



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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REF220020 - GENERAL PLAN HOUSING ELEMENT SIXTH CYCLE UPDATE

- a. Receive a status report of the draft Sixth Cycle Housing Element; and
- b. Provide direction to staff

Project Location: Unincorporated County of Monterey

Proposed CEQA Action: Statutory exemption pursuant to Section 15262 of the California Environmental Quality Act ("CEQA") Guidelines. A Programmatic Environmental Impact Report ("PEIR") is being prepared for the Housing Element update and will be considered prior to taking any final action on the Housing Element.

RECOMMENDATION

It is recommended that the Board of Supervisors:

- a. Receive a status update on the draft Sixth Cycle Housing Element Update; and
- b. Provide direction to staff.

SUMMARY

On March 11, 2025, staff conducted a workshop with the Board of Supervisors to consider revisions to the draft Sixth Cycle Housing Element (2023-2031) update ("HEU6") in response to findings from the California Department of Housing Community Development ("CA HCD") and provide direction to staff.

Subsequent to the Board workshop staff updated the draft element per Board direction and on June 26, 2025, submitted the revised draft HEU6 to the California Department of Housing & Community Development ("CA HCD" or "State") for the second 60-day review period mandated by the State. CA HCD reviewed the County's revised draft HEU6 and provided a response in a letter dated August 25, 2025. That letter is posted on the County's website at <https://comry.us/heu6> <<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcomry.us%2Fheu6&data=05%7C02%7CWikleS%40countyofmonterey.gov%7C8daac32a3bd24ba4e9e408ddc0a548b1%7Cca71c0aaa02843ec8c30056b60ed7414%7C0%7C0%7C638878538305987738%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJXaW4zMlslkFOIjoiTWFpbCIslldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=P%2B2A6bqYmjyB9k%2BTPNnqzS1v3HJVdXTaycDSfrp2yE%3D&reserved=0>>. The CA HCD letter indicates that the County's draft HEU6 addresses many statutory requirements; however, revisions to the draft are necessary to substantially comply with State Housing Element Law (Gov. Code § 65580 *et seq.*).

Staff reviewed the August 25, 2025, letter from CA HCD and the County's draft response to the state's findings and corresponding updates to the draft HEU6 are well underway. Staff has also met with CA HCD in August and is working to schedule a subsequent meeting with CA HCD by the end of October to review County responses to the findings prior to resubmittal of a 3rd draft to CA HCD.

State Findings Summary

In general, the majority of the State's findings are requests for additional information that entail conducting additional research and providing summarized information and analysis to demonstrate more clearly how the draft HEU6 complies with certain specific housing laws. A number of findings and concerns raised by the State are more substantive and have resulted in additional time, analysis and/or prompt the need for new or amplified programs and policies to demonstrate compliance. A few of these key substantive matters and staff's approach to respond are summarized here.

Non-Vacant Sites - CA HCD requested additional analysis on the redevelopment of specific non-vacant sites that are included as Opportunity Sites. Staff proposes additional information be added on regional trends and demands for development on sites with similar redevelopment factors throughout the Monterey County region. This includes review of projects within unincorporated Monterey County and within incorporated cities such as Monterey, Salinas, Seaside and Marina. These regional demands and trends, in addition to existing programs within the Housing Element, help substantiate the County's claim that the existing uses on the site would not constitute an impediment to housing development.

Pipeline Sites - CA HCD requested additional analysis of pipeline projects that are included in the element that help the County meet its RHNA obligations along with additional evidence demonstrating the likelihood that that these units will develop during the Planning Period (i.e. from 2023-2031). Staff proposes providing additional information to note the status of the project, any remaining steps in the development process, known barriers, and the likelihood of construction during the Planning Period. One pipeline project (Morisoli Project, Site No. 62) is proposed for removal, as the developer has indicated that they will no longer be moving forward with the project. Removal of this site will impact the County's market and moderate rate unit counts but will not impact the unit counts for very low- and low-income units in the County's Sites Inventory.

Opportunity Site Range of Densities (Program H-3. A and H-3. C.) - CA HCD requested additional analysis on the range of allowable densities on Opportunity Sites to be rezoned to HDR/20, noting that the County meets the statutory requirements of allowing at least 20 dwelling units to the acre as outlined in Government Code Section 65583.2(c)(3). CA HCD expressed concern with this density being a potential constraint since it is characterized as a "minimum" for the purposes of complying with state law and "maximum" density under the County's zoning provisions, with both the minimum and maximum densities being the same when viewed in this lens. Staff is in discussions with CA HCD to get clarity on this comment. Potential revisions to the Housing Element that may be necessary to address this comment are to allow up to 22 dwelling units per acre (to provide a density range above 20 dwelling units per acre), or to provide additional analysis indicating that HDR/20 is the appropriate density range for Monterey County.

Affirmatively Furthering Fair Housing - CA HCD provided multiple comments requesting additional documentation that substantiates how the County's Opportunity Sites affirmatively further fair housing. The County's site selection process included community engagement and outreach to ensure that the Opportunity Sites in the HEU6 were well distributed geographically and provided a significant number of lower income households in areas of affluence. To better highlight these efforts and to respond to CA HCD's comments, Staff has further analyzed selection of Opportunity Sites by unincorporated community area and plan area. The response will include discussions about site location as it relates to furthering access to opportunities (such as access to recreational amenities, jobs and other services), incorporation of localized knowledge on Socio-economic patterns and trends at the community area and plan area level, and potential modification of Housing Element programs if necessary.

Permit Processing and Procedures - CA HCD requested analysis on approval findings for a typical multifamily development that comply with General Plan/Local Coastal Program (LCP) and Zoning requirements. Staff is reviewing the County's requirements for approval findings impacts on approval certainty. The County may have to incorporate new program language to address any findings that impact approval certainty by providing objective standards to measure a multifamily development project against. For example, the program language could include updates to subjective language with objective findings to mitigate impacts to approval certainty for multifamily development projects.

In addition to preparing responsive edits to the draft HEU6, HCD staff continue to make progress on the following items:

1. Preparation of the Program Environmental Impact Report ("PEIR") for the draft HEU6 pursuant to CEQA;
2. Returning to the Airport Land Use Commission (ALUC) to formalize the Board of Supervisors direction to keep Sites 47 and 48 as Opportunity Sites in the HEU6 to align with the timing below for adoption and certification of the Housing Element; and
3. Drafting of General Plan and Zoning Code Amendments to be considered concurrently with Housing Element adoption pursuant to Government Code Sections 65583 and 65583.2. This includes rezoning of the County's Opportunity Sites to appropriate densities as noted in the HEU6 and to allow for by-right approval on Opportunities and Prior Housing Element Opportunity sites if certain affordability criteria are met.

Timing and Next Steps

Staff are simultaneously working to amend the draft HEU6 and ensure the environmental document reflects any changes needed subsequent to the 60-day review by CA HCD. Notice of Preparation of the draft Program Environmental Impact Report was available for a 30-day public review period from October 21st through November 20, 2024. The County held a noticed Public Scoping Meeting on November 7, 2024. The environmental document is required to circulate for public review and comment once completed. This is typically a 45-day public comment period. Staff will then review and respond to comments received during the public comment period. Once the environmental review is complete and the draft HEU6 has been updated to address CA HCD comments, the HEU6 will require review by the Planning Commission for recommendation to the Board of Supervisors to certify the PEIR and to adopt the HEU6. Once adopted by the Board, staff will transmit the final adopted HEU6 to CA HCD for certification.

The timeline, including the steps summarized above, is as follows:

Summer 2025

- End of August: Received formal HCD findings, after 60-day review
- End of August through end of October: Incorporate HCD findings and revise draft Housing Element

Fall 2025

- Early November: Schedule Office Hour Check in CA HCD Review Team prior to release of Public Draft to ensure County is on track for HEU Certification
- Mid-November: Publish HEU draft for 7-day public review
- End of November: Submit revised Draft to CA HCD and Release public draft PEIR for 45-day review period
- Mid December: Release public draft PEIR for public 45-day review period

Winter 2026

- End of January: Receive findings from CA HCD
- Early February: draft PEIR 45-day review period ends, and staff begins response to comments for Final PEIR
- Mid-February/Early March: Planning Commission Public Hearing to recommend to the Board of Supervisors to certify the Final PEIR and adopt the revised HEU and Zoning Amendments
- End of February/Mid-March: Board of Supervisor Public Hearing to certify the Final PEIR and adopt the revised HEU and General Plan/Zoning Amendments

Spring 2026

- Mid-March: Submit adopted HEU to HCD for Certification

ENVIRONMENTAL REVIEW

Proposed Statutory Exemption

Pursuant to Section 15262 of the CEQA Guidelines, this presentation and workshop are statutorily exempt as early discussion on possible future actions that do not involve commitment to a project.

Programmatic Environmental Impact Report (PEIR)

Pursuant to Government Code section 65584(a)(2), the County has a mandate to remove governmental barriers to housing production. Preparation of a PEIR is a reasonable action to complement the suite of programs in Chapter 8 to simplify the process for development of housing through the planning period 2023-2031. Opportunity sites within the HEU6 will be analyzed in the PEIR for potential environmental impacts under CEQA. Environmental analysis in the PEIR will contemplate the potential effects of the HEU6 on County resources at a programmatic level.

Future project-specific environmental review for sites analyzed as part of the PEIR “shall be limited to effects on the environment which are peculiar to the parcel or to the project and which were not addressed as significant effects in the prior environmental impact report, or which substantial new

information shows will be more significant than described in the prior environmental impact report.” (Public Resources Code section 21083.3(b)).

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

Multiple County departments are involved in the development of the General Plan draft Sixth Cycle Housing Element including the Health Department’s Environmental Health Bureau and its Planning, Evaluation and Policy Unit; Civil Rights Office; County Administrative Office’s Sustainability Program, Homeless Services, and Office of Community Engagement and Strategic Advocacy; Agricultural Commissioner; Department of Emergency Management; Department of Economic Development; Department of Social Services; and the Public Works, Facilities and Parks Department, and the Office of County Counsel.

Staff have coordinated with CA HCD on numerous issues prior to the second and third submittals of the HEU6.

HOUSING IMPACTS:

- ☒ X Reduces constraints on Housing Development
- ☐ Increases constraints on Housing Development
- ☐ Neutral
- ☐ Not applicable [N/A]

QUALITATIVE SUMMARY:

Providing a Status Update on the status of the HEU6 is a neutral on Housing Development. However, once adopted and certified, the County’s HEU6 will result in implementation of Housing Element Programs to assist with streamlining housing production and permitting for residential development in unincorporated Monterey County, resulting in reduce constraints on Housing Development.

FINANCING:

Staff time to support the General Plan Elements Updates, including preparing the PEIR, is included in the FY2025-26 Adopted Budget for HCD Unit 8543, Appropriation Unit HCD002.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

- ☒ X Well-Being and Quality of Life
- ☐ Sustainable Infrastructure for the Present and Future
- ☐ Safe and Resilient Communities
- ☐ Diverse and Thriving Economy
- ☐ Dynamic Organization and Employer of Choice

This Status update on the HEU6 helps further the objectives in Strategic Goal A: Well-Being and Quality of Life by supporting key objectives related to Housing including: streamline permitting processes to encourage construction of affordable housing/alternative dwelling units, and making measurable progress in achieving or exceeding Regional Housing Needs Allocation (RHNA) and expand opportunities for affordable and workforce housing development. Continuing to pursue Housing Element adoption and certification in collaboration with CA HCD directly supports Goal A

and objectives related to Housing.

Link to the Strategic Plan:

[<https://www.countyofmonterey.gov/home/showdocument?id=139569>](https://www.countyofmonterey.gov/home/showdocument?id=139569)

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The following attachments are on file with the Clerk of the Board:

Attachment 1 - CA HCD Comment Letter (dated August 25, 2025)