



HOUSING STUDY SESSION

Monterey County Board of Supervisors
February 5, 2019



PURPOSE OF STUDY SESSION



STUDY SESSION – RECOMMENDED ACTIONS

- a. Receive a report on the update process for the Affordable Housing Ordinance, the Inclusionary Housing Ordinance Financial Evaluation and provide direction on options for modifying the Ordinance;
- b. Receive a report on funding restricted for affordable housing to support the development and retention of affordable housing;
- c. Direct staff to analyze establishing a replacement reserve for the Kents Court in Pajaro to be funded from monthly lease income received from tenants of this affordable housing development;
- d. Authorize staff to issue a Request for Proposals for the preparation of a Housing Sustainability Plan for Monterey County and set aside \$210,000 from the Inclusionary Housing Fund for this purpose;
- e. Authorize staff to issue a Request for Proposals for affordable housing development and rehabilitation projects and planning activities to be funded from various restricted funding sources including the BEGIN program, HOME program, Inclusionary Housing In-Lieu Fees, and redevelopment low-moderate-income housing set-asides; and,
- f. Authorize staff to work with the Board of Supervisor's Legislative Committee, lobbyists, and other interested parties to advocate for changes to AB11 – Community Redevelopment Law of 2019.

REGIONAL HOUSING NEEDS ALLOCATION – COUNTY UPDATE

	Very Low	Low	Moderate	Above Moderate	Total
Obligation	374	244	282	651	1,551
Reported thru 12/31/17	37	6	9	705	757
2016 Correction (T&A)	100				100
2018 Permits to Report	80			287	367
Total Permits Issued	217	6	9	992	1,224
Obligation Remaining	157	238	273	0	
Percent Complete	58%	2%	3%	100%	79%

HOUSING ELEMENT – PROGRESS TOWARD RHNA 2014-2023

Housing Element Tables 39 & 40	Very Low	Low	Moderate	Above Moderate	Total
RHNA Obligation	374	244	282	651	1,551
Units Constructed (2014-2015)					
Single Family	0	0	0	176	176
Accessory Dwelling Units	0	0	0	4	4
Mobile Homes	0	0	0	5	5
<i>Subtotal</i>				185	185
Units Approved					
<i>Subtotal</i>	226	190	276	2,263	2,955
Total	226	190	276	2,448	3,140
Surplus/(Deficit)	(148)	(54)	(6)	1,797	208

RHNA – Countywide Performance

	Total Allocation	Very Low	Low	Moderate	Above Moderate
Obligation	7,250	1,760	1,140	1,340	3,010
Permits Issued	1,305	153	34	166	952
County 2016 & 2018	467	180			287
Permits Remaining	5,478	1,427	1,106	1,174	1,771
Percent Complete	24%	18%	3%	12%	41%



Inclusionary/Affordable Housing Ordinance - Process

Process

- Review of Current Ordinance and State Law
- Financial Evaluation of Market Conditions & Current Ordinance
- Stakeholder Meetings
- Draft Ordinance
- Complete Environmental Review
- Ordinance Adoption



Inclusionary Housing Ordinance Financial Evaluation



Funding Overview – Board Controlled Funds

Inclusionary Housing Fund	\$974,403
BEGIN Program – DPA	\$51,254
HOME Program – DPA, Rehab, Multi-Family	\$977,456
Housing Asset Funds - DPA, Rehab, Multi-Family	1,388,603
June 30, 2018 Fund Balance	\$3,339,717



Funding Overview - Outlook

- Unpredictable Revenue Streams
 - Grant Opportunities – when, how much, are County projects competitive
 - In-Lieu Fees
 - Loan Repayments
- Ongoing Operations and Overhead
 - Grant Limits on General Administration Cost



Funding Overview – Building Jobs and Homes Act

Planning Funds

By Application to HCD – 1-Time

\$250,000

Permanent Local Housing Allocation

“Entitlement” Allocation - Annual

\$512,333



Funding Priorities

- Direct Financial Assistance for Affordable Housing
- Community Level Planning to Support Housing Development
- Countywide Planning for Affordable Housing Development
- Internal Operations & Property Management



Kents Court



Housing Sustainability Plan for Monterey County

Possible Outcomes

- Creation of a Community Affordable Housing Advisory Board to create a consolidated process for evaluating and allocating funding to affordable housing projects
- Creation of a HOME Consortium and pooling locally controlled sources of funding for affordable housing
- Agreements to share affordable housing so all jurisdictions meet their RHNA obligations
- A countywide legislative platform to maximize the benefit of proposed legislation and funding streams



Affordable Housing Request for Proposals

	Inclusionary Housing	BEGIN Program	HOME Program	Housing Asset Funds
7/1/18 Fund Balance	\$974,403	\$51,254	\$977,456	\$1,338,603
Inclusionary Housing Consultant	(\$195,100)	-	-	-
Castroville Community Plan - Nexus Study	(\$150,000)	-	-	-
Housing Sustainability Plan	(\$210,000)	-	-	-
ADU "Blueprints"	(\$50,000)	-	-	-
Reserve for Housing Office Operations & Property Management	???	-	-	(\$50,000)
Available for Affordable Housing Projects	\$369,303	\$51,254	\$977,456	\$1,288,603



Housing Legislation

2019-2020 Legislative Session

90+ pieces of legislation

- ADU Impact Fees
- Community Redevelopment Act of 2019
- Shelter Standards
- Wildland-Urban Interface Building Standards



AB11 - Community Redevelopment Law of 2019

- Authorizes Affordable Housing and Infrastructure Districts.
- Requires that 30% of tax increment to create housing opportunities for people and households earning less than 120% of AMI.

