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Land Planning, Finance & Development

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July 14, 2022

Gina Paolini
Development Services Department
City of Morgan Hill
17575 Peak Ave
Morgan Hill, CA 95037-4128

**Re: Project Narrative
17910 & 17920 Monterey Road, Morgan Hill, CA | APN: 726-25-001 & 726-25-002**

Dear Ms. Paolini:

AMG & Associates, LLC is pleased to submit an application for the proposed project that will be located at 17910 & 17920 Monterey Road in Morgan Hill, CA. Please find what follows to be a description of the proposed project and summary of the entitlements requested. We look forward to working with the City on this project.

Project Description

The proposed project is located on a vacant 1.89-acre parcel along the westerly side of Monterey Road. Located half a mile from the Caltrain train station, the project is proposing a sustainable development to address the future of housing needs for the City of Morgan Hill. The project is bordered by a community school to the west and an apartment complex to the east. To the north, across the rail tracks lie single family residential developments and the Butterfield Professional Center. The Transit Oriented project aspires to provide its residents convenient access to mass transit. According to the General Plan, the land use designation of the site is Mixed Use Flex. The site is also zoned Mixed Use Flex (MU-F). The project is consistent with the Zoning Code with the exception of those elements requested for concessions as detailed in the enclosed Development Incentives Memo.

Utilizing the designations detailed above and the State Streamlined Ministerial Approval Process (known as SB 35 which is further detailed in the "Entitlements" section), we are proposing 199 units distributed over two highly efficient buildings planned around the existing residential structure that will remain in place. Each building featuring 5-story stories of residential over a concrete podium structure that houses the leasing offices, mailroom, parking garages and mechanical equipment. The residents will have access to private amenity areas and access to laundry facilities on every floor. Over 83% of the unit mix is focused on single bedroom units, with 8% being studios and the remaining 9% being two-bedroom units.

One hundred percent of the total units, exclusive of a manager's unit or units will be for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the

development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code.

47 vehicular parking spaces will be provided. However, please note this project is not required to have parking stalls. As permitted by SB 35 and clarified in HCD's SB 35 Guidelines updated on March 30, 2021, the City shall not impose parking standards for a streamlined development if the development is "located where any part of the parcel or parcels on which the development is located is within one-half mile of any part of the parcel or parcels of public transit". The HCD Guidelines updated the definition of public transit to mean "a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge a set fare, run on fixed routes, and are available to the public".

The proposed buildings are focused to providing affordable housing without sacrificing in comfort, down to the smallest detail. Attention is paid to maximizing the energy efficiency, noise insulation and safety for all residents. Large windows ensure natural light penetration and allows for expansive views for the users.

The pixel gradient color scheme of the façade provides a slight yet eye-catching shimmer to the vertical planes and enriches the surfaces. The theme of decorative white elements unifies the different planes and unifies the overall style: each one of the articulated planes on the building's façade is part of the same aesthetic rhythm.

A shared recreational area for is provided with play equipment, community garden boxes, and seating. The BBQ area features a shade structure with suitable furniture like dining tables and benches. Large shade trees (Keith Davey Chinese Pistache and Coast Redwood) will be provided in this area. Separate from this amenity space is a fenced dog park on the easterly portion of the property. Trees along the frontage and between the buildings will soften the exterior and further create pedestrian-scale elements. Landscaping will be arranged around the building's perimeter and between the two buildings. Current minimum construction standards will be observed in order to assure that a quality housing development is provided.

Entitlements

The proposed project is submitted under the following State applications and legislation:

- **State Density Bonus Law (California Government Code Section 65915)**

As previously described, one hundred percent of the total units, exclusive of a manager's unit or units will be for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code. Please note that projects that conform with (b)(1)(G) are subject to the following rents which are laid out in (c)(1)(B)(ii):

- The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code

- The rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee.

Pursuant to State Density Bonus law, projects proposing these levels of affordability are eligible to receive four concessions. Please review the enclosed Development Incentives Memo detailing the requested concession.

- **State Streamlined Ministerial Approval Process (California Government Code Section 65913.4)**

The streamlined ministerial approval process applies to projects that meet the specific affordability level applicable to a jurisdiction as determined by HCD and meets the objective planning standards listed in §65913.4(a). SB 35 projects benefit from a streamlined ministerial process, exemption from the CEQA process, and reduced parking standards. This project meets the planning standards as illustrated in the enclosed SB 35 Eligibility Package. This package details how the property and project meet the planning and zoning standards. Where a zoning standard is not met then that standard is requested as a concession or waiver in the enclosed Development Incentives Memo. Per §65913.4(a)(5) a development is considered to have met the objective zoning standards even when a density bonus, concession, and/or waiver is requested.

We look forward to working with the City on creating a beautiful and safe project for the community. Please do not hesitate to contact us if you have any comments or questions. You can reach me at kcalica@amgland.com or (818) 697-4919.

Thank you,



Kimberly Calica
AMG & Associates, LLC