AGENDA

1) Call to Order

2) Roll Call

3) Public Comment
   The Housing Advisory Committee will receive public comment on items not listed on the agenda within the purview of the Housing Advisory Committee. The Chair may limit the length of individual presentations.

4) Approval of Meeting Minutes for March 14, 2018

5) Old Business:

6) New Business:
   a. Receive a Report on Referrals from the Board of Supervisors Affecting Housing
   b. Hold a Housing Study Session

7) Committee Member Reports
   Committee members will report on matters, events and activities related to HAC goals and housing advocacy matters. Committee members may give direction regarding future agenda items.

8) Updates from Staff
   Staff will report on housing projects and other housing related matters.
   Affordable Housing Data Management System
   Inclusionary Housing Ordinance Update
   Monitoring Program
   Loan Activity

9) Schedule of Upcoming Meetings
   November 14, 2018

10) Adjournment
    The Chair will adjourn the meeting.
Copies of staff reports or other written documentation relating to items referenced on this agenda and/or submitted after distribution of the agenda packet are on file and available for public inspection at the Economic Development office, Monterey County Government Center, 1441 Schilling Place – North, Salinas.

Meetings of the Housing Advisory Committee are accessible to individuals with disabilities. Please contact the Monterey County Administrative Office at 831-755-5390 if you need assistance or accommodations in order to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the Americans with Disabilities Act.

The following services are available when requests are made by 5:00 p.m. of the Friday before this noted meeting: American Sign Language interpreters during a meeting, large print agenda or minutes in alternative format.

If you require the assistance of an interpreter, please contact Anita Nachor in the Economic Development office at (831) 755-5390. Every effort will be made to accommodate requests for translation assistance. Requests should be made as soon as possible, and at a minimum 24 hours in advance of any meeting.

This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

Copias de reportes del personal u otra documentación escrita relativa a temas que se hacen referencia en esta agenda y/o presentados después de la distribución del paquete de la agenda son archivados y disponibles para inspección del público en la oficina de Desarrollo Económico, Centro de Gobierno del Condado de Monterey, 1441 Schilling Place - North, Salinas.

Reuniones del Comité Consultivo de Vivienda son accesibles a personas con discapacidades. Por favor, póngase en contacto con la Oficina de Administración del Condado de Monterey al (831) 755-5390, si Usted necesita asistencia o una acomodación para poder participar en una reunión pública o si Usted necesita la agenda y documentos públicos modificados como requerido por la sección 202 de la Ley de Estadounidenses con Discapacidades (ADA por sus siglas en inglés).

Los siguientes servicios están disponibles cuando las peticiones son hechas antes de las 5:00 de la tarde del viernes antes de esta reunión notificada: intérpretes de lenguaje de señas americano durante una reunión, agenda con impresión grande o minutos en otro formato.

Si Usted requiere la asistencia de un intérprete, por favor comuníquese con Anita Nachor en la oficina de Desarrollo Económico al (831) 755-5390. Se harán todos los esfuerzo para acomodar los pedidos con asistencia de interpretación. Los pedidos se deberán hacer lo más pronto posible, y a lo mínimo 24 horas de anticipo de calquier junta.

Esta agenda se publica en conformidad con la Sección 54954.2(a) o Sección 54956 de Código del Gobierno de California.
TO: Housing Advisory Committee
FROM: Darby Marshall, Redevelopment & Housing Analyst
DATE: September 4, 2018

SUBJECT: September 12, 2018 - Housing Study Session

The next Housing Advisory Committee (HAC) meeting is scheduled for September 12, 2018, and will begin at 5:00 pm. The purpose of this meeting is twofold:
- To update the HAC on housing related activities that staff has been involved with this calendar year; and,
- To provide staff with an opportunity to present a “dry run” of information that will be presented to the Board of Supervisors during a Housing Study Session on October 9, 2018.

Between September 19, 2017 and April 11, 2018, the Board of Supervisors made three referrals to staff covering different aspects of housing. Because these three referrals, and the update to the County’s Affordable Housing Ordinance all touch on different aspects of the County’s response to the housing shortage, staff requested that the Board of Supervisors conduct a study session to evaluate the different findings, policy and program alternatives at once. Copies of the three referrals and all information presented to the Board of Supervisors is included with this packet.

A more comprehensive set of materials will be distributed at the HAC meeting on September 12th.
1) **Call to Order:**
Mr. Cabatu called the meeting to order at 5:02 p.m.

**Members Present:** Ignacio “Mog” Cabatu, Rosi Gonzalez, Natalia Molina, Wayne Ross, Mark Trabing, Karen Araujo, Tyller Williamson, Virginia Mendoza, and Wes White

**Members Absent:** None

**Staff Present:** Rosa Camacho-Chavez, Darby Marshall, and Alma McHoney

**Others Present:** Cody Phillips

2) **Public Comment:**
Mr. Cabatu asked for public comment on items not on the agenda, but there was none.

3) **Approval of the January 24, 2018 Meeting Minutes:**
*Action:* A motion was made by Mrs. Gonzalez to approve the January 24, 2018 minutes. Ms. Molina seconded the motion.

**VOTES:**
- **AYES:** Cabatu, Gonzalez, Molina, Trabing, Ross, Williamson, and White
- **NAYS:** None
- **ABSENT:** Mendoza
- **ABSTAINED:** Araujo

Darby Marshall requested Chair defers Old Business to allow time for Alfred Diaz-Infante from CHISPA to arrive to help with the conversation.

6) **Committee Member Reports:**
Committee members will report on matters, events, and activities related to HAC goals and housing advocacy matters. Committee members may give direction regarding future agenda items.

- **Ms. Araujo inquired about groups who may have a volunteer position available. Darby Marshall to provide her the information on housing-related agencies.**
- **Ms. Molina stated City of Seaside has established the Homeless Committee and she will serve on that committee. Members agreed she report on that to HAC.**

5) **New Business:**
- **Receive an introduction of the two new committee members. Ms. Virginia Mendoza and Mr. Tyller Williamson.**
Mrs. Mendoza was not present yet. Mr. Williamson provided a short bio of himself.

7) **Updates from Staff:**
   Staff will report on housing projects and other housing related matters including:
   - Affordable Housing Data Management System
   - Inclusionary Housing Ordinance Update
   - Loan Activity

   *Received an update from Darby Marshall regarding the Requests for Proposal for an Asset Management System and the Inclusionary Housing Ordinance Update. A discussion was held by members regarding the ordinance update and the in lieu fees update.*
   *Rosa Camacho-Chavez provided an update on the recent loan repayments.*
   *Receive and File.*

4) **Old Business:**
   a. Consider a request from the owners of the Pasadera Inclusionary Housing Rental Units to convert the units from Inclusionary Rental to Inclusionary For-Sale Workforce 2 units and adopt a recommendation to deny the request

   *Received an update from Darby Marshall and Cody Phillips on Pasadera Inclusionary Housing Rental units to convert the units from Inclusionary Rental to Inclusionary for-Sale.*

   *(Virginia Mendoza arrived at 5:28 pm.)*

   Discussion was held. Additional data/documentation was requested by the committee from the owners. Committee wishes to refer their concerns to the Planning Commission. *Receive and File.*

   *Action: Ms. Araujo moved to extend the item to another meeting date. The motion was seconded by Mr. Williamson. Mr. Williamson withdrew his second. Virginia motioned to second Ms. Araujo’s move to extend the item to another meeting date.*

   **VOTES:**
   - **AYES:** Araujo, Trabing, Molina, Gonzalez, White, and Mendoza
   - **NAYS:** Cabatu, Ross, Williamson
   - **ABSENT:**
   - **ABSTAINED:**
Mrs. Mendoza was formally introduced by the Chair and she provided a short bio. Existing members Ross, Trabing, White, Cabatu, Araujo, Gonzalez, and Molina provided a short bio of each other. Staff Marshall, Camacho-Chavez, and McHoney provided a short update on work responsibilities to the committee.

8) **Schedule of Upcoming Meetings**
   - May 9, 2018
   - July 11, 2018
   - September 12, 2018
   - November 14, 2018

9) **Adjournment:**
   *Action:* Mr. Williamson moved to adjourn the meeting and the motion was seconded by Ms. Mendoza. The meeting was adjourned at 6:32 PM.

**VOTES:**
- **AYES:** Cabatu, Gonzalez, Araujo, Molina, Trabing, Williamson, White, Williamson, and Mendoza
- **NAYS:**
- **ABSENT:**
- **ABSTAINED:**
a. Receive a status report on Board Referral No. 2017.21 regarding the expansion of Accessory Dwelling Units in Monterey County to address the housing shortage; and
b. Provide direction to staff.

**RECOMMENDATION:**
It is recommended that the Board of Supervisors:
a. Receive a status report on Board Referral No. 2017.21 regarding the expansion of Accessory Dwelling Units in Monterey County to address the housing shortage; and
b. Provide direction to staff.

**SUMMARY:**
Supervisor Alejo submitted a referral regarding the expansion of accessory dwelling units (ADUs) that could help to alleviate the housing shortage occurring in Monterey County. Board Referral No. 2017.21 was assigned to the Monterey County Resource Management Agency (RMA) and Economic Development for consideration and analysis of the feasibility of allowing a second or accessory dwelling unit on residential properties within the unincorporated portion of Monterey County. This report is intended to provide information so the Board can determine if any further action is desired.

Staff understands that ADUs can be an effective way for creating affordable units, generally. However, Monterey County is faced with some issues that were not contemplated in the State legislation. As such, staff is evaluating where ADUs would be appropriate, as contemplated by state legislation. Preliminary analysis indicates that ADUs are most appropriate in urbanized areas with public water and public sewer systems.

RMA is preparing a formal response that will provide a thorough explanation of the reasoning. Staff intends to present an opinion to the Planning Commission that would be vetted through a public process. Meanwhile, Economic Development/Housing staff is performing due diligence to assist in the development of a proposal that would allow and make permissible secondary, or, accessory dwelling units on some existing residential parcels.

**DISCUSSION:**
The California Legislature updated ADU statutes through approval of SB 1069 and AB 2299 (effective January 1, 2017), as well as SB 229 and AB 494 (effective January 1, 2018.) RMA has contacted the State Housing and Community Development Office and consulted County Counsel’s Office as part of an effort to examine our ordinance in light of legislative changes. State legislation is often written more for urbanized areas without addressing rural conditions or environmental issues.
In 2011, zoning ordinances were adopted for coastal and non-coastal areas establishing regulations for ADUs. In coastal areas, Chapter 20.64.030 requires a Coastal Administrative Permit or Coastal Development Permit if applicable, in all residential zoning designations due to significant water, sewer, sensitive habitat, and traffic resource constraints. In non-coastal areas, Chapter 21.64.030 allows ADUs in all residential zoning districts except in areas with known resource constraints that pose a hazard to public health and safety, which are specifically identified in the 2010 General Plan Policies CV-1.6, GS-1.13, NC-1.5, and T-1.7. Staff’s position is that the state legislation does not supersede these general plan policies that are designed to protect resources and public health.

Additionally, RMA is currently in the process of drafting regulations for short term rentals (STR). One of the challenges has been developing/using ADUs as rentals, which are not affordable. This is contrary to the intent of the state legislature to generate affordable housing.

The principal issues facing Monterey County with adding an ADU to certain existing single family lots are water and wastewater. Use of a septic tank on rural residential properties is prevalent in the unincorporated portions of Monterey County. In many cases, the lot is also served by a water well. Over-density of wells and septic can create potential public health issues relative to safe drinking water.

Secondary units on a residential parcel where public sewer and/or public water is available requires a secondary tie-in and an additional permit for the accessory dwelling unit. Septic tank leach fields require a case by case assessment of the leach field area, percolation rates, and the ability to handle additional load. New state and environmental laws, separate and independent from the ADU/Housing legislation, require a specific test to determine if the existing septic system is healthy and if a second septic system and leach field will be required for the new dwelling unit.

Physical challenges:

- Capacity of the septic system?
- Can the leach field be expanded for the second unit and not interfere with a well on site?
- Can a second septic system and leach field be accommodated on the same parcel as the secondary dwelling unit?
- Is water or water credit available for the second or accessory dwelling unit?
- Competition for short term rental units.

Community Benefits:

- Better site and land use utilization of a single parcel to accommodate more housing at typically affordable rates.
- Accessory dwelling units provide proximity for family members that may need in home care.
- Secondary units prevent urban sprawl and maximize existing infrastructure.
- Monterey County faces a severe housing shortage and must find reasonable means to shelter more people.

Monterey County is facing a severe housing crises with increasing rents, a shortage of market rate multi-family rental units, and a shortage of buildable parcels that could accommodate single family
affordable housing.

**OTHER AGENCY INVOLVEMENT:**
Environmental Health will review new laws applicable to septic systems.
RMA is analyzing the feasibility of allowing accessory dwelling units in the Coastal Plan area and unincorporated portions of the County of Monterey.

**FINANCING:**
The staff time associated with pursuing this referral is covered under the Economic Development Department General Fund FY 2017-18 Adopted Budget within Appropriations ED 8221.
There currently is no funding to perform a detailed site assessment, engineering or overlay plan.
However, SB-2 funding to prepare an analysis for affordable housing may be available this summer.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**
This endeavor facilitates the continuation of the County’s and City’s mutual planning which promotes the Board’s 2015 Strategic Initiative for Administration by promoting an organization that practices efficient and effective resource management through ongoing collaboration with the City. Planning and developing infrastructure improves the quality of life for County residents and visitors.

Mark a check to the related Board of Supervisors Strategic Initiatives

X Economic Development
X Administration
X Health & Human Services
X Infrastructure
X Public Safety

Prepared by: _____________________________________________________________
David L. Spaur, CECd, EDFP, Economic Development Director, Ext. 5387

Prepared by: _____________________________________________________________
Carl Holm, AICP, Resource Management Agency Director, Ext. 5103

Prepared by: _____________________________________________________________
John Ramirez, Environmental Health Bureau Director, Ext. 4539

Approved by: _____________________________________________________________
Manuel T. Gonzalez, Assistant County Administrative Officer, Ext. 3593
Attachment 1

Los Angeles County
Pilot Project to House the Homeless
In Accessory Dwelling Units

In February 2016, the Los Angeles County Board of Supervisors adopted the Approved Strategies to Combat Homelessness. Strategy F4 is the Development of a Second Dwelling Units Pilot Program and was initially capitalized with $550,000 from the County General Fund. The Pilot Project is managed by the Department of Regional Planning (DRP) in the LA County Community Development Commission (LACDC). The Pilot Program has four major components:

1. Update the County’s ADU Ordinance to comply with AB 2299 and SB 1069 and streamline the approval process.
2. Sponsor an architectural competition to “generate momentum and interest” for ADUs through engagement events and technical workshops.
3. Subsidize construction of new ADUs.
4. Subsidize preservation of existing, unpermitted ADUs.

To subsidize new ADU construction the County set-aside $225,000 for property owners interested in building an ADU and renting it to a homeless person or household. The ADUs can be Junior ADUs, new construction, or conversion units. As of July 31, 2018, the LACDC had received more than 500 applications for the 2-3 loans available under the Pilot Project.

