

22 Focus Area: Sprawl Prevention/Infill Development

22.1 County Overview

22.1.1 History of Sprawl Prevention

Santa Clara County has been at the forefront of city and county planning in California, with the adoption of the Countywide Urban Development Policies in the early 1970s and the use of city USA boundaries. These ground-breaking policies were the result of a collaborative effort between the 15 cities, the County, and LAFCO. In the 1990s, the County and interested cities worked together to adopt urban growth boundaries (UGBs) for several cities, delineating areas intended for future urbanization. In the mid-1990s, the City of Gilroy, the County, and LAFCO developed an inter-jurisdictional agreement entitled “Strategies to Balance Planned Growth and Agricultural Viability.” As part of this agreement, the City of Gilroy would direct growth away from agricultural lands east of Highway 101 and establish a stable UGB.

While most of the cities have adopted strong efforts to limit their geographic expansion, they have also found ways to accommodate substantial residential growth. The City of Milpitas’s population increased by 43% between 1990 and 2015, with no increase in land area; the City of Sunnyvale’s population increased by 26% with a less than 5% increase in land area; and the City of Santa Clara by 29% with no increase in land area.

22.1.2 Agricultural Land Preservation

One of the benefits of limiting sprawl is the continued availability of farmland in close proximity to urbanized areas. Retaining local food sources is increasingly recognized for generating environmental, health, economic and community benefits. The preservation of agricultural lands and open space is a key mission of Santa Clara County LAFCO. Several collaborative efforts are underway relating directly or indirectly to maintaining viable agriculture in the County, including the development of the County’s Health Element; the work of the Santa Clara County Food System Alliance; the Coyote Valley: Sustaining Agriculture and Conservation, a feasibility study led by Sustainable Agriculture Education; and the *Santa Clara Valley Greenprint* recently issued by the Santa Clara County Open Space Authority. As a result of these joint efforts, the agricultural sector continues to generate over a quarter billion dollars in annual revenue to the County’s farmers and ranchers.

Despite these efforts, between 2002 and 2012 the amount of “Important Farmland” in Santa Clara County (Farmland that is Prime, Unique and of Local Importance) shrank 36.6 percent from 42,173 to 26,748 acres (as shown in Table 214). However, while there was a 15,424 acre reduction in the amount of Important Farmland, the amount of land in urban use increased by only 4,155 acres. During that same time period, there were virtually no expansions of city urban service areas. So the active conversion of land to urban use or the anticipation of urban use (resulting from USA expansion) is clearly not the main cause of Important Farmland loss. In fact, the farmland may not be “lost.” Because the definition of important farmland is land that is irrigated and being actively farmed, the “loss of farmland” may only be related to the discontinuation of active farming.

However, there is no information as to why farmland is being pulled from production. Research into why this loss occurred could lead to public policies that support farming, discourage conversion of land to other uses and assist in encouraging the re-establishment of farming on land that was actively farmed as recently as 10 years ago but is currently fallow or converted to grazing.

Table 214. Agricultural Land Inventory Acreage in 2002 and 2012

Agricultural Land Category	2002	2012
Prime Farmland	26,577	16,609
Farmland of Statewide Importance	5,932	3,565
Unique Farmland	2,325	2,573
Farmland of Local Importance	7,339	4,001
IMPORTANT FARMLAND SUBTOTAL	42,173	26,748
Grazing Land	388,696	393,624
AGRICULTURAL LAND SUBTOTAL	430,869	420,372
Urban and Built-up Land	185,131	189,286
Other Land	210,774	217,100
Water Area	8,452	8,467
TOTAL AREA INVENTORIED	835,226	835,225

Source: CA Department of Conservation, Farmland Mapping and Monitoring Program, Santa Clara County,

22.1.3 Defining Sprawl

There is no agreed-upon definition of “sprawl.” According to the American Planning Association, urban sprawl is characterized by low-density residential and commercial development at the urban fringe. Individual jurisdictions’ definitions of sprawl may vary, but common characteristics include premature conversion of rural land to urbanized uses, urbanized development that has poor connections to other land uses, and development that does not maximize existing public facilities, such as transit.

