

MONTEREY COUNTY

HOUSING AND COMMUNITY DEVELOPMENT

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PLANNING COMMISSION MEMORANDUM

Date: December 7, 2022

To: Chair and Planning Commission Members

From: Erik V. Lundquist, HCD Director

Planning Commission Referral 19.01

Subject: Quarterly Report of Affordable and Workforce Housing Applications Received by the County

Attachments: 1: Active Multi-Lot/Unit Planning Applications

At its November 13, 2019 meeting, the Planning Commission requested staff to provide quarterly reports related to affordable and workforce housing applications received by the County. At the Planning Commission's October 26, 2022 meeting it was further requested that pending and approved accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) be added to the report. The list may not include all housing developments approved or proposed due to challenges collecting and verifying information.

The County has identified 95 multi-lot or unit projects that have applied for or received approvals but are still in the condition compliance phase prior to being able to develop lots or units. Collectively these projects proposed 3,200 new units and will create almost 900 qualified affordable units if they are built out. The impact that these units will have on the County's ability to satisfy its 5th or 6th Cycle Housing Element RHNA obligations will ultimately be determined by the date building permits are issued. The following table illustrates the County's 5th and 6th Cycle RHNA obligations and the potential impact pipeline units have on the County's ability to meet these obligations.

Regional Housing Needs Allocation	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income
5th Cycle Remaining	219	198	35	0
6th Cycle Required	1,070	700	420	1,136
5th & 6th Cycle RHNA Remaining	1,289	898	455	1,136
Pipeline Proposed and Remaining Affordable Units	188	294	356	2,346
Pipeline Share of 5th Cycle RHNA	86%	148%	1,017%	
Pipeline Share of 6th Cycle RHNA	18%	42%	85%	207%
Pipeline Share of All RHNA	15%	33%	78%	207%

There are several important considerations when looking at the attached “pipeline”.

- The “pipeline” represents the approximate number of units remaining to be developed. Some projects, such as Monterra Ranch, are complete but have not sold all the residential lots. These market rate lots will count towards the County’s Above Moderate-Income RHNA when building permits are issued.
- Thirty of the projects in the pipeline are reported as application complete, application approved, or condition compliance have already satisfied their inclusionary housing obligations by constructing the required units, paying an in-lieu fee, or using inclusionary credits from earlier projects.
- Four projects in the pipeline account for 71% of the RHNA affordable units.
- One project in the North County LCP area accounts for 22% of the projects and is application phase.
- The Development Agreement for Butterfly Village, which represents more than 27% of the RHNA affordable units approved developments, will expire in 2024.

Accessory Dwelling Units (ADUs):

During the 5th Housing Element Cycle the County:

- Issued building permits for 81 new ADUs.
- Ordered the demolition of 16 non-compliant ADUs.
- 68% of new ADUs were built in the Carmel Valley or Greater Monterey Peninsula planning areas.
- ADUs count towards the County’s Above Moderate-Income RHNA obligation.

Application Status Explanations:

Planner Assigned – Application has been assigned to a planner. (prior to “given out” or “complete/incomplete”)

Given Out – An applicant has submitted an “application request” and a planner has provided the applicant with a checklist of materials needed for the application.

Complete – The County has determined that all materials and information necessary for review of the application have been submitted.

Incomplete – The County has determined that additional materials or information are necessary for review of the application and a letter has been sent detailing the needed information.

Set for Hearing – Complete applications that have undergone staff analysis and are scheduled for a hearing.

Pending Approved – Projects that have been approved but are within an appeal period.

Pending Denied - Projects that have been denied but are within an appeal period.

Appealed – Project has been approved or denied but the decision on the project has been appealed and a decision on the appeal is pending.

Approved – Projects that have either been approved and no appeal has been filed or the appeal has been resolved and the project is approved.

Denied – Projects that have been denied and no appeal has been filed or the appeal has been resolved and the project is denied

Condition Compliance – Projects that have been conditionally approved and are in the process of clearing conditions.

Active Multi-Lot/Unit Planning Applications

Regional Housing Needs Allocation - 5th Cycle Units Remaining & 6th Cycle Units Required	Very Low- Income Units	Low- Income	Moderate- Income Units	Above Moderate-Income
5th Cycle RHNA Remaining	219	198	35	0
6th Cycle RHNA Remaining	1,070	700	420	1,136

Active Planning Applications - Countywide	Multi-Unit/Lot Planning Applications	Units Proposed or Remaining to Construct					
		Very Low- Income	Low- Income	Moderate- Income	Workforce 1 & 2 - Remaining	Market Rate	Employer Sponsored Housing
Appealed	1	3	3	4	2	40	0
Approved	8	1	2	4	0	0	0
Complete	8	8	5	13	1	5	27
Condition Compliance	69	139	217	253	292	1,746	12
Given Out	2	2	2	3	2	0	23
Incomplete	2	0	1	2	0	13	0
Planner Assigned	4	41	100	88	39	205	0
Set for Hearing	1	0	0	0	0	0	0
Grand Total	95	194	331	367	337	2,009	62

Active Multi-Lot/Unit Planning Applications

Active Planning Applications - Coastal/Inland	Multi-Unit/Lot Planning Applications	Units Proposed or Remaining to Construct					
		Very Low- Income	Low- Income	Moderate- Income	Workforce 1 & 2 - Remaining	Market Rate	Employer Sponsored Housing
Coastal	16	30	94	84	31	52	35
Appealed	1	3	3	4	2	40	
Approved	3						
Complete	1	1	1	1			
Condition Compliance	9	0	2	2		12	12
Given Out	1	2	2	2	2		23
Planner Assigned	1	25	87	75	27		
Inland	79	164	236	283	306	1,957	27
Approved	5	1	2	4			
Complete	7	7	5	12	1	5	27
Condition Compliance	60	139	215	251	292	1,734	
Given Out	1	0	0	0	0		
Incomplete	2		1	2		13	
Planner Assigned	3	16	13	13	12	205	
Set for Hearing	1	0	0	0			
Grand Total	95	194	331	367	337	2,009	62