



May 21, 2022

Dear Morgan Hill City Council:

We are writing on behalf of **YIMBY Law** regarding Morgan Hill's 6th Cycle Housing Element Update. **YIMBY Law** is a legal nonprofit working to make housing in California more accessible and affordable through enforcement of state law.

We are writing to remind you of Morgan Hill's legal duty in its housing element to affirmatively further fair housing, which entails 'taking meaningful actions... that overcome patterns of segregation' §8899.50(a)(1).

The City of Morgan Hill is uniquely positioned to affirmatively further fair housing, as Morgan Hill is a wealthy, exclusionary city that Berkeley researchers have found is highly segregated from the rest of the Bay Area. This socioeconomic segregation is caused by the exclusionary cost of housing in your community, where an average home, as of April 30th, costs \$1,430,625, which is only affordable to someone earning a salary of \$252,439. It is thus no coincidence at all that your city is 5% whiter than the rest of the Bay, as well as 4% less black.

In a 2021 report entitled 'Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market,' the White House's leading economic advisors outlined the troves of academic research that shows how exclusionary zoning, such as your city's, contributes to racial segregation. The White House's report cites cutting-edge research that shows housing 'likely explains more than 30% of the Black-white racial wealth gap.' By banning apartments and zoning working class families out of your city, your city, award-winning Harvard research shows, is causing low income children to have worse life outcomes, from health to income. Exclusionary zoning is not consistent with your city's values and it is not consistent with your legal obligation to affirmatively further fair housing.

To take meaningful actions that overcome patterns of segregation, we recommend you:

1. **End apartment bans in high opportunity areas.** This will give working class and middle class families the opportunity to share in the resources your city's high opportunity areas enjoys. Furthermore, ending apartment bans is no longer subject to lengthy CEQA analysis thanks to SB 10, so your city's apartment ban in R1 areas can be lifted tomorrow.
2. **Accommodate 2229 low income homes in your site inventory.** This is the number of homes required to bring the proportion of low income families in your city in line with the rest of the Bay Area. While this number is large enough to be politically challenging, it will always be politically challenging to overcome segregation, as AFFH requires.

Thank you,

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