

EXHIBIT 2

ANNUAL HOUSING ELEMENT PROGRESS REPORT

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction MONTEREY COUNTY
Reporting Period 01/01/2014 - 12/31/2014

Pursuant to GC 65400 local governments must provide by April 1 of each year the annual report for the previous calendar year to the legislative body, the Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD). By checking the "Final" button and clicking the "Submit" button, you have submitted the housing portion of your annual report to HCD only. Once finalized, the report will no longer be available for editing.

The report must be printed and submitted along with your general plan report directly to OPR at the address listed below:

Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

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Table A

Annual Building Activity Report Summary - New Construction
 Very Low-, Low-, and Mixed-Income Multifamily Projects

1 Project Identifier (may be APN No., project name or address)	2 Unit Category	3 Tenure R= Renter O= Owner	4 Affordability by Household Incomes			5 Total Units per Project	5a Est. # Infill Units*	6 Housing with Financial Assistance and/or Deed Restrictions		8 Housing without Financial Assistance or Deed Restrictions
			Very Low- Income	Low- Income	Moderate- Income			Above Moderate- Income	Assistance Programs for Each Development	
Prior Years 1-4	SF	Owner	290	344	275	2818	0	Joe Serna Jr Farmworker Housing Program, Multifamily Housing Program - HCD, Community Development Grant, Qualified Residential Rental Project -	Inc	

*Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.

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**Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				TOTAL UNITS	(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low Income	Very Low Income	Low Income			
(1) Rehabilitation Activity	0	0	0	0	0	
(2) Preservation of Units At-Risk	0	0	0	0	0	
(3) Acquisition of Units	0	0	0	0	0	
(5) Total Units by Income	0	0	0	0	0	

* Note: This field is voluntary

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Table A3
Annual building Activity Report Summary for Above Moderate-Income Units
(not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	126	0	0	3	5	134	0

* Note: This field is voluntary

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Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Objective	Timeframe in H.E.	Status of Program Implementation
<p>Name of Program</p> <p>Adequate Sites for RHNA (H-3.c)</p>	<p>Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.</p> <p>As part of the comprehensive General Plan update and with future and Community and Specific Plans, ensure that an adequate inventory of vacant and underutilized residential and mixed use sites is available to accommodate the County's remaining and future RHNA. Monitor the sites inventory annually to assess the County's continued ability to facilitate a range of residential housing types. Provide inventory of vacant and underutilized sites and promote lot consolidation opportunities to interested developers throughout the planning period. Upon adoption of the General Plan update, pursue adoption of the Affordable Housing Overlay in 2011-2012.</p>	<p>on going and 2012</p>	<p>The County has a remaining RHNA of 77 units. The first phase of the for-sale component of the East Garrison Project began construction in 2013. The 19 moderate-income for sale inclusionary town-houses are expected to begin construction in 2015. The 2010 General Plan has been implemented and includes zoning code amendments such as the Affordable Housing Overlay.</p>
<p>Zoning Ordinances and Permit Processing H-4.a)</p>	<p>Remove governmental constraints on the</p>	<p>2011</p>	<p>The ordinances were adopted by the Board of Supervisors in May of 2011.</p>

