

Appendix H6

Evaluation of Past Performance

City of Morgan Hill Housing Element 2023-2031

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City of Morgan Hill Housing Element

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APPENDIX H-6 | Evaluation of Past Performance

6.1 Introduction

California law (Government Code Sections 65588(a)) requires Housing Elements to assess the achievements under the adopted housing programs as part of the eight-year update. These results should be quantified where possible (e.g., the number of units rehabilitated), but may be qualitative where necessary (e.g., mitigation of governmental constraints). The results should then be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

6.2 Accomplishments of the Current Housing Element

Morgan Hill has developed programs and implemented initiatives to incentivize housing production; assisted citizens in paying their rent and purchasing homes; facilitated development of supportive and transitional housing; and assisted people experiencing homelessness. This section highlights some of the key accomplishments during the 5th Housing Element cycle. This Housing Element builds upon the success of the previous Housing Element and speaks to the evolutionary response of the City's Housing efforts.

The City of Morgan Hill continues to be resourceful in the face of the challenging effects of the 2012 elimination of the Redevelopment Agency, and the resulting loss of \$4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. Historically the City has built a model Program with one in every eight units being affordable and income restricted. In the absence of redevelopment, the City continues to seek out new strategies to support Housing production, affordability and services.

The historical backdrop to Morgan Hill's unique housing story began in 1977, when the voters adopted the Residential Development Control System (RDCS), a smart growth residential pacing policy. This was done in response to the community's concern for the amount and pace of residential growth and its impacts on city services and infrastructure. For 40 years, RDCS worked as a "de facto" Inclusionary Housing Ordinance, incentivizing the creation of high-quality, affordable housing throughout the city. RDCS continued through a city-initiated ballot, Measure S, which was approved in November of 2016 and effective March 2017. The RDCS program provided an opportunity for park lands and open space, safe routes to schools, proximity to the downtown businesses and services, and affordable housing. Through RDCS, Morgan Hill has been able to obtain a significant amount of affordable housing.

In 2018 RDCS was suspended with the enactment of Senate Bill 330 ("SB 330") which went into law, effective as of January 1, 2020. SB 330 enacted Government Code Section 66300, the "Housing Crisis Act of 2019" as a direct result of the legislature being forced to act due to the housing supply not keeping up with population and job growth. Ultimately, the result is a statewide affordability crisis that has grown significantly due to undersupply and increases in housing prices. The Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect. SB330 originally set a temporary 5-year prohibition of residential density reduction associated with a "housing development project," from January 1, 2020, to January 1, 2025. SB 8 extended the temporary prohibition for an additional 5-year period, concluding on January 1, 2030. In preparation for the suspension of RDCS, the City of Morgan

Hill adopted an Inclusionary Housing Ordinance (IHO) in August of 2018 to replace the RDCS mechanism that allowed for the creation of Below Market Rate (BMR) units. An IHO is one tool that is used to obtain affordable units in the City, and to ensure that, to the extent possible, affordability is disbursed throughout the entire development. Thus, the IHO has carried on the good policy of requiring all new housing neighborhoods to produce 15% affordable units if the project is located outside of downtown, and 10% if it is located within downtown.

Morgan Hill's primary housing mission is to continue the City's legacy to improve, preserve, and create safe quality housing in Morgan Hill for residents at all income levels, in the form of both rental and ownership opportunities. As a result of the elimination of redevelopment agencies statewide, the City's Housing Program accepted secondary responsibility to serve as the successor to the former Morgan Hill Redevelopment Agency's housing functions and administer its legacy housing assets.

With the elimination of the agency, the City restructured its housing programs to reflect the services that can be provided based on the limited staff resources and funding. The housing functions provide coordination of new unit private development production, implementation of the Housing Element, achievement of the Regional Housing Needs Allocation efforts (RHNA), and provision of various local housing related services and programs. For a full review of the previous Housing Element, see Attachment A.

Overall, a significant number of housing units have been built, particularly for people experiencing homelessness. The city has been able to continue to support affordable development by systematically partnering with local housing stakeholders, such as the County of Santa Clara and through its participation in Measure A. Measure A, a \$950 million Affordable Housing Bond, was passed by the Santa Clara County voters in November of 2016. This bond has spurred affordable housing developments countywide, including 4,800 new units dedicated to extremely low-income households and individuals, families exiting homelessness, and other underserved populations. A Morgan Hill development named "The Crossings" was amongst one of the first Measure A projects approved for funding.

The Crossings is a three-story affordable housing development located at 16800 Monterey Rd, Morgan Hill, CA 95037, occupied in 2020 and consisting of 39 affordable housing units, developed by Urban Housing Communities. There are 20 apartments reserved for chronically homeless and homeless individuals and families. The Crossings received \$5.8 million in Measure A funding and \$750,000 in 2018 from the City of Morgan Hill.

The "Royal Oak Village" is the City's second Measure A affordable rental development. This project by Urban Housing Communities is under construction and has a September of 2023 expected occupancy date. There are 73 units of which 18 are permanent supportive housing, 30 are farmworker units, and 24 are permanent supportive housing (PSH) units. The project is located at the Royal Oaks Mushroom Farm along Watsonville Road, south of Monterey Road. The project received \$400,000 in 2021 from the City of Morgan Hill Housing Program,

\$8,363,000 million from the Countywide Measure A Bond and \$1,528,000 in 2022 from the Urban County CDBG Program.

The City of Morgan Hill assisted in the development of the Morgan Hill Family – Scattered Site affordable rental development by EAH. This is a 41-unit apartment community on three (3) separate properties that are noncontiguous but within $\frac{3}{4}$ of a mile of one another. The property provides permanent housing for low-income families at or below 60% of the Area Median Income (AMI) and includes six (6) units set-aside for Transitional Aged Youth (T.A.Y. units). The City of Morgan Hill Housing Program provided funding in the amount of \$4,500,000.00 with City Housing funds. The project includes: Tobiano at Orchard Ranch" (40 E. Dunne Avenue), Tovero

at Orchard Ranch (16873 Monterey Rd), Palomino at Orchard Ranch (16170-16180 Monterey Road).

The main performance measure by which a city is evaluated by HCD is its annual progress on the Regional Housing Needs Allocation goals (RHNA, the number of new homes that a city is "assigned" in each income category to produce over an eight-year cycle). The city is currently in its fifth RHNA Housing Element cycle for the Planning Period: January 31, 2015 – January 31, 2023. For the current RHNA cycle (2015-2023), Morgan Hill has exceeded its total RHNA goal of 928 by producing 2,203 homes since 2014, thus satisfying the overall RHNA Housing goal by 237%. However, the City's quantified objectives outlined in the 5th Housing Element cycle was based on anticipated RDCS allocations, instead of the RHNA goal, from Fiscal Year 2013/2014 through Fiscal Year 2022/2023. Based on the quantified objectives of the 5th Housing Element cycle, the City accomplished its objectives for low- and moderate-income units as of May 2022 and has a remaining objective of 44 extremely low-income units, 26 very low-income units, and 997 above moderate-income units. It is surmised that the quantified objectives were not met due to the passage of SB 330 which suspended RDCS on January 1, 2020.

Table 6-1 Quantified Objectives (2015-2023) Compared to Actual Accomplishments

	<i>Extremely Low Income</i>	<i>Very Low Income</i>	<i>Low Income</i>	<i>Moderate Income</i>	<i>Above Moderate Income</i>	<i>TOTAL Comp/Obj</i>
	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	<i>Comp/Obj</i>	
New Construction	31 / 75	49 / 75	192 / 70	418 / 170	1,513 / 2,510	2,203 / 2,900
Rehabilitation ¹	32 / 16	182 / 80	40 / N/A	7 / N/A	-	254 / 96
Conservation/ Preservation	-	-	-	-	-	-

Note: comp = completed; obj = objective.
 Source: City of Morgan Hill, 2022

Some of the particularly noteworthy accomplishments of the current Housing Element include the following:

1. Met the Low-, Moderate-, and Above-Moderate Housing RHNA goals. Provided for the orderly creation of new housing, with 2,203 new housing units created since 2015. Approximately 31 percent of the units built have been affordable to very low-, low-, and moderate-income residents. The affordable units that have been built during the most recent cycle are largely attributable to the City's work establishing affordable and special needs housing as a high priority. The City is on track to meet its last remaining goal of 193 very low-income units pending permit issuance.
2. The City Council adopted Residential Development Design and Development Standards ("Standards") to replace the RDCS Competition Manual. The Standards have been developed to meet the requirements of "Objective Standard" and are consistent with the Morgan Hill 2035 General Plan. The purpose of the Residential Development Design and Development Standards is to articulate project design requirements for all residential and mixed-use developments. These Standards will be utilized to detail the review process by clearly stating the City of Morgan Hill's objectives for high quality, residential projects that are aesthetically pleasing, livable, sustainable, well-connected to neighborhood services. These Standards implement requirements of SB 330 "Housing Crisis Act of 2019" and shall remain in effect until SB 330 is rescinded or extended.

3. The City continues to place a high priority on providing quality housing opportunities for an economically and socially diverse community. This priority is reflected as a strategy in the Housing Element. In December 2020, the City Council endorsed the five-year Santa Clara County 2020 Community Plan to End Homelessness (2020-2025), developed collaboratively by representatives of community-based service organizations, local government, philanthropy, business, healthcare, and people with lived experience. Morgan Hill applied for and received a \$450,000 capacity building grant from Destination Home for a period of 3 years (\$150,000 per year) to fund an Unhoused Specialist position that began in 2021. This teammate goes out into the community to engage and offer support and basic needs to our homeless residents, conducts a needs assessment/survey, a critical first step in ensuring they have an opportunity to access permanent housing when it becomes available. All countywide shelter beds are now coordinated through the Bill Wilson Center Hotline 408-385-2400. This teammate is working alongside the Psychiatric Emergency Response Team (PERT), a Mental Health Collaboration with the County Behavioral Health Department. The PERT Team consist of a clinician to conduct mental health evaluations and assessments for persons with serious mental illnesses including clients who are frequent users of emergency psychiatrist services.
4. In 2017, Destination: Home and the County of Santa Clara helped launch a countywide Homelessness Prevention System in which Morgan Hill participates- a unique partnership between public agencies, private funders, and non-profit organizations to help at-risk families and individuals maintain their housing and avoid falling into homelessness. In response to the rise in Homelessness in 2017, Morgan Hill has annually contributed \$25,000 to an ongoing Countywide Rapid Rehousing Program. This serves as a Homeless Prevention program providing rental assistance, security deposits, transportation, utilities, and motel stays for families experiencing homelessness. Since its inception in Fiscal Year 2017-2018 and through Fiscal Year 2021-2022, \$425,890.17 has been provided to 95 Morgan Hill families at risk of homelessness. Additionally, through the COVID pandemic \$685,000 was provided by Destination Home to Morgan Hill households financially impacted by the pandemic.
5. In 2017 a Safe Park Program for families experiencing homelessness was created through a public private partnership. The Safe Park offers an eight space, pet friendly overnight respite at a local church for eight homeless families (25 people max) living in their cars. They receive coordinated assessment, services, meals, and support with the goal of providing some stability and a path to permanent housing. Since its inception and ongoing the city contributes \$30,000 annually towards the case management provided by the South County Compassion Center. The total contracted amount during the 5th Housing Element cycle is \$136,265. The city has budgeted \$52,000 for FY 22/23 for Case Management for "Focus" Safe Car Park Program and referral services to the cities Inclement Cold Weather Shelter. Since January 2020 the City of Morgan Hill has also supported an inclement cold weather shelter at Community Christian Church during cold weather season. The city has provided support during the 5th Housing Element cycle, total contracted amount is \$49,336. The city has budgeted \$25,000 for FY 22/23.
6. In 2018, the City of Morgan Hill adopted an Inclusionary Housing Ordinance (IHO) requiring residential developments to provide 15% of the units (and 10% in Downtown) as part of the City's efforts to create and maintain an income-based affordable housing inventory. The IHO is a result of the loss of the City's Residential Development Control System (RDCS) growth management program which has been the mechanism for the City to obtain Below Market Rate (BMR) housing units for many years. In December of 2021, the City Council adopted an amendment to the IHO to create a funding mechanism that will allow the City to advance

projects that meet the City's Regional Housing Needs Allocation (RHNA) goals. Specifically, the City now allows for up to 50% of the affordable housing requirement to be satisfied with an in-lieu fee. This fee would provide the City with a funding mechanism to support projects that produce units that contribute to meeting the City's RHNA requirements. In-lieu fees are already allowed in the IHO. However, this recommended change allows this in-lieu fee to be *by right* provided that a minimum of 50% of the affordable units *will be built on site*. This programmatic change is intended to help the City meet its very low income and extremely low-income goals moving forward.

6.3 Housing Element Program Review

The overview below focuses primarily on the Below Market Rate Housing Program. These BMR units were either previously produced by the City's RDCS program, or the more recent Inclusionary Housing Ordinance Program.

6.3.1 Below Market Rate Program

The *Below Market Rate Housing (BMR) Homeownership and Rental Program* helps qualifying buyers and renters obtain affordably priced homes and apartments. The genesis of this program began in 1977 through the program formally known as RDCS. The homes are typically provided by private market developers based on the affordable requirements of the Inclusionary Housing Ordinance. In the "Post-RDA and post RDCS Era", Morgan Hill has evolved to keep pace with the changing rules to ensure that BMR units continue to be delivered to Morgan Hill residents. The City currently has over 550 first time homeowners in the program and 15 BMR renter households.

Participating homebuyers and renters must be income eligible. Homebuyers must be pre-approved to be able to financially qualify for a fixed-rate, fixed-term mortgage, and must have a minimum 3 percent down payment from their own funds to purchase a home. Eligible applicants are placed in a lottery until the opportunity to purchase or rent a unit becomes available either through new construction or resale of an existing unit. Priority in the lottery is provided for eligible buyers who live or work within the city limits. This program helps low- and moderate-income households purchase and rent homes that are affordable and adequate to their needs. It also prevents affordable homes from being sold to persons with little or no income obstacles, maintaining a larger base of affordable homes in the area. Home sale prices range from \$523,618 for a moderate two-bedroom home to \$634,840 for a moderate income, four-bedroom home. At the time of sale, properties will have a resale affordable restriction recorded on the title in order to preserve the long-term affordability of the unit for an additional 45 years. The BMR monthly rental prices are consistent with the State HCD income guidelines and adjusted for household size, ranging from \$908 for an Extremely Low Income one bedroom unit to \$2,451 for a four-bedroom low-income unit.

In 2015, the City collaborated with HouseKeys, after the sudden demise of Neighborhood Housing Services, for the administration of its Below Market Rate (BMR) Program. This enabled the City to continue to contract with an outside agency to administer the Program on site to serve as a test to identify best practices. Housing efforts were focused on the immediate need to transition the BMR Program and strived to carry out transactions to avoid a service interruption to developers, homeowners and new buyers in the pipeline. This was achieved by rapidly on-boarding the HouseKeys BMR team and working to create a new sustainable BMR business model. The City of Morgan Hill was the first model city acting as an incubator of innovation and collaboration. HouseKeys now operates as an Affordable Housing Program Administrator who works alongside 16 cities and builders to provide affordable housing opportunities to income-eligible households. As a Program Administrator they support the City's BMR program by specializing in Home

Ownership, Rental, and Finance Programs. During the 5th Housing Element cycle Morgan Hill has provided \$2,100,000 for the administration of its BMR program. The city has budgeted \$550,000 for FY 22/23 for BMR Ownership and Rental program administration for the sale of the new construction BMR unit, a resale, and ongoing monitoring, compliance, and asset management. From 2015 to 2021, there was 85 New Construction BMR homeowner units permitted and occupied by income qualified, first-time homebuyer families, an additional 53 BMR homes rehabilitated by HouseKeys and resold to income eligible families, and the administration of 89 subordinations to support homeowners refinance loans. Since 2015, there have been over 65 BMR ownership unit cases involving enforcement action or escalations. Of those 65, 41 involved attorney action, and 6 progressed to formal complaints filed and litigation in court to protect the affordability covenants. Through this process, the City and HouseKeys have learned how to strengthen the program and to implement policies and procedures defensible in court.

6.3.2 Rehabilitation

Through the former Morgan Hill Redevelopment Agency's (RDA) \$4 million in annual funding that was dedicated to support the rehabilitation and development of affordable housing, the City has historically offered a *Housing Rehabilitation Loan Program* to maintain and improve housing conditions. RDA was a significant cornerstone of the city's successful housing program. Since its dissolution in February of 2012, the City has had to reduce, reprioritize and restructure its programs. As a result, programs that were once offered, such as the *Housing Rehabilitation Loan Program* that provided loans to lower income owner-occupants of single-family dwellings and owners of rental housing with income-qualified renters has been effectively eliminated in Fiscal Year 2010/2011 due to the dissolution of the Redevelopment Agency.

However, during this current 5th Housing Element cycle, the City has continued to support rehabilitation efforts to improve Morgan Hill's stock of affordable housing through the following programs. The Urban County Community Development Block Grant Program (CDBG) of which Morgan Hill is a participating jurisdiction, has continued to fund rehabilitation services provided by Rebuilding Together Silicon Valley (RBTSV). Since 2015, CDBG has provided \$1,826,546.05 to RBTSV, a non-profit agency devoted to providing critical home repairs and accessibility modifications for low-income homeowners and seniors at no cost to the recipient. The work provided focuses on improvements such as grab bars and railings, half steps, wheelchair ramps or lifts, raised toilets, minor plumbing or electrical, carpentry, and painting. Repairs are made possible, at no cost to the recipient, by utilizing volunteer labor, generous donations, government grants, and donated or discounted materials. Applicants must own their home, have a household income below 80% area median income, and preference is given to those 50% or below area median income. This program has been funded in part by the CDBG program, and in part by the City of Morgan Hill.

In addition to the Urban County CDBG Program, since 2016, the City of Morgan Hill has also contracted with RBTSV for minor repair services, the total City contracted amount during the 5th Housing Element cycle was \$350,000. Additionally, in years 2017-2021 the City funded a RBTSV Blight busters' program in collaboration with the code compliance team to assist with bringing a low-income home into compliance with health and safety rules. The Blight busters' program had a total contract amount of \$150,000 from 2017-2021 and ended June of 2021. From July 2015 to June 2020, 2,564 home repairs were completed by RBTSV on 258 homes in Morgan Hill (this is the result of both the Urban County CDBG Program funding and the City of Morgan Hill Program funding).

The City of Morgan Hill's housing policy towards its multifamily housing partnerships is to provide stewardship to guaranty investment and re-investment in quality, long term housing stock. This generally results in supporting non-profit partners as they raise rehabilitation dollars for renovation

of aging structures in the City of Morgan Hill. The former Morgan Hill Redevelopment Agency originally provided loans in previous years. Since then, the following developers have sought out and received City approval to refinance and resubordinate existing loans to rehabilitate their properties through the State's Tax Credit and Bond programs.

First Community Housing intends to rehab Murphy Ranch I, a 62-unit affordable apartment community and Murphy Ranch II, a 38-unit affordable apartment community located at 310 E Dunne Ave. Construction is scheduled to start during the second quarter of 2022 and will take 12-15 months to complete. The rehab will include performing critical and immediate repairs in excess of \$2.5 million at Murphy Ranch I and II. The primary scope of work is to complete roof repairs, security camera upgrades, repaint the building exteriors, complete common area and unit interior improvements, resurface parking areas, replace rotted fencing, and upgrade the heating, cooling, and ventilation systems at each building to support energy efficiency.

EDEN Housing began rehabilitation work on Depot Commons in 2021 located at 17145 Depot Street. Depot was 12 affordable units and is being converted to 18 affordable units and 1 managers unit within the existing footprint. The rehab will include site work, interior and exterior upgrades, replacement of interior finishes, roofing, siding, doors, windows, the HVAC system and the additional of solar. The rehabilitation is expected to be completed in 2022.

EDEN Housing began rehabilitation work on the Willows Apartments in year 2021 located at 50 W Edmundson Ave. The Willows consists of 19 affordable units and 1 managers unit. The rehab will include the replacement of roofing, partial siding, doors, windows, the HVAC system and the addition of Solar. The interiors of the buildings will include upgrades to doors, cabinets, electrical & plumbing fixtures, and flooring. The rehabilitation is expected to be completed in 2022. The Willow Apartments and Depot Commons are being rehabbed together and the total development cost of this rehab is \$27.2 million.

In 2021 EDEN Housing completed a \$2.1 million rehabilitation of Sycamore Glen, a 20-unit senior property in Morgan Hill originally constructed in 1989. The property recently completed renovations in 2021, Improvements includes: heating and cooling units for each unit, all new double pane windows throughout, full unit interior renovations, drought-tolerant landscaping and install water efficient irrigation, repairs to failing pedestrian bridges and new stairs throughout, exterior lighting and parking lot upgrades, upgrades to the small community room and ADA upgrades throughout the site.

In February of 2022, EDEN Housing requested, and the City Council of Morgan Hill approved, the waiver of the 2020 surplus cash distribution payment (\$44,777) due to the City to support their property Villa Ciolino's immediate urgent rehabilitation needs. Villa Ciolino is a 42-unit affordable family housing apartment community located at 80 Ciolino Avenue. The more urgent rehab work will begin in 2022, primarily to address the exterior dry rot needs. EDEN has a longer-term goal to continue to apply for and seek out Tax Credit and Bond Funds to do a full re-syndication for the entire property, a much larger scale rehab of the property is scheduled for 2023.

In 2017, EAH completed an \$18,105,464 million extensive rehabilitation of the Cochrane Morgan Hill Apartments located at 18555 Butterfield Blvd (96 Units). The scope of the improvements included but not limited to the replacement of plumbing, an upgrade to the electrical systems, extensive interior, and exterior upgrades, such as appliances, energy efficient systems, replacement of the countertops and cabinets, windows and flooring. Additionally, ADA accessibility features were implemented, restriping of the parking areas, replacements of the irrigation and upgrades to the interior and exterior common area amenities.

In 2019, EAH completed a \$50,910,953 million rehabilitation of Park Place Apartments, located at 16480 Del Monte Ave (112 Units). The scope of the improvements included but not limited to

replacement and upgrades to the plumbing and electrical systems, roof, AC system, appliances, and ADA enhancements. Additionally, an upgrade to the exterior and interior lighting, landscaping and irrigation improvements, repair of the basketball court surface, paving of the playground, and an upgrade to the interior and exterior common area amenities.

6.3.3 Santa Clara County Housing Programs

The Housing Authority of Santa Clara County administers the Section 8 Housing Assistance Payments Program (Section 8). This program links landlords with tenants eligible for rental assistance. Section 8 guarantees landlords fair market rent while providing subsidies for tenants in rental properties. Section 8 tenants are those elderly, handicapped, or very low- or extremely low-income families needing help to secure decent housing. Morgan Hill is participating in this program. Currently, 344 Morgan Hill households use Section 8 housing choice vouchers. There are 632 households on the waiting list for vouchers from Morgan Hill. The Housing Choice Voucher interest list (accessed through the Applicant Portal) is a permanently open list. When vouchers are available, active applicants are randomly selected to be offered a voucher (if eligible).

Community Development Block Grants (CDBG)

Morgan Hill participates in the Santa Clara County CDBG Urban County Program that provides funding on behalf of the smaller urban county non entitlement cities to nonprofit agencies and participating cities to enable them to offer housing and housing-related services to eligible lower income persons including seniors, persons with disabilities, the homeless, and victims of gender-based violence.

Since 2015, the CDBG program has provided \$4,539,941.38 in funding for developers and service providers that have served Morgan Hill for the acquisition, construction, or rehabilitation of affordable housing, public facilities, and services for lower income persons. Local funding priorities are based on the collective community needs and goals documented in the County's Consolidated Plan. A summary of services funded during the 5th Housing Element cycle is listed below.

Figure H 6-1: Services Funded During 5th Housing Element Cycle

CDBG			2015	2016	2017	2018	2019	2020	2021	Total
Name of Agency/Project	Areas Served	Office Location								
Project Sentinel - Tenant Land	Morgan Hill	1490 El Camino Real, Santa Clara, CA 95050	\$30,000.00	\$30,260.00	\$30,450.00	\$34,188.99	\$33,411.00	\$36,490.00	\$37,000.00	\$231,799.99
Catholic Charities	Morgan Hill	2625 Zanker Road, Suite 200, San Jose, CA 95134	\$10,448.21	\$11,895.00	\$11,046.61	\$11,965.11	\$11,879.25	\$9,759.27	\$12,290.00	\$78,993.45
Boys & Girls Club	Morgan Hill	518 Valley Way, Milpitas, CA 95035	\$11,467.92	\$13,110.00	\$11,165.00	\$12,159.00	\$11,880.00	\$12,063.05	\$12,290.00	\$84,134.37
Community Solutions	Morgan Hill	9015 Murray Ave., #100, Gilroy, CA 95020	\$21,469.00	\$22,195.00	\$21,314.98	\$21,314.98	\$21,839.43	\$22,210.46	\$23,683.00	\$154,026.85
San Jose Family Shelter	Morgan Hill	692 N. King Road, San Jose, CA 95133	\$11,469.00	\$11,895.00	\$11,165.00	\$12,159.00	\$11,880.00	\$12,118.00	\$12,290.00	\$82,686.00
Live Oak	Morgan Hill	1147 Minnesota Avenue, San Jose, CA 95125	\$10,000.00	\$20,000.00	\$20,300.00	\$20,300.00	\$21,061.57	\$22,000.00	\$22,310.00	\$135,971.57
Nest Door	Morgan Hill	234 East Gish Road, Suite 200, San Jose, CA 95112	\$11,469.00	\$13,110.00	\$13,110.00	\$12,159.00	\$11,832.82	\$12,118.00	\$12,290.00	\$86,088.82
SALA	Morgan Hill	1425 Keil Circle, Suite 109, San Jose, CA 95112	\$10,000.00	\$40,000.00	\$30,450.00	\$34,189.00	\$33,411.00	\$36,490.00	\$37,000.00	\$221,540.00
SVLIC	Morgan Hill	25 N. 14th Street, Ste. 1000, San Jose, CA 95112	\$11,469.00	\$13,110.00	\$13,110.00	\$12,159.00	\$11,880.00	\$12,117.60	\$12,290.00	\$86,135.60
West Valley	Morgan Hill	10104 Vista Drive, Cupertino, CA 95014	\$10,000.00	\$11,469.00	\$11,165.00	\$12,159.00	\$39,835.55	\$12,118.00	\$12,290.00	\$109,036.55
YWCA	Morgan Hill	375 S. Third Street, San Jose, CA 95112	\$19,221.70	\$12,333.76	\$11,165.00	\$11,165.00	\$11,713.08	\$11,889.41	\$12,290.00	\$80,777.95
LifeMoves	Morgan Hill	33 Encina Ave, Palo Alto, CA 94301	\$9,615.95	\$5,167.82	\$10,284.00	\$11,214.00	\$10,958.80	\$11,179.00	\$11,339.00	\$69,758.57
Project Sentinel Fair Housing -	Morgan Hill	1490 El Camino Real, Santa Clara, CA 95050	\$30,974.00	\$31,277.00	\$29,720.28	\$34,886.88	\$28,058.60	\$30,657.00	\$31,089.00	\$216,662.76
Project Sentinel Fair Housing -	Morgan Hill	1490 El Camino Real, Santa Clara, CA 95050	\$50,194.00	\$50,194.00	\$49,902.21	\$50,194.00	\$56,747.00	\$56,747.00	\$56,747.00	\$370,725.21
Rebuilding Together	Morgan Hill	1701 S. 7th Street, Ste. #10, San Jose, CA 95112	\$66,384.00	\$259,825.27	\$257,127.00	\$200,000.00	\$299,999.99	\$299,999.99	\$300,000.00	\$1,826,346.05
Galvan Park Playground Morga	Morgan Hill	N/A	\$66,384.00							\$66,384.00
Galvan Park Refurbishment an	Morgan Hill	N/A	\$72,136.25							\$72,136.25
Galvan Park Refurbishment an	Morgan Hill	N/A	\$216,417.39							\$216,417.39
Britton Middle School	Morgan Hill	N/A								\$350,120.00
Total								\$350,120.00		\$4,539,941.38

HOME			2015	2016	2017	2018	2019	2020	2021	Total
Name of Agency/Project	Areas Served	Office Location								
Eden Redwoods & Wheeler	Gilroy	N/A			\$733,706.00					\$733,706.00
EAH Morgan Hill Family Apartm	Morgan Hill	N/A	\$756,269.00							\$756,269.00
Total										\$1,489,975.00

HOME Program (Home Investment Partnership Act)

The federal HOME Program is administered by the County of Santa Clara Office of Supportive Housing and provides loans and grants to nonprofit organizations to assist with financing to develop permanently affordable housing through acquisition, construction, or rehabilitation. In 2015, EAH Morgan Hill Family Apartments received \$756,269 in HOME funds for the construction of Morgan Hill Family – a scattered site development that consists of a 41-unit apartment project built on three (3) separate properties that are noncontiguous but within ¾ of a mile of one another,

Tobiano at Orchard Ranch” (40 E. Dunne Avenue), Tovero at Orchard Ranch (16873 Monterey Rd), and Palomino at Orchard Ranch (16170-16180 Monterey Road). The property provides permanent housing for very low-income families at or below 60% AMI and includes six (6) units for Transitional Aged Youth (T.A.Y. units). The HOME funds were used for the construction and permanent financing of the residential portion of the project. The City of Morgan Hill funded this project \$4,500,000.00 with City Housing Program funds.

Shelter Plus Care

Shelter Plus Care (S+C) was originally the name of a Program that was administered by the Housing Authority. It provided a five-year rent subsidy to homeless/disabled individuals and their families to assist them in securing permanent affordable rental housing. Applicants had to be currently homeless and diagnosed with one of the following disabilities: mental illness, HIV/AIDS, or a drug and/or alcohol dependency. In addition to rent subsidy, the program also arranged for various treatment services and case management. S+C clients were required to pay 30 percent of their monthly income towards rent and S+C paid the balance. The Housing Authority transferred S+C program in 2016 to the County of Santa Clara Office of Supportive Housing for the purpose of integrating the program and the referring body into one coordinated entry effort. The program as described still exists through the coordinated countywide entry system. The name “S+C” was the referral process for a HUD funded grant that allowed shelter providers to refer their residents and was eliminated when coordinated entry was created. Coordinated entry was part of a larger effort to streamline access to homeless and housing services countywide. All Continuum of Care (CoC) funded programs now use the coordinated entry system as the referral mechanism. Participants do not apply; they are given an assessment by their homeless service provider that places them on a community queue and prioritizes them by vulnerability and acuity. The community queue is used to refer individuals starting with the highest scoring individual on the queue. The CoC funding includes the subsidies and services that were originally provided by the program called S+C. There are three CoC grants that provide subsidy assistance only. Additional information can be found on the Grant Inventory Worksheet (GIW) at HUD: <https://www.hud.gov/sites/dfiles/CPD/documents/CoC/2021/GIW/FY%202021%20CA-500%20GIW.xlsx>. Currently there are 1,422 units in the 35 Permanent Supportive Housing (PSH) Programs in Santa Clara County that have a subsidy and service that is CoC funded. As of February 28, 2022, during the 5th Housing Element cycle there are 71 households housed in Morgan Hill and affiliated with the CoC funded PSH programs.

Attachment 6-A

Evaluation of Past Performance: Program Evaluation

City of Morgan Hill Housing Element 2023-2031

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Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>1a-1 Evaluate Land Availability Annually. Evaluate annually the amount of land available for development and the projected eight-year need, and adjust the General Plan and zoning as necessary to accommodate the City's regional housing allocation.</p>	<p>Ongoing</p>	<p>The City's Housing Division and Planning Division annually reviews the amount of land available for development during the Annual Progress Report (APR) to HCD and OPR to ensure enough land is available to accommodate the outstanding RHNA.</p>	<p>Retain program</p>
<p>1c-1 Annual RDCS Objectives. Establish annual objectives under the RDCS allocation process for affordable housing based on past production and future needs.</p>	<p>Discontinued</p>	<p>SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.</p>	<p>Delete program</p>
<p>1c-2 Annually Evaluate RDCS Allocations. Annually evaluate the outcome of the allocation process to determine if further adjustments to the system are advisable to ensure that the annual allocations are maximized for both market rate and affordable housing. Points to consider include the RDCS's impacts on cost, supply and affordability of housing, as well as the timing of the process. Ensure that there are sufficient allocations to meet the Regional Housing Need Allocation (RHNA). Include results in the annual progress report submitted to HCD.</p>	<p>Discontinued</p>	<p>SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>1h-1 RDCS Refinement. Continue to develop and implement varied RDCS standards for different types of developments. For example, consider if senior or multi-family developments should have different scoring criteria than single-family developments.</p>	<p>Discontinued</p>	<p>SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.</p>	<p>Delete program</p>
<p>1h-2 Review Height Limits. Review the Zoning Ordinance to ensure that height limits allow for a desirable design at the intended density.</p>	<p>Complete</p>	<p>Height limits were reviewed and revised during the Zoning Code Ordinance update in 2018 as part of the 2035 General Plan Update; however, further review of height limits may be warranted within the Zoning Ordinance and the Objective Standards to allow for the intended density allowed in the General Plan.</p>	<p>Retain and modify program</p>
<p>1h-3 Review Design Standards. Review design guidelines and standards to ensure that housing developments, particularly in higher density designations, provide adequate privacy, open space and other amenities.</p>	<p>Complete</p>	<p>The Residential Development Design and Development Standards were adopted in December 2019 and updated in December 2020 to implement the requirements of SB 330 and SB 35 to articulate objective project design requirements for all residential and mixed-use developments.</p>	<p>Delete program</p>
<p>1j-1 Monitor and Implement RDCS in New Projects. Continue to monitor and ensure that an appropriate percentage of all new market rate housing be affordable to lower, median, and moderate income households. The Planning Commission and City Council shall annually review proposed RDCS allocation procedures to ensure that developers will maximize points in the RDCS by providing sufficient affordable units.</p>	<p>Discontinued</p>	<p>SB 330 suspended the RDCS program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDCS while the State of California's Housing Crisis Act is in effect.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
<p>1l-1 RDSC Points for BMR Housing. On an annual basis, when the City Council updates RDSC scoring criteria, ensure that provisions are retained within the RDSC that award points for developments that voluntarily reserve a percentage of the proposed housing for below market rate units.</p>	<p>Discontinued</p>	<p>SB 330 suspended the RDSC program effective January 1, 2020, as the Housing Crisis Act preempts and precludes the enforcement of RDSC while the State of California’s Housing Crisis Act is in effect. In preparation for the suspension of RDSC, the City of Morgan Hill adopted an Inclusionary Housing Ordinance (IHO) in August of 2018 to replace the RDSC mechanism that allowed for the creation of Below Market Rate (BMR) units.</p>	<p>Delete program</p>
<p>1q-1 New Funding Sources. Monitor and consider new sources of funding for affordable housing development and rehabilitation; continue to regularly apply for grant funding such as CalHOME.</p>	<p>Ongoing</p>	<p>Staff will continue to seek out funding opportunities that both allow for programming and capacity to implement that programing. Morgan Hill is limited on resources and staffing levels reflect the 2012 elimination of the Redevelopment Agency, and the resulting loss of \$4 million in annual funding to support the rehabilitation and development of affordable housing in Morgan Hill. Morgan Hill applied for and received a \$450,000 capacity building grant from Destination Home for a period of 3 years (\$150,000 per year) to fund an Unhoused Specialist position that began in 2021 and will continue to seek out such opportunities.</p>	<p>Retain and modify program</p>
<p>1r-1 Partnership for Tax Credits. Continue to support applications for Low-Income Housing Tax Credits either by acting as co-applicant with the developer or providing them with matching funds.</p>	<p>Complete/ Ongoing</p>	<p>Support for tax credits and bonds is regularly provided for both new development and rehabilitation. As Housing Program funding is available, the City of Morgan Hill takes the opportunity to partner with affordable housing developers and fund projects. (2015 EAH Morgan Hill Family – Scattered Site \$4,5000,000.00, 2018 Crossings on Monterey \$750,000, 2021 Royal Oak Village \$400,000).</p>	<p>Retain and modify program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>1bb-1 Solar Energy Assessment District. Study the possibility of forming a voluntary (opt-in) solar energy assessment district to provide loans to offset the initial cost of installing solar panels or other efficiency improvements. Loans would be paid for by a municipal bond and paid back by an increase in the participating household's property taxes for the life of the loan.</p>	<p>Complete</p>	<p>A Solar Energy Assessment District was not implemented; however, the City of Morgan Hill participates in the Property Assessed Clean Energy (PACE) Program which allows property owners to finance energy improvements and pay the costs back in individual property taxes.</p>	<p>Delete program</p>
<p>1cc-1 R-2 Zoning. Modify the R-2 zoning standards (Chapter 18.55 of the Zoning Code) to explicitly state that second units are an allowed use.</p>	<p>Complete</p>	<p>The Zoning Ordinance was updated in 2018 which modified the RAL zoning district (previously named R-2) to allow Accessory Dwelling Units (secondary units) as a permitted use.</p>	<p>Delete program</p>
<p>1cc-2 Secondary Unit Information. Develop resources to help educate homeowners, architects, and builders about secondary dwelling units. Potential actions include producing handouts and fact sheets and hosting "How To" workshops.</p>	<p>Ongoing</p>	<p>The City Housing Program has partnered with the Housing Trust of Silicon Valley and other providers to market and offer workshops and resources for homeowners constructing Accessory Dwelling Units (ADUs). HTSV offers an ADU Construction Loan Program for a three-year term. On site tours of prefabricated ADUs have occurred at city hall. The Planning team updated the ADU ordinance in 2019 and 2021 to comply with legislation that amended ADU law (AB 3182 (2020) and SB 13, AB 68, AB 881, AB 587, AB 670, and AB 671 (2019)).</p>	<p>Retain and modify program</p>
<p>1dd-1 Secondary Unit Fees. Reduce per-unit impact fees for secondary dwelling units to reflect smaller household sizes and lesser impacts.</p>	<p>Ongoing</p>	<p>Effective in 2020, pursuant to the Government Code, no impact fees are imposed on accessory dwelling units less than 700 square feet in size; in addition, impact fees charged for an accessory dwelling unit more than 700 square feet are charged proportionality in relation to the square footage of the primary dwelling unit.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>1ee-1 Secondary Unit Ordinance. Study and revise the secondary dwelling unit ordinance to ensure it follows standard best practices. Points to consider include:.</p> <ul style="list-style-type: none"> • Clarify the ordinance to ensure properties are not subdivided and second units sold as separate units. • Utilize window design techniques to reduce impact on adjacent property for two-story second units. • Increase the maximum permitted second unit size to 50 percent of primary dwelling or 750 square feet, whichever is smaller. • Reduce parking requirements to one space for a two-bedroom second unit, or allow tandem parking for the two spaces. • Reduce or eliminate the minimum lot size for second units. • Have second units governed by the same land use controls as other buildings (setbacks, lot coverage, etc.). • Review and revise the zoning ordinance to allow second units in additional zoning districts, including certain multi-family and mixed use districts such as CC-R and CL-R, where some existing lots developed with single-family uses could accommodate greater density in a second unit configuration. 	<p>Complete</p>	<p>Chapter 18.84 (Accessory Dwelling Units) of the Zoning Code was created in 2018 and updated in 2019 to be consistent with the Government Code to allow for accessory units as an important form of affordable housing while preserving the character and integrity of residential neighborhoods in Morgan Hill.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
<p>1ii-1 Rental Assistance Programs. Undertake the following: (1) Refer rental property owners to the Santa Clara County's Housing Authority's waiting list; (2) When in contact with rental property owners, inform them of the Housing Authority's vouchers program; and, (3) Promote the availability of vouchers for use in the rental rehabilitation program.</p>	<p>Ongoing</p>	<p>When in contact with rental property owners, inform them of the Santa Clara County Housing Authority's voucher programs and encourage them to list their vacant rental units on the Housing Authority's website (www.scchousingauthority.org/section-8-landlord-resources/). Rental assistance programs are continuously updated and marketed to the community in English and Spanish (https://www.morgan-hill.ca.gov/2303/Summer-2022-Food-and-Rental-Assistance).</p>	<p>Retain program</p>
<p>1ll-1 Update Funding Information. Update, as needed, directories of State and federal housing and community development programs that provide financial assistance. Annually identify State and federal programs that are most applicable to Morgan Hill and have the greatest potential for funding affordable housing in the city.</p>	<p>Ongoing Beginning of Fiscal year</p>	<p>The city participates in the Urban County Community Development Block Grant (CDBG) and HOME consortium. Morgan Hill is not an entitled city; however, as population increases, the city will evaluate the opportunity to become an entitled city in the future.</p>	<p>Retain and modify program</p>
<p>1nn-1 Housing Rehabilitation of Rental Properties. Provide financial assistance for substantial housing rehabilitation to rental property owners with extremely low, very low or low income tenants in exchange for long term affordability (as required by the funding source).</p>	<p>Ongoing</p>	<p>During the 5th cycle, 254 affordable apartment units have been rehabilitated (+7 managers units).</p>	<p>Retain program</p>
<p>1nn-2 First-Time Homebuyer Program. Provide a first-time homebuyer downpayment assistance program targeted to low and moderate income residents and employees.</p>	<p>Ongoing</p>	<p>Since 2015, \$612,880.00 has been provided in the form of BEGIN down payment assistance.</p>	<p>Retain program</p>
<p>1nn-3 Promote Extremely Low Income Housing. Provide priority funding consideration for extremely low income housing developments.</p>	<p>Ongoing</p>	<p>There are 158 extremely low-income units in the development pipeline.</p>	<p>Retain program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>100-1 Update City's Affordable Housing Strategy. Continue to update the City's Affordable Housing Strategy with the most current Census data. Identify methods to create housing affordable to extremely low income households.</p>	<p>Complete/ March 2018</p>	<p>March of 2018, the City employed Keyser Marston Associates, Inc. (KMA) to identify potential programs to increase the supply of affordable housing. KMA provided an initial list for the City's consideration.</p>	<p>Delete program</p>
<p>100-2 Review Housing Objectives Annually. Review housing objectives annually and recommend program modifications if annual housing objectives are not being met.</p>	<p>Complete/ Ongoing Each Spring part of annual report to CC</p>	<p>Annual Housing Program Status Reports provided to City Council.</p>	<p>Retain program</p>
<p>11t-1 Term of BMR Units. Review the term of affordability for ownership housing units.</p>	<p>Ongoing. Complete.</p>	<p>In November of 2019 and December of 2021, BMR programmatic revisions were discussed with the City Council, at which point Council solidified that the intent of the ownership program is long-term affordability and stability, not rate of return.</p>	<p>Delete program</p>
<p>11t-2 BMR Equity. Develop opportunities for owners of BMR units to build equity/wealth, while protecting the public investment of resources.</p>	<p>Complete</p>	<p>The BMR ownership program provides homeowners with a stable long-term housing payment, and the ability to earn below market rate equity through a recorded restriction agreement that utilizes the Consumer Price Index (CPI) to calculate the resale price for 45 years. This facilitates the homeowners ability to earn some equity (pending market conditions), and supports the preservation of the affordability aspect of the home.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

Program	Status	Evaluation	Recommendation
<p>1vv-1 Annual Monitoring of Potential At-Risk Units. Annually monitor the status of at-risk assisted rental housing units. Contact current property owners of at-risk projects to determine their financial objectives and appropriate financial assistance needed to meet those objectives (rehabilitation assistance, operating subsidies, additional Section 8 vouchers, etc.).</p>	<p>Ongoing</p>	<p>Since 2015, there have been over 65 BMR ownership cases involving enforcement action or escalations. Of those 65, 41 involved attorney action, and 6 progressed to formal complaints filed and litigation in court. Through this process, the City and HouseKeys learned how to strengthen the program and make policies and procedures defensible in court. This is part of the administration provided by HouseKeys. Additionally, third party BMR portfolio monitoring occurred 2017.</p>	<p>Retain program</p>
<p>1yy-1 Semi-Annual Survey of Rental Vacancies. Conduct a semi-annual survey of rental housing vacancies to determine the applicable vacancy rate for implementing the condominium conversion ordinance.</p>	<p>Ongoing Annual</p>	<p>A vacancy survey is conducted annually. Vacancy rates have consistently been at 1%.</p>	<p>Retain program</p>
<p>1zz-1 Housing Discrimination. Refer discrimination complaints to Project Sentinel or other organizations that combat housing discrimination.</p>	<p>Ongoing</p>	<p>Staff continues to refer residents to the Law Foundation and Project Sentinel. The Project Sentinel Fair Housing Program receives Urban County CDBG funding.</p>	<p>Retain program</p>
<p>2e-1 Resale and Rental Inspection. Research and evaluate creating a resale and rental inspection program to maintain and improve the quality of the housing stock.</p>	<p>Complete</p>	<p>From 2015 to 2021, there was 53 BMR homes, rehabbed and <i>resold</i> to income qualified, first-time homebuyers by the City's BMR administrator HouseKeys. July 25, 2018, the City Council authorized the establishment of a \$1,000,000 Below Market Rate (BMR) Housing Acquisition and Rehabilitation Program with a revolving fund to provide for the preservation of BMR homes that need to be acquired and/or rehabilitated by the City and resold to new eligible homeowners. Each of the 53 resale homes was inspected by the City's BMR administrator as part of the resale process.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>2m-1 Work with Mobile Home Interest Groups. Work with mobile home residents and nonprofit groups, as opportunities and interests arise, to explore the purchase of existing mobile home parks to preserve or enhance their affordability. Options include providing funding for feasibility studies, assisting in accessing state and federal programs (such as the California Mobilehome Park Resident Ownership Program), and using available local affordable housing funds as gap funding.</p>	<p>Ongoing</p>	<p>Morgan Hill has a mobile home park ordinance (Municipal Code Chapter 5.36) that limits the amount that space rents can be increased from year to year on mobile home spaces constructed before January 1, 1990. A basic provision of the ordinance is that rents, for leases of 12 months or less, can increase by no more than 75% of the annual increase in the CPI. However, there is a provision in the ordinance that permits an owner to petition to increase rents by more than the 75% of CPI limitation to yield a "just and reasonable return on their property." This provision allows rents to increase so that the property's Net Operating Income (NOI) increases at a rate of up to 40% of the annual increase in the CPI since 1981. Annual rent increases under this provision may not exceed more than twice the CPI or 15%, whichever is less.</p>	<p>Delete program</p>
<p>2n-1 Energy Audits/Weatherization. Partner with local organizations for energy audits/weatherization programs. Typical projects include energy audits, energy efficiency rebate applications, weatherization (reducing air leakage, etc.), window replacement, appliance swaps, etc.</p>	<p>Complete</p>	<p>Morgan Hill is a participating jurisdiction in the Urban County CDBG Program which funds rehabilitation services provided by Rebuilding Together Silicon Valley (RTSV) which includes weatherization repairs and energy efficiency upgrades. This implementation program/action is repetitive of other similar actions, and therefore is proposed to be removed.</p>	<p>Delete program</p>
<p>3i-1 Low Interest Loans for Accessibility. When funds are available, provide low interest rehabilitation loans to make existing residences accessible to the disabled.</p>	<p>Ongoing</p>	<p>In collaboration with RTSV, Morgan Hill offers a low-income senior and/or disabled Homeowner Rehabilitation Grant Program. From July 2015 to June 2020 RTSV has worked on 258 homes and completed 2,564 repairs in Morgan Hill.</p>	<p>Retain and modify program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>3i-2 Housing for Mentally Impaired Homeless Adults. Work with nonprofit organizations (Community Solutions and South County Housing are two examples of nonprofits with which the City has relationships) to evaluate the need for additional units in Morgan Hill for mentally impaired homeless adults.</p>	<p>Ongoing</p>	<p>Efforts have included participation in Measure A's Affordable Housing Bond, dedicated to extremely low-income households and homeless. The Crossings is 39 units of which 20 apartments are reserved for chronically homeless. The Royal Oak Village has 73 units of which 24 are permanent supportive housing (PSH) units. The Morgan Hill Family – Scattered Site affordable rental development has 41 units of which six are set-aside for Transitional Aged Youth aging out of the foster care system. Currently processing a 41-unit project "The Magnolias," of which 11 units are for chronically homeless.</p>	<p>Retain and modify program</p>
<p>3i-3 Housing for Developmentally Disabled Adults. Coordinate with North Bay Regional Center to integrate their clients into affordable housing. Consult with North Bay Regional Center on new affordable development projects to ensure that new units are built that support adults with developmental disabilities to live lives integrated with the rest of the community.</p>	<p>Ongoing</p>	<p>The Housing Program facilitates community meetings as needed to successfully integrate developmentally disabled adults into the neighborhood. There are currently three group homes owned and operated by the San Andreas Regional Center in Morgan Hill (previously named North Bay Regional Center).</p>	<p>Retain and modify program</p>
<p>3j-1 Locations for Senior Housing. Identify criteria and locations within the city that are appropriate for senior housing developments and assist developers as appropriate.</p>	<p>Complete</p>	<p>Ongoing efforts. Morgan Hill Senior Housing project (81 units) received a \$14.3M award in 2022 from the State Housing and Community Development Multifamily Housing Program (MHP). Pending a California Debt Limit Allocation Committee (CDLAC) proposed bond allocation award (June of 2022). If awarded, project will be fully funded, and construction will commence December 2022.</p>	<p>Delete program</p>
<p>3l-1 Reduced Impact Fees for Senior Housing. Reduce per- unit impact fees for small senior housing units to reflect smaller household sizes and lesser impacts.</p>	<p>Complete</p>	<p>The City instituted reduced impact fees for senior housing.</p>	<p>Delete program</p>

