

Attachment 1

This page intentionally left blank.



Monterey Bay
ECONOMIC PARTNERSHIP
HOUSING INITIATIVE

PRACTICAL HOUSING POLICY INCREASING SUPPLY AND AFFORDABILITY

June 2023



www.mbe.biz



@MBEPartnership

ACKNOWLEDGEMENTS

The Monterey Bay Economic Partnership (MBEP) is a regional, member-supported nonprofit organization consisting of public, private and civic entities located throughout the counties of Monterey, San Benito and Santa Cruz. MBEP's vision is to create a **thriving region** with quality jobs, excellent education and health care, housing for all, and broadband access while preserving the natural beauty of our environment. MBEP accomplishes this work through our initiatives: **Housing; Broadband; Economic and Workforce Development; and Policy Education and Advocacy**. MBEP is a trusted nonpartisan organization with a track record of working for the triple bottom line: equity, environment, and inclusive economic growth. Each initiative incorporates intentional intersection of field research as well as business and community perspective while considering sustainability, transportation, education and public health. The result is a holistic approach to economic prosperity in the tri-county region.

I am grateful for dedicated and passionate staff working in partnership with community advocates, business leaders, and policymakers to fulfill our mission of improving the economic health and quality of life in our tri-county region. Special thanks to the **MBEP's Housing Advisory Committee** for providing crucial feedback on the content and overall development of Practical Housing Policy: Increasing Supply and Affordability. I thank the many member cities, counties, and housing champions in our region, state, and nation who continue to work tirelessly to help develop economically thriving, resilient communities that include housing for all across all income levels and unit types.

MBEP acknowledges and thanks Simon Sibley, founder and president of New Way Homes, and principal author of the original Housing Policy paper in 2016; and Jon Wizard, former Seaside city council member and housing advocate. MBEP also extends gratitude to our funders and board members for their ongoing support and guidance.

MBEP Housing Initiative was founded in 2016. Shortly thereafter it was taken over and led by Senior Advisor Matt Huerta to whom we are grateful for his continued expertise, guidance and commitment. Thank you to Gabriel Sanders, MBEP Director of Housing and Community Development Policy for coordinating and leading the efforts, and to the following on the MBEP team:

- Linda McGlone, Senior Advisor on Public Health
- Jessica Gilden, Marketing & Communications Manager
- Marie Vasari Hislop, Senior Advisor on Media & Communications

It is our hope that the updated paper Practical Housing Policy: Increasing Supply and Affordability will be beneficial to the Monterey Bay Region. Please contact MBEP for technical assistance, presentation, or more information.



Tahra Goraya, MA, MPA
President & CEO

TABLE OF CONTENTS

Executive Summary	4
Background	6
Recent Accomplishments	6
Housing Types and Market Summary	9
Annual Progress Since 2018	10
6th Cycle Housing Element Context	13
Regional Housing Needs Allocation (RHNA) Goals	13
Housing Element Requirements	14
Policy Change Recommendations	16
1: Streamline permitting and reduce discretionary reviews	16
1a: The cost of discretionary review and benefits of streamlining	16
1b: Successful Streamlining Legislation	17
2: Increase Allowable Densities	18
2a: Optimize Height Limits & Density Calculations	19
2b: Enhanced Density Bonus Provision	19
2c: Reducing and Eliminating Parking Requirements	22
2d: Reducing or Eliminating Commercial Space Requirements	24
2e: Comprehensive Pro-ADU Production Policies	26
3: Reform Impact Fees	28
3a: Scale All Fees by Square Foot, Not Per Unit	28
3b: Defer Development Impact Fees	28
4: Increase Funding Sources for Affordable Housing	29
4a: Local Finance for Affordable Housing	29
4b: Partner with Other Public Agencies to Identify Sites	30
5: Optimize Inclusionary Housing Ordinances	31
5a: Financial Challenges of Inclusionary Housing	31
5b: Optimizing IHOs	32
Conclusion	33
Appendix	35
A1: Full 6th Cycle Regional Housing Needs Allocation for AMBAG and SBCOG	36
A2: Sample policy language	37
A2.1: By-Right approval for projects meeting predetermined affordability levels	37
A2.2: Density Bonus Provision	39
A2.3: Deferral of Impact Fees	40
A3: Glossary of Terms	42
Works Cited	46
End Notes	53

EXECUTIVE SUMMARY

Launched in 2016, Monterey Bay Economic Partnership's (MBEP) Housing Initiative advocates for increased supply of all housing types at all income levels in Monterey, Santa Cruz, and San Benito Counties. MBEP recognizes that an adequate and robust housing supply is critical to drive and support a healthy and thriving economy in our tri-county region.

Local governments and policy makers play a critical role in supporting solutions to our housing crisis and must continually make sure the policies remain well-suited to the needs of the local communities. The Monterey Bay Region has scores of zoning requirements within its 21 jurisdictions with varying requirements. *Practical Housing Policy: Increasing Supply and Affordability* is an updated version of the 2018 publication which introduced a set of local policy recommendations for increasing housing supply and affordability for the Monterey Bay Region. All five recommendations in this updated paper have been thoroughly researched and/or tested in other localities for their effectiveness in improving housing affordability in a highly constrained housing market.

Policy Recommendations Summary:

1 Streamline permitting and reduce discretionary reviews

Decrease risk and pre-development costs for nonprofit and for-profit developers with objective design guidelines and ministerial approval for specific, needed housing development.

2 Increase allowable densities

Enable more efficient use of vacant or non-vacant land – especially in urbanized areas – through updates to zoning regulations and by optimizing height limits and density calculations.

3 Reform impact fees

Scale fees by square footage rather than per housing unit to incentivize more units per development. Collect impact fees as a requirement for issuing the certificate of occupancy, rather than earlier in a project's timeline, to help reduce risk and financing costs to the developer.

4 Increase funding sources for affordable housing

Jurisdictions should thoroughly explore funding resources – from the local to state and federal levels – and partnerships in order to increase financing option and affordable housing production.

5 Optimize Inclusionary Housing Ordinances

Local jurisdictions can adjust inclusionary requirements by maximizing incentives for production. Incentives include additional density bonuses, impact fee deferrals or reductions, or other concessions that mitigate the financial disincentives of inclusionary development.

Included in this update are details on the requirements of **6th Cycle Housing Element Update** which each local government in the region must undertake according to state law. Although previous Housing Element updates and Regional Housing Needs Allocation (RHNA) cycles have had much smaller housing production goals, most jurisdictions failed to meet them. As a result of increasing housing prices and low production, many jurisdictions have seen a three-to-fivefold increase in their RHNA and must comply with a newly strengthened Housing Accountability Act (HAA) enforced by the California Department of Housing and Community Development (HCD).

HCD staff will review updated Housing Element documents by the end of 2023 to determine whether local government plans comply with state law and whether the policies and programs within them can be effective. Some of the most critical aspects of the 6th Cycle Housing Element scrutinized by HCD include demonstration of realistic capacity for housing development to meet RHNA assignments and policies that proactively combat racial segregation and inequality of housing opportunity in well-resourced areas per the requirements of AB 686, which lays out how jurisdictions must comply with Affirmatively Furthering Fair Housing (AFFH) requirements.

Practical Housing Policy recommends approaches that have accomplished progress in the areas required by HCD for increasing jurisdictions' ability to generate more affordable housing in accordance with RHNA and AFFH. While no single set of policies is universally applicable, the menu of policies in this Policy Paper provides guidance for any jurisdiction in the Monterey Bay Region to begin or continue increasing housing supply and affordability.

Finally, *Practical Housing Policy* is intended for use by local government staff, elected officials, advocates, and housing developers in shaping and implementing housing policy. Please contact MBEP for technical assistance, presentation, or more information.



BACKGROUND

Monterey Bay Economic Partnership (MBEP) is a regional member-supported nonprofit organization consisting of public, private and civic entities located throughout the counties of Monterey, San Benito and Santa Cruz. MBEP’s vision is to create a **thriving region** with quality jobs, excellent education and health care, housing for all, broadband access while preserving the natural beauty and healthy lifestyle we all share. MBEP accomplishes work through our initiatives: **Housing, Broadband, Economic and Workforce Development, and Policy Education and Advocacy.**

Practical Housing Policy has been critical in shaping the MBEP Housing Initiative Team’s advocacy and engagement on local policies, projects, and programs that have significantly impacted our region’s housing agenda over the past five years. At the time of original publication in 2018, many of these recommended policies had only started socialization and implementation at the state and local level.

MBEP has gained significant insights into how critical these changes are to increasing supply and improving housing affordability. Progress has been challenged as policies become evermore complex and dynamic. Some jurisdictions, even those with significant staff capacity and support from their elected officials, are deferring to the state for policy changes instead of tailoring policies at the local level. While MBEP has made tremendous strides in building a large coalition of housing advocates across the region, a reliable NIMBY (“Not In My Backyard”) sentiment in rural, urban, coastal and non-coastal settings often emerges in response to proposals for multifamily housing.

RECENT ACCOMPLISHMENTS

2019:

The MBEP Housing Team partnered with Kevin Dayton, a local public policy consultant, to create a White Paper Progress Report and Dashboard to help track and support local government implementation of our recommendations.

MBEP Housing Dashboard Monterey Bay Region

MBEP’s Housing Initiative has worked with local governments to present a White Paper and move towards implementation of nine policy recommendations, with the greater aim of achieving creative and realistic solutions to our regional housing crisis.



- Scale All Fees by Square Foot, Not by Unit
- Defer Development Impact Fees Until Certificate of Occupancy is issued
- Enhance Bonus Density Provision
- Reduce Parking Requirements
- Reduce Commercial Space Requirements
- Cite Local Funding Sources for Affordable Housing
- Utilize Comprehensive Pro-ADU Production Policies
- Update Traffic Analysis
- Zone for Density, Including Optimizing Height Limits & Density Calculations

2020:

Housing Blue Paper

After a year of convening and hearing directly from local stakeholders, MBEP published the [Housing and Water Blue Paper](#) to address the impact of water supply and policies on housing development in the Monterey Peninsula. Water supply continues to constrain housing development in the Monterey Peninsula Water Management District service area. Affected jurisdictions must work together to procure water resources

that satisfy California State Water Resource Control Board (SWRCB) and California Public Utility Commission (CPUC) requirements for lifting the cease-and-desist order that constrains adding new water meters necessary for large-scale housing development.

All future regional planning and directives must consider the growing severity and frequency of natural disasters caused by climate volatility. This threat was again highlighted by the wildfires ravaging the Monterey Bay region in 2020. Over 1,500 structures were destroyed, and another 160 were damaged in the CZU fire and fires throughout Monterey County, of which 966 were single-family homes, and three were multifamily buildings. MBEP will continue supporting policies that rebuild existing housing lost to natural disasters while addressing climate change resiliency. Heavy rains in early 2023 caused flooding throughout Monterey County, causing heavy damage and displacement especially in the Pajaro Valley community. MBEP continues to support recovery efforts in the area.

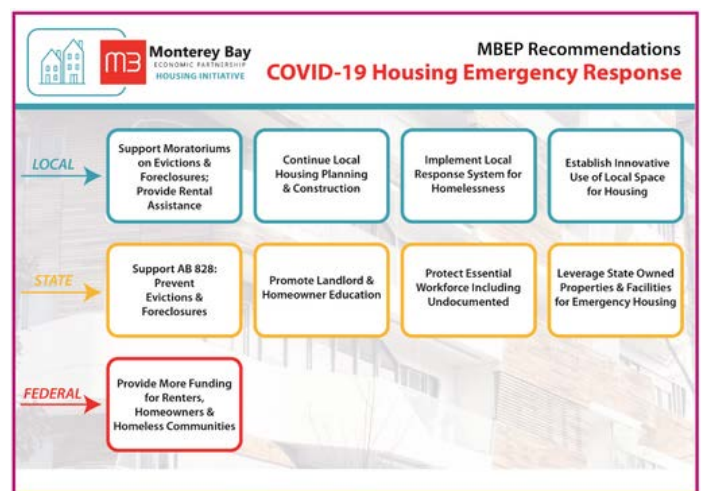
COVID-19 Housing Response Paper:

Later in 2020, MBEP's Housing Initiative Team pivoted its approach to address the glaring COVID-19 pandemic and its disproportionate impact on communities of color, many of whom were designated as essential workers. Our [COVID-19 Housing Response Paper](#) outlined several emergency housing measures, including opportunities for quarantining infected workers. The paper called on private, local, state, and federal resources to implement rental assistance, stabilize housing conditions through preservation

of existing housing, support renter protections including eviction moratoriums, and support emergency housing that could also be repurposed for permanent housing.

The COVID-19 Housing Response Paper also addressed a need for the continuation of housing planning efforts amidst the COVID-19 health crisis and connected to our existing local policy recommendations. While MBEP has helped create important advocacy capacity aimed at emergency housing response and other intersections, this Policy Paper will focus on the local policies necessary to increase housing supply through medium-term to long-term solutions.

Reduce Demand	Incentivize Water-Efficient Housing	Promote Information & Dialogue
1. Expand conservation & greywater systems	3. Develop Alternative RHNA For Water For When Water Becomes Available	6. Create space for dialogue
2. Implement/Relax Water Credit Transfer Programs	4. Update planning docs to incentivize higher density	7. Survey water use and impact on housing
	5. Reduce impact fees based on size, type of unit, landscaping & affordability	8. Advocate for State and Federal Government Responsibility in Affordable Housing



Accessory Dwelling Unit White Paper

In 2021, MBEP partnered with United Way Monterey County to write Strengthening ADU Policy in Monterey County, which included a study of the most effective policies for increasing ADU production in the region. ADUs have proven one of the effective strategies for adding housing supply in a difficult market, especially where constrained water supplies force development at the fringes of available credits and existing single family properties. More detail on the ADU recommendations can be found in section 4 of the policy recommendations.



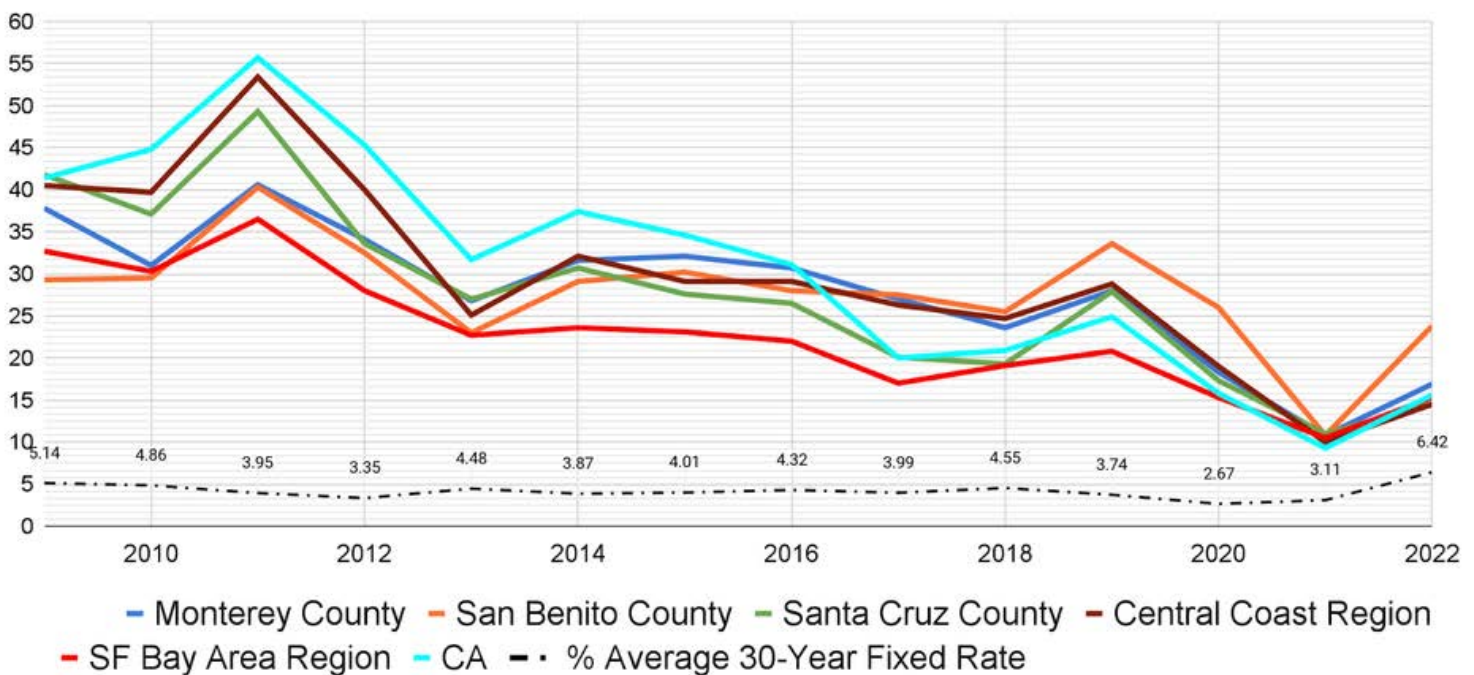
HOUSING TYPES & MARKET SUMMARY

Debate about the effect of new supply on overall affordability is often muddled, in part, by failing to distinguish between new housing of different types. In a region that primarily has lower-growth industries and challenging commutes compared to higher-growth economic areas (primarily Silicon Valley), some types of new housing construction have low induced demand.¹

Meanwhile, other types of housing, such as for-sale, single family housing – especially those that are ideal by design and location for high-end vacation homes – have a large induced demand for non-primary residence uses. This means that even marginal increases in single-family housing supply are safe bets for developers to build on scarce and/or costly land in the coastal areas of the Monterey Bay Area.