	provision of housing in Monterey County by amending the Zoning Ordinances within one year of adoption of the Housing Element.			
Fair Housing (H-5.a)	Include information on County's website and develop written material as needed within one year of adoption of the Housing Element.	2011	The website update was completed in 2011. Fair housing efforts have also been supplemented with ongoing HUD CDBG funding since July 2013.	
Rehabilitation Program (H-1.a)	Rehabilitate an average of five owner-occupied lower-income units and 20 renter-occupied lower income units annually. Work to achieve 10% of the rental units to extremely low income households. Include information on County's website and develop written material to advertise the program within one year of adoption of the Housing Element.	Annually	During 2014, the County continued its assistance to a non-profit for the rehabilitation of the Camphora Farm Labor Camp that currently houses 44 very low income farmworkers families (29 of which are extremely low) totaling 174 people. County-provided State CDBG funding previously was used to pay down the Seller Acquisition Note. In 2014, funding was also used to complete onsite water storage and distribution system improvements. In 2011, the County was awarded \$1,284,794 in NSP-3 funding for the rehabilitation of foreclosed houses to be sold to non-profits for use as special needs housing and assistance for a 21 unit supportive housing project in Marina. Two houses were acquired in 2012 and construction financing was provided to the supportive housing project in 2013. The new project was completed in November of 2014.	
Non-Profit Housing Assistance Programs (H-5.b)	Continue to support non-profit housing development and market the availability of the County to provide assistance via Homeshare Program, Eviction Prevention, and Rental Assistance, annually.	Ongoing	The County collaborates with and refers people to the Housing Resource Center for assistance in regard to eviction, foreclosure, and rental assistance. The County also works closely with non-profit housing providers by providing technical assistance and assisting in the identification of funding. The County also provides funding to two non-profits to assist with fair housing efforts.	
Mobile Home Park Preservation (H-1.b)	Preserve 3,169 existing mobile homes. Maintain contact with property owners and monitor status of mobile home parks. When feasible, work with tenants to preserve parks by providing technical assistance and assisting in funding applications. Conduct survey of existing mobile home park residents and owners and determine the feasibility of establishing a mobile home rent stabilization program in 2010-2011.	on going and 2011	In 2010, the County prepared an analysis on a potential mobile home rent stabilization program. It was concluded that this program would not be feasible to implement.	
Preservation of Existing Affordable Units (H-1.c)	Preserve 11 at-risk very low income affordable housing units.	on going	See H-1a above pertaining to the Camphora Farm Labor Camp. 44 units of existing affordable housing is being preserved. The County also approved federal CDBG funds to rehabilitate an 11 unit affordable housing project in	

<p>Tenant Relocation and Homeless Assistance (TRHA) Program (aka "Soft Landing") (H-1.d)</p>	<p>Adopt the program in 2009. Refer 100 households for assistance annually (including 10 extremely low income households.) Expand inventory of relocation housing units to 50 by 2014.</p>	<p>2009 and annually</p>	<p>Castroville that is in need of rehabilitation and is at risk of being lost as affordable housing.</p> <p>In 2009, the County was awarded an HPRP grant of \$1.6 million which was aimed at preventing homelessness. Part of the funding was reserved for housing tenants who were displaced due to County code enforcement actions. The program funding ended in the summer of 2012. The County Redevelopment Agency (RDA) reserved nine units at the Kentis Court Swing Housing Facility in Pajaro to provide temporary housing. The facility has now transferred to the County as the Housing Successor Agency to the RDA. To date, two families have been assisted with temporary housing related to code enforcement activities.</p>
<p>Foreclosure and Credit Counseling (H-1.e)</p>	<p>Provide foreclosure prevention and credit counseling services to 150 homeowners annually. Assist 29 lower and moderate income households to purchase homes through the NSP program.</p>	<p>annually and on-going</p>	<p>In 2008, the County was awarded a CDBG grant to provide foreclosure counseling. This program ended in 2012. A total of 400 persons were assisted of which 287 were low income and 113 were moderate income households. Households were also assisted with credit counseling through the NSP Program.</p>
<p>Energy Conservation (H-1.f)</p>	<p>Reduce energy consumption and carbon emissions throughout the planning period.</p>	<p>on going</p>	<p>The County is undertaking a number of energy conservation related initiatives. In 2009, the County received funding in the form of an Energy Efficiency and Conservation Block Grant (EECBG) to prepare green ordinances and energy efficiency policies, a Greenhouse Gas Inventory and Tracking System and a public energy efficiency education program. In 2013, the County adopted a Green Building Ordinance and the Municipal Climate Action Plan (MCAP). The County has also initiated a County-wide Sustainability Program to align the various initiatives to achieve energy reductions and access available programs and funding. A part of that effort is the development of a Community Climate Action Plan and continuing participation in a regional feasibility study related to Community Choice Aggregate which continued in 2014. Additionally, the County awarded HUD CDBG funding for installation of solar energy systems on 7 houses owned by low income families in October of 2014.</p>
<p>Green Building Initiative (H-1.g)</p>	<p>Provide educational materials to prospective developers and develop recommendations for incorporating "green" practices by end of 2011.</p>	<p>on going</p>	<p>Educational materials were prepared, a Green Building Ordinance was adopted, and a County-wide Sustainability Program has been developed, including a website and public information materials related to available programs and funding, see H-1.f above.</p>
<p>Affordable Housing Project Assistance (H-2.a)</p>	<p>Assist 50 lower and moderate income rental housing units annually.</p>	<p>Annually</p>	<p>During 2012, the Housing Office assisted the Sea Gardens Apartment Project (formerly Axtell) to complete pre-development and start construction on 58 affordable apartments. The County RDA previously provided \$2,300,000 to the project. In addition, the RDA previously provided \$300,000 in funding to a non-profit to acquire and rehabilitate 44 rental units at the Camphora Farm Labor Camp.</p>

