

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: March 27, 2012 - Consent	AGENDA NO.:
SUBJECT: Approve the 2012 Annual Housing Report including funding recommendations, subject to the FY13 budget process, and the Housing Element Implementation Report	
DEPARTMENT: Economic Development	

RECOMMENDATION:

It is recommended that the Board of Supervisors approve the 2012 Annual Housing Report including funding recommendations, subject to the FY13 budget process, and the Housing Element Implementation Report.

SUMMARY:

The 2012 Annual Housing Report (on file with the Clerk to the Board of Supervisors) recommends a comprehensive strategy and related funding program for the remainder of fiscal year 2011-12 and for the new fiscal year 2012-13 to increase the supply of affordable and special needs rental housing, retain existing affordable housing, provide opportunities for home ownership, address and community facilities deficiencies, and improve the economic conditions for County residents and workers. The funding recommendations for the 2012-2113 fiscal year would be subject to the 2013 budget process.

DISCUSSION:

The Annual Housing Report is prepared and presented to the Board of Supervisors each year to provide a comprehensive overview of existing housing conditions, summarize prior year activities, and define the priorities, strategies, and funding allocations for the County's housing efforts for the upcoming year.

The County is facing many challenges related to the current economic crisis and dissolution of Redevelopment Agencies. As documented in the 2012 Annual Housing Report, until confidence in the job market improves, the housing market will remain stagnant. It is estimated that it could be another three years before conditions improve. Given that backdrop, it is imperative that the County remain focused on strategies that are directed at leveraging constrained resources to create jobs and improve economic conditions while facilitating affordable housing efforts. Specific housing context conclusions included in the Annual Housing Report are summarized below:

- Recovery of the job market is essential to the long-term health of the housing market. Opportunities for housing programs to contribute directly to job growth should be pursued.
- The most effective use of housing funds is financing (downpayment) assistance for qualified buyers, particularly first time homebuyers.
- The most vulnerable segments of the population, the very low income and special needs groups such as farmworkers, disabled, and seniors, have been particularly impacted by the economy. Therefor, assisting rental housing for these groups is critical.
- Monterey County should prioritize facilitating affordable housing projects, such as East Garrison, that are proposing low and moderately priced housing.
- Residential land prices remain low which creates possible opportunities for land banking for future affordable housing, if funding can be identified

- In regard to the dissolution of the redevelopment agency, the loss of funding represents a significant blow to the County's ability to address housing needs. There is, however, pending legislation to preserve the former redevelopment housing funds for housing. Accordingly, for future possible planning purposes, existing but unobligated redevelopment housing funds have been identified in the report.

Included as Appendix 5 to the Annual Housing Report is the Annual Housing Element Progress Report for 2011. The State Department of Housing and Community Development requires cities and counties to prepare an annual report on the status of their existing Housing Elements, including progress made toward implementing Housing Element policies and programs. The 2011 Report includes a status of each Implementation Program contained in the certified Housing Element.

OTHER AGENCY INVOLVEMENT:

In October and December of 2011, the Housing Advisory Committee (HAC) received presentations on project submittals received in response to the 2011 Notice of Funding Availability (NOFA). In January and February, 2012, drafts of the 2012 draft Annual Housing Report were presented to the HAC. At their meeting on March 14, 2012, the HAC recommended that the Board of Supervisors approve the Final Draft 2012 Annual Housing Report, including the proposed funding recommendations.

FINANCING:

The 2012 Annual Housing Report includes year-end estimates for the current fiscal year and a recommended funding strategy to be used in preparing the fiscal year 2012-13 budget for the County housing programs. These programs are included in the requested 2012-2013 budget in Fund 9 – Inclusionary Housing; Fund 13 Program Income/Reuse and New Grants; and in Housing Set-Aside Funds: 175 - Castroville/Pajaro, 176 – Boronda, 177– Fort Ord, and 178 – East Garrison.

Prepared by:

Approved by:

Jane Royer Barr
Housing Program

Jim Cook
Director, Housing & Redevelopment Office

Date: _____

Date: _____

Attachments: Draft 2012 Annual Housing Report