Days on Market, Existing Detached (Single Family) Homes, 2009-2022 Annual Averages

Sources: California Association of Realtors, FRED



Buyers were eager to purchase homes while interest rates were low: purchases of detached “single family” homes have accelerated in the years since the economic downturn of 2008. A sharp acceleration of purchasing occurred in 2021 due to conditions imposed by the novel coronavirus pandemic, reflecting not only an “emotionally” driven market but also eagerness to purchase in a market characterized by scarcity and historic low interest rates.²

The Monterey Bay Area’s productive agricultural region, world-class hospitality destinations and desirable communities are in part made possible by farmworkers and service workers in hospitality, education, healthcare, and related industries whose average wages fall far short of Housing and Urban Development (HUD) designated affordability. Farmworkers have been priced out of the housing

market and are often forced to live in substandard housing and overcrowded conditions. Some of the service workforce live in the cities where hospitality and tourism are main drivers for the economies, but many have been priced out of the housing market in the cities where they work. As a result, this workforce increasingly lives farther away from their employers. This results in longer commute times and greater carbon emissions, demonstrating the nexus of housing, health, and climate policies.

Due to the prohibitively high cost of homeownership in the Monterey Bay Area and relatively low wages of service work that powers much of the hospitality and agricultural industries at the heart of Monterey Bay Area economies, the workforce in these industries must turn to rental housing. The chart below details what is considered to be “fair market rent” in the Metropolitan Statistical Areas (MSAs) of the tri-county region:

MSA	% rent-burdened (paying 35% or more income to rent)*	Fair Market Rent				Year over year % change, 2 bd	Vacancy Rate
		Studio	1-bd	2-bd	3-bd		
Salinas (Monterey County)*	29.6%	\$2,112	\$2,194	\$2,675	\$3,790	35.99%	3.2%
Santa Cruz-Watsonville (Santa Cruz County)*	34.6%	\$2,212	\$2,502	\$3,293	\$4,077	4.94%	2.7%
San Benito County*	30.1%	\$1,441	\$1,637	\$2,155	\$3,671	30.69%	0.9%

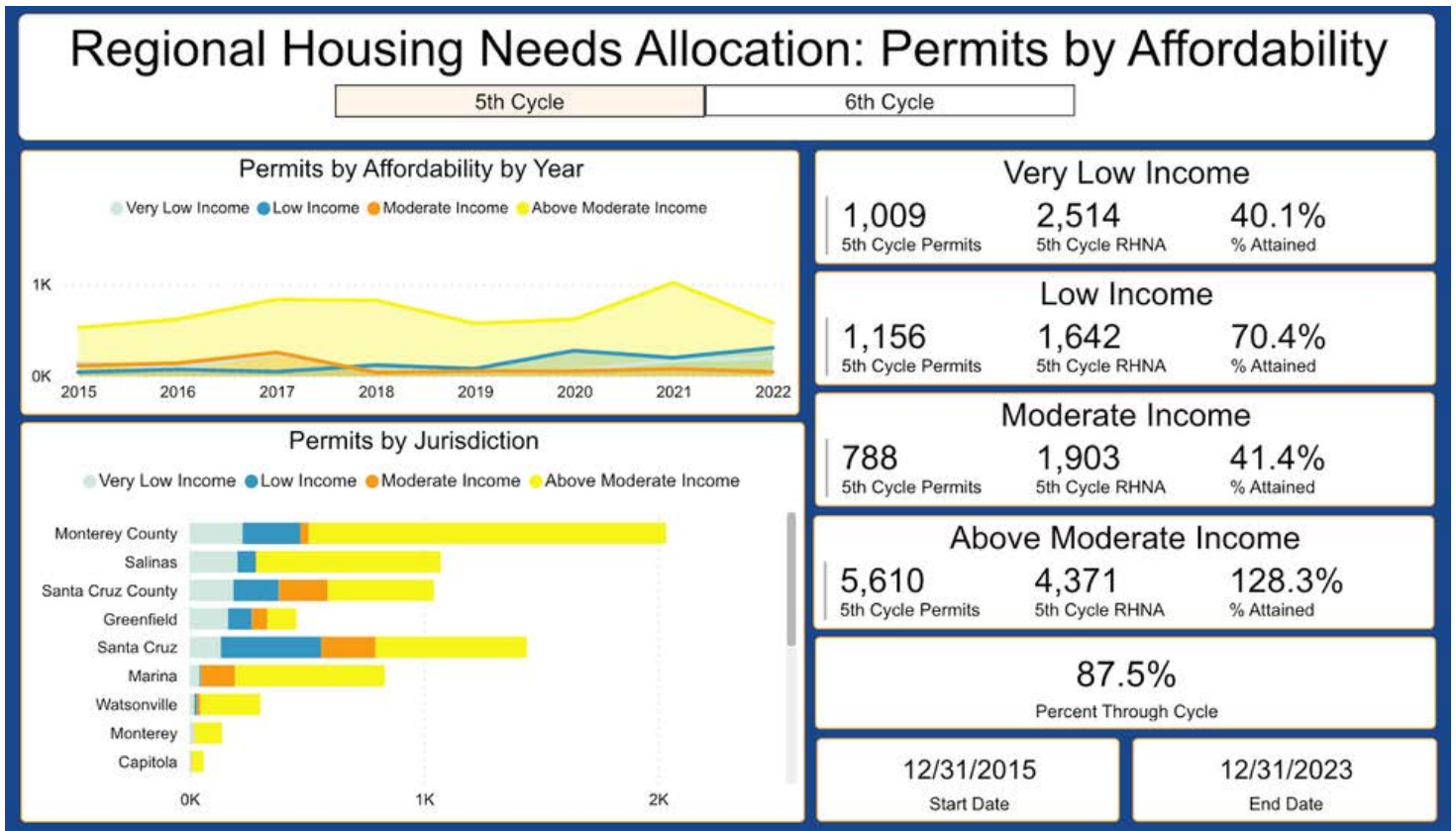
* (2021 American Community Survey)

Annual Progress Since 2018

Cities’ and counties’ Housing Elements Annual Progress Reports (APR) include data on jurisdictions’ progress towards their Regional Housing Needs Allocation (RHNA) goals, including data on all housing development applications, entitlements, building permits, and completions, disaggregated by type. Assuming that local governments are in compliance with reporting (some are late or have failed to submit their APR), it is becoming easier for housing advocates to track progress and determine whether there is a balance in new housing types within the region.³



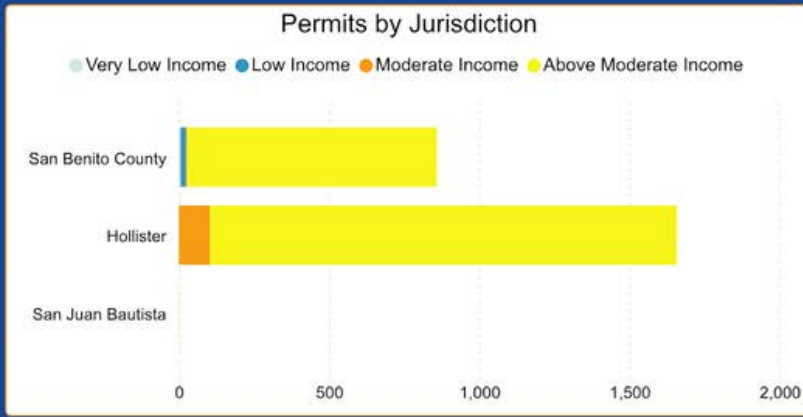
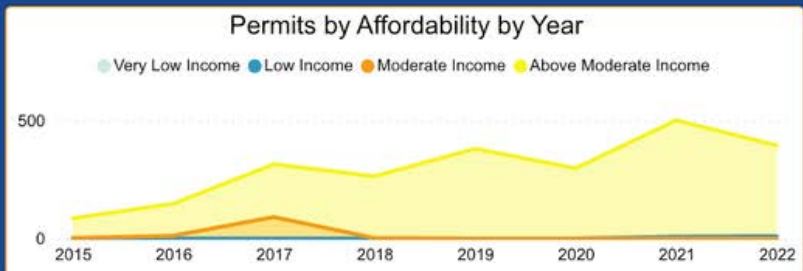
Pictured above: the Annual Progress Report Dashboard at the HCD.ca.gov website where all California jurisdictions' housing permitting and construction data is searchable from 2018 to 2022. Data shown is for the Association of Monterey Bay Area Governments (AMBAG) and San Benito Coalition of Governments (SBCOG) collected from 2018-2022.



Pictured above: the Annual Progress Report Dashboard at the HCD.ca.gov website where all California jurisdictions' housing permitting and construction data is searchable from 2018 to 2022. Data shown is for the Association of Monterey Bay Area Governments (AMBAG) and San Benito Coalition of Governments (SBCOG) collected from 2018-2022.

Regional Housing Needs Allocation: Permits by Affordability

5th Cycle | 6th Cycle



Very Low Income		
6	520	1.2%
5th Cycle Permits	5th Cycle RHNA	% Attained
Low Income		
18	315	5.7%
5th Cycle Permits	5th Cycle RHNA	% Attained
Moderate Income		
107	430	24.9%
5th Cycle Permits	5th Cycle RHNA	% Attained
Above Moderate Income		
2,388	929	257.1%
5th Cycle Permits	5th Cycle RHNA	% Attained
87.5%		
Percent Through Cycle		
12/31/2015	12/31/2023	
Start Date	End Date	

Pictured above: 5th Cycle progress for the San Benito Council of Governments region, including all jurisdictions within San Benito County. Notable again is the overbuilding of Above Moderate Income housing and drastic underachievement of lower income and moderate income housing.



6TH CYCLE HOUSING ELEMENT CONTEXT

Per California state law, all city and county governments must submit a compliant Housing Element by December 15th, 2023. These updates are generally required every eight years and this is the 6th update to Housing Elements since state law first required the planning process in 1969. The policies outlined in Practical Housing Policy have been selected because they can help increase local governments’ ability to produce much needed housing in the Monterey Bay area, especially affordable housing, in order to meet the Regional Housing Needs Allocation (RHNA) by the end of the 6th Cycle in 2031.

Regional Housing Needs Allocation (RHNA) Goals

The Association of Monterey Bay Area Governments (AMBAG) assigned the Regional Housing Needs Allocation (RHNA) to each jurisdiction in Monterey and Santa Cruz counties, and the San Benito Council of Governments (SBCOG) was responsible for assigning RHNA for San Benito County. RHNA numbers for each region are determined by the CA Department of Finance and include numbers for each income category. Using projections for job and population growth - in addition to previous unfulfilled RHNA housing development obligations - it is the responsibility of AMBAG and SBCOG to assign housing unit development at quantities by affordability level to each individual jurisdiction, as shown in the table below. (A full breakdown by city can be found in appendix section A1.)

Region	Area Median Income*	Regional Housing Needs Allocation (2023-2031): Number of homes by affordability level					
		Very Low Income (<50% AMI)	Low Income (50-80% AMI)	Moderate Income (80-120% AMI)	Affordable Totals	Above Mod. (120% AMI+)	Total
Monterey County	\$90,100	4800	3137	3761	11,698	8695	20,393
Santa Cruz County	\$119,300	3456	2263	2139	7,858	5121	12,979
San Benito County	\$105,100	1110	890	947	2,947	2,058	5,005

*Baseline: for a household of 4 as determined by standards set forth by the Department of Housing and Urban Development and California Department of Housing and Community Development

Housing Element Requirements

Housing Element law requires extensive documentation of housing markets, stock, and production details for every local government in the state of California. The California Department of Housing and Community Development maintains a useful web page with all requirements. Requirements below are not exhaustive, but do highlight critical aspects of the requirements added for the 6th Cycle update and which have presented challenges for jurisdictions across the state.

Housing elements must include analysis of the current housing stock, recent and historical trends in housing development, along with governmental and nongovernmental constraints to development. The Housing Element must also propose enforceable policies and programs to address and remediate them sufficiently to allow the jurisdiction to meet its RHNA goals.⁴ Additionally, Housing Elements must include a sites inventory, or an exhaustive list of parcels and their site characteristics, to accommodate the number of housing units in the RHNA.

Realistic Capacity for Affordable Housing

Jurisdictions must identify sites that can demonstrate realistic capacity – the probability that a site will be developed for a target number of units – for their RHNA in the sites inventory. Zoned density alone does not constitute realistic capacity, most specifically for sites zoned at 20 dwelling units (du) per acre (the minimum for realizing affordable housing without deed restriction) or higher. per CA government code [65583.2](#), jurisdictions must specify the development potential for sites zoned for 20 du/acre and explain the methodology used to reach the development potential listed for the site in the sites inventory. Critically, the justification must include consideration of factors such as:

- the extent to which existing uses may constitute an impediment to additional residential development
- the city's or county's past experience with converting existing uses to higher density residential development
- the current market demand for the existing use
- an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development
- development trends
- market conditions
- regulatory or other incentives or standards to encourage additional residential development on these sites.

In addition to demonstrating realistic capacity - or the likelihood that sites in their sites inventory can accommodate RHNA - local governments must demonstrate how their planning and development will meet Affirmatively Furthering Fair Housing (AFFH) requirements set forth in AB 686. Per state law, local governments must include in their Housing Elements analysis of patterns and trends of racially concentrated areas of affluence and, conversely, demonstrate how the Housing Element will:

...combat housing discrimination, eliminate racial bias, undo historic patterns of segregation, and lift barriers that restrict access in order to foster inclusive communities and achieve racial equity, fair housing choice, and opportunity for all Californians.⁵

Recommendations in Practical Housing Policy will focus more specifically on policies for removing governmental constraints and incentivizing development in such a way that local governments can both increase housing development - including affordable housing - and meet AFFH requirements.



POLICY CHANGE RECOMMENDATIONS

A crosswalk and review was conducted of both the local policy recommendations as well as state and regional policies implemented including California Department of Housing & Community Development, the San Diego Housing Commission, and multiple policy groups in the San Francisco Bay area. This generated the following list of most promising policy changes that could be adopted by jurisdictions in the tri-county Monterey Bay Region:

01 STREAMLINE PERMITTING AND REDUCE DISCRETIONARY REVIEWS

Housing Element Goal: Remove governmental constraints to housing development and especially affordable housing development; accelerate production of affordable housing and increase likelihood of meeting RHNA targets.