			<p>The County assisted with the land use entitlement process, provided technical assistance in regard to financing the project, and secured \$959,580 of State CDBG funding for the project.</p> <p>The County assisted MidPen Housing in securing a \$10 million NSP1-3 grant from the State for a 66 unit affordable rental project on the former Fort Ord (Manzanita Court) which is the first phase of affordable housing required for the East Garrison Project. Construction was completed in the summer of 2013 and the project was fully occupied by early fall.</p> <p>In 2014, the County awarded \$161,503 of HUD CDBG funding to MidPen Housing to preserve the 11 unit Geil Street Apartments in Castroville. Funds will assist with acquisition and rehabilitation of the project.</p>
Farmworkers and Agricultural Employees Housing (H-2.b)	Assist employers to provide 10 lower income farmworker housing units annually.	Annually	See H-1a above pertaining to the Camphora Farm Labor Camp.
Extremely Low Income and Special Needs Individuals and Households (H-2.c)	Assist 10 extremely low income individuals and households in new or expanded residential care facilities, emergency shelters, transitional housing, supportive housing, or SRO facilities annually.	Annually	<p>In 2010, the County assisted the Sunflower Gardens Supportive Housing Project which serves 23 very low income adults with mental disabilities, as well as the 200-unit Pacific Meadows Senior Housing project. In 2011, the County received \$1,284,794 of funding through the NSP-3 program of which \$325,000 was used in 2013 to assist Interim's Rockrose Garden Project supportive housing project. The funding was increased to a total of \$739,826 in 2014. The County also provided \$932,645 in state funding from California Proposition 63, the State Mental Health Services Act program to the Rockrose Garden Project. Construction began in August of 2013 and the project was completed in November of 2014. The project provides 20 units of supportive housing for very low and extremely low income adults with psychiatric disabilities. NSP-3 also funded the purchase of two foreclosed units that were sold to non-profits for use by very low and extremely low income special needs individuals.</p>
Housing Resource Center (HRC) (H-2.d)	Provide financial and as-needed technical assistance to HRC related to implementing the County's affordable housing programs and promote the center's services.	On going	<p>Since 2004, the County has provided support to the HRC. In 2013, the County provided specific funding to provide homebuyer education and homebuyer qualification for the NSP-1 and First Time Homebuyer programs.</p>
Down payment Assistance (DPA) Program (H-2.e)	Assist 29 households through the NSP program in 2010/2011. Assist three to five first-time homebuyers annually with RDA funding or new grants. Ongoing implementation throughout the planning period.	2011 and on going	<p>The County has provided Down Payment Assistance (DPA) to XX household through the NSP-1 Program and 2 households through its First Time Homebuyer (FTHB) program using State HOME Program Income. In 2014, the County provided FTHB loans to an additional XX households with State HOME Program Income.</p>
Section 8 Housing Choice Vouchers (H-2.f)	Support Housing Authority of Monterey County efforts to provide vouchers to	On going	<p>The County continues to support the Section 8 Program by referring inquiries to the Housing Authority.</p>

