



# 6<sup>TH</sup> CYCLE HOUSING ELEMENT UPDATE

County of Monterey  
Planning Commission Workshop  
May 15, 2024



# INTRODUCTIONS

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# BACKGROUND



PRIMARY  
PLANNING  
DOCUMENT –  
HOUSING NEEDS  
AT ALL INCOME  
LEVELS



STATE LAW  
REQUIREMENT –  
UPDATED EVERY  
8 YEARS



COMMUNITY  
INVOLVEMENT  
IN HOUSING  
PLANNING  
PROCESS



INCORPORATE  
CHANGES IN  
STATE HOUSING  
LAWS  
(COMPLIANCE)



ALLOWS  
ELIGIBILITY FOR  
STATE FUNDING  
FOR HOUSING

# HOUSING ELEMENT UPDATE AND APPROVAL PROCESS



# HOUSING ELEMENT CONTENTS



## Community Profile

- Population, Income, Employment
- Special Needs Populations



## Housing Needs & Resources

- Challenges
- Opportunities



## List of Housing Sites Avoiding:

- Safety Risks
- DACs
- Lower Resource Areas



## Housing Constraints

- Governmental
- Market
- Environmental



## Review of Last Housing Element

- 5<sup>th</sup> Cycle RHNA Progress
- Units & Program Progress



## Fair Housing Analysis

- ID fair housing issues related to access, environmental, resources



## Goals & Objectives/ Programs & Policies

- Specific Actions & Timelines



## Community Engagement

- Ground-truthing
- Understand residents priorities



# GOALS

Meeting the housing needs of residents and workforce

Combating housing discrimination

Efficient use of land

Implementing a meaningfully inclusive process

# REVIEW OF 5<sup>TH</sup> CYCLE

| Jurisdiction    | # Total Units RHNA | % RHNA Completed* | # Affordable Units RHNA | % Affordable Completed* |
|-----------------|--------------------|-------------------|-------------------------|-------------------------|
| Monterey County | 1,551              | 64%               | 900                     | 38%                     |
| Salinas         | 2,229              | 41%               | 1,294                   | 22%                     |
| Monterey        | 650                | 18%               | 378                     | 5%                      |
| Seaside         | 393                | 1%                | 229                     | 0%                      |
| Soledad         | 191                | 60%               | 111                     | 31%                     |

*\*Percentages reflect HCD APR totals representative of completed units only.*





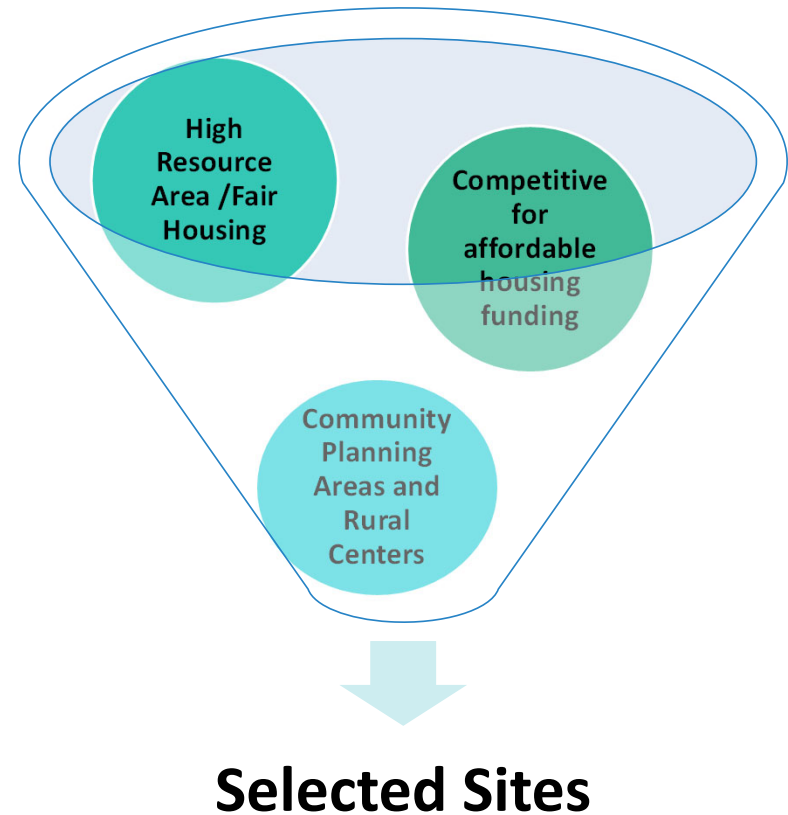
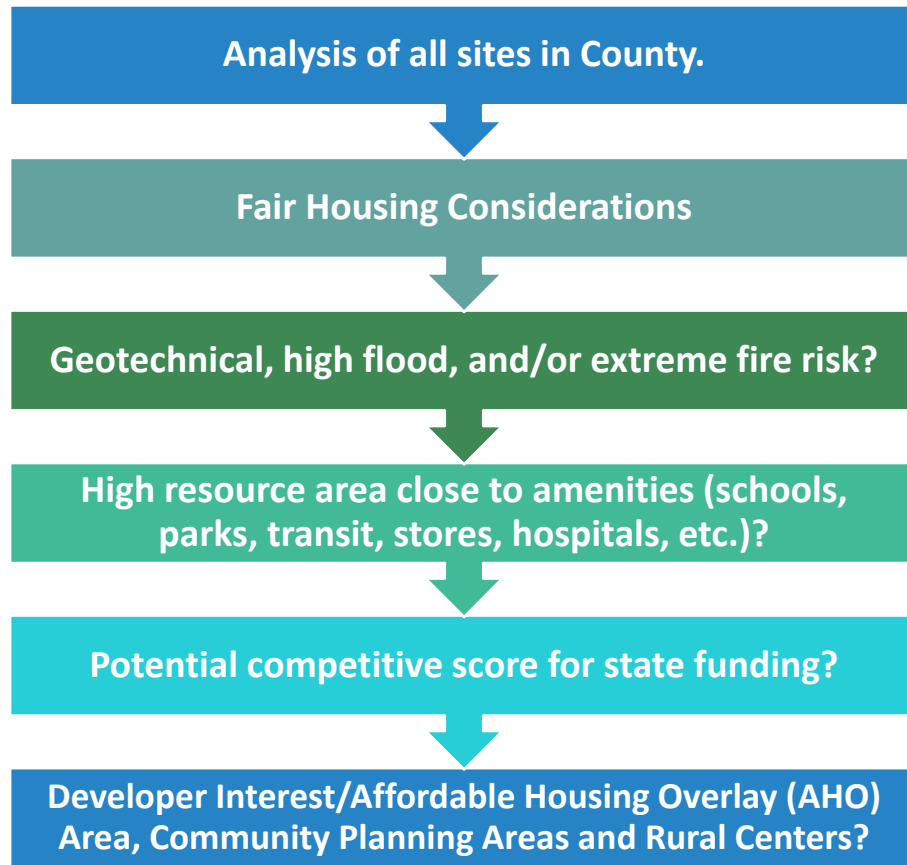
# MONTEREY COUNTY RHNA

## 6<sup>TH</sup> CYCLE (2023-2031)

| Income Category                                             | % Median | Income Range |           | RHNA  | % of Total  |
|-------------------------------------------------------------|----------|--------------|-----------|-------|-------------|
|                                                             |          | Minimum      | Maximum   |       |             |
| <b>Extremely Low/Very Low</b>                               | 0-50%    | \$0          | \$60,200  | 1,070 | <b>32%</b>  |
| <b>Low</b>                                                  | 50-80%   | \$60,200     | \$96,350  | 700   | <b>21%</b>  |
| <b>Moderate</b>                                             | 80-120%  | \$96,350     | \$120,500 | 420   | <b>13%</b>  |
| <b>Above Moderate</b>                                       | 120%+    | \$120,500    | --        | 1,136 | <b>34%</b>  |
| <b>Total</b>                                                |          |              |           | 3,326 | <b>100%</b> |
| 2023 CA HCD Income Limits, Monterey County, AMI = \$100,400 |          |              |           |       |             |



# SITE SELECTION METHODOLOGY



# REALISTIC CAPACITY METHODOLOGY

## Realistic Capacity

- **HCD guidance** requires we look at the typical densities of existing/approved housing developments to calculate the realistic potential of density.
- Housing development data indicates actual density is 60-80% of maximum density.
- This capacity factor was applied to the maximum density under proposed or existing zoning.
- Example
  - 5 acre site with proposed rezoning of HDR/20 (maximum of 20 units/acre).
  - Maximum density = 100 units total for 5 acres.
  - Recent and proposed housing development data shows projects zoned at HDR/20 = actual density of 12 units/acre.
  - Realistic density per **HCD guidance** for 5 acre site = 60 units (12 units/acre).
- **MAJORITY OF SITES HAVE REALISTIC CAPACITY FACTOR OF 60-80%.**

# AFFORDABLE HOUSING NEED

## Affordable Housing

- Existing Need – All Households
  - 1/3 of all HH in UMC are cost burdened (> 30% of income on housing).
  - 15% are severely cost burdened (> 50% of income on housing).
- Existing Need – Lower Income Households
  - Owner occupied = 59% cost burdened
  - Renter occupied = 56% cost burdened



# WHY ARE THERE SO MANY MORE HOUSING UNITS PLANNED THAN RHNA REQUIREMENT?

## No Net Loss - 8 yr. Planning Period

- *Total # of units is NOT blanket approval for all development.*
- *Income category designations (very low, low, moderate, above-moderate) are separate and distinct. Housing mandate applies to income levels, not total # of units.*
- Buffer required - 15% lowest buffer allowed.
  - **Higher buffers** to ensure variety and options to develop housing to maintain legal compliance.
- Best practice - >15% to not violate No Net Loss.
- If any of the income level buffers are exhausted, new sites must be found per income level.
- HE could be decertified, resulting in builders remedy, loss of state funding.

|                       | RHNA  | Minimum 15% Buffer | Minimum# of Units | Total # units in HEU |
|-----------------------|-------|--------------------|-------------------|----------------------|
| <b>Very Low</b>       | 1,070 | 161                | 1,231             | 1,324                |
| <b>Low</b>            | 700   | 105                | 805               | 1,123                |
| <b>Moderate</b>       | 420   | 63                 | 483               | 1,074                |
| <b>Above Moderate</b> | 1,136 | 170                | 1,306             | 6,736                |
| <b>Total</b>          | 3,326 | 499                | 3,825             | 10,257               |

# WHY ARE THERE SO MANY MORE HOUSING UNITS PLANNED THAN RHNA REQUIREMENT? - CONTINUED

## Affordable Housing

- Public Subsidy
  - Insufficient state funding for development of all needed affordable units.
- Private Subsidy
  - Above Moderate units subsidize affordable units under affordable housing requirements.

|                       | RHNA  | Minimum 15% Buffer | Minimum# of Units | Total # units in HEU |
|-----------------------|-------|--------------------|-------------------|----------------------|
| <b>Very Low</b>       | 1,070 | 161                | 1,231             | 1,324                |
| <b>Low</b>            | 700   | 105                | 805               | 1,123                |
| <b>Moderate</b>       | 420   | 63                 | 483               | 1,074                |
| <b>Above Moderate</b> | 1,136 | 170                | 1,306             | 6,736                |
| <b>Total</b>          | 3,326 | 499                | 3,825             | 10,257               |

# SITES CAPACITY DETERMINATION

Thoughtful and lengthy vetting process including:

- HCD Guidance
- Stakeholder Meetings
- Property Owner Outreach
- Specific Site Characteristics
- Monterey County Code

|                                                                                                          | Units by Income Level |              |              |              |               |
|----------------------------------------------------------------------------------------------------------|-----------------------|--------------|--------------|--------------|---------------|
|                                                                                                          | VLI                   | LI           | Mod.         | Above Mod.   | Total         |
| <b>RHNA</b>                                                                                              | <b>1,070</b>          | <b>700</b>   | <b>420</b>   | <b>1,136</b> | <b>3,326</b>  |
| <b>20% Buffer</b>                                                                                        | <b>214</b>            | <b>140</b>   | <b>84</b>    | <b>227</b>   | <b>438</b>    |
|                                                                                                          | <b>1,284</b>          | <b>840</b>   | <b>504</b>   | <b>1,363</b> | <b>3,764</b>  |
| <b>Alternative Methods to Meet the RHNA (Credits)</b>                                                    |                       |              |              |              |               |
| Entitled or Proposed Projects                                                                            | 107                   | 91           | 205          | 116          | 519           |
| Accessory Dwelling Unit Potential                                                                        | 0                     | 9            | 0            | 261          | 270           |
| <b>Subtotal</b>                                                                                          | <b>107</b>            | <b>100</b>   | <b>205</b>   | <b>377</b>   | <b>789</b>    |
| <b>Net RHNA w/ Buffer (after credits are applied)</b>                                                    | <b>1,177</b>          | <b>740</b>   | <b>299</b>   | <b>986</b>   | <b>2,975</b>  |
| <b>Determination of Opportunity Sites (Utilizing Zone Changes and Capacity Expectations)<sup>1</sup></b> |                       |              |              |              |               |
| North County                                                                                             | 345                   | 272          | 186          | 1,101        | 1,904         |
| Carmel Valley Master Plan                                                                                | 263                   | 208          | 187          | 1,878        | 2,536         |
| Greater Monterey Peninsula                                                                               | 190                   | 184          | 218          | 1,843        | 2,435         |
| Greater Salinas                                                                                          | 56                    | 56           | 75           | 683          | 870           |
| Fort Ord   Toro                                                                                          | 314                   | 266          | 182          | 709          | 1,471         |
| Central Salinas Valley                                                                                   | 15                    | 15           | 19           | 128          | 177           |
| Carmel LUP                                                                                               | 34                    | 22           | 2            | 17           | 75            |
| <b>Subtotal (Net New)</b>                                                                                | <b>1,217</b>          | <b>1,023</b> | <b>869</b>   | <b>6,359</b> | <b>9,468</b>  |
| <b>Total (Credits &amp; Site Inventory)</b>                                                              | <b>1,324</b>          | <b>1,123</b> | <b>1,074</b> | <b>6,736</b> | <b>10,257</b> |
| <b>Surplus/(Shortfall) w/ Buffer<sup>2</sup></b>                                                         | <b>40</b>             | <b>283</b>   | <b>570</b>   | <b>5,373</b> | <b>6,493</b>  |
| <b>No Net Loss Buffer Surplus/(Shortfall), as a percent of RHNA w/ Buffer<sup>2</sup></b>                | <b>4%</b>             | <b>40%</b>   | <b>136%</b>  | <b>-</b>     | <b>-</b>      |
| <b>TOTAL RNHA BUFFER</b>                                                                                 | <b>24%</b>            | <b>60%</b>   | <b>156%</b>  |              |               |

# COMMUNITY ENGAGEMENT ACTIVITIES TO DATE



**Community Workshop #1  
Winter 2023**



**Community Pop Ups & Library Displays  
Winter – Summer 2023**



**Online Community Survey  
Winter 2023**



**9 Focused Stakeholder Meetings  
Winter – Fall 2023**



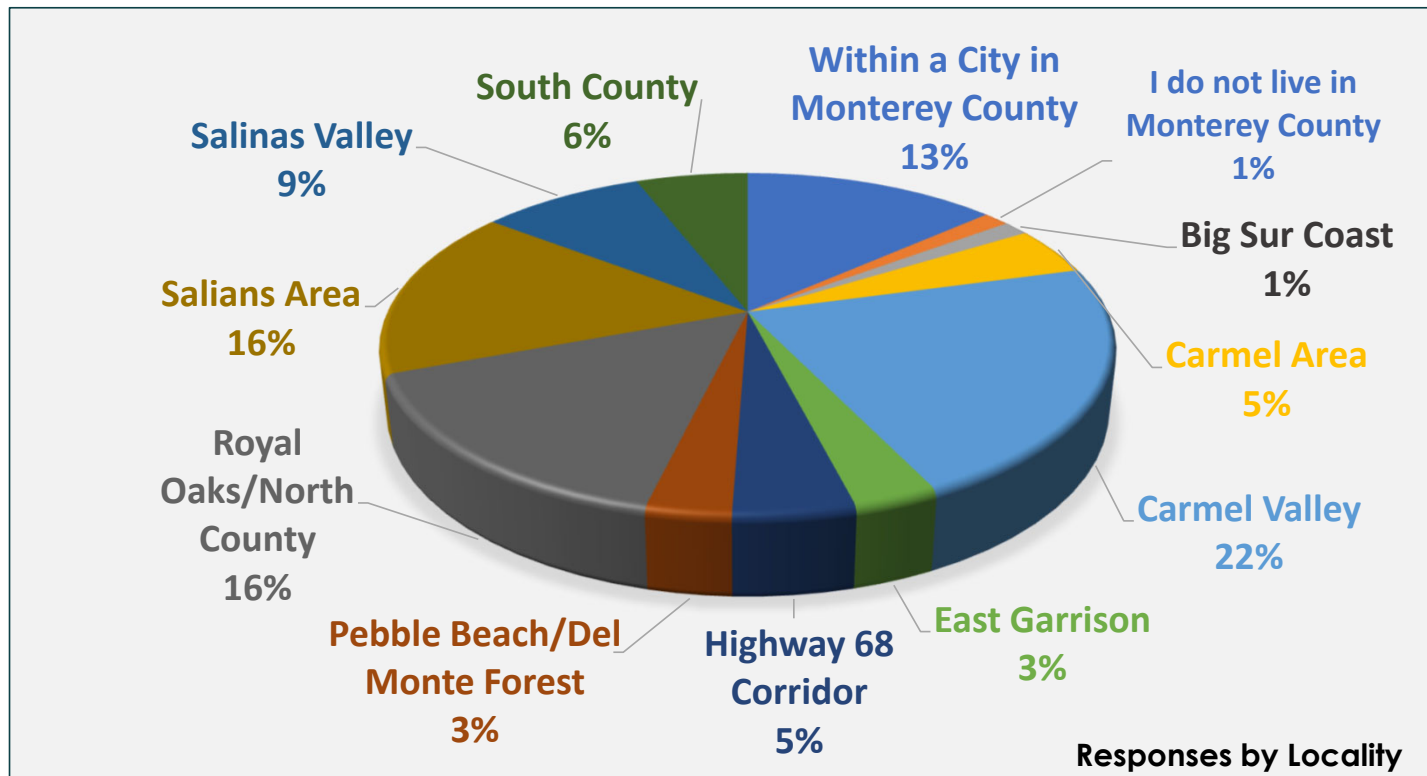
**Community Workshop #2 Summer 2023**



# HOUSING ELEMENT SURVEY

The survey was open from 1/16/23 – 02/20/23.

A total of 532 responses were received.



# HOUSING ELEMENT SURVEY KEY FINDINGS

## Housing Most Needed

- Apartment Rentals = 244
- Employee Housing = 249

## Highest Need for Housing

- Unhoused
- Single parent – female head of household
- Low-income agricultural workers

## Housing Discrimination

- 16% experienced housing discrimination
  - Income Source
  - Race
  - Family Size

## Support Fair Housing

- 30% fair housing services not sufficient
  - Affordability
  - Accessibility
  - Access to information

## Support Housing Opportunities

- Need AH units built throughout County
- Underserved communities - infrastructure, transit, services, outreach on affordable housing

# AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH)

**Lack of Access to Opportunity**  
**Disproportionate Housing Needs and Displacement**  
**Segregation and Integration**

- Lack of:
  - Infrastructure for residential development
  - Access to public transportation
  - Resources to assist with housing affordability
  - Affordable rental and homeownership options
- Cost burden and overcrowding

**Exposure to Environmental Hazards**

- Exposure to air, land, and water pollutants in community planning areas within the County

**Fair Housing Enforcement and Outreach Capacity**

- Lack of resources for fair housing agencies and organizations

# HOUSING PROGRAMS

Programs provided in the Housing Plan chapter have been designed to address key constraints to development including:

## Nongovernmental Constraints

- Land costs
- Residential construction costs
- Lack of affordable housing funding

## Environmental Constraints

- Flooding hazards
- Fire threat for 80% of County
- Culturally sensitive protected areas
- Prior drought conditions

## Governmental Constraints

- Land use policies and Urban Growth Boundary Agreements
- Development Fees
- Entitlement and permit process
- Infrastructure needs
- Land Use Element Policy LU-1.19

## Zoning for a Variety of Housing Types

- Current zoning codes require amendments



# HOUSING PROGRAMS

## H-2.A. Accessory Dwelling Units (ADUs)

- Encourage ADUs through pre-approved plans, offering incentives beyond state requirements, and educational materials. Establish ADU Monitoring Program.

## H-2.F. Annual Review with County Supervisors

- Annual meetings to review housing development progress and coordination to address housing needs.

## H-2.G. Incentives/Concessions for Developers

- Gather feedback from developers and publish an overview of available incentives and concessions on the County's website.

## H-2.H. Streamline Approval - Religious Organizations and Nonprofit Colleges

- In alignment with Senate Bill 4 (2023), expedite the approval process for affordable housing development on lands owned by religious organizations and nonprofit colleges.

## H-2.L. Collaboration with Water Resources Agencies

- Collaborate with water resource agencies to strengthen initiatives to achieve long-term sustainable water supply, enhance the current residential water system, and increase its capacity.

# HOUSING PROGRAMS

## H-3.A Rezoning for Higher-Density Residential Development

- Above and beyond the site inventory, the County will look for opportunities for rezoning beyond the planning period for other sites to use for mixed-use.

## H-3.B Promote Optimal Utilization of Sites

- Streamline the development of affordable housing on sites identified in the Sites Inventory with a planned rezone to HDR/20, small lots under 0.5 acres and those over 10 acres in size.

## H-3.C. Zoning Amendments for Opportunity Sites

- Adopt revised ordinances for Monterey County Code Titles 20 and 21 to streamline development on sites identified in the Sites Inventory for the 6th Cycle RHNA.

## H-4.D. Countywide Objective Residential Design Standards

- Undertake initiatives to streamline development and design review processes, expediting residential development.

## H-4.E. Streamline Processing for Residential Development

- Expedite permitting and approval processing of residential development projects and remove regulatory constraints.

# NEXT STEPS TO HCD SUBMITTAL







# THANK YOU!

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