



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

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Matter Type: General Agenda Item

- a. Receive a report from the Economic Development Department on the affordable housing pipeline in Monterey County

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report from the Economic Development Department on the affordable housing pipeline in Monterey County.

SUMMARY:

It is widely known and accepted that there is a State-wide housing crisis, including a shortage of affordable housing in Monterey County. The housing crisis arises in connection with both the affordability of housing and the supply of single and multi-family housing units. In response, the Board of Supervisors requested a report on the housing pipeline in the county in order to assess the severity of the situation and plan next steps to address it. A regional approach to the issue is planned by the County in partnership with other jurisdictions and affordable housing developers.

DISCUSSION:

During the Board's deliberations on the Moro Cojo project on December 8th, the Board requested staff to report back in regard to the affordable housing pipeline for the next five years. County staff contacted a number of local jurisdictions and six affordable housing developers to determine what affordable housing availability will be over the next five years. The cities of Gonzales, Greenfield, Marina, Salinas, and Soledad responded to these inquiries, as well the following affordable housing developers: CHISPA, Eden, Interim, Monterey County Housing Authority Development Corporation, and MidPen Housing.

Based only on survey results, which do not include all jurisdictions, it is projected that there will be 1,089 affordable units produced within the next five years, with an additional 309 affordable units produced thereafter, for a total of 1,308 projected affordable units. Of these, 289 (22%) will be situated in East Garrison. The projected production breakdown by year is as follows:

<u>YEAR</u>	<u># UNITS</u>	<u>%</u>
2016	270	20.6
2017	142	10.9
2018	270	20.6
2019	142	10.9
2020	265	20.3
2020+	309	23.6

It should be noted that production is highly susceptible to delay based upon economic conditions and the availability of financing from all sources (federal, State, County, and private).

In regard to individual jurisdictions:

While Gonzales has one 610 lot subdivision that was approved in 2011, it has not yet been purchased by a developer and does not include any affordable housing. The City estimates that it may be 1 ½ to 2 years before ground is broken. Gonzales reports that two to three additional subdivision proposals may also be submitted over the next three years.

Greenfield has 79 units that will be developed by a private non-profit developer and 26 that will be developed by CHISPA.

Soledad has two subdivisions and one multi-family development that are fully entitled but have no affordability restrictions. Additionally, Soledad has two multi-family projects in the planning stages.

Marina has 94 affordable units plus 14 affordable beds that are expected to be completed in 2018-2020. They are proposed by Interim, CHISPA, and a private developer.

Salinas has one inclusionary project of 17 affordable units in the pipeline, the Housing Authority has two phases of a project with 98 units, and MidPen has 88 units for a total of 184 units in the pipeline.

The preponderance of affordable units will become available through the County's Inclusionary Housing Program. Over the next five years, over 400 units of single and multi-family affordable housing are anticipated. Of these, more than half will be produced by the East Garrison project. Thereafter, over 245 units of single family affordable housing have been identified and are anticipated.

In regard to non-profits, the statistics for their affordable housing pipelines follow. Most all are dependent upon state and federal loans and grants as well as tax credits. Competition for these limited funds may easily push out the projects for one or more years.

CHISPA has seven projects in the pipeline totaling 309 affordable units. Two are located in Greenfield, one in Marina, and the rest in unincorporated areas of the County.

Eden has no projects in the pipeline at this point in time. They are largely focused on rehabilitation of the South County Housing portfolio which they took over two years ago.

Interim has one project which will produce 14 beds for individuals with a dual diagnosis (mental illness and substance abuse problems).

The Monterey County Housing Authority Development Corporation has three projects that will total 106 affordable units. In addition, it expects to acquire 500 existing units this spring, which will preserve their affordability. Finally, it plans on demolishing 136 older units in the next two years and constructing new, replacement affordable units.

MidPen Housing has two projects totaling 106 affordable units, comprised of senior and permanent supportive housing for very low and extremely low households.

The loss of redevelopment funds cannot be understated. Its impact is just starting to be seen as projects in the pipeline before the shutdown of the State Redevelopment funding have recently been completed since then. This is definitely a drought of another kind and one that will not be reversed in the future. It will be incumbent upon the county to both partner with other jurisdictions and also to act alone to seek alternative, creative ways to address the affordable housing crisis.

The County will need to assess its current programs (Inclusionary, First Time Homebuyer, and Urban County) to see how they may be enhanced to make a greater impact on the housing crisis. Part of this assessment should be to prioritize different levels of affordability as well as the type of housing (single versus multi-family). It is also important to not lose sight of the overall need for housing, specifically market rate housing, which addresses the supply imbalance.

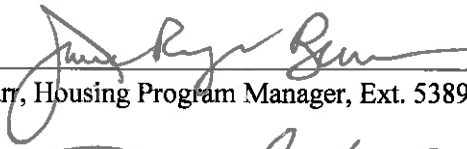
OTHER AGENCY INVOLVMENT

Other Monterey County jurisdictions provided information for this report.

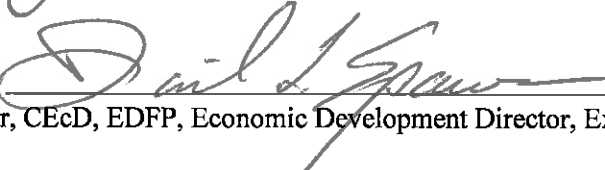
FINANCING:

There is no impact on the General Fund.

Prepared by:


Jane Royer Barr, Housing Program Manager, Ext. 5389

Approved by:


David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

Attachments:

Affordable Housing Pipeline Statistics
(Attachments are on file with the Clerk of the Board)