Policy Summary: Decrease risk and pre-development costs for developers with objective design guidelines and ministerial approval for specific, needed housing development.

Discretionary review can take several forms, including architectural or planning commissions, city council or board of supervisors meetings. In such a review, an appointed or elected commission decides whether a project meets local standards, many of which are not necessarily written into law and are therefore, subjective based on the discretion of the appointees or electeds.

These planning processes can present significant challenges for deed-restricted affordable housing development. Failure of otherwise beneficial and well-designed projects to pass through discretionary committees or even elected boards due to minority opposition frustrates developers and housing advocates alike.

1a COST OF DISCRETIONARY REVIEW & BENEFITS OF STREAMLINING

The cost of discretionary reviews

Developers can lose valuable time and money to discretionary review even if the first round approves the project. If the development project survives, the housing can become more expensive to compensate for increased pre-development costs, especially for multiple rounds that can add months or years to a project.

Discretionary reviews are subjective and often lack clear standards, creating significant uncertainty and risk for developers. Local planning agencies can also be vulnerable to pressure from narrow interest groups, including NIMBY (Not In My Back Yard) groups who may oppose development, especially “affordable” development in their neighborhoods. Developers may become unwilling to engage in the process at all as a result.

Benefits of streamlining

The most obvious benefit of streamlining the process is the reduced time and money spent on approval processes. Additionally, with clear design guidelines in place ahead of time, developers can apply for permits with near certainty of approval, reducing the risk of using their valuable time and resources. Critically, streamlining and elimination of discretionary hearings drastically reduces the chances that NIMBY or narrowly focused interest groups can prevent much-needed housing development.

Existing streamlining options for ministerial or by-right approval fast track affordable housing development, resulting in more – and affordable – housing in the places where it is needed most (see SB-35 below.) This reflects a greater focus on equity in governmental permitting processes on its own; creating streamlining processes for more kinds of housing, even market rate housing, can further increase available housing stock and exert downward pressure on prices. Please see appendix section A2.1 for sample local streamlining policy language.

Introducing objective development standards to facilitate ministerial and by-right approval mechanisms requires thoughtful and inclusive process, as many factors must be considered in creating such standards to proactively solve development challenges.

1b SUCCESSFUL STREAMLINING LEGISLATION

In 2016, Turner Center’s Carol Galante and Carolina Reid published a paper outlining the costs of discretionary review and benefits of streamlining and ministerial or by-right approval processes and lauded then-Governor Brown’s proposal for a new Permit Streamlining Act. In the years since, several bills have passed introducing avenues for streamlining and, critically, exempting project applications from California Environmental Quality Act review, which has been cited as one of the most severe obstacles to housing development by scholars, developers, advocates, and local governments. Some of the marquee bills that enable and/or facilitate ministerial approval and exemption from both discretionary and/or CEQA review include:

- **SB 35 (2017, Weiner):** creates a streamlined approval process for infill developments in localities that have failed to meet their previous regional housing needs allocation (RHNA). Eligible projects must include 50% units affordable at or below 80% AMI for rental or purchase.⁷ Note: SB 35 sunsets in 2023 and must be renewed through a new bill, SB 423, introduced by Senator Scott Weiner in 2023.
- **SB 10 (2021, Weiner):** enables creation of ordinances by local governments for increased neighborhood density up to 10 units/acre. Projects enabled by such an ordinance would be exempt from CEQA, and individual jurisdictions can decide whether to include exemption from discretionary review as well. To qualify for the ordinance, projects must be classified either as infill and either:
 - consistent with the definition used in Senate Bill 35 (2017), or
 - near high-quality public transportation or a job-rich area

- **AB 2011 (2022, Wicks):** creates a CEQA-exempt, ministerial approval process for multifamily housing developments on sites within a zone where office, retail or parking are the principally permitted use. AB 2011 projects must pay prevailing wages to construction workers, among other labor standards. The law provides for slightly different qualifying criteria:
 - 100 percent affordable projects
 - mixed-income projects located in commercial corridors
- **AB 2234 (2022, Rivas):** mandates public agencies to publish formal application checklists for post-entitlement housing development permits. Local agencies must respond within 15 business days after an agency receives an application by identifying any specific information from the published checklist and must complete their review of any complete application within 30 business days.

The bills above do not represent an exhaustive list of those that enable streamlined approval of affordable housing projects or exemption from CEQA for housing development regardless of affordability levels. The California State Legislature has demonstrated considerable willingness to create new pathways for development in recent years, albeit with considerable influence from the building trades unions who themselves are divided on the requirements to write into housing development laws.

Debate continues both inside and outside the legislature as to whether inclusion of prevailing wage, “skilled and trained” labor, and other worker benefits tied to union labor is a net positive for the amount of housing that such bills can produce. MBEP acknowledges that unions provide invaluable service, protection, and benefits to their members while guaranteeing a high standard of work for developers and will continue to engage with local union representatives to find solutions that serve both housing production goals and the individual needs of workers in the building trades, whether represented by unions or not.

02 INCREASE ALLOWABLE DENSITIES

Housing Element Goal: Increase efficient use of available land within cities to allow increased development of multifamily, affordable housing near public amenities, resources, and transit; assists with meeting RHNA and AFFH requirements.

Policy Summary: Enables more efficient use of vacant or non-vacant land – especially inside of urbanized areas – through updates to zoning regulations and by optimizing height limits and density calculations. Furthermore, local jurisdictions can reduce or eliminate minimum parking requirements, the single most significant disincentive to building a higher number of smaller and affordable units in a project. Such policies remove unnecessary barriers to development of higher-density housing, which is more affordable by design, and can indeed incentivize the development of such projects.

2a OPTIMIZE HEIGHT LIMITS & DENSITY CALCULATIONS

The needed growth in housing supply now and in the future will come from higher density, infill development. Current zoning and design regulations prevent this kind of construction. Throughout California, jurisdictions are updating zoning in downtowns and denser corridors to enable projects that create new supply of high-quality housing (often mixed-use) to occur.

These updates include:

- Raising height limits in downtowns and other denser areas enhances project feasibility, reduces environmental impact, and grows tax bases through the increased population and economic activity.
- Increasing floor to area ratio (FAR): Allow maximum use of a parcel by increasing the ratio of floor space to parcel area. This works in a complementary manner with many other policies in this section and can take the form of:
 - Minimizing setbacks, especially for upper stories in dense urban areas
 - Reducing parking requirements
 - Reducing open space requirements per unit by availing of nearby public open space
- Removing units-per-acre density limits and instead defining allowable unit construction by building envelope size, i.e. by height, setback, and specific, objective design guidelines in order to fit more units on a given parcel.
- Considering local density bonus programs to further reward affordable unit inclusion with added allowable density on a project basis. More details are in the next section.

Successful examples of local density bonuses include the City of San Diego's enhanced density bonus ordinance, which helped create 6,000 more units than were estimated under the stock state housing law. This additional development created 463 deed-restricted affordable units, which required little to no public subsidy.⁸ The City of San Diego now offers a 100% density bonus for micro-units near high-performing transit stops.⁹

In March 2021, the City of Santa Cruz approved a Flexible Density Ordinance that is expected to increase the supply of smaller efficient unit types across the city; it has also invested significant resources in updating its downtown plan.^{10, 11} The cities of Salinas, Watsonville, and Seaside have also created specific plans to manage revitalization efforts of targeted higher-density areas.^{12, 13}

2b ENHANCED DENSITY BONUS PROVISION

Originally enacted in 1979, California's Density Bonus Law (Gov. Code §§65915 - 65918) allows a developer to increase density on a property above the maximum set under a jurisdiction's General Plan land use plan.¹⁴ The law also allows minor zoning concessions in a development that set aside a certain percentage of homes for lower-income households, with the goal of encouraging developers to build projects that included deed-restricted affordable units, without requiring the state or local government to provide a direct cash subsidy. Since 2018, there has been significant progress at the state level to strengthen the Density Bonus Law (SDBL); largely modeled on the success of San Diego's Affordable Homes Bonus Program (AHBP).

To prevent developers paying fees in lieu of building affordable housing or building affordable housing off-site, San Diego enhanced the density bonus to allow for even more units and even more zoning concessions. This resulted in almost 500 new homes built throughout their city, none of which required any public subsidy. The tremendous success of the City of San Diego's Affordable Homes Bonus Program (AHBP) ¹⁵ laid the foundation for statewide efforts to expand AHBP in AB 2345 which Governor Gavin Newsom signed into law in September of 2020.

Two recent examples have taken advantage of the SDBL in Santa Cruz County:

- Riverfront Apartments in the City of Santa Cruz, which will feature 175 homes, 15 of which will be designated affordable at 50 percent Area Median Income (AMI), and 5 at 80 percent AMI. Applying the density bonus allowed the Riverfront Apartments to reduce parking requirements and setback restrictions and exceed zoned height limits.
- 558 Main Street in the City of Watsonville will feature 50 homes, 10 of which will be designated affordable at 80 percent AMI. Application of the density bonus allowed for the development to reduce the commercial parking requirements (16 spaces), thus reducing associated costs.



(Riverfront project rendering: Humphreys & Partners Architects, L.P.)

Several positive developments through recent laws enacted can assist with local jurisdictions to maximize density for transit-oriented and mixed-use development:

- **AB 2334: Affordable Housing: Density Bonus in Low-VMT Areas:** Enacted in January 2023, AB 2334 (Wicks) expands eligibility for four incentives or concessions to 100 percent affordable housing projects and developments in designated counties located in a very low vehicle travel area. A "very low vehicle travel area" is defined as an urbanized area where the existing residential development generates VMT per capita that is below 85 percent of the regional or city's rate. AB 2334 represents the first time the state's density bonus law provides unique benefits to housing developments based on vehicle miles traveled.

- **AB 1551: Planning & Zoning: Development Bonuses - Mixed-use Projects:** Effective January 2023, AB 1551 (Santiago) reinstated a portion of the density bonus law that sunsetted at the end of 2021. By renewing the program for commercial developments until Jan. 1, 2028, the law reinstates the requirement for a city to grant a "development bonus" to a commercial developer when they partner with an affordable housing project. To be eligible for the development bonus, at least 30% of the housing units must be restricted to lower-income residents, or at least 15% must be restricted to very low-income residents. HCD data on the previous adoption of this particular commercial development bonus, in effect between 2016 and 2021, display insignificant levels of utilization by local governments and developers alike. MBEP hopes to foster relationships that will allow jurisdictions to avail of the new bonus more effectively.
- **AB 682: Planning and Zoning: Density bonuses - Shared Housing Buildings:** AB 682 (Bloom), passed in 2022 and enacted in 2023, adds a new category, "shared housing building," to the State Density Bonus Law. As defined by AB 682, a shared housing building is a residential or mixed-use structure with five or more "shared housing units" and one or more common kitchens and dining areas designed for permanent residence of more than 30 days by its tenants. To qualify for a density bonus, the shared housing facility must include 10% lower-income units, 5% very low-income units, or be a senior housing development. With this addition, AB 682 aims to ease roadblocks facing co-living housing projects in two meaningful ways: (1) By expanding a new category to the State Density Bonus Law, (2) while also prohibiting local jurisdictions from imposing minimum unit size or minimum bedroom requirements for eligible shared-housing building projects. This is an essential contribution since shared-housing projects in the past could not meet local requirements because of the small size of units and scale of the project. The new legislation opens up the density bonus law to support and incentivize a broader range of housing options.

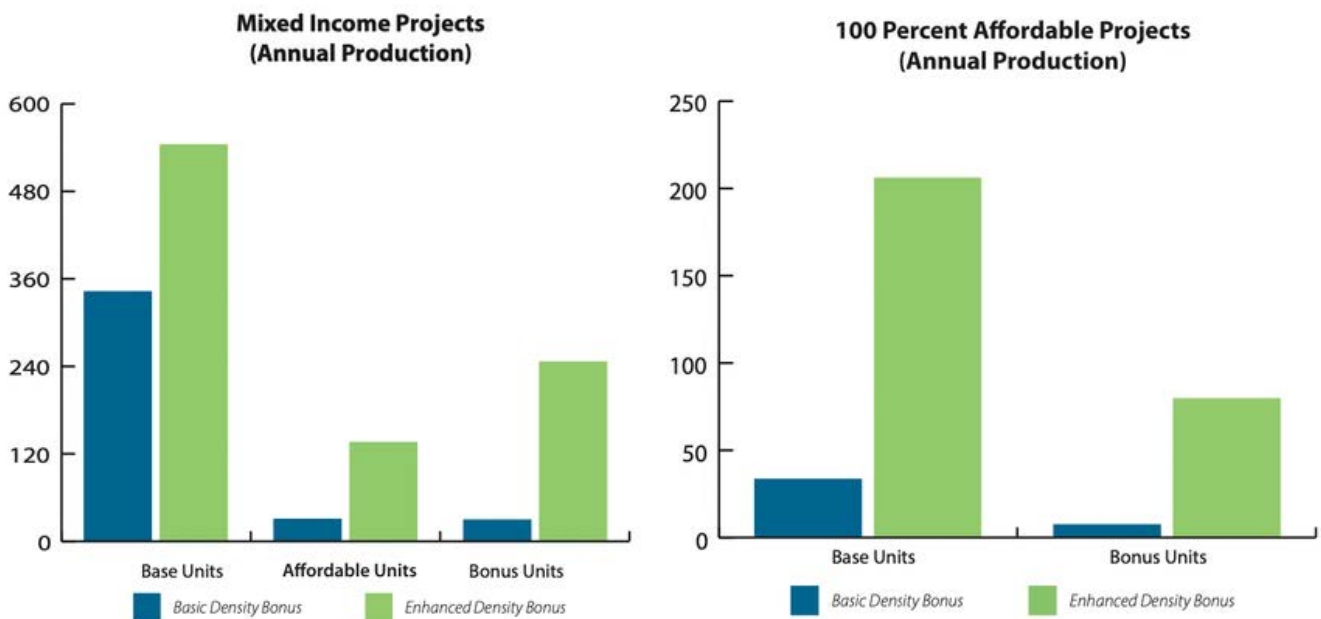
In addition to the density bonus structure described above, other potential improvements to the region's current bonus laws for creating affordable housing and other less expensive, denser units include:

- Allowing a preference for subsidy vouchers in inclusionary units, whether to incentivize more, similar projects or to achieve a deeper level of affordability. Allowing those vouchers to help pay for the creation of new affordable housing units would be a clear, immediate benefit to increase the speed of affordable housing development in the Monterey Bay region.
- Require acceptance of subsidy vouchers. Alternatives to building inclusionary rental units onsite can increase project feasibility, but can be counterproductive in terms of increasing the supply of affordable units. Any below-market rate units require subsidy from one source or another, and for-profit developers, generally, must subsidize the units themselves without the aid of government funding (see section 6). All large-scale rental housing developments (e.g. 10 units or larger) should include some units accessible to lower-income households through subsidy vouchers. This can provide affordability even in developments without deed-restricted affordable units. Jurisdictions should focus on enforcing the requirement to accept subsidy vouchers, usually in the form of Housing Choice Vouchers (HCVs).

- The Salinas Inclusionary Housing Ordinance, updated in 2017 and applied to the downtown as of October 2022, includes a \$5 per square foot in-lieu fee that was higher than economically feasible for some projects, so a compromise was reached permitting developers to pay \$2 per square foot if the developer voluntarily agreed to allow Housing Choice Voucher holders to access 12% of their rental units (matching the percentage of units required required to be rentals.) This incentive addresses the need for more access to units for existing voucher holders, struggling to find apartment owners who accept their vouchers.
- **Rental bonus:** Adding a rental housing density bonus may encourage developers to build more homes per project. Such a bonus requires that a developer guarantee a base number of homes in a project are rentals instead of for-sale units in exchange for higher allowable density. This has yet to be as widely used as other local density bonus ordinance programs. Inclusionary rental units are more difficult to incorporate financially into a project than market rate units. Jurisdictions may choose to structure an additional rental density bonus on top of inclusionary housing bonuses (e.g. 10%) for projects that are guaranteed to be rental projects. This approach has proven successful in San Diego.