Sprawl is often contrasted with “smart growth,” which is generally defined as focusing moderate to higher density development near existing infrastructure, especially transit. Many parts of the country are promoting smart growth as a means of avoiding sprawl: accommodating the demand for more housing in existing infill areas rather than by expanding outward. There is evidence that demand is growing for housing near activity centers for both the elderly and young adults, consistent with smart-growth principles. The State Department of Finance projects that the number of people over the age of 65 in Santa Clara County will more than double from 198,800 to 431,800 between 2010 and 2030.

Sprawl, however it is defined, is associated with higher municipal costs due to the need to extend services and infrastructure to comparatively lower density areas, resulting in a higher cost per person to provide services and maintain them. These higher costs were documented in a seminal 1974 study entitled *The Costs of Sprawl* conducted by the Real Estate Research Corporation. Other studies have confirmed and reconfirmed that analysis, including a 2013 study by the Smart Growth Institute that compiled a number of studies from across the country (*Building Better Budgets*, Smart Growth America, May 2013) and compared the municipal costs associated with smart growth relative to standard suburban development. That study found smart growth cost, on

average, a third less for the initial provisions of infrastructure, 10% less to service, and provided 10 times more revenue.

22.1.4 Plan Bay Area/SB 375

In the Bay Area, smart growth has become regional policy with the adoption by the ABAG of Plan Bay Area in 2013. ABAG prepared Plan Bay Area to implement SB 375, a landmark state law that required California's regions to adopt plans and policies to reduce the generation of GHGs, primarily from transportation. Lower density, sprawling development is car-dependent, while higher densities allow for improved transit, bicycle, and pedestrian access and thereby reduce the amount of transportation-related greenhouse gases generated per new unit.

Plan Bay Area is based on municipalities throughout the Bay Area encouraging development in self-identified PDAs. Bay Area cities, counties and transportation agencies identified 169 PDAs, mostly well-served by transit and with significant opportunities for increased development. PDAs include historic downtowns, underutilized commercial strips such as El Camino Real, light-rail and bus rapid transit corridors, areas around BART stations, and former industrial areas that are no longer viable.

Based on the estimated reasonable development potential of all PDAs in the region, ABAG estimated that 80% of the Bay Area's growth over the next 25 years could be accommodated solely within the PDAs. It was only through this strategy of concentrating development in PDAs that ABAG could demonstrate conformance with requirements of SB 375 to meet GHG reduction targets.

The cities of Santa Clara County and the Santa Clara VTA have identified 41 planned and potential PDAs. Planned PDAs are those with adopted neighborhood level plans, while Potential PDAs meet the criteria for designation (e.g., transit-served) but for which there are not yet neighborhood level plans. As will be discussed in more detail below by sub-area of the County, 10 of the County's cities have at least one PDA, and several have more than one. An essential strategy to help ensure the success of the PDA model is for regional and state funding to flow to PDAs for planning and infrastructure improvements. When cities have completed area plans (and implemented zoning ordinances) and environmental impact assessments, this pre-development work can act as a significant incentive to new development by reducing the amount of time needed to process a project and by increasing the level of certainty for developers. Some infrastructure funding has also flowed to PDAs from the Metropolitan Transportation Commission and the Strategic Growth Council, thereby reducing the high costs of improving older urban infrastructure for municipalities and developers in these previously developed areas, and preparing the PDAs for new development. Between FY 2012 and FY 2016, the One Bay Area Grant program (MTC/ABAG) has given Santa Clara County jurisdictions \$89.27 M in support of Plan Bay Area goals. In its first three rounds of competitive grants, the Strategic Growth Council has given \$3.05 M to Santa Clara County jurisdictions in support of various sustainability initiatives.

22.1.5 Jobs/Housing Imbalance

Despite the significant strides being made in Santa Clara County to meet housing needs in an efficient manner, the interviews conducted for this Municipal Services Review, and a great deal of recent anecdotal evidence, points to a significant near-term housing issue for the County. The heart of Silicon Valley has for many years been a job-rich area with housing production not keeping pace with the need. This has led to long distance commutes and highly congested roads.

The pressure on jobs and transportation abated somewhat during the Great Recession, but Silicon Valley employment growth has bounced back sooner and with more vigor than housing production.

Interviews with staff in many cities suggest very rapid and large near-term increases in jobs in the job centers of Santa Clara, Mountain View, Campbell, Palo Alto, and Sunnyvale.

