

**RESOLUTION NO. 16-127**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MORGAN HILL 2035 GENERAL PLAN AND RESIDENTIAL DEVELOPMENT CONTROL SYSTEM UPDATE AS CONSISTENT WITH THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS REGARDING ENVIRONMENTAL IMPACTS AND A RELATED MITIGATION MONITORING AND REPORTING PROGRAM**

**WHEREAS**, an Environmental Impact Report (EIR) (SCH Number 2015022074) was prepared for the Morgan Hill 2035 General Plan and Residential Development Control System Update Project in accordance with the California Environmental Quality Act (CEQA). A Notice of Preparation (NOP) was circulated between February 23, 2015 and March 25, 2015 to receive comments regarding the scope and content of the EIR. A public scoping meeting was held on March 12, 2015 to receive oral comments on the NOP. The Draft EIR was circulated between January 13, 2016 and March 14, 2016. A public hearing was held before the Planning Commission on February 23, 2016 to receive oral comments on the Draft EIR.; and

**WHEREAS**, the City of Morgan Hill received comments on the Draft EIR by 13 individuals / organizations. Responses to those comments and minor changes to the Draft EIR were included in a Final EIR document in accordance with the requirements of CEQA; and

**WHEREAS**, the information contained in the Final EIR, consisting of the Draft EIR document in combination with the Final EIR document, was reviewed and considered by the Planning Commission at a duly-noticed Planning Commission public hearing held on June 14, 2016; and the Planning Commission took action to recommend to the City Council that the Final EIR be certified as being found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act; and

**WHEREAS**, the Environmental Impact Report concluded that implementation of the Project could result in a number of significant effects on the environment and identified mitigation measures that would mitigate some but not all of those significant effects to a less-than-significant level; and

**WHEREAS**, in connection with the approval of a project involving the preparation of an Environmental Impact Report that identifies one or more significant environmental effects, CEQA requires the decision-making body of the lead agency to incorporate feasible mitigation measures that would reduce those significant environmental effects to a less-than-significant level and/or adopt a Findings of Fact and Statement of Overriding Considerations; and

**WHEREAS**, whenever a lead agency approves a project requiring the implementation of measures to mitigate or avoid significant effects on the environment, CEQA also requires a lead

agency to adopt a mitigation monitoring and reporting program to ensure compliance with the mitigation measures during project implementation, and such a mitigation monitoring and reporting program has been prepared for the Project for consideration by the decision-maker of the City of Morgan Hill as lead agency for the Project (the "Mitigation Monitoring and Reporting Program"); and

**WHEREAS**, the City of Morgan Hill is the lead agency on the Project, and the City Council is the decision-making body for the proposed approval to construct and otherwise undertake the Project; and

**WHEREAS**, the City Council has reviewed and considered the Environmental Impact Report, incorporating any Addenda, and related Finding of Fact and Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Project and intends to take actions on the Project in compliance with CEQA, and state and local guidelines implementing CEQA; and

**WHEREAS**, the Environmental Impact Report, incorporating any Addenda, and the related Findings of Fact and Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Project are, by this reference, incorporated into this Resolution as if fully set forth herein; and

**WHEREAS**, the Environmental Impact Report, incorporating any Addenda, and related Findings of Fact and Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program for the Project are on file in the Community Development Department located at 17575 Peak Avenue, Morgan Hill, California, 95037, and are available for inspection by any interested person at that location.

**NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:**

**SECTION 1: FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL REGARDING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MORGAN HILL 2035 GENERAL PLAN AND RESIDENTIAL DEVELOPMENT CONTROL SYSTEM UPDATE PROJECT:** The City Council hereby finds, determines and declares the findings and facts and statement of overriding considerations as set forth in the attached Exhibit "A" by this reference are incorporated herein.

**SECTION 2: CERTIFICATION OF FINAL EIR:** The City Council hereby certifies that the Final EIR has been completed in compliance with CEQA; that the Final EIR was presented and the Council has reviewed and considered the information prior to approving the project; and the Final EIR reflects the independent judgment and analysis of the City of Morgan Hill, as lead agency.

**PASSED AND ADOPTED** by the City Council of Morgan Hill at a Regular Meeting held on the 27<sup>th</sup> day of July, 2016 by the following vote:

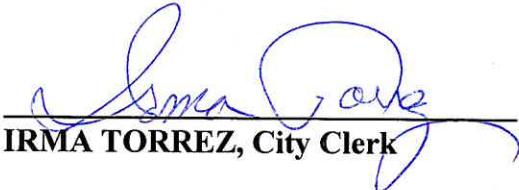
**AYES:** **COUNCIL MEMBERS:** Rich Constantine, Larry Carr, Marilyn Librers, Gordon Siebert, Steve Tate  
**NOES:** **COUNCIL MEMBERS:** None  
**ABSTAIN:** **COUNCIL MEMBERS:** None  
**ABSENT:** **COUNCIL MEMBERS:** None



STEVE TATE, Mayor

DATE: 7/28/2016

**ATTEST:**



IRMA TORREZ, City Clerk

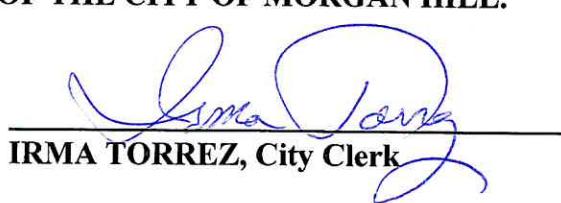
DATE: 7/28/2016

☒ CERTIFICATION ☒

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.16-127, adopted by the City Council at the meeting held on July 27, 2016.

**WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.**

DATE: 7/28/2016



IRMA TORREZ, City Clerk

**EXHIBIT "A"**

**FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS  
BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL REGARDING THE  
FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MORGAN HILL 2035  
GENERAL PLAN AND RESIDENTIAL DEVELOPMENT CONTROL SYSTEM  
UPDATE**

This document presents findings in accordance with Sections 15091 and 15093 of the California Environmental Quality Act ("CEQA") Guidelines and Section 21081 of the Public Resources Code. Under CEQA, the City of Morgan Hill ("the City") must prepare written findings of fact for each potentially significant adverse environmental effect identified in a final environmental impact report and explain whether the project has been changed to avoid or substantially reduce the magnitude of the impact. The findings must describe specific reasons for rejecting identified mitigation measures and project alternatives. CEQA also requires that the City identifies when the responsibility for avoiding or reducing a significant environmental effect belongs to another agency. In some cases, the City can make a Statement of Overriding Considerations when specific economic, legal, social, technological, or other considerations are identified that make avoidance or reduction of the significant environmental effects infeasible.

According to Section 21081 of the California Public Resources Code, no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

- (A) The public agency makes one or more of the following findings with respect to each significant effect:
  - (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
  - (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
  - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR
- (B) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (A), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

These Findings concern the Final Environmental Impact Report (EIR), prepared by the City, entitled "Morgan Hill 2035 Final EIR." This document was prepared to satisfy the City's responsibilities under CEQA.

The City Council hereby finds, determines and declares as follows:

## **I. BACKGROUND**

### **A. Project Description**

The proposed Project evaluated in the Morgan Hill 2035 Draft EIR is the adoption and implementation of the proposed General Plan and proposed Residential Development Control System (RDCS). The proposed General Plan includes land use, urban design, circulation, public services, natural resources, and safety goals, policies, and actions to guide investment and development in the Project Area over the next 20 years. The proposed RDCS would regulate population growth through the provision of residential building allotments on a yearly or bi-annual basis.

### **Major Changes from the Existing General Plan**

The General Plan Update proposes changes to the land use designations and policies from the existing General Plan land use map. This section describes the major changes. This section is provided for informational purposes only. This EIR does not evaluate the changes in the General Plan relative to the existing General Plan, but rather evaluates the impacts of the proposed General Plan relative to existing conditions, as required by CEQA Guidelines Section 15126.2.

For most of Morgan Hill, including single-family residential neighborhoods and the Downtown area, the current land use designations established by the 2001 General Plan, will remain unchanged. The primary locations where land use designations would change from the existing General Plan are within "opportunity sites," a term developed through the land use alternatives process for the General Plan Update. While the Downtown area is listed as one of the opportunity sites, the land use designations remain the same as established in the Downtown Specific Plan, adopted in 2009. In addition, new land use designations have been created and assigned to parcels that these new designations suit better than current designations. Several parcels on which existing parks are located or that have been dedicated as open space have been redesignated to Open Space from residential land use designations so that the designations accurately reflect actual uses. Figure 3-4 of the Draft EIR shows the proposed General Plan Land Use Map, which also identifies parcels of which land use designations would be changed.

In addition to the changes to the General Plan land use map, the Draft General Plan includes new policies to support the revised land use map and to reflect community input provided

throughout the process. Many policies from the prior General Plan were carried forward. In addition, a number of other policies were included in order to respond to specific environmental concerns and avoid common environmental impacts associated with new development under the General Plan.

### Major Changes from the Existing RDCS

The EIR analyzes a proposed RDCS that would include the components listed below. It should be noted that subsequent public discussions of the Draft RDCS in spring 2016 have further modified the provisions of the RDCS from what was analyzed in the Draft EIR published in January 2016. For example, the current Revised Draft RDCS, published in May 2016, considers a population limit of 59,000 in 2035 and replaces the Monterey Corridor set-aside with a set-aside for agricultural preservation. In each case, the changes to the Revised Draft RDCS would tend to lower the amount of allowed development and/or the allowed pace of development below the envelope that was analyzed in the Draft EIR.

- **Population Limit.** Changes population limit in Section 18.78.030 from 48,000 in 2020 to 64,600 in 2035. (Revised Public Review Draft RDCS Section 18.78.040)
- **Number of Allotments.** Replaces existing formula for calculating number of available allotments (Section 18.78.030) with a set number. (Revised Public Review Draft RDCS Section 18.78.110A)
- **Adjustments to Available Allotments.** Number of allotments may be reduced with Council finding that public services and infrastructure will be inadequate to serve new development, replacing requirement for the Council to declare an emergency situation (18.78.140). Adds new ability to allow Council to increase number of available allotments to accommodate proposed new development of exceptional merit. (Revised Public Review Draft RDCS Section 18.78.110B)
- **Set-Asides.** Except for Downtown Set-Asides, details of the types of set asides and number of set aside allotments (18.78.040.C and E) are removed. Specifically authorizes a new type of set-aside for Monterey Corridor and agricultural preservation. (Revised Public Review Draft RDCS Section 18.78.060A)
- **Downtown Set-Asides.** Consolidates two Downtown exemption provisions (Measure F and Measure A) into a single Downtown Set-Aside. Single Downtown Set-Aside applies to Downtown Specific Plan boundaries. (Revised Public Review Draft RDCS Section 18.78.060D)

- **Single-Family Homes.** Allows for less than 30 percent of allotments to go to single-family homes provided that overall 70/30 split is maintained.
- **Competition for Allotments.** Adds new requirement to award points only for projects with excellent design or that provides a community benefit that exceeds minimum requirements of the City or other governmental agency. Details of competition rules and procedures are removed from voter approved measure. Eliminates “Part 1” competition points. (Revised Public Review Draft RDCS Section 18.78.080)
- **Establishment of Competition Criteria.** Point values for categories of standards removed from voter approved portion. Specific competition standards and their point values are removed from the ordinance. Specifically limits the frequency by which competition standards and point values may be adjusted. (Revised Public Review Draft RDCS Section 18.78.090)
- **Competition Criteria Categories.** Design-related categories listed in 18.78.120 are addressed in new “project quality” category. Points available under each goal removed from ordinance. (Revised Public Review Draft RDCS Section 18.78.100)
- **Exemptions.** Adds exemption for assisted living/nursing homes, and the conversion of an existing single-family home into a duplex. (Revised Public Review Draft RDCS Section 18.78.050C)
- **Pre-Application Review.** Existing RDCS (18.78.184) calls for a voluntary preliminary review process. New RDCS makes this review mandatory; focuses review on overall project quality and consistency with City goals, policies, and regulations; specifies submittal requirements; specifies staff involvement; and strengthens connection of review to award of allotments. (Revised Public Review Draft RDCS Section 18.78.120B)
- **RDCS Procedures.** Removes from voter approved portion details on application submittal and review, project scoring, and award of allotments.
- **Urban Service Area Boundaries.** Allotments would only be approved for projects located within the City’s Urban Service Area. (Revised Public Review Draft RDCS Section 18.78.070)
- **Project Phasing.** Allotments may be distributed to a single project over a period of one to five years. (Revised Public Review Draft RDCS Section 18.78.140)

- **Expiration of Allotments.** Allotments must be exercised by a date specified in the Development Agreement, as opposed to the end of the fiscal year. An allotment is considered exercised with the approval of a final map, issuance of a grading permit, or the commencement of construction if no final map or grading permit is required. Currently allotment is considered exercised with commencement of construction. (Revised Public Review Draft RDCS Section 18.78.160)
- **Extensions.** Adds options for a one-time extension to be approved at staff level – currently all extensions must be approved by Council (18.78.125.G). Staff may approve extensions only when approval of permits are delayed due to circumstances outside applicants control – currently basis for granting an exception is defined more broadly (18.78.125.G). (Revised Public Review Draft RDCS Section 18.78.170)

## **B. Project Objectives**

### **General Plan Project Objectives**

1. Provide a mix of housing types and sizes, including universal design concepts, while maintaining the 70 percent single-family to 30 percent multi-family housing ratio.
1. Offer and improve services, amenities, educational opportunities, and improvements that encourage an active, healthy lifestyle.
2. Regulate development through a clear, fair, flexible, and streamlined growth management system.
3. Preserve viable agricultural land, important habitat areas, and recreational open space.
4. Support and connect all modes of transportation.
5. Support a diverse local economy and an expanded tax base by preserving our existing job-generating land.
6. Provide high-quality internet connectivity.
7. Protect environmental resources for future generations.
8. Require high-quality design in all development.
9. Allow some residential growth on undeveloped land to fill in the gaps in our boundaries.
10. Focus more intensive, mixed-use development in and near downtown.
11. Transform Monterey Road into a mixed-use corridor.
12. Provide open space in new developments.

### **RDCS Project Objectives**

The purpose of the RDCS is to establish a limit on the amount and rate of residential growth in Morgan Hill through 2035. The RDCS aims to encourage high quality residential development that enhances residents' quality of life and to ensure that new residential development does not adversely impact the level of public services and infrastructure for current and future residents. The RDCS promotes a diverse stock of high quality housing to meet the full range of housing needs within the community and encourages new residential development to contribute community benefits that enhance the public health, safety, and welfare. Overall, the RDCS promotes an orderly, efficient, and sustainable residential development pattern and provides certainty to residents that residential development patterns will reflect local goals and values.

## **C. THE FINAL EIR**

1. The City as lead agency for the Project has caused to be prepared a Final EIR for the proposed Project, based on the requirements of the California Environmental Quality Act (Public Resources Code §§ 21000-211177) and the CEQA Guidelines (Sections 15000-15387, Administrative Code, Title 14, Chapter 3). Pursuant to state CEQA Guidelines Section 15132, the Final EIR (EIR) consists of the following documents and materials: The "Morgan Hill 2035 Draft EIR, issued on January 13, 2016; and the "Morgan Hill 2035 Final EIR", issued on May 31, 2016, which includes the comments on the Draft EIR and the City's responses thereto, as well as certain revisions to the text of the Draft EIR.
2. Copies of the Final EIR are on file at the Morgan Hill Library and at the Community Development Department counter, and, along with the planning and other City records, minutes and files constituting the record of proceedings, are incorporated herein by this reference. The City Council designates the City Clerk of the City of Morgan Hill, 17555 Peak Avenue, Morgan Hill, CA 95037, as the custodian of documents and record of proceedings on which the decision was based. Since the text of the Draft EIR was revised in certain aspects in the Final EIR, references in these Findings to specific pages of the EIR will be to the starting page of the Draft EIR where the topic is addressed, with the revisions in the Final EIR assumed by such references.
3. A Notice of Preparation of the EIR was sent on February 23, 2015 to responsible agencies and the State Clearinghouse in the Office of Planning and Research, requesting comments on the scope and content of the EIR, and comments were received from the California Department of Transportation, and the Santa Clara Valley Transportation Authority.
4. The Draft EIR was circulated for a 60-day public review and comment period, which exceeded the CEQA-required minimum 45-day comment period, on January 13, 2016 through March 14, 2016.
5. The Final EIR issued on May 31, 2016 contains the responses to the public and agency comments received regarding the Draft EIR, and reflects revisions to the Draft EIR in

response to those comments. Chapter 3, Revisions to the Draft EIR, of the Final EIR shows where portions of the Draft EIR were modified. Double-underline text represents language that has been added to the EIR; text with ~~strikethrough~~ has been deleted from the EIR.

6. On June 14, 2016, the City of Morgan Hill Planning Commission conducted a duly-noticed public hearing for the purpose of reviewing and considering the information contained in the Final EIR, and for developing its recommendation to the City Council regarding the proposed Project and certification of the Final EIR. The Planning Commission recommended certification of the Final EIR.

7. On July 27, 2016, the City Council conducted a duly-noticed public hearing for the purpose of reviewing and considering the information contained in the EIR and the administrative record, and for the purpose of considering the proposed Project.

8. When it adopts a Resolution approving the Project, the City Council will also approve the Mitigation Monitoring and Reporting Program (MMRP), included as Chapter 6, Mitigation Monitoring and Reporting Program, of the Final EIR, pursuant to Public Resources Code Section 21081.6. The MMRP is designed to ensure the implementation of mitigation measures identified as part of the environmental review for the Project.

9. The City Council has reviewed and considered the information contained in the Final EIR and record of proceedings, including, but not limited to, staff reports, oral and written comments given at public hearings on the proposed Project or otherwise received by the City, the responses thereto contained in the Final EIR, the additional information presented to the Planning Commission and its recommendations, and the final revisions to the proposed Plan as reflected in the June 2016 Revised Draft Morgan Hill General Plan 2035 and Revised Draft Residential Development Control System Update, and the final versions of the resolution and ordinance presented for adoption in order to achieve the proposed Project. All other matters deemed material and relevant have also been considered by the City Council before considering the proposed Project for approval. The Final EIR reflects the independent judgment of the City.

## **II. SIGNIFICANT IMPACTS WHICH CAN BE MITIGATED TO A LESS THAN SIGNIFICANT LEVEL**

**A. General Findings.** The proposed Project was considered to have potentially significant impacts on Agriculture and Forestry Resources, Air Quality, Greenhouse Gas Emissions, Noise, and Transportation and Traffic. While several of the potentially significant impacts were able to be reduced to a less-than-significant level with mitigation measures that would be required by subsequent projects, some of the impacts were also considered significant and unavoidable. The City Council finds that, in response to each significant effect identified in the EIR and listed in this Section II, all feasible changes or alterations have been required in,

or incorporated into, the Project which avoid or substantially lessen these environmental effects, except for the identified Agriculture and Forestry Resources, Air Quality, Greenhouse Gas Emissions, Noise, and Transportation and Traffic impacts (for which a Statement of Overriding Considerations is made in Section V below). With implementation of the proposed mitigation measures described in the Final EIR and MMRP, and presented below, the proposed Project is determined to have less-than-significant impacts on these resources. Except as noted above, all of these mitigation measures shall be deemed adopted as part of the City Council's approval of the Project and certification of the Final EIR.

**B. Findings for Each Potentially Significant Impact.** The City Council hereby makes the following findings for each potentially significant impact of the proposed Project that can be reduced to a less than-significant level, as presented below.

**1. Impact AQ-4:** Implementation of the proposed General Plan would expose sensitive receptors to substantial concentrations of air pollution.

**MM AQ-4a:** Applicants for future non-residential land uses within the City that: 1) have the potential to generate 100 or more diesel truck trips per day or have 40 or more trucks with operating diesel-powered TRUs, and 2) are within 1,000 feet of a sensitive land use (e.g., residential, schools, hospitals, nursing homes), as measured from the property line of the proposed Project to the property line of the nearest sensitive use, shall submit a health risk assessment (HRA) to the City of Morgan Hill prior to future discretionary Project approval. The HRA shall be prepared in accordance with policies and procedures of the State Office of Environmental Health Hazard Assessment and the Bay Area Air Quality Management District. If the HRA shows that the incremental cancer risk exceeds ten in one million (10E-06), PM<sub>2.5</sub> concentrations exceed 0.3 µg/m<sup>3</sup>, or the appropriate non-cancer hazard index exceeds 1.0, the applicant will be required to identify and demonstrate that mitigation measures are capable of reducing potential cancer and non-cancer risks to an acceptable level, including appropriate enforcement mechanisms. Mitigation measures may include but are not limited to:

- Restricting idling on-site beyond Air Toxic Control Measures idling restrictions, as feasible.
- Electrifying warehousing docks.
- Requiring use of newer equipment and/or vehicles.
- Restricting off-site truck travel through the creation of truck routes.

Mitigation measures identified in the project-specific HRA shall be identified as mitigation measures in the environmental document and/or incorporated into the site development plan as a component of the proposed project. (**Less Than Significant Impact**)

**MM AQ-4b:** Applicants for residential and other sensitive land use projects (e.g., hospitals, nursing homes, day care centers) in Morgan Hill within 1,000 feet of a major sources of TACs (e.g., warehouses, industrial areas, freeways, and roadways with traffic volumes over 10,000 vehicle per day), as measured from the property line of the a project to the property line of the source/edge of the nearest travel lane, shall submit a health risk assessment (HRA) to the City of Morgan Hill prior to future discretionary Project approval. The HRA shall be prepared in accordance with policies and procedures of the State Office of Environmental Health Hazard

Assessment (OEHHA) and the Bay Area Air Quality Management District. The latest OEHHA guidelines shall be used for the analysis, including age sensitivity factors, breathing rates, and body weights appropriate for children ages 0 to 16 years. If the HRA shows that the incremental cancer risk exceeds ten in one million (10E-06), PM<sub>2.5</sub> concentrations exceed 0.3 µg/m<sup>3</sup>, or the appropriate non-cancer hazard index exceeds 1.0, the applicant will be required to identify and demonstrate that mitigation measures are capable of reducing potential cancer and non-cancer risks to an acceptable level (i.e., below ten in one million or a hazard index of 1.0), including appropriate enforcement mechanisms. Measures to reduce risk may include but are not limited to:

- Air intakes located away from high volume roadways and/or truck loading zones.
- Heating, ventilation, and air conditioning systems of the buildings provided with appropriately sized maximum efficiency rating value (MERV) filters.

Mitigation measures identified in the HRA shall be included as mitigation measures in the environmental document and/or incorporated into the site development plan as a component of the proposed Project. The air intake design and MERV filter requirements shall be noted and/or reflected on all building plans submitted to the City and shall be verified by the City's Community Development Department. **(Less Than Significant Impact)**

**2. Impact TRAF-1A:** The intersection of Monterey Road and Central Avenue (Intersection #10) would degrade to LOS F during the AM peak hour.

**MM TRAF-1A:** The City of Morgan Hill shall install a signal at the intersection of Monterey Road and Central Avenue or install a different, equally effective measure to reduce delays at the intersection. **(Less Than Significant Impact)**

**3. Impact TRAF-1B:** The intersection of Tennant Avenue and Murphy Avenue (Intersection #10) would degrade to LOS F during the AM peak hour.

**MM TRAF-1B:** The City of Morgan Hill shall install a signal at the intersection of Tennant Avenue and Murphy Avenue or install a different, equally effective measure to reduce delays at the intersection. **(Less Than Significant Impact)**

### **III. SIGNIFICANT IMPACTS WHICH CANNOT BE FULLY MITIGATED TO A LESS THAN SIGNIFICANT LEVEL**

**A. Findings for Each Potentially Significant Impact Which Cannot Be Reduced to a Less Than Significant Level.** The City Council hereby makes the following findings under this paragraph A for each potentially significant impact of the proposed Project that cannot be reduced to a less-than-significant level, as presented below. For some impacts, mitigation measures and avoidance measures will reduce impacts, and the measures will be incorporated into the Project and required of subsequent projects, however it cannot be determined that incorporation of such measures will reduce each of the impacts to a less

than-significant level, and therefore the impacts are considered to remain significant and unavoidable, as explained in each of the findings below. All of these mitigation measures shall be deemed adopted as part of the City Council's approval of the Project and certification of the Final EIR.

**1. Impact AG-1:** Implementation of the proposed Project would convert Prime Farmland, Unique Farmland, or Farmland of statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use. **(Significant and Unavoidable Impact)**

**Finding:** Policies within the City and Neighborhood Form Element have been incorporated into the General Plan to avoid or substantially lessen the significant environmental effect of converting agricultural land to non-agricultural uses. In addition, the General Plan maintains the Urban Growth Boundary to provide a limit to urban development, and the City has adopted an Agricultural Lands Preservation Program and an associated Agricultural Mitigation Ordinance. The California Department of Conservation has identified four categories of farmland, including Prime Farmland, Farmland of Statewide Importance, Unique Farmland, and Farmland of Local Importance, as being considered valuable and any conversion of land within these categories is considered an adverse impact. While local jurisdictions may identify other categories of farmland, such farmland would not be protected under the Farmland Mapping & Monitoring Program (FMMP) standards. Since grazing land has not been identified as important by the Department of Conservation, the City of Morgan Hill, in its role as Lead Agency, has determined that impacts to grazing land are not significant and do not require mitigation. Although mitigation measures were considered, such as preserving agricultural uses in the Project Area by designating agricultural lands as open space or for agricultural uses only, replacement of agricultural resources by replacing lost agricultural uses to other areas of the City, and relocation of prime agricultural top soil to other areas, these mitigations would not avoid the impact to agricultural lands and would increase other environmental impacts such as air quality, noise, and traffic congestion through increased truck trips, and are found to be infeasible. The only way to fully avoid the agricultural impact of the proposed General Plan is to not allow development on state-designated farmland, thereby eliminating the agricultural impact. Possible forms of mitigation for, or avoidance of, conservation of agricultural lands in the Project Area would be infeasible and inconsistent with City planning goals and objectives, including providing a mix of housing types and sizes, offering and improving services and amenities, supporting a diverse local economy and an expanded tax base, and allowing residential growth on undeveloped land to fill in gaps in the City's boundaries. CEQA does not require that the project be changed in order to avoid an impact, and no additional mitigation is available; therefore, there are no feasible mitigation measures.

**2. Impact AG-2:** Implementation of the proposed Project would conflict with existing zoning for agricultural use, or a Williamson Act contract. **(Significant and Unavoidable Impact)**

**Finding:** There is one parcel within the Project Area that is under a Williamson Act contract and would be given a land use designation in the proposed General Plan that would conflict with agriculture. This parcel has an area of 16 acres and is located in the southwestern portion of the

Project Area, on Olive Avenue outside of the City limits. The proposed General Plan would designate this parcel as Residential Detached Medium, consistent with its existing General Plan designation. This parcel is outside of the Morgan Hill City limit and therefore would not be developed under the proposed General Plan until annexed into the City. Upon annexation, the proposed General Plan land use designation would apply, and would conflict with the Williamson Act contract.

Mitigation for this impact was considered, including the placement of other farmland under Williamson Act contract. Even if feasible, the placing of alternative farmland under Williamson Act contract, would establish a commitment to retain that alternative farmland for agricultural use. The length of time that that alternative land will remain in agricultural use would be dependent upon the terms of the Williamson Act contract. However, the Williamson Act contract will only reduce the potential that the alternative land will convert to non-agricultural use. The individual and cumulative loss of agricultural land caused by the proposed General Plan would still occur. CEQA does not require that the project be changed in order to avoid an impact, and no additional mitigation is available; therefore, there are no feasible mitigation measures.

**3. Impact AG-6:** Implementation of the proposed Project would contribute to cumulative impacts to agriculture resources in the area. (**Significant and Unavoidable Cumulative Impact**)

**Finding:** As noted above, the General Plan includes the Urban Growth Boundary to provide a limit to urban development, policies in the City and Neighborhood Form Element to reduce impacts on agriculture, and an adopted Agricultural Lands Preservation Program and an associated Agricultural Mitigation Ordinance. However, implementation of the proposed Project would result in significant impacts related to the conversion of farmland of concern under CEQA and Williamson Act properties. As such, the proposed Project would contribute to the cumulative impact described in the Santa Clara County General Plan. Although the policies and actions in the proposed General Plan would reduce and partially offset regional agricultural impacts, as well as consideration of mitigation measures to preserve agricultural lands, the only way to fully avoid the agricultural impact of the proposed General Plan is to not allow development on state-designated farmland, thereby eliminating the agricultural impact. However, this would be infeasible and inconsistent with City planning goals and objectives. Further, the amount of growth foreseen in the region and the decisions of Santa Clara County and other surrounding counties regarding conversion of agricultural land are outside the control of Morgan Hill.

**4. Impact AQ-2:** Implementation of the proposed General Plan would violate an air quality standard or contribute substantially to an existing or projected air quality violation. (**Significant and Unavoidable Impact**)

**Finding:** The air quality policies that would be adopted under the proposed Project and implementation of Mitigation Measures AQ-2a-1, AQ-2a-2, and AQ-2b, could reduce construction- and operation-related air quality impacts to a less-than-significant level; however, over the 20-year horizon of the proposed General Plan, many individual projects would be constructed in the City. It is not possible to predict the specific characteristics of the construction and operation of those projects and accurately model their individual emissions, nor is that appropriate within the scope of this programmatic EIR. Further, the policies proposed as part of

the proposed General Plan would reduce criteria air pollutants, to the extent feasible, as part of this programmatic review of air quality impacts. Additional measures to reduce criteria air pollutant emissions would be considered during individual project-level review based on site-specific and project-specific characteristics to reduce significant impacts as applicable. Because those projects and measures cannot be known at this time, and due to the programmatic nature of the proposed General Plan, no additional mitigation measures are available that could be certain to reduce the emissions of each individual project to a less-than-significant level.

**5. Impact AQ-3:** Implementation of the proposed General Plan would result in a cumulatively considerable net increase of criteria pollutants for which the project region is in nonattainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors). **(Significant and Unavoidable Impact)**

**Finding:** The proposed General Plan includes policies and actions in the Natural Resources and Environment Element and the Transportation Element that would reduce criteria air pollutant emissions. Nevertheless, criteria air pollutant emissions generated by land uses allowed under the proposed Project could exceed the BAAQMD thresholds. Air quality impacts identified in the discussions of Impact AQ-2 of the Draft EIR constitute the proposed General Plan's contribution to cumulative air quality impacts in the Air Basin. Mitigation measures AQ-2a-1, AQ-2a-2, and AQ-2b, would reduce proposed General Plan-related emissions to the extent feasible; however, due to the programmatic nature of the proposed General Plan, no additional mitigation measures are available. Air pollutant emissions associated with the proposed General Plan would result in a cumulatively considerable contribution to air quality impacts.

**6. Impact AQ-6:** Implementation of the proposed General Plan would cumulatively contribute to air quality impacts in the San Francisco Bay Area Air Basin. **(Significant and Unavoidable Cumulative Impact)**

**Finding:** Criteria air pollutant emissions generated by land uses within the proposed Project could exceed the BAAQMD thresholds (see AQ-2). Air quality impacts identified in the discussions of Impact AQ-2 constitute the proposed General Plan's contribution to cumulative air quality impacts in the Air Basin. Mitigation measures AQ-2a-1, AQ-2a-2, and AQ-2b, would reduce proposed General Plan-related emissions to the extent feasible; however, due to the programmatic nature of the proposed General Plan, no additional mitigation measures are available. Air pollutant emissions associated with the proposed General Plan would result in a cumulatively considerable contribution to air quality impacts.

**7. Impact GHG-1:** Implementation of the proposed Project would directly or indirectly generate GHG emissions that may have a significant impact on the environment. **(Significant and Unavoidable Impact)**

**Finding:** Extensive policies have been incorporated into the City and Neighborhood Form Element, Transportation Element, Natural Resources and Environment Element, and Safety, Services and Infrastructure Element of the proposed General Plan to avoid or substantially lessen GHG emissions (Draft EIR pages 4.7-32 through 4.7-37). The City achieves the 2020 and 2035

GHG efficiency targets. The City has integrated the GHG reduction measures identified in the regional SV 2.0 effort in conjunction with the proposed General Plan to ensure that the City is on a trajectory to achieve the interim GHG reduction targets of Executive Orders B-30-15 and S-03-15. However, there are no additional feasible GHG reduction measures that would mitigate impacts for the long-term GHG emissions scenario. The majority of the post-2035 reductions needed to reach the 2050 target will likely come from state measures (e.g., additional vehicle emissions standards), but the City does not have authority over such measures. The state has not identified plans to reduce emissions beyond 2020. Despite inclusion of extensive policies to reduce GHG emissions in the proposed General Plan, additional statewide reductions are needed to achieve the long-term GHG reduction goals identified in Executive Order S-03-05.

**8. Impact GHG-3:** Implementation of the proposed Project would contribute to cumulative GHG impacts. **(Significant and Unavoidable Cumulative Impact)**

**Finding:** GHG emissions related to the proposed Project are not confined to a particular air basin but are dispersed worldwide. Therefore, the GHG analysis of impacts in Chapter 4.7, Greenhouse Gas Emissions, of the Draft EIR, also addresses cumulative impacts. While the policies of the proposed General Plan ensure substantial progress toward the long term-goals of Executive Order S-03-05, GHG impacts for consistency with the more aggressive 2050 targets are conservatively considered to be cumulatively considerable. The City has integrated the GHG reduction measures identified in the regional SV 2.0 effort in conjunction with the proposed General Plan to ensure that the City is on a trajectory to achieve the interim GHG reduction targets of Executive Orders B-30-15 and S-03-15. However, there are no additional feasible GHG reduction measures that would mitigate impacts for the long-term GHG emissions scenario.

**9. Impact NOISE-3:** Implementation of the proposed Project would result in a substantial permanent increase in ambient noise levels in the Project vicinity above levels existing without the Project. **(Significant and Unavoidable Impact)**

**Finding:** The proposed General Plan includes policies in the Safety, Services, and Infrastructure Element to reduce noise impacts. In addition, the City's Municipal Code provisions limit the generation and reception of excessive noise. However, as a result of development allowed under the proposed General Plan, in combination with regional growth outside of Morgan Hill, transportation-related noise would result in substantial permanent increases in ambient noise levels. Mitigation measures related to minimizing or avoiding permanent increases to ambient noise levels were considered to be infeasible because they were determined to be either economically impractical, scientifically unachievable, outside the City's jurisdiction, and/or inconsistent with City planning goals and objectives.

**10. Impact NOISE-5:** Implementation of the proposed Project, in combination with past, present, and reasonably foreseeable projects, would result in significant cumulative impacts with respect to noise. **(Significant and Unavoidable Cumulative Impact)**

**Finding:** As discussed above, implementation of the proposed Project could, in certain cases, reduce or prevent significant increases in ambient noise at sensitive land uses, the measures

described in these policies would not be universally feasible, and some of the most effective noise-attenuation measures, including sound walls and berms, would be infeasible or inappropriate in a majority of locations where sensitive land uses already exist. Therefore, even after the application of relevant, feasible regulations and General Plan policies, the impact to ambient noise levels would not be reduced to a less-than-significant level.

**11. Impact TRAF-2:** The freeway segments along US 101 through the City are currently operating at LOS F and each of the segments would continue to operate at LOS F and the addition of traffic that would result from implementation of the proposed General Plan would constitute more than 1 percent of freeway capacity under 2035 buildout conditions. **(Significant and Unavoidable Impact)**

**Finding:** Under projected 2035 conditions, all 45 roadway segments studied within Morgan Hill will function at level of service (LOS) D or better, so impacts of the proposed Project on local roadways would be less than significant. However, eight study freeway segments on Highway 101 are projected to operate at an unacceptable LOS F under 2035 conditions, including with the assumed addition of a fourth lane on Highway 101. Sub-standard LOS on Highway 101 are caused by future growth and land use patterns outside of Morgan Hill, including elsewhere in Santa Clara County and outside of Santa Clara County. Full mitigation of significant impacts on freeway segments would require freeway widening to construct five lanes through Morgan Hill, thereby increasing freeway capacity. Ultimately, the VTA and Caltrans are the responsible agencies for planning for and implementing improvements within the US 101 corridor. A fair share contribution from the City of Morgan Hill towards freeway improvement costs is an acceptable mitigation measure. However, the City of Morgan Hill does not have a funding strategy in place to contribute towards regional improvements. City representatives should work collaboratively with San Jose, Gilroy, Santa Clara County, counties to the south (Monterey, San Benito, and Merced Counties), the Valley Transportation Authority, and Caltrans to prepare and develop a funding strategy for South County roadway improvements. Payment of traffic impact fees or a fair share contribution is expected to fulfill the City's obligations for mitigating regional traffic impacts; however, unless other funding sources such a new regional impact fee, additional sales tax measures, contributions from other developers, or state funds are made available, feasible roadway improvements will not be implemented.

#### **IV. PROJECT ALTERNATIVES**

**A. Background.** CEQA requires that an EIR identify a reasonable range of alternatives to a project as it is proposed, including a "No Project" alternative. The CEQA Guidelines specify that the EIR should identify alternatives that "will feasibly attain most of the basic objectives of the project but will avoid or substantially lessen any of the significant effects of the project." The purpose of the alternatives analysis is to determine whether there are alternatives of design, scope or location that will substantially lessen the significant impacts, even if those alternatives "impede to some degree the attainment of the project objectives," or are more expensive. [Section 15126.6]

The range of alternatives selected for analysis is governed by the "rule of reason," which requires the EIR to discuss only those alternatives necessary to permit a reasoned choice. Although the alternatives do not have to meet every goal and objective set for the proposed project, they should "feasibly attain most of the basic objectives of the project." CEQA does not require that all possible alternatives be evaluated, only that "a range of feasible alternatives" be discussed to encourage both meaningful public participation and informed decision making. In selecting alternatives to be evaluated, consideration may be given to their potential for reducing significant unavoidable impacts, reducing significant impacts that are mitigated by the project to less than significant levels, and further reducing less than significant impacts.

Regarding feasibility of alternatives, CEQA and the CEQA Guidelines, and case law on the subject have found that feasibility can be based on a wide range of factors and influences. CEQA's general definition of feasibility is "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors." Among the factors that may be taken into account in considering the feasibility of an alternative are "... site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries ...and whether the proponent can reasonably acquire, control, or otherwise have access to the alternative site." [Section 15126.6(f)(1)]

Consideration of a "No Project" alternative is mandatory. Alternatives discussed in the EIR are listed and briefly discussed below. For comparative purposes, the objectives of the proposed Project are set forth in Section I.B. of these findings, and impacts of the proposed Project are described in Sections II and III above.

### **1. No Project Alternative**

Under the No Project Alternative, the proposed Project would not be adopted, and future development in the Project Area would continue to be subject to existing policies, regulations, development standards, and land use designations as per the City of Morgan Hill's adopted General Plan. Overall, the No Project Alternative would allow slightly less single-family and multi-family development than the proposed Project, and less mixed-use development, and would therefore result in less residential growth overall in comparison to the proposed Project as shown in Table 6-3 of the Draft EIR. The No Project Alternative would allow slightly more commercial and industrial growth, and would therefore result in more non-residential growth and more jobs. The No Project Alternative would designate less land as Open Space and slightly more land as Rural County, allowing low-density residential development. The current General Plan land use map, which represents the No Project Alternative, is shown in Figure 6-1 of the Draft EIR.

As explained in Chapter 3.0, Project Description, of the Draft EIR, since it is not possible to guarantee that voters will extend the existing RDCS, or approve an updated RDCS, this EIR assumes full buildout for residential development through the horizon year of 2035 in order to

analyze the most conservative scenario. Therefore, to ensure an “apples to apples” comparison, this analysis of the No Project Alternative is based on a consistent assumption that the existing RDGS continues in place until 2020, then sunsets.

### **Comparison of Environmental Impacts**

Overall, the No Project Alternative would allow slightly less single-family and multi-family development than the proposed Project, and less mixed-use development, and would therefore result in less residential growth overall in comparison to the proposed Project as shown in Table 6-3 of the Draft EIR. The No Project Alternative would allow slightly more commercial and industrial growth, and would therefore result in more non-residential growth and more jobs. The No Project Alternative would designate less land as Open Space and slightly more land as Rural County, allowing low-density residential development.

As described in Section 4.2, Agriculture and Forestry Resources, the Project Area contains 1,386 acres of Prime Farmland, 196 acres of Farmland of Statewide Importance, and 234 acres of Unique Farmland, and the proposed Project would designate approximately 1,125 acres of farmland of concern under CEQA for non-agricultural uses. The largest concentrations of land where conversion of farmland to development would be allowed by the proposed Project are located east of Highway 101 between Half Road and Diana Avenue, and in the southwestern portion of the City, west of Highway 101 and south of Tennant Avenue and Watsonville Road. The majority of these properties are outside of the City limit but within the SOI. Under the No Project Alternative, most of these areas would keep their current designations for residential and non-residential uses, so potential impacts would be the same.

The most significant differences between the proposed General Plan and the No Project Alternative designations are: the area of farmland of concern bounded by Main Street on the north and Diana Avenue on the south; a smaller area between Dunne Avenue and San Pedro Avenue, east of Highway 101; an area between Madrone Parkway and Burnett Avenue. In these locations, the No Project Alternative applies the Rural County designation to farmland of concern. The Rural County designation allows ongoing agricultural operations, as well as one single-family home per parcel and a minimum parcel size of 5 acres. The Rural County designation would allow a lower amount of single-family residential development, but would not eliminate the possibility of low-density residential development in this area, and would therefore potentially have similar impacts on the ongoing viability of agricultural uses on farmlands of concern.

Consequently, while the No Project Alternative would generally result in less overall development, it will not necessarily serve to reduce the potentially significant or significant and unavoidable impacts of the proposed Project, and in some cases will result in greater impacts given that the policies under the proposed Project, which serve to provide greater environmental protection, would not be adopted under the No Project Alternative. Therefore, the environmental impacts to Aesthetics; Agriculture and Forestry Resources; Air Quality; Biological Resources; Cultural Resources; Geology, Soils, and Seismicity; Greenhouse Gas Emissions; Hazards and Hazardous Materials; Hydrology and Water Quality; Land Use and

Planning; Noise; Population and Housing; Public Services and Recreation; Transportation and Traffic; and Utilities and Service Systems, will be similar or greater than the proposed Project.

### **Relationship to Project Objectives**

Overall, the No Project Alternative would meet many of the objectives of the proposed Project. However, the No Project Alternative would not include adoption of an updated RDCS, and so would not achieve Objective #3: "Regulate development through a clear, fair, flexible, and streamlined growth management system." The No Project Alternative also would not include several proposed policies intended to reduce the environmental impacts associated with growth allowed by the General Plan through the horizon year of 2035.

### **Conclusion**

Overall, the No Project Alternative would result in less new development than the proposed Project; however, would not include the proposed policies that will provide environmental protection. While it is possible that the No Project Alternative could reduce impacts at City intersections, result in slightly less noise increases, and less Air Quality and GHG emissions, significant impacts in these categories would still occur. This Alternative would meet some of the project objectives; however, will not meet Objective #8 ("Protect environmental resources for future generations") as fully as the proposed Project would. In addition, the No Project Alternative would not designate as many lands for mixed-use development as the proposed Project would. Therefore, the No Project alternative would not meet Objective #12 ("Transform Monterey Road into a mixed use corridor") to the same extent that the proposed Project would. Finally, because the No Project Alternative would not include the additions to the Economic Development Element that are part of the proposed Project, it would create fewer opportunities for the City to realize Objective #6 to "[s]upport a diverse local economy and an expanded tax base."

The No Project Alternative is rejected because it will not achieve the benefits of the proposed Project as described in the Statement of Overriding Considerations in Section V. Moreover, this alternative is also not the environmentally superior alternative. The No Project Alternative is therefore rejected in favor of the proposed Project.

### **2. Low Growth Alternative**

The Low Growth Alternative would include a General Plan land use map that, in comparison to the land use map for the proposed Project, designates fewer lands in the SOI for development and designates more lands in the SOI for Rural County uses. This alternative also designates fewer sites along Monterey Road for mixed-use development. Future development under the Low Growth Alternative would be subject to the proposed policies of the proposed Plan and the current RDCS. In comparison to the proposed Plan, the Low Growth Alternative would result in less housing, with a greater portion of housing as single-family homes, and less non-residential development. A General Plan land use map for the Low Growth Alternative is shown in Figure 6-2 of the Draft EIR.

The Low Growth Alternative would have a buildout of 4,249 new single-family homes and 1,821 new multi-family units, for a total of 6,070 new units. This residential development would represent a population increase of 18,696. The Low Growth Alternative would have a non-residential buildout of 3.2 million square feet, with a job growth of 7,247 jobs. In comparison to

the proposed Project, the Low Growth Alternative would result in less housing, with a greater portion of housing as single-family homes, less population growth, less non-residential development, and fewer jobs.

### **Comparison of Environmental Impacts**

In comparison to the proposed Project, the Low Growth Alternative would result in less residential and non-residential growth. Therefore, the Low Growth Alternative would generate less traffic than the proposed Project. Under the proposed Project, two of the 42 study intersections (Monterey Road/Central Avenue and Tennant Avenue/Murphy Avenue) would exceed level of service standards during one or both peak hours. Due to the reduced number of trips generated by the Low Growth Alternative in comparison with the proposed Project, it is possible that a significant impact at these two intersections would not occur or could be mitigated to a less-than-significant level.

Under the proposed Project, daily roadway segment volumes for all 45 study roadway segments would meet the City of Morgan Hill LOS standard of LOS D or better. Because the Low Growth Alternative would result in less residential and non-residential growth than the proposed Project, this alternative would also not be expected to create unacceptable roadway segment volumes.

### **Relationship to Project Objectives**

Overall, the Low Growth Alternative would meet many of the objectives of the proposed Project. In addition, the Low Growth Alternative would avoid one of the proposed Project's significant and unavoidable impacts to traffic and transportation. Therefore, the Low Growth Alternative would achieve Objective #5 ("Support and connect all modes of transportation") more fully than the proposed Project would by reducing traffic impacts. However, as discussed in Chapter 4.2, Agriculture and Forestry Resources, of the Draft EIR, leaving land in its existing Rural County designation does not guarantee that existing agriculture uses will continue.

### **Conclusion**

Overall, the Low Growth Alternative would result in less new development than the proposed Project, and would therefore reduce traffic volumes. While it is possible that the Low Growth Alternative could eliminate impacts at City intersections, significant impacts on Freeway segments would still occur. This Alternative would meet many of the project objectives; however, Specific legal, technological, economic, social, or other considerations make infeasible the Low Growth Alternative identified in the Draft EIR. It will not meet Objective 4: "Preserve viable agricultural land, important habitat areas, and recreational open space" or Objective 10: "Allow some residential growth on undeveloped land to fill in the gaps in our boundaries." The Low Growth Alternative is therefore rejected in favor of the proposed Project.

### **3. Compact Development Alternative**

The Compact Development Alternative would include a General Plan land use map that, in comparison to the land use map for the proposed Project, designates fewer lands in the SOI for development and designates more lands in the SOI for Rural County uses. This alternative also designates fewer sites along Monterey Road for mixed-use development. This alternative also assumes that new development would be built at closer to the top of the allowable density range

than under the proposed Plan. Overall, this alternative is envisioned to result in a more compact development pattern than the proposed Plan. Future development under the Compact Development Alternative would be subject to the proposed policies of the proposed Plan and the current RDCS. In comparison to the proposed Plan, the Compact Development Alternative would result in more housing, with a greater portion of housing as multi-family units, and less non-residential development. A General Plan land use map for the Compact Development Alternative is shown in Figure 6-3 of the Draft EIR.

The Compact Development Alternative would have a buildout of 2,821 new single-family homes and 6,347 new multi-family units, for a total of 9,174 new units. This residential development would represent a population increase of 28,256. The Compact Development Alternative would have a non-residential buildout of 3.6 million square feet, with a job growth of 8,194 jobs. In comparison to the proposed Project, the Compact Development Alternative would result in more housing, with a greater portion of housing as multi-family homes, more population growth, less non-residential development, and fewer jobs.

### **Comparison of Environmental Impacts**

The Compact Development Alternative will have reduced impacts related to the conversion of farmland in areas east of Highway 101 between Half Road and Diana Avenue, and in the southwestern portion of the City, west of Highway 101 and south of Tennant Avenue and Watsonville Road. Under the Compact Development Alternative, some of these areas – including sites north and south of Half Road east of Highway 101 and scattered sites in the southwest of the City – would be designated as Rural County rather than for urban residential and non-residential uses. Therefore, the Compact Development Alternative would reduce, but not eliminate, the amount of farmland of concern that is designated for urban uses and this significant unavoidable impact would still occur under the Compact Development Alternative.

The majority of Williamson Act contract lands are designated for agricultural use under both the proposed Project and Compact Development Alternative, which would avoid a conflict with the Williamson Act contracts on these sites. As described in Section 4.5.2.2, of the Draft EIR, there is one parcel under a Williamson Act contract that would be given a conflicting land use designation under the proposed Project that would conflict with agriculture. Under the Compact Development Alternative, this parcel would be designated as Rural County. Therefore, the Compact Development Alternative would avoid this significant and unavoidable impact.

### **Relationship to Project Objectives**

Overall, the Compact Development Alternative would meet many of the objectives of the proposed Project. In addition, the Compact Development Alternative would avoid one of the proposed Project's significant and unavoidable impacts to agricultural resources. Therefore, the Compact Development Alternative would achieve Objective #4 ("Preserve viable agricultural land, important habitat areas, and recreational open space") more fully than the proposed Project would. Because it focuses on residential growth to a greater degree than non-residential growth, the Compact Development Alternative redesignates some commercial and industrial land to residential designations. This makes it difficult for the Compact Development Alternative to achieve Objective 6: "Support a diverse local economy and an expanded tax base by preserving our existing job-generating land."

## Conclusion

The Compact Development Alternative would avoid one of the significant and unavoidable impacts of the proposed Project, associated with conflicts with Williamson Act contracts. The Compact Development Alternative would also include the same proposed TDR system to fund agricultural preservation. Otherwise, impacts would be the same under the proposed Project and Compact Development Alternative. This alternative would meet many of the project objectives; however, it would not meet Objective 6: "Support a diverse local economy and an expanded tax base by preserving our existing job-generating land." Therefore, the Compact Development Alternative is rejected because it will not achieve the benefits of the proposed project as described in the Statement of Overriding Considerations in Section V.

## V. STATEMENT OF OVERRIDING CONSIDERATIONS

The City Council has carefully considered each Agriculture and Forestry Resources; Air Quality; Greenhouse Gas Emissions; Noise; and Transportation and Traffic, significant and unavoidable Project impacts in reaching its decision to approve the Project. Even with mitigation, the City Council recognizes that implementation of the Project carries with it unavoidable adverse environmental effects, as identified in the EIR. The City Council specifically finds that, to the extent that the identified significant adverse impacts for the Project have not been reduced to acceptable levels through feasible mitigation or alternatives, there are specific economic, social, land use, and other considerations that support approval of the Project as set forth below. Any one of these benefits is sufficient to justify approval of the Project. The substantial evidence supporting the various benefits can be found in the record as a whole.

The Project will provide a mix of housing types and sizes (i.e. General Plan Policy HE-1d, Policy HE-1e, Policy HE-1f, Policy HE-1g), offer and improve services (i.e. General Plan Policy SSI-1.3, Policy SSI-3.3, Policy SSI-3.4, Policy SSI-11.1, Policy SSI-11.3), amenities (i.e. General Plan Policy HC-1.7, Policy HC-2.1, Policy HC-2.2, Policy HC-2.3, Policy HC-3.1), educational opportunities (i.e. General Plan Policy HC-1.1, Policy HC-1.2, Policy HC-1.5), and improvements that encourage an active, healthy lifestyle (i.e. General Plan Policy HC-2.6, Policy HC-3.4, Policy HC-3.10). The Project will preserve viable agricultural land, important habitat areas, and recreational open space (i.e. General Plan Policy CNF-7.4, Policy CNF-7.5, Policy NRE-1.1, Policy NRE-1.2, Policy NRE-1.7, Policy NRE-1.10), as well as support and connect all modes of transportation (i.e. General Plan Policy TR-1.1, Policy TR-2.1, Policy TR-2.2, Policy TR-6.1, Policy TR-8.1). The Project will support a diverse local economy and an expanded tax base by preserving existing job-generating land, as well as focus more intensive, mixed-use land development in and near downtown. Further, the Project will provide open space in new developments.

The RDCS will encourage high quality residential development that enhances residents' quality of life through a competition for residential development allotments (Section 18.78.080). The RDCS will ensure that new residential development does not adversely impact the level of

public services and infrastructure for current and future residents through criteria for awarding allotments (Section 18.78.100) and mechanisms for reducing the number of available allotments (Section 18.78.110). The RDCS will promote a diverse stock (competition criteria A.4 in Section 18.78.100) of high quality housing stock (competition criteria A.9 in Section 18.78.100) to meet the full range of housing needs within the community. The RDCS will encourage new residential development to contribute community benefits that enhance the public health, safety, and welfare by requiring a minimum project score to be eligible for allotments (Section 17.78.080). Overall, the RDCS will provide for an orderly, efficient, and sustainable residential development pattern (competition criteria A.2 in Section 18.78.100) and will provide certainty to residents that residential development patterns will reflect local goals and values by requiring voter approval for any amendments to core requirements of the RDCS (Section 18.78.020).

For all of the above reasons, the benefits of the Project outweigh its significant and unavoidable environmental impacts.

## **VI. SUBSTANTIAL EVIDENCE SUPPORTING FINDINGS**

Substantial evidence supporting each and every finding made herein is contained in the Final EIR and record of proceedings. Omission of reference in these findings to any evidence in the EIR and/or record of proceedings is not intended to exclude that evidence as supporting these findings

In making these findings, the City Council has relied upon the expertise of a variety of independent technical and professional consultants to the City, and the expertise of the City's Staff. The City Council has also carefully considered the evidence submitted by property owners and other interested agencies and individuals. To the extent that evidence consists of expert opinions that differ from the opinions of the City's outside consultants and Staff, at most it represents a disagreement of experts, which is adequately reviewed in the EIR. Based on its review, the City Council has determined that the opinions of its outside consultants and Staff are valid and are hereby accepted. In some instances, the City Council has also relied on the expertise of other agencies who have provided comments on the Draft EIR and other actions related to the Project. To the extent that alternatives or mitigation measures were proposed by other agencies or interested persons that differ from the mitigation adopted herein, the City Council specifically rejects these proposals based on the substantial evidence in the record supporting the mitigation adopted as sufficient and necessary to mitigate impacts to a less than significant level or to the level that the impacts can feasibly be mitigated.

## **VII. MITIGATION MONITORING AND REPORTING PROGRAM (MMRP)**

The proposed MMRP for the Morgan Hill 2035 General Plan and Residential Development Control System Update, attached and included as Chapter 6, Mitigation Monitoring and Reporting Program, of the Final EIR is hereby adopted, and it and its provisions for mitigation measures will be adopted in conjunction with subsequent project approvals under the General Plan.