While density bonus policies alone will not solve the housing crisis, the adoption of this policy is one of the most powerful tools available to jurisdictions for increasing housing feasibility, affordability and production. Please see appendix section A2.2 for sample local density bonus language.

Affordable Homes Bonus Program Production vs. 2016 California Density Bonus Law Production

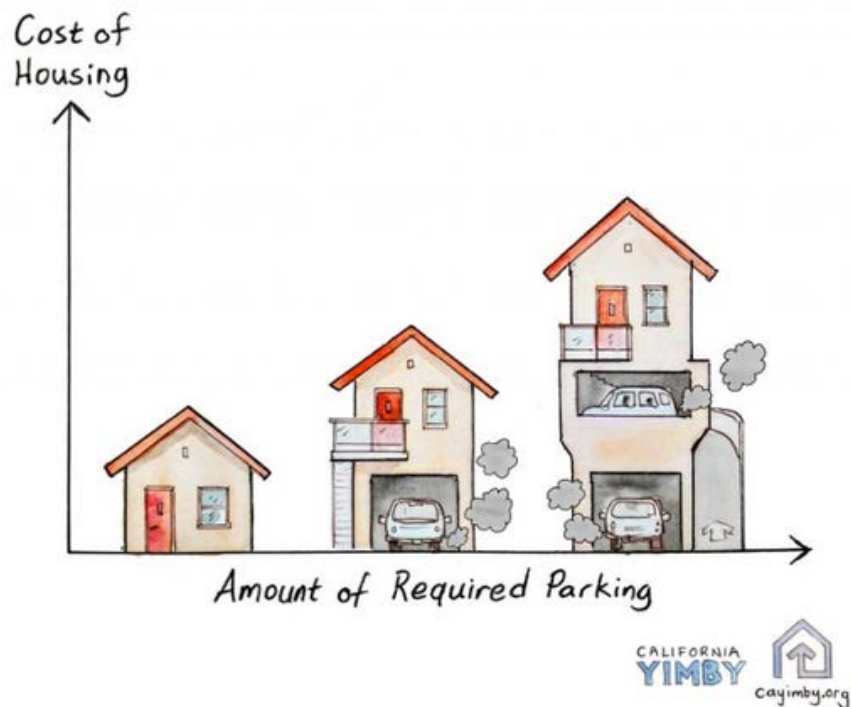


(Table sourced from Circulate San Diego, May 2020 ¹⁶)

2c REDUCING AND ELIMINATING PARKING REQUIREMENTS

Over the course of past and current legislative sessions, Assemblymember Laura Friedman has pursued parking requirement reform primarily intended to reduce the cost of housing, while also addressing climate and equity considerations. When it comes to climate, it is important to highlight that transportation emissions account for nearly 40 percent of California greenhouse gas emissions.¹⁷

Reducing parking minimum requirements directly addresses the link between climate and housing, as locating more homes near transit can encourage greater transit usage, thereby reducing car dependency. Reduced parking requirements also benefit communities of color who are disproportionately affected by minimum parking requirements as they are paying for parking they are not utilizing and can't afford. For example, in California, Black households are almost three times as likely as white households to not own a car. Regardless of whether renters own a car, the cost of on-site parking is still passed on to them.



In fact, parking requirements are the single biggest disincentive for building a higher number of smaller, usually more affordable units in a project rather than larger, fewer, and more expensive units.^{18,19} In a 3- to 4-story infill project with smaller units, for example, ground-level parking can take up 2.5 times the amount of land as the building(s). Projects must choose between fewer units (and thus charge more for each unit) or adding structured, underground, or lift parking, which adds considerable cost to the project. In a recent study by Santa Clara University, researchers found that the cost of garage parking to renter households is approximately \$1,700 a year, or an additional 17% of a unit's rent.²⁰

The Monterey Bay Region includes many areas that would benefit from more efficient use of available land, especially in urban cores with readily available public transit. As such, MBEP strongly supported AB 2097, authored by Assemblymember Laura Friedman, as it moved through the California state legislature. The bill was signed into law in 2022 and prohibits a public agency from imposing any minimum automobile parking requirement on any residential, commercial, or other development project, as defined, that is located within 1/2 mile of public transit. Local jurisdictions should see more efficient use of surface development for residential purposes.

The theory driving these bills is that many more homes will be financially feasible for developers and more affordable for renters when they are located near jobs and transit. Such development can create walkable, bike-friendly, and bus-friendly communities with lower carbon emissions and can be accomplished by implementing these measures:

- Greatly reducing - and ideally eliminating entirely - parking minimums in core downtown zones, combined with parking districts where needed.

- Greatly reducing – and ideally eliminating entirely – parking minimums in core downtown zones, combined with parking districts where needed.
- Reducing parking requirements in other locations served by walkable amenities and public transit.
- Reducing parking requirements as an incentive for lower-parking policies, such as additional bike amenities, car-sharing amenities, and institution of low-car ownership rental preferences.
- Incentivizing commercial property owners to share existing parking with nearby residential projects where appropriate.

Many local governments in California have already taken steps to eliminate minimum parking requirements in order to incentivize development. The City of Oakland first eliminated parking requirements near transit in 2017. This has reduced the cost of new housing construction and resulted in a “mini-boom of walkable, transit-oriented apartments near BART and AC Transit stops, and within a short distance from the city’s primary job locations.”²¹ The cities of Sacramento and San Francisco followed suit in 2018, both eliminating minimum parking requirements citywide.^{22, 23} In 2019, the City of San Diego also eliminated parking requirements for new housing in proximity to transit, which were adding an estimated \$40,000 to \$90,000 to the cost of a single unit of housing. This added up to thousands more dollars per year in rent and mortgage payments, according to a city report that surveyed over 30 locations in transit priority areas.²⁴

2d REDUCING OR ELIMINATING COMMERCIAL SPACE REQUIREMENTS

In mixed-use zones around the region, there are often requirements for how much space must be allocated to commercial or even retail. This can be all street frontage, the full first-floor, or in the case of unincorporated Santa Cruz County, 50% of the square footage of the entire development.

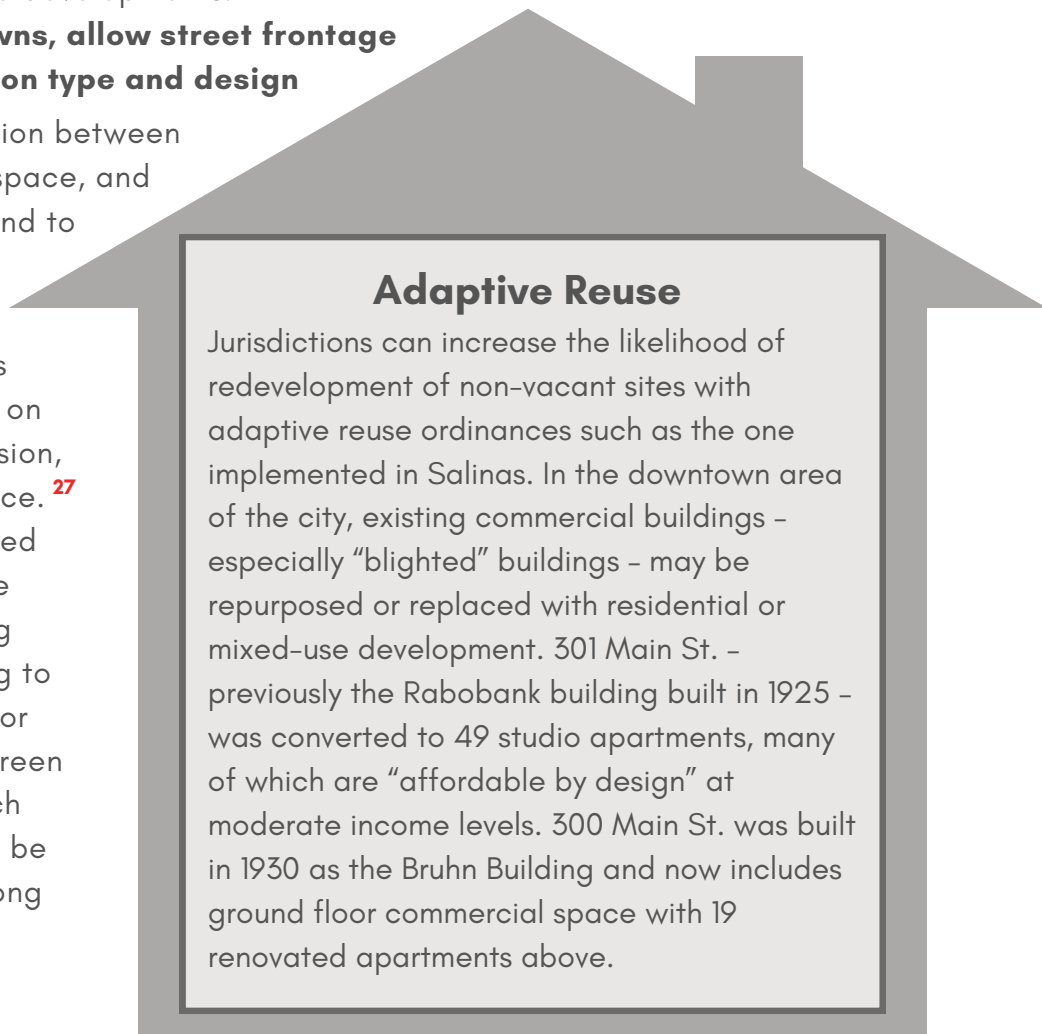
When considering the potential for reducing greenhouse gas emissions and locating new affordable housing near transit, jobs, and other public amenities (as required by AFFH laws,) mixed-use zones are typically ideal locations for higher density development. In most cities, this is where density is often already most prevalent and least controversial. Such zones are also targeted for development through state legislation such as AB 2097 for reduced parking requirements (detailed in section 1c) and streamlined development of affordable housing in AB 2011, detailed below.

Policies to improve efficient residential use of areas zoned commercial include:

- **Eliminate commercial space requirements for 100% affordable housing developments.** San Jose approved this change in early 2022, citing that funds available for affordable housing development do not allow developers to spend money on commercial space and there are no other significant sources of funding available. Additionally, in most places, even if a developer is able to support the cost of building commercial space, finding a business that can support the costs needed to build out and pay the rent in this market is challenging.^{25, 26}

- **Allow for at least 50% of unused existing ground floor commercial space to be converted to residential.** Salinas approved this change in 2020 as part of the Central Area Specific Plan.
- **Allow housing behind and above any first-floor commercial/retail space,** requiring at most only a certain depth of commercial space along the primary street frontage. The City of Monterey updated its Lighthouse Specific Plan – which governs uses along one of the main commercial corridors in the city – in 2022 to allow for residential uses on the ground floor of commercial and mixed-use developments.
- **Outside of core downtowns, allow street frontage space to be a construction type and design** that can allow for conversion between residential use, live-work space, and retail uses, allowing demand to drive use over time.

The COVID-19 pandemic has also had a profound impact on the workplace and by extension, demand for commercial space.²⁷ According to a poll conducted in October 2020, 33% of the nation’s workforce is working completely remotely, leading to a reduction in the demand for commercial office space. Green Street, a real estate research firm, estimates this figure to be a 10-15% reduction lasting long after the pandemic’s end.



Bills that address the opportunity for commercial space conversion to residential include:

- **SB 6: Local planning: housing: commercial zones:** Senate Bill 6 (2022, Caballero) originally appeared in 2021. Recognizing the housing opportunity presented by this shift in commercial space demand, California State Senator Anna Caballero authored Senate Bill 1385 in 2020 and Senate Bill 6 in 2021. Though these bills did not advance through the legislative process and become law in 2021, they facilitated a conversation about how our communities can be more adaptable to the changing economic forces that have resulted in many shopping malls and big-box stores becoming vacant and taking up valuable land. Eventually, SB 6 made it through the legislature and was signed into law in 2022.

- **AB 2011: Affordable Housing and High Road Jobs Act of 2022:** Assembly Bill 2011 (2022, Wicks) makes affordable housing a by-right use in all commercial corridors under specified criteria regarding affordability level, construction labor rules, and environmental protections. As mentioned in a recent Cal Matters guest commentary by Dan Silver and Amanda Brown Stevens, “a recent case study from Urban Footprint found that households on commercial corridors affected by AB 2011 would use 40% less water, drive 33% fewer miles and produce up to 45% fewer greenhouse gas emissions.²⁸” The bill takes effect on July 1, 2023.

2e COMPREHENSIVE PRO-ADU PRODUCTION POLICIES

Housing Element Goal: Increase affordable housing production in existing high-resource areas; create mixed-income neighborhoods in compliance with AFFH requirements.

Policy Summary: Recent state legislation (SB 9 and others) has opened up more neighborhoods to accessory dwelling unit (ADU) production. Cities can use over-the-counter, pre-approved designs for ADUs and Junior Accessory Dwelling Units (JADUs) to ease the creation of affordable housing in existing single-family home neighborhoods; further streamlining and easing of restrictions can augment this production.

Accessory dwelling units (ADU) and Junior Accessory Dwelling Units (JADUs) are an innovative and effective option for adding much-needed affordable housing to existing single-family home neighborhoods.

Locally, Salinas has permitted 244 ADUs since 2021, including 134 in 2022; Pacific Grove has permitted at least 68 since 2021; and Seaside has permitted more than 120 in the last four years, including 51 in 2022 alone. Portland provides the best example of a jurisdiction similar in size to the Monterey Bay Region that has rapidly increased its ADU production through a systematic policy-change effort. The above chart shows the effect of repeatedly analyzing and acting on opportunities to increase production of ADUs in Portland.²⁹

Legislation in 2022 continued to improve ADU policy. AB 2221 clarified ADU language and removed permitting hurdles for ADU applicants. SB 897 and 916 clarified construction guidelines for ADUs, increasing height limits and maximizing bedroom counts while lowering barriers to development.³⁰

In order to address remaining barriers, United Way Monterey County formed an ADU Advisory Group to develop cross-functional coordination, synergy, and collaborative action in support of the development of new ADUs in Monterey County. The Advisory Group:

1. Analyzed problems and systems affecting the construction of ADUs in the county, including inequities, baseline, trends, and changes over time.
2. Identified effective solutions (strategies) and supported their implementation, either directly or by advocating for program, practice, and/or policy changes.
3. Supported mutual accountability for results by monitoring implementation and addressing new challenges as they arise.

This work helped lead to the noteworthy implementation of pre-approved ADU plans in Monterey County in the cities of Salinas and Seaside. ^{31, 32} Jurisdiction-level policies detailed in the [2021 Strengthening ADU Policies and Practices in Monterey County](#) white paper put forth by United Way Monterey County and Monterey Bay Economic Partnership are helpful in furthering local efforts to increase ADU production in our region. To the right is a list of pro-ADU policies compiled by this group.