	very-low income individuals and families annually.	Annually	
Inclusionary Housing (H-2.g)	Facilitate the development of 10 affordable and workforce housing units annually.	Annually	<p>The County continues to implement the Inclusionary Housing Program and analyze new development applications to ensure that they are conditioned to supply affordable units as appropriate. In 2012, the Pebble Beach project was approved. This project requires at least 18 Inclusionary units or a \$5 million in-lieu fee to be used to develop at least 18 Inclusionary units at an off site location. The developer has identified a site for 24 units and is in entitlement process. The 66-unit Manzanita Place project located on the former Fort Ord provides 65 units toward compliance of East Garrison's inclusionary requirement for very low and low income rental housing. Construction of the project was completed in the summer of 2013. The first phase of the for sale component of the East Garrison Project began construction in 2013. This phase includes 19 moderate income Inclusionary townhouse units and 47 workforce for sale houses which are expected to be built in 2015. The Ferrini Ranch project was approved for entitlements in December of 2013 and will include 25 units of moderate income single family housing as well as an In Lieu fee of \$4,015,250.</p>
Disaster Rental Assistance Grants (H-2.h)	Provide rental assistance to lower income households impacted by disasters.	On going	<p>In 2008, the County was awarded a CDBG Freeze Grant to respond to a disaster which affected numerous farmworker families. The program provided rental assistance in partnership with HRC. Although this grant is closed, the program could be reinitiated in the event of another disaster.</p>
Housing Policy and Allocation Procedures Manual (H-2.i)	Update the Manual by early 2010.	2010	<p>On October 22, 2009 the County adopted a new Housing Policy and Allocation Manual.</p>
Infrastructure Coordination and Development (H-3.a)	Coordinate infrastructure and public facility improvements and service delivery to facilitate the development of housing in Monterey County.	on going	<p>Previously, the RDA funded a comprehensive program to upgrade the storm drain system and streets in the community of Boronda. Due to the elimination of the RDA on February 1, 2012, the final phase (Phase 4) was put on hold pending identification of an alternative funding source. During 2013, the County began the feasibility/ planning stage for the Boronda Wastewater System in regard to identifying potential upgrades to pump stations. The County also began invest-gating potential funding sources for the project. In addition, the County continued its efforts to assist the community of San Lucas to replace their existing water well to supply safe drinking water for the existing community and allow a 33-unit affordable housing project to move forward. In 2013, the County was awarded a Proposition 84 Safe Drinking Water grant to provide initial funding for a feasibility study, construction engineering and environmental clearance activities. The draft feasibility project was completed in 2014, and it identified possible future sources of water supply. In 2013, the County approved \$200,000 of HUD CDBG funding to make improvements to the Chualar community wastewater system. The project started construction in 2014 with completion anticipated in January of 2015.</p>

<p>Community and Specific Plans (H-3.b)</p>	<p>Adopt entire Castroville Community Plan in 2011. Pursue the General Development Plan for the Cypress Opportunity Area in Castroville Community Plan in 2010-2011. Pursue adoption of the Boronda Community Plan in 2010. Continue to work with the developers of East Garrison and Butterfly Village to implement Specific Plans throughout the planning period. Begin planning process for development of Community Plans for the Pajaro, Chualar, and Moss Landing Community areas prior to 2014.</p>	<p>2011 and on going</p>	<p>Additionally, in 2013, the County approved \$89,221 of HUD CDBG funding to assist two very low income families who are in danger of losing their water source to annex to the Aromas Water District. The project began construction in late 2014.</p>
			<p>The Castroville Community Plan (non-coastal area portion) was adopted in 2007. A local coastal plan amendment required by the California Coastal Commission (CCC) was submitted but subsequently withdrawn due to lack of support from CCC staff. The County is not pursuing another application at this time.</p> <p>During 2011, a revised draft Boronda Community Plan and draft EIR were completed but put on hold due to the elimination of the RDA. The County has initiated discussions with the City of Salinas to annex the undeveloped area located in South Boronda.</p> <p>The County continues to work with the new owners/developers of the East Garrison Project on implementation. First phase public improvements and the first phase affordable rental housing are complete. The first phase of the for-sale housing is underway. Building permits were pulled for 147 homes and 99 have been completed. The Phase 2 improvement plans are being finalized and construction on Phase 2 is expected to begin in 2015.</p> <p>The County has prepared a draft of the Moss Landing Community Plan as part of the General Plan Implementation Program and processing of it is proceeding. A revised draft of the Community Plan based upon the Administrative Draft EIR was produced in July of 2014 and a community workshop was held the same month. The plan is now being redrafted to respond to the comments.</p> <p>The preparation of the Pajaro Community Plan is on hold pending resolution of flood control issues.</p>

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General Comments: