

# ANNUAL ELEMENT PROGRESS REPORT

## *Housing Element Implementation*

(CCR Title 25 §6202 )

Jurisdiction GILROY

Reporting Period 01/01/2012 - 12/31/2012

Pursuant to GC 65400 local governments must provide by April 1 of each year the annual report for the previous calendar year to the legislative body, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD). By checking the “Final” button and clicking the “Submit” button, you have submitted the housing portion of your annual report to HCD only. Once finalized, the report will no longer be available for editing.

The report must be printed and submitted along with your general plan report directly to OPR at the address listed below:

Governor’s Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

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**Table A**

**Annual Building Activity Report Summary - New Construction**  
**Very Low-, Low-, and Mixed-Income Multifamily Projects**

Housing Development Information							Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions		
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income			See Instructions	See Instructions	
Alexander place	5+	Owner	0	24	0	0	24	0	HCD BEGIN, HCD CalHome CalHOME- RDLP	Affordable Exemption Category	
Sobrato Gilroy LLC	5+	Renter	26	0	0	0	26	0	Affordable Housing Program- Fed Home Loan, Multifamily Housing Program - HCD	Local Affordable Housing Exemption program	

Previous year	5+	Renter	3	43	51	0	97	0			
Previous years above Mod	SF	Owner	0	0	0	564	564	0			
<b>(9) Total of Moderate and Above Moderate from Table A3</b>					51	782					
<b>(10) Total by Income Table A/A3</b>			29	67	51	782					
<b>(11) Total Extremely Low-Income Units*</b>			26								

\* Note: These fields are voluntary

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**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c )(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity	0	0	0	0	
(2) Preservation of Units At-Risk	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

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**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units**  
**(not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>	0	0	0	0	0	0	0
No. of Units Permitted for <b>Above Moderate</b>	218	0	0	0	0	218	0

\* Note: This field is voluntary

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

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.												Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	319	0	0	0	26	0	0	0	0	0	29	290
	Non-Restricted		0	0	0	3	0	0	0	0	0		
Low	Deed Restricted	217	0	0	0	45	0	0	0	0	0	67	150
	Non-Restricted		0	0	0	22	0	0	0	0	0		
Moderate		271	0	0	0	51	0	0	0	0	0	51	220
Above Moderate		808	0	0	0	782	0	0	0	0	-	782	26
Total RHNA by COG. Enter allocation number:		1615											
Total Units ▶ ▶ ▶			0	0	0	929	0	0	0	0	0	929	
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶													686

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

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**Table C**

**Program Implementation Status**

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
1. Housing Production: Provide for a housing stock of sufficient quantity composed of a variety and range of types and costs.	Policy 1-1: Encourage provision of a variety of housing options for Gilroy residents.  Review/revise existing policies and procedures for accessory dwelling units- see below	Review by June 2013	Reviewed in 2012-recommended clarifications and eliminated requirement of Arch & site review for 2nd unit on the second story of a home (new and existing homes)
Encourage Mixed-Use Development	The City will continue to implement the Downtown Specific Plan and encourage and coordinate activities with the Downtown Business Association and Economic Development Corporation to encourage mixed-use development. Promote mixed-use development	Ongoing 2009-2014	City is working with downtown Business Assoc. to promote mixed-use development in the core areas downtown
Mobile Home Development	The City will continue to conserve existing affordable mobile home opportunities in Gilroy, encouraging appropriate maintenance and management of existing mobile home developments	Ongoing 2009-20014	No specific policies implemented in 2012.

