



Gilroy 2040 General Plan 2022 Annual Report

Purpose of the General Plan Annual Report

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

- I. **General Plan Implementation Activities** describes notable activities in 2022 that made progress towards implementing the goals, policies and implementation programs identified in the City's new *2040 General Plan* (adopted November 2020). This section also includes a discussion of high-priority programs that can be adjusted as the list is implemented or reprioritized based on current challenges facing the City.

- II. **Housing Element Annual Progress Report** provides a summary of the City's progress towards meeting Gilroy's Regional Housing Needs Allocation (RHNA) and efforts to remove governmental constraints to the maintenance, improvement and development of housing identified in the *2015-2023 Housing Element*.

The General Plan Annual report is presented to the Gilroy City Council and then sent to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD) on or before April 1st of each year.

Background of the General Plan

Every city and county in California must have a General Plan, which is the local government's long-term framework or "constitution" for future growth and development. The General Plan represents the community's view of its future and expresses the community's development goals. The General Plan consists of policy text which contains goals, policies and implementation programs, and a land use diagram which illustrates the planned future land uses and pattern of development. All land use decisions by City staff, the Planning Commission, and the City Council must be consistent with the adopted General Plan. Typically, a General Plan is designed to address the issues facing a jurisdiction for the next 15-20 years. Under California law, the City is required to address eight (8) issue areas or "elements" in the General Plan: air quality, circulation, conservation, environmental justice¹, housing, land use, noise, open space, and safety. The State allows considerable flexibility in how these elements are organized and encourages the inclusion of additional "elements" to ensure that plans are truly comprehensive and effective in addressing local issues.

The 2040 General Plan was adopted in November 2020, approximately 18 years after the City adopted the 2020 General Plan. The 2040 General Plan includes an Introduction chapter, an Implementation chapter, and nine (9) elements: Land Use; Mobility; Economic Prosperity; Housing; Public Facilities and Services; Parks and Recreation; Natural and Cultural Resources; Potential Hazards; and Environmental Justice.

¹ Cities and counties that have identified disadvantaged communities must include an environmental justice element in their general plans.

I. 2040 GENERAL PLAN IMPLEMENTATION ACTIVITIES

For the City’s General Plan to serve its purpose effectively, it must be reviewed, maintained, modified as necessary, and implemented in a systematic and consistent manner. The General Plan contains a Vision Statement and Guiding Principles to ensure that the goals, policies, and implementation programs in the General Plan reflect the community’s shared vision for Gilroy. Gilroy implements the General Plan through the City’s ordinances and regulations, policy decisions, and actions and is responsible for tracking, reporting and evaluating its progress in implementing the General Plan. A complete list of implementation programs are listed at the end of each General Plan element and are available on the City’s website².

Government Code Section 65400 requires the City to report annually on “the status of the plan and progress in its implementation”. This annual review helps to ensure the City is moving forward to achieve the General Plan’s vision.

2022 NOTABLE IMPLEMENTATION PROGRAM PROGRESS

The subsections below describe notable activities in 2022 that made progress towards implementing 2040 General Plan implementation programs. Additional implementation programs for the 2040 General Plan will be reported on in subsequent years. The list below does not generally include activities that are considered “on-going” or “annual” (e.g., increasing fees by 3% each year) unless the activity was notable or unique compared to a typical calendar year (e.g., updating the comprehensive fee schedule beyond the standard 3% increase).

LAND USE

The Land Use Element plans for future growth and change while preserving and enhancing the qualities that make Gilroy a great place to live and work. The goals, policies, and programs of the Land Use Element are designed to enhance Gilroy’s neighborhoods and districts with an attractive mix of uses and amenities that expand the local economy, protect environmental resources, and improve the overall quality of life of residents. The Land Use Element also contains a map of land uses within the City and a description of the land use designations.