Pro-ADU Policies:

<ol style="list-style-type: none"> 1. Develop and adopt a local ADU Ordinance 2. Establish an ADU-friendly Fair Housing Element 3. Adopt pro-ADU policies such as: <ol style="list-style-type: none"> a. Set more expedient approval periods than those in state law b. Further reduce or totally eliminate setback requirements c. Allow ADUs in the front setback 4. Reduce or eliminate: <ol style="list-style-type: none"> a. Fees b. Plan check, ADUs 750 square feet and larger, etc. c. Lot size requirements d. Restrictions on maximum building size e. Owner occupancy requirements f. Design requirements g. Maximum number of bedrooms h. Height restrictions: Current legislative efforts including SB 897 & AB 916 would increase heights to 18' for detached ADU or 25' if attached to the primary structure, within 1/2 mile of public transit. ^{33, 34} i. Parking requirements j. Development Impact Fees 	<ol style="list-style-type: none"> 5. Incentivize, but don't require deed-restricted ADUs 6. Offer water credits 7. Subsidize with housing trust funds, CDBG, HOME, etc. 8. Eliminate fees for ADUs 750 square feet or greater 9. Legalize movable tiny homes 10. Allow ADU/JADU conversion units for approved projects not yet built, i.e., laundry rooms and carports at multi-family housing sites 11. Enhance ADU marketing to homeowners and apartment/condo owners 12. Provide technical assistance to residents interested in building an ADU ³⁵ <p>Other best practices can also be employed to facilitate increased ADU production as detailed in the MBEP <i>Strengthening ADU Policies and Practices in Monterey County</i> white paper, which include:</p> <ul style="list-style-type: none"> ● Creating pre-approved plans ● Work with contractors and architects to create efficient and affordable designs that residents can use; avoid overengineering or creating variations of just one design. ● Encourage sustainable building practices ● Develop a finance guide and innovative financing models ● Provide continual homeowner education and resources
---	---

For more reading on ADUs in the state of California, please review California Department of Housing and Community Development (HCD)'s recently updated [2022 Accessory Dwelling Unit Handbook](#).

03 REFORM IMPACT FEES

Housing Element Goal: Remove governmental constraints, incentivize development of higher density housing with greater affordability.

Policy Summary: Scale fees by square footage rather than per housing unit to incentivize more units per development. Collect impact fees as a requirement for issuing the certificate of occupancy, rather than earlier in a project's timeline, to help reduce risk and financing costs to the developer.

3a SCALE ALL FEES BY SQUARE FOOT, NOT PER UNIT

Impact fees continue to be a major roadblock to development. To date, aside from a requirement in SB 330 (Skinner) Housing Crisis Act of 2019, no significant limits have been placed on the imposition of impact fees by local agencies. SB 330 prevents fees for a development project from being increased once a completed development application has been submitted to a city or county for review and approval.

Jurisdictions in our region continue to assess some fees that are charged per housing unit created, without regard to whether the unit is a 4,000-square-foot single-family home or a 400-square-foot rental apartment. This provides a financial disincentive to build smaller units that would have a much greater effect on improving the market's affordability.

This recommendation was further validated in the [*Terner Center's Impact Fee Study \(2019\)*](#), which thoroughly evaluated 40 local governments' impact fee practices and found that "setting fees on a per-unit basis incentivizes less-dense development..." and "charging lower fees to reflect the lesser impacts of multifamily developments, particularly when they are situated near transit or built for special needs populations, can incentivize more affordable and sustainable unit types." In fact, the study found that in most cases, the use of per-square-foot impact fees lowered the costs of developing single-family homes.

Two examples of efforts to more equitably collect fees and to reduce barriers to development include:

- City of Salinas adoption of several changes to scale impact fees by square footage rather than by unit count.³⁶
- Adjustments made by the County of Santa Cruz to link its fee structure to net new square footage rather than unit count.³⁷

3b DEFER DEVELOPMENT IMPACT FEES

Paying impact fees during the early stages of a project's development, such as at the time of entitlement approval or building permit approval, requires developers to finance these costs for several years prior to when the impacts are actually felt by the community. In contrast, collecting all impact fees as a requirement for the issuance of the certificate of occupancy,

rather than earlier in a project's timeline, will help reduce risk and financing costs to the developer. This approach can be used with all local government-controlled impact fees, such as those levied for water, sewer, traffic/street improvements, daycare, affordable housing impact, groundwater/impervious surfaces, parks, etc.

Some large impact fees are not controlled by local governments, such as schools and water fees; these will require engaging those respective agencies. In November of 2018, the City of Salinas approved deferring all impact fees on new residential housing developments in order to address a lack of affordable housing and catalyze increased construction. This ordinance is now in effect, pushing the collection of fees until the issuance of the certificate of occupancy. City staff estimate that this ordinance will delay collection by about two years for a given project but with no appreciable impact to the city. ³⁸ Please see appendix section A2.3 for sample local fee deferral language.

04 INCREASE FUNDING SOURCES FOR AFFORDABLE HOUSING

Housing Element Goal: Increase likelihood of affordable housing development by increasing the availability and diversity of financing options.

Policy Summary: Jurisdictions should thoroughly explore resources and partnerships in order to increase finance and affordable housing production. Additional local matching resources could include dedicating a portion of transient occupancy taxes, cannabis revenues, school district-sponsored housing bonds, vacancy tax ordinances, establishing a Commercial Linkage Fee, or a local housing bond measure similar to those approved across much of the Bay Area. Finally, local jurisdictions can partner with other public agencies to identify appropriate sites for housing development.

4a LOCAL FINANCE FOR AFFORDABLE HOUSING

Because jurisdictions often do not have local match sources, they are not competitive for state and federal resources. Many awards are based on local jurisdictions' ability to leverage their resources, such as Low-Income Housing Tax Credits. Counties and cities in the Monterey Bay region can pursue opportunities to finance affordable housing production – sources other than taxing important types of housing production such as rental housing – consistent with the goal of increasing to finance affordable housing production. Exploration of other local matching resources could include dedicating a portion of transient occupancy taxes, cannabis revenues, school district-sponsored housing bonds, vacancy tax ordinances, establishing a Commercial Linkage Fee, or a local housing bond measure similar to those approved across much of the Bay Area.

Recent election cycles have resulted in many local jurisdictions passing taxes and fees to fund affordable housing. Bay Area voters approved over \$2 billion in local housing bonds; however, these measures typically require 66% voter thresholds that are very expensive and challenging to pass. MBEP supported Measure H in Santa Cruz County, a local parcel tax measure in 2018 that would have generated over \$140 million in new resources and helped build over 1,500 new affordable homes within 10 years. The measure garnered 55.39% support across the county. Local governments must often pursue other methods unless the voter threshold is lowered to 55%.

Additional housing-related funding measures across the Bay Area may also be found at [UC Berkeley's Urban Displacement Project](#), which has created a Policy Map to catalog local policies in the Bay Area that contribute to affordable housing development.

Santa Cruz County and Watsonville provide local examples of modest commercial linkage fees that are generating revenue for affordable housing. Santa Cruz County's fee is \$3 per square foot for all non-residential construction but exempts governmental and institutional uses. For construction in agricultural zones, the fee is reduced by half.³⁹ The commercial linkage fee in Watsonville was set at \$1.50 per square foot in 2019 for all commercial and industrial projects more than 1,000 square feet. This fee is automatically increased each year by half of the annual percentage change in the House Price Index and has so far helped fund two projects with a combined 125 units.⁴⁰

4b PARTNER WITH OTHER PUBLIC AGENCIES TO IDENTIFY SITES

The State Surplus Lands Act requires that local governments identify their publicly owned sites that could be developed into affordable housing and report them to HCD for availability on a publicly available list and mapping tool.⁴¹ In addition to these sites, local governments can partner with school districts and other special districts that may have access to free or reduced land that is considered infill or near infrastructure and services. Assembly Bill 1486 expands on the State Surplus Lands Act by broadening the definition of "Local Agencies" to include not only city, county, and district, but also specifies sewer, water, utility, local and regional park districts, and others.⁴²

According to a report on Education Workforce Housing by UCLA CityLAB and UC Berkeley's Turner Center for Housing as well as Berkeley's Center for Cities and Schools, school districts in California own at least 75,000 acres of land that are potentially suitable for housing.⁴³ In the Monterey Bay region, some school districts are interested in or have been actively working on employee housing projects in recent years. The Soledad Unified School District's 2020 educator housing Bond Measure E, Monterey Peninsula Unified School District's 2020 Teacher Housing Bond Measure, Salinas Union High School District's move to purchase land for teacher housing, Santa Cruz Schools District, University of California Santa Cruz, and Cabrillo College are all local examples of our region's educational institutions actively pursuing specific programs and/or projects to serve their workforce.^{44, 45, 46, 47, 48}

Similarly, the City of Salinas is working to modify its zoning ordinance to align with the 2016 Teacher Housing Act by reducing barriers to build teacher housing in the city.⁴⁹ MBEP has provided technical assistance to several of these efforts such as sharing best practices, making introductions to stakeholders and professional service providers, convening meetings, compiling data, reviewing and advising on staff reports, and advising on overall development strategies. MBEP served on the Salinas Union High School District's Workforce Housing Committee in 2023. The district used some of its local school bond resources to purchase 50 new rental homes near downtown Salinas that will be reserved for their teachers and administrators beginning summer 2023.⁵⁰

Partnering with local agencies and public institutions not only focuses housing development on supporting critical institutions and locations in the community, but can also unlock otherwise inaccessible sources of funds such as those earmarked for educational or public health institutions.

05 OPTIMIZE INCLUSIONARY HOUSING ORDINANCES

Housing Element Goal: Increase affordable housing across entire jurisdictions, create mixed-income communities; opportunity to further incentivize affordable housing production.

Policy Summary: Local jurisdictions can adjust inclusionary requirements, such as affordability proportions in-lieu fees to mitigate disincentivizing effects of Inclusionary Housing Requirements. At the same time, they can maximize incentives for production by offering additional density bonuses, impact fee deferral or reductions, or other concessions to increase developments with inclusionary components.

Inclusionary housing ordinances (IHOs) require a certain portion of market-rate developments in a given jurisdiction to be set aside for lower-income housing. On its face, inclusionary housing appears to be an attractive mechanism for generating affordable housing because it places the burden of building affordable homes on for-profit developers.

Some jurisdictions offer an off-site option for the affordable units instead of forcing them to be developed in the same building or complex, allowing the developer to put them on a separate, possibly less-expensive site. In-lieu fees are an option as well under certain circumstances, allowing the developer to pay a per-unit fee that is collected into a jurisdiction's affordable housing fund.

5a FINANCIAL CHALLENGES OF INCLUSIONARY HOUSING

When an in-lieu fee is not a viable or allowable option, jurisdictions are effectively forcing a decrease in the potential revenue of a given project on a per-unit basis because the inclusionary units cannot pull market rent once occupied. Theoretically, this reduction in rent revenue on the

For-profit/Nonprofit Partnerships

An innovative approach to meeting IHOs involves partnerships between for-profit and nonprofit housing developers. In such partnerships, nonprofit affordable housing developers receive free land and develop the inclusionary housing for a given development to take the burden of these units from the private developer. Working without the cost of land and with access to public funding and tax credits, nonprofit participation can help realize housing development that otherwise would not materialize in a given jurisdiction with an IHO.

inclusionary units is either passed on as higher rent for the market-rate units, which may make it difficult for the developer to obtain needed gap funding from lenders based on market feasibility, or the reduction of revenue potential makes the project unappealing to the developer altogether.

Developers in Portland, Oregon (comparable in size to the Monterey Bay Area) – where an inclusionary ordinance of 10-15% was enacted in 2016 – cite the policy as a major inhibition to development of multifamily housing. The city is undertaking a study of its housing production data to determine the IHO’s measurable effects, which will be available later in 2023.

5b OPTIMIZING INCLUSIONARY HOUSING ORDINANCES

There is no single template for IHOs to perfectly match economic conditions and site feasibility. If a local inclusionary housing ordinance requires too little affordable housing, there is lost opportunity for the jurisdiction and for the households who would subsequently benefit from those homes being constructed. If a local housing ordinance requires too much affordable housing, developers will not seek permits to build market-rate developments because their projects will not generate sufficient profits to overcome their or their lender’s perceived risk. Jurisdictions can be both thoughtful and careful when crafting an inclusionary housing ordinance or modifying an existing one.

Given ever-changing economic factors such as material costs, labor cost and availability, and interest rates, jurisdictions should regularly evaluate their IHOs for feasibility. This should include outreach to developers and evaluation of factors such as required inclusionary percentages, in-lieu fees, and minimum project sizes to ensure the IHO does not become a disincentive for housing production. In the same vein, jurisdictions should investigate where higher inclusionary housing requirements can be traded for additional concessions above state or local density bonuses, facilitating deep affordability while still ensuring project feasibility, attractiveness for developers, and mitigated risks for lenders.

Inclusionary Housing Ordinances Examples

The City of Seaside has a 20% inclusionary housing requirement, but its ordinance also includes a weighted scoring system that counts each very low-income unit as two units and each low-income unit counts as one-and-a-half units. This allows the developer to adjust the number of affordable units to fit their project, unit size, and other project-specific considerations. Given Seaside’s more affordable housing market and weighted scoring system, a higher inclusionary housing exaction is still feasible for many developers, as evidenced by the several recently permitted projects in its West Broadway Urban Village.

Contrasting the City of Seaside is the City of Santa Cruz, where housing is less affordable. While an economic modeling consultant hired by the city found that an inclusionary housing requirement of between 9% and 12.5% would be feasible in the downtown area, the City of Santa Cruz recently increased its inclusionary housing requirements to 15%. ⁵²

CONCLUSION

Local Governments Must Undertake Systematic Policy Changes & Updates

Local policy makers play a role in enabling and supporting solutions to our housing affordability crisis. Our local zoning rules, fees, and other policies have yet to fully implement many of the best practices being used elsewhere in California. At the same time, the economics and potential for housing development will shift with interest rates, labor and material costs, climate volatility, as well as any political changes at the state and local levels. Local governments must consider and re-evaluate these factors on a continual basis to make sure the policies remain well-suited to the needs of the local communities.


As evidenced by other locations within California, taking a systematic, bold and strategic approach to policy change will be needed to achieve necessary successful outcomes for housing in the Monterey Bay region.

Systematic approach means:

1. Setting annual housing production goals, broken down by components such as units affordable to different income levels, rental vs. for-sale units, and geographic areas.
2. Annual public reporting to measure success against the goals that allow for and encourage community engagement.
3. Data-driven policy efficacy evaluation to assess progress toward goals.
4. Sustained systematic effort across multiple years, adjusting policies to achieve goals. Follow-through across administrations and possible staff turnover is crucial as progressive policies are implemented that require years or decades to yield results.

With this framework, Monterey Bay could be the next regional leader in helping solve the regional housing and homelessness crisis while simultaneously lending support to its many intersections with Climate, Public Health, PK-16 Pathways, Workforce and Economic Development, and Broadband for All.





The approach outlined is reasonable, achievable, and necessary for policy implementation and iteration. It is also required to implement Housing Elements successfully. Assembly Bill 72, authored by Miguel Santiago and signed into law in 2017, authorizes the California Department of Housing and Community Development to review and file written findings of noncompliance to local governments failing to implement their adopted Housing Elements. Per the bill, “failure to implement” can apply not just to falling short of RHNA numbers, but also in implementation of policies and programs that brought the Housing Element into compliance during the HCD review processes.

To ensure implementation, local governments must create their own system for regular compliance and efficacy checks. While a Housing Element may be found in compliance with state law at the beginning of the 6th Cycle, programs and policies must be implemented successfully for the jurisdiction to remain in compliance, avoid judicial scrutiny, and ultimately for the jurisdiction to retain local control over development.

Framed optimistically, the 6th Cycle Housing Element composition and implementation process allows all local governments to shape a development plan. Design of a Housing Element must entail community involvement and input – not just because law requires documentation of outreach and public input, but because this is the most equitable design process. Indeed, the Housing Element benefits most from earnest efforts to envision the most inclusive community possible as can be affected through program and policy design. The functional design considers not just the current community, but the predictable aspects of the community’s future – while creating mechanisms for contending with less unpredictable change.

As California communities continue to grow and become more diverse, as they contend with climate change, as they realize and acknowledge the real disparities in and opportunities for equitable access to housing and other public resources, they can avail of planning processes and the incentives offered by state and federal agencies to adapt. The Housing Element is just such a process with its own set of distinct incentives and MBEP looks forward to providing support to local governments through the design and implementation processes.

MBEP will periodically update this policy paper and welcomes questions, comments, and ideas.

APPENDIX

A1 FULL 6TH CYCLE REGIONAL HOUSING NEEDS ALLOCATION FOR AMBAG AND SBCOG

MBEP Tri-County Area Regional Housing Needs Allocation Summary		Income Group Totals VLI = Very Low Income, <50% Area Median Income (AMI) LI = Low Income, 50-80% AMI Mod= Moderate, 80-120% AMI Above Mod= >120%AMI					RHNA Total
		VLI	LI	Mod.	Affordable Totals	Above Mod.	
Region	AMI	7,868	5,146	6,167	19,181	14,093	33,274
Monterey County	\$90,100	4800	3137	3761	11,698	8695	20,393
Carmel-by-the-Sea		83	54	65	202	148	350
Del Rey Oaks		44	28	34	106	78	184
Gonzales		299	196	235	730	636	1,366
Greenfield		173	113	135	421	309	730
King City		166	109	130	405	297	702
Marina		162	106	127	395	290	685
Monterey		864	565	677	2,106	1,548	3,654
Pacific Grove		266	174	209	649	476	1,125
Salinas		1,579	1,031	1,237	3,847	2,826	6,673
Sand City		61	40	48	149	110	259
Seaside		146	95	114	355	261	616
Soledad		171	112	134	417	307	724
Unincorporated Monterey		786	514	616	1,916	1,409	3,325
Santa Cruz County	\$119,300	3456	2263	2139	7,858	5121	12,979
Capitola		430	282	169	881	455	1,336
Santa Cruz		859	562	709	2,130	1,606	3,736
Scotts Valley		392	257	154	803	417	1,220
Watsonville		283	186	521	990	1,063	2,053
Unincorporated Santa Cruz		1,492	976	586	3,054	1,580	4,634
San Benito County	\$105,100	1110	890	947	2,947	2,058	5,005
Hollister		846	678	826	2,350	1,813	4,163
San Juan Bautista		18	14	18	50	38	88
Unincorporated San Benito		246	198	103	547	207	754

A2 SAMPLE POLICY LANGUAGE

Please note: These policies provide templates for policies that may be adopted by local jurisdictions and contain policy language for example purposes. Broadly, these samples are meant to incorporate the Practical Housing Policy recommendations and create incentives that exceed those generally available at the local level in most Monterey Bay Area jurisdictions.

Jurisdictions may use these samples as references for designing their own local policies and should consult legal, planning, and housing professionals to ensure broad compliance with local, state, and federal laws.

A2.1 BY-RIGHT APPROVAL FOR PROJECTS MEETING PREDETERMINED AFFORDABILITY LEVELS

Section 1: Purpose and Intent

The purpose of this ordinance is to establish a by-right approval process for housing development projects that include affordable housing units for very low-income, extremely low-income, low-income, and moderate-income households. This ordinance aims to promote the inclusion of affordable housing within the community while ensuring compliance with objective design guidelines, local zoning codes, conditions for adaptive reuse, and conditions for infill housing. Additionally, this ordinance provides exemptions from the California Environmental Quality Act (CEQA) review process for projects located within specific planned areas or affordable housing overlays with program-level CEQA review.

Section 2: Definitions

- (a) **Affordable Housing:** Refers to residential units that are affordable to very low-income, extremely low-income, low-income, and moderate-income households, as defined by the [Insert Local Housing Agency or Relevant Authority] based on current income limits and guidelines.
- (b) **Very Low-Income Households:** Refers to households whose income does not exceed 50% of the area median income (AMI) as determined by the [Insert Local Housing Agency or Relevant Authority].
- (c) **Extremely Low-Income Households:** Refers to households whose income does not exceed 30% of the area median income (AMI) as determined by the [Insert Local Housing Agency or Relevant Authority].
- (d) **Low-Income Households:** Refers to households whose income does not exceed 80% of the area median income (AMI) as determined by the [Insert Local Housing Agency or Relevant Authority].
- (e) **Moderate-Income Households:** Refers to households whose income does not exceed 120% of the area median income (AMI) as determined by the [Insert Local Housing Agency or Relevant Authority].

A2.1 cont...

Section 3: Affordable Housing Requirements

All housing development projects seeking by-right approval under this ordinance shall meet one of the following conditions for 45-year deed-restricted affordability:

- eight percent of the units for very low-income households and five percent of the units for extremely low-income households
- fifteen percent of the units for low-income households
- twenty percent of the units for moderate-income households.

Section 4: By-Right Approval Process

1. Housing development projects meeting the affordable housing requirements outlined in Section 3 and conforming to the objective design guidelines, local zoning codes, conditions for adaptive reuse, or conditions for infill housing shall be eligible for by-right approval.
2. The by-right approval process shall be administered by the [Insert Local Planning or Permitting Authority] and shall provide a streamlined review without the need for discretionary review or public hearings, subject to all other applicable regulatory requirements.
3. Section 5: CEQA Exemptions for Planned Areas and Affordable Housing Overlays
4. Housing development projects located within specific planned areas or affordable housing overlays, as designated by the [Insert Local Planning or Permitting Authority], shall be exempt from the CEQA review process.
5. The exemptions from CEQA review shall be applicable when the project has undergone program-level CEQA review for the specific planned area or overlay, ensuring that the potential environmental impacts have been assessed and mitigated at a programmatic level.

Section 6: Objective Design Guidelines

1. Objective design guidelines shall be established by the [Insert Local Planning or Design Commission], in consultation with the [Insert Local Housing Agency or Relevant Authority], to ensure that the design and construction of affordable housing units meet specified quality standards while harmonizing with the surrounding neighborhood.
2. The objective design guidelines shall address architectural design, site layout, landscaping, parking, and other relevant aspects, aiming to create housing developments that are visually appealing, functional, and sustainable.

Section 7: Compliance and Reporting

1. The developer shall provide regular progress reports to the [Insert Local Planning or Permitting Authority] and the [Insert Local Housing Agency or Relevant Authority] during the construction and occupancy phases, confirming compliance with the affordable housing requirements.
2. Failure to comply with the affordable housing requirements or objective design guidelines may result in penalties, fines, or the revocation of project approvals, as determined by the [Insert Local Planning or Permitting Authority].

A2.1 cont...

Section 8: Severability

If any provision of this ordinance or its application to any person or circumstances is held invalid, the remainder of the ordinance or the application of the provisions to other persons or circumstances shall not be affected.

Section 9: Effective Date

This ordinance shall take effect immediately upon adoption.

Passed by the [Insert Local Governing Body]

Date: [Insert Date]

Mayor/Chairperson: [Insert Name]

Attest: [Insert City/County Clerk]

A2.2 DENSITY BONUS PROVISION

Section 1: Purpose

The purpose of this density bonus provision is to promote the inclusion of affordable housing units in housing projects and encourage the acceptance of Housing Choice Vouchers. By offering developers a density bonus, the municipality aims to increase the availability of affordable housing options and support transit-oriented development in the community.

Section 2: Definitions

2.1 Affordable Units: Residential units that are designated and priced to be affordable for low- to moderate-income households, as determined by the local housing authority.

2.2 Housing Choice Vouchers: Rental assistance vouchers provided through the federal Housing Choice Voucher Program, also known as Section 8 vouchers.

2.3 Housing Project: Any proposed development or redevelopment of residential units within the municipality, subject to applicable zoning and land use regulations.

2.4 High Quality Transit: Transit facilities or services that meet the criteria specified in state law for transit-oriented development.

Section 3: Density Bonus Calculation

3.1 The density bonus shall be calculated based on the percentage of affordable units included in the housing project relative to the total number of units proposed.

3.2 For each 5% increase in the inclusion of affordable units, a density bonus of 10% shall be granted, up to a maximum of 50%.

3.3 For housing projects with 10 or fewer units, the increments shall be 10% rounded up to the nearest whole number of units.

A2.2 cont...

Section 4: Housing Choice Voucher Requirement

4.1 Projects that avail of the density bonus provision must guarantee acceptance of Housing Choice Vouchers for at least half of their affordable units.

Section 5: Transit Proximity Commercial Space Reduction

5.1 Housing projects located within half a mile of high-quality transit facilities or services, as defined by state law, may reduce their inclusion of commercial space by up to 50% in proportion to their affordable unit inclusion.

5.2 For each 5% increase in the inclusion of affordable units, the commercial space reduction may increase by 5%, up to a maximum reduction of 50%.

5.3 For housing projects with 10 or fewer units, the increments shall be 10%, rounded up to the nearest whole number of units.

Section 6: Administration and Implementation

6.1 Developers seeking to avail the density bonus provision must submit a detailed affordable housing plan along with the housing project proposal.

6.2 The affordable housing plan should outline the number of affordable units, income eligibility criteria, and the proposed duration of affordability restrictions.

6.3 The local housing authority shall review and approve the affordable housing plan to ensure compliance with local regulations and eligibility requirements.

6.4 Upon approval of the affordable housing plan, the density bonus and commercial space reduction, if applicable, shall be granted by the appropriate municipal authority during the permitting process.

Section 7: Severability

If any provision of this density bonus provision is deemed invalid or unenforceable, the remaining provisions shall remain in effect.

A2.3 DEFERRAL OF IMPACT FEES

Section 1: Purpose

The purpose of this ordinance is to promote the inclusion of affordable housing units within the municipality and provide an incentive for developers to include such units in their housing projects. This ordinance establishes a mechanism for the deferral of impact fees in direct proportion to the inclusion of affordable housing units, allowing developers to allocate resources towards the construction of affordable housing.

Section 2: Definitions

2.1 Affordable Housing: Residential units that are designated and priced to be affordable for low- to moderate-income households, as defined by the local housing authority.

A2.3 cont...

2.2 Impact Fees: Fees imposed on developers by the municipality to mitigate the impact of new development on public infrastructure and services.

Section 3: Deferral of Impact Fees

3.1 Developers who include affordable housing units within their housing projects may be eligible for the deferral of impact fees.

3.2 The deferral of impact fees shall be determined in direct proportion to the percentage of affordable housing units included in the project.

3.3 For each 5% increase in the inclusion of affordable housing units, the impact fees may be deferred by 5%, up to a maximum deferral of 100%.

3.4 The deferred impact fees shall be payable in accordance with the terms and conditions specified in Section 4.

Section 4: Payment and Terms

4.1 The deferred impact fees shall be payable in accordance with the following terms:

4.1.1 The deferred impact fees shall become due and payable upon the issuance of the certificate of occupancy for the affordable housing units.

4.1.2 The deferred impact fees shall be paid in installments over a specified period, as determined by the municipality.

4.1.3 The terms of the installment payments, including the number and frequency of payments, shall be established by the municipality in coordination with the developer.

4.2 Failure to make the required deferred impact fee payments within the specified timeframe may result in penalties, interest charges, or other enforcement actions, as determined by the municipality.

Section 5: Reporting and Verification

5.1 Developers seeking deferral of impact fees under this ordinance must submit a detailed affordable housing plan along with their project proposal.

5.2 The affordable housing plan should include the number of affordable housing units, income eligibility criteria, and the proposed duration of affordability restrictions.

5.3 The local housing authority shall review and approve the affordable housing plan to ensure compliance with local regulations and eligibility requirements.

5.4 The municipality may conduct periodic inspections or request documentation to verify the continued compliance with the affordable housing requirements.

A2.3 cont...

Section 6: Severability

If any provision of this ordinance is deemed invalid or unenforceable, the remaining provisions shall remain in effect.

Section 7: Effective Date

This ordinance shall become effective upon adoption by the municipality and shall apply to all applicable housing projects initiated after the effective date.

A3 GLOSSARY OF TERMS

6th Cycle: the 6th in a series of planning periods undertaken by California local governments beginning in 1969 in order to accommodate population growth.

Accessory Dwelling Unit (ADU): A secondary housing unit that is typically located on the same lot as a primary residential unit, sometimes known as a granny flat or in-law unit.

Affirmatively Furthering Fair Housing (AFFH): A requirement under AB 686 that mandates jurisdictions to proactively combat racial segregation and inequality in housing opportunities.

Affordability: the cost of housing relative to the income of a household; per the Department of Housing and Urban Development, affordable housing costs no more than 30% of a household's gross annual income.

Allowable densities: The maximum number of housing units or population allowed per unit of land area, as specified by zoning regulations.

Annual Progress Report (APR): A report submitted by cities and counties detailing their progress in meeting their RHNA goals, including data on housing development applications, permits, and completions.

Area Median Income: the midpoint of a region's income distribution, where half the households earn more than the AMI and half earn less. It is calculated by considering the total income of all households within a specific area and then determining the income level that divides the population into two equal halves.

Association of Monterey Bay Area Governments (AMBAG): A regional planning agency that represents the local governments in Monterey, Santa Cruz, and San Benito Counties, responsible for coordinating regional housing planning and other initiatives.

Certificate of occupancy: A document issued by the local government indicating that a building or unit meets all applicable building codes and is suitable for occupancy.

Density bonuses: Incentives offered to developers in exchange for including affordable housing units in their projects, such as allowing higher density or additional development rights.

A3 cont...

Eviction moratoriums: Temporary bans on eviction proceedings or actions, typically enacted during emergencies or to protect vulnerable populations.

Financing costs: The costs associated with obtaining funds for a housing development project, including interest payments and fees.

High-quality transit: in the context of Monterey Bay counties with no rail transit, fixed route bus service with service intervals no longer than 15 minutes during peak commute hours.

Housing affordability: The extent to which housing costs, including rent or mortgage payments, property taxes, and utilities, are affordable for individuals or households based on their income levels.

Housing bond: a type of financial instrument issued by a government entity, often in the form of a tax, to raise funds specifically designated for housing-related purposes; a form of long-term borrowing where the government entity, such as a state or local government, sells bonds to investors in order to generate capital for housing initiatives

Housing Accountability Act (HAA): A California law that strengthens housing accountability and enforcement to ensure compliance with housing laws and goals.

Housing Element: A planning document that outlines a local government's goals, policies, and programs for housing development. In California, Housing Elements generally span 8 years and must follow strict guidelines and laws for their composition and content.

Impact fees: Fees imposed on new developments to mitigate the impact of increased demand for public services and infrastructure.

Induced demand: The concept that the availability of certain types of housing can create or stimulate demand for that particular type of housing, either as a primary residence or for non-primary uses.

Inclusionary Housing Ordinances: Local regulations that require a certain percentage of new housing units to be affordable for low- and moderate-income households.

Infill: development or construction of new housing units on vacant or underutilized land within already developed areas, typically in established neighborhoods or urban areas; filling in gaps or utilizing available space within an existing built environment rather than expanding into undeveloped or greenfield areas.

Interest rates: The cost of borrowing money, typically expressed as a percentage, which affects the affordability of home purchases and influences buyer behavior.

A3 cont...

b a specific impact fee imposed by local governments on new development projects. The fee is typically calculated based on the size, type, or intensity of the development project and intended to address the impacts of new development on a community's need for affordable housing or other public infrastructure and services.

Market-rate (housing): rent or purchase prices determined by what buyers or renters are willing to pay and what sellers or landlords are willing to accept in a competitive marketplace; generally considered to be 120% of AMI and above in the context of RHNA and affordability.

Metropolitan Statistical Area (MSA): A geographical region that includes a central urban area and surrounding communities, used for demographic and economic analysis in Census and American Community Survey purposes and other government

Ministerial approval: Approval granted based on compliance with specific criteria and without discretionary review or hearings.

NIMBY (Not In My Backyard): A term used to describe opposition from residents to new development projects, particularly affordable or multifamily housing, in their neighborhoods.

Objective design guidelines: Guidelines that provide clear and specific criteria for housing development, ensuring consistency and reducing subjective decision-making.

Permitted: having obtained specific approvals required at various stages during the construction and development process, including building permits, electrical permits, plumbing permits, and other related approvals.

Realistic Capacity: the ability for a site or broader area inside a jurisdiction to accommodate a certain number of dwelling units as demonstrated by zoning, natural resource availability, and development probability relative to similar sites. See CA [GC 65583.2](#) for greater detail.

Regional Housing Needs Allocation (RHNA): A process in California that determines the number of housing units that each region must plan for to accommodate projected population growth.

Rental assistance: Financial aid or subsidies provided to renters to help them afford housing costs, such as rent payments.

Rental vacancy rate: The percentage of available rental units that are unoccupied within a specific area, indicating the level of housing supply relative to demand.

San Benito Council of Governments (SBCOG): A regional agency that represents the local governments in San Benito County, involved in regional planning and collaboration efforts.

A3 cont...

Scarcity: A condition of limited availability or shortage of a particular resource, in this context referring to the limited availability of land suitable for construction in coastal areas of the Monterey Bay Area.

Service workers: Employees in the hospitality, education, healthcare, and related industries who provide services to others, such as hotel staff, restaurant workers, teachers, and healthcare professionals.

Sites Inventory: a list of parcels inside of a jurisdiction that the local government has designated for fulfillment of RHNA including zoned capacity and existing uses.

Streamlined permitting: Simplifying the process of obtaining permits for housing development by reducing discretionary reviews and using objective design guidelines.

Transit Corridor: a specific route or area within a city or urban area that is designated and developed to accommodate public transportation services. It typically includes a transportation corridor, such as a road or railway line, where transit services like buses, trams, light rail, or rapid transit systems operate.

Vacancy rate: The percentage of available rental units that are unoccupied within a specific area, indicating the level of housing supply relative to demand.

Vacant/Nonvacant sites: A vacant site in the housing element inventory is a parcel or piece of land that does not currently have any structures or buildings on it. It is available and suitable for potential housing development. Vacant sites may include undeveloped land, vacant lots, or properties that have been cleared for redevelopment purposes. A nonvacant site already has structures or buildings on it that are in use; it may also be vacant but have existing structures that would need to be considered in any redevelopment plans.

Workforce housing: housing designed and priced to be affordable for individuals and families who are part of the workforce but may have moderate incomes that make it challenging to afford market-rate housing in a particular area. Workforce housing aims to meet the housing needs of essential workers, such as teachers, nurses, police officers, firefighters, service industry workers, and other middle-income earners generally in the range of 80-120% AMI. In areas with high housing costs, this range may extend higher.

Zoning regulations: Rules and regulations that determine land use and development standards in a specific area.

WORKS CITED

"AB 1486." California Legislative Information,
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1486.
Accessed 15 June 2023.

"ADU Initiative." United Way Monterey County, United Way Monterey County,
<https://www.unitedwaymcca.org/adu-initiative>.

"Affirmatively Furthering Fair Housing | California Department of Housing and Community Development." California Department of Housing and Community Development,
<https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>. *Accessed 15 June 2023.*

Affordable Housing Guidelines, County of Santa Cruz, 17 June 2022,
https://www.sccoplanning.com/Portals/2/County/Planning/housing/Measure_J/Affordable%20Housing%20Guidelines%202022.pdf.

Alisal Vibrancy Plan Part of Vision Salinas, Alisal Vibrancy Plan,
<https://www.alisalvibrancyplan.org/>.

"Annual Progress Reports - Data Dashboard and Downloads." Annual Progress Reports - Data Dashboard and Downloads | California Department of Housing and Community Development,
<https://www.hcd.ca.gov/apr-data-dashboard-and-downloads>.

A Resolution Of The City Council Of The City Of Watsonville Declaring Its Support Of Senate Bill 5 As Introduced On December 3, 2018, And Amended On May 24, 2019 (Beall, Mcguire And Portantino) Entitled Affordable Housing And Community Development Investment Program: Would Establish An Ongoing Funding Mechanism That Would Ultimately Direct Up To \$2 Billion Annually In Support Of Local Infill, Transit Oriented Development, Affordable Housing And Neighborhood Revitalization Projects, City of Watsonville, 18 June 2019,
<https://www.cityofwatsonville.org/DocumentCenter/View/12219/Item-5K-SB-5-Support-of-Affordable-Housing-Comm-Dev---Resolution-85-19>.

"Assembly Bill No. 916 CHAPTER 635." Bill Text - AB-916 Zoning: Bedroom Addition., California Legislature, 29 Sep. 2022, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB916&search_keywords=Accessory%2Bdwelling%2Bunits.

"Assembly Bill No. 1486 CHAPTER 664." Bill Text - AB-1486 Surplus Land., California Legislature, 10 Oct. 2019, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1486.

"Assembly Floor Alert - File Item #45." Assembly Bill 2097 Floor Alert.pdf, Monterey Bay Economic Partnership,
<https://drive.google.com/file/d/1Mc4XbclPv4CI3NHBqK4nBHUQNLnmjiam/view>.

Baldassari, Erin. "Oakland Council Approves Sweeping Reductions to Parking for New Developments." East Bay Times, East Bay Times, 6 Mar. 2017, <https://www.eastbaytimes.com/2016/09/20/oakland-council-approves-sweeping-reductions-to-parking-for-new-developments/>.

Balderas, Christian. Monterey County School Districts Move to Build Teacher Housing, KSBW, 6 Apr. 2022, <https://www.ksbw.com/article/monterey-county-school-districts-move-to-build-teacher-housing/39643669#>.

Brenan, Megan. "COVID-19 and Remote Work: An Update." Gallup News, 13 October 2020, <https://news.gallup.com/poll/321800/covid-remote-work-update.aspx>. Accessed 15 June 2023.

"Building Blocks." California Department of Housing and Community Development, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks>. Accessed 15 June 2023.

"California Greenhouse Gas Emissions for 2000 to 2019." California Greenhouse Gas Emissions for 2000 to 2019 Trends of Emissions and Other Indicators, California Air Resources Board, 28 July 2021, https://ww2.arb.ca.gov/sites/default/files/classic/cc/ca_ghg_inventory_trends_2000-2019.pdf.

Cifuentes, Kevin. "San Jose Lifts Commercial Requirement for New Affordable Housing in Mixed-Use Areas." San Jose Lifts Commercial Requirement for New Affordable Housing, The Real Deal San Francisco, 15 Dec. 2021, <https://therealdeal.com/sanfrancisco/2021/12/15/san-jose-lifts-commercial-requirement-for-new-affordable-housing/>.

"City of Salinas Residential Development Impact Fee Structure Analysis Report." Salinas - Residential Development Impact Fee Structure Analysis Report - 11-20-20 (1).Pdf, City of Salinas, 20 Nov. 2020, <https://www.cityofsalinas.org/media-folders/media-root/departments-files/community-development-files/housing-division-files/city-salinas-residential-development-impact-fee-structure-analysis-report>.

"City of San Jose." Commercial Linkage Fee, City of San Jose, <https://www.sanjoseca.gov/your-government/departments-offices/housing/developers/developer-fees-charges/commercial-linkage-fee>.

Commentary, Guest. "Converting Idle Commercial Land Would Ease State's Housing and Climate Crises." Converting Idle Commercial Land Would Ease State's Housing and Climate Crises, CalMatters, 22 Aug. 2022, <https://calmatters.org/commentary/2022/08/converting-idle-commercial-land-would-ease-states-housing-and-climate-crises/>.

"Commercial Linkage Fees." Commercial Linkage Fees, Svhome, 24 Mar. 2022, <https://siliconvalleyathome.org/resource-map/commercial-linkage-fees/>.

Community & Economic Development, City of San José , 1 Sept. 2020, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4618100&GUID=1B88F2B8-77C4-4n.d.-B0E9-9A735B46E587>.

Conley, Mark. A Plan for 300 on-Campus Beds for Cabrillo College Students? Here's How That Is Taking Shape, Lookout Local Santa Cruz, 21 Mar. 2022, https://lookout.co/santacruz/education/higher-ed/story/2022-03-21/cabrillo-college-on-campus-housing-plan-uc-santa-cruz?fbclid=IwARIRI5QsG-IPgxl-ILsTBH-xsYzNca0VvuWfAQoBEVkASzqfRAH5KHrO_8A.

Cooke, Karl. "Salinas Union High School District getting closer to opening of workforce housing project - KION546." KION, 11 April 2023, <https://kion546.com/top-stories/2023/04/11/salinas-union-high-school-district-getting-closer-to-opening-of-workforce-housing-project/>. Accessed 15 June 2023.

COVID-19 Housing Response Position Paper, Monterey Bay Economic Partnership, 12 Aug. 2020, <https://mbep.biz/wp-content/uploads/2020/08/COVID-19-Housing-Response-Framework-081220.pdf>.

Curry, Melanie. "Sacramento City Council Passes a Citywide Tod Ordinance." Streetsblog California, 14 Dec. 2018, <https://cal.streetsblog.org/2018/12/13/sacramento-city-council-passes-a-citywide-tod-ordinance/>.

Curry, Melanie. "San Diego Will No Longer Require Parking at New Housing Near Transit." Streetsblog California, 5 Mar. 2019, <https://cal.streetsblog.org/2019/03/05/san-diego-will-no-longer-require-parking-at-new-housing-near-transit/>.

Daly, Norm. "Housing & Community Development Division Program." Microsoft Word - Technical Assistance Grant Brochure Aug04.Doc.pdf, City of Santa Cruz, <https://www.cityofsantacruz.com/home/showpublisheddocument/3701/635418232770030000>

"Downtown Plan - City of Santa Cruz ." City of Santa Cruz DOWNTOWN PLAN September 1991 As Amended through January 28, 2020, City of Santa Cruz, 14 Nov. 2017, <https://www.cityofsantacruz.com/home/showpublisheddocument/71059/637475189024530000> 0.

"Editorial: California Should Prioritize Housing People, Not Cars." Los Angeles Times, Los Angeles Times, 18 July 2022, <https://www.latimes.com/opinion/story/2022-07-17/editorial-california-should-prioritize-housing-people-not-cars>.

Financial Feasibility Analysis Inclusionary Housing Rental Residential Development, Keyser Marston Associates, Inc., 12 June 2018, <https://www.cityofsantacruz.com/home/showpublisheddocument/70961/636644096378230000>.

Gabbe, C. J., and Gregory Pierce. Hidden Costs and Deadweight Losses: Bundled Parking and Residential Rents in the Metropolitan United States, Santa Clara University, 8 Aug. 2016, <https://scholarcommons.scu.edu/cgi/viewcontent.cgi?article=1040&context=ess>.

Galante, Carol, and Carolina Reid. "Expanding Housing Supply in California: A New Framework for State Land Use Regulation | Turner Center." Turner Center, https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/CCRE_Journal_-_Expanding_Housing_Supply_in_California_-_A_New_Framework_for_State_Land_Use_Regulation.pdf. Accessed 15 June 2023.

Grabar, Henry. "Everyone Agrees California's Parking Laws Are Bad for Cities. so Why Do Planners like Them?" Slate Magazine, Slate, 13 May 2021, <https://slate.com/business/2021/05/california-parking-minimums-planners-housing-ab1401.html>.

Granicus, Inc. Land Use Regular Agenda. City of San José , 14 Dec. 2021, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5342531&GUID=BCA18941-B40D-4595-B161-5118D9A871ED>.

"HCD Accessory Dwelling Unit Handbook - California." California Department Of Housing And Community Development Accessory Dwelling Unit Handbook Updated July 2022, California Department of Housing and Community Development, July 2022, <https://www.hcd.ca.gov/sites/default/files/2022-07/ADUHandbookUpdate.pdf>.

Hunter, Megan. "An Ordinance Amending Chapter 9 Of The Salinas Municipal Code (Building) To Modify The Timing Of Payment Of Development Impact Fees From Building Permit Issuance To Certificate Of Occupancy For Residential Projects." CC Staff Report - Timing of Development Impact Fees.pdf, City of Salinas, 16 Nov. 2018, <https://www.google.com/url?q=https://salinas.legistar.com/View.ashx?M%3DF%26ID%3D6713253%26GUID%3D27AA9C2B-4A63-4894-9C1A-33A6BDCF1054&sa=D&source=docs&ust=1664500530713215&usg=AOvVaw1rULjPcDBHxu3vee55GRpG>.

Hurlbert, Diana. West Broadway Avenue Urban Village Specific Plan Final Environmental Impact Report, City of Seaside, Nov. 2009, <http://www.ci.seaside.ca.us/DocumentCenter/View/2108/West-Broadway-Avenue-Urban-Village-Specific-Plan-FinalEIR-PDF?bidId=>.

Ionescu, Diana. "Report: San Diego Density Bonus Has Created Hundreds of Affordable Units." Report: San Diego Density Bonus Has Created Hundreds of Affordable Units, Planetizen , 25 Apr. 2022, <https://www.planetizen.com/news/2022/04/116961-report-san-diego-density-bonus-has-created-hundreds-affordable-units>.

Jiménez, Celia. A Zoning Change in Salinas Could Move Affordable Teacher Housing Forward., Monterey County Weekly, 21 Apr. 2022, https://www.montereycountyweekly.com/news/local_news/a-zoning-change-in-salinas-could-move-affordable-teacher-housing-forward/article_fe7522f8-c0f8-11ec-a409-93fbc2ab8f0f.html.

Kern, Ann. "City of San Diego Density Bonus Regulations for Affordable Housing." DENSITY BONUS, SDHC, 18 Apr. 2022, <https://www.sdhc.org/doing-business-with-us/developers/density-bonus/>.

Manville, Michael, and Zack Subin. "Here's the One Thing San Francisco Can Teach California about Building New Housing." San Francisco Chronicle, San Francisco Chronicle, 8 Sep. 2022, <https://www.sfchronicle.com/opinion/openforum/article/san-francisco-parking-17425484.php>.

Ostovar, PhD, Abby. "Housing and Water Blue Paper - Mbep.biz." A Study on the Impact of Water on Housing Development on the Monterey Peninsula, Monterey Bay Economic Partnership, Mar. 2020, <https://mbep.biz/wp-content/uploads/2020/04/Housing-and-Water-Blue-Paper.pdf>.

Office of Governor Gavin Newsom. "California to Build More Housing, Faster." 28 September 2022. <https://www.gov.ca.gov/2022/09/28/california-to-build-more-housing-faster/>

Parent, Colin, and Maya Rosas. "Good Bargain An Updated Evaluation of the City of San Diego's Affordable Homes Bonus Program." Good Bargain - d3n8a8pro7vhmx.Cloudfront.net, Circulate San Diego, May 2020, https://d3n8a8pro7vhmx.cloudfront.net/circulatesd/pages/1316/attachments/original/1591816951/AHBP_status_report_2020_newlogos.pdf?1591816951.

Parent, Colin, and Stephen Russell. "Opinion: Why the city of San Diego's new plan has potential to sharply increase home construction." The San Diego Union-Tribune, 30 January 2023, <https://www.sandiegouniontribune.com/opinion/commentary/story/2023-01-30/opinion-san-diegos-new-complete-communities-program-plan-likely-to-spur-building>. Accessed 15 June 2023.

"Public Lands for Affordable Housing Development | California Department of Housing and Community Development." California Department of Housing and Community Development, <https://www.hcd.ca.gov/planning-and-community-development/public-lands-affordable-housing-development>. Accessed 15 June 2023.

Peterson, Kol. "Portland, Oregon's Adu Permit Data for 2020." Accessory Dwellings, Accessory Dwellings, 26 Jan. 2022, <https://accessorydwellings.org/2021/07/22/portland-oregons-adu-permit-data-for-2020/>.

"Residential Impact Fees in California - Turner Center." Residential Impact Fees in California , Turner Center, 5 Aug. 2019, https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/Residential_Impact_Fees_in_California_August_2019.pdf.

Roney, Sean. "Soledad Voters to Decide on \$13.7 Million School Bond Measure in November Election - Salinas Valley Tribune: Gonzales, Soledad, Greenfield Ca." Soledad Voters to Decide on \$13.7 Million School Bond Measure in November Election, Salinas Valley Tribune, 16 July 2020, <https://salinasvalleytribune.com/soledad-voters-to-decide-on-13-7-million-school-bond-measure-in-november-election/>.

"SB35 Affordable Housing: Streamlined Approval Process." City of Morgan Hill, <https://www.morganhill.ca.gov/DocumentCenter/View/37603/SB35-Fact-Sheet>. Accessed 15 June 2023.