Recent studies have found rapidly rising rents and housing costs from San Jose to San Francisco. These housing cost pressures are rippling out from Silicon Valley (and San Francisco) throughout the Bay Area and beyond. While sprawl may be largely contained in most of Santa Clara County, the impacts of inadequate housing production can contribute to sprawl in other portions of Santa Clara County and in the other nearby counties with associated impacts on an already strained transportation network both in and outside the County.

According to ABAG projections, the existing imbalance between job growth and housing development in Santa Clara County is expected to continue. If development occurs at least at the level identified in the Housing Elements of Santa Clara County cities, the imbalance should not get worse, and may get slightly better over time. For many Santa Clara County cities, the proposed development in their PDAs, or encouraged in their Housing Elements, is at a higher density (and in many communities a much higher density) than the existing community. This is necessary if these largely built-out communities are going to continue to accept and promote employment growth while not significantly worsening the jobs/housing balance.

Because almost all of Santa Clara County cities have Housing Elements certified by the Department of Housing Community Development, they have demonstrated that they have sufficient land to accommodate their regional share of growth through 2022, consistent with ABAG projections. Those few cities that do not have certified elements have submitted their Elements for certification and have also demonstrated capacity to meet their regional fair-share obligations.

22.1.6 Sprawl and County Islands

One of LAFCO's goals is to encourage the annexation of unincorporated islands into municipalities. This is in part an important strategy for promoting more efficient provision of services. Many services for these scattered islands are provided by the County rather than the city that often surrounds it. In addition to more efficient service provision, in many areas of the state, a strategy of annexing islands is also a sprawl prevention measure. Throughout the state, there are areas where the Sphere of Influence includes substantial amounts of undeveloped land. It is one of LAFCO's goals to ensure that the land already identified within an SOI (or in Santa Clara County, the USA) is incorporated into the city and developed prior to the city expanding further out.

Through the work of Santa Clara County LAFCO, the County and the cities, many unincorporated islands have been absorbed into municipalities. While many islands remain, the vast majority of them are relatively small. Many of the larger remaining County islands are already developed. Annexing them into a city would not have a significant impact on the city's ability to meet development needs, however the fiscal impacts of such annexation would need to be addressed by the city to ensure the adequate provision of services and infrastructure. While annexing islands into cities may not make a significant near-term contribution to a city's ability to meet its expected growth needs, annexing islands into municipalities continues to be one of LAFCO's key missions, and it is LAFCO policy that cities annex all islands (and especially those under 150 acres where a simple annexation process can be used), prior to applying to expand a USA.

22.1.7 Smart Growth in Context

As mentioned above, sprawl is generally associated with lower densities in terms of residents per acre or square mile. While density is not a perfect measure of sprawl or smart growth, it is generally positively correlated with smart growth factors such as mixed use development,

transportation connectivity (sidewalks, paths and roads), employment centers mixed with housing and transport diversity (quality of walking, cycling and public transport). One reason for being concerned with sprawl is that it is generally seen as being more expensive to provide municipal services to areas of low density than more compact forms of development. According to the previously referenced report from Smart Growth America, infrastructure can cost 33% more in lower density development patterns and operating costs are 10% more.

A certain level of density is also usually required to support smart growth factors like public transportation. The amount of density required to create smart growth opportunities is not well defined but research has indicated it typically requires 8,000 to 10,000 people per square mile; much higher than associated with typical suburban living styles. (See for example Analysis of Public Policies That Unintentionally Encourage and Subsidize Urban Sprawl, March 2015 www.newclimateconomy.net.)

As Table 215 shows, generally speaking cities in Santa Clara County have moderate to low density levels, and they fall into two main categories. Campbell, Cupertino, Milpitas, Mountain View, Santa Clara, San Jose and Sunnyvale have moderately high population density. Palo Alto would also be on this list except for the open space the City has deliberately annexed to protect from development, which is now permanently protected as open space under conservation easements with the City and other public agencies. Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga have markedly lower population density.