Land Use Program LU-1 Zoning Ordinance: *Review and update the Gilroy Zoning Ordinance and Zoning Map to be consistent with the Land Use Diagram and related policies of the General Plan. Consider rezoning areas inconsistent with the Land Use Diagram, as appropriate, and update the zoning district descriptions to reflect the updated land use designation descriptions.*

LU-1 Status: In collaboration with the City Attorney, staff have worked on the update to the zoning ordinance throughout the 2022 calendar year. The City is on track to complete the update of the Zoning Ordinance by the end of 2023.

² <http://www.cityofgilroy.org/274/2040-General-Plan>

LU-4 Vacant and Underutilized Sites: *Develop and maintain a citywide database of vacant and underutilized sites to monitor the city’s growth and change. Prepare an annual report to the Planning Commission and City Council on the number of vacant sites and underutilized sites that were developed during the previous year.*

LU-4 Status: The most recent residential vacant land inventory was updated in October 2022 as part of the Wren/Hewell Urban Service Area amendment application to LAFCO. The inventory is available on the City’s website³. In 2022 and 2023, the City also reviewed and inventoried underutilized sites as potential opportunity for affordable housing development, as part of the 2023-2031 Housing Element update process.

Additional implementation programs for the 2040 General Plan will be reported on in subsequent annual progress reports.

PUBLIC FACILITIES AND SERVICES

The City of Gilroy maintains a variety of public facilities and provides many public services (e.g., Police and Fire) to meet the needs of the community. Gilroy residents, businesses, workers, and visitors rely on public facilities and services to keep them safe; provide water, energy, and communication services; and remove wastewater, stormwater and solid waste. The Public Facilities and Services Element establishes goals and policies to guide the overall provision of municipal and educational facilities and services in Gilroy.

PFS-2 Impact Fees. *Review and update the water, wastewater, stormwater, traffic, and public facilities nexus studies and impact fee schedules when master plans are updated, to ensure that public facilities and services required by new development are paid for by those developments.*

PFS-2 Status: In 2022, the Public Works Department participated in the City-wide comprehensive fee schedule update, which included a variety of impact fees including water, sewer, stormwater, traffic, and public facilities.

PFS-11 Police Explorers. *Offer opportunities for youth ranging in age from 14 to 20 years to gain the information and experience necessary to determine if a career in law enforcement is right for them. Activities include ride-a-longs with officers and assistance in records, crime analysis, communications, and other areas of the department.*

PFS-11 Status: In 2022, 35 youth participated in the youth police academy.

PF-12 Meetings with Educational Organizations: *Facilitate an annual meeting with representatives from the Gilroy Unified School District, Gavilan College, Santa Clara County, and other educational organizations as necessary to achieve the goals and policies of the General Plan.*

PFS-12 Status: In 2022, the City developed an MOU between GUSD and GPD to assign two officers to the School Resource Officer (SRO) program.

³ <http://www.cityofgilroy.org/932/Vacant-and-Underutilized-Sites-Inventory>

Additional implementation programs for the 2040 General Plan will be reported on in subsequent annual progress reports.

NATURAL AND CULTURAL RESOURCES

Gilroy's proximity to hills, streams, open space, and agriculture is one of the many reasons that residents love living here. Gilroy also has a proud, multi-cultural heritage that spans centuries and includes historic or other culturally significant resources. The Natural and Cultural Resources Element establishes goals, policies, and programs to preserve and enhance these natural areas and cultural resources.

Climate Action Plan CAP 15. Maximize Bicycle Separation. *Review Complete Streets street cross sections and development specifications to encourage bicycling by maximizing bike lane widths or establishing physical separation between vehicle travel lanes and bicycle lanes on high-volume roadways, to the extent feasible.*

CAP 15 Status: In 2022, the City upgraded the existing Class II bike lanes on Rancho Hills Dr between Valley Oaks Dr and Carriage Dr to two stripes instead of the existing one stripe. While not completed during the 2022 calendar year, the FY22 Citywide Paving Project is installing the following bike improvements. These improvements are in various stages of either temporary striping or partially completed final striping, and will continue to make progress in 2023:

- Installing new buffered Class II bike lanes on Renz Lane west of Camino Arroyo and green bike lane striping at the Renz Ln/Camino Arroyo intersection.
- Upgrading the existing Class II bike lanes on Rancho Hills Dr between Valley Oaks Dr and Carriage Dr to two stripes instead of the existing one stripe.
- Upgrading the existing Class II bike lanes on Mantelli Dr between Zinnia St and Hirasaki Ave to two stripes instead of the existing one stripe.
- Extending the existing Class II bike lane to the intersection and adding green bike lane striping on SB Wren Ave at the Wren Ave/Welburn Ave intersection.
- Shifting the existing Class II bike lane to the left of the right-turn lane and adding green bike lane striping on WB Tenth St at the Tenth St/Princevalle St intersection.
- Adding green bike lane striping to the existing Class II bike lane on WB Tenth St at the Tenth St/Rosanna St intersection.

ENVIRONMENTAL JUSTICE

Environmental justice is "...the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies." Environmental justice objectives and policies seek to reduce the unique or compounded health risks in disadvantaged communities through strategies such as: reducing pollution exposure, improving air quality, and promoting public facilities, food access, safe and sanitary homes, and physical activity; promoting civil

engagement in the public decision-making process; and prioritizing improvements and programs that address the needs of disadvantaged communities⁴.

EJ-1 Translation. *Develop a program of phased implementation of Spanish translation of public meeting notices and translation provided at public meetings.*

EJ-1 Status: In 2022, the City included translation and interpretation services at several in-person and virtual community meetings, including but not limited to meetings on the Housing Element update. The Police Department also held a Spanish language Community Police Academy.

EJ-2 Community Engagement Program. *Provide opportunities for City Council, Planning Commission, and City staff and residents to communicate and engage throughout the year. Examples of such events include “coffee with city leaders” and community forums and meetings.*

EJ-2 Status: The Mayor provides a monthly “Spotlight with the Mayor” message in the City’s newsletter, which highlights a specific City department and some of the activities the department is working on. In 2022, the Mayor highlighted the Sharks Sports & Entertainment at the Gilroy Sports Park, City street maintenance, and the City’s Boards and Commissions. The Mayor also provides a monthly “Conversation and Coffee” event on various topics of interest. In 2022, topics included wastewater treatment and water recycling, the Surplus Lands Act, Ballot Measure to amend the 1960 City Charter, and the Egleberry & 7th Street parking lot. The City Administrator also provides regular town hall meetings, 2-to-4 times per year depending upon the needs of the community. In 2022 the City held virtual town hall meetings on fentanyl and the user fee study. In 2022, the Police Department hosted a variety of community events, including National Night Out, Party in the Park, Coffee with a Cop, and Shop with a Cop.

EJ-3 Maintain List of Meeting Facilities. *Create and periodically update the City’s website to maintain a current list of meeting facilities located throughout Gilroy.*

EJ-3 Status: Meeting facilities are regularly updated and listed on the City’s website at <https://www.cityofgilroy.org/538/Park-Facility-Rentals>.

Additional implementation programs for the 2040 General Plan will be reported on in subsequent annual progress reports.

⁴ “Disadvantaged communities” refers to the areas throughout California which most suffer from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease.

II. Housing Element Annual Progress Report

The Housing Element is part of Gilroy’s General Plan and identifies policies and programs to meet the housing needs of the city’s current and future residents. State law (Government Code Sections 65580-65589.8) requires that every city and county in California adopt a Housing Element, approximately every eight years. In addition, HCD reviews and certifies Housing Elements to ensure they meet all requirements of the law. In 2022, the City entered its eighth (8th) and final year of the 2015-2023 Housing Element’s eight (8) year planning cycle.

RHNA Progress Report

Since 1969, the state has mandated that all California jurisdictions must plan for our resident’s housing needs—regardless of income. This state mandate is called the Regional Housing Needs Allocation (RHNA). As part of RHNA, the California Department of Housing and Community Development (HCD), determines the total number new homes and affordability level of those homes that the Bay Area needs to build. The Association of Bay Area Governments (ABAG) then distributes a share of the region's housing need to each jurisdiction in the region.