The County also set-aside $145,000 to help owners bring 2-3 existing, unpermitted ADUs into compliance. LACDC is working on identifying qualifying ADUs through other programs managed by LACDC but there has not been as much interest in this program and the new construction program. LACDC staff attributed this, in part, to the unpermitted ADUs have been built to accommodate family members and the family’s reluctance to accept non-family tenants.

The selected property owners will receive a soft second loan secured by a promissory note and deed of trust. The loan term is 10-years with 3% simple interest. Beginning in year six the loan is forgiven at the rate of 10% annually and fully forgiven at maturity if the property owner has continuously rented the ADU to a homeless person or household. Purchasers are required to repay the full loan amount if the property is sold during the first five years.

All prospective tenants for ADUs assisted through the Pilot Project are referred to property owners by either the County Department of Mental Health or the Housing Authority of the County of Los Angeles (HACoLA). All prospective tenants have Housing Choice Vouchers (HCV) rent subsidy payments and three other programs; 1) Holding Fees; 2) Move-In Assistance; and; 3) Damage Claims. Homeless Incentive Program (HIP) and Veterans Affairs Supportive Housing Program (VASH). The property owner and the HACoLA work together to identify and qualify tenants for the ADUs in the Pilot Project. Property owners are not required to rent to tenants they are uncomfortable with, provided they are not violating fair housing laws.

The Holding Fee program allows the HACoLA to pay property owners a fee to “hold” units while the HACoLA and property owner go through the process of selecting a tenant for an available unit. In areas with tight rental markets, this program means that property owners don’t have as much financial incentive to rent to the first applicant interested in their rental property. Through the Move-In Assistance program the HACoLA may provide tenants with security deposits and utility assistance.
Attachment 1

The Damage Claims Program is an extra layer of assurance that property owners will not be left with repair costs more than what the security deposit covers. In cases where excessive damage is identified the property owner may submit a claim to the HACoLA to cover the difference.

The LACDC is a large agency that employs many people with specialized skills. This will allow the DRP to conduct the required prevailing wage monitoring at no cost to households receiving loans through the Pilot Program.
The City of Santa Cruz has allowed ADUs since 1986 and established what has been considered a model Accessory Dwelling Unit program in 2003. The city received grants from the California Pollution Control Financing Authority and the Sustainable Communities Grant and Loan Program to design the program and many of the supporting materials. At the time the program was implemented in 2003, the city could implement several specific activities, including production of an ADU Design Book, ADU Manual and ADU loan program. The ADU Manual provided guidance on how to make their ADU architecturally compatible with their neighborhood, zoning regulations and the permitting process. Property owners who selected designs out of the ADU Design Book qualified for expedited permitting. While the ADU Manual and Design Book are still available, property owners no longer qualify for expedited permitting for choosing a design from the Design Book. The loan program has been discontinued.

Between 1986 and 2017, a total of 443 ADUs have been permitted in the city with 78% of them being detached units. The city’s extensive outreach around the 2003 revisions have had a noticeable impact on the construction of legal ADUs. Prior to 2003, the city permitted an average of 5 ADUs annually. In the 14-years since the city overhauled its ordinance, an average of 24.6 ADUs have been permitted annually. The city’s ADU policies and incentives have resulted in 45 affordable units since 1986.

Incentives
The City offers two types of incentives to encourage ADU development. All ADU projects are eligible for the five zoning incentives identified in the Municipal Code. Four of the zoning incentives deal with parking and one deals with rear yard coverage. The fifth allows development fees to be waived for ADUs that are proposed to be rented at affordable rents. The Municipal Code identifies six development fees that may be waived based on the proposed affordability level that the ADU will rent at.

City staff reports that the Fee Waiver Program has pretty much ended because of state requirements that impose prevailing wage requirements on projects that received public funding. The waiver of fees was determined to be public funding.
Limited Immunity Amnesty Program
The County of Santa Cruz has created a Limited Immunity Amnesty Program (LIAP) for property owners with unpermitted ADUs. The LIAP does not “legalize” unpermitted ADUs. Property owners who work with the County to have their property inspected for compliance with safety and habitability requirements are rewarded with a Certificate of Limited Immunity from code compliance actions. There is a four part, 64-point inspection checklist that is used to determine if a property is safe and habitable. The difference between the LIAP and fully legalizing a unit is that the LIAP inspection only looks at the surface issues of safety and habitability, i.e. the inspector checks to see if GFCI circuits/outlets are present where required by the building code but the internal wiring is not inspected for compliance. The County’s goal, according to their Housing Program Manager, is to get property owners to get units fully permitted and use the LIAP only in cases where that is not possible, such as when setback requirements cannot be met.

ADU Loan Programs
The County has capitalized two programs, the My House My Home and the Forgivable Loan Program. Funding for both programs came from the County’s Affordable Housing Impact Fees (AHIF). Staff costs for both programs are paid by either AHIF or the General Fund.

The goal of the My House My Home program is to build ADUs on the properties of qualifying low-income seniors to provide additional income and adjustable living situations to help seniors age in place.” supporting the development of a new income source. The financial assistance is in the form of $80,000 loan at three percent simple interest, deferred for up to 30 years, or payable upon sale or transfer. Borrowers must live in either the primary residence or the ADU and rent to a household whose income is at or below 60% of area median income. Funding for one-unit per year in each of the next three years has been set-side. The initial capitalization is from the AHIF.

The purpose of the ADU Forgivable Loan program is to provide up a loan of up to $40,000 at three percent interest, deferred for 20-years. During the term of the loan, the primary residence or the ADU must be rented to a household earning no more than 80% of the area median income. The loan is forgiven if one of the residences is rented to income qualified households for the 20-year term the loan.

Help Understanding the ADU Financing, Design, Permitting and Construction Processes
The County of Santa Cruz has invested heavily in its efforts to help the public understand issues related to ADU permitting and construction. In addition to creating a web presence for promoting ADUs, the County has prepared several materials to help would be ADU developers understand the challenges and opportunities associated with building an ADU. These resources include: the 12-page ADU Basics; the 62-page Cost and Financing Guide; and, a 12-page Design Guide.
a. Receive a status report on Board Referral No. 2017.21 regarding the expansion of accessory dwelling units in Monterey County to address the housing shortage; and,

b. Provide direction to staff.

RECOMMENDATION:
It is recommended that the Board of Supervisors:

a. Receive a status report on Board Referral No. 2017.21 regarding the expansion of accessory dwelling units in Monterey County to address the housing shortage; and

b. Provide direction to staff.

SUMMARY:
Chair Alejo submitted a referral regarding the expansion of accessory dwelling units (ADUs) to help alleviate the housing shortage occurring in Monterey County. On April 3, 2018, staff from the Monterey County Resource Management Agency (RMA) and Economic Development Department made a presentation to the Board of Supervisors that discussed the impact of recent state legislation and presented a map that indicated where ADU’s are currently allowed in the County. The Board of Supervisors directed staff to research how other jurisdictions are attempting to create more housing through ADUs. The Resource Management Agency presented an update of the ADU Ordinance to the Planning Commission on June 27, 2018. The Planning Commission requested that staff look at additional issues regarding ADU’s and Tiny Homes. The Ordinance update is scheduled to be considered by the Planning Commission August 29, 2018. This report presents the results of CAO staff’s initial research and requests additional direction about how the Board would like to see the County develop a more supportive environment to supply affordable housing.

There are three open Board Referrals that aim to create a more favorable environment for the development of affordable and employee housing. The three referrals are: 1) Board Referral No. 2017.21 which focuses on ADUs; 2) Board Referral No. 2018.03 which requested an update on the County’s progress towards meeting its Regional Housing Needs Assessment (RHNA) and a short-term housing plan; and 3) Referral No. 2018.12 which resulted in the formation of Ad Hoc Committee to address Agriculture Employer-Sponsored Farmworker Housing. Following the staff presentation on this Board Referral on May 22, 2018, staff was directed to return with a refined list of policy and program recommendations that could be implemented to support the development of affordable housing.

Because the Affordable/Inclusionary Housing Ordinance and the three Board Referrals are interrelated and will result in an unknown number of policy and program recommendations for the Board to consider, staff is preparing a comprehensive report tying them together. Policy and project
recommendations will be presented in context with other activities affecting the overall affordable housing environment that the Board of Supervisors may wish to see implemented. The presentation is scheduled for the October 9, 2018, Board of Supervisors meeting.

DISCUSSION:
During the April 3, 2018, discussion of ADUs the Board’s comments had three main themes: what can the County do to help the public understand where they can build ADUs today, what can the County do to incentivize production of ADUs and, what the County can do to keep ADUs from becoming short-term rentals. Board members also suggested specific policies and programs that might be models for addressing some of the issues behind these themes. Elements of the various policies and programs that have been implemented by Los Angeles County (Attachment 1), Santa Cruz city (Attachment 2) and Santa Cruz County (Attachment 3) are discussed here and in more detail in the attachments to this Board Report. Some elements have been incorporated into the draft ordinance that is being presented to the Planning Commission and will be presented to the Board.

Permitting Requirements for ADUs
During the staff presentation on April 3, 2018, a map showing where ADU’s are allowed was displayed. Board members felt the that the map did not provide enough useful detail and requested a better way to convey information about where ADUs are allowed. The Santa Cruz County website allows property owners to get a rough idea of the allowable size of ADUs based on the street address or assessor’s parcel number. The Santa Cruz County website also presents a lot of information on the county’s ADU policies, things property owners should consider before committing to an ADU, and the permitting process for ADUs.

Sonoma County also has a detailed web page for ADUs. The Sonoma website contains information on ADUs, Junior ADUs, the County’s ordinance, and FAQs. A key element of the Sonoma County system is the ability to look up zoning so property owners can determine if an ADU is allowed on their property. The system is set up to search by assessor parcel number or address and provides information on the zoning designation and groundwater availability, two key elements in determining if an ADU is allowed on a specific parcel. RMA staff is currently working on a Web Map that will allow property owners to acquire information regarding ADU’s like the Santa Cruz and Sonoma County models.

Aside from simplifying the process of determining where ADUs are allowed, most jurisdictions surveyed provide users with an estimate of the fees that may be required. The Santa Cruz ADU Cost and Financing Guide indicates that County and Special District fees can make up between 7.6% and 25.3% of the total project cost.

Incentive Programs
Los Angeles County and the City of Santa Cruz offer loans to property owners to help fund the construction of ADUs in exchange for affordability restrictions being recorded against the property and ADU. The City of Santa Cruz also offers a fee reduction/waiver option to property owners in exchange for placing income and rent limits on the property. The City Attorney in Santa Cruz has determined that ADU fee waiver and loan recipients must require their contractors to pay state prevailing wage rates to their employees. Compliance with this requirement is estimated to increase...
the construction cost of residential construction by approximately 35%. Sonoma County will defer payment of the County affordable housing fee for ADUs when the property owner voluntarily enters into an agreement with the County.

**Short Term Rental Restrictions**
Local jurisdictions may impose restrictions on ADUs being used as short-term rentals and may require the property owner to reside in either the primary residence or the ADU. Santa Cruz city and county and Sonoma County have all incorporated an owner occupancy requirement and prohibition on short-term rentals for properties where an ADU is built. Rental of either the primary residence or the ADU are investigated as code violations. To obtain an ADU building permit the owner is required to present proof that a deed restriction indicating owner occupancy and no short-term rentals are allowed as been recorded on the property.

**OTHER AGENCY INVOLVEMENT:**
The Resource Management Agency and County Counsel will be involved in further evaluating the policy and program options that will be presented to the Board of Supervisors on October 9, 2018.

**FINANCING:**
There is no financial impact on the General Fund associated with receiving this report. Cost estimates for the various policy and program options are being developed for the October 9, 2018, presentation.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**
This report indirectly supports the Board’s Economic Development and Administration Strategic Initiatives. Many of the policy and program recommendations that are being prepared for the October 9, 2018, Board Housing Study Session may provide a more direct link to these initiatives but the extent of these links is unknown at this time.

Mark a check to the related Board of Supervisors Strategic Initiatives

- X Economic Development
- X Administration
  - __Health & Human Services
  - __Infrastructure
  - __Public Safety

Prepared by: _____________________________________________________________
Darby Marshall, RHO Project Analyst II, Ext. 5391

Approved by: _____________________________________________________________
Carl Holm, RMA Director, Ext. 5103

Approved by: _____________________________________________________________
Nicholas E. Chiulos, Assistant County Administrative Officer
Attachments:
Board Report
Attachment 1 - Los Angeles County ADU Pilot Project
Attachment 2 - Santa Cruz City ADU Programs
Attachment 3 - Santa Cruz County ADU Programs
SUBMITTAL - Completed by referring Board office and returned to CAO no later than noon on Thursday prior to Board meeting:

Date: 9/19/17  Submitted By: Luis Alejo  District #: 1

Referral Title: Expand Access to Accessory Dwelling Units (ADUs) in Monterey County

Referral Purpose: To address our housing shortage crisis in Monterey County.

Brief Referral Description: Monterey County is facing a critical housing shortage and high housing costs. The proposal seeks to expand affordable housing for residents through Accessory Dwelling Units (ADUs), which are sometimes called “Granny Units” or second units. ADUs are generally small “second” housing units that can be built on residential lots that already have single-family home. ADUs have the potential to help ease the housing shortage, and to provide places to rent that are more affordable than a standard single-family home. ADUs are quite small, or up to 1200 square feet, depending on the size of the property and where it is located. They may be a separate house, over a garage or attached to the main house. They may be created by converting all or part of an existing structure, or by building a new living space. With a growing need for more housing stock to suit different households, ADUs are part of the solution.

This referral requests staff to present on existing state and local regulations that affect ADUs, and options for going forward that could make ADUs more accessible. Monterey County can devise regulations, standards and financial tools that might help create a more conducive environment for ADU development in appropriate locations in the county. Santa Cruz County has recently undergone a process to do expanded access to ADUs.

ASSIGNMENT – Provided by CAO at Board Meeting. Copied to Board Offices and Department Head(s)
Completed by CAO’s Office:

Department(s): RMA / Economic Development  Referral Lead: Holm  Board Date: 9/26/17

REASSIGNMENT – Provided by CAO. Copied to Board Offices and Department Head(s). Completed by CAO’s Office:

Department(s):  Referral Lead:  Date:

ANALYSIS - Completed by Department and copied to Board Offices and CAO:

Department analysis of resources required/impact on existing department priorities to complete referral:

Analysis Completed By: ___________________________________________

Date: ______________

Department’s Recommended Response Timeline

☐ By requested date

☐ 2 weeks  ☐ 1 month  ☐ 6 weeks  ☐ 6 months  ☐ 1 year  ☐ Other/Specific Date:______________

REFERRAL RESPONSE/COMPLETION - Provided by Department to Board Offices and CAO:

Referral Response Date:  Board Item No.:  Referrals List Deletion:

Note: cc: Nick Chiulos, Mary Zurita, and Ebby Johnson on all CAO correspondence relating to referrals.
ATTACHMENT 1
HOUSING ELEMENT AND
REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

There are three primary documents used for planning residential development in Monterey County, not counting the Local Coastal Plans. These documents and the year they were last adopted are: 2010 Monterey County General Plan; 2015 Housing Element; and, the Regional Housing Needs Allocation Plan: 2014-2023 (RHNA). The first two documents are prepared by the County.