Encourage Affordable Housing Development	Encourage Affordable Housing Development. city will review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the City, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District	2009-2014	Review incentives and regulatory concessions within 1-year of Housing Element adoption; Revise, as appropriate; 2012 Established a Development Standards Review Task Force that is reviewing all standards. Monitor the effectiveness of incentives and regulatory concession annually, thereafter (2012 ongoing) Ongoing monitoring of development within the Downtown Gilroy Specific Plan (2012 ongoing)
Facilitate Infill Development	The City shall coordinate efforts to encourage the construction of residential development through a menu of regulatory incentives and monitor infill development on an annual basis to ensure the effectiveness of programs to encourage housing development	2009-2014	Monitor infill development and effectiveness of incentives on an annual basis
Provision of Adequate Sites	City will revise the General Plan and Zoning Code to ensure the availability of adequate sites to accommodate projected future construction needs by income category	2011-12	To accommodate development of affordable units, a minimum standard of 20 du/acre, in compliance with the provisions set forth in AB 2348, shall be implemented. The selected sites will permit owner-occupied and rental multi-family uses as a matter of right, without a conditional use permit or other discretionary action. Rezone a minimum of 52.5 acres to require a minimum density of 20 du/acre. Ensure at least 26.25 acres (to accommodate 525 lower-income units) are exclusively for residential use. Environmental report completed in 2012, council adoption of rezoned sites in 2013.
Encourage Lot Consolidation	Encourage and Facilitate Lot Consolidation City to encourage and facilitate the consolidation of vacant and underutilized lots for residential development, especially those identified in the Adequate Site Program, through a variety of incentives	2011-2013	Investigate and develop incentive program, as appropriate, by June 2013.
Monitor Permit Requirements and Processing Procedures	City shall evaluate current requirements and procedures on an annual basis. The City will consult builders and other parties engaged in housing development activities to identify concerns	2009-2014	Reduced public facilities development fees in 2012
Efficient Use of Energy Resources in Residential Development	City will adopt the Green Building Policies developed by the Santa Clara County Cities Association Green Building	2009-2014	Ongoing project in 2012

	Collaborative. City to use a checklist to track voluntary compliance		
Housing Rehabilitation:	Maintain and conserve a housing stock that is in a sound, safe and sanitary condition. Policy 2-1: Promote maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.	2009-2014	Ongoing project and the City shall continue to implement the City's Housing Rehabilitation Loan Program. The City will continue utilizing Community Development Block Grant (CDBG) funds and the Gilroy Housing Trust fund to assist in the improvement of substandard housing. One project was funded in 2012
Code Enforcement Program	City shall continue to enforce the City's building codes to address, existing exterior and interior code violations	2009-2014	In 2012 Community Development Block Grant (CDBG) supplemented City general funds to pay for a portion of code officer staffing to support code enforcement in Gilroy's Neighborhood Revitalization Strategy Area (NRSA). Gilroy's Housing Trust Fund (HTF) provided a grant to Project Sentinel for tenant landlord mediation services which were frequently used in tandem with code enforcement efforts. HTF funds of \$10,000 were set aside to be used for emergency code abatement, but were not needed.
Community Development Block Grant Program	administer the City's Community Development Block Grant Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, public services, and public improvements.	2009-2014	In 2012 The City continued to administer its CDBG grant. In addition to the accessibility retrofit work and code enforcement described above, funds provided employment services, programs for low income youth and frail elderly, as well as for public improvements in the NRSA.
Administer Housing Trust Fund (HTF)	City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing	2009-2014	In 2012 The City continued administering the HTF that provided funds for permanent supportive housing (contributed to funding for 26-unit apartment complex under construction) and homebuyer assistance. [through grant to Housing Trust of Santa Clara County] Grants funded nonprofits to provide services related to homelessness, domestic violence, fair housing, foreclosure prevention, emergency rental assistance, transitional housing and services for persons with disabilities.
Acquisition and Rehabilitation of Units with Non-profit Entities	seek opportunities for acquisition and rehabilitation of existing substandard single-family or multi-family units, particularly in conjunction with a non-profit entity.	2009-2014	Late in 2012 the South County Collaborative, an organization of nonprofit agencies and city representatives, agreed to set up a task force to meet in 2013 to explore opportunities for housing for extremely low income people, as these are the clients that most of these agencies serve. Also involved were members of the South County Homeless Outreach Task Force
3. Preservation and Conservation of Existing Housing Stock	Ensure long-term affordability of existing below market rate housing units.provide	2009-2014	In 2012 Annual contact was made to the Department of Housing and Urban Development (HUD) regarding status of HUD subsidized properties, and none

	for regular monitoring of deed-restricted units that have the potential of converting to market rate.		were found to be at risk of converting to market rates. Three properties that had received City funding for rehabilitation were monitored and also found to be not at risk. Reduced CDBG and Housing Trust Fund revenues did not allow for setting any funds aside for a preservation strategy, but fortunately this funding was not required in 2012.
Resale Control on Owner-Occupied B M R Units	implement resale controls on owner-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	annually 2009-2014	In 2012 annual contact was made through a mailpiece to all BMR owner-occupied units.
Rent and Income Restrictions on Rental BMR Units	implement rent and income restrictions on rental Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	2009-2014 annually	In 2012 Annual contact was made to the owners of these properties
: Review of Existing Regulations and Policies for Residential Historical Units	to consult with the Historic Heritage Committee, and review the appropriateness and applicability of existing regulations and policies that further encourage the preservation and enhancement of historic resources in the City.	2009-2014 ongoing	Ongoing dialogue with the committee that oversees Historic residential uses in the city
Increase access to decent and suitable housing for all Gilroy residents.	Promote homeownership opportunities by pursuing potential sources of additional funding for homeownership assistance from local and state sources.	2009-2014 ongoing	Application made in 2012 for CalHome funding for downpayment assistance for low income households. In 2012 City requested an extension for BEGIN downpayment assistance funds for a new housing development that was scheduled to expire in 2013, received one year extension for funds to 2014
Funding Sources for the City of Gilroy Housing Trust Fund	use the Housing Trust Fund to support affordable housing opportunities, seeking funds from public and private sources to implement or supplement the City's housing programs	ongoing 2009-2014	Ongoing process to identify additional funds for the City's HTFund
Expedited Project Review of Affordable Housing Developments	review development standards, processes and requirements and revise project review, processing and building plan check, as appropriate to ensure they are not a constraint to the development of housing	ongoing 2009-2014	Expedited review Process Available in 2012

Review and Revise Development Fees	review required development fees including in-lieu fees, development impact fees and processing fees and revise, as appropriate, with the aim of reducing constraints for the development of residential projects.	2012	In 2012 public facilities impact fees were reduced by Engineering department
Amend Density Bonus Ordinance	the City shall review and revise the existing Density Bonus Ordinance, to be in compliance with the requirements of SB 1818, AB 2280 and Federal and State Fair Housing Law	June 2013	In 2012 Review and revision in progress
Affordable Housing through Neighborhood Districts	City to review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance	ongoing 2009-2014	In 2012 no progress was made on the program
review the Residential Development Ordinance (RDO)	review and revise the RDO to ensure that it does not pose a constraint on the maintenance, improvement and development of housing	June 2012	In 2012 began work on RDO interim exemption ordinance that facilitated infill development
Water and Sewer Service Priority Policy	City's Policy to be reviewed every five years starting in 2011 to ensure future affordable projects will receive service priority.	start June 2011	2011-12 Treatment plan capacity increased- ample water service availability
Consider Adoption of Inclusionary Zoning Ordinance	City to consider adoption and implementation of an inclusionary zoning ordinance, which proposes a 20 percent affordable housing requirement for all new residential developments of 10 or more units.	2009-2014	Policy currently on Hold per the city council
Section 8 Referrals provided by City	City to provide Section 8 referrals to city residents to County Housing authority who administers the program	2009-2014	Ongoing program
Provide housing opportunities for Special Needs groups	Compliance with SB-2 the City will analyze and revise the existing Zoning Ordinance to allow for emergency	due in 2013	Provide at least one zoning category in which emergency shelters can be located without discretionary approvals- under review 2012. See that the provisions of the Housing Accountability Act are enforced and

	shelters, transitional housing and supportive services to homeless individuals and families		prohibit the denial of emergency shelter/transitional supportive housing facility-under review 2012. Evaluate development standards and regulatory provisions to ensure that standards encourage rather than discourage development. Development standards task force reviewing in 2012. Amend Zoning Code to allow transitional supportive housing as a residential use-need to remove current policy and replace with new policy
Zoning to Encourage and Facilitate Single-Room Occupancy Units	revise the Zoning Code to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	June 2013	No action in 2012
Housing for Large Families	review and revise the Zoning Code to incorporate appropriate regulatory incentives, financial incentives and other policies that encourage the development of rental housing units with 3 or more bedrooms to accommodate the needs of large families. Support development of affordable projects for large families.	June 2013	In 2012 the public facilities impact fees were reduced for rental projects
Housing for Persons with Disabilities	comply with federal and State housing laws through the implementation of its reasonable accommodation procedures and review city policies to ensure they do not provide a constraint on housing for persons with disabilities	2009-2014	In 2012 Zoning code reviewed, certified CASP inspection in place, accessible grants provided with CDBG funds
Development of Housing for Seniors	encourage senior housing, including residential care facilities, to locate in or near residential neighborhoods that are convenient to public transit and within walking distance of shopping and restaurants.consider areas for new senior housing development, and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing for seniors	review zoning code 2013	Reduced public impact fees in 2012. Senior and Affordable Senior RDO exemption policy is ongoing for applicants to encourage the development of projects.
Development of Housing for Extremely Low-Income (ELI)	review and incorporate appropriate regulatory incentives, financial incentives and other policies that encourage the development of housing units for	review zone code by June 2013	In 2012 Extremely Low Income (ELI) Housing task Force of the South County Collaborative was created and began meeting regularly in 2013. Focus of task force is on identifying monthly rentals for \$300-400 in the City and funding for case management for the households

	households earning 30 percent or less of the median family income for Santa Clara County		
Development and Conservation of Housing for Farm	partner with the Santa Clara County Housing Authority and various non-profit organizations to explore and implement ways of providing affordable farm worker housing. assist with requests by developers for state and federal funding (USDA) for development of multi-family housing within city limits	2009-2014	No activity in 2012 or requests from developers
Consistency with the Employee Housing Act	update the Zoning Code to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right,	zone code by June 2013	No action taken in 2012
Review Reasonable Accommodation Procedures	City to review the Reasonable Accommodation Procedures, specifically requirements of ¿Potential Benefit¿ and ¿Potential Impact,¿ and revise, as appropriate,	zone code by June 2013	No action taken in 2012
Promote fair housing standards	provide funds to and contract with Project Sentinel or a comparable agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and amelioration or removal of identified impediments.	ongoing 2009-2014	Ongoing contract with non profit to provide counseling, assistance and removal of identified impediments.
Increase awareness of and participation in housing programs	Promote partnerships in the production of various housing types with participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	2009-2014	Ongoing collaboration and outreach county wide in this program in 2012
Collaboration with Development Community	establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and	2009-2014	Ongoing program in 2012

	collaborative approaches to affordable housing development. Utilize the Housing advisory Committee to to address issues and provide outreach to the community		
Consolidate and disseminate housing related information	City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy. The outreach strategy will consider various methods of delivery to the community	2009-2014	In 2012 utilizing web based media outreach to advertise community meetings, homebuyer education classes, and new BMR development outreach on City Facebook page, City website and using community links.
Annual Review of Housing Element	the City will conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects.	annually	Report for 2012 being submitted by June 2013

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### **General Comments:**

On April 24, 2013 the City of Gilroy was notified that the 4th cycle, 2009-2014 Adopted Housing element was found to be in compliance with State Housing Element Law. The city had just completed Action 1-2.2 rezoning of acreage to address the unaccommodated need from the prior planning period, that was necessary in order to have the Housing Element considered in compliance