Table 215. Population Density by City

Jurisdiction	Population	City Square Miles	Residents per Square Mile
Campbell	41,857	6.09	6,873
Cupertino	59,756	11.32	5,279
Gilroy	53,000	16.56	3,200
Los Altos	30,036	6.52	4,607
Los Altos Hills	8,341	9.00	927
Los Gatos	30,505	11.39	2,678
Milpitas	72,606	13.56	5,354
Monte Sereno	3,451	1.61	2,143
Morgan Hill	41,779	12.91	3,236
Mountain View	77,914	12.20	6,386
Palo Alto	66,932	25.96	2,578
San Jose	1,016,479	180.67	5,626
Santa Clara	120,973	18.18	6,654
Saratoga	30,799	12.78	2,410
Sunnyvale	148,028	22.88	6,470

Source: DOF 2015 Population Estimates, LAFCO 2015 City Area Estimates.

While an analysis of the costs associated with different development patterns is not within the scope of this review, data on the number of lane miles per 1,000 residents were gathered. A lane mile is one mile of roadway that is designed as a driving lane. Lane miles can be a very rough proxy

for infrastructure costs. This information is shown in Table 216. Generally speaking those cities with lower density have more lane miles per resident.

Table 216. Lane Miles per 1,000 Residents by City

Jurisdiction	Population	Lane Miles ¹	Lane Miles per 1,000 Residents
Campbell	41,857	227	5.42
Cupertino	59,756	300	5.02
Gilroy	53,000	257	4.85
Los Altos	30,036	226	7.52
Los Altos Hills	8,341	115	13.79
Los Gatos	30,505	221	7.24
Milpitas	72,606	298	4.10
Monte Sereno	3,451	27	7.82
Morgan Hill	41,779	258	6.18
Mountain View	77,914	332	4.26
Palo Alto	66,932	470	7.02
San Jose	1,016,479	4,271	4.20
Santa Clara	120,973	590	4.88
Saratoga	30,799	283	9.19
Sunnyvale	148,028	638	4.31
Mean	120,164	568	4.72

Source: DOF 2015 Population Estimates, Data on lane miles is from the Metropolitan Transportation Commission.

¹ Center lane miles for each jurisdiction vary from these data. To the extent they were provided, the number of center lane miles can be found in the jurisdiction data profile sections of this report.

Table 217 shows key data points related to each city's employment, housing growth, and PDAs. The existence of planned or potential PDAs also appears to be positively correlated with population density. Since PDAs are associated with the development of smart growth strategies it does appear that the more densely populated cities are better positioned to implement smart growth practices than those cities with lower population densities.

Table 217. Overview of Employment, Housing and PDAs in Santa Clara County

City	Jobs/Housing Balance ¹	Regional Housing Needs Allocation 2014-2022	Planned Priority Development Areas	Potential Priority Development Areas
Campbell	1.35	933	1	-
Cupertino	1.08	1,064	0	1
Gilroy	0.84	1,088	1	1
Los Altos	1.28	477	1	-
Los Altos Hills	0.72	121	0	-
Los Gatos	1.82	619	0	-

City	Jobs/Housing Balance ¹	Regional Housing Needs Allocation 2014-2022	Planned Priority Development Areas	Potential Priority Development Areas
Milpitas	1.50	3,290	1	1
Monte Sereno	0.33	61	0	-
Morgan Hill	1.02	928	1	-
Mountain View	1.23	2,926	1	4
Palo Alto	3.02	1,988	1	-
San Jose	0.89	35,080	8	12
Santa Clara	2.08	4,093	2	1
Saratoga	0.85	439	0	-
Sunnyvale	1.07	5,452	4	1
Total			20 Planned PDAs	21 Potential PDAs

Sources: ABAG Job Projections, Plan Bay Area Priority Development Area Showcase, Final Regional Housing Need Allocation

¹Calculated using the ratio of jobs to employed residents based on ABAG estimates.

Sections 22.2 through 22.5 provide a summary of efforts to promote smart growth by jurisdiction. More detailed information about each city can be found in the city-specific chapters of this report.

22.2 North County

North County, as defined for this report, includes Los Altos, Los Altos Hills, Mountain View, Palo Alto, Santa Clara, and Sunnyvale. The Town of Los Altos Hills does not currently have any priority development areas, and is not proposing to identify any. Los Altos Hills is designed as a very low-density residential community with virtually no commercial uses and very few jobs. The City of Los Altos currently has a jobs/housing imbalance with 1.28 jobs for every resident. Los Altos is not well served by transit except along its northeastern boundary where it borders El Camino Real. Los Altos has a planned PDA along the El Camino Real Corridor for mixed use.

The other four cities in North County have adopted PDAs and are making efforts to accommodate higher density housing in appropriate locations that is the intent of Plan Bay Area. However, the North County cities also constitute much of the heart of Silicon Valley, and despite their efforts to accommodate substantial amounts of new housing, all are also proposing to accommodate substantial increases in jobs. For example, Palo Alto is projected to continue to add almost three new jobs for every new employed resident; and Santa Clara is expected to add two new jobs for every new resident. If Mountain View's projections are realized, it would have an even greater imbalance in future jobs and employed residents than either Palo Alto or Santa Clara.

22.2.1 Mountain View

Mountain View has five PDAs (one planned and four potential), which encompass the City's downtown and various transit corridors. These PDAs include hundreds of acres. Between January 1, 2014 and the adoption of the Housing Element in November 2014, the City had 2,056 housing units already approved or under construction. In other words, Mountain View had already approved as many units by end of 2014 as were expected to be constructed under ABAG's projections by 2020. The Housing Element further demonstrates capacity for an additional 3,000 units that would, if built, meet ABAG's projections for 2030.

While Mountain View is making very good progress toward expanding its infill housing supply, its own projections show it expects job growth to far outstrip even the large increase in housing it has approved or can accommodate. It expects jobs to increase by over 21,000, while its population increases by less than 6,500 through 2030. Such job growth, if realized, would significantly exacerbate the existing jobs/housing imbalance, which, according to ABAG, stood at 1.23 jobs for every employed resident.

22.2.2 Palo Alto

Palo Alto has established one planned PDA around its CalTrain Station at California Avenue. The City has received a grant and will begin preparing a plan for its PDA this year. Palo Alto has demonstrated the capacity to accommodate about 2,200 units, slightly more than its assigned regional share of 1,988. Palo Alto has also prepared its own projections for housing for use in its general plan update that is currently underway. Palo Alto's projections and ABAG's are not significantly different. Both projections indicate the highest imbalance in Santa Clara County for jobs and housing, with Palo Alto expected to gain about 3 jobs for every new employed resident. This imbalance does not include the significant job center at Stanford University just outside Palo Alto's boundaries under County jurisdiction.

22.2.3 Santa Clara

Santa Clara has two planned PDAs and one potential PDA. It has demonstrated in its Housing Element that it can accommodate 6,077 units, almost 2,000 units more than its assigned regional share of 4,093. The 6,077 units, if developed, would more than meet Santa Clara's projected growth through 2025. However, Santa Clara also has one of the greatest jobs/housing imbalances in the County, with just over two jobs for every employed resident. So while it is projected to add almost 5,000 units over the next 10 years, it is projected to also add almost 13,000 jobs, or about two jobs for every new employed resident.

22.2.4 Sunnyvale

Sunnyvale has four planned and one potential PDAs. Despite having almost no vacant land, its PDA strategy demonstrates a capacity in its Housing Element for 5,849 units, more than 400 units greater than its assigned regional share. Sunnyvale is one of the more balanced communities in Silicon Valley, with 1.07 jobs for every employed resident. Despite being projected to add almost 8,000 jobs in the next 10 years through its aggressive residential development efforts, Sunnyvale is projected to continue its balance of jobs and housing.

22.3 West Valley

The West Valley is comprised of Campbell, Cupertino, Los Gatos, Monte Sereno, and Saratoga. The West Valley cities of Monte Sereno and Saratoga do not currently have any Priority Development Areas, and did not indicate plans to create them. Saratoga has about .85 jobs for every employed resident and is expected to continue to export workers to other communities. Monte Sereno is a low-density, mostly residential community that exports almost three workers for every job within the community.

22.3.1 Campbell

Campbell has one planned priority development area of 195 acres served by three VTA light rail stations. Campbell has about 1.35 jobs for every employed resident and that imbalance is projected

to continue. It demonstrated in its Housing Element that it has more than sufficient capacity to meet its share of regional housing need, although as of May 2015 its Element had not yet been certified.

22.3.2 Cupertino

Cupertino has one potential PDA along Stevens Creek Boulevard identified by VTA. A bus rapid transit system is proposed for this corridor. Cupertino has close to a balance between jobs and employed residents, and that balance is projected to continue. Cupertino has a certified Housing Element demonstrating that it has more than sufficient capacity to accommodate its share of regional residential growth through 2022.