The RHNA is prepared by the Association for Monterey Bay Area Governments based on the California Department of Housing and Community Development’s (HCD) projected statewide housing demand. AMBAG uses the RHNA to allocate Monterey and Santa Cruz counties housing obligation among the two counties and cities within them. The RHNA further defines the quantity of housing each jurisdiction is obligated to provide at four specific income levels: very low; low; moderate; and, above moderate income. The RHNA allocated 7,250 units across the 13 land use jurisdictions in Monterey County. As of December 31, 2016, these jurisdictions had only produced 572 units, or less than 8% of the units allocated to them. Table 1 summarizes housing production obligations for all jurisdictions in the County under the 2014-2023 RHNA and the progress meeting those obligations as of December 31, 2016.

Table 1
RHNA Allocation by Selected Jurisdictions

<table>
<thead>
<tr>
<th></th>
<th>Total Units</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
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<tbody>
<tr>
<td>City of Salinas</td>
<td>2,093</td>
<td>517</td>
<td>330</td>
<td>400</td>
<td>846</td>
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<tr>
<td>Units Produced</td>
<td>146</td>
<td>24</td>
<td>16</td>
<td>1</td>
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<td>Unincorporated Monterey County</td>
<td>1,551</td>
<td>374</td>
<td>244</td>
<td>282</td>
<td>651</td>
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<tr>
<td>Units Produced</td>
<td>426</td>
<td>37</td>
<td>6</td>
<td>0</td>
<td>383</td>
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<tr>
<td>Obligation Remaining</td>
<td>1,125</td>
<td>337</td>
<td>238</td>
<td>282</td>
<td>268</td>
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<tr>
<td>All Other Cities in County</td>
<td>3,606</td>
<td>869</td>
<td>566</td>
<td>658</td>
<td>1513</td>
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<tr>
<td>Units Produced</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Countywide Summary</td>
<td>7,250</td>
<td>1,760</td>
<td>1,140</td>
<td>1,340</td>
<td>3,010</td>
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<td>Units Produced</td>
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<td>41</td>
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<td>488</td>
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<td>Obligation Remaining</td>
<td>6,678</td>
<td>1,699</td>
<td>1,118</td>
<td>1,339</td>
<td>2,522</td>
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Table 2

<table>
<thead>
<tr>
<th></th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>All Income Restricted Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>RHNA Required Units</td>
<td>24%</td>
<td>374</td>
<td>16%</td>
<td>244</td>
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<tr>
<td>Inclusionary Affordability Requirements</td>
<td>6%</td>
<td>93</td>
<td>6%</td>
<td>94</td>
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<tr>
<td>RHNA Units Credited</td>
<td>37</td>
<td>6</td>
<td>0</td>
<td>43</td>
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<tr>
<td>Total Units Built</td>
<td>35%</td>
<td>130</td>
<td>41%</td>
<td>100</td>
</tr>
</tbody>
</table>

1 The RNHA document published by AMBAG allocated 7,386 units to Monterey County. The 7,250 shown in the text is based on the Annual Performance Report data published by HCD on February 25, 2018 and reflects an adjustment based on the City of Salinas’ Housing Element period.
If the County permits the minimum number of units required by RHNA and these units are only subject to the County’s Inclusionary Housing Ordinance, then only 39% of the required income restricted units will be built. Table 2 highlights the disparity between the number of income restricted units required by RHNA and the income restrictions imposed by the County’s Inclusionary Housing Ordinance.

What does this mean for the County:

- The County is going to need to have housing developers either voluntarily restrict additional units to very low, low and moderate income households;
- The County is going to need to provide financial support to “purchase” income occupancy restrictions in private developments; or,
- The County is going to need to work with the private development community to obtain other financing that imposes income limits on units.
The State housing element law requires the County to prepare a Housing Element (HE) consistent with the General Plan that lays out how the County plans to provide its fair share of housing as allocated through the RHNA process. There are two places in the HE where this is laid out: Table 39: Progress Toward RHNA for 2014-2013; and, Table 42: Vacant and Underutilized Sites.

Besides establishing the land use designations throughout the County, the 2010 General Plan and the 2015 Housing Element also identify specific areas for development of affordable housing. These plans are supplemented by the County’s Inclusionary Housing Ordinance, which requires most residential subdivisions and/or multi-family construction to set aside a specific percentage of units for very low, low and moderate income households.

The General Plan and Housing Element identify enough parcels and acreage to support almost double the County’s RHNA obligations. However, under the County’s Inclusionary Housing Ordinance developing the AHO and OS, and after considering the units already produced, will only yield approximately 70% of the very low, low, and moderate income units required by RHNA. The County’s RHNA performance considering units already constructed and assuming development of the AHO and OS is shown in Table 4.

As shown in the preceding tables, the full residential build out of Housing Element Opportunity Sites and Affordable Housing Overlay Districts at the anticipated densities and Inclusionary Housing Ordinance ratios will not satisfy the County’s affordable housing obligations under RHNA. The next section of this attachment highlights some of the development constraints that will probably limit development at the anticipated 10 units per acre and further limit the County’s ability to construct affordable units in the correct affordability ratios.

<table>
<thead>
<tr>
<th>Table 4 Unincorporated Monterey County Projected Affordable Housing Gap/(Surplus)</th>
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</thead>
<tbody>
<tr>
<td>Units</td>
</tr>
<tr>
<td>RHNA Units Produced to Date</td>
</tr>
<tr>
<td>Potential Housing Units</td>
</tr>
<tr>
<td>RHNA Gap/(Surplus)</td>
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</tbody>
</table>

2 The 2010 General Plan also requires these projects to set aside 5% of the units for Workforce 1 households, however the state does not represent this as a separate income category and the units are included in the above moderate category.
OVERVIEW OF HOUSING ELEMENT OPPORTUNITY SITES &
GENERAL PLAN AFFORDABLE HOUSING OVERLAY DISTRICTS

Opportunity Sites
- All Opportunity Sites are in Castroville and subject to the Castroville Community Plan.
- Nine parcels totaling 12 acres (an average 1.3-acres per parcel) and owned by six different parties.
- Seven parcels within the floodway and/or 100-year floodplain.
- Opportunity Site 10 consists of six parcels totaling a little over 91-acres and the potential to support more than 900 residential units.
- Five of the parcels are within the floodway and/or 100-year floodplain.
- All six parcels are Unique Farmland or Farmland of Statewide Importance.
- There are three traffic impact fees imposed on all development in Castroville.
  - Public Works
  - TAMC
  - Castroville Community Plan – adopted to fund mitigation for development impacts associated with the CCP. This fee is no longer necessary because the projects will not be built or will be funded by the other traffic impact fees.
  - Combined, these traffic impact fees are approximately $25,000 per unit with no allowance for affordable or farmworker housing developments.

Affordable Housing Overlay Districts
Highway 68 & Reservation Road
- One, 31.5-acre parcel designated for mixed use with development potential of 310 units.
- Parcel is highly visible at the corner of Portola Drive and Reservation Road.
- Parcel is listed as Prime Farmland.

Mid-Carmel Valley
- Six parcels totaling 33.5 acres with development potential of 334 units.
- Only two of six parcels were designated for residential development in the General Plan despite the AHO designation.
- AHO is subject to the Carmel Valley unit “cap” which greatly diminishes development potential of all parcels within the AHO.

Monterey Peninsula Airport & Vicinity
- Eighteen parcels totaling more than 129-acres off Olmstead Road with development potential of more than 1,290 units at 10 units to the acre.
- All parcels are designated Resource Conservation in the General Plan.
The best opportunity to develop new, affordable and/or occupancy restricted housing is to facilitate development of projects that have already been approved or where there is a willing property owner with the ability to obtain financing for the development. Economic Development Department staff has compiled the following list of projects that meet these criteria. Table 1 summarizes the occupancy restricted housing that these projects could produce under the County’s Inclusionary Housing Ordinance.

### Table 1

<table>
<thead>
<tr>
<th>Development Potential of Selected Approved &amp; Proposed Projects</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Workforce 1</th>
<th>Market Rate</th>
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<tr>
<td><strong>Delfino</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6</td>
<td>6</td>
<td>8</td>
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<tr>
<td><strong>Rancho Canada</strong></td>
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<td>25</td>
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<tr>
<td><strong>Rancho San Carlos</strong></td>
<td>13</td>
<td>13</td>
<td>18</td>
<td></td>
<td></td>
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<td><strong>Río Road</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
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<tr>
<td><strong>Santa Lucía Preserve</strong></td>
<td></td>
<td>40</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td><strong>September Ranch</strong></td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td></td>
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<tr>
<td><strong>Unused Under CV Cap</strong></td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
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<td><strong>Inclusionary Obligations for Assumption by Dow</strong></td>
<td>25</td>
<td>68</td>
<td>63</td>
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<tr>
<td><strong>Castroville Oaks – Rental</strong></td>
<td></td>
<td>42</td>
<td>42</td>
<td>40</td>
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<tr>
<td><strong>Castroville Oaks - Owner</strong></td>
<td></td>
<td></td>
<td>20</td>
<td>35</td>
<td>35</td>
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<tr>
<td><strong>Thistle Manor</strong></td>
<td></td>
<td>19</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Alderete Farm Labor</strong></td>
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<td>33</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Mountain View</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33</td>
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<tr>
<td><strong>Total Potential Units</strong></td>
<td>67</td>
<td>162</td>
<td>123</td>
<td>76</td>
<td>35</td>
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</tbody>
</table>

### CARMELO VALLEY

**Dow Affordable Housing Development**

**Owner**
- Brad Dow – Owner
- Paul Byrne – Representative

**Project Status**
- Owner and representative have contacted Housing staff to determine suitability of property for review/approval streamlining pursuant to SB35.

**Project Description**
- Carmel Valley Road at Val Verde
- Two parcels totaling 8.7 acres

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<sup>1</sup> Italicized projects have received all required approvals but are on hold due to a variety of reasons.
• Proposes to assume the inclusionary housing obligations for these approved projects:
  o Delfino
  o Rancho Canada
  o Rio Road
  o Santa Lucia Preserve
  o September Ranch
  o 25% of the unused units allowed by the Carmel Valley “Cap”

Points in Favor of Project
• Up to 164 units of affordable housing to apply towards County’s RHNA obligation
• Willing land owner
• Guarantees that at least 20% of housing remaining under the Carmel Valley cap is affordable
• Timing to construct units is only a function of how fast the County can process zoning amendments necessary to accommodate this level of development

Points Against Project
• Current zoning does not accommodate proposed level of development
  o Carmel Valley Master Plan allows 4 units to the acre and state density bonus law would allow an additional 35% because project is proposed to be 100% affordable.
  o 47.1 units = 34.9 units (4 units/acre X 8.72 acres) + 12.21 units (35% of 47.1 units).
• Parcels are shown in County GIS as having some Prime Farmland
  o Negates SB35 streamlining
• Inclusionary Housing Ordinance does not currently allow consolidation of inclusionary housing from multiple projects in one location
• Need to modify Planning Commission and/or Board of Supervisors approved Conditions of Approval to allow off-site development of inclusionary housing.
CASTROVILLE AREA

Castroville Oaks
Owner
- CHISPA
Project Status
- Submitted to RMA Design Review Committee for preliminary consideration
Project Description
- Located at Castroville Blvd. and Highway 156
- 90 Single Family Homes on 30 acres
- 124 Multi-family Units on 16 acres
Points in Favor of Project
- 124 units of affordable housing to apply towards County’s RHNA obligation
- CHISPA owns parcels and already planned for CalTrans/County highway/road rights of way
Issues Preventing Project from Moving Forward
- Castroville Blvd./Highway 156 interchange
- Coastal Zone/Coastal Commission approvals
- Financing has not been arranged
- Resale restrictions on single family homes

Thistle Manor
Owner
- Ausonio Apartments, Inc.
Project Status
- Approved by Zoning Administrator March 27, 2017
- Developer has placed project on hold because the Castroville Community Plan Traffic Impact Fee makes development financially infeasible
Project Description
- Located at 11299 Haight St., Castroville
- 18-units of farmworker housing
Points in Favor of Project
- 18 units of affordable housing to apply towards County’s RHNA obligation
- Willing property owner
- All approvals in place
- Developer will finance construction, no waiting for government grants or loans
Points Against Project
- Castroville Community Plan Traffic Impact Fee of ~$19,900/unit
**SALINAS AREA**

Alderete Farm Labor Housing  
Owner  
- Alderete Family  
Project Status  
- Unable to proceed  
Project Description  
- 33-unit, 264 bed farmworker housing project  
- Located on approximately three acres at 449 Harrison Rd., north of Salinas  
Points in Favor of Project  
- 33 units of affordable housing to apply towards County’s RHNA obligation  
- Willing property owner  
- All financing in place  
- Consistent with General Plan Policies AG-1.1, AG-1.4, AG-1.6, AG-1.7, AG-1.12, AG-2.1 and AG-2.2  
Points Against Project  
- Property is currently zoned LDR-5, which limits residential development to the first unit on any lot of record  
- Need to rezone property to a designation that allows farmworker housing, such as rural grazing  
- Need to amend Greater Salinas Area Plan Policy GS-1.13 to allow greater density for farmworker housing projects

**SAN LUCAS**

Mountain View  
Owner  
- CHISPA  
Project Status  
- Approved with subdivision map recorded  
- On hold  
Project Description  
- Mary and San Lucas Streets in San Lucas  
- 33 Single Family Homes  
Points in Favor of Project  
- Subdivision is already approved and recorded  
Points Against Project  
- Current water supply has nitrate contamination and all development in San Lucas is on hold until a new water source is identified and developed
## Attachment 3
### Opportunities for
### High Density Residential Development

<table>
<thead>
<tr>
<th>Project</th>
<th>Planning Area</th>
<th>Proposed Unit Count</th>
<th>Entitlements Secured</th>
<th>Regulatory Changes Required</th>
<th>Obvious Environmental Constraints</th>
<th>Property Control</th>
<th>SB 35 &quot;Streamline&quot; Qualified</th>
<th>Project Financing</th>
<th>Staff Observations</th>
</tr>
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<tbody>
<tr>
<td><strong>2010 General Plan Affordable Housing Overlay Districts</strong></td>
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<tr>
<td>Highway 68 &amp; Reservation Road</td>
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<td>No</td>
<td>Yes, prime farmland</td>
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<td>Mid-Carmel Valley</td>
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<td>Monterey Peninsula Airport &amp; Vicinity - West of Olmsted</td>
<td>Greater Monterey Peninsula</td>
<td>548</td>
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<td>Yes, GP land use designation inconsistent with AHO</td>
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<td>No</td>
<td>No</td>
<td>Land Use designation is Resource Conservation - scattered large lot residential uses in place</td>
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<td>Monterey Peninsula Airport &amp; Vicinity - East of Olmsted</td>
<td>Greater Monterey Peninsula</td>
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<td>Land Use designation is Resource Conservation</td>
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<td><strong>2015 Housing Element Vacant and Underutilized Sites</strong></td>
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<td>No</td>
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## Attachment 3
### Opportunities for High Density Residential Development

<table>
<thead>
<tr>
<th>Project</th>
<th>Planning Area</th>
<th>Proposed Unit Count</th>
<th>Entitlements Secured</th>
<th>Regulatory Changes Required</th>
<th>Obvious Environmental Constraints</th>
<th>Property Control</th>
<th>SB 35 &quot;Streamline&quot; Qualified</th>
<th>Project Financing</th>
<th>Staff Observations</th>
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## Attachment 3
### Opportunities for High Density Residential Development

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<th>Proposed Unit Count</th>
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<th>Regulatory Changes Required</th>
<th>Obvious Environmental Constraints</th>
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<th>SB 35 &quot;Streamline&quot; Qualified</th>
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<th>Staff Observations</th>
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<tbody>
<tr>
<td>Opportunity Site 17</td>
<td>Pine Canyon Rural Center</td>
<td>28</td>
<td>No</td>
<td>No</td>
<td></td>
<td>Unknown</td>
<td>Probably</td>
<td>No - TCAC Challenged</td>
<td>Appears to be subdivided for single family homes</td>
</tr>
<tr>
<td>Opportunity Site 18</td>
<td>San Lucas Rural Center</td>
<td>16</td>
<td>No</td>
<td>No</td>
<td></td>
<td>Unknown</td>
<td>Probably</td>
<td>No - TCAC Challenged</td>
<td></td>
</tr>
<tr>
<td>Opportunity Site 19</td>
<td>Bradley Rural Center</td>
<td>23</td>
<td>No</td>
<td>No</td>
<td>Partially located in floodplain</td>
<td>Unknown</td>
<td>No</td>
<td>No - TCAC Challenged</td>
<td></td>
</tr>
<tr>
<td>Opportunity Site 20</td>
<td>Bradley Rural Center</td>
<td>14</td>
<td>No</td>
<td>No</td>
<td>Partially located in floodplain</td>
<td>Unknown</td>
<td>No</td>
<td>No - TCAC Challenged</td>
<td></td>
</tr>
<tr>
<td>Opportunity Site 21</td>
<td>San Ardo Rural Center</td>
<td>13</td>
<td>No</td>
<td>No</td>
<td></td>
<td>Unknown</td>
<td>Probably</td>
<td>No - TCAC Challenged</td>
<td></td>
</tr>
<tr>
<td>Other Development Opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alderete Farm Laobr</td>
<td>Greater Salinas</td>
<td>33-unit, 264 beds for farmworkers</td>
<td>No</td>
<td>Yes, rezone to agricultural use and increase density</td>
<td>No</td>
<td>Willing Owner</td>
<td>No</td>
<td>Owner Financed</td>
<td>Development application submitted to RMA</td>
</tr>
<tr>
<td>Dow Affordable</td>
<td>Carmel Valley Master Plan</td>
<td>Up to 164</td>
<td>No</td>
<td>Yes, rezone to increase density</td>
<td>Parcels include some prime farmland</td>
<td>Willing Owner</td>
<td>No</td>
<td>Owner Financed</td>
<td>Property owner inquired about eligibility for SB 35 streamlining for 100% affordable project on site</td>
</tr>
<tr>
<td>King City Public Works Yard</td>
<td>Central Salinas Valley</td>
<td>Unknown</td>
<td>No</td>
<td>Unknown</td>
<td>Unknown, Phase II is funded in FY18/19</td>
<td>County</td>
<td>Probably</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Laurel Yard</td>
<td>Greater Salinas</td>
<td>Up to 60</td>
<td>No</td>
<td>Unknown</td>
<td>Unknown</td>
<td>County</td>
<td>Probably</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Mountain View</td>
<td>South County</td>
<td>33 Single Family Homes</td>
<td>Yes</td>
<td>No</td>
<td>Yes, contaminated water</td>
<td>CHISPA</td>
<td>No</td>
<td>No</td>
<td>No water supply</td>
</tr>
<tr>
<td>Rio Rd @ Crossroads</td>
<td>Carmel Valley Master Plan</td>
<td>Unknown</td>
<td>No</td>
<td>Yes, rezone from commercial</td>
<td>No</td>
<td>Unknown</td>
<td>No</td>
<td>No</td>
<td>Added @ suggestion of District 5 constituent</td>
</tr>
<tr>
<td>Thistle Manor</td>
<td>Castroville Community Plan</td>
<td>18 farmworker units</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Willing Owner</td>
<td>Yes</td>
<td>Owner Financed</td>
<td>Developer HOLD - Community Plan traffic impact fee</td>
</tr>
<tr>
<td>UCMBEST &quot;Triangle&quot;</td>
<td>Fort Ord Master Plan</td>
<td>Unknown</td>
<td>No</td>
<td>Unknown</td>
<td>Unknown</td>
<td>UC Santa Cruz</td>
<td>Unknown</td>
<td>No</td>
<td>Econ. Dev. Staff identified opportunity</td>
</tr>
</tbody>
</table>
ATTACHMENT 4
FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING IN MONTEREY COUNTY

Affordable Housing Inventory¹

Affordable Units by Jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carmel-by-the-Sea</td>
<td>50</td>
</tr>
<tr>
<td>Gonzales</td>
<td>160</td>
</tr>
<tr>
<td>Greenfield</td>
<td>374</td>
</tr>
<tr>
<td>King City</td>
<td>136</td>
</tr>
<tr>
<td>Marina</td>
<td>290</td>
</tr>
<tr>
<td>Monterey</td>
<td>615</td>
</tr>
<tr>
<td>Pacific Grove</td>
<td>49</td>
</tr>
<tr>
<td>Salinas</td>
<td>2,991</td>
</tr>
<tr>
<td>Soledad</td>
<td>614</td>
</tr>
<tr>
<td>Seaside</td>
<td>131</td>
</tr>
<tr>
<td>Unincorporated Areas</td>
<td>978</td>
</tr>
</tbody>
</table>

¹ Figures cited throughout this attachment are approximate. Please refer to the last page of the attachment for more information on the source and limitations of the numbers and amounts contained herein.
The number of income restricted units in Carmel Valley is skewed by two developments.

- Pacific Meadows is a 200-unit, privately developed retirement community located on land that was dedicated for affordable housing because of the County’s Inclusionary Housing Ordinance.
- Rippling River is a 79 unit, former public housing development operated by the Housing Development Corporation of the Housing Authority of Monterey County.
ATTACHMENT 4
FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING
IN MONTEREY COUNTY

Impact of Inclusionary Housing Ordinances on Affordable Housing Production

$1,857,100 Approximate amount of funding raised through city and County Inclusionary Housing In-Lieu Fees and used to support the development of affordable housing developers

1,290 Approximate number of affordable units built to comply with or benefitting from city and/or County Inclusionary Housing Ordinances.

249 Number of units built on land dedicated for affordable housing under the County’s Inclusionary Housing Ordinance.
  - 209 units are in Carmel Valley at Grey Goose Gulch and Pacific Meadows.
  - 40 units are CHISPA’s Vista de la Terraza development in Salinas.

231 Approximate number of units that have received direct financial support from in-lieu fees generated by city and Inclusionary Housing Ordinances.

154 Number of units in the City of Salinas receiving financial assistance from or built to comply with the County’s Inclusionary Housing Ordinance.
  - 40 units are CHISPA’s Vista de la Terraza development
  - 50 units were the Housing Authority’s Lakeside Towers development
  - 64 units are spread across 5 developments by Interim, Inc.
Affordable Housing Investments

$723,300,000 - Estimated amount spent to acquire, construct or rehabilitate affordable housing between 1987 and 2012 (in 2018 dollars)

Before 1990, most public housing and affordable housing development subsidies did not require developers or housing authorities to establish a replacement reserve account. As a result, many subsidized housing projects suffered from a lack of maintenance and funding to replace the development when it reached functional obsolescence.

The distribution of expenditures during this period reflects the bias towards new construction rather than preservation.

$468,612,000 - Estimated amount spent to acquire, construct or rehabilitate affordable housing between 1983 and 2018 (in 2018 dollars)

In 2013, Congress passed the Rental Assistance Demonstration (RAD) program. RAD allowed owners of HUD assisted housing to convert units to project based rental assistance and allow complexes to have a mix of income restricted/assisted units and market rate units.

Since the RAD program was introduced, more investment is going into rehabilitating or tearing down and building new subsidized housing.

The Housing Development Corporation of the Housing Authority of the County of Monterey has been working very diligently to use RAD to replace the old public housing stock. Their efforts are most visible in the vicinity of Calle Cebu, Natividad Road and Rossi St in Salinas.
Development Costs vs. Revenue Streams

In 2014, the California Department of Housing and Community Development (HCD) prepared a development cost benchmark study report of affordable housing projects that received funding from Proposition 1C.

- Affordable Housing development in Monterey County, on average, contain few units than development in the Bay Area or statewide.
- Affordable housing units in Monterey County, on average, cost 106% more than the Bay Area and 129% more than the statewide average.
  - At least some of the increased costs is attributable to the requirement Monterey County affordable housing developments use the same prevailing wage schedules as developments in the San Francisco Bay Area.

The development costs are one side of the coin. The other side of the coin is the revenue stream the development will produce to cover debt service, setting aside maintenance and replacement reserves, and developer profits. The primary source of revenue is tenant rents. Rents are typically restricted at a percentage of income based on the tenant household’s annual income.

- 4.5% Amount by which the maximum restricted rents at all income levels in Monterey County exceed the state average rent
- 31% Amount by which the maximum restricted rents at all income levels in the San Francisco Bay Area exceed the Monterey County average rent

The following table summarizes the costs of development and estimated rental income for a generic 48-unit² mixed income development based on the average for each geography.

<table>
<thead>
<tr>
<th></th>
<th>Statewide Average</th>
<th>9-County Bay Area Average</th>
<th>Monterey County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Per Unit</td>
<td>$292,701</td>
<td>$355,144</td>
<td>$377,392</td>
</tr>
<tr>
<td>Total Development Cost</td>
<td>$14,049,648</td>
<td>$17,046,912</td>
<td>$18,114,816</td>
</tr>
<tr>
<td>Annual Rental Income</td>
<td>$462,133</td>
<td>$633,085</td>
<td>$483,084</td>
</tr>
<tr>
<td>Years to Recover Development Cost</td>
<td>30.4</td>
<td>26.9</td>
<td>37.5</td>
</tr>
</tbody>
</table>

² Unit distribution by income level and bedroom count:

<table>
<thead>
<tr>
<th>Income Level</th>
<th>2 Bedroom Units</th>
<th>3 Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>35% of AMI</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>40% of AMI</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>50% of AMI</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>60% of AMI</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Manager Unit</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
$35,204,900  Low estimate investment of all redevelopment agencies in Monterey County from their Redevelopment Low Income Housing Trust Funds (the “20% money”) between 1984 and 2017.

$317,632  The average cost to build a new, tax credit funded, unit between 2012 and 2017

50  Number of different funding sources accessed for affordable housing since 1984, including defunct state and federal programs

12  Number of different programs offered by the State of California that have been used to finance projects in Monterey County

7  Number of different programs offered by the US Department of Urban Development that have been used to finance projects in Monterey County

5.9  Average number of different funding sources needed to build an occupancy restricted, tax credit project in Monterey County

Financing Resources for Affordable Housing

- Federal Reserve Bank - Affordable Housing Program: 0%
- Federal Programs, Loans & Loan Guarantees (including CDBG & HOME): 17%
- State of California Programs, Including RDA: 9%
- Local Public Financing (CFDs, fee deferrals and waivers, inclusionary funds, and general fund contributions): 1%
- Commercial Loans, Private Donations, Solar Tax Credits, etc.: 6%
- Low Income Housing Tax Credits & Leverage: 67%

Financing Affordable Housing
ATTACHMENT 4
FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING IN MONTEREY COUNTY
U.S. Department of Housing and Urban Development
Financial Resources Used in Monterey County

13% Share of affordable housing development and rehabilitation costs covered by HUD programs.

$58,848,360 Funds from public housing used to rehabilitate units through the Rental Assistance Demonstration Project (RAD)
  - RAD allows the HACM to access more traditional financing products and convert some public housing units to market rate.

$56,332,463 The combined amount of CDBG and HOME funding used for affordable housing in Monterey County
  - 5% of all financing
  - Both programs have been targeted for elimination in the federal budget

$11,026,722 Amount from the now defunct Neighborhood Stabilization Program.

California Department of Housing and Community Development
24%  Approximate amount of state funding that has been funded by voter approved bonds.

3%    Redevelopment Low Income Housing Trust Fund share of all affordable housing
devlopment and rehabilitation costs

1.7   Years it will take for the County to accumulate SB2 local share funding to fund the
average County RDA affordable housing contribution since 2004
**ATTACHMENT 4**

**FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING IN MONTEREY COUNTY**

**Affordable Housing Developers in Monterey County**

**Affordable Units by Developer Type**

- **For Profit, 2,618**
- **Non-Profit, 2,134**
- **Housing Development Corporation / HACM, 1,636**

**Number of Affordable Units by Non-Profit & Public Developers**

- **American Baptist Homes of the West, 200**
- **CHISPA, 1,292**
- **Eden Housing, 264**
- **Housing Development Corporation / HACM, 1,636**
- **Interim, Inc., 166**
- **Mid-Peninsula Housing, 154**
ATTACHMENT 4
FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING
IN MONTEREY COUNTY

Disclaimer
The database this information is collected in is a work in progress. The Economic Development
Department has made every effort to ensure that the information is complete and accurate.
However, as staff worked with the data several issues that could lead to misinterpretation because
evident. These issues include, but are not limited to:

- Projects same address with different unit counts.
- Projects with the same name at different addresses.
- Different funding amounts for the same project.

Data Sources
Information collected from the following websites:

- http://hdcmonterey.org/rental-portfolio/
- http://www.chispahousing.org/
- http://www.hamonterey.org/
- http://www.treasurer.ca.gov/ctcac/
- https://midpenproperty.midpen-housing.org/
cnty=053&mapname=CA_S&propertytype=#form.PropertyType#
- https://www.cityofsalinas.org/media-folders/media-root/departments-files/community-
development-files/housing-report-ab-987-pdf
- https://www.edenhousing.org/

California Tax Credit Allocation Committee
- 53 Staff Reports for Projects Placed in Service
- 11 Staff Reports for Project Reservations
# Streamline Housing Development

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>SB 35 (Wiener) Streamline Approval Process</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for developers</em></td>
</tr>
<tr>
<td></td>
<td>Creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is on an infill site and complies with existing residential and mixed use zoning. Participating developments must provide at least 10 percent of units for lower-income families. All projects over 10 units must be prevailing wage and larger projects must provide skilled and trained labor.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>AB 73 (Chiu) Streamline and Incentivize Housing Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for jurisdictions and developers</em></td>
</tr>
<tr>
<td></td>
<td>Provides state financial incentives to cities and counties that create a zoning overlay district with streamlined zoning. Development projects must use prevailing wage and include a minimum amount of affordable housing.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning &amp; Zoning</th>
<th>SB 540 (Roth) Workforce Housing Opportunity Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Opt-in program for jurisdictions</em></td>
</tr>
<tr>
<td></td>
<td>Authorizes the state to provide planning funds to a city or county to adopt a specific housing development plan that minimizes project level environmental review. Requires at least 50 percent of total housing units within that plan to be affordable to persons or families, at or below moderate income, with at least 10 percent of total units affordable for lower income households. Development projects must use prevailing wage.</td>
</tr>
</tbody>
</table>

# Accountability and Enforcement

<table>
<thead>
<tr>
<th>Amends Housing Accountability Act</th>
<th>AB 678 (Bocanegra)/SB 167 (Skinner) Strengthen the Housing Accountability Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strengthens the Housing Accountability Act by increasing the documentation necessary and the standard of proof required for a local agency to legally defend its denial of low and moderate-income housing development projects, and requires courts to impose a fine of $10,000 or more per unit on local agencies that fail to legally defend their rejection of an affordable housing development project.</td>
</tr>
<tr>
<td>Accountability and Enforcement (Continued)</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Amends Housing Accountability Act</strong></td>
<td></td>
</tr>
<tr>
<td><strong>AB 1515 (Daly) Reasonable Person Standard</strong></td>
<td></td>
</tr>
<tr>
<td>States that a housing development conforms with local land use requirements if there is substantial evidence that would allow a reasonable person to reach that conclusion.</td>
<td></td>
</tr>
<tr>
<td><strong>Amends Housing Element Law</strong></td>
<td></td>
</tr>
<tr>
<td><strong>AB 72 (Santiago) Enforce Housing Element Law</strong></td>
<td></td>
</tr>
<tr>
<td>Authorizes HCD to find a jurisdiction out of compliance with state housing law at any time (instead of the current eight-year time period), and refer any violations of state housing law to the Attorney General if it determines the action is inconsistent with the locality’s adopted housing element.</td>
<td></td>
</tr>
<tr>
<td><strong>Amends Housing Element Law</strong></td>
<td></td>
</tr>
<tr>
<td><strong>AB 1397 (Low) Adequate Housing Element Sites</strong></td>
<td></td>
</tr>
<tr>
<td>Requires cities to zone more appropriately for their share of regional housing needs and in certain circumstances require by-right(^1) development on identified sites. Requires stronger justification when non-vacant sites are used to meet housing needs, particularly for lower income housing.</td>
<td></td>
</tr>
<tr>
<td><strong>Amends Existing Housing Law</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SB 166 (Skinner) No Net Loss</strong></td>
<td></td>
</tr>
<tr>
<td>Requires a city or county to identify additional low-income housing sites in their housing element when market-rate housing is developed on a site currently identified for low-income housing.</td>
<td></td>
</tr>
<tr>
<td><strong>Amends Existing Reporting Requirements</strong></td>
<td></td>
</tr>
<tr>
<td><strong>AB 879 (Grayson) and Related Reporting Bills</strong></td>
<td></td>
</tr>
<tr>
<td>Make various updates to housing element and annual report requirements to provide data on local implementation including number of project application and approvals, processing times, and approval processes. Charter cities would no longer be exempt from housing reporting. Requires HCD to deliver a report to the Legislature on how local fees impact the cost of housing development.</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^1\) Current housing law defines by-right as local government review of a project may not require a conditional use permit or other discretionary action that would constitute a “project” under the California Environmental Quality Act.
### Create and Preserve Affordable Housing

<table>
<thead>
<tr>
<th>Ongoing Source</th>
<th>SB 2 (Atkins) Building Jobs and Homes Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Imposes a fee on recording of real estate documents excluding sales for the purposes of funding affordable housing. Provides that first year proceeds will be split evenly between local planning grants and HCD’s programs that address homelessness. Thereafter, 70 percent of the proceeds will be allocated to local governments in either an over-the-counter or competitive process. Fifteen percent will be allocated to HCD, ten percent to assist the development of farmworker housing and five percent to administer a program to incentivize the permitting of affordable housing. Fifteen percent will be allocated to CalHFA to assist mixed-income multifamily developments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affordable Housing Bond</th>
<th>SB 3 (Beall) Veterans and Affordable Housing Bond Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Places a $4 billion general obligation bond on the November 2018 general election ballot. Allocates $3 billion in bond proceeds among programs that assist affordable multifamily developments, housing for farmworkers, transit-oriented development, infrastructure for infill development, and homeownership. Also funds matching grants for Local Housing Trust Funds and homeownership programs. Provides $1 billion in bond proceeds to CalVet for home and farm purchase assistance for veterans.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use: Zoning Regulations</th>
<th>AB 1505 (Bloom) Inclusionary Ordinances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Authorizes the legislative body of a city or county to require a certain amount of low-income housing on-site or off-site as a condition of the development of residential rental units.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amends Preservation Noticing law</th>
<th>AB 1521 (Bloom) Preserve the Existing Affordable Housing Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Requires the seller of a subsidized housing development to accept a bonafide offer to purchase from a qualified purchaser, if specified requirements are met. Gives HCD additional tracking and enforcement responsibilities to ensure compliance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amends Farmworker Housing and Office of Migrant Services Programs</th>
<th>AB 571 (E. Garcia) Low-Income Housing Credits for Farmworkers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Makes modifications to the state’s farmworker housing tax credit to increase use. Authorizes HCD to advance funds to operators of migrant housing centers at the beginning of each season to allow them to get up-and-running. Extends the period of time that migrant housing centers may be occupied up to 275 days.</td>
</tr>
</tbody>
</table>
Funding for the construction of affordable housing took a major hit in February 2012 when the State eliminated the distribution of property taxes to redevelopment project areas. Redevelopment agencies were required to set aside 20% of these funds in the Low-Moderate Income Housing Trust Fund. Between 1988 and 2017, redevelopment agencies in Monterey County provided more than $72.2 million, an average of $2.4 million annually, to occupancy restricted housing projects. The impact of these funds was amplified because, as local funding, they could be used as “local match” to make other grant and tax credit applications more competitive at the state level.

The 2017 Legislative Session resulted in two bills that are intended to fund affordable housing. Senate Bill 2 (SB2) is a permanent funding stream funded by a $75 recording fee on all real property documents. Senate Bill 3 authorized a $4 billion bond issue to be placed on the November 2018 general election ballot.

Senate Bill 2
SB2 is the legislature’s attempt to replace the lost redevelopment funding and create a permanent source of locally controlled financing for affordable housing development. Funding for SB2 comes from a $75 per document recording fee on most real property documents. SB2 funding is going to be made available in two ways based on the year. During year one 50% of the funding will be allocated to planning and technical assistance funds to streamline development and 50% will be allocated to homeless programs. Year one funding represents all SB2 recording fees collected between January 1, 2018 and December 31, 2018. The California Department of Housing and Community Development (HCD) has not issued guidelines for what activities and homeless programs will be eligible for funding, or how funding will be distributed.

Beginning with year two, SB2 requires that 70% of the monies collected be distributed to local governments and 30% for state administered projects. Charts 1 and 2 graphically display how SB2 monies will be distributed to the various programs beginning in year 2. The dollar estimates shown are based on the state collecting $250,000,000 annually. Chart 2 shows how these funds will be distributed between state managed programs and locally managed programs.
Eligible Uses of Local Government 70%

- **Low-Income Housing**: Low-income multifamily housing development; capitalized reserves for permanent supportive housing; acquisition and rehabilitation of foreclosed or vacant homes; accessibility modifications.
- **Moderate-Income Housing**: Home rental and ownership for middle-income families; homeownership opportunities, including down payment assistance.
- **Homelessness**: Rapid Rehousing, rental assistance, navigation centers, emergency shelters, and permanent and transitional housing.
- **Local Matching Funds**: Local or regional housing trust funds; Low and Moderate Income Housing Asset Fund.
- **Incentives**: Incentives or matching funds for permitting new housing.

SB2 requires HCD to distribute the local government funds based on the formula used by the United States Department of Housing and Urban Development (HUD) to allocate Community Development Block Grant funds to entitlement jurisdictions. There are four entitlement jurisdictions in Monterey County; the County (Urban County, which includes Gonzales, Greenfield and Sand City), and the cities of Monterey, Seaside and Salinas. HCD is estimating that the local government’s will be allocated as shown in Chart 2. Monterey County’s 0.37% share of the funding will come from the 83% share allocated for CDBG entitlement jurisdictions.

Table 1, lists the four CDBG Entitlement jurisdictions within Monterey County and, under the proposed distribution formula, the amount of SB2 funding they are projected to receive. Based on the anticipated revenue distribution, the County’s share of SB2 funding is roughly one-third half of what was available under redevelopment. Countywide, SB2 will only provide about 82% of the funding that was available under redevelopment. Because the projected SB2 funding is less than what was available to many jurisdictions, it may be necessary for the County and cities to pool their SB2 resources on affordable housing projects.

<table>
<thead>
<tr>
<th>SB2 70% Funds Distributed in Monterey County of Monterey</th>
<th>(Based on $250,000,000 Statewide Collections)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Monterey</td>
<td>$116,5714</td>
</tr>
<tr>
<td>City of Salinas</td>
<td>$1,008,160</td>
</tr>
<tr>
<td>City of Seaside</td>
<td>$193,377</td>
</tr>
<tr>
<td><strong>Urban County</strong></td>
<td><strong>$649,226</strong></td>
</tr>
<tr>
<td>ESTIMATED SB2 $s Distributed in Monterey County</td>
<td>$1,967,334</td>
</tr>
</tbody>
</table>
The last piece of the SB2 funding puzzle is how HCD plans to address the requirement that beginning with year 2, 20% of the available funds must be used for expenditures on affordable owner-occupied workforce housing (up to 120% of area median income as defined in the legislation). The current HCD FAQ page does not provide any guidance on how HCD might allocated this obligation to local governments.

HCD’s current schedule for distributing SB2 funding is:

<table>
<thead>
<tr>
<th>Current Schedule</th>
<th>Year 1 $’s</th>
<th>Year 2+ $’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Program Guidelines</td>
<td>Summer 2018</td>
<td>Spring 2019</td>
</tr>
<tr>
<td>Issue Notice of Funding Availability</td>
<td>Spring 2019</td>
<td>Summer 2019</td>
</tr>
</tbody>
</table>

If HCD adheres to this schedule it is not likely that the County will receive any SB2 funds before September 2019.

While HCD has not determined how the SB2 funds will be distributed, the legislation does include three broad eligibility requirements that jurisdictions must meet to receive the funds:

- Have a compliant housing element –
  - As of February 20, 2018, the County and three Urban County cities had adopted housing elements and were compliant with this requirement.

- Submit current annual reports (Housing Element Annual Progress Report) –
  - The County is current with its APR submissions. They are due annually by April 1st.

- Plan for use of allocated funds –
  - The last, and now most undefined, requirement is that jurisdictions will need to submit a plan to HCD annually detailing the way allocated funds will be used by the local government and how those activities will meet the local government’s unmet share of the regional housing needs allocation.

In addition to the requirements outlined above, the legislation places an emphasis on plans that prioritize investments that increase the supply of housing to households that are at or below 60 percent of area median income.
SB3 – VETERANS AND AFFORDABLE HOUSING BOND ACT

SB3 is a one-time $4 billion bond issue. If it passes on the November 2018 ballot, the funding will be made available as follows:

- Multifamily Housing: $1,500,000,000
- CalVet: $1,000,000,000
- Transit-Oriented Development and Infill Infrastructure: $500,000,000
- CalHome: $400,000,000
- Joe Serna Farmworker Housing: $300,000,000
- Local Housing Trust Fund: $300,000,000
- Matching Grant: $300,000,000

HCD’s proposed schedule for releasing these funds, assuming passage of the bond, is:
- Initial Notice of Funding Availability – Spring 2019
- Initial Funding Awards – Summer 2019

The language used by HCD in the schedule implies that there may be multiple rounds of funding based on the financial markets’ appetite for the bonds. It is not uncommon for bond funded projects to be phased but HCD has not issued any guidance on how the proceeds from each bond tranche will be distributed between the funding areas or when the funds may be available.
ATTACHMENT 7
THREE YEAR PLAN FOR AFFORDABLE HOUSING

The County’s three-year plan to maximize the County’s ability to capture new state funding and take advantage of state legislation consists of the following:

Year 1 –
- Identify parcels with the greatest potential for rapid residential development
  - E.g. those with the fewest regulatory constraints; a willing owner; and in a location that will be competitive for federal and state affordable housing subsidies (if not privately financed).
- Evaluate County properties to determine suitability for development of affordable housing.
- Evaluate other sources of funding for affordable housing to determine best approach to maximize funding for projects in Monterey County, e.g.
  - Is receiving a smaller, guaranteed allocation of HOME funding from HUD versus competing for larger, unguaranteed amount of HOME funding a better choice?
  - Entering cooperative agreements with Entitlement jurisdictions to combine SB2 70% allocations for affordable housing.
  - Work with jurisdictions within County to prioritize affordable housing funding applications to minimize internal County competition for funding from competitive sources such as the SB2 set-asides, SB3 funds and tax credits.
- Complete a Nexus Study of the Castroville Community Plan Development Impact Fee. Delete projects that are no longer being contemplated such as Artichoke Avenue and the Castroville Blvd/Highway 156 interchange.
- Update the County’s Accessory Dwelling Unit Ordinance to conform to changes in state law.
  - RMA is currently drafting this update.
- Update the County Code to align with current legislation.
- Update the County’s Inclusionary Housing Ordinance so that it conforms to state law and the 2010 General Plan.
  - The Economic Development Department has issued a Request for Proposals and is in the process of selecting a consulting team to work on this effort.
- Update North County Land Plan (Coastal) to remove reference of affordable housing consistent with the Coastal Act by adding a reference to California Public Resources Code §30500.1
- Update the Zoning Ordinance so that it is consistent with the General Plan and specifically the zoning in affordable housing overlay districts.

Year 2 –
- Entitle properties for affordable housing. Possible sites include:
  - UC MBEST Triangle
- Address resource constraints that prevent the development of currently zoned and/or approved affordable housing developments.
  - CHISPA – Mountain View owner occupied development in San Lucas subject to water supply limitations.
- Competitively select developer for affordable housing on selected properties.
• Support the selected developer’s fundraising by applying for state grants and loans.

Year 3 –
• Begin construction of first affordable housing project.

There are many things that the County can do to encourage and support the development of income and/or occupancy restricted housing.
• Funding – Competition for grants, loans and tax credits to finance construction of housing is intense and local funds are important.
  o Tax credits require applicants to have high debt to income ratios but projects frequently cannot pay off debt, hence the use of residual receipts loans by junior lien holders.
  o Repayment is unlikely and if the loan is repaid, the annual income is insufficient to fund the next project for 10-15 years.
  o Since repayment is unlikely, local funding sources need another, constant, stream of new capital.
  o Anticipated SB2 funding to County on an ongoing basis is expected to be 25%-35% of what was available under redevelopment
• Align General Plan Land Use Designations and Zoning
  o County undertake responsibility for any zoning changes needed to support affordable housing proposals
• Inclusionary Housing Ordinance Update to allow consolidation of affordable housing off-site and payment of in-lieu fees that can be used to support private and public development
  o Consultant selection process is already underway
  o Funded out of Inclusionary Housing Fund, no impact on the General Fund, but it means fewer inclusionary dollars available to build units
• Develop a countywide approach to dealing with housing
  o Pool financial resources
  o One RHNA obligation for cities and County not 13
• Property Control
  o Identify areas appropriate for occupancy restricted housing
  o Purchase or option properties
  o RFP for developer to purchase property form the County or assume County’s option and then be responsible for building housing stock required by the RFP
## Menu of Activities the County can Undertake to Support Development of Occupancy Restricted Housing

<table>
<thead>
<tr>
<th>#</th>
<th>Activity</th>
<th>Entitlement Processing</th>
<th>Funding &amp; Subsidies</th>
<th>Land Use Regulation</th>
<th>Property Control</th>
<th>Regional Coordination</th>
<th>RHNA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Direct RMA to waive costs of rezoning for land use applications that propose more than 50% of the units will be occupancy restricted</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Align General Plan Land Use and Affordable Housing Overlay designations with zoning</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Align General Plan Land Use Designations with Affordable Housing Overlays</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Amend Coastal Land Use Plans to address California Public Resources Code Section 30500.1, which eliminates the requirement for local coastal programs to include housing policies and programs</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>Coordinate funding applications to HCD, TCAC, USDA, etc. to maximize likelihood of County projects being funded</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6</td>
<td>Enter into countywide MOU/JPA to coordinate all aspects of the development of occupancy restricted housing</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>Expedite review of land use applications for projects that propose that more than 50% of units will be occupancy restricted</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>8</td>
<td>Determine the costs and benefits of becoming a HOME Entitlement Community (similar to CDBG Urban County)</td>
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<tr>
<td>9</td>
<td>Implement a Countywide approach to fulfilling RHNA obligations instead of 12 cities and the County</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>Inventory City and County owned properties that may be suitable for occupancy restricted housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>11</td>
<td>Direct the Economic Development Department to work with all affected agencies to master plan and obtain entitlements for City and County owned properties for development of occupancy restricted housing</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td>Maximize number of farmworker housing units allowed in rural and/or low density residential areas when they connect to municipal water and sewer systems</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Pool local sources of funding for affordable housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>14</td>
<td>Purchase land for occupancy restricted housing and RFP to developers</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Revise Castroville Community Plan, Traffic Impact Fee Schedule and EIR to delete Artichoke Avenue and Highway 156/Castroville Blvd.</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Update and revise Inclusionary In-Lieu Fee Schedule to maximize fees collected</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>17</td>
<td>Update and revise Inclusionary Ordinance to allow greater flexibility for off-site and consolidated occupancy restricted developments</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>18</td>
<td>Use Options to tie up contiguous parcels to assemble sufficient acreage for occupancy restricted housing, RFP to developer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>19</td>
<td>Explore how publicly owned properties can generate long-term revenue streams to emergency, permanent, transitional, supportive and other types of housing.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
a. Receive a report on how Monterey County is fulfilling the goals of the 2015-23 Housing Element; and,

b. Consider a short-term plan on how the County will prepare to utilize new State housing laws and resources and implement other local strategies.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Receive a report on how Monterey County is fulfilling the goals of the 2015-23 Housing Element; and,

b. Consider a short-term plan on how the County will prepare to utilize new State housing laws and resources and implement other local strategies.

SUMMARY:

In January 2018, Chair Luis A. Alejo submitted a referral, #2018.03, “To provide an update on how Monterey County is fulfilling its obligations under the 2015-2023 Housing Element Goals; and second, receive a report on a 2-3-year short-term plan on how Monterey County will prepare for and utilize the new State Housing Grant Funds provided by Senate Bill 2 and proposed Senate Bill 3 laws and resources to implement other local strategies.” Provide direction to housing staff on how to proceed in preparation for new grant funds and be prepared to apply for all eligible housing grants.

Housing Element goals are based largely on Regional Housing Needs Allocation (RHNA) numbers issued by the State and proportioned by the regional council of governments. Housing element goals are designed to reduce/remove barriers to allow for housing to be developed. Housing development is driven by market forces. The County is obligated to report annually to the California Department of Housing and Community Development (HCD) on its progress meeting the Housing Element goals. Monterey County’s annual report was presented to the Board of Supervisors on May 15, 2018, along with an update on the general plan implementation program.

DISCUSSION:

There are two parts to addressing this referral: first, the status of meeting the goals of the 2015-23 Monterey County Housing Element (HE). The second is the short-term 2-3-year plan on how the County will plan to utilize the proposed new funding laws and resources. To assist in this presentation staff has complied several attachments that will be specific to the areas of discussion. Attachment 1 addresses the Monterey County Housing Element and the RHNA listed in the Monterey County Housing Element.

On May 20, 2016, HCD certified the 2015-2013 Monterey County Housing Element, which outlines...
how the County will fulfill its RHNA obligation. The RHNA numbers provided by the Association of Monterey Bay Governments (AMBAG) and listed in the County of Monterey Housing Element is 7,250 units spread over the 13 land use jurisdictions in Monterey County are summarized in Attachment 1, Housing Element and Regional Housing Needs Assessment. As of December 2016, AMBAG jurisdictions had produced 572 units, or less than 8% of the units allocated and leaving a remaining obligation of approximately 6,678 total units. Monterey County’s RHNA share of the 7,250 units is 1,551, including 374 very low, 244 low, and 282 moderate-income units. In addition, Attachment 2, titled Affordable Housing Pipeline details a mix of approved and proposed projects that could yield approximately 460 occupancy restricted units.

Attachment 3, Opportunity Locations for High Density Residential Development is a high-level summary of the three Affordable Housing Overlay (AHO) areas identified in the GP, the 21 Opportunity Sites identified in the 2015 Housing Element (HE), and eight additional locations that have been identified because of current or pending land use applications, brought to the attention of Supervisors by constituents, or identified by staff. This attachment provides a rough assessment of the development potential of these locations. Issues identified in this attachment, land use designations that are inconsistent with development within an AHO, floodplain / floodway, property control, and obvious environmental conditions. It is important to note that the General Plan allows property owners in the three AHO overlay areas to choose to develop the property at the density allowed by the land use designation or the AHO overlay without seeking a zoning change. To minimize the potential for challenges inherent in any discretionary action, it is important that properties within the AHO overlay areas have zoning that supports development as affordable housing.

The second portion of this update includes the signature element of the Board Referral of a two to three-year plan to maximize the County’s production of affordable housing and qualify, to the greatest extent possible, new sources of financing for occupancy restricted housing. There are two factors that will dictate the County’s success producing affordable housing and capturing the maximum amount possible from the new funding sources. To better understand the opportunities and challenges associated with the developing and managing a sustainable stock of occupancy restricted housing it is helpful to understand the current landscape. Attachment 4, Fast Facts About Affordable Housing in Monterey County, provides a quick snapshot of where affordable housing is located, how it is financed, and who is building it in Monterey County.

The first factor is the changing legal landscape around housing and land use. In September 2017, the California State Legislature passed, and Governor Brown signed, 14 pieces of legislation related to the construction and reporting of housing statewide. These laws can be broadly grouped into three categories: Streamlining Housing Development; Accountability and Enforcement; and, Create and Preserve Affordable Housing. Attachment 5, California’s 2017 Legislative Housing Package, provides a summary of the new laws and what aspect of housing development they address. Two pieces of legislation: SB2, the Building Jobs and Homes Act; and, SB3, the Veterans and Affordable Housing Bond Act, either establish an ongoing source of revenue of the construction to affordable housing or authorize a one-time $4 billion bond to finance affordable housing to be put before the voters in November 2018. HCD does not anticipate that proposals for the first round of SB2 funds will be issued before late 2018 and the first funding announcements in the Spring of 2019.

Attachment 6, SB2 - Building Jobs and Homes Act & SB3 - Veterans and Affordable Housing
Bond Act, provides more information on new funding opportunities for occupancy restricted housing.

The Economic Development Department has also fielded questions from the community about applying Senate Bill 35 to specific development proposals. SB35 streamlines the approval process for developments in communities that have not met their Regional Housing Needs Assessment (RHNA) targets and met certain requirements. It appears that some parcels in the unincorporated areas of the County will not qualify for SB35 streamlining due to the existing zoning, environmental considerations or not being in urbanized areas.

2-3 year short term plan to prepare for future funding

During the next 3 years’ staff proposes to undertake a two-part strategy toward supporting the development of occupancy restricted housing in the short-term (3-4 years) and long-term (more than 5 years). The short-term strategy will probably unfold along the following schedule and Attachment 7, Three Year Plan for Affordable Housing, expands on the activities or issues that will be addressed in the following bullet points:

Year One -
- Identify parcels with the greatest potential for rapid residential development.
- Align County planning documents and ordinances to facilitate residential development.

Year Two -
- Entitle the parcels with the greatest potential for rapid residential development.

Year Three -
- Begin construction of new residential units.
- New residential units are occupied.

The long-term strategy focuses on developing a regional approach to addressing the County’s need for occupancy restricted housing. The long-term strategy has two components. The first component looks at what the County can do independently to increase the supply of occupancy restricted housing using its resources. These activities include proactively aligning the various land use documents regulating land use, such as the 2010 General Plan, the 2015-23 Housing Element, and the Inclusionary Housing Ordinance to minimize discretionary actions that may result in legal challenges; proactively working with cities and willing property owners to develop affordable housing within cities where there are services and to encourage city-centered growth. If directed by the Board, County staff can inventory County-owned property and assess what may be needed for County operations. Excess County property within cities could be considered for disposition to affordable housing developers.

The second component focuses on developing a countywide solution to developing occupancy restricted housing. Key aspects of a regional approach will include a legislative solution to allow one RHNA allocation for the 13 land use jurisdictions that make up Monterey County; increasing the amount of local funding available to subsidize these housing units; and inventorying publicly owned
properties that may be appropriate for developing occupancy restricted housing. Attachment 8, Menu of Activities the County Can Undertake to Support the Development of Occupancy Restricted Housing, provides an incomplete list of things that the County can proactively undertake if funding is available.

The Board of Supervisors has many options that it can direct staff to undertake to support the development of affordable housing and get ready for future funding opportunities. To best position occupancy restricted projects to compete for SB2, and hopefully, SB3 funding, projects need to be shovel ready. To prepare the opportunity locations that have been discussed in the various attachments, the Board of Supervisors will need to fund:

- 25% FTE - County Counsel
- 100% FTE - New Housing and Redevelopment Analyst
- 50% FTE - Advance Planner

OTHER AGENCY INVOLVEMENT:
County Counsel, the Resource Management Agency and select non-profit housing developers have reviewed contributed to this report and the attachments.

FINANCING:
According to HCD, the funding associated with Senate Bill 2 will not be available until at least the late Spring of 2019. Therefore, any planning or development activities to support the development of occupancy restricted housing undertaken by the County over the next 12-18 months must be internally financed. These costs will probably not be reimbursable once SB2 funding is available.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The Board of Supervisors has identified the need for all types of housing; affordable, emergency, supportive, temporary and transitional; as an essential element to improving the economic, physical and social health of Monterey County. Accessing new sources of state funding and adopting policies to implement state housing laws will support the following Board of Supervisors Strategic Initiatives:

X Economic Development
X Administration
X Health & Human Services
  __Infrastructure
  __Public Safety

Prepared by: _____________________________________________________________
Darby Marshall, RHO Project Analyst II, Ext. 5391

Approved by: _____________________________________________________________
David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387
Attachments:

Board Report
Attachment 1 - Housing Element and Regional Housing Needs Allocation
Attachment 2 - Affordable Housing Pipeline
Attachment 3 - Opportunity Locations for High Density Residential Development
Attachment 4 - Fast Facts About Affordable Housing in Monterey County
Attachment 5 - California’s 2017 Legislative Housing Package
  Attachment 6 - SB2 - Building Jobs and Homes Act & SB3 - Veterans and Affordable Housing Bond Act
Attachment 7 - Three Year Plan
Attachment 8 - Menu of Activities the County Can Undertake to Support the Development of Occupancy Restricted Housing
Attachment 9 - Board Referral Housing Element Update and Plan
Monterey County Board of Supervisors
Referral Submittal Form

Referral No. 2018.03
Assignment Date: 1/30/18
(Completed by CAO’s Office)

SUBMITTAL - Completed by referring Board office and returned to CAO no later than noon on Thursday prior to Board meeting:

Date: 1/22/18 | Submitted By: Luis Alejo | District #: 1

Referral Title: Monterey County Affordable Housing & Homelessness Strategy

Referral Purpose: To get an update on how Monterey County is fulfilling the 2015-23 Housing Element Goals and to devise a 2-3-year short-term plan on how the county will prepare to utilize new State housing laws and resources and implement other local strategies.

Brief Referral Description: In 2015, the Monterey County Board of Supervisors approved its 2015-2023 Housing Element. However, in 2017, Governor Jerry Brown and the California legislature approved a package of 15 bills addressing housing and homelessness and will provide new resources to give local governments new tools and resources to address housing and homelessness needs. Senate Bill 2, for instance, will provide an estimated $250 million per year, of which 70% will go to local governments. In November 2018, California voters will consider approving a $4 billion affordable housing bond.

In light of the new legislation being approved and new potential funding sources, along with recent efforts by the Board of Supervisors to address the growing affordable housing and homelessness crisis in Monterey County, it is time to get an update on how the county’s latest Housing Element is being implemented and to devise a comprehensive strategy for the next two to three years to be competitive and draw down potential new state housing resources. Our comprehensive strategy should include existing efforts such as our temporary homeless shelter, our permanent shelter, safe parking programs, revising our ADUs policy, incentives for farmworker and other workforce housing (such as teacher and hospitality housing) and potential sites for new affordable housing including, but not limited to, those in Chinatown (Mid-Peninsula Project) and at East Laurel Drive (veterans housing). Our short-term plan should also look at other strategies that may help our county fulfill more affordable housing goals.

Classification - Implication
☐ Ministerial / Minor
☐ Land Use Policy
☐ Social Policy
☐ Budget Policy
☒ Other: Affordable Housing

Mode of Response
☐ Memo
☒ Board Report
☐ Presentation

Requested Response Timeline
☐ 2 weeks
☒ 1 month
☐ 6 weeks
☐ Status reports until completed
☐ Other: ____________
☐ Specific Date: ________

ASSIGNMENT – Provided by CAO at Board Meeting. Copied to Board Offices and Department Head(s)
Completed by CAO’s Office:

Department(s): Economic Development and RMA
Referral Lead: Spaur
Board Date: 1/30/18

REASSIGNMENT – Provided by CAO. Copied to Board Offices and Department Head(s). Completed by CAO’s Office:

Department(s):
Referral Lead:
Date:

ANALYSIS - Completed by Department and copied to Board Offices and CAO:

Department analysis of resources required/impact on existing department priorities to complete referral:

Analysis Completed By: ____________________________
Date: ______________

Department’s Recommended Response Timeline
☐ By requested date
☐ 2 weeks
☐ 1 month
☐ 6 weeks
☐ 6 months
☐ 1 year
☐ Other/Specific Date: ____________

REFERRAL RESPONSE/COMPLETION - Provided by Department to Board Offices and CAO:

Referral Response Date:
Board Item No.:
Referrals List Deletion:

Note: cc: Nick Chiulos, Mary Zurita, and Ebby Johnson on all CAO correspondence relating to referrals.
Overview

This research found that the estimated number of unique individual workers employed in agriculture in the region during 2016 was 91,433. It is clear from the primary data collected in the survey phases of this study that farmworker housing in the Salinas-Pajaro Laborshed needs to be drastically increased.

Farmworker housing in the region is severely crowded. In assessing the needs based on survey data, an astounding 47,937 additional units of farmworker housing are needed to alleviate critical overcrowding in farmworker households.

Based upon income levels and housing costs, farmworkers need subsidized housing. The survey determined that 7.6% of farmworkers currently access subsidized housing. Just to maintain that 7.6% “access rate,” a total of 6,351 units of permanent affordable subsidized farmworker housing are needed.

Study data demonstrates that the preponderance of workers are year-round residents. 75% of those surveyed are married, often living in households with minor children born in the United States. Although frequently the focus has been on providing housing for temporary farmworkers, the data is clear that the most significant need is for permanent farmworker family housing.

While there is new funding in the State of California for affordable housing including resources specifically targeted to farmworkers, the demand will not be met with what is currently available. Therefore, this action plan is focused on what we can collectively do to quickly produce affordable farmworker housing with a focus on permanent farmworker families.

Goal: Produce 5,300 permanent, affordable farmworker housing units over the next five years to stabilize the agriculture workforce in the Salinas and Pajaro Valley Region.

Housing Types

Objective: Promote alternative farmworker housing tenure and development prototypes that have worked in Monterey Bay Region, California, and other parts of the nation.

H1. Family housing priority: Prioritize the construction of permanent, year-round housing for farmworker families.
H2. **Intergenerational:** Facilitate the development of intergenerational farmworker housing for multiple generations of farmworkers (retirees, working adults, and children) to create opportunities for mutual self-reliance, such as provision of childcare and elder care. Best practice includes the Desert Gardens Apartments in Indio.

H3. **Services:** Incentivize housing that incorporates wrap-around services to strengthen families, transfer new skills, and build leadership.

H4. **Accessory Units:** Facilitate the development of Accessory Dwelling Units (ADUs) by considering the reduction of ADU impact and permit fees, disseminating public information, and establishing lender products for ADU new construction and rehabilitation.

H5. **Seasonal:** Facilitate private sector development of farmworker housing with unrestricted funding sources to allow flexibility in providing housing for seasonal, migrant, or any other farmworker regardless of documentation.

H6. **Energy Efficiency:** Support housing projects, both new construction and rehabilitation, which integrate energy efficiency, water conservation, and other green elements that reduce operational costs to sustain the project over time. Best practice includes the Mutual Housing at Spring Lake in Woodland.

H7. **New Technologies:** Educate the local International Code Councils and Building Officials to streamline the approval of new building technologies, such as modular construction as alternative to traditional stick-built, which have the potential to more efficiently and economically scale up housing production. Best practice includes George Ortiz Plaza I in Santa Rosa.

H8. **Emergency housing:** Investigate and pilot the use of innovative emergency housing types for seasonal, migrant farmworkers such as mobile homes.

H9. **H-2A Worker Lodging:** Collaborate with other jurisdictions to develop a model ordinance for the temporary use of motels/hotels or other structures for H-2A or other seasonal farmworkers.

H10. **Housing Cooperatives:** Support the development of new housing cooperatives or assist residents of existing housing, such as labor camps and mobile home parks, to convert their housing to limited-equity cooperatives as an affordable alternative to renting and fee-simple ownership.

H11. **Mutual Housing:** Support resident-controlled mutual housing and mutual housing associations, which empower tenants to be leaders and activists in the governance and operation of their homes.
**Suitable Sites**

**Objective:** Collaborate among jurisdictions to identify appropriate locations for farmworker housing within cities and unincorporated counties to facilitate development of farmworker housing.

S1. **Map Sites:** Map appropriate sites for farmworker housing in collaboration with local jurisdictions in the region and streamline the approval processes whenever possible.

S2. **Zoning:** Encourage local jurisdictions to evaluate current General Plan and zoning based upon housing funding criteria and when appropriate re-zone properties to create additional sites for affordable, farmworker housing.

S3. **City-County Agreements:** Establish agreements between counties and cities that allow for contiguous, unincorporated county land to connect to city infrastructure to facilitate development of farmworker housing.

S4. **Agriculture Zoning:** Relax restrictions on the residential use of agriculturally-zoned land in unincorporated county areas that restrict off-farm residential development.

S5. **Overlay Zones:** Promote the establishment of Affordable Housing Overlay Zones in ‘high-opportunity’ areas within Monterey County that include a bundle of effective and flexible incentives to encourage developers to build affordable and farmworker housing.

S6. **On-farm housing:** Encourage on-farm employee housing.

S7. **Ag Land:** Incentivize growers with marginal agricultural land contiguous to and surrounded by urban uses to dedicate, discount, or lease land for farmworker housing, including no-cost release from Williamson Act contracts.

S8. **Assembling parcels:** Enable property owners with contiguous sites appropriate for farmworker housing to parcellate the land or create new lot lines to accommodate larger, more economically feasible projects.

S9. **Land Trusts:** Encourage existing land trusts or the creation of new land trusts that build and preserve farmworker housing on land that is leased from the trust and held in restricted affordability in perpetuity.

S10. **Transit Strategies:** Support the implementation of appropriate strategies identified in AMBAG’s regional study of Transportation Alternatives for Rural Areas, such as expanded vanpools, mobility hub development, public/private partnerships with Transportation Network Companies, expanded express transit service, and workforce housing developments.
S11. **Transit:** Coordinate with regional transit agencies to provide better access between housing sites and agricultural workplaces.

**Financing**

**Objective 1:** Proactively pursue and leverage governmental and non-governmental funds to increase the inventory of farmworker housing.

**Objective 2:** Capitalize on existing regional and local housing trust funds and create new local funding sources for the construction, rehabilitation, acquisition, and operation of farmworker housing.

F1. **New State funding:** Effectively leverage new State funding resources including SB 2, the Building Homes and Jobs Act, and possible funding from voter approval of SB 3, the Veterans and Affordable Housing Bond Act of 2018, to finance new permanent, affordable farmworker housing.

F2. **Expedite SB 2 funds:** Advocate that the California Department of Housing and Community Development (HCD) expedite processing of SB 2 funding and develop reasonable program guidelines to facilitate development of affordable farmworker housing.

F3. **State Bond:** Outreach to local residents and advocate for the passage of the Veterans and Affordable Housing Bond in November 2018 as a source for affordable farmworker housing for the Region.

F4. **Santa Cruz County bond:** Continue collaboration among Santa Cruz County stakeholders to include a local housing bond measure on the ballot in November 2018 and effectively campaign for its passage.

F5. **Monterey County bond:** Continue efforts among Monterey County stakeholders to initiate a local housing bond for the November 2020 election.

F6. **Ag Business Funding:** Facilitate the creation of alternative funding mechanisms by convening agricultural interests interested in sharing resources to build and operate farmworker housing both for year-round, permanent and seasonal migrant housing. Best practice includes the Napa self-assessment of wine grape growers.

F7. **Inclusionary Housing:** Update and strengthen local Inclusionary Housing Programs as a mechanism to provide additional affordable housing units that could be targeted for farmworkers.

F8. **Linkage Fees:** Explore the development of Commercial/Industrial Linkage Fee Programs to ensure there is a jobs-housing balance or fit to meet the affordable housing needs of new employees and local residents.
F9. **Local Funding**: Maximize local funding resources to be in the best possible competitive position to leverage conventional non-local grants, investor equity, and low-cost financing for production and preservation of farmworker housing.

F10. **Competitive Parcels**: Pro-actively market parcels within jurisdictions that would likely be competitive under existing State-administered housing programs, such as the Federal and State Low-Income Housing Tax Credit Programs.

F11. **Local/federal funds**: Commit federal pass-through funds, such as Community Development Block Grant and Home Investment Partnership grants, to the production and preservation of farmworker housing.

F12. **Parcel Taxes**: Explore Parcel Taxes for affordable housing (including farmworker housing) that would tax land rather than new development.

F13. **Transient Occupancy Taxes**: Explore an increase to Transient Occupancy Taxes on hotels, motels, vacation rentals, and other accommodations in the Monterey Bay Region to support affordable housing for service workers and farmworkers.

F14. **Cannabis Taxes**: Explore allocating a portion of Cannabis Business Taxes to foster affordable housing production including funding of planning staff to shepherd projects through the process.

F15. **Federal/State funds**: Aggressively apply for Federal and State housing finance programs that are occupationally-restricted or advantage farmworker housing, namely USDA Section 514/516 Farm Labor Housing coupled with USDA Section 521 Rural Rental Assistance and California Joe Sema, Jr., Farmworker Housing Grant, State Farmworker Housing Tax Credit, and Multifamily Housing Program.

F16. **Support USDA Programs**: Advocate for the continuation and expansion of USDA Section 514/516 Farm Labor Housing Program and USDA Section 523 Rural Rental Assistance Program.

F17. **USDA funds**: Educate affordable housing providers about successful strategies to couple USDA Section 523 Rural Rental Assistance and USDA Section 514/516 Farm Labor Housing Programs to help fund affordable farmworker housing.

F18. **USDA Regulations**: Reform the USDA Section 514/516 Farm Labor Housing loans and grants to allow projects that include both farmworker and non-farmworker units. Best practices include the Amanecer Apartments in Pajaro and Azahar Place Apartments in Ventura.

F19. **Mutual Self-Help**: Reintroduce the Mutual Self-Help Housing method of sweat equity and owner-building of single-family homes under the supervision of local nonprofit housing organizations using a combination of USDA Rural Development Section 502 Direct Loan and Section 523 Technical Assistance Grants with State
Regulatory Reform

Objective: Change regulations to remove barriers, streamline processing, and reduce costs for the development of farmworker housing.

R1. **Update Zoning:** Promote and fund the update of restrictive and outdated zoning designations that limit residential densities, height, setbacks, and Floor-Area-Ratios (FARs), especially in urban cores and corridors, and identify and eliminate unnecessary or redundant discretionary reviews that cause costly delays and discourage applicants.

R2. **Remove Barriers- Employer-Sponsored Housing:** Identify and eliminate barriers for the development of employer-sponsored housing while ensuring that the development is built to allow for future conversion to multi-family should the employer sell the property.

R3. **CA Coastal Commission obstacles:** Remove impediments to farmworker housing within areas subject to the California Coastal Commission through update of Local Coastal Plans and reform the regulations governing the exemption of agriculture activities and permits set by the California Coastal Act.

R4. **SB 2 Funded Streamlining:** Apply for SB 2 funding to update zoning and revise other regulations to streamline production of farmworker housing and other housing types.

R5. **Priority Processing:** Allow for priority processing of by-right, year-round, permanent farmworker housing projects that meet underlying zoning requirements.

R6. **Ombudsman Assistance:** Fund and designate a point-person or ombudsman responsible for shepherding farmworker housing project applications through the local government approval process and advocating for them. Best practice includes an ombudsman in San Mateo County for farmworker housing.

R7. **Template Plans:** Design and develop pre-approved plans and adopt modified development-by-right for farmworker housing, including dormitory-style, modular, and multifamily prototypes proposed on agricultural parcels meeting specified site and zoning criteria in unincorporated areas. Best practice includes a recent approach adopted in Ventura County.

R8. **Development Impact Fees:** Encourage local jurisdictions to consider adopting ordinances that waive development impact fees for affordable farmworker housing.
R9. **Fee Deferral:** Support local jurisdictions in establishing development fee deferral programs for affordable and workforce housing and implement the program when requested by the developer.

R10. **Fees - Smaller Units:** Incentivize smaller, less expensive units by charging developer impact fees based on unit square footage rather than per unit and reducing minimum net land area per unit requirements.

R11. **Parking Requirements:** Encourage local jurisdictions to allow for greater flexibility in the provision of parking for affordable farmworker housing, where appropriate.

R12. **Mixed Use Requirements:** Provide greater flexibility in ratio of residential and commercial space in mixed-use districts or zones to allow for more space that is residential.

R13. **Density Bonus:** Educate local jurisdictions about the application of state density bonus to facilitate affordable farmworker housing and encourage the development of an enhanced or super-density bonus where appropriate.

R14. **Outreach:** Conduct outreach and education workshops to stakeholders and the public so that potential applicants and local communities better understand the rules and regulations governing farmworker housing.

R15. **Collaboration:** Encourage local jurisdictions to proactively collaborate with affordable housing developers and develop solutions that remove site-specific land use barriers whenever possible.

R16. **Staff Training:** Expand training of city and county staff and local elected officials about State and local land use laws and regulations and foster can-do collaborative mindset.
### Housing Survey of Farmworkers

#### DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Category</th>
<th>Data</th>
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<tr>
<td>Distribution of respondents by gender across age groups</td>
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<tr>
<td>Almost half of immigrant households had US born children under the age of 11</td>
<td>92%</td>
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<td>the number of states of origin for 2/3 of respondents (Guanajuato, Jalisco, Michoacán, Oaxaca)</td>
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<tr>
<td>Average age of respondents upon arrival to US</td>
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<tr>
<td>Average number of years they have been in the US</td>
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<tr>
<td>Number of respondents self-identified as indigenous (Mixteco, Trique, Zapoteco, others.)</td>
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<tr>
<td>Respondents who are married</td>
<td>75%</td>
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<tr>
<td>Highest level of education completed by the foreign born respondents</td>
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Infographics developed by MIG Inc., April 2018
420 Farmworkers in Salinas and Pajaro Valleys were interviewed in June–August 2017

- 7.5 Months per year working strictly in agriculture
- $12.79 Median hourly wage, mean of $13.64
- $25k Median annual income
- 50% Number working as harvesters
- 16% Number working as packers
- 80% of respondents remain in the same community while 20% are follow-the-crop migrants (FTC)

- 80% of migrants work year-round in agriculture
- 44% of non-migrants work year-round in agriculture
- Many do unskilled pre-harvest tasks and many do skilled work such as machine operation or irrigation. Working in range of crops throughout the region.
- 20% of non-migrants work year-round in agriculture
- Average number of years working with current employer; a quarter worked for their employer for 8 years or more
- 4 YRS

Infographics developed by MIG Inc., April 2018
Housing Survey of Farmworkers

HOUSING FIGURES

420 FARMWORKERS IN SALINAS AND PAJARO VALLEYS WERE INTERVIEWED IN JUNE–AUGUST 2017

- **RENT**
  - 89% of respondents rent
  - 40% rent houses
  - 30% rent apartments
  - 19% rent rooms without kitchens
  - 12% rent "other" dwellings such as motels, boarding houses, or barracks
  - Many reported sleeping outside the bedrooms, usually the living room or garage

- **SOLD**
  - 11% of respondents are homeowners, 1/4 of homeowners own mobile homes

**KEY HOUSING TRENDS**

MULTI-FAMILY HOUSEHOLDS:
Most farmworkers interviewed lived in homes that included non-family members, generally other farmworkers. This was not due to "cultural preference" — the unrelated people were outside their family budgetary unit and sharing housing was due to economic necessity.

EXTREME OVERCROWDING:
There are consistently high rates of residences that are above the severely crowded condition of 2 people per room. Often more than 5 people per bathroom.

Infographics developed by MIG Inc., April 2018
**Farmworker Housing Needs**

**The Farmworkers**

- **91,433**
  Estimated number of farmworkers in the region in 2016

- **80,715**
  Summer seasonal high (July)

- **34,737**
  Winter seasonal low (January)

- **↑ 4,032**
  Increase in H-2A Visa workers between FY 2013 (268) and FY 2017 (4300)

- **50%**
  Estimated percentage of workers lacking authorization for US employment

**Inventory of Farmworker Housing**

- **1,207**
  Number of units in year-round housing complexes for farmworkers in Santa Cruz and Monterey Counties.
  (22 rentals/ 4 cooperative ownership)

- **183**
  Number of seasonal housing units operated by Public Housing Authorities

- **1,618**
  Number of beds within three private seasonal facilities

**Percentage of units opened between 1980–1989 and 2000–2009** 70%

*Infographics developed by MIG Inc., April 2018*
# Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley

## TIMELINE

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- **Proposed action in City of Salinas Draft Housing Element (2015-2023)** to conduct farmworker housing surveys and best practices research
- Partners begin to express interest and commit funding
- Salinas Housing Element certified by the State
- Review Request for Proposals (RFP) to prepare Study
- Oversight Committee convened
- RFP issued
- Contract Awarded
- Consultants interviewed by Oversight Committee
- Analysis of agriculture and labor to inform design of survey
- Surveyors Recruited
- Employers Interviewed
- Surveys of Farmworkers Conducted
- Survey Results Analyzed
- Survey Pre-Test and wording refined through 11 versions
- Case Studies and Best Practices Researched
- Regional Forum—consideration of draft Action Plan
- Refine and Implement Action Plan

Infographics developed by MIG Inc., April 2018
Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley

FUNDING PARTNERS

ADDITIONAL PARTNERS:
- Building Health Communities-East Salinas
- California Strawberry Commission
- Center for Community Advocacy
- CHISPA
- Eden Housing
- Elkhorn Packing
- Farm Bureaus of Monterey County and Santa Cruz County
- Grower-Shipper Association of Central California
- Monterey Bay Economic Partnership
- Nunes Company
- Santa Cruz County Housing Authority

Infographics developed by MIG Inc., April 2018
MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: September 18, 2018 – Scheduled 2:30 PM  AGENDA NO.:

SUBJECT:  

DEPARTMENT:  County Administrative Office

RECOMMENDATION:  
It is recommended that the Board of Supervisors:


SUMMARY:  
In February 2017, the Board of Supervisors authorized a $25,000 contribution towards the completion of a Regional Farmworker Housing Needs Study and Action Plan. The Study and Plan have been completed and the consulting team that prepared the Study and Action Plan will present their findings and recommendations to the Board.

Because there are three open Board Referrals that aim to create a more favorable environment for the development of affordable and employee housing staff is not recommending that the Board of Supervisors act on any of the recommendations at this time. The three referrals include: 1) Board Referral No. 2017.21 which focuses on ADUs; 2) Board Referral No. 2018.03 which requested an update on the County’s progress towards meeting its Regional Housing Needs Assessment (RHNA) and a short-term housing plan; and 3) Referral No. 2018.12 which resulted in the formation of the Ad Hoc Committee to address Agriculture Employer-Sponsored Farmworker Housing.

Because the Affordable/Inclusionary Housing Ordinance, the three Board Referrals and the Farmworker Housing Action Plan are interrelated and will result in an unknown number of policy and program recommendations for the Board to consider, staff is preparing a comprehensive report tying them together. Policy and project recommendations will be presented in context with other activities affecting the overall affordable housing environment that the Board of Supervisors may wish to see implemented. The presentation is scheduled for the October 9, 2018, Board of Supervisors meeting.

DISCUSSION:  
In August 2015, the Building Healthy Communities (BHC) - East Salinas Housing Workgroup submitted a letter to the City of Salinas requesting that the Draft Housing Element 2015-2023 include an action to “conduct a special study that requires a scientific community survey and/or a survey of agricultural employers in the county to further define housing needs of farm labor workforce, financing constraints and opportunities, and best practices.” Members of the Workgroup included representatives of BHC, the Center for Community Advocacy, CHISPA, Community Organized for Relational Power in Action, Monterey Bay Central Labor Council, and Health in All Policies of the Monterey County Health Department.
The Salinas City Council endorsed the request and added the development of a study to the Housing Element. The mayors of South Salinas Valley cities had been studying alternative models for farmworker housing and when asked to collaborate in the regional study, insisted that an “Action Plan” also be developed. When the Study was announced the Association of Monterey Bay Area Governments and Santa Cruz County offered to participate and financially contribute to the preparation of the Study. Therefore, the scope expanded to include Pajaro as well as Salinas Valley.

The following partners contributed towards the approximately $300,000 cost of the consultant: Salinas ($204,000), Monterey County ($25,000), Santa Cruz County ($20,000), Gonzales ($5,000), Greenfield ($5,000), King City ($5,000), Soledad ($5,000), Watsonville ($5,000), Association of Monterey Bay Area Governments ($20,000), Mid-Peninsula Housing ($3,000), Monterey County Housing Authority ($1,500) and Monterey County Housing Development Corporation ($1,500). The United Way of Monterey County contributed ($3,000) toward the Forum to unveil the Study and Action Plan.

An Oversight Committee for the Study was formed of representatives from funding partners plus collaborative stakeholders: Monterey County Departments of Health, Social Services, and Economic Development; Grower-Shipper Association of the Central Coast; California Strawberry Commission; Farm Bureaus of Monterey County and Santa Cruz County; and the Monterey Bay Economic Partnership. In June 2016, the Oversight Committee guided the development of the scope of services in the RFP. In October 2016, the Committee met to review proposals and interview and select California Institute for Rural Studies (CIRS) and California Coalition of Rural Housing (CCRH) as a sub consultant from the responses to the RFP. A contract with CIRS was executed in December 2016. CIRS and CCRH are experienced with conducting agricultural workforce surveys and analyzing best practice projects throughout California, most recently in the Coachella Valley and San Mateo County.

The process of gathering data in Salinas and Pajaro Valley Laborshed was done by CIRS. Specific needs, barriers, and solutions were identified to address the farmworker housing crisis. In December of 2016, an analysis of existing databases concluded that there are 91,433 employed agricultural workers in the Salinas and Pajaro Valleys.

A representative survey of 420 farmworkers was conducted in summer of 2017. The survey revealed that approximately 40% of respondents live in houses, 30% in apartments, 19% live in rented rooms without kitchens, and 12% live in other types of dwellings such as motels, boarding houses, or barracks. 89% of farmworkers were renters and 11% were owners where one quarter owned mobile homes. The survey found that a significant number of households are comprised of unrelated farmworkers who are required to co-habitat due to housing costs and supply. These farmworkers are living with more than 2 people per bedroom and 5 people per bathroom. 93% of farmworker households in the survey exceeded the standard of one person per bedroom. In fact, about 16% of farmworkers do not even sleep in a bedroom. Extreme conditions of overcrowding were identified in the Study. To alleviate overcrowding and provide the necessary workforce housing, it was estimated that an additional 47,937 are needed.
The study also uncovered that the biggest housing need is for the permanent year-round farmworker. Eighty (80%) of the farmworkers in the region are residents with families and are struggling with growing housing costs. Only 20% or 18,300 farmworkers are considered migrant and temporarily in the area for seasonal work. Of the 18,300 migrant workers, 4,600 are H-2A visa workers. Because growers are required to provide housing for H-2A workers, much of the housing focus has been on this population. More recently, labor contractors have purchased existing housing for this population and in some cases, displaced our residents who are farmworkers. Moving forward, it is critical that we collaborate with labor contractors and agricultural producers on construction of affordable housing for our farmworker families as this in the long run will help stabilize the agricultural workforce.

In addition to the Study, CIRS and CCRH collaborated with the Oversight Committee to draft an Action Plan. Ultimately, the goal of the Action Plan is to: “Make available 5,300 permanent, affordable housing units over the next five years to stabilize the agriculture workforce in the Salinas and Pajaro Valley Region.” The Action Plan is split into 4 categories with different objectives and actions to achieve the goal stated. In total, there are 57 actions.

**Housing Types**
The objective for the Housing Types is to: “Promote alternative farmworker housing tenure and development prototypes that have worked in Monterey Bay Region, California, and other parts of the region”. This category contains actions that focus on aspects of housing that the City can explore when developing farmworker housing. There are 11 actions in this category. For example, Action “H4 Accessory Units” addresses the potential of developing Accessory Dwelling Units (ADU) and reducing the cost of fees and establishing financing avenues.

**Suitable Sites**
The objective for Suitable Sites is to: “Collaborate among jurisdictions to identify appropriate locations for farmworker housing within cities and unincorporated counties to facilitate development of farmworker housing”. This category deals with many processes such as zoning, mapping, and land use. The City is currently working on “Map Sites” to identify appropriate sites for farmworker housing in collaboration with Monterey County and other local jurisdictions. The City’s GIS department along with the County of Monterey have produced maps with possible sites for permanent affordable and migrant farmworker housing.

**Financing**
Financing has two objectives to: “Proactively pursue and leverage governmental and non-governmental funds to increase the inventory of farmworker housing”; and “capitalize on existing regional and local housing trust funds and create new local funding sources for the construction, rehabilitation, acquisition, and operation of farmworker housing”. This category discusses funding and financing for farmworker housing. On the November 2018 ballot is Prop 1, the Veterans and Affordable Housing Bond Act. Passage of this bond measure could provide a critical funding source for farmworker housing and will be important for the City to support.

**Regulatory Reform**
The objective for Regulatory Reform is to: “Change regulations to remove barriers, streamline processing, and reduce costs for the development of farmworker housing”. This category
emphasizes updating outdated restrictions, reforming zoning, and adopting ordinances to make developing farmworker housing a streamlined process. For example, Action “R5 Priority Processing” identifies the priority processing of permanent farmworker housing projects.

OTHER AGENCY INVOLVEMENT:
The preparation of the Study was a cooperative effort with the five Salinas Valley cities, Watsonville, the County of Santa Cruz, non-profits representing tenants, industry employers and associations, and housing developers.

FINANCING:
There is no financial impact on the General Fund associated with receiving this report.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This report indirectly supports the Board’s Economic Development, Health & Human Services, Infrastructure, and Public Safety Strategic Initiatives. Many of the policy and program recommendations that are being prepared for the October 9, 2018, Board Housing Study Session may provide a more direct link to these initiatives but the extent of these links is unknown at this time.

Mark a check to the related Board of Supervisors Strategic Initiatives:

- [ ] Economic Development
- [ ] Administration
- [X] Health & Human Services
- [X] Infrastructure
- [X] Public Safety

Prepared by: Darby Marshall, RHO Project Analyst II, Ext. 5391

Approved by: Nicholas E. Chiulos, Assistant County Administrative Officer

Attachment 1 – Farmworker Housing Study and Action Plan for the Salinas Valley and Pajaro Valley
Referral Title: Creation of the Monterey County Agriculture Employer-Sponsored Farmworker Housing Ad Hoc Committee

Referral Purpose: To create a working group of the County, Salinas Valley cities, and agriculture stakeholders to make recommendations to facilitate and expedite the creation of farmworker housing in the Salinas Valley.

Brief Referral Description: On April 19, 2018, local governments, non-profits and agricultural leaders will be releasing the “Farmworker Housing Study and Action Plan for the Salinas and Pajaro Valleys.” This will be the first comprehensive farmworker housing study conducted in both valleys, and one of the first in the entire state.

The purpose of the Monterey County Agriculture Employer-Sponsored Farmworker Housing Ad Hoc Committee is to appoint two county supervisors who will be joining other Salinas Valley cities to meet together as local governments as well as with key agricultural stakeholders to make policy recommendations to the County and Salinas Valley local governments that will help facilitate and expedite the creation of more farmworker housing in the Salinas Valley.

Also, amend the scope of the Monterey County Health and Human Services Committee to include the policy area of “housing” so that housing policies are vetted through this committee. Rename the committee, “Health, Housing, and Human Services Committee.”

Also, amend the scope of the Monterey County Health and Human Services Committee to include the policy area of “housing” so that housing policies are vetted through this committee. Rename the committee, “Health, Housing, and Human Services Committee.”

Classification - Implication

☐ Ministerial / Minor
☐ Land Use Policy
☐ Social Policy
☐ Budget Policy
X Other: Supervisors’ Committee Formation

Mode of Response

☐ Memo
X Board Report
X Presentation

Requested Response Timeline

☐ 2 weeks ☐ 1 month ☐ 8 weeks
☐ Status reports until completed
☐ Other: ____________ X Specific Date: 4/24/18

ASSIGNMENT – Provided by CAO at Board Meeting. Copied to Board Offices and Department Head(s) Completed by CAO’s Office:

Department(s): County Administrative Office and Economic Development
Referral Lead: González
Board Date: 4/17/18

REASSIGNMENT – Provided by CAO. Copied to Board Offices and Department Head(s). Completed by CAO’s Office:

Department(s):
Referral Lead:
Date:

ANALYSIS - Completed by Department and copied to Board Offices and CAO:

Department analysis of resources required/impact on existing department priorities to complete referral:

Analysis Completed By:

Date: ______________

Department’s Recommended Response Timeline

☐ By requested date
☐ 2 weeks ☐ 1 month ☐ 6 weeks ☐ 6 months
☐ 1 year ☐ Other/Specific Date: ____________

REFERRAL RESPONSE/COMPLETION - Provided by Department to Board Offices and CAO:

Referral Response Date:
Board Item No.:
Referrals List Deletion:

Note: cc: Nick Chiulos, Mary Zurita, and Ebby Johnson on all CAO correspondence relating to referrals.