As illustrated in the following table, the City’s total RHNA during the 2015-2023 planning cycle is 1,088 units. The City has exceeded the RHNA for the low-income and above-moderate (market rate) income categories. The remaining very-low income allocation is 19 units and the remaining moderate-income allocation is 117 units. However, these remaining RHNA units shouldn’t detract from the fact that Gilroy permitted 729 low-income units from 2015 through 2022. This equates to 569 more low-income units than the 160 units allocated by HCD and ABAG, 3.55 times Gilroy’s allotment (355%).

Regional Housing Needs Allocation Progress (2015 – 2022)					
Income Level	RHNA Unit Allocation	2015–2021 Units	2022 Units	Total Units Permitted	RHNA Units Remaining
*Very Low (31 – 50% AMI)	236	175	20	217	19
Low (51 – 80% AMI)	160	667	84	729	<i>0</i>
Moderate (81 – 120% AMI)	217	90	10	100	<i>117</i>
Above Moderate (Above 120% AMI)	475	1,435	<u>124</u>	1,559	<i>0</i>
Total Units:	1,088	2,367	238	2,605	Remaining Units = 136

*The category “extremely low-income households” is a subset of “very low-income households,” and is defined as 30 percent or less (0 – 30%) of the area median income.

Activities to Remove Governmental Constraints

The second component of the Housing Element Annual Progress Report includes the city's progress towards implementing Housing Element programs and other activities intended to remove governmental constraints to the maintenance, improvement, and development of housing. Governmental constraints are policies, standards, requirements, and actions imposed by the local government that may have a negative impact on the development and provision of housing for a variety of income levels. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures, and site improvement costs.

Efforts in 2022 to reduce governmental constraints included, but are certainly not limited to the following:

The City of Gilroy regularly communicates with residents, business owners, and development stakeholders via phone, email, and in-person meetings to hear concerns about potential development constraints including processing procedures, fees, development standards, and other City policies and requirements. Staff can then make informed decisions or recommendations to City officials (e.g., Planning Commission and City Council) on ways to reduce governmental constraints to development such as permit requirements, processing procedures, and land use controls.

In 2022, the City continued its comprehensive update of the City's Zoning Ordinance. City staff will be recommending changes to the zoning ordinance that help streamline the permit process, including but not limited to creating an administrative use permit process (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.

The attached housing program matrix summarizes the City's progress towards achieving the programs in the City's 2015 – 2023 Housing Element. Programs that were not completed in this planning period will be carried over to the 2023 – 2031 Housing Element.

In 2022, the City included programs in its Draft 2023 – 2031 Housing Element that are intended to remove governmental constraints related to processing planning entitlements.

Program A-9 (Monitor Permit Requirements, Processing Procedures and Land Use Controls). This program is intended to increase the percentage of permits that are processed online through the EnerGov permit system which will be more efficient and transparent than the current permitting system. The City will hold an outreach meeting to educate users on how to utilize the new permitting system. To assess the effectiveness of the new system, the City will survey users 6 months after its launch. 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 or need tweaking. 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.

Program A-10 (Facilitate Missing Middle / Middle Income Housing). This program will create a streamlining process to approve duplexes, triplexes, and fourplexes so long as the project complies with objective design standards. These types of units are generally more affordable by design due to their smaller unit size. Construction costs may also be less than a typical single-family home since these unit types are attached to each other.

Program B-2 (Zoning and General Plan Densities). This program directs the City to amend the Zoning Ordinance to ensure that the city's regulations do not impede development from achieving the allowable densities in the General Plan. This program implements the requirements of the California Housing Accountability Act (AB 3194).

Program 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.

Program B-8 (Entitlement Roadmap Webpage). To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources. The webpage will advertise the City's streamlined process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards.