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**TRANSMITTED VIA EMAIL**

March 6, 2023

Sharon Goei, Director  
Community Development Department  
City of Gilroy  
7351 Rosanna Street  
Gilroy, CA 95020

Dear Sharon Goei:

RE: Draft Housing Element Update

SV@Home is committed to supporting the City of Gilroy's efforts to revise the Draft Housing Element to fully meet the diverse housing needs of all the city's residents. In doing so, the City will comply with Housing Element Law, and can achieve State certification. Many of the comments SV@Home shared in our previous letter to the City (October 12, 2022) were also made by the California Department of Housing & Community Development (HCD) in their review letter (January 27, 2023). Below, we propose concrete policy recommendations and strategies that can help the City of Gilroy respond to key issues identified by HCD in the Draft Housing Element.

### **Affirmatively Furthering Fair Housing & Community Revitalization**

As HCD notes in Finding A1, the City's housing plan must include a complete analysis of AFFH, and the City must revise the Element to add goals and actions based on the outcomes of the complete analysis. Goals and actions must specifically respond to the factors contributing to fair housing issues, identified in the complete analysis and prioritized, and must be significant and meaningful enough to overcome patterns of place-based inequities and racial segregation. This includes place-based investments to affirmatively further fair housing. The Element also must demonstrate how strategies will improve fair housing conditions when paired with sites in the Site Inventory, with "specific commitment, timing, geographic targeting and metrics or numerical targets."

**SV@Home recommends that the City create a Program and Implementing Actions to prioritize investment in neighborhoods that have been historically underserved, where incomes are low, and where residents have relatively low access to economic opportunities.**

**Proposed Policy:** Establish a prioritization process for the City's Capital Improvement Program (CIP) to use as a factor to efficiently and equitably deliver infrastructure across the city. The new prioritization process should grant additional points to projects serving tracts where median income falls below that of the city, in order to increase opportunities in low-income areas. The process should continue to consider public safety, state mandates, and protecting the environment. Projects the City undertakes should include, but not be limited to, public improvements such as streets and drainage, sidewalks

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and alleys, green spaces and parks, street trees, and other public facilities, amenities and infrastructure in neighborhoods with the greatest need, including neighborhoods with high concentrations of poverty and limited existing resources and amenities.

**Metric:** The City will invest 50% of CIP in new recreational, active transportation, public works, and transit infrastructure projects serving specific disadvantaged communities identified in the analysis, or in significant upgrades to existing amenities in these neighborhoods

**Timeline:** The City will develop the CIP prioritization process with public input by the end of 2023, and implement it during the 2024 CIP process. The City will evaluate progress during each year's subsequent review of the CIP.

### **Affirmatively Furthering Fair Housing & the Sites Inventory**

Based on SV@Home's analysis of AFFH and identified sites, the City has chosen to site its lower-income RHNA units in areas that will perpetuate existing segregation. The City has located lower-income sites in areas that are racially/ethnically concentrated areas of poverty (R/ECAPS), have poor scores for CalEnviroScreen 4.0, are overcrowded and rent-burdened, and have poor opportunity scores for economic, education, and environmental outcomes. Programs such as the CIP program we propose above can mitigate these factors over a limited area. However, no program is sufficient to offset the depth and scope of factors contributing to fair housing issues across all the low-resource sites the City has identified to hold the lower-income RHNA, within the 8-year planning period.

**SV@Home recommends that the City of Gilroy comply with HCD's extensive guidance on planning sites for lower-income housing in high-resource areas and disperse low-income sites throughout the city. The city should not over-rely on the Downtown Specific Plan, which would concentrate lower-income sites in high-poverty areas.**

### **Affirmatively Furthering Fair Housing & Preventing Displacement**

As noted in Finding A1, following a complete analysis of AFFH, the City must revise its housing plan to add goals and actions that specifically respond to the factors contributing to fair housing issues, identified and prioritized in the analysis. These programs must be significant and meaningful enough to overcome identified patterns and trends. They should also include place-based strategies toward displacement protection.

**Proposed Policy:** The City will implement a rent registry to track rents and compliance with state tenant protections. This will strengthen the City's understanding of the housing issues faced by renters and the effectiveness of current renter protections, and inform the City's decisions on implementing additional tenant protections.

**Metric:** The City will register and track the rents of at least 75% of multifamily rental units within the city's boundaries

**Timeline:** The City will pass a rent registry ordinance by 2025, begin implementation by 2026, and register at least 75% of landlords by 2027.

**Proposed Policy:** The City will coordinate with other cities to advocate for and receive reports on evictions (Unlawful Detainers) from the Santa Clara County Superior Court of California. This will strengthen the City's understanding of eviction rates, causes, and disparities. The City can use these reports to inform decisions on future programs to reduce eviction, such as mediation, right to counsel, and emergency rental assistance.

**Metric:** The City will track all Unlawful Detainer evictions within the city's boundaries  
**Timeline:** The City will receive quarterly Unlawful Detainer data from the courts by the end of 2023

**Proposed Policy:** In partnership with local nonprofit organizations, the City will implement a Housing Help Center to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid.

**Metric:** The Housing Help Center will serve at least 100 residents per year following implementation

**Timeline:** The City will implement the Housing Help Center by 2024

**Proposed Policy:** The City will implement a local Tenant Relocation Assistance program for tenants with no-fault evictions, expanding requirements outlined in SB 330 (which requires the property owner to provide financial assistance of at least two times the monthly rent to the tenant, when tenants face displacement due to redevelopment of an existing rental property, or the conversion of that property to another use). The landlord will pay the first half of the relocation payment to the tenant at the time the notice is served; and pay the second half to the tenant at the time the tenant vacates. To be eligible for the relocation payments, the tenant must be an authorized occupant of the rental unit, regardless of age, who has resided in the unit for 12 months or more.

**Metric:** The City will conduct outreach to all registered landlords via mail and email, outreach to tenants via mail and the Housing Help Center, and outreach to the public through at least one press release and at least biweekly social media posts following implementation

**Timeline:** The City will implement by 2025.

### **Affirmatively Furthering Fair Housing & Constraints to Development**

As noted in Finding A4, the Element must identify and analyze the impact of all relevant land use controls as potential constraints on a variety of housing types, both independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges, and development standards, and address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities. Understanding and removing constraints is especially critical for the success of affordable and permanent supportive housing developments, which can face challenges in acquiring funding in a competitive environment: jurisdictions able to maximize land opportunities and reduce development costs can help spread limited public resources further.

**Proposed Policy:** Based on a robust analysis of parking standards across the city, the City will reduce or eliminate minimum parking requirements for new multifamily development, including eliminating minimum parking requirements for any development within a half-mile of public transit to comply with AB 2097. The City should pay particular attention to its AFFH Program E-6: Study Reduced Parking Requirements for Senior Housing. The City will amend its parking ordinance to allow developments to meet new lower parking minimums through shared parking within .25 miles of the cooperating developments.

**Metric:** The City will adopt and implement a parking ordinance that meets the minimum standards of AB 2097; eliminate or reduce minimum parking requirements for parcels where multifamily housing is an allowable use by at least 50%.

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**Timeline:** The City will modify parking ordinance to comply with AB 2097 by mid-2023; and eliminate or reduce minimum parking requirements for parcels where multifamily housing is an allowable use by at least 50% by the end of 2023

**Proposed policy:** The City will enact affordable housing overlay zones to incentivize development of affordable housing in moderate and high-resource areas and reduce the cost of affordable housing development. The City will consider incentives such as reduced parking requirements, reduced minimum unit sizes, increased density and height, fee waivers, fee exemptions, and priority processing.

**Metric:** The City will permit at least 2 developments within affordable housing overlay zones

**Timeline:** The City will implement affordable housing overlay zones by the end of 2024, and permit at least 2 100% affordable developments in the overlay zones within the 6th planning cycle.

**SV@Home recommends that the City of Gilroy update the City's outdated codes regarding ADUs, emergency shelters, and transitional and supportive housing to bring these ordinances into compliance with State Law. California's legislature continues to pass new laws each year to encourage housing production and address the state's severe housing shortage. Therefore, the City should establish a process to update codes and ordinances to comply with new State laws affecting housing and land use annually, in the first quarter of the year.**

SV@Home values its partnership with the City of Gilroy and it is in that spirit that we provide our feedback on the Draft Housing Element. We welcome the opportunity to engage in an ongoing dialogue as the Draft Housing Element moves through cycles of review and revision, with the shared goal of addressing the City's urgent housing need by boosting production of homes at all income levels, preserving existing affordable homes, and protecting the families in them.

Sincerely,



Mathew Reed  
Policy Director

CC: Mayor and Council  
HCD Housing Element Review Staff