Table H 6-2 Evaluation of 2015-2022 City of Morgan Hill Housing Element Programs

<i>Program</i>	<i>Status</i>	<i>Evaluation</i>	<i>Recommendation</i>
<p>3q-1 Emergency Voucher Program. Consider implementing a one-time emergency voucher program to assist residents displaced by criminal activity, natural disasters or other emergencies. Coordinate with social service providers.</p>	<p>Ongoing</p>	<p>Since 2015, the city has assisted 6 families with emergency hotel placement as a result of flooding and will continue to aid in this effort as resources are available. Coordination with the County of Santa Clara also occurs as they have a county wide emergency hotel placement program.</p>	<p>Retain program</p>
<p>4b-1 Impact Fees for Downtown Housing. Reduce per-unit impact fees for small downtown housing units, to reflect smaller household sizes and lesser impacts.</p>	<p>Complete</p>	<p>The City instituted reduced impact fees for housing units within the Downtown.</p>	<p>Delete program</p>
<p>4p-1 Increase Awareness of Universal Design Principles. Educate the Planning Commission about universal design. Make information available at Development Services Center.</p>	<p>Ongoing</p>	<p>Previous Planning Commissions have been educated regarding universal design, but continuous education is needed as Planning Commission vacancies are filled and as Morgan Hill's population continues to age and there is an increasing demand for age-friendly housing built with universal design principles.</p>	<p>Retain program</p>
<p>4p-2 Universal Design Ordinance. Study and, if appropriate, adopt a universal design ordinance or policies to encourage the inclusion of universal design features in new construction. Options include identifying minimum, cost-effective amenities for all new construction and offering points in the RDCS for homes that provide a more extensive selection of universal design features.</p>	<p>Ongoing</p>	<p>A Universal Design Ordinance was not prepared during the 5th Housing Element cycle; however, points were awarded towards projects that provided universal design features in the RDCS competition. With the passage of SB 330, the RDCS program has been suspended effective January 1, 2020.</p>	<p>Retain and modify program</p>