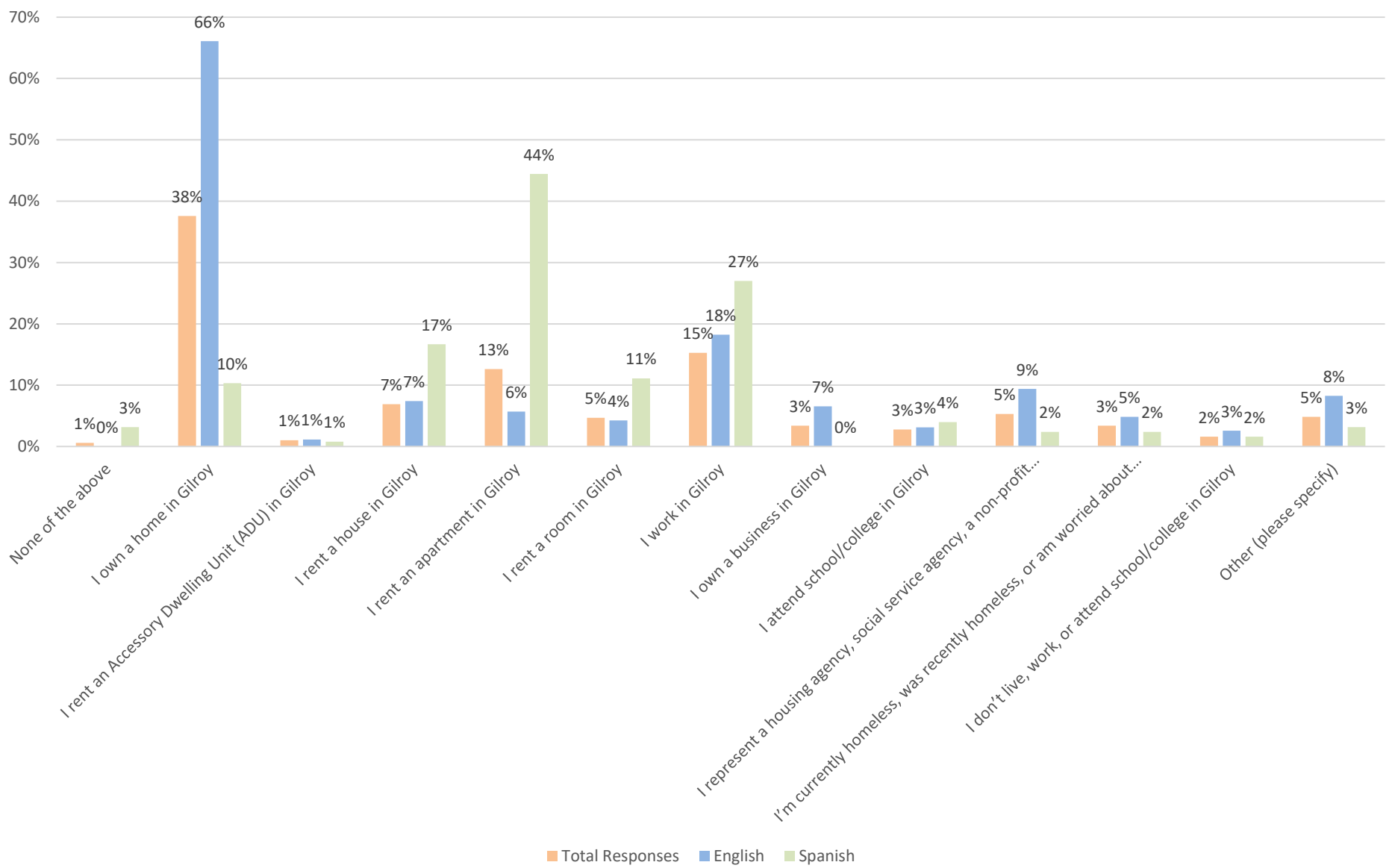
- English Responses: 367
- Spanish Responses: 143
- Total Responses: 510

Q1. Please identify your relationship with the City of Gilroy. (Choose all that may apply)

Total: Answers = 506; Skipped = 4

English: Answered = 366; Skipped = 1

Spanish: Answered = 140; Skipped = 3

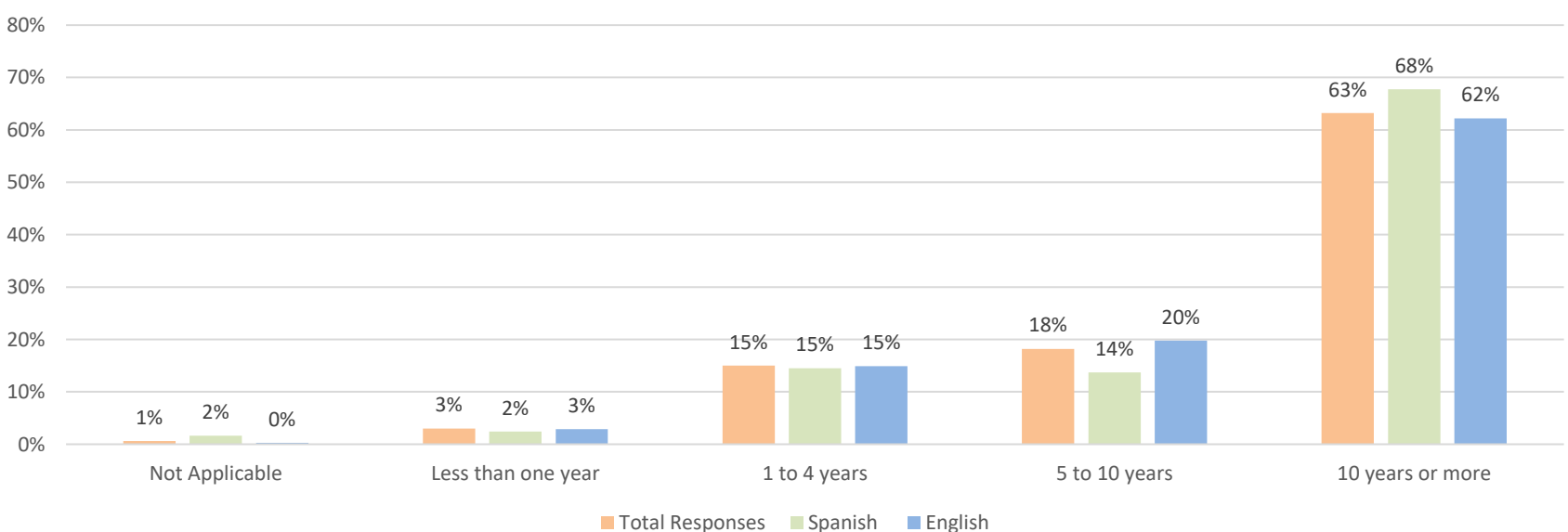


Q2. How long have you associated yourself with Gilroy?

Total: Answers = 500; Skipped = 10

English: Answered = 363; Skipped = 4

Spanish: Answered = 137; Skipped = 6

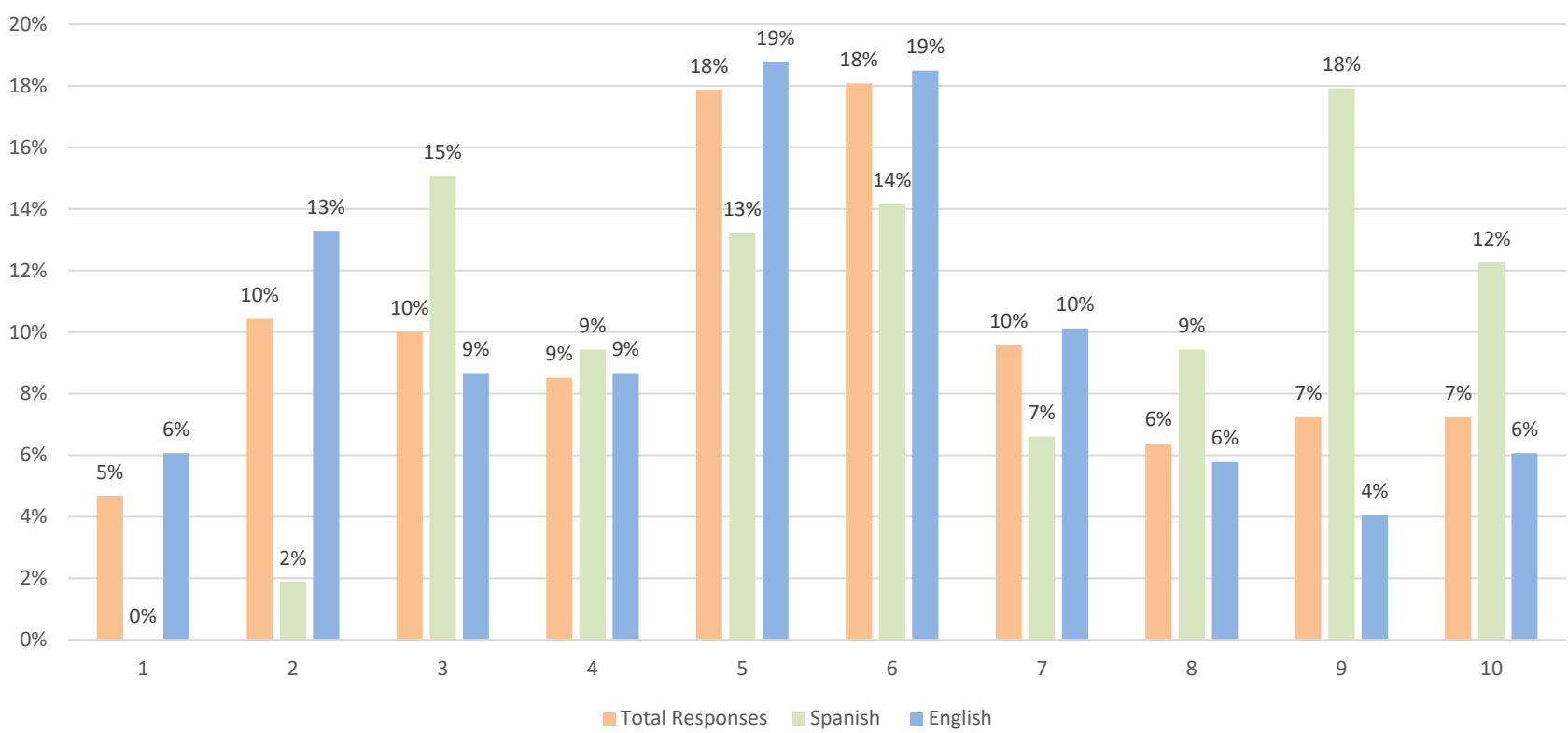
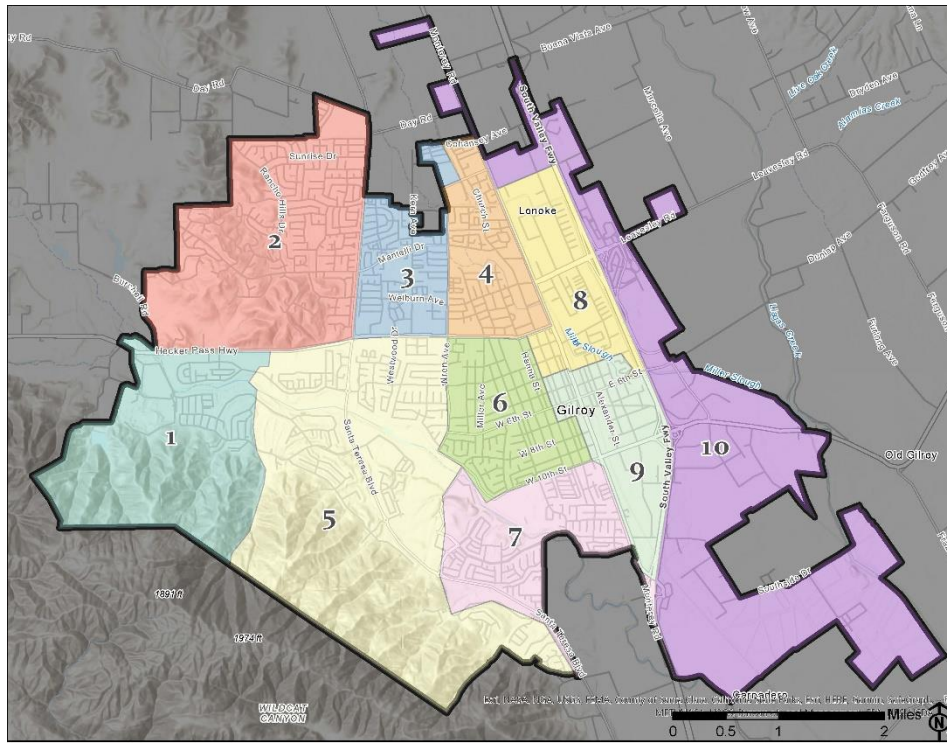


Q3. Based on the map above, please indicate in which part of Gilroy you live, work, or spend the most your time in. (Select one)

Total: Answers = 497; Skipped = 29

English: Answered = 360; Skipped = 7

Spanish: Answered = 120; Skipped = 23

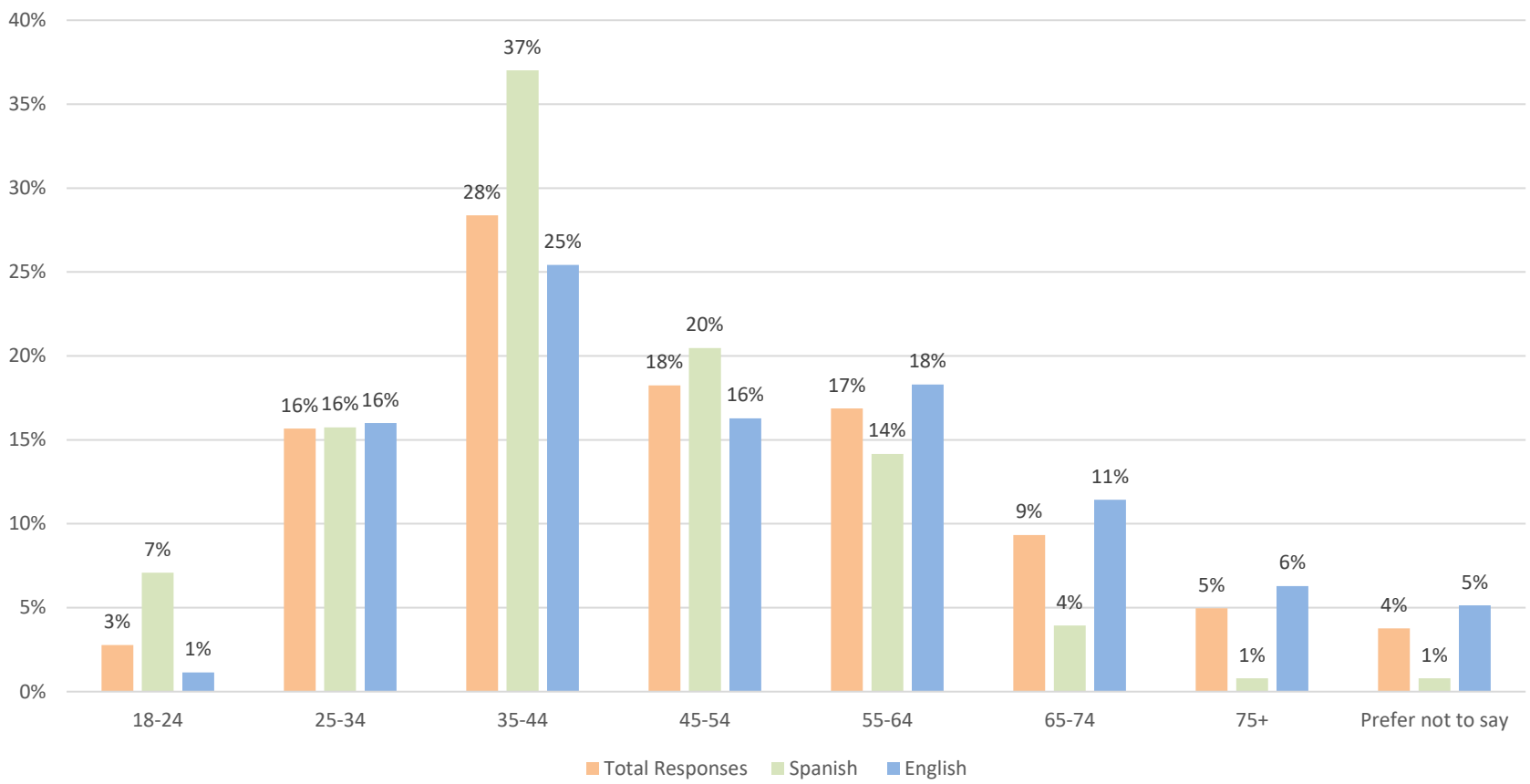


Q4. Please share your age.

Total: Answers = 504; Skipped = 6

English: Answered = 363; Skipped = 4

Spanish: Answered = 141; Skipped = 2

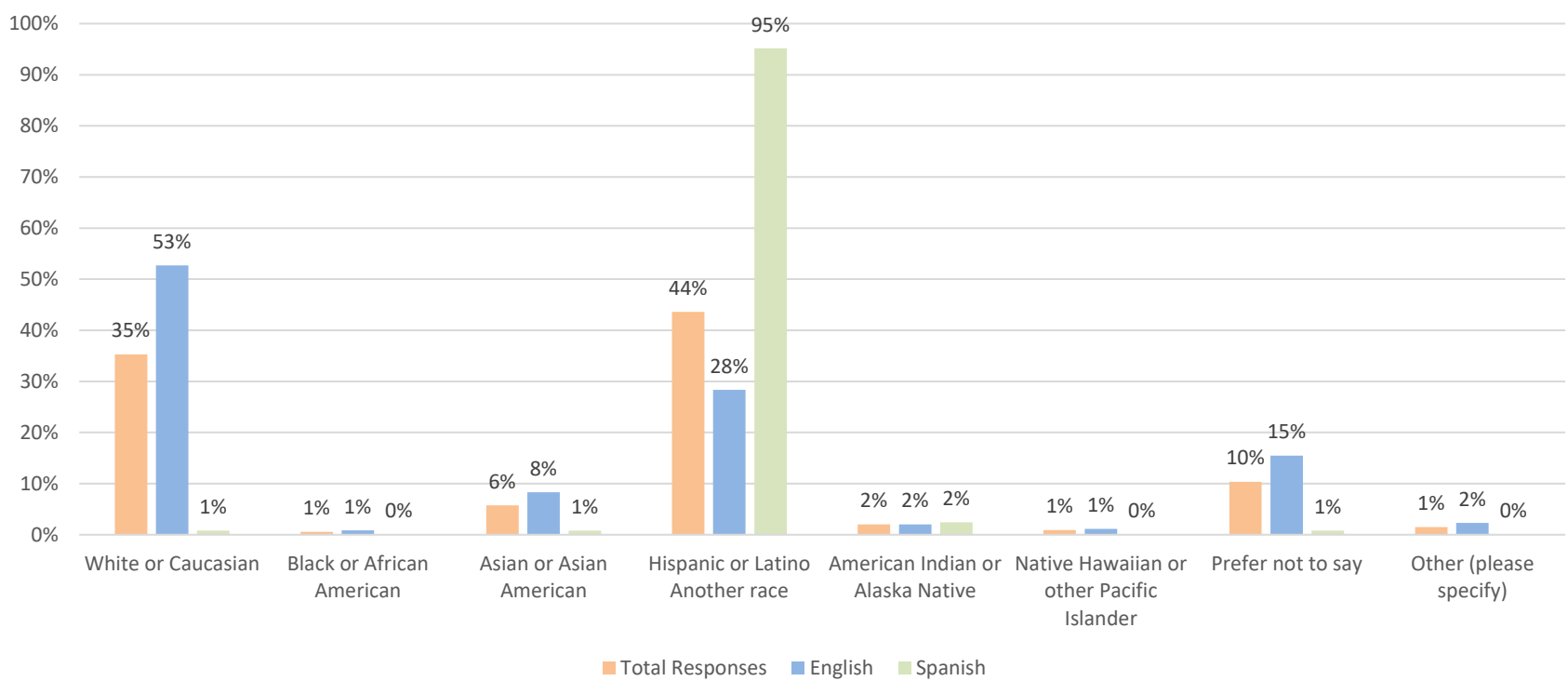


Q5. Please share your race/ethnicity. (Choose all that apply)

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5



English Responses

- White/Mexican
- American
- Mexican/German
- Asian Indian
- White/Hispanic
- American
- Mixed
- Southeast Asian

Q6. Please specify the primary language and any other secondary languages spoken in your household:

Total: Answers = 491; Skipped = 19

English: Answered = 357; Skipped = 10

Primary Language: English 338, Spanish 17, Chinese 1, Thai 1

Secondary Language: Ahmaric 1, English 23, Filipino 1, French 2, Hindi 1, Italian 1, Kutchi 1, Portuguese 1, Punjabi 1, Spanish 72, Tagalog 1, Thai 1, Urdu 1, Vietnamese 1

Spanish: Answered = 134; Skipped = 9

Primary Language: English 13, Spanish 120, Amuzgo 1

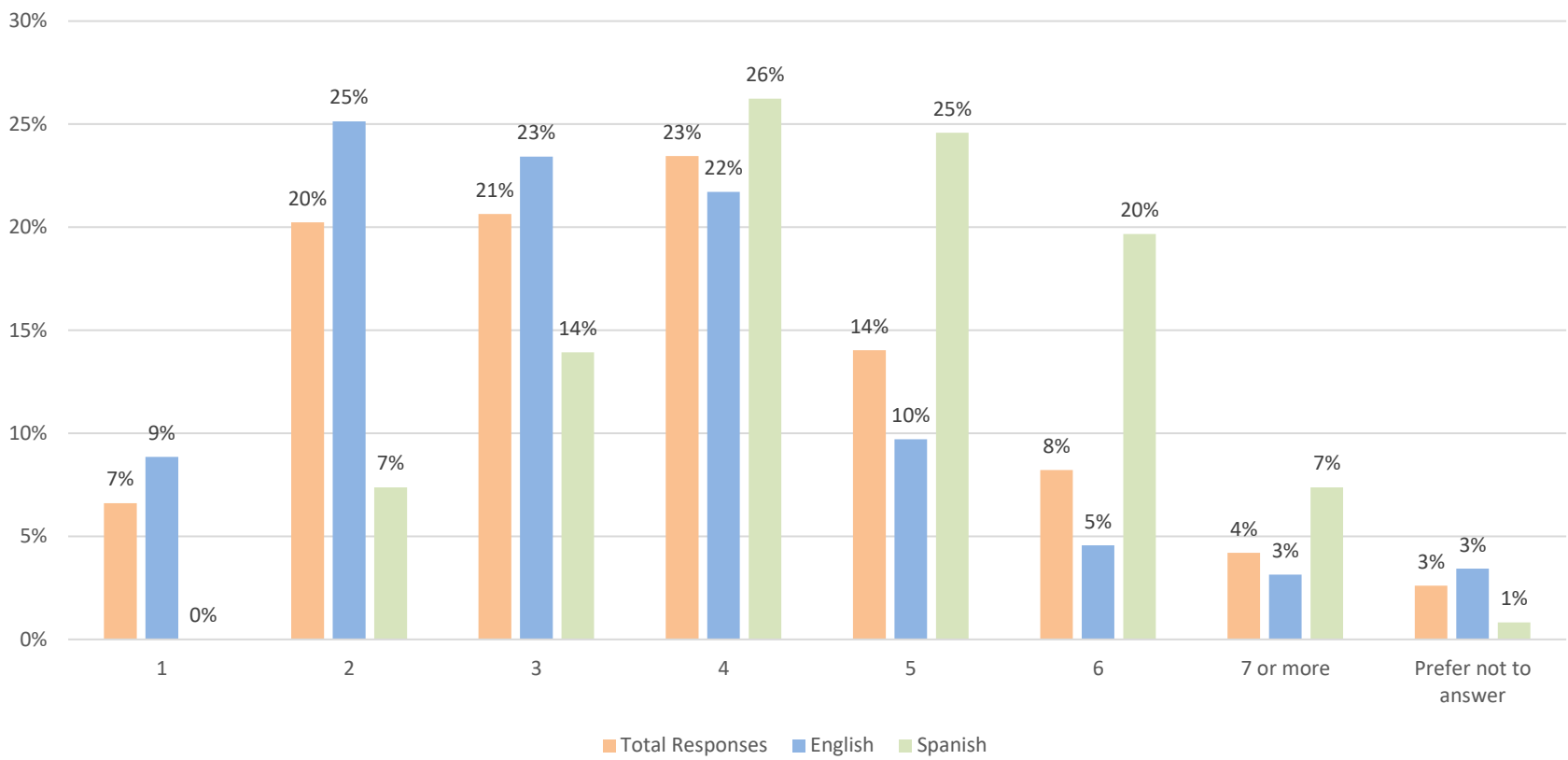
Secondary Language: English 54, Spanish 13

Q7. How many people including yourself live in your household?

Total: Answers = 499; Skipped = 11

English: Answered = 364; Skipped = 3

Spanish: Answered = 135; Skipped = 8

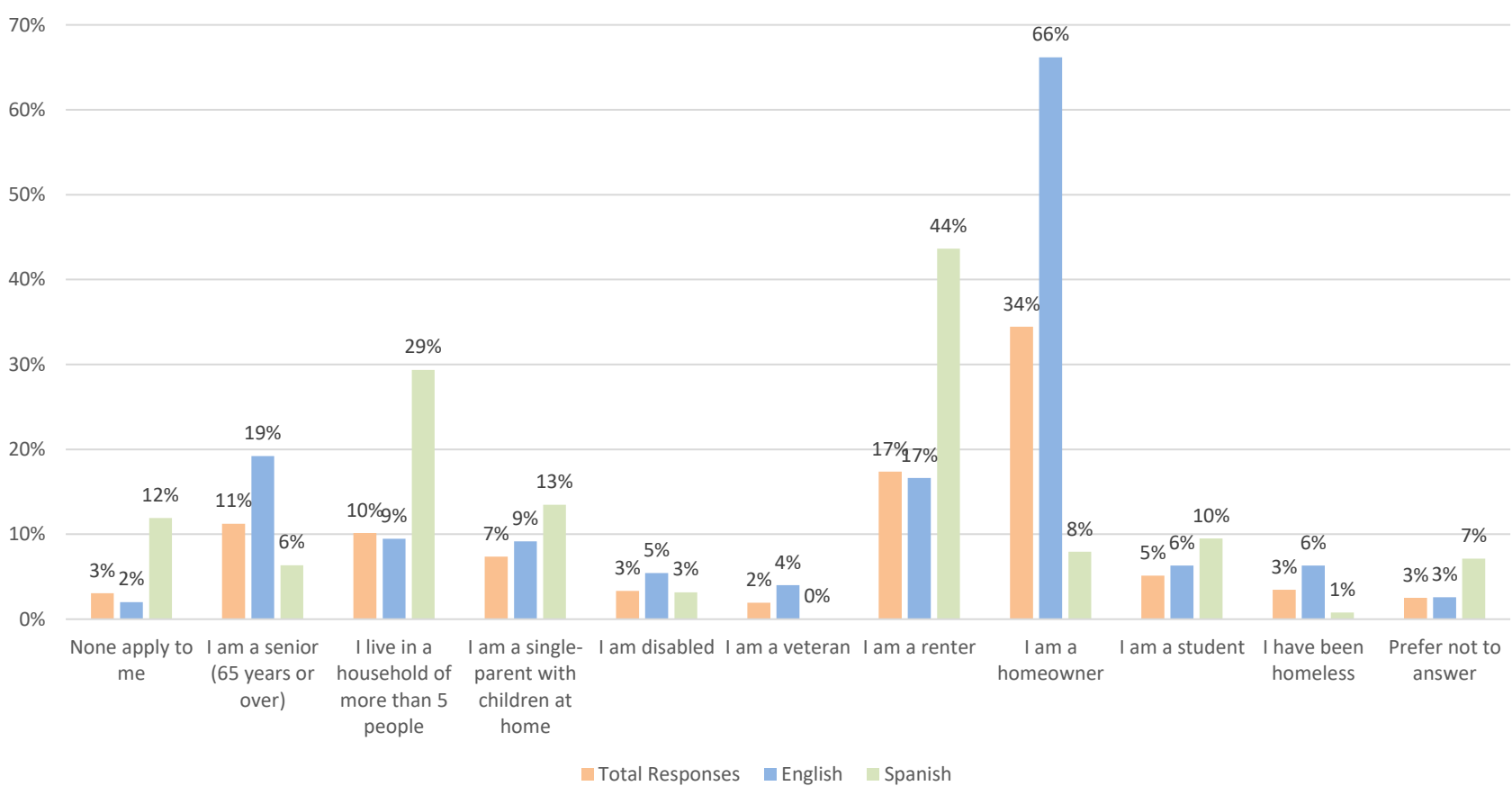


Q8. Please select all that apply to you:

Total: Answers = 498; Skipped = 7

English: Answered = 363; Skipped = 4

Spanish: Answered = 140; Skipped = 3

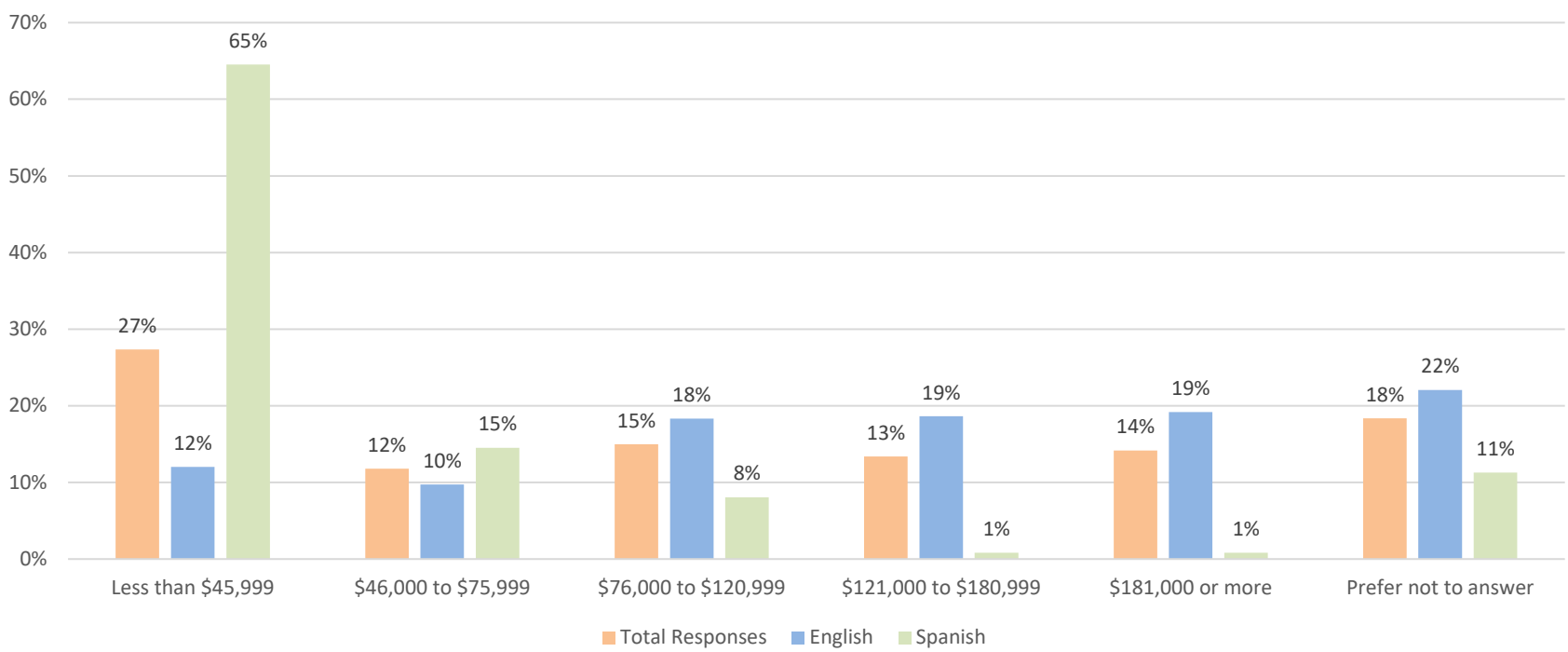


Q9. Please share the total annual household income for all adults in your household:

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5

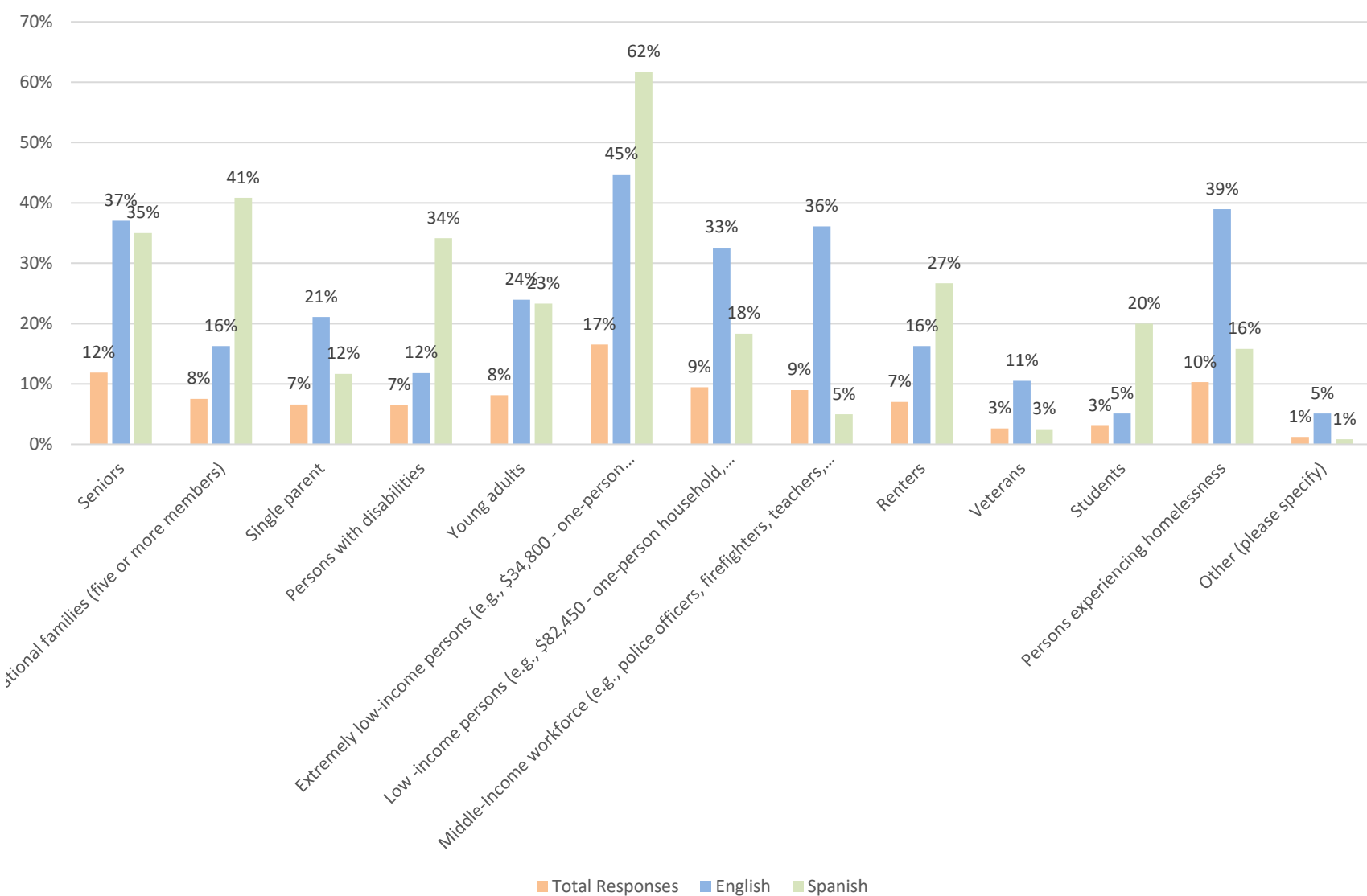


Q10. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 324; Skipped = 43

Spanish: Answered = 134; Skipped = 9



English Responses

- The rest of everyone on this list.....
- Three choices are not enough
- people who make too much for low income and not enough for regular housing market. (having to make 3x the rent in order to rent)
- People who already live in Gilroy
- People of all ages and income
- Those working at least part time, with good credit.
- Survivors of Gender Based Violence

- Persons with mental health disorders.
- High end housing
- We are overpopulated and not enough community infrastructure and commercial retail space is available. Should be spending money to fix the roads and cleanup the town. Make the city and downtown area more representable, modern and safe... rather than continuing to build home and low income housing. Gilroy needs to establish a worth and community value, not just cram everyone into the city and let it go downhill
- I am not qualified to accurately answer this question
- disabled mental health
- Homeless
- Homelessness doesn't discriminate. Homelessness occurs within every group.
- Middle income families
- People who already live here

Spanish Responses

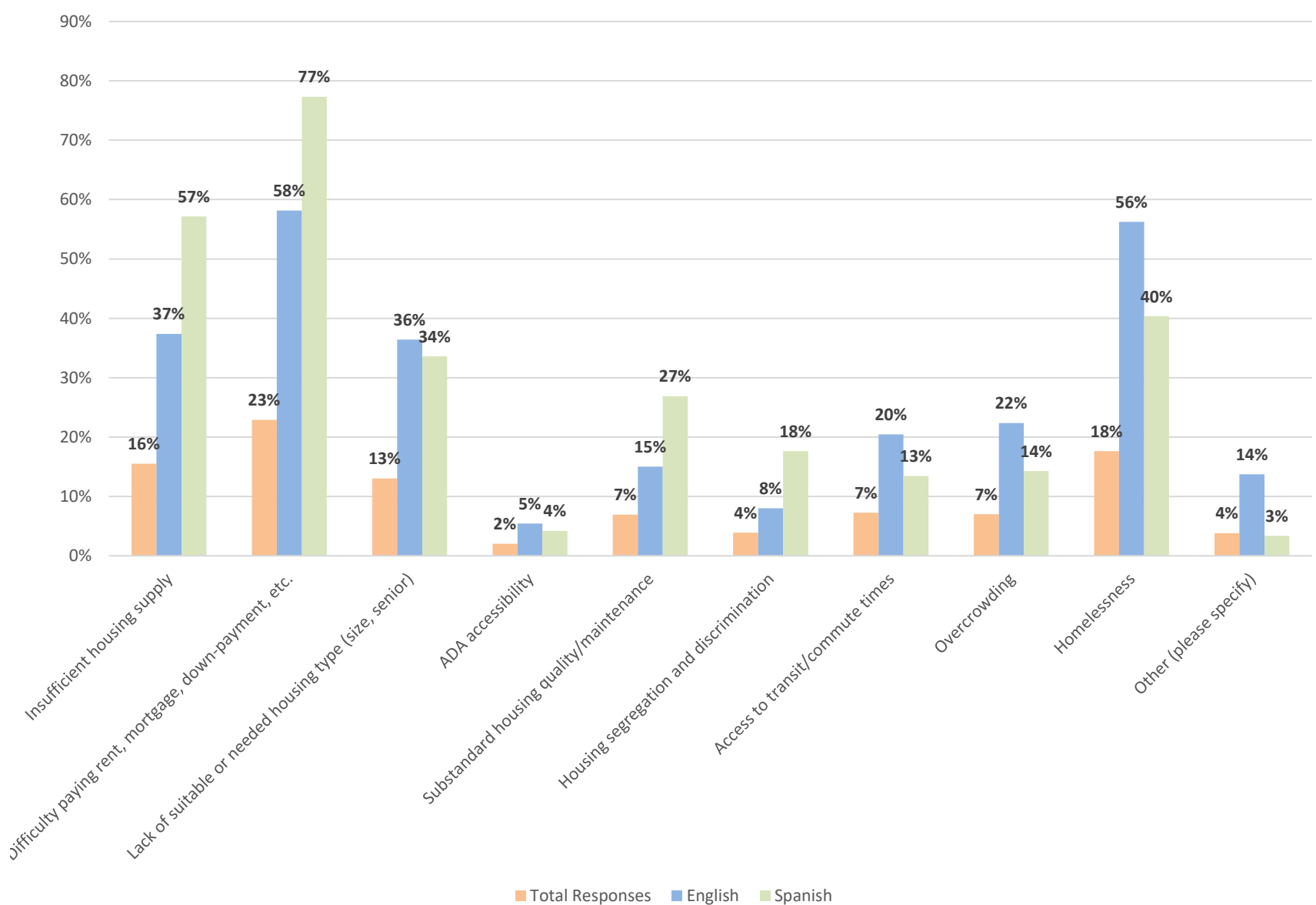
- Family making less than 80,000

Q11. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 325; Skipped = 42

Spanish: Answered = 133; Skipped = 10



English Responses

- Builder / developer price gouging
- Lack of town center in GLR
- Affordable rent.
- No infrastructure to support
- Section 8
- Over developing in areas not intended. Housing causing traffic congestions
- Home prices
- Getting too crowded in Gilroy. Have enough housing. Not enough services and infrastructure to support current growth let alone future growth. Don't want to become another San Jose. Keep open spaces and rural community.

- city services and infrastructure stretched with current housing being built
- parking
- Irresponsible development outpacing water and services budget supply
- substance abuse, mental health issues
- no opinion
- Unrealistic costs. Cost of housing compared to income.
- poorly planned neighborhoods
- Landlords that don't follow laws
- Single story
- Homeless encampments
- Lack of funding from the State for Section 8
- Dining/entertainment for residents
- Too many homes are being built in the city and we are getting overpopulated. But only is there too many homes being built causing overpopulation and causing major traffic, it enough retail and commercial areas/plazas and schools are being built to compensate for the increasing population. Too much new homes being built and too much low income housing being built. Too
- Literally all those plus more. I can be considered to "make enough" but that doesn't reflect the responsibilities or hardships we are all going thru and I've had to choose do I pay rent or pay my cell phone bill or put food on the table for my dying grandparents. rent prices are terrible and can be increased at anytime and if u fight about it u lose your home
- No help for domestic violence victims with kids
- Too many affordable housing units being built
- Renting with no dogs
- No enough infrastructure to support new and existing housing
- lack of creative solution
- Too many condos/apts/townhomes being built
- South Gilroy housing units explosive growth is straining the necessary retail support needs for grocery and pharmacy needs to support all the new market rate housing coming on line not to mention the infrastructure of roads, water, sewer and electrical grids. We continue to experience PG & E outages because of the service grid not keeping up with expansion
- Lack of affordable housing
- insufficient planning for current and future water scarcity
- Allowing housing with little or no open space. Inadequate roads/highway to support the number of cars already on the road.
- Lack of ELI affordable housing
- Infrastructure
- Education and resources.
- Shopping center / grocery stores
- Undocumented folks who can't get a job
- We need affordable housing - not selling the dream of homeownership. The developers are using loopholes to overabundance us with housing in categories well above the 2040 quotas by throwing in a few token BMR units so the development can't be denied. They should NOT be able to build in categories above quota when the other categories are under 100%.
- Inadequate water supply; Deficit growth with housing boom; Loss of open space and farm land
- Low income housing is abused by many people who abuse the system & have no intention in finding employment. Many of these same people bring crime into our neighborhoods and make it dangerous for everyone else living in the city. I think low income housing should be available to people who are carefully screened to verify they don't have a history of living in low income housing. They should only be allowed 6 months to 1 year and then be off the system. There are too many jobs available to be unemployed or underemployed. People who abuse the system take away from people who actually need the assistance and do not want to stay in assistance.
- Price
- Mentally Ill, drug addicted
- This is America. Capitalism works. Stop interfering.
- Permanently parked motor homes in side streets.
- Cost of housing

Spanish Responses

- I would like to see the city of Gilroy working more to fix the problem with the high cost of rent.

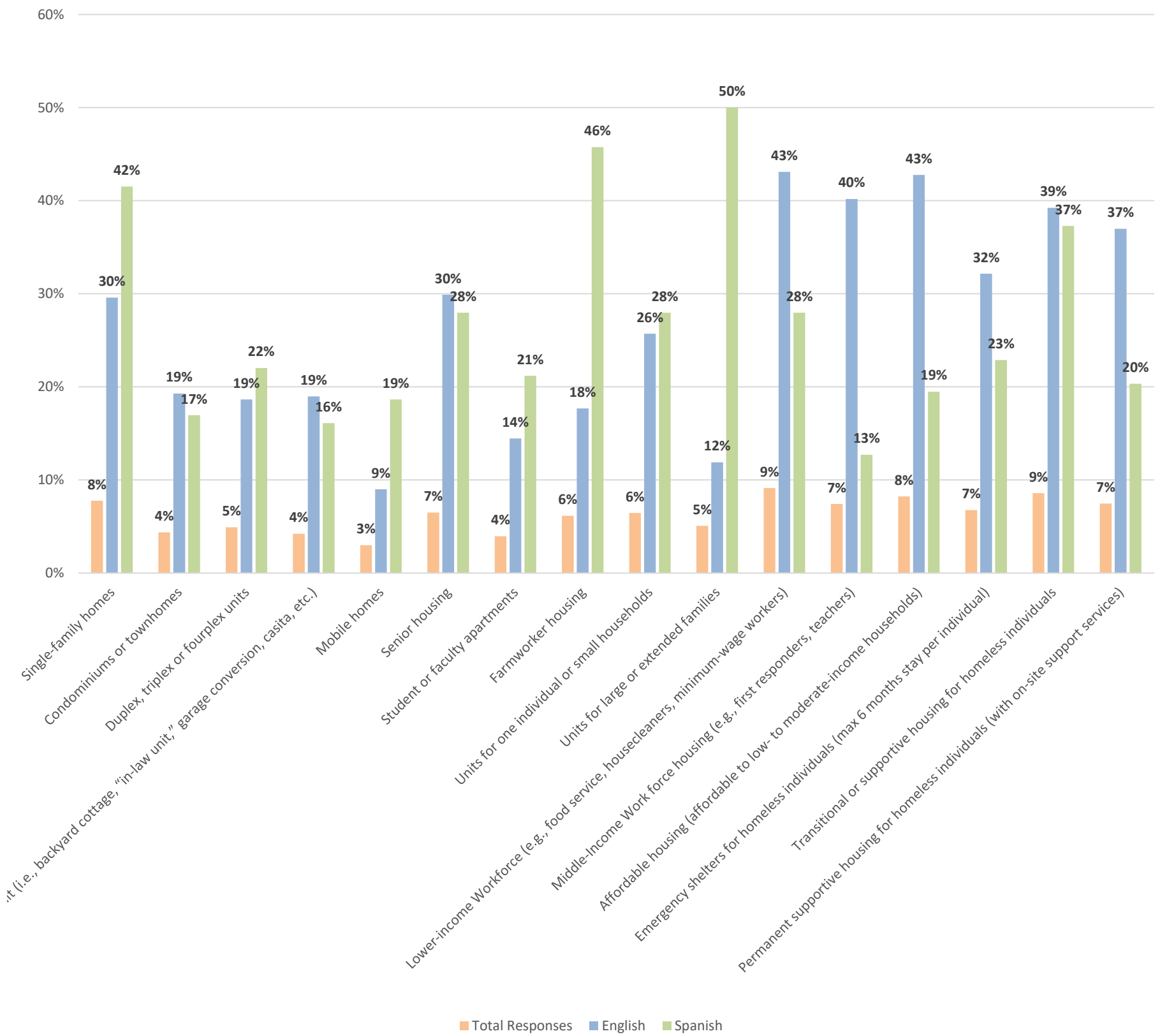
- very expensive rent
- Very demanding owner
- More accessible costs

Q12. In your opinion, please note which of the following housing types are missing or most needed in Gilroy. (Select all that apply)

Total: Answers = 454; Skipped = 56

English: Answered = 322; Skipped = 45

Spanish: Answered = 132; Skipped = 11

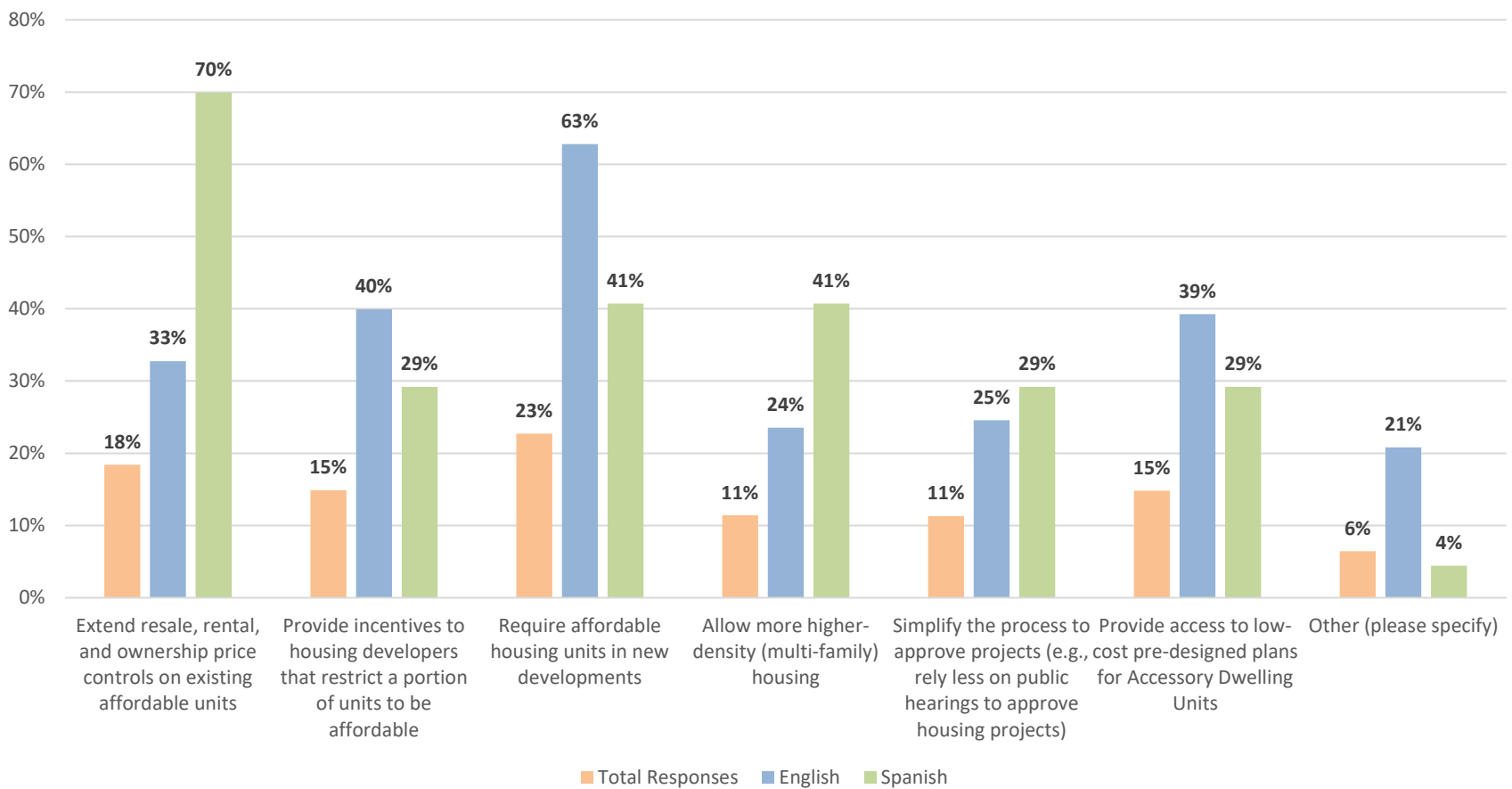


Q13. Select your top three (3) programs to improve housing access in Gilroy.

Total: Answers = 431; Skipped = 79

English: Answered = 304; Skipped = 63

Spanish: Answered = 127; Skipped = 16



English Responses

- Housing for extremely low salaries
- More Senior Housing and middle-income (not low-income) housing options
- replace single houses by townhouses or at least duplexes, need more green spaces around buildings for trees
- Rent control
- On city owned land install a "tiny" homes project.
- Less residents
- Convert large single family homes to group homes and halfway houses
- Section 8
- Over charging on rent. Should be based on gross income
- choices are too one-sided. what about current residents??
- Honestly housing numbers fine just need to lower prices and build more business for local jobs and fix downtown and add community center like MH to add revenue
- Don't need more housing unless to help young adults getting started.
- tiny house communities
- Workshops/incentives to ad ADU
- We don't need to build more houses until we have water.
- Stop building! We have too much housing and not enough resources
- Standardize process approval for projects by setting community set standards that satisfy community needs
- Affordable opportunities should be made for those who work, but cannot afford because it is too expensive (costs, rates, etc.)
- Restrict high density housing and keep low income to a realistic need, not exceed
- Promote creation of well-paying jobs for existing residents
- Fix the existing roads, why was Santa Teresa not built out to its original design 4 lanes all the way
- Provide a safe parking facility
- Not to build low income units without adding amenities
- Use affordable housing in-lieu fees to offer down payment and mortgage rate assistance.
- Offer working middle class financial backing to be able to purchase homes
- Collaborate with developers to extend preferences to survivors of gender based violence
- Middle income earners are being left out of the conversation. Too much money for affordable housing, but not enough for a down-payment. What gives?
- city-managed subsidies for housing choice

- Perhaps landowners of the Outlets and other shopping centers would be willing to redesign the buildings to include living spaces, since retail is struggling these days. They would have to hire an architect, so that the redesign looks inviting. This would benefit the businesses as well, since residents would have an easy walk to shopping.
- Low income or free help for tenants
- incentives' for ADU's
- Streamline permitting process for building ADUs
- More financial help with rent for low income families
- Invest in the community and infrastructure, not more homes. Take care of the town and existing residents, and not lure more crowds into town and have it be overwhelmed.
- The problem is NIMBY and as long as residents are allowed to vote on these projects. We will never reach affordable housing because it affects their assumed property values. Every California owner only cares about their property value not the status of their neighbor
- Help domestic violence victims with housing
- Better plan additional housing to be integrated with essential services like food and transit to reduce traffic congestion while also increasing housing availability.
- improve infrastructure
- Gilroy is crowded enough. We don't need more building.
- Stop stack-n-pack units. If Gilroy wants to grow, expand the city not put more people in a smaller space.
- Build low-cost/high density housing in areas near shopping centers/grocery stores. Building low-cost housing in areas where one would need a vehicle to get to shopping is just plain dumb and poor planning.
- Please do not approve anymore high density housing. We have way to many of these as is.
- Prevent landlords to increase rent prices
- Prioritize housing for the homeless
- permanent supportive housing in Gilroy
- We do not need to build housing in every plot of open land. What makes Gilroy so beautiful and what makes it stand out are the open areas that are around the city.
- Allow BMR owners empty nesters to rent extra rooms in their home without being penalized. Allow them to build ADUs without adding restrictions.
- The city needs more amenities like larger grocery stores. Morgan Hill has 3 large spacious store with 10K less in population than Gilroy. You are overcrowding the area of First Street, Santa Theresa, and Hecker Pass. Where are the amenities?
- smart planning
- Create more units and access to "truly" affordable housing, geared at ELI
- Education/resources for youth and young adults for homelessness prevention, and housing options from renting apartments, to roommate living, etc.
- Address the homeless encampments and escalating crime
- Housing for middle income
- Developers need to be required to build in the categories that have not met 2040 quotas before being allowed to build in categories that are above 100% of 2040 quotas. They need to actually focus on creating affordable housing - rentals before homeownership - before allowing developers to build homes - they don't build affordable housing as it's not as profitable as the homes for sale. They also need to be required to build adequate parking along with the developments - our situation out here at the butt end of the county and being rural has different needs than those in bigger cities - the current criteria does not fit the needs of Gilroy that most developers and some city council members are pushing for. We do not need more housing in the categories above 100% of 2040 quotas - we do need more affordable rentals. No more mega monstrosity developments until there is adequate affordable housing - then the housing developments can start up again. Why is everything geared to the developers, who already use loopholes to overabundance us with the mega monstrosities??
- Attract more good jobs, not more houses!
- I think Gilroy has enough housing as is. I would prefer to eliminate low income housing that has a history of police involvement. I prefer larger city's like San Jose to create additional low income housing. I left San Jose to get away from the homelessness & transient issues that run rampant in San Jose.
- We should not encourage the homeless to congregate in Gilroy. Living in Gilroy is not a God given right.
- Tiny Homes with support services
- Need more grocery stores and highway widening before building more houses. I have been grocery shopping in Morgan Hill. The grocery stores here are always packed, day and night.
- Gilroy does not need more affordable housing. If it is not affordable as is then moving to another city should be the option. Gilroy is already too crowded and the road access has not been expanded to accommodate. None of the above programs are necessary nor will improve Gilroy.
- Stop building homes. We are too crowded. If you have to build single family homes not monster homes (2 stories 3000 sq feet) simple single family homes

- Make incentives for townhomes
- No high density housing.

Spanish Responses

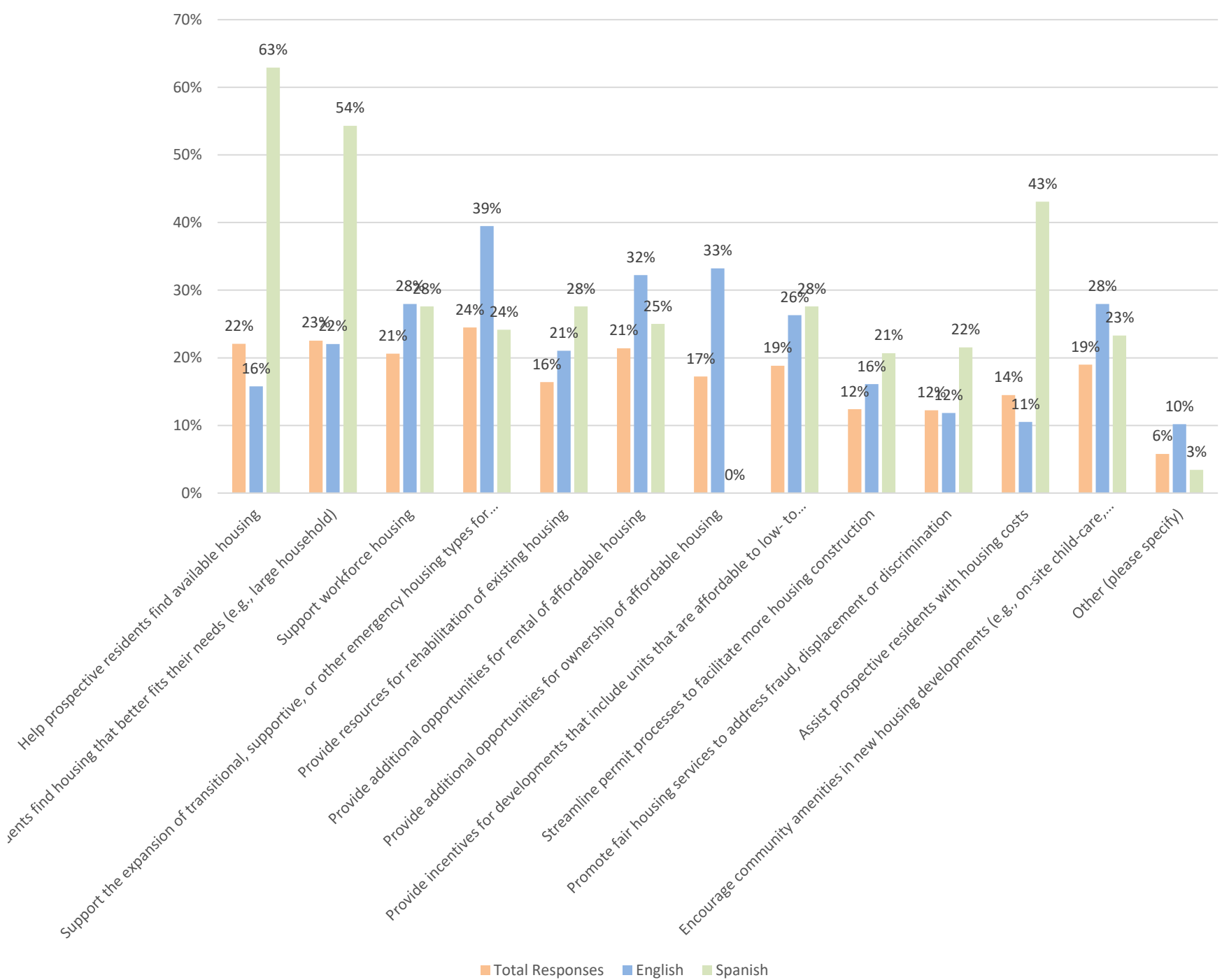
- Control price on rent and deposits.
- Extremely low income housing.
- Extremely low income housing.
- More low-income apartments.
- Help with all the requirements they ask for to rent a place. Help with that because ultimately they exaggeratedly ask for so many requirements to sell an apartment or house

Q14. What types of programs or activities do you believe the City should implement in the 2023-2031 Housing Element to address housing needs? (Select your top 3 recommendations.)

Total: Answers = 446; Skipped = 64

English: Answered = 316; Skipped = 51

Spanish: Answered = 130; Skipped = 13



English Responses

- Promote public transit options to new home communities
- Section 8
- Low income apartments based on gross income
- Offer housing being built to LOCAL teachers, law enforcement, firefighters
- Please stop building more houses until we have more water.
- Stop building, we don't have enough resources
- Promoting affordable sustainable housing that moves towards 100% solar power that can be used to give back to the community

- Promote creation of well-paying jobs for existing residents
- Build more grocery stores, etc to accommodate all types of income. Gilroy is only building low income units and forcing the existing residents to go to Morgan Hill to grocery shop
- Inclusionary housing ordinance for all new and rehabbed residential development
- senior units
- HABITAT FOR HUMANITY HOUSING
- give low or free help to tenants
- Provide incentives for developments that include units that are affordable to Extremely Low-income households
- Provide money to Infrastructure and planning BEFORE adding any housing
- Prevent overcrowding and stop building new affordable housing complexes where they are squeezed in and increase crime in a relatively safe area.
- We need to invest in the value of our city and make it better and cleaner. More retail businesses and better quality educational system. Good rated schools
- Help CURRENT RESIDENTS WITH PROSPECTIVE HOUSING COSTS.
- Get out of CA housing plan and determine city's own future. We need to remain a community, not become another suburb of San Jose
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of them have big yards to build ADUs.
- Increase ELI affordable housing
- Extremely low-income need truly affordable rents
- Add amnesties that compensate all the building going on in the west side. More grocery stores. Morgan hill has well managed and clean, large grocery stores with lots of parking
- Support city infrastructure
- We need to care of those that are here, before we try to attract others to move here.
- We need to re-zone to incentivize dense housing near transit.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- Please take care of the homeowners who already live in Gilroy & update the existing neighborhoods. Stop trying to bring in more low income / subsidized living, it mainly attracts the type of people who do not have anything invested in this city and when you have no skin in the game, you don't care what your "free" home or the city looks like.
- Incentivize the splitting of large plots - 1 to 5 acres - into subdivisions for Miri houses for homeless. This will mix homeless with regular society rather than putting them in concentrated areas where they are pressured into continuing or starting bad choices.
- More lower income housing for current residents
- Provide enough parking for these apartments. They overflow in to the neighborhoods and detracts from the neighborhood
- There are many places to move that is more affordable and less crowded than Gilroy. We do not need to continue to cram more housing units of various types into our already full city.

Spanish Responses

- A park for children with special needs.
- housing for loving adults with non-severe disabilities.
- to rent or Buy a house or where to live
- A park for children with special needs. Including all the children.

Q15. Please describe any other considerations, policies, or programs the City should consider here:

Total: Answers = 131; Skipped = 379

English: Answered = 119; Skipped = 248

Spanish: Answered = 12; Skipped = 131

English Responses:

- Need case managers who do not discriminate or only help who they want.
- Safe Park, transitional housing, family homeless shelter
- Lower taxes on single family homes
- There are too many badly planned housing developments like the one next to the armory on Wren or by the south sports park, 3' setbacks do not allow plants to improve climate control. Townhouses would be a much better option.
- Low income rent control. The moreover income can save the sooner we can vacate the unit to home ownership
- More affordable Recreational Programs for all ages

- The city of Gilroy is sprawling everywhere and it's sad to see. Gone are the nice areas around Christmas Hill Park. Filling every green space with housing is idiocy. I've seen this in city after city, most recently Morgan Hill. They built high density housing on Monterey that look like prison barracks. And what followed was a whole host of problems, gun shots all hours of the day and night, constant police calls, harassment of established single home residents, a plethora of non working street walking thugs. Morgan Hill used to have the criminal element that rented hotel rooms and worked their crimes. Now the city council decided to invite them to live in the city by building huge multi people cramped high rises. It was a bad decision by the city council, one that I would hope Gilroy would be smarter about. Lets talk about infrastructure - we don't or won't have water for increased housing. We are all cutting back drastically now! How can you allow developments to keep building without addressing the water issue. Even the water we have is polluted with high nitrates. Don't buckle under to developers and the lure of more tax dollars. You'll be spending far more in city services than you will ever gain. It's time to put out the "NO VACANCY" sign.
- The City must take responsibility for the fact that it's community that is homeless is THEIR responsibility and their people. The City needs to immediately find sites for emergency housing, tiny homes etc and stop making excuses for why they won't. One I hear often is prioritizing parking over housing site options. We've done too little for too long!
- Without sufficient water resources, this area can't support any additional citizens
- More police
- Co-join as many programs that would help fund the housing we need
- Allow below-market housing by right
- Most housing requires 3x the rent or more which makes it difficult for people to get into and keep housing. Minimum wage is not comparable to cost of living
- Section 8
- Helping first time owners, who live and work in the town
- All current apartments should have ac units especially low income apartments
- traffic and congested street parking
- Again housing numbers are fine, need to build up business and downtown. Expanding faster than infrastructure sewer, water etc and PD and Fire. Let's focus on being able to take care of what we have before expanding more. Cart behind the horse rather than ahead of it
- Support improvements on Monterey and build apartments / condos in the downtown area.
- make tiny home communities on vacant lots
- Stop building until we are out of the drought.
- Stop building, we don't have enough resources and we are destroying the land around us!
- Public transportation, water shortage with increased housing
- There should be stricter rules, consequences, for the people who are living in our street who collect a bunch of junk. Those living conditions are a hazard to the community members who live around it to see it, smell it and live around it; putting their/families at risk. The city of Gilroy and law enforcement should be able/allowed to enforce fines, incarceration of those who are not following rules/penal codes.
- Stop accepting money in exchange for homeless groups to be bussed and left on our streets. Bus them back to where they came from and clean up the camps. What has happened is terrifying.
- In any development there should be required large open spaces for families to enjoy. The city should be having ideas about where to put more open parks for families, children to go and enjoy
- Stop all new housing construction. Extend recycled water to existing homes for landscape use. Subsidize grey water use for landscape. Promote creation of well-paying jobs for existing residents.
- how to overcome objections to changing nature of neighborhoods in line with State focus on Affirmatively Furthering Fair Housing
- Gilroy is already overcrowded. Bringing in low income housing will lower the value of the current residents who worked so hard to buy their homes.
- Better roads so traffic moves and you can get to and on 101
- A safe parking facility as a bridge between homeless and housed
- Gilroy needs more amenities for all the additional housing being built. No one ever addresses this issue. There is never an answer.
- Single individuals or small workforce families 2-3 should have more help so they can get better jobs or just not be homeless. It's crazy that you have to be a single no income person on this city to get any help with access to subsidies or other programs.
- Inclusionary housing ordinance
- Policies to address the needs of people with mental illness
- Minimize construction red tape
- Whatever programs the city supports, the support should be for working class families - i.e., support wage earners first.

- There is a need for inclusionary housing ordinances in the City of Gilroy. As far as available resources, the City does not have full-time Detox/substance abuse facilities or services (we just have a mobile unit that comes into town 1 day per week.)
- Down-Payment Assistance to Middle Income work force.
- Rent control especially for low income seniors
- Zoning for high density housing downtown and near Caltrain and bus lines.
- Consider aesthetics (like landscaping, open space, architectural beauty, comfort, and eco-intelligence) in ALL new and rejuvenated construction. Such aesthetics make for happier residents throughout the city, in addition to the individual neighborhood.
- Community volunteers help seniors with painting their houses, etc.
- Program for Single Parents & Seniors affordable housing.
- renters need free help dealing with landlords who are not ethical
- Control affordable pricing.
- Establish a Safe Parking Program at 8th and Alexander
- Sanctioned encampments land/areas for people/families who are living in vehicles/oversized/RV's(and in transition of finding more permanent housing.)
- Safe parking program
- I think the most immediate need is for safe parking programs like the one in Morgan Hill in Gilroy
- Current and new affordable housing units should have an overseeing board to improve quality and safety of individuals and families living there
- Studies, planning, to City of Gilroy's infrastructure is required followed by funding then changes. The city's water, sewer, power, garbage, and school require attention. The police department needs to be increased now. The current department is useless as they make no efforts to stop crime, or murders. The downtown buildings on Monterey Rd. are substandard. The retail and food is lost to Morgan Hill and San Jose.
- The city needs to stop taking cash grabs and refuse the new building of affordable housing duplexes. The city is small and already overcrowded. This needs to stop. It is entirely unfair to residents that have lived here more than a decade that now have to deal with the influx of new residents and yet no increase to general infrastructure. Where are the better roads? More schools? If you want to be greedy as a board and continue taking money grabs, at least fix the city's infrastructure before you allow crime and overcrowding to befall us all.
- Put pressure on the State or County to provide more Section 8 funding in order to help more people with their rent.
- Slow the growth of construction like Morgan Hill does
- Stop building new homes and low income housing communities. We need our town to be safe and modern and be of high value. More retail spaces, shopping plazas, entertainment
- I have grown up and loved in Gilroy and Morgan Hill all my life. During the 2008 housing crisis I was pushed out of my home forced from Morgan Hill to Gilroy and in 2021 I was officially pushed out of Gilroy to move out of state across country to find affordable and up to code homes. It breaks my heart to leave behind my family my friends and the only place I've ever called home. My family history goes back over 120 years in Gilroy Morgan Hill and Hollister. That is my home and to struggle for years to desperately cling to something that clearly doesn't want to keep around is sad. You talk about bringing incentive programs for prospective residents but why aren't you serving the ones you have? Please put in things to do in town for families, kids, teens, and adults alike. Don't cater to the rich they have enough.
- More rent controlled apartments, public housing Q&A, housing workshops to prepare prospective buyers build timelines.
- Programs to help people apply for housing and not be discouraged
- Have more income based housing
- Please limit the number of affordable housing units being built. Gilroy has set this quota at 59%, which is much higher than the rest of Santa Clara county. Too many affordable housing units will lead to overcrowding and crime. Plus, we simply don't have the infrastructure to support an influx of new residents. A lot of the streets are single lane, which is already leading to traffic problems during peak hours.
- Too many low income housing will negatively affect current homeowners who have worked so hard to purchase and maintain their home. Our rights to maintain our home value need to be protected too.
- make tiny home communities on vacant lots
- I cannot stress enough the fact that the current housing being built is often far from basic things like schools, food/groceries, and good public transit. Without integrating these things into new community developments, the city will have increasingly terrible traffic and turn into a smaller version of the San Jose area, which is ridiculously congested.
- Gilroy doesn't need to attract more homeless.
- make sure people who are getting support from the county actually need it--way too much abuse of the housing program
- Realistic infrastructure needs for housing and business growth to support outlying areas expansion
- Tenant protections against evictions that lead to more homelessness.
- Gated parks with cameras
- More options for homeless housing/encampments.

- Homeless programs need to be set up for our community. People are living in their cars in our neighborhood parks, on our county creeks and our city streets. It becomes a very unsafe environment for people just trying to enjoy our community. We need to keep moving these encampments off our city and county areas so they reach out to programs being provided for them.
- Please no more duplexes or apartments. Gilroy has been attracting a lot of people who commit petty crimes. I think if you allow more high density housing crime will get worse. We already have more than enough people living here. Let's instead concentrate on our homeless problem as well as use funds to spruce up the Gilroy we already have. The streets do not need anymore people on them it's congested enough all ready. The grocery stores are always packed as well. We do need anymore housing.
- Cleaning up the homeless problem
- People with disabilities and seniors are who are on fixed incomes are being left out of the planning very often. Limited funding for rental assistance and accessing it is very difficult if you are not the agency holding the purse strings. Undocumented workers and seniors with little income are also being left out of the equation
- A solid plan for housing the homeless, including a plan for the homeless with pets or those that do not want to participate and insist on living in tents
- Designate a staff associate to housing and funding availability from county and state programs.
- This City is behind in creative ways to house the homeless. Think Tiny houses, church parking spaces for families to have safe overnight stays, even if it's their cars and have services there; etc.
- I believe we must address housing needs of low income, very low income, and unhoused people. I believe all other new housing should be proven sustainable before approved for building. California is facing resource scarcity issues--notably water shortages--which must be built into planning.
- We do not need to build housing on every open piece of land. Keep Gilroy beautiful. There is a responsible way to build homes.
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of the have big yards to build ADUs.
- Restrict the number of housing units being built. Gilroy is growing too big and a majority of its residents do not work in the area or support living here. Everyone is on the road for more than two hours to and from work in Silicon Valley. We need better transit systems and better road conditions before allowing more people to move to Gilroy and travel on an already inadequate highway system.
- Need more amenities. Y developing the land around the outlets with businesses, it would bring income into the city
- Consider impact on current residents and impact on traffic, fire and police infrastructure, water needs and environment.
- Infrastructure. As a member of the Gilroy community, we need to have a town where we feel comfortable in and is sustainable. Everything is crumbling around the city and why bill more when the cost to live here is not affordable. Referencing the utilities like water garbage and PG&E. They are skyrocketing and at the same time nothing is being done to maintain these systems except increase pricing on the homeowner. Our downtown looks like shit and no one wants to visit it. We need restaurants and nice parks roads. We can't build more housing without supporting the surrounding areas
- I see so many of my peers experiencing homelessness because after their parents or whomever they lived with moved away, or their loved one died, they had no idea what to do. I experienced homelessness myself as a child, again as young adult, and now live in constant fear of not having somewhere to be safe or rest my head. I don't have any kids and make less than 30, 000 year so there just isn't any resources for me. And if there are, it should be easily available information. All I see is list with apartment phone numbers. Just not enough education on this very important matter. Thankyou.
- Do not continue to expand Gilroy with new builds without updating our infrastructure and businesses -traffic is terrible, the houses and neighbors we do have aren't nice, both of our major grocery stores are right next to one another, current residents need better quality of life before we grow
- Renters must make 3x rent amount to qualify for an apartment is impossible in most cases! Finding other ways to qualify
- Homes for seniors, single stories, 55+ adult communities.
- Coordinate county services with new affordable housing to house homeless individuals
- Expand our amenities on the west side. The city is forcing us to shop in Morgan hill because we have no consideration for expansion except to add more housing
- I get \$1000 a month for disability my rent is \$1000 in the trailer park I can't make ends meet soon I will be homeless
- Need supervised housing for small groups of mentally ill who can't adequately care for themselves or take their medication reliably.
- Sports programs for the young to teenagers
- Don't allow apartments to be built right next to nice single family homes.
- Most of us moved to Gilroy for the small rural town vibe - we do not want to be the next big city with big city problems. The 2040 quotas arbitrarily assigned by the state politicians who are totally out of touch with "our "reality will double Gilroy's population. We need to preserve the small town feel rather than give in to mass growth- we need smart growth, not overgrowth.
- Beautification of Old Gilroy, paving, implement Standard for apartment appearance.

- I'd love to see an aggressive effort to up zone our main downtown commercial areas to allow residential/mixed retail. We should build strong transit links to the job centers in Santa Clara County.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- No new housing! We need good restaurants with outdoor seating. More grocery stores such as Whole Foods. And a downtown renovation, and we need to preserve the open space we have. No new housing projects!!
- Plan housing with transportation connections, plan for active transportation, consider climate change needs
- I wish the city would install speed bumps down high traffic roads such as Wren Ave. Drivers have no regard for the speed limit or kids playing/walking in the area. High speed drivers are a safety concern and a noise nuisance.
- Inclusionary ordinance
- There needs to be affordable and low income housing in all areas of Gilroy, not just the north area. It is like the west side is exclusive and does not allow homes in that area. For too many years Gilroy has focused affordable low income housing in North Gilroy
- Stop growing the city so quickly and fix the existing issues. We don't have enough grocery stores here. We don't have enough police force available. All this excessive building is just bringing more crime to the area. We are no longer a safe city. Have you seen all these new people drive around here like we are in a Grand Prix. These new housing are not doing anything if but making our infrastructure worse. They are not bringing new kids to schools locally because they can commute with kids. Our district is broken, work on that. We can have six Starbucks but not enough places to buy food? Focus on the city improvements first
- Buy the large plot on Las Animas and create a better tent area with drug control, security, showers and laundry
- Rent too high
- There are more affordable places to live. It isn't any city's responsibility to make their location a handout resource using hardworking taxpayers earnings.
- Build affordable housing in a nice community
- Please add Safe Park with support services
- It's become increasingly difficult for just the regular service employer (truckers, utility workers, health care admins) to qualify for purchasing a home that so many have to leave the area just to have a respectable home. The lower middle class are now considered low income and there needs to be more than just one unit per housing development designated for the low income. Good people in good homes equals a good city. It's insane that we expect everyone to make \$250k to live here comfortably, we miss that small town feel.
- There are so many things wrong with this town. Stop building high density housing. It looks like a ghetto. The ones being built on first and Kern are going to be a nightmare. Not enough parking and the traffic lights to handle the traffic.
- I believe that understanding individual households and their needs is essential to gaining knowledge for the housing element of Gilroy. For instance, I am a single parent to two children. I've been renting for the past 6 years and make \$170k a year. The rental rates are darn near worse than mortgage rates. It is not helping to provide an option of purchasing in this area. The housing crisis of cost and not even having homes that can suit people's different family needs is unfair. Creating factory type housing of all homes bunched together is not what everyone purchasing a home wants. Preferably homes can be made with decent yard space to allow for personal gardening of produce and chickens.
- Speed traps or speed bumps on W Las Animas Ave. This is an accident waiting to happen. Vehicles passing through from Monterrey rd. to church (and vice versa) use this as an expressway at very high speeds. Please look into it.
- Do not continue to make Gilroy more over crowded than it already has become. The infrastructure to get in and out of Gilroy needs to be expanded. We do not need to make the city more appealing to increase the city population.
- More work to improve our downtown, more restaurants and shopping. Not everything has to be low income focused, there are a lot of middle class families that love living here and would like more amenities.

Spanish Responses:

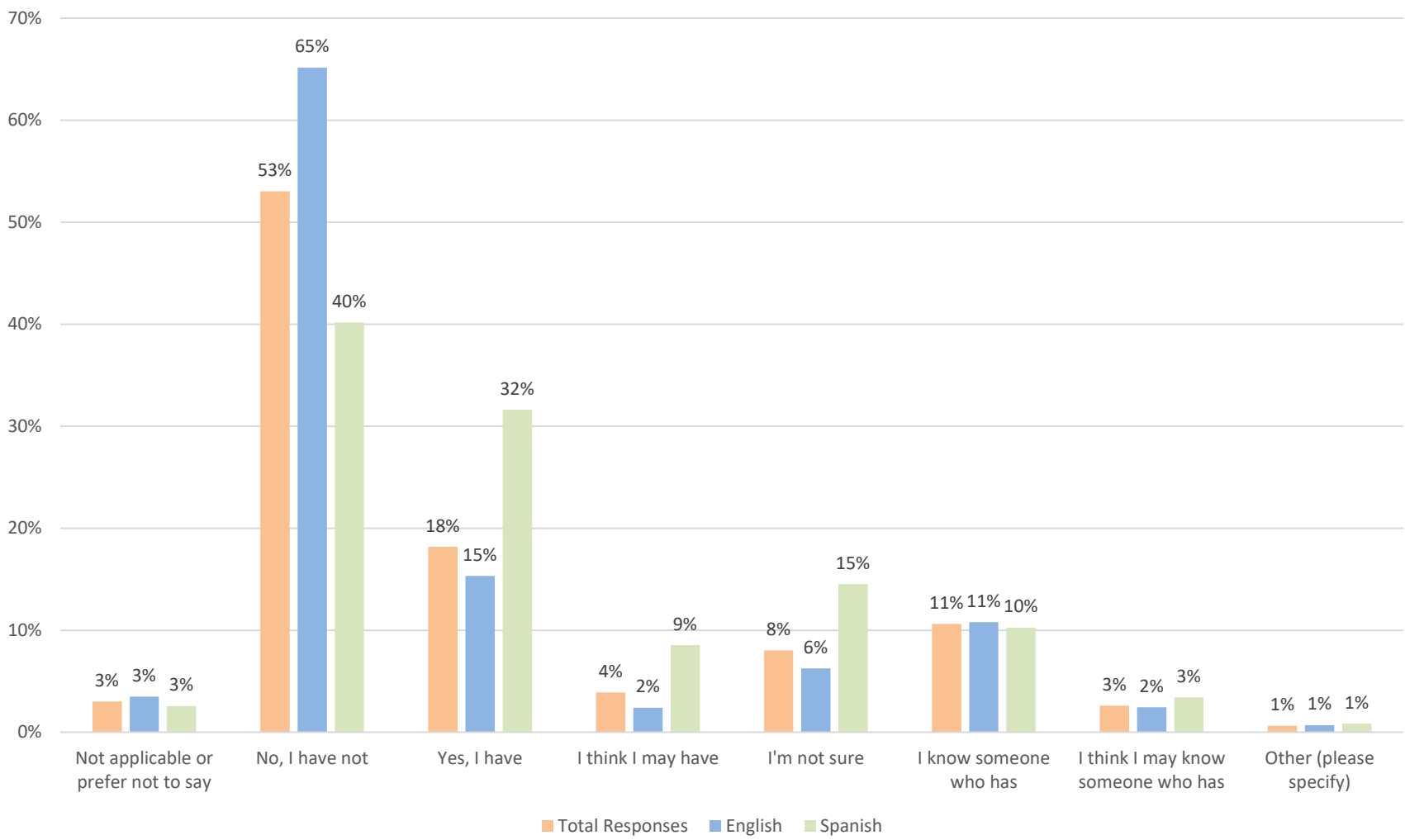
- Loans for home purchase
- Loans and Incentives for Home Purchases They should encourage opportunities to own your own home and not pay rent Lifelong
- Free music classes.
- More jobs
- Base rents
- Low cost housing is in high price
- housing
- Open space for exercise
- Financial Aid for layer buyer
- Childcare

Q16. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Total: Answers = 429; Skipped = 81

English: Answered = 298; Skipped = 69

Spanish: Answered = 131; Skipped = 12



English Responses

- Predatory lending is rampant despite your income.
- Same house is appraised for more due to buyers "assumed" race

Spanish Responses

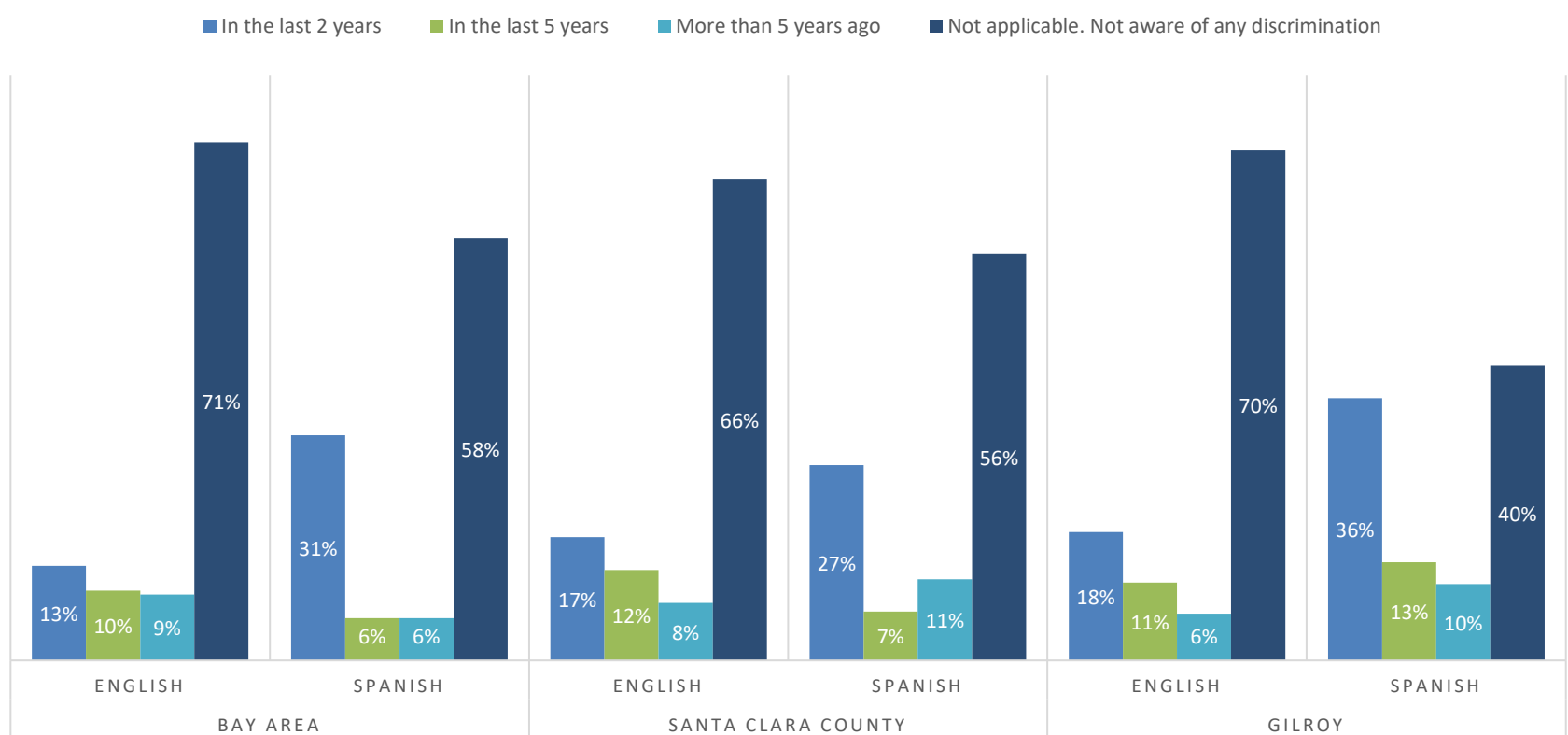
- For having a dog

Q17. If you believe that you or someone you know encountered housing discrimination, please identify when that occurred (Please check all that apply)

Total: Answers = 319; Skipped = 191

English: Answered = 215; Skipped = 152

Spanish: Answered = 104; Skipped = 39

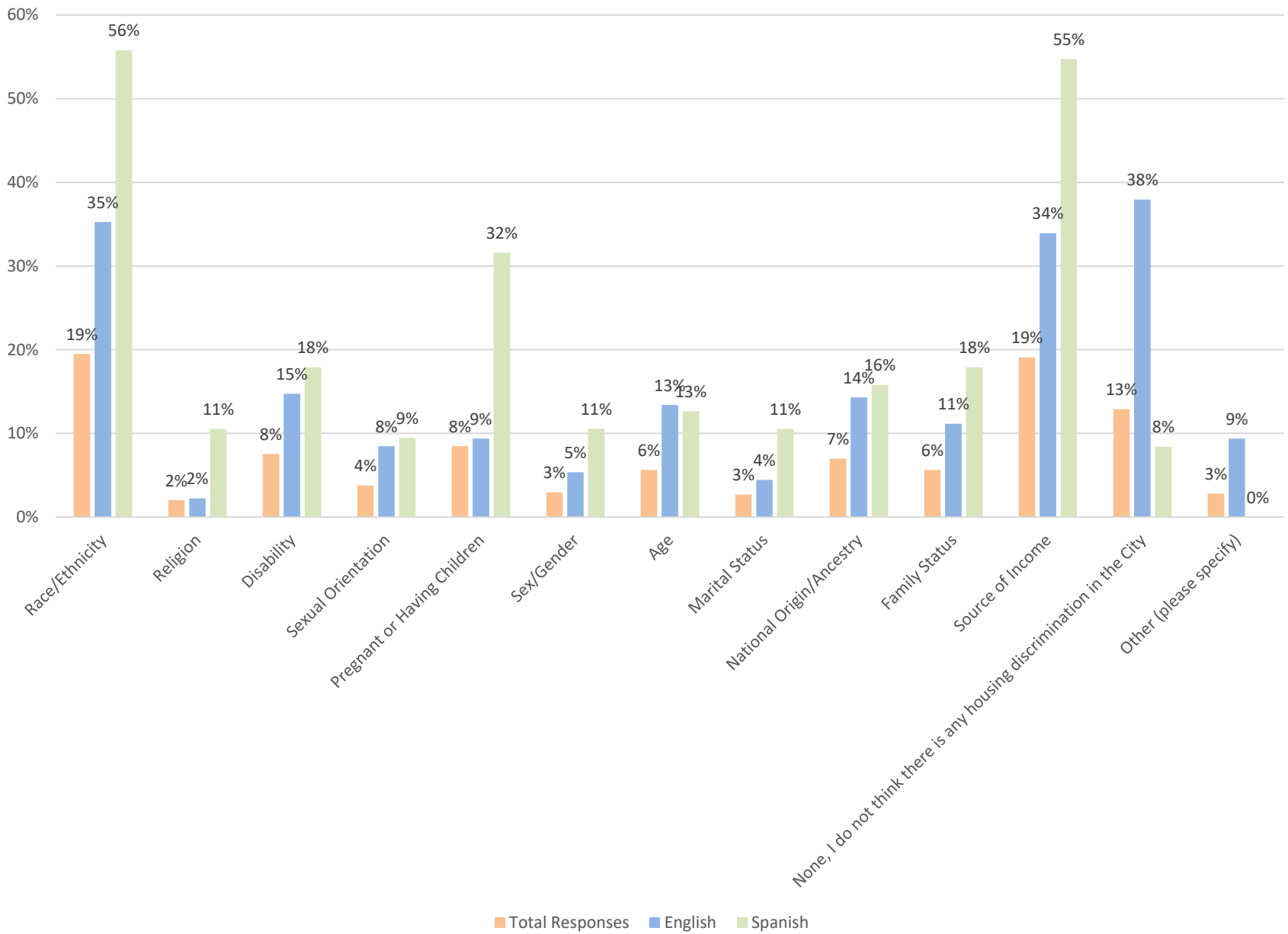


Q18. If you believe that you or someone you know encountered housing discrimination, please identify the when that occurred (Please check all that apply)

Total: Answers = 341; Skipped = 169

English: Answered = 233; Skipped = 134

Spanish: Answered = 108; Skipped = 35



English Responses

- Homelessness
- I know of no situations like this.
- I do not know enough citizen of Gilroy to be able to answer this question
- Realtors themselves are discriminatory -
- Not accepting housing voucher
- Amount of income
- Not aware of discrimination specific cases
- no opinion
- I don't know
- victims/survivors of gender based violence
- Criminal background
- Unsure
- Financial discrimination. Most time a standard practice is first months rent plus last month's rent plus a security deposit plus a pet deposit. Then application fee. Easily over 7 to 8 k. Who the he'll has that saved
- Criminal record (non violent)
- Unknown
- Consult Project Sentinel for this data.
- I unaware of housing discrimination; we were hit with predatory lenders.
- Housing Cost
- Mentally ill and homeless
- I do not see any discrimination

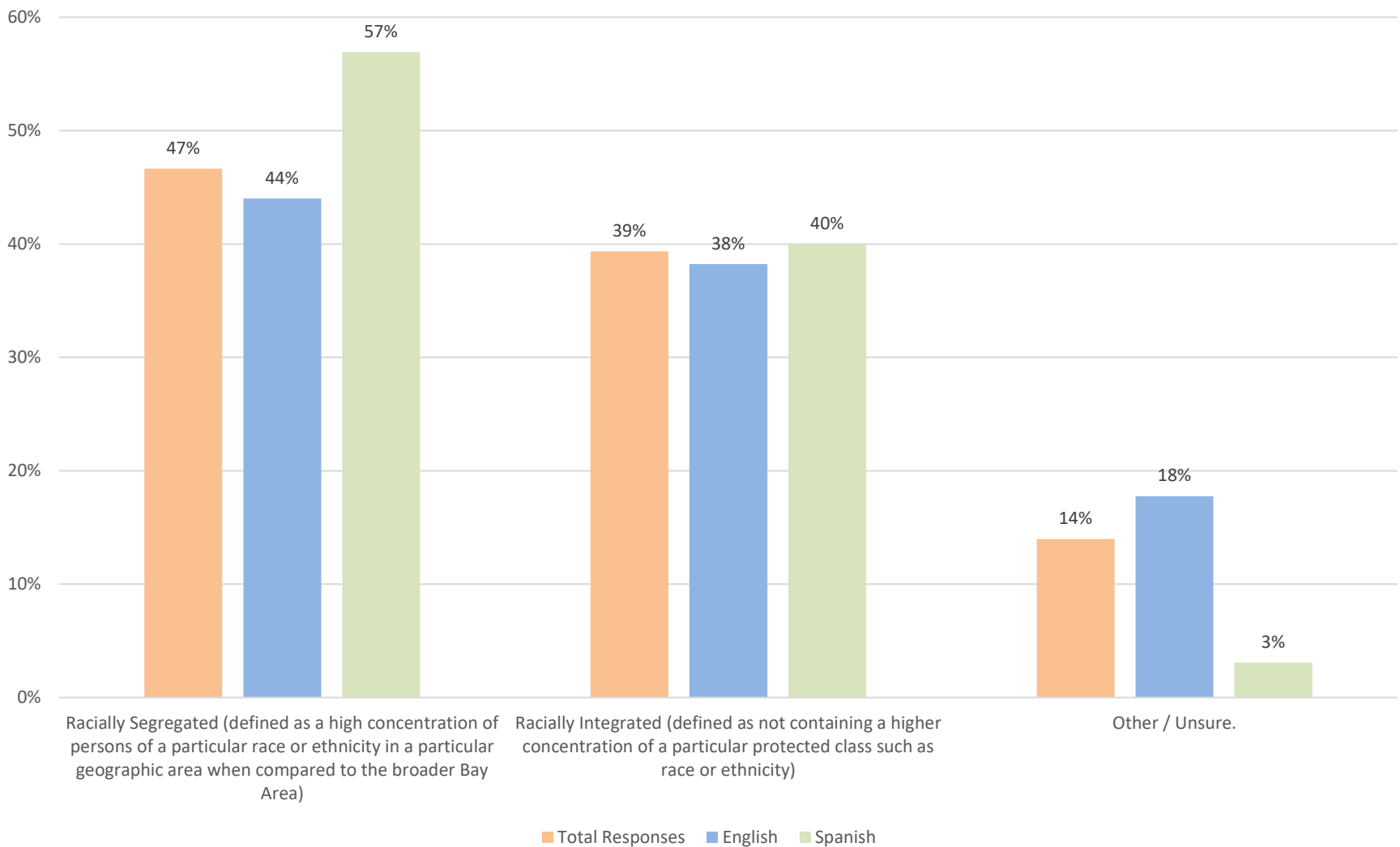
- i don't feel comfortable saying Gilroy has 0 housing discrimination just because i haven't personally seen any. I'm white, so where it does exist, I'd never experience it.

Q19. Please indicate whether you feel your city is: (Select one)

Total: Answers = -343; Skipped = 167

English: Answered = 267; Skipped = 100

Spanish: Answered = 76; Skipped = 67



English Responses

- I don't know
- I know little about the many neighborhoods in Gilroy
- Economic segregation
- One of the truly great things in CA is it's diversity - but everyone needs to understand the laws that this state, county and cities have adopted and abide by them.
- Unsure
- Unsure
- Gilroy, like everywhere, is segregated by socio economic class, which aligns pretty well with race in the US.
- unsure
- Gilroy is pretty diverse with the exception of east of the tracks
- Unsure
- I think it is somewhat diverse.
- Wonderfully diverse.
- no significant Communities of Interest in Morgan Hill
- Latinos who are lower income on east side I would guess
- This is a poorly framed question, and serves little to no purpose.
- Have not seen any stats on that
- It is neither but can become segregated if the city doesn't intervene
- Not sure
- It could be more integrated.
- Gilroy seems to have concentrations of fewer ethnicities than most of the Bay Area.
- Segregated by income which leads to segregation by race.
- Unsure

- Unsure
- Unsure
- Getting devalued and deprecated
- i don't know
- I don't know
- somewhat segregated
- Unsure
- Depends on affordability and income. You cannot buy or rent a Cadillac on a Chevrolet budget. My concern is for those who think they are "owed" the right to higher housing and don't want to work for it.
- We have a large Hispanic population but it doesn't show in the newly developed homes.
- I'm not really sure how racially segregated Gilroy is. I do know that a large portion of the Hispanic population lives east of Monterey Street and a very large portion of the white population lives west of Monterey Street.
- No comment
- More low income Mexican people live on the East side, but I think it is a result of income, not discrimination. Many Mexican people live in all parts of Gilroy.
- unsure
- No information
- I think Gilroy has a large Hispanic population but I think that is due to Hispanics always living here. Up until housing in areas like San Jose became unaffordable did other races start moving South.
- Gilroy does have a racial living divide. Although we all get along I believe, living areas are segregated. Not intentionally. But it has never been fixed or dealt with
- No we have a diverse city many who have been here over 20 years
- Unsure
- Unsure
- Not sure
- Unsure
- Gilroy is not segregated. It merely has different neighborhoods with varying prices of homes or living accommodations. This is how life is. If you can afford a small apartment then it will likely be located in a different area than someone who is quite wealthy living in a more expensive area. This is not complicated and should not require special programs to put all at a financially "equal" level. Handouts like affordable housing or restrictive rules will only create more financially dependent people.
- I suppose it would depend on the demographic rates but it's probably pretty segregated.
- Unsure

Spanish Responses

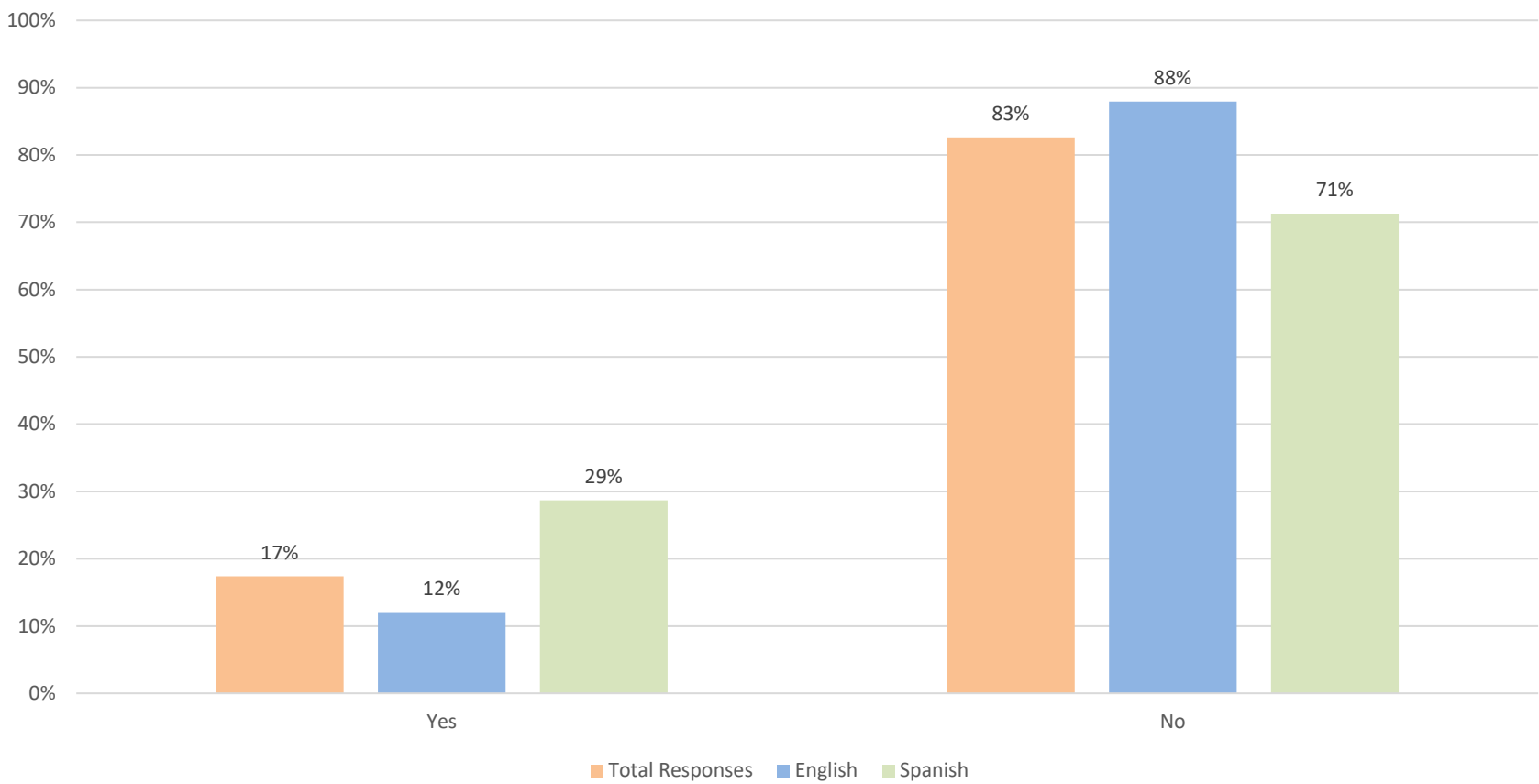
- I did not understand the question very well

Q20. In the past five years, have you had to move out of your residence in Gilroy when you did not want to move?

Total: Answers = 414; Skipped = 93

English: Answered = 293; Skipped = 74

Spanish: Answered = 121; Skipped = 22

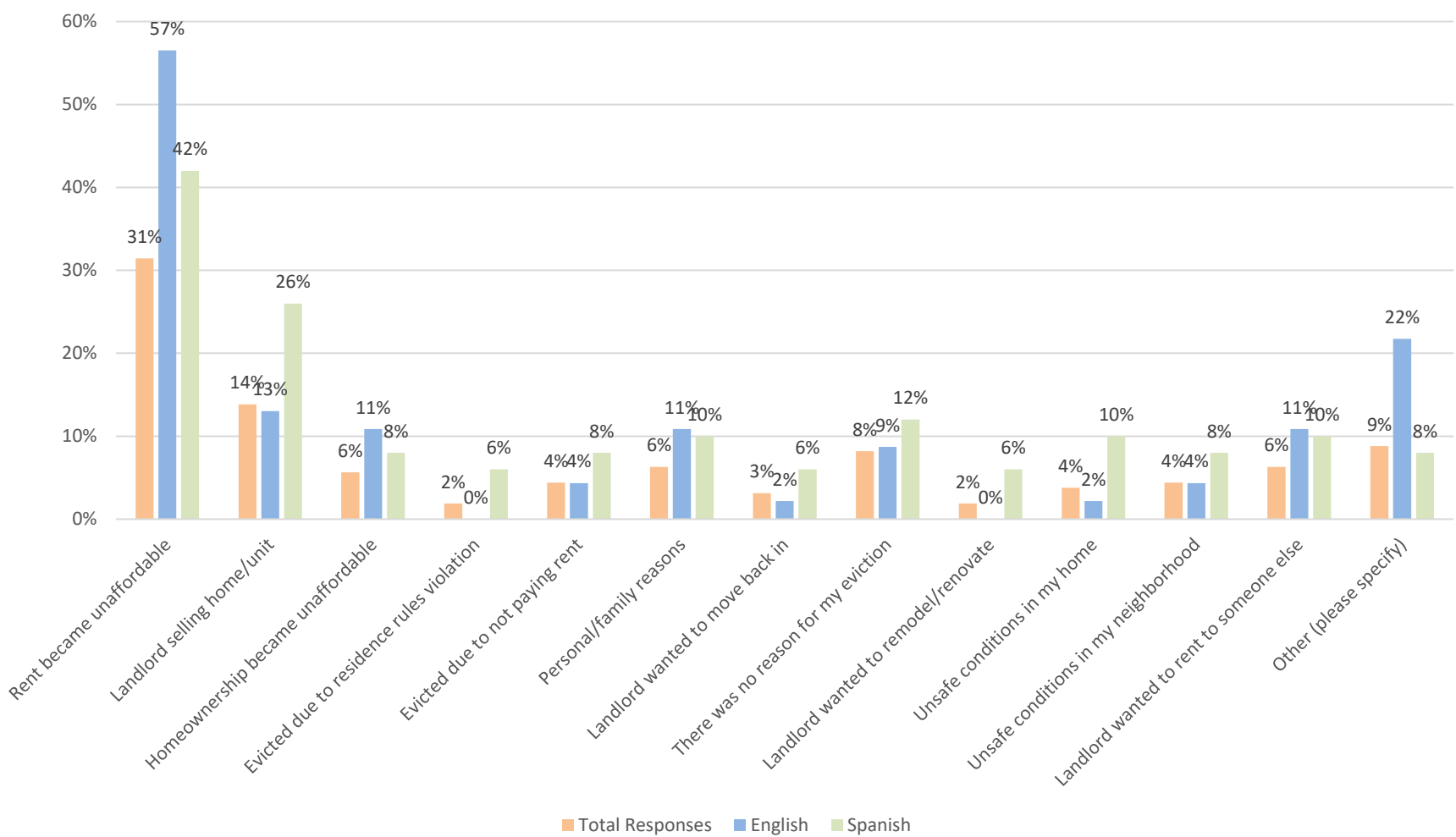


Q21. If you answered yes to the previous question, why did you have to move? (Select all that apply)

Total: Answers = 104; Skipped = 406

English: Answered = 47; Skipped = 320

Spanish: Answered = 57; Skipped = 86



English Responses

- moved from Morgan Hill because of the increase of crime.
- No protections in place to stop the landlord for doing so. They wanted more money and less accountability
- Dad kicked me out
- No
- Rent is becoming unaffordable and within a year or two or will be forced to move away
- Too many homeless were congregating near the park by my house, which was leading to crime. So I bought a home in what I perceived as a safer neighborhood. However, now that affordable housing units are popping up all over the city, I don't know if it's safe anywhere. The logical choice seems to be to move out of this city.
- Travel times to and from work.
- not applicable to me

Spanish Responses

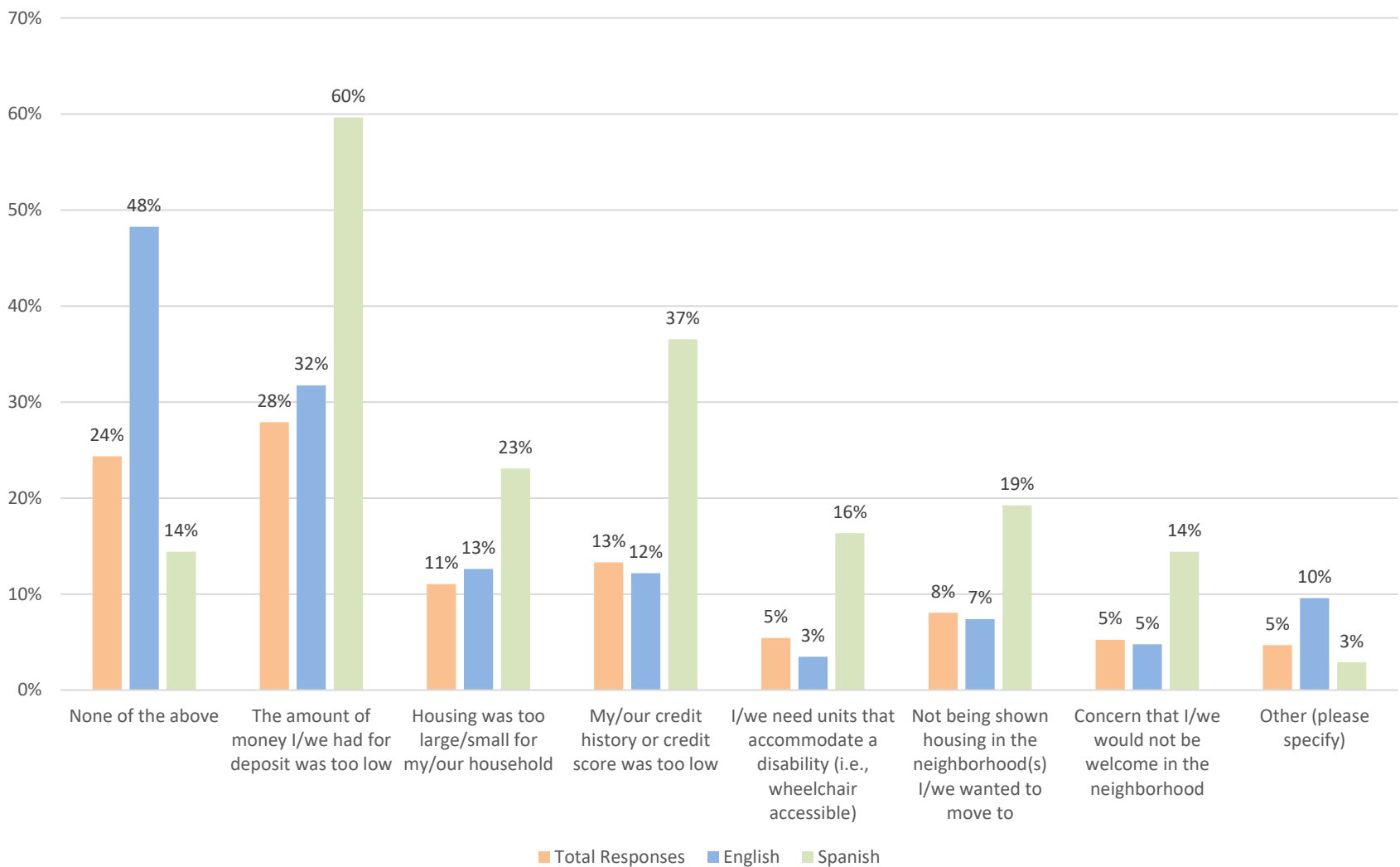
- The owner took my job
- I didn't move
- My rent went up
- Status

Q22. Which of the following issues, if any, have limited the housing options you were able to consider? (Please select all that apply)

Total: Answers = 355; Skipped = 155

English: Answered = 239; Skipped = 128

Spanish: Answered = 116; Skipped = 27



English Responses

- Lot sizes too small for anyone - (rats in a box syndrome)
- Did not make enough income to qualify or afford
- Priced out, outbid and investors buying
- House prices, priced out of market
- Having to earn 3x the rent in order to qualify for rental
- refused rental because I had money in bank but no job
- They wanted my paychecks to reflect 2.5x the cost of the rent.
- affordable financing for buying - it is very hard to come by for the wage earner
- Amount of rent
- require single story
- houses have become too expensive in Gilroy and criteria for affordable housing too strict
- I don't feel safe anywhere in this town anymore, with people shooting at cops and people walking around with knives and masks in our parks, and it's only going to get worse, it seems.
- could only afford foreclosures/fixer-uppers
- Low multi-family supply.
- Homes are very expensive in Gilroy
- Priced out of where we work. Had to move to Hollister even though our entire lives are in Gilroy.
- Neighbors did not keep up their home maintenance
- Many if those reasons applied until I worked harder and saved more money. I really wish City, state and federal government would stop trying so hard to make life easier for everyone. You remove all of the hardship involved in life and all the people

you think you're helping will never appreciate anything. It's completely acceptable for people to struggle, even families with kids. Real parents will step it up and find a way when they have no other option but to work harder.

- Access to transit concerns
- Did not accept housing
- Housing prices (therefore monthly expenses) were out of our budget range.

Spanish Responses

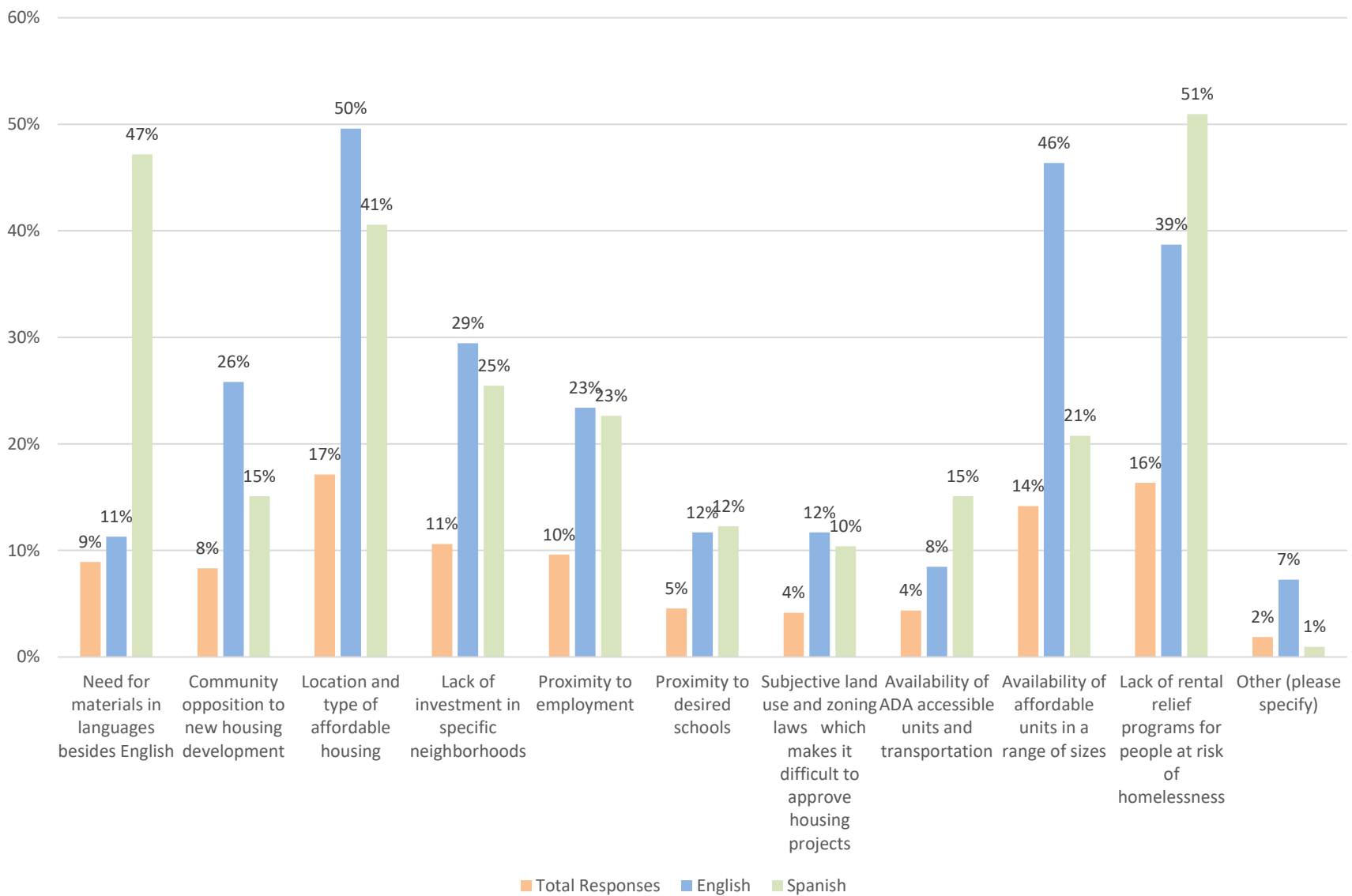
- Cost
- My parents lost their jobs.
- All this very expensive

Q23. Recent California Housing Law and California Department of Housing and Community Development (HCD) require extensive analysis and identification of contributing factors for a series of fair housing issues as part requires the 2023-2031 Housing Element to include local resident and stakeholder input. Please select the most important contributing factors impacting housing in Gilroy (select up to three):

Total: Answers = 377; Skipped = 123

English: Answered = 257; Skipped = 110

Spanish: Answered = 120; Skipped = 23



English Responses:

- We have a good police department, but not enough of them. No new housing without additional city services including new water sources. Weather from air dehydration as an example. Medical services are virtually non existent except for the emergency room!
- homes being sold to outside investors
- Lack of well-paying jobs for EXISTING RESIDENTS.
- no opinion
- Not sure what sizes are needed, whether for singles or large families, but there seems to be a lack of affordable housing for very low income households.
- Too many very low income housing; need housing for moderate income households
- Continue need for tenant dispute resolution help

- We need to work on transportation/commute before expanding the city. It's ridiculous that it take 1 hour to get to work in San Jose because there is no work in town.
- Gilroy is the LAST affordable place in SC county. So affordability is not a issue. The issue is the city isn't doing enough to bring in high paying jobs. The only option people here have is to commute to the valley or work retail/service jobs. The city planners are too busy building low income housing, which is going to make matters worse. Bring in some industry, high tech, and other high paying jobs, and people will be able to afford the homes. That's the way to address the housing crisis, NOT more government funded programs.
- Lack of investment in schools in low income neighborhoods such that large differences in terms of access to technology, field trips, and other resources exist between schools in low income areas and schools in moderate to high income areas (largely connected to differing opportunities of parent groups to fundraise)
- Council should realize many want Gilroy to remain a community and moving a bunch of people in through stack-n-pack units will destroy that community.
- Lack of local high-paying job opportunities.
- lack of housing affordable housing for low income, extremely low income, and unhoused people.
- Some City Council members opposition to affordable housing
- Lack of affordable housing
- None of the above
- More Section 8 housing units are needed.
- California should not require Gilroy to change or add different housing types. Nor should Gilroy get paid as an incentive to add more affordable housing. This is a corrupt way of business.

Spanish Responses

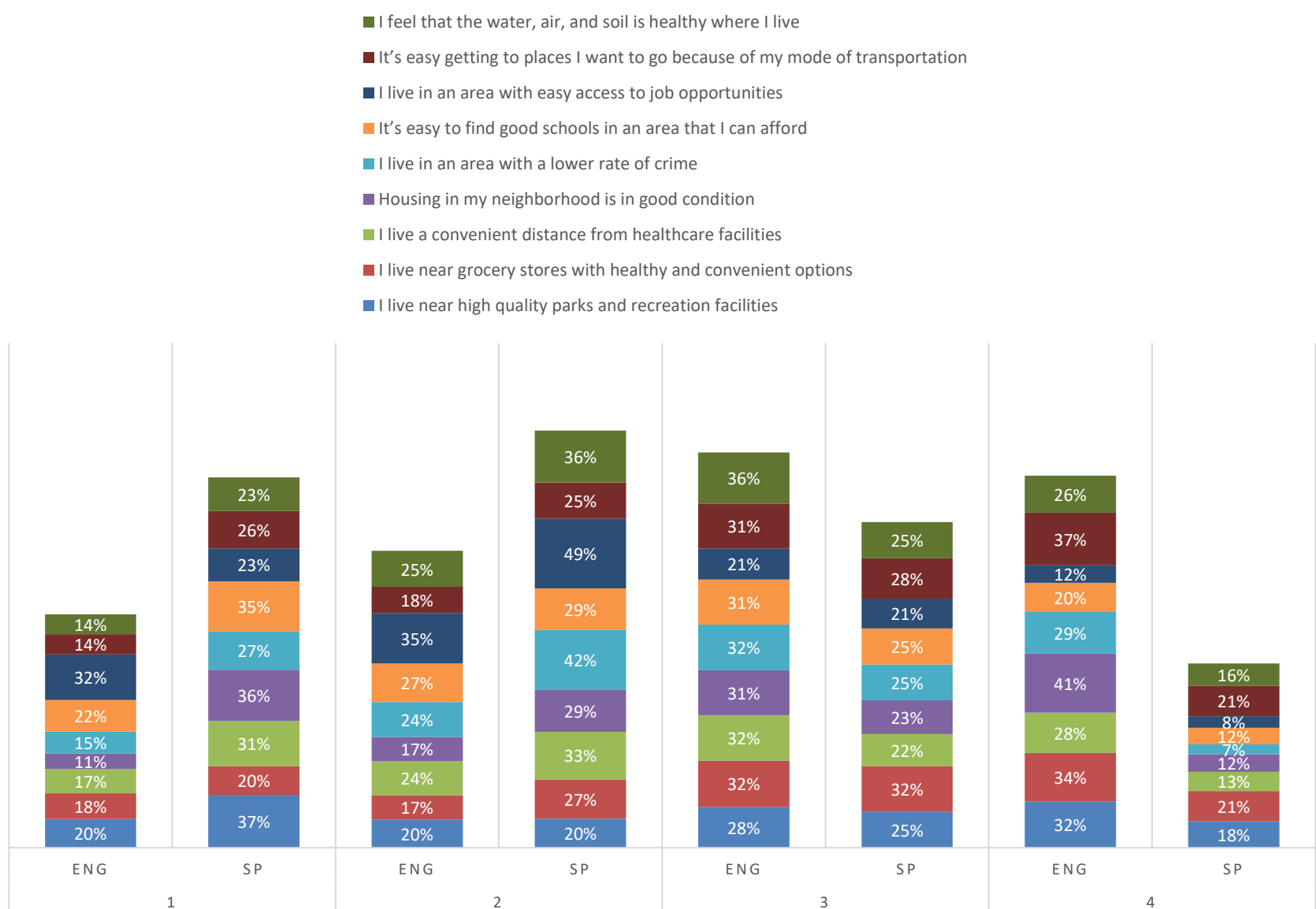
- It would be good if they didn't ask for credit because many of us don't have credit.

Q24. Rank your agreement with the following statements from strongly disagree (1), somewhat disagree (2), somewhat agree (3) or strongly agree (4).

Total: Answers = 418; Skipped = 92

English: Answered = 287; Skipped = 80

Spanish: Answered = 131; Skipped = 12



Q25. Please share any comments or recommendations that will help inform and guide the preparation of the City's updated Housing Element.

Total: Answers = 110; Skipped = 400

English: Answered = 77; Skipped = 290

Spanish: Answered = 33; Skipped = 110

English Responses:

- All of the low income dwellings bring lots of police and mental health activity. Most of the homeless population in the city are mostly drug addiction or mental health. They refuse to get clean to and refuse assistance because living with no responsibilities or rules is easiest. Some have families that live locally that they harass for money or their steal property. Homeless commit crimes of theft from stores and homes in the area and get away with it. The city or DA's office does not allow the police to police anymore. We need to quit giving them everything they need to stay here and terrorize downtown business and tax paying residents.
- WHEN CONSIDERING AN INCREASE IN NEW HOUSING, THERE NEEDS TO ALSO BE AN INCREASE IN GROCERY STORES AND PARKING TO ACCOMMODATE THE INCREASING POPULATION
- I love Gilroy and all it offers!
- Too many stores have closed, the water is becoming toxic and is in a declining supply. Existing city services such as fire and police hire good people, but there is not enough of them for the existing population. Drugs, guns and gangs are taking over. Medical care is lacking - why can't you attract quality medical care? Worse the city doesn't have the funding to improve on these things. The city has no business allowing any developer to even think about another housing project. Get your priorities straight - improve what you have before trying to build more ghetto like housing. The way to correct homelessness is through education and better employment opportunities. See if you can work on that - find a developer for that, not more crowded housing like Eagle ridge and that mess west of Santa Teresa.
- Homeless is an issue in Gilroy too many homeless in the streets. housing developments such as apartment building are run down make landlords liable to fix these units
- Provide housing for the people who are here, not the ones you are hoping to replace them with
- I have been here over 13 years I stay with my parents I'm on ssi and am in need of housing my dad wants me out but I don't have section 8 I need a apartment for 300 or 400 dollars a month not unless I can get housing everywhere I look it's 1,000 or more please help me get housing.
- Gilroy is a bedroom community for Silicon Valley, across all socioeconomic levels. (Although more tech professionals can WFH than before Covid-19!) Getting hourly trains from Gilroy to Palo Alto should be a priority. (Not a housing issue per se, but if people are spending less on transportation, they have more for housing.)
- moderate and Middle income Gilroy homeowners being ignored yet they pay their part in property taxes.
- Gilroy needs 3-4 bedroom town houses, condos, and houses. Reasonably priced!
- I love Gilroy!!!
- We shouldn't keep building just to build, each home should be made thoughtfully and invested in with purpose for future sustainability. Our biggest resource is the sun, let's use it and normalize accessibility to solar powered homes/communities/schools. Water is also a diminishing concerning resource as well. How can we be resourceful in that regard as well?
- A lot of cockroaches near the schools. Sidewalks are dirty. Sometimes shoes hang on electricity wires. Roads have potholes and not always paved alley ways. People let their dogs poop anywhere and everywhere so more garbage cans or doggie stations would be nice throughout.
- not sure if you can do anything about this, but marijuana smoking is a problem. I shouldn't have to smell neighbors smoking weed when I'm in my house.
- The school systems and Gilroy are very poor. And the closest good store is in Morgan Hill to shop bad. Crime and homelessness is on the rise in all areas of Gilroy. I am not comfortable walking up at the levee or around town.
- Stop building housing for new residents and concentrate on responsibly serving existing residents. Promote creation of well-paying jobs for existing residents. Look for ways to REVERSE irresponsible growth in Glen Loma and Hecker Pass. Target 50,000 as maximum sustainable Gilroy population.
- Combine with traffic and roads and parking on site, not on the street. The cars on the street at some units make them look like the projects taking away from the experience of all
- Where are the amenities with all the new housing going in!
- I'm scared that at any moment I could become homeless. If that happens, I will surely lose my job, my pregnancy and possibly my mind. It will be so hard to come back from that. But the prices in Gilroy for the most basic apartment, are simply unreasonable.
- We need extremely low income units
- More affordable housing opportunities of all kinds
- We need workforce housing opportunities
- Commercial linkage fee to pay for this type of housing

- Inclusionary housing ordinance to require 15 percent affordable units in all new residential development
- The major problem for typical residents are the costs to buy and own. If the city of Gilroy wants to truly help employees, focus on the ones that work - not the ones who don't. Help them by reducing the amount of crap in the following: 1) make building and adding ADUs as simple as possible 2) Help working-class people qualify for loans 3) keep free enterprise as the basis for your programs. Do not adopt socialism or worse yet, reward for those who do nothing.
- I don't live in Gilroy but I serve clients who live in Gilroy.
- Need to focus on housing for middle income households; excessive amount of very low income housing already exist or planned in Gilroy beyond county requirements.
- Please provide 55+ apartment, or single parent duplex communities that are affordable.
- Transitional housing options for folks at-risk of being homeless and currently homeless. Options such as ADU's, tiny homes, etc.
- "High quality" parks are needed for children. Just a few newer parks have been built where new developments are. The existing parks have not been updated.
- Unbiased studies need to be conducted. No new housing should be built until the current residences needs are addressed.
- Invest in a more walkable and bikeable Gilroy! Most businesses and amenities are along main thoroughfares or in specific parts of town, forcing most residents to drive for groceries, shopping, and other amenities. These same thoroughfares are often how drivers exit town on their way to workplaces outside the city.
- Invest in more mixed use zoning, especially in zones that are currently just residential.
- We really need to figure out commute time and access. We need more Caltrain service and expand 101 into San Jose. We need to work to afford to live in town so facilitate that first before building more homes and no jobs or roads.
- Gilroy has done more than it's share of home building over the past 20 years with one of the highest growth rate in the Bay Area, yet the price of housing has just skyrocketed! Obviously building more quantity is not the answer. First-time homebuyers and renters need financial help from the State or Federal government. The rents charged for even the affordable units are out of reach of many. I am not sure just building more units will help them.
- Overpopulation and low income housing is devaluing the city and more and more crime is evident
- Miller Park is disgusting it was our closest park for the kids and I stopped going altogether. The homelessness problem and drug use was out of control their. The police presence was completely absent unless a fight, overdose, or rape occurred. Its incredibly sad to see Gilroy feel the need to be like downtown Los Gatos. You have a predominantly Mexican population and you should be proud to cater to these traditional customs and not white wash it.
- I have lived in Gilroy my whole life I was born here. My kids and I are domestic violence victims and we are looking into moving out of my moms house but it's hard cause their is really no open waiting list or programs to help me with rent when I need it
- Bring industry and high paying jobs to the city, if you want to address the housing problem. Flooding the city with low rent apartments isn't the solution. It's going to lead to overcrowding and crime. Gilroy already has a high crime rate and an influx of low income housing is only going to make it worse. If this keeps up, all the tax paying, upstanding, home owners are going to leave the city in droves. I guess it'll definitely become affordable to live here then.
- The city and community organizations such as churches and non-profits should combine their efforts to create several types of tiny home communities for the homeless from bare minimum shelter (shed structures with access to showers and toilets) to permanent long term tiny house.
- I would love to see the city do more to promote organic, sustainable farming practices in our community in an effort to improve air and water quality.
- I don't mean to sound mean or selfish, but Gilroy is doing pretty good. Attracting low-income and homeless is not going to improve the quality of life for Gilroy.
- Infill development needs to occur within in existing infrastructure. Affordable housing for working families.
- Horrible water alkaline off the charts
- A city of homeowners is a better place to live than one with a bunch of apartments. Build more single family homes with yards and the quality of community will remain healthy and crime will remain low. Also, consider a regulation preventing REITS and other large investment firms from buying housing in Gilroy. Keep the houses in the control of families, not conglomerates.
- We need more multifamily and affordable housing for families. Quality homeless shelters and transitional housing would help the homeless that are forced to live in vehicles and tents.
- We would love for the city of Gilroy to respect and maintain the beautiful outdoor spaces, lands and Not over develop. This is why we moved to Gilroy over 25 years ago. We have seen many, many new homes developed in the past several years. Traffic has worsened, roads need repair, and it is starting to feel like we are no longer in the country.
- Too many of our residents live in Gilroy but commute to work in Silicon Valley. Gilroy needs to attract businesses that can employ these tech workers, bringing wealth, investment and a sense of community to our city.
- Homeless & crime is a large impact on community, increase in both is a concern. Roads & traffic are also being impacted by so many new homes being built with no new accommodations being made with these increases! How can one pay a million dollars or more for a home & have homeless encampments everywhere in town.
- None at this time

- Make sure there are easily accessible crosswalks that are lighted for seniors, children and families. There are many areas in the City that do not have great cross walks, especially near parks and people jay-walk all the time
- Gilroy is highly segregated, poorly designed from a city Planning perspective, including shopping and amenities. Old money, power relations and structures, old thinking and politics controls Gilroy. Please do things differently.
- We need additional housing for low income, extremely low income, and unhoused persons. My belief is we have taken on our fair share of middle income and high income housing, and should curb other development unless we have proven resources to support, and adequate protection for the environment.
- We need better infrastructure. All these homes are being built with no investment into a new grocery store, places to eat, places to shop. Gilroy needs more of the above items, otherwise people will continue to spend their hard earned money in other cities like Morgan Hill.
- I do not support projects that do not have to contribute to impacts such as traffic, public safety, and recreation/parks.
- Stop housing and business development impacting natural environment. e.g Hecker Pass
- Do not expand Gilroy with more new builds without investing in infrastructure, downtown and diversifying the businesses we have. Are there incentive programs (for homebuyers and/or owners) that we can implement to fix up our less beautiful neighborhoods before we just start building cookie cutter neighborhoods on the outskirts of town? It's embarrassing to be from Gilroy when our neighbors (Morgan Hill, Hollister and even San Juan Bautista) have grown so well!
- I'm not sure if this is a city or utilities issue but if high density housing is going to continue to be built there needs to be something done to address the unreliable power service we have been receiving here. The power outages due to fires is to be expected but our power goes out for hours — and even days— with no weather or fire issues at all. I really feel that in order to continue to allow building to continue at the pace it's been going this and the homeless encampments need to be addressed.
- Council members not supportive of its most vulnerable population. Recall mayor
- Build no housing until the drought is over.
- Need more transportation options and improve our streets pot holes.
- Please consult with Social Service agencies, both public and non-governmental. They know the needs better than those of us not seeking housing at present.
- I love living in Gilroy because of the open farmland and the various parks. I also love that it's not overcrowded with so many people living in one home that there's no parking on the street.
- Please keep in mind parking when planning as well as not charging HOA dues.
- Just don't make Gilroy lose its hometown feeling/look by overcrowding with so much housing and integrating apartments and low income housing right next to expensive and nice homes.
- My dad gave us the down-payment so that we could meet lender qualifications and closing costs. Our loan went thru modification due to being predatory in nature; if the modification wasn't approved, we would have lost the house. The taxes and insurance added to the mortgage payment is almost unachievable; we are happy that we are getting the tax write-off as opposed to the landlord.
- The city needs to focus on creating affordable housing rather than falling for the political "selling the dream of homeownership" rather than providing adequate affordable housing. Once the homelessness crisis is addressed, then they can focus on "selling the dream of home ownership.
- I just found out - based on this survey - that we are again low income; we always just squeaked under the poverty line when the kids were young. Though we are doing ok, it's sad to know that we are again considered low income - the outrageously high cost of living combined with extremely high land values are driving people, especially families away. Why stay here just to struggle to make ends meet and find affordable rental housing, when they can move to other states where they CAN afford to purchase a home with land - the politicians are driving California to the bottom of the list - we used to be at the top of the list.
- I feel like Old Gilroy is neglected. The streets are not well taken care of, and the houses are also not taken care of, I'm assuming because of the amount of renters to owner ratio. There needs to be some kind of accountability for renters to take care of their dwelling, and for apartment owners to make their complexes up to some standard
- Gilroy should stop all detached housing construction and focus on job creation. Next priority should be on reliable, frequent, extensive and affordable public transportation.
- Do not continue to add assistance programs, affordable housing programs, etc. Put actual limits on the assistance that you do have. Most anyone that has relatively good health has no business being unemployed. If they say they can't make enough working only one job then they should get 2 jobs and continually try to add new skills and education until they can get a better job that pays more. I always loved that Gilroy residents were proud, hardworking, no nonsense, people. People that would rather take a second job or work an extra shift before they put their hand out asking someone else to give their hard earned money to support them. Unfortunately, everyone, especially our younger generation have no issue begging for others money instead of working. Complaining about how hard it is instead of realizing if they just push through, work harder, they will make it. I think there should absolutely be some forms of government assistance available. There are legitimate reasons why people need help but the help has to have limits. These programs are destroying our communities and handicapping the people you think you're helping. And what's frustrating to every hard working person who pays their taxes is that you're taking our hard earned money from us just to throw it away in programs that never work while bringing in more of these people who abuse these programs into our neighborhoods. Crime rates go up, the hardworking, proud people who moved to Gilroy to get away from cities like San Jose have to then sell their home and move away because your

well intentioned programs had no regard for the families that already live here. I can't tell if this makes sense because the box is so small but I hope you get the picture and hopefully someone actually reads these.

- The city needs to prioritize resources for the unhoused population. City council members need to be better informed about how to appropriately address race and equity related to housing and overall planning. Climate adaptation also needs to be incorporated into this update. There are lots of county resources focused on increasing tree canopy, portable air filtration systems and using buses as cooling centers.
- We absolutely must build housing for the residents being pushed out by all of the "above moderate" housing. Affordable units aren't at all affordable for those working in Gilroy and our city has done too little for too long to address housing inequalities. Our people without housing is increasing because generations of locals are being silenced and ignored. The majority of voters voted for Zach and Rebecca who have robust inclusionary housing goals, want attainable housing options for lower income residents and yet time and time again our current council ignores and outvoted them. It is disheartening and frustrating to live in such an unresponsive town.
- Homeless persons w/drug addictions need permanent housing. Most housing requires sober living. If they use they're out on the street again. Where do they get to live? Also, some mentally ill people need to be monitored. Its more than just a roof, they need special care and support without being institutionalized. What can the City plan for these circumstances?
- Investing in affordable homes will dignify families that want to live in a nice area as Gilroy. Where are the plans for that? Politics sometimes don't help on this topic
- Create suitable housing for the homeless in Gilroy and stop shipping them to San José
- Focus on schools and transportation. We have plenty of housing in comparison to those needs. Stop pandering to the homeless and your homeless problem will greatly resolve. It's not heartless to encourage people to move to more affordable areas. Many of our relatives have moved to other areas and states. It's time to grow up and become adults about this. I don't go to an expensive restaurant and expect them to hand out their door for free. This is no different. Basic economics folks.
- We need to look at traffic issues.
- It may be nice to have a Trader Joes in Gilroy's southside. Mesa Ranch area.
- Thank you for the opportunity to participate in this critical issue.
- Over 40% of black/brown people are lower working class and this seems like a good time to raise them with offering them the dignity of owning a home, making better homes available and not packing them into more housing apartments like sardines and saying we're helping. What they're paying for apartments is what they should be paying for a mortgage. It's a shame how \$100k is now considered low income in our city.
- Gilroy does not need to add more affordable housing to our already crowded city. There are enough places other than Gilroy to live if it's not affordable here. We also do not need to build rehab facilities or shelters for the homeless issue. Most of the homeless population are homeless by choice. The temp shelters will continue to perpetuate the irresponsible free life that the homeless community desires. All you need to do is interview people who work directly with the homeless and see for yourself that giving to them is not helping them.
- Our family is considered middle class but we will never be able to afford a house in Gilroy, despite saving regularly. That means we will have to leave in order to buy a house elsewhere. Gilroy is too focused on providing rentals. To close wealth disparity, give people easier access and affordability to own homes.
- All of Gilroy's water is ridiculously hard. I don't think just building houses or apartments will make people use them. People are homeless for a multitude of reasons. Address those and build out programs for that in conjunction with some sort of housing. No one that I know in Gilroy likes how low-income/high density housing looks. It's too metropolitan.

Spanish Responses:

- You have to build apartments at extremely low prices.
- That houses were built for extremely low excesses
- Gilroy needs housing for extreme low income
- Update the tabulators of the salary averages and the availability for housing payment, according to the current inflation.
- In Gilroy there are no technology companies to have prices close to those of Santa Clara, San Francisco. So there is no justification for having such high housing since the salaries mostly do not come from that branch.
- need money
- The city needs more extremely low income housing units. There are very few. The focus is always on low and very low. There are many people who can't afford low and very low income housing in Gilroy.
- We need low income apartments.
- Homes that adapt to our budgets.
- Need homes for extremely low incomes
- Gilroy needs extremely low wage housing.
- We needed extremely low income housing.
- We need housing for extremely low income farmworkers.
- We need low income housing.
- That the owners arrange the apartments that give washing machines to all the apartments.

- Take the community into account at every step.
- Maintenance of old houses.
- Extremely low income housing is needed in Gilroy.
- That they build more very low income villas. That there is no rent control every year!
- We need more housing for extremely low income people.
- We need very cheap homes because the income is very low and everything is very expensive.
- Give more publicity to housing assistance programs
- More affordable farmworker housing
- Well, beyond living more accessible for fieldworkers
- lower rents
- Rent prices are very high, we need rent control
- More low-income housing is needed
- We need economic living
- Need houses at lower prices. financial aid
- Please be aware of the requirements that they ask for to rent a place.
- Safety in Gilroy has been down. I live in the area of Las Animas park, where it used to be quiet and safe to go to the park. Now it's neither of them. And lately neighbors are suffering from theft of car parts in the middle of the day or night.
- More information in Spanish for the Hispanic community
- Previously the city had a program where families could work on the construction of the house and could buy it. This would be a very good option.

Virtual Workshop – March 30, 2022

On March 30, 2022 the City of Gilroy sponsored a virtual workshop focused on educating the community about the Housing Element Update planning process. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- How can our city and region assure the building of housing does not outpace available resources? Our water resources are dwindling.
- How can we as community/housing assistance programs assist those in leadership positions to “Fast Track” building affordable housing (Particularly for the disabled community)?
- Is the city considering any reductions in impact fees to encourage more development?
- Have any office buildings or motels been reviewed for possible housing for our unhoused?
- The responsibilities fall on other cities like ours. Most folks in affordable housing are not Gilroy. We need to house our own and get resources. Why aren't other cities taking their fair share of the responsibility. It's been 30 years without enforcement
- We definitely need more supportive housing! I believe many of the mentally ill would be able to function better if they had some supervision and were able to stay on their medications.
- We need more parking, especially for affordable units.
- In addition to having a serious concern about our housing crisis, I have an infill 10,000 sq ft zoned r3 and as a PUD parcel in Gilroy. I would like to develop this land in a way that would help our City achieve some our target goals for the lower income population. My biggest concern is dealing with the whole permitting process.
- As a current homeowner who really values Gilroy's diversity (racial/ethnic, socioeconomic, political) I really hope that we prioritize ensuring that low-income and working families can always be a part of our community. Gilroy should be a place that someone can realize the “American Dream” by working hard, raising a family, and be able to own a home. Opportunities not only for affordable rental housing but also for affordable home ownership will be critical.
- Is Supportive Housing for the homeless part of this plan? That is housing that includes resources that address medical needs, mental health needs, good public transportation, etc?
- 91% of Gilroy adults with developmental disabilities live at home with aging parents or in segregated licensed care facilities not by choices but because of the lack of deeply affordable housing available. This is an issue that affects people of all abilities in Gilroy. As we saw in tonight's presentation median income in Gilroy is significantly lower than Santa Clara County's AMI which means that the majority of low income Gilroy residents will most likely fall well below VLI maximum income. In RHNA cycle 5 the city exceeded its low income RHNA but as of 2021 has met only 63% of it Very Low Income RHNA. The city needs to develop policies and programs to create housing at affordability levels to specifically promote development of housing at deeper levels of affordability.

Virtual Workshop – June 28, 2022

On June 28, 2022 the City of Gilroy sponsored a virtual workshop focused on the RHNA sites and housing programs of Housing Element Update. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- All but a few lower income sites are in areas designated by the state as low resource. How will you meet requirements to affirmatively further fair housing?
- These maps appear very segregated, all of the "low and affordable" on one side and moderate on the other side. What can we do to spread the demographics?
- The train does NOT provide robust service, nor has it for years now. I believe these policies are outdated.
- There is no enforcement on this new policy, especially not in Gilroy. Landlords and property management companies flat out refuse to take vouchers.
- Is there any way to plan housing for Gavilan College students?
- Will the western side of the city have a variety of housing; condos, market rate apartments, and single family? Something to consider is changing demographic needs, smaller family size (or no children) and the desire to downside in retirement years
- Can survivors of gender-based violence be considered under this category?
- Will year-round emergency shelter be proposed?
- Community members have also requested that an ongoing, multi-year source of funding for basic needs services for homeless residents be identified, rather than requiring providers to reapply each year. Will this be incorporated in the housing element?
- Will an Inclusionary Housing ordinance be prioritized?
- It's wonderful to see farmworker housing on the list! A big thank you to staff and consultant, great work