

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

- a. Consider adoption of an Ordinance that revises)
Chapter 10.40, the County's Inclusionary)
Ordinance, to clarify certain regulations and)
procedures to improve the Program and establish)
fees for services;)
- b. Approve a resolution to adopt Inclusionary)
Housing Service Fees related to processing sales,)
refinances, and tenant qualifying of Inclusionary)
Housing Units; and)
- c. Direct the Redevelopment and Housing Office to)
make the necessary revisions to the adopted)
Inclusionary Housing Administrative Manual,)
consistent with the recommended Ordinance)
revisions.....)

Upon motion of Supervisor Calcagno, seconded by Supervisor Salinas, and carried by those members present, the Board of Supervisors hereby:

- a. Adopted Ordinance 5175 that revises Chapter 10.40, the County's Inclusionary Ordinance, to clarify certain regulations and procedures to improve the Program and establish fees for services;
- b. Approved Resolution No. 11-117 to adopt Inclusionary Housing Service Fees related to processing sales, refinances, and tenant qualifying of Inclusionary Housing Units; and
- c. Directed the Redevelopment and Housing Office to make the necessary revisions to the adopted Inclusionary Housing Administrative Manual, consistent with the recommended Ordinance revisions.

PASSED AND ADOPTED this 26th day April 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, and Potter
 NOES: Supervisor Parker
 ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on April 26, 2011.

Dated: April 28, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
 Deputy

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. 11-117

Resolution approving and adopting)
Inclusionary Housing Service Fees, to offset)
the costs of the Redevelopment and Housing)
Office for the processing of services related to)
the initial sale, re-sale, rental or refinancing of)
Inclusionary Housing Units.....)

WHEREAS, the County of Monterey ("County") adopted an Ordinance relating to the provision of Inclusionary Housing for the County known as the "Inclusionary Housing Ordinance of the County of Monterey" and found in Chapter 18.40 of the Monterey County Code; and

WHEREAS, the Inclusionary Housing Ordinance was originally adopted in 1994 and has been amended from time to time, including by Ordinance No. 5175 adopted on April 26, 2011; and

WHEREAS, as part of Ordinance No. 5175, the County has authorized the assessment of a fee to cover a portion of the costs incurred by the County to qualify potential buyers, to qualify proposed tenants of inclusionary units permitted to be rented, and to qualify and process requests for re-financing made by existing owners of inclusionary units; and

WHEREAS, based on the information presented to the Board of Supervisors, it has been determined that the following processing charges are fair, appropriate and do not exceed the costs of such services:

- a. Initial sales: \$500.00
- b. Re-sales: \$500.00
- c. Re-financing: \$200.00
- d. Re-sale value: \$ 35.00
- e. Qualify tenants: \$200.00

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Supervisors does hereby Approve and adopt the following fees for the servicing of initial sales, re-sales and re-financing of Inclusionary Housing Units:

- a. Initial sales: \$500.00
- b. Re-sales: \$500.00
- c. Re-financing: \$200.00
- d. Re-sale value: \$ 35.00
- e. Qualify tenants: \$200.00

These fees shall become effective on the day Ordinance No. 5175 becomes effective.

PASSED AND ADOPTED on this 26th day of April, 2011, upon motion of Supervisor Calcagno, seconded by Supervisor Salinas, by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, and Potter
NOES: Supervisor Parker
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on April 26, 2011.

Dated: April 28, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Throckmold
Deputy

ORDINANCE NO. 5175

**AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA,
AMENDING CHAPTER 18.40 OF THE MONTEREY COUNTY CODE RELATING TO
THE PROVISION OF INCLUSIONARY HOUSING**

County Counsel Summary

This ordinance revises the existing County Inclusionary Housing Ordinance which requires certain new residential development projects to contribute to the provision of housing for very low, low, and moderate income households. This ordinance provides specific procedures for agriculturally zoned lands being subdivided for financing purposes, authorizes service fees for processing sales, refinancing and rentals of inclusionary units, and changes the manner in which children or step-children may inherit inclusionary units. This ordinance also provides authority for the Director of Redevelopment and Housing to act to relieve certain hardship situations, based upon standards adopted by the Board of Supervisors.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Section 18.40.020 of the Monterey County Code is amended as follows:

18.40.020 Findings.

A. Monterey County Goals and General Plan. The Board of Supervisors finds that a decent home and suitable living environment for all is a priority of the highest order; this priority conforms with State and Federal policies. The goal of the County is to achieve a balanced community with housing available for persons of all economic levels, with priority given to those persons currently residing or working within the County.

The Board of Supervisors finds there is an inadequate supply of housing in Monterey County which is affordable to very low, low and moderate income households. Federal and State housing finance and subsidy programs are not sufficient in themselves to meet that need.

The Board of Supervisors finds that the cost of housing in new developments has increased and will continue to perpetuate this housing shortage. Further, land for residential development in the County is limited, and the amount of land which can be used for development of housing for very low, low, and moderate income households is being depleted by development of high cost housing.

The Board of Supervisors finds that the provision of housing affordable to very low, low, and moderate income households is a countywide responsibility, and the provision of such housing is a goal of the Housing Element of the County General Plan.

B. Provide for Workforce. The Board of Supervisors finds that the housing shortage for persons of very low, low, and moderate income is detrimental to the public health, safety and welfare, and particularly finds that provision of very low, low, and moderate income housing is fundamental to the maintenance of an adequate, growing workforce and market place for the local economy, as well as to provide housing for additional employees whose jobs serve the increasing population living in new market-rate housing.

The Board of Supervisors acknowledges that if very low, low, and moderate income workers cannot find housing in the County, then employers will have difficulty in securing a labor force, and employees will be forced to commute. Employee commutes use limited gasoline resources and increase air pollution.

C. Benefit to the County. The Board of Supervisors finds that a Countywide Inclusionary Housing Program will benefit the County as a whole. Each property which contributes to inclusionary housing augments the housing mix, increases the supply of housing for all economic segments of the community, and thereby provides for a balanced community which is deemed to be in the public interest.

D. Resale Restrictions. The Board of Supervisors finds that the effect of an Inclusionary Housing Program is severely diminished if it benefits only the first occupants of very low, low, and moderate income housing, and inclusionary units are resold at market prices. Therefore, the Board of Supervisors recognizes that resale control, to ensure the continuing availability of inclusionary units to very low, low, and moderate income households, is a necessary consideration in order to prevent undermining of the credibility of the whole program, particularly because of the loss of the unit itself as an affordable unit.

E. Public Purpose. The Board of Supervisors finds that public housing programs and housing subsidy programs can meet only a small portion of the need for very low, low, and moderate income housing. The vast majority of housing units has been and will continue to be produced by the private housing industry. This industry has the knowledge and ability to produce housing affordable to very low, low, and moderate income households given supportive government policies, including incentives and public investment as appropriate. Therefore, the Board of Supervisors finds it is a public purpose of the County to seek assistance and cooperation from the private sector and non-profit agencies in making available an adequate supply of housing for persons of all economic segments of the community.

F. Benefits of the Application of This Chapter. Application of this Chapter may benefit the public through increased housing opportunities in all areas of the County, an increased supply of very low, low, and moderate income housing, and an increased availability of funds for very low, low, and moderate income housing projects.

G. Collection of Fees. The Board of Supervisors finds that the fees required or permitted by this Chapter are appropriate and permissible. The fees permitted by this Chapter will be fair and effective because:

1. The fee amount will be based on the amount necessary to make possible construction of an affordable unit or affordable units as called for by this Chapter, so that when a developer elects to pay an in-lieu fee, funds will be available to reach the County's overall affordability target, without excessive payments and without setting varying fee standards on a case-by-case basis;

2. The fee amount necessary to construct units at the affordability levels specified by this Chapter will be based on land, construction and other costs of units in the County;

3. Payment of in-lieu fees will be within a specific period of time, thereby allowing a predictable and stable flow of in-lieu fees;

4. The fees collected will be used in a specific time frame for the provision of very low, low, and/or moderate income housing; and

5. Fees imposed for services related to the initial sale, re-sale, rental or refinancing of inclusionary units recover only a portion of the costs of such services.

H. Other Objectives. The Board of Supervisors finds that an objective of this Chapter is to meet the housing needs of all types of very low, low, and moderate income groups in a manner

that is economically feasible and consistent with their needs.

The Board of Supervisors further finds that an objective of this Chapter is to provide housing opportunities in all planning areas of the County for very low, low, and moderate income households.

The Board of Supervisors further finds that an objective of this Chapter is to provide housing opportunities for very low, low, and moderate income household members currently residing or working in Monterey County, on a priority basis.

This Chapter, as amended, continues a successful program which the County began in 1980.

SECTION 2. Section 18.40.050 of the Monterey County Code is amended as follows:

18.40.050 Development requiring inclusionary contribution.

A. The requirements of this chapter are minimum requirements and shall not preclude a residential development from providing additional affordable units and/or affordable units with lower rents or sales prices. Except as expressly provided in paragraphs B and C of this subsection, all residential developments shall contribute to the provision of housing for very low, low, and moderate income households in the County of Monterey as provided in this Chapter. "Residential Development," as that term is defined by this Chapter, means any project requiring any subdivision of land, including subdivisions of agriculturally zoned land, use permit, discretionary permit or building permit, or combination thereof, for which an application or applications are submitted to the County and which would by construction or alteration of structures create three or more new or additional dwelling units and/or lots.

B. Residential developments which meet one of the following criteria shall not be required to comply with this Chapter:

1. Residential developments which form part of a larger residential development as to which the requirements of this Chapter have previously been fully satisfied and as to which there is no default in continuing obligations under this Chapter, where the new residential development results in no increase in the number of previously approved lots or units.

2. Development as to which the applicant demonstrates during consideration of a first approval that there is no reasonable relationship between the development and the requirements imposed by this Chapter, that the requirements of this Chapter would take property in violation of the federal or California Constitution, or that as a result of unusual or unforeseen circumstances, it would not be appropriate to apply, or would be appropriate to modify, the requirements of this Chapter, provided that the Appropriate Authority who makes the determination to approve or disapprove an exemption or modification makes written findings, based on substantial evidence, supporting that determination.

3. Development for farm workers;

4. Mobile home park development.

C. Pending developments, as that term is defined by this Chapter, shall not be required to meet the requirements of this Chapter as amended by Ordinance No.04185, but shall be subject to the requirements of the Inclusionary Housing Ordinance in effect when the application for the development's first approval was deemed complete, unless the developer elects in writing to be subject to this Chapter as amended.

SECTION 3. Section 18.40.060 of the Monterey County Code is amended as follows:

18.40.060 Inclusionary requirements.

A. All residential development consisting of five (5) or more units or lots in Monterey County shall provide inclusionary units on-site or off-site, except that a fee may be paid in-lieu of providing fractional units and in other circumstances specified in Section 18.40.090. All new residential development consisting of three (3) or four (4) additional units or lots in Monterey County shall provide inclusionary units on-site or off-site, or pay a fee in-lieu pursuant to Section 18.40.090. The size, design, and location of inclusionary units shall be consistent with the County General Plan, Local Coastal Plan as applicable, Zoning Ordinances, and other County ordinances and building standards. Compliance may be accomplished by the developer alone or in combination with others, including without limitation the Housing Authority or a non-profit housing corporation. The owner-occupied unit in an owner-occupied development of four units or less shall not be counted in applying the requirements of this Chapter.

B. Subdivisions of eligible agriculturally zoned land as described below are subject to this subsection. These eligible agricultural subdivisions may comply with the Inclusionary Requirements by paying a fee in-lieu of supplying units pursuant to Section 18.40.090. The entire in-lieu fee may be secured on the entire subdivision to the satisfaction of the Redevelopment and Housing Director until such time that a residential building permit is issued for any lot within the subdivision, at which time the entire in-lieu fee is due and payable. In order to be eligible under this subsection, agricultural subdivisions must meet all of the following:

1. Be zoned "Farmlands" under the Monterey County Code;
2. Result in subdivided parcels of not less than 40 acres in size. Further subdivision of the parcels will not be eligible under this subsection and will require compliance with the remaining provisions of the Inclusionary Housing Ordinance, as applicable; and
3. Applicant must submit a request in writing stating that the purpose of the subdivision is for financing and/or agricultural operation purposes, not for residential development and must provide documentation establishing that purpose, to the satisfaction of the Redevelopment and Housing Director.

SECTION 4: Section 18.40.090 of the Monterey County Code is amended as follows:

18.040.090 Fees.

A. In-Lieu Fees.

1. **Projects of Three or Four Units.** All developers of new residential development projects of three (3) or four (4) units or lots may elect to contribute to the provision of housing for low and moderate income households by payment of a fee calculated pursuant to this section, in lieu of constructing units on-or off-site.

2. **Agricultural Subdivisions.** Subdivisions eligible under Section 18.040.060.B may elect to contribute to the provision of housing for low and moderate income households by payment of a fee, calculated pursuant to this section, in lieu of constructing units on or off-site. An Inclusionary Housing Agreement may be executed to provide for the deferment of the payment of the fee as provided for in Section 18.040.060.B.

3. **Fractions of Units.** Residential developments required to construct fractions of a unit under this Chapter may pay an in-lieu fee in an amount corresponding to the fractional unit, computed by multiplying the in-lieu fee amount determined under subsection D below by the fraction.

4. **Qualification for In-Lieu Fee.** The developer of a residential development containing five (5) or more units may elect to pay a fee in-lieu of providing some or all of the required inclusionary units if the developer demonstrates, in connection with the first approval for the residential development, that specific characteristics of the development site, such as lack of access to services, zoning which requires large lot development, or potentially high site maintenance costs, make the site unsuitable for households at the required income levels.

5. **Fee Amount.** For residential developments which are permitted to satisfy the requirements of this Chapter in whole or part by payment of in-lieu fees, the fee amount shall be determined and approved by the Appropriate Authority as follows: for each market-rate unit in the residential development, the fee shall be one-fifth of the difference between the affordable sales price for a four-person household at 100% of median income and the cost of developing an average market-rate three-bedroom home. The Director shall prepare an annual table which identifies in-lieu fee amounts based on criteria stated in the administrative manual. The Annual In-Lieu Fee Table shall be adopted by the Board of Supervisors. In the event that the Director does not prepare a revised annual table, or the Board of Supervisors does not approve one, the previous year's table shall remain in effect.

6. **Time of Payment.** Payment of in-lieu fees shall be made in full to the County prior to recordation of parcel or final maps or, where the residential development is not subject to subdivision approval, prior to issuance of the first building permit for the development, unless an inclusionary housing agreement otherwise provides.

B. **Service Fees.** A service fee, as established by County Resolution, shall be charged for the costs associated with processing the initial sales, re-sales, rentals and refinancings of inclusionary units as provided for in the administrative manual and/or approved documents.

SECTION 5: Section 18.40.110 of the Monterey County Code is amended as follows:

18.40.110 Occupancy and continuing availability of units. The occupancy and continuing availability of inclusionary units shall be provided for in the following manner:

A. **Rental Inclusionary Units.** For rental inclusionary units, eight percent (8%) of the total units in the residential development shall be set aside for moderate income households, six percent (6%) of the total units in the development shall be set aside for low income households and an additional six percent (6%) of the total units in the development shall be set aside for very low income households. On-site rental inclusionary units shall be rented only to eligible households, and off-site inclusionary units only to very low income households, at affordable rents for the relevant income category, and pursuant to further requirements set forth in any applicable inclusionary housing agreement, regulatory agreement and/or other documents in effect pursuant to this Chapter. Where the number of required very low income units is not a whole number, the fractional units required shall be added to the number of low income inclusionary units required. If the resultant number of low income units is not a whole number, the fractional units required shall be added to the number of moderate units required. Where (after any addition of fractional units under the preceding sentences) the number of moderate income inclusionary units required is not a whole number, the applicant shall include the next higher whole number of moderate inclusionary units, or may elect to pay a fractional unit in-lieu fee for the fractional unit in the amount provided in Section 18.040.090 of this Chapter. All leases or rental agreements for rental inclusionary units shall require annual certification by the Director of tenant household income and shall contain a provision prohibiting subletting or assignment of the inclusionary unit to an unqualified tenant.

B. For Sale Inclusionary Units.

1. For for-sale inclusionary units, eight percent (8%) of the total units in the development shall be set aside for moderate income households, six percent (6%) of the total units in the development shall be set aside for low income households and an additional six percent (6%) of the total units in the development, shall be set aside for very low income households. On-site for-sale inclusionary units shall be sold only to eligible households and off-site inclusionary units only to low income households, at prices affordable to such households, and pursuant to further requirements of resale restrictions, a promissory note, second deed of trust naming the County of Monterey as beneficiary, deed restrictions, and/or other documents pursuant to this Chapter. Where the number of required very low income units is not a whole number, the fractional units required shall be added to the number of low income inclusionary units required. If the resultant number of low income units is not a whole number, the fractional units required shall be added to the number of moderate income inclusionary units required. Where (after any addition of fractional units under the preceding sentences) the number of moderate income inclusionary units required is not a whole number, the applicant shall include the next higher whole number of moderate income inclusionary units, or may elect to pay a fractional unit in-lieu fee in the amount provided in section 18.040.090 of this Chapter. The initial maximum sale price of the inclusionary unit to the first purchaser shall be determined by the Director, pursuant to a method set forth in the administrative manual. Similar restrictions shall be required of subsequent owners at the time they acquire the unit.

2. The maximum resale price shall be determined under the approved documents, consistent with the administrative manual and the following:

a. The maximum permitted resale price shall be the initial sale price of the inclusionary unit, increased at the same rate as the median income has increased, with the following modifications.

b. The otherwise allowable maximum resale price shall be increased by ten percent (10%) of the initial sale price of the unit as an allowance for improvements made by the selling owners during their ownership. This allowance shall not be increased or decreased based on the value of improvements actually made to a particular home, provided that the allowance shall be reduced to the extent the unit has been adversely affected in value by deficient or deferred maintenance. To facilitate a determination by the Director concerning maintenance prior to sale, the seller shall comply with any applicable requirements in the administrative manual.

c. Where an owner has lawfully added a bedroom to a for-sale inclusionary unit, the maximum resale price of the unit shall be calculated based on an assumed household size corresponding to the total number of bedrooms, including the added bedroom.

d. The administrative manual and/or approved documents may provide for a ceiling which limits the resale price increases resulting from the modifications in subsections b. and c.

3. As provided in Section 18.40.090, a service fee shall be charged by the County for the costs associated with processing the initial sales, re-sales, rentals and refinancings of inclusionary units as described in the administrative manual and/or approved documents.

4. In the event of the death of all owners of an inclusionary unit, the transfer of a for-sale inclusionary unit to a child or step-child upon the death of the remaining prior owner shall be permitted without payment of any amount otherwise due to the County based on the sales price or appreciation of the unit, and without regard to any otherwise applicable preferences or waiting list priority for eligible purchasers, regardless of the income eligibility of the child or step-child. All terms of the recorded inclusionary agreement, including the remaining term of affordability, shall remain in effect upon such transfer; however a new agreement with the new owners (the

child or step-child inheriting the unit) shall be executed and recorded in order to effectuate a transfer under this provision. Otherwise, the unit shall be offered for sale in conformity with this Chapter.

5. All resale restrictions shall authorize the County or its designee to purchase any affordable for-sale inclusionary unit at the maximum resale price which could be charged to a purchaser household (less an allowance for the real estate commission avoided by the County's purchase), at any time the owner proposes sale, prior to any sale to another party.

6. For sale inclusionary units may be refinanced or used as security for additional financing, to the extent provided in the administrative manual.

7. Resale restriction documents may prohibit or limit leasing of inclusionary units. The Redevelopment and Housing Director shall have the authority to allow for the temporary rental of for sale units upon a determination of hardship, based on standards established by County Resolution, and provided that the units remain affordable at the same income level.

C. Terms of Affordability; New and Existing Inclusionary Units. For both for sale and rental inclusionary units, affordability and occupancy restrictions shall remain in effect in perpetuity and shall apply to any replacement structure or structures constructed if a structure containing an inclusionary unit or units is demolished or destroyed, provided that if demolition or destruction of a structure containing inclusionary units occurs 55 years or more after recording of the restrictions and said demolition or destruction was unintentional, restrictions on the units in the structure shall terminate on demolition or destruction. For-sale and rental inclusionary units approved before an amendment to this Chapter shall remain subject to the terms of this Chapter at the time the units were approved, and for-sale and rental inclusionary units in pending developments shall remain subject to the terms of this Chapter at the time the pending development application was deemed complete, subject in all cases to section 18.40.100.D. of this Chapter and further provided that, where a for-sale inclusionary unit is transferred and the new owner is required to enter into new regulatory documents under this Chapter, the new regulatory documents will provide for affordability in perpetuity.

D. Maintenance. Regulatory agreements and resale restriction documents shall include maintenance and insurance requirements for affordable units.

E. Approval and Recording of Documents. The Director, in consultation with County Counsel, shall establish the form and content of documents required or authorized under this section, 18.40.110. Regulatory agreements and resale restriction documents may provide for specific affordability and/or occupancy requirements for particular affordable units, consistent with this Chapter and with the terms of the project's inclusionary housing agreement. These documents shall be executed by the record owners of affected property, approved as to form by County Counsel, and recorded in the official records of the County.

F. Occupancy. Initial and subsequent occupancy of inclusionary units shall be in accord with conditions and requirements stated in the administrative manual.

G. Marketing; Selection of Participants. The administrative manual shall set forth marketing and selection policies and/or procedures for inclusionary units and identify County staff responsible for supervising marketing. The manual shall contain policies favoring making inclusionary units available to households with members who live or work in Monterey County or those with household members who work near the units. The Housing Authority may be designated to review the income qualifications of potential applicants. If the County maintains a list or lists of eligible households, it may require that households newly occupying affordable units shall be selected first from one or more of those lists.

H. Administrative Manual. The Board of Supervisors shall adopt and may from time to time amend an administrative manual, approved as to form by County Counsel, to establish guidelines to interpret and implement this Chapter, including without limitation income and maximum asset guidelines for inclusionary units and units assisted by in-lieu fee proceeds. All mandatory provisions of such manual, when adopted, shall bind applicants and other private parties subject to this Chapter. Maximum permitted sales prices shall be governed by the administrative manual. The Board of Supervisors shall conduct a duly noticed public hearing prior to the adoption or any amendment of the administrative manual.

SECTION 6: Section 18.40.130 of the Monterey County Code is amended as follows:

18.40.130 Collection and Use of In-Lieu Fees.

A. Use of In-Lieu Fees. Any monies received by the County as in-lieu fees pursuant to this Chapter shall be used to provide very low, low and/or moderate income housing except to the extent allocated to monitoring, enforcement and administrative costs. Any monies collected as in-lieu fees pursuant to this Chapter, and the interest accrued thereon, shall be committed within five (5) years after the payment of such fees or the approval of the residential development, whichever occurs later. All such monies on deposit with the County shall be separately accounted for and shall not be used for purposes not authorized by this section 18.40.130. Any monies generated as in-lieu fees as a result of this Chapter shall be used by the County for assistance in the development of affordable housing within the County.

B. Funding Proposals. At least once a year, the County shall advertise by notice in newspapers of local circulation, and other such written notice as deemed necessary by the Housing Advisory Committee, availability of funds for the provision of very low, low and/or moderate income housing in the County. Included in such notice shall be an invitation to submit proposals and requests for funds to provide such housing in the County. Proposals submitted for funding shall be in accordance with the Board of Supervisors' housing priorities set for the year. Availability and use of funds for projects in an amount of less than \$25,000 shall be in accordance with Over the Counter Grant and Loan Program Guidelines and Procedures approved by the Board of Supervisors. Proposals involving funding in excess of \$25,000, shall be reviewed by the Housing Advisory Committee to be submitted with its recommendations to the Board of Supervisors for final approval.

The requests may be for grants, low interest loans, and other funding mechanisms deemed appropriate to secure the purpose of this Chapter. The proposals may be for pre-development projects and services, projects to promote very low, low, or moderate income housing unit(s), rehabilitation, land acquisition, unit purchase, development of infrastructure, or other projects deemed appropriate to secure the purpose of this Chapter.

C. Director's Authority. All proposals and requests for funding shall be referred initially to the Director. For requests less than \$25,000, the Director shall review the proposals and submit them with a recommendation on funding to the Housing Advisory Committee, which shall have funding authority in accordance with the procedures in this section and the Over the Counter Grant and Loan Program Guidelines and Procedures, subject to appeal to the Board of Supervisors. An appeal of the decision may be filed with the Clerk to the Board of Supervisors by any interested person within 10 days after notice of the decision is given. For requests in excess of \$25,000, the Director shall make recommendations for funding to the Housing Advisory Committee, who shall make a funding recommendation to the Board of Supervisors in accordance with the procedures in this section. For proposals which have received final approval in accordance with the procedures set forth in this section, the Director shall have the authority to execute all documents necessary to implement the approval on behalf of the County.

D. Grant Contract. Upon authorization for funding, the Director on behalf of the County and the grantee shall enter into a contract to assure to the greatest extent possible that the approved proposals and requests are satisfactorily completed. No warrant shall be issued until such contract is completed and signed by the appropriate parties.

E. Household Eligibility. The Director and the Housing Authority, or their authorized designees, shall establish standards for eligibility of very low, low and/or moderate income households in units assisted with the proceeds of in-lieu fees. Priority for occupancy shall be granted to residents of Monterey County and those employed in Monterey County.

SECTION 7: This ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED this 26th day of ^{April}~~January~~, 2011, by the following vote:

AYES: Supervisors Armenta, Calcagno, Salinas, Potter

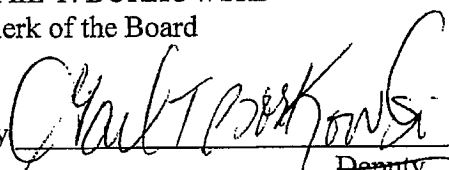
NOES: Supervisor Parker

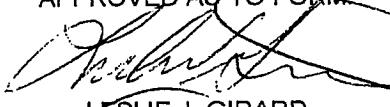
ABSENT: None


Chair, Monterey County Board of Supervisors

ATTEST:

GAIL T. BORKOWSKI
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM:

LESLIE J. GIRARD
Assistant County Counsel