"Senate Bill No. 897 CHAPTER 664." Bill Text - SB-897 Accessory Dwelling Units: Junior Accessory Dwelling Units., California Legislative Information, 29 Sep. 2022, https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB897&search_keywords=Accessory%2Bdwelling%2Bunits.

Stetson, Grace. 'Flexible Density Units': Another Tool to Increase Santa Cruz's Housing Supply, Lookout Local Santa Cruz, 24 Mar. 2022, <https://lookout.co/santacruz/places/story/2022-03-24/housing-crisis-flexible-density-units-another-tool-to-increase-housing-supply#:~:text=On%20Tuesday%2C%20the%20Santa%20Cruz,to%20the%20city%27s%20housing%20stock>.

Strengthening ADU Policies and Practices in Monterey County, Monterey Bay Economic Partnership, Dec. 2021, <https://mbep.biz/wp-content/uploads/2021/12/MC-ADU-White-Paper.pdf>.

Suleymanova, Radmilla. "Five things to know about the next US housing crisis." Al Jazeera, 13 July 2022, <https://www.aljazeera.com/economy/2022/7/13/five-things-to-know-about-the-next-us-housing-crisis>. Accessed 20 June 2023.

"Student Housing West Project and Long Range Development Plan Amendment #2." Student-Housing-west_nod_190329.Pdf, UCSC, 29 Mar. 2019, https://ucscstudenthousingwest.org/wp-content/uploads/student-housing-west_nod_190329.pdf.

"Unifiedfeeschedule.co.santa-Cruz.ca.us." Unifiedfeeschedule.co.santa-Cruz.ca.us Site, <https://profit.rescrf.com/unifiedfeeschedule.co.santa-cruz.ca.us/>.

Vincent, Jeffrey M., et al. Education Workforce Housing in California: Developing the 21st Century Campus, City Lab UCLA, 2022, <https://www.csba.org/-/media/CSBA/Files/GovernanceResources/Report--Education-Workforce-Housing-in-CaliforniaCCS-cityLAB-Terner-Center2022-1.ashx?la=en&rev=f581ab29d1cd45a0be21631cc72804ff>.

Wright, Tom. MPUSD Board Votes against Putting Teacher Housing Bond on Ballot, Monterey Herald, 29 July 2020, <https://www.montereyherald.com/2020/07/29/mpusd-board-votes-against-putting-teacher-housing-bond-on-ballot/>.

Zielinski, Alex. "Portland crafted a building code aimed at walkable, green neighborhoods. Developers say it's part of the housing crisis." Oregon Public Broadcasting, 14 April 2023, <https://www.opb.org/article/2023/04/14/oregon-housing-production-portland-neighborhoods-building-codes-developers/>. Accessed 15 June 2023.

ENDNOTES

ENDNOTES

1. Induced demand is an economic principle that describes how an increase in supply results in a decrease in price and a subsequent increase in consumption. In this sense, low induced demand means an increase in supply will result in a relatively lesser decrease in price and/or a relatively lesser increase in consumption.
2. Suleymanova, Radmilla. "Five things to know about the next US housing crisis." Al Jazeera, 13 July 2022, <https://www.aljazeera.com/economy/2022/7/13/five-things-to-know-about-the-next-us-housing-crisis>. Accessed 20 June 2023.
3. "Annual Progress Reports - Data Dashboard and Downloads," California Department of Housing and Community Development, (Accessed on November 4, 2022), available at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>
4. "Building Blocks." California Department of Housing and Community Development, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks>. Accessed 15 June 2023.
5. "Affirmatively Furthering Fair Housing | California Department of Housing and Community Development." California Department of Housing and Community Development, <https://www.hcd.ca.gov/planning-and-community-development/affirmatively-furthering-fair-housing>. Accessed 15 June 2023.
6. Galante, Carol, and Carolina Reid. "Expanding Housing Supply in California: A New Framework for State Land Use Regulation | Turner Center." Turner Center, https://turnercenter.berkeley.edu/wp-content/uploads/pdfs/CCRE_Journal_-_Expanding_Housing_Supply_in_California_-_A_New_Framework_for_State_Land_Use_Regulation.pdf. Accessed 15 June 2023.
7. SB35 Affordable Housing: Streamlined Approval Process." City of Morgan Hill, <https://www.morganhill.ca.gov/DocumentCenter/View/37603/SB35-Fact-Sheet>. Accessed 15 June 2023.
8. Ionescu, Diana. "Report: San Diego Density Bonus Has Created Hundreds of Affordable Units." Report: San Diego Density Bonus Has Created Hundreds of Affordable Units, Planetizen , 25 Apr. 2022, <https://www.planetizen.com/news/2022/04/116961-report-san-diego-density-bonus-has-created-hundreds-affordable-units>.
9. City of San Diego Planning Commission, Density Bonus Explanation, accessed on April 20, 2023, at <https://www.sdhc.org/doing-business-with-us/developers/density-bonus/>

10. Grace Stetson, 'Flexible Density Units': Another Tool to Increase Santa Cruz's Housing Supply, Lookout Local Santa Cruz, 24 Mar. 2022, <https://lookout.co/santacruz/places/story/2022-03-24/housing-crisis-flexible-density-units-another-tool-to-increase-housing-supply#:~:text=On%20Tuesday%2C%20the%20Santa%20Cruz,to%20the%20city%27s%20housing%20stock>.
11. City of Santa Cruz, Downtown Plan, January 28, 2020, available at <https://www.cityofsantacruz.com/home/showpublisheddocument/71059/6374755186024530000>
12. City of Salinas, Alisal Vibrancy Plan, available at <https://www.alisalvibrancyplan.org/>
13. City of Seaside, West Broadway Avenue Urban Village Specific Plan, November 2009, available at <http://www.ci.seaside.ca.us/DocumentCenter/View/2108/West-Broadway-Avenue-Urban-Village-Specific-Plan-FinalEIRPDF?bidId=>
14. Southern California Association of Governments (SCAG), "Density Bonus Law: What are Incentives/Concessions and Waivers?" available at [https://scag.ca.gov/sites/main/files/file-attachments/density_bonus_law_-_what_are_incentives_concessions_and_waivers.pdf?1667860893#:~:text=Density%20Bonus%20Law%20\(DBL\),General%20Plan%20land%20use%20plan](https://scag.ca.gov/sites/main/files/file-attachments/density_bonus_law_-_what_are_incentives_concessions_and_waivers.pdf?1667860893#:~:text=Density%20Bonus%20Law%20(DBL),General%20Plan%20land%20use%20plan).
15. Parent, Colin, and Stephen Russell. "Opinion: Why the city of San Diego's new plan has potential to sharply increase home construction." The San Diego Union-Tribune, 30 January 2023, <https://www.sandiegouniontribune.com/opinion/commentary/story/2023-01-30/opinion-san-diegos-new-complete-communities-program-plan-likely-to-spur-building>. Accessed 15 June 2023.
16. Colin Parent and Maya Rosas, "Good Bargain: An Updated Evaluation of the City of San Diego's Affordable Homes Bonus Program," Circulate San Diego, (May 21, 2020), available at https://d3n8a8pro7vnm.cloudfront.net/circulatesd/pages/1316/attachments/original/1591816951/AHBP_status_report_2020_newlogos.pdf?1591816951
17. California Air Resources Board, "California Greenhouse Gas Emissions for 2000 to 2019: Trends of Emissions and Other Indicators," (July 28, 2021), available at https://ww2.arb.ca.gov/sites/default/files/classic/cc/ca_ghg_inventory_trends_2000-2019.pdf
18. Henry Grabar, "Everyone Agrees California's Parking Laws Are Bad for Cities. So Why Do Planners Like Them?," Slate, (May 13, 2021), available at <https://slate.com/business/2021/05/california-parking-minimums-planners-housing-ab1401.html>

19. The Times Editorial Board, "Editorial: California should prioritize housing people, not cars," LA Times, (July 17, 2022), available at <https://www.latimes.com/opinion/story/2022-07-17/editorial-california-should-prioritize-housing-people-not-cars>
20. C.J. Gabbe and Gregory Pierce, "Hidden Costs and Deadweight Losses: Bundled Parking and Residential Rents in the Metropolitan United States," (August 8, 2016), available at <https://scholarcommons.scu.edu/cgi/viewcontent.cgi?article=1040&context=ess>
21. Erin Baldassari, "Oakland Council Approves Sweeping Reductions to Parking for New Developments," East Bay Times, (September 20, 2016), available at <https://www.eastbaytimes.com/2016/09/20/oakland-council-approves-sweeping-reductions-to-parking-for-new-developments/>
22. Melanie Curry, "Sacramento City Council Passes a Citywide TOD Ordinance," StreetsBlog Cal, (December 13, 2018), available at <https://cal.streetsblog.org/2018/12/13/sacramento-city-council-passes-a-citywide-tod-ordinance/>
23. Michael Manville and Zack Subin, "Here's the one thing San Francisco can teach California about building new housing," San Francisco Chronicle, (September 8, 2022), available at <https://www.sfchronicle.com/opinion/openforum/article/san-francisco-parking-17425484.php>
24. Melanie Curry, "San Diego Will No Longer Require Parking at New Housing Near Transit," StreetsBlog Cal, (March 5, 2019), available at <https://cal.streetsblog.org/2019/03/05/san-diego-will-no-longer-require-parking-at-new-housing-near-transit/>
25. City of San Jose, General Plan Amendment to Eliminate Affordable Housing Commercial Space Requirements, (December 14, 2021), available at <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5342531&GUID=BCA18941-B40D-4595-B161-5118D9A871ED>
26. The Real Deal Staff, "San Jose Lifts Commercial Requirement for New Affordable Housing," The Real Deal, (December 15, 2021), available at <https://therealdeal.com/sanfrancisco/2021/12/15/san-jose-lifts-commercial-requirement-for-new-affordable-housing/>
27. Brenan, Megan. "COVID-19 and Remote Work: An Update." Gallup News, 13 October 2020, <https://news.gallup.com/poll/321800/covid-remote-work-update.aspx>. Accessed 15 June 2023.

28. Guest Commentary, "Converting idle commercial land would ease state's housing and climate crises," Cal Matters, (August 22, 2022), available at <https://calmatters.org/commentary/2022/08/converting-idle-commercial-land-would-ease-states-housing-and-climate-crises/>
29. "Portland, Oregon's ADU Permit Data for 2020," Accessory Dwellings, (accessed January 26, 2022), [Graph] available at <https://accessorydwellings.org/2021/07/22/portland-oregons-adu-permit-data-for-2020/>
30. "Portland, Oregon's ADU Permit Data for 2020," Accessory Dwellings, (accessed January 26, 2022), [Graph] available at <https://accessorydwellings.org/2021/07/22/portland-oregons-adu-permit-data-for-2020/>
31. Christina Balderas, "Salinas promotes ADUs by giving out free building plans," (September 21, 2022), available at <https://www.ksbw.com/article/salinas-promotes-adus-by-giving-out-free-building-plans/41302598>
32. James Herrera, "Seaside provides free, pre-approved plans for accessory dwelling units," (November 9, 2020), available at <https://www.montereyherald.com/2020/11/19/seaside-provides-free-pre-approved-plans-for-accessory-dwelling-units/>
33. Senate Bill 897 (2022) (Wieckowski) available at https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB897&search_keywords=Accessory+dwelling+units
34. Assembly Bill 916 (2022) (Salas) available at https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB916&search_keywords=Accessory+dwelling+units
35. City of Santa Cruz, ADU Technical Assistance Brochure, (2022), available at <https://www.cityofsantacruz.com/home/showpublisheddocument/3701/635418232770030000>
36. City of Salinas Staff Report, "Residential Development Impact Fee Structure Analysis," (November 20, 2020) available at <https://salinas.legistar.com/LegislationDetail.aspx?ID=4706101&GUID=5A011B88-E846-4A8C-9ED4-8DA18B301922>
37. County of Santa Cruz, "Affordable Housing Guidelines," (June 17, 2020), available at https://www.sccoplanning.com/Portals/2/County/Planning/housing/Measure_J/Affordable%20Housing%20Guidelines%202022.pdf

38. City of Salinas Staff Report, "An Ordinance Amending Chapter 9 Of The Salinas Municipal Code (Building) To Modify The Timing Of Payment Of Development Impact Fees From Building Permit Issuance To Certificate Of Occupancy For Residential Projects," (November 6, 2018), available at <https://salinas.legistar.com/View.ashx?M=F&ID=6713253&GUID=27AA9C2B-4A63-4894-9C1A-33A6BDCF1054>
39. "Unified Fee Schedule" [Select "Planning" from drop-down menu] County of Santa Cruz, (accessed on November 4, 2022), available at <http://unifiedfeeschedule.co.santa-cruz.ca.us/index.html>
40. City of Watsonville, Resolution in Support of Senate Bill 5 (June, 18, 2019), available at <https://www.cityofwatsonville.org/DocumentCenter/View/12219/Item-5K-SB-5-Support-of-Affordable-Housing-Comm-Dev---Resolution-85-19>
41. "Public Lands for Affordable Housing Development | California Department of Housing and Community Development." California Department of Housing and Community Development, <https://www.hcd.ca.gov/planning-and-community-development/public-lands-affordable-housing-development>. Accessed 15 June 2023.
42. "AB 1486." California Legislative Information, https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1486. Accessed June 15, 2023.
43. Center for Cities + Schools, cityLAB, and Turner Center for Housing Innovation. (2022). Education Workforce Housing in California: Developing the 21st Century Public School Campus. Berkeley and Los Angeles: University of California. available at <https://www.csba.org/-/media/CSBA/Files/GovernanceResources/Report--Education-Workforce-Housing-in-CaliforniaCCS-cityLAB-Turner-Center2022-1.ashx>
44. Salinas Valley Tribune, "Soledad voters to decide on \$13.7 million school bond measure in November election," (July 16, 2020), available at <https://salinasvalleytribune.com/soledad-voters-to-decide-on-13-7-million-school-bond-measure-in-november-election/>
45. Monterey Herald, "MPUSD board votes against putting teacher housing bond on ballot," (July 31, 2021), available at <https://www.montereyherald.com/2020/07/29/mpusd-board-votes-against-putting-teacher-housing-bond-on-ballot/>
46. KSBW Action News 8, "MPUSD board votes against putting teacher housing bond on ballot," (April 6, 2022), available at <https://www.ksbw.com/article/monterey-county-school-districts-move-to-build-teacher-housing/39643669#>

47. UCSC Student Housing West, Documents and Meetings, (March 2019), available at <https://ucscstudenthousingwest.org/information/documentsmeetings/>
48. Lookout Santa Cruz, "A plan for 300 on-campus beds for Cabrillo College students? Here's how that is taking shape," (March 21, 2022), available at <https://lookout.co/santacruz/education/higher-ed/story/2022-03-21/cabrillo-college-on-campus-housing-plan-uc-santa-cruz>
49. Monterey County Weekly, "A zoning change in Salinas could move affordable teacher housing forward." (April 21, 2022), available at https://www.montereycountyweekly.com/news/local_news/a-zoning-change-in-salinas-could-move-affordable-teacher-housing-forward/article_fe7522f8-c0f8-11ec-a409-93fbc2ab8f0f.html
50. Cooke, Karl. "Salinas Union High School District getting closer to opening of workforce housing project - KION546." KION, 11 April 2023, <https://kion546.com/top-stories/2023/04/11/salinas-union-high-school-district-getting-closer-to-opening-of-workforce-housing-project/>. Accessed June 15, 2023.
51. Zielinski, Alex. "Portland crafted a building code aimed at walkable, green neighborhoods. Developers say it's part of the housing crisis." Oregon Public Broadcasting, April 14, 2023, <https://www.opb.org/article/2023/04/14/oregon-housing-production-portland-neighborhoods-building-codes-developers/>. Accessed June 15, 2023.
52. City of Santa Cruz, Financial Feasibility Analysis (September 1, 2022), available at <https://www.cityofsantacruz.com/home/showpublisheddocument/70961/636644096378230000>

This page intentionally left blank