22.3.3 Los Gatos

Los Gatos has no PDAs and no plans at this time to establish a PDA. It has 1.82 jobs for every employed resident and that imbalance is projected to continue into the future. Los Gatos is served by bus transit but not rail or rapid bus.

22.4 San Jose/Milpitas

San Jose and Milpitas do not easily lend themselves to sub-regional analysis: San Jose because it is so much larger than any other Santa Clara County community; and Milpitas because it is in many regards geographically as much a part of the “East Bay” as the “South Bay.”

22.4.1 Milpitas

Milpitas has one planned PDA surrounding its future BART station (and its Town Center) and another PDA proposed by VTA along a light-rail line. Milpitas’s certified 2015-2023 Housing Element demonstrated that it had already approved the development of 5,870 units of above-moderate-income housing, and that it could accommodate 2,740 more units for very low-, low- and moderate-income households.

Perhaps because of its aggressive approach to meeting housing needs Milpitas is one of the few Santa Clara County cities projected to add considerably more housing units than jobs over the next ten years. The City’s current jobs/employed residents ratio of 1.5 is expected to shrink to 1.36 jobs/employed residents in 2025. This is still not balanced, but moving toward balance.

Milpitas’s voters adopted an initiative that significantly limited the potential for development in its eastern hills. That initiative sunsets in 2018 and the City has indicated it will be looking at its hill area in the next two years prior to the expiration of the initiative. Staff indicated they cannot say at this time where that study may lead in regard to changes in its USA.

22.4.2 San Jose

Perhaps more than any other city in Santa Clara County, San Jose has adopted an aggressive effort to increase the amount of infill housing through the PDA program. San Jose has 8 planned PDAs and 12 potential PDAs, almost half of all the PDAs in the County. Taking advantage of its extensive light rail network and the addition of BART, San Jose’s PDAs include underutilized commercial corridors served by light rail, older community commercial centers, and its downtown area. San Jose’s certified Housing Element demonstrates that it has the capacity to accommodate more than 35,000 housing units, slightly more than its assigned regional share, without any expansion of its USA.

San Jose had an estimated jobs/housing ratio of .89 jobs for every employed resident in 2015. Its projections for growth and ABAG's do not show that ratio changing very much over the next 25 years. However, as noted in the City's Housing Element (page III-4), a core objective of the City's general plan is for San Jose to achieve a jobs/housing ratio of 1.3 jobs for every employed resident. As also stated in the Housing Element:

if the County as a whole remains housing-poor and if the City seeks to attain the same status, housing costs in both the County and City of San Jose could be argued to increase significantly, thereby exacerbating existing affordability issues.

As there is no evidence that other Silicon Valley communities are planning a significant increase in their housing production relative to jobs, should San Jose succeed in its jobs-first goals, it would almost certainly contribute to sprawl both in and outside the region.

At the same time that San Jose has worked to increase the amount of housing within its existing urban area, the City's voters have adopted a strong Urban Growth Boundary (UGB) also called the Greenline, to limit its outward growth and protect its adjacent open space and farmland. The UGB is close to coincidental with the City's Urban Service Area. It would take a vote of the people to modify the UGB and the general plan indicates that it will not consider modifying its UGB (or USA) until at least 2040. While the UGB is a very strong sprawl prevention measure for San Jose, the City continues to refer to areas just outside its USA in Coyote Valley and Almaden Valley as "urban reserves," areas that will someday be subject to development. Portions of Coyote Valley are prime farmland and the "urban reserve" designation may have a discouraging impact on agricultural use if the "urban reserve" designation contributes to speculative property values and discourages investment in farms.

22.5 South County

The South County is comprised of the cities of Morgan Hill and Gilroy. Unlike much of the rest of the urbanized county (other than San Jose and Milpitas), Morgan Hill and Gilroy are not landlocked by other cities or open space preserves in the hills. Both cities are currently updating their general plans and considering development of contiguous land areas outside their current Urban Service Area boundaries. These preliminary plans to grow outside their current Urban Service Area are inconsistent with Plan Bay Area. In order to meet the state requirement to significantly reduce the growth in transportation related GHG, Plan Bay Area relies on a strategy of infill development within proposed PDAs. Its projections for growth are based on that strategy. Cities that seek to grow faster than projected by ABAG through a strategy of expanding their urbanized area are not consistent with the intent and policies of the adopted plan for the Bay Region. This is especially true for south Santa Clara County where expansion of the USA would lead to the loss of prime agricultural land that can provide food close-in to existing urban centers, another GHG reduction strategy.

22.5.1 Morgan Hill

Morgan Hill has one planned PDA in its downtown that will be a future transit town center. In total, the PDA includes 150 net acres and is accessible by CalTrain and VTA's bus and community shuttle services. According to ABAG projections, Morgan Hill currently is a balanced community of jobs and housing and is projected by ABAG to remain so. In its Housing Element, Morgan Hill indicated that it could accommodate 1,348 units, 450 more than its assigned regional share through 2022.

Since 1977 the City of Morgan Hill has had a voter-approved growth management system (RDGS -

Residential Development Control System) that establishes a population cap and a process for allotting a maximum number of residential units on an annual or biannual basis. As mentioned above, the City is preparing a comprehensive update of its general plan (Morgan Hill 2035) and reassessing its current population cap. A ballot measure is anticipated for the November 2016 election to update the RDCS, which would include increasing the population cap for the year 2035.

As part of the general plan update, the City has prepared its own population projections showing more rapid growth than ABAG's projections. While ABAG expects the community to grow by 1,910 units by 2030, the City's population projections imply it will grow by over 3,100 units. Morgan Hill has estimated that its "preferred" land use scenario for its general plan could accommodate 68,000 residents, far in excess of the 25-year projections in Plan Bay Area that show Morgan Hill growing to 50,800 by 2040. Morgan Hill's projections are inconsistent with Plan Bay Area. To accommodate this level of growth, Morgan Hill is expected to apply to modify its Urban Service Area. All of the scenarios being evaluated in the Morgan Hill general plan update would lead to applications to modify its USA and to the loss of prime agricultural land. The potential loss of prime agricultural land would be a consideration of LAFCO if approached to review and process a boundary modification. As stated earlier, LAFCO is mandated to preserve agricultural lands and open space.

According to data provided by the city in April 2013 in relation to an application to expand its USA, at that time Morgan Hill had sufficient vacant land to accommodate between 3,524 and 6,661 units, depending on how "vacant land" was defined. At the lowest end of that range, the City would have the capacity to accommodate the growth it has projected through 2030, and close to double the growth projected by ABAG.

22.5.2 Gilroy

Gilroy has one planned PDA and one potential PDA. The planned PDA for Downtown Gilroy encompasses 207 net acres and is designated as a future transit town center. The Downtown Specific Plan and Station Area Master Plan cover almost all of the PDA. Another PDA has been proposed by VTA for a portion of First Street. According to ABAG, Gilroy has .84 jobs for every employed resident. ABAG projects it will maintain close to that ratio through 2040.

Under Gilroy's residential growth projections (see below), and using ABAG's employment projections, Gilroy would be adding considerably more employed residents than jobs by 2040, increasing the commute from Gilroy to other areas. Gilroy's certified 2015-2023 Housing Element demonstrates it currently has sites and housing opportunities available within its USA to accommodate 4,525 units, 3,451 units in excess of its assigned regional share of 1,088 units.

As mentioned above, Gilroy is in the process of updating its general plan. It has prepared its own projections for growth that are in excess of ABAG's projections. While ABAG projects Gilroy to grow to 61,400 by 2040, the City's projections are for it to grow to between 69,000 and 79,000 people. ABAG expects the City to add 2,400 new housing units; the City's population projections imply that it intends to add between 4,300 and 7,300 units.

Gilroy's projections are inconsistent with Plan Bay Area. Gilroy's Housing Element indicates it has the capacity to accommodate the lower end of its own projected growth through 2040. All of the scenarios being evaluated in the Gilroy general plan update would lead to applications to modify its USA and to the loss of prime agricultural land. However, the principles established within Plan Bay Area call for growth to be accommodated through infill development to the fullest extent possible. The potential loss of prime agricultural land would be a consideration of LAFCO if approached to review and process a boundary modification. As stated earlier, LAFCO is mandated to preserve agricultural lands and open space.

