

# Attachment A

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ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

**Background**

The first public draft Sixth Cycle Housing Element Update (HEU6) was circulated for a 30-day public review period starting May 6, 2024, and ending June 11, 2024. During this time staff brought the draft HEU6 before the Planning Commission (“Commission”) on May 15, 2024 and June 5, 2024, then before the Board on June 11, 2024. Based on public input and direction provided by the Planning Commission and Board of Supervisors, staff updated the draft HEU6 and made it available to the public for seven days from August 12, 2024 to August 19, 2024.

On August 19, 2024, the draft HEU6 was submitted to CA HCD for its first 90-day review. That draft provides for development of 1,564 Extremely Low-/Very Low-Income units, 1,065 Low-Income units, 748 Moderate-Income units, and 1,229 Above Moderate-Income units for a total of 4,606 units, excluding the pipeline projects. On November 18, 2024, CA HCD provided a letter to HCD staff describing the results of their review of the County’s draft Housing Element update (**Attachment B**). The CA HCD letter indicates that the County’s draft HEU6 addresses many statutory requirements; however, revisions to the draft are necessary to substantially comply with State Housing Element Law (Gov. Code § 65580 *et seq.*).

**CA HCD Findings**

The findings in the November 18, 2024 letter call on the County to further demonstrate and substantiate the potential for residential development on the opportunity sites according to the assumptions made in the draft HEU6. Findings also relate to Affirmatively Furthering Fair Housing (“AFFH”), as well as land use controls as a constraint to housing, certain proposed housing programs, and quantified objectives for rehabilitation and conservation of housing. County staff met with our CA HCD reviewers on December 6, 2024, to discuss the letter and ask questions about necessary revisions. Since that time, County HCD staff have addressed many of the State’s findings, including providing additional spatial analysis, identifying patterns and trends in a geographic context, and providing clear connections between constraints unique to each opportunity site, fair housing issues and existing efforts to address these issues. A further component of the County’s response includes tentative schedules for development on publicly owned opportunity sites and clarification and amplification of programs in the Housing Plan (Chapter 8) that augment and/or strengthen actions to achieve the targets and goals set forth in the draft HEU6.

**Current Draft HEU6**

The County’s Regional Housing Needs Allocation (“RHNA”) is 3,326 units including 1,070 very low income, 700 low income, 420 moderate income, and 1,136 market rate housing units. The current draft HEU6 (dated August 19, 2024) plans to accommodate 6,362 new units in the unincorporated areas inclusive of already entitled or pending applications for housing development projects (“pipeline projects”), Accessory Dwelling Units (“ADUs”), and designation of new “housing opportunity sites.” (See **Attachment E**). Pipeline projects account for 1,754 total units with 257 very low, 215 low, 205 moderate, and 1,077 market rate units. After accounting for pipeline projects, the remaining RHNA units (inclusive of recommended buffer) are accommodated through designation of Housing Opportunity Sites. Housing Opportunity Sites are lands that will be designated to accommodate housing at densities of at least 20 units per acre. Housing Opportunity Sites

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

designate land that is capable of supporting an estimated 4,608 new housing units. In total, the Pipeline projects plus Housing Opportunity Sites plan for 6,362 units broken down by income category to include 1,826 very low-income units, 1,286 low-income units, 946 moderate income units and 2,304 market rate units. The plan exceeds RHNA by a total of 3,036 units and provides a “buffer” of 71% in the very low-income category and 84% in the low-income category. CA HCD recommends a 15-30% buffer for very low and low-income categories.

**Impact of CA HCD Findings on the Draft HEU6**

Many of the comments provided by CA HCD request a more detailed analysis and clearer ties between the detailed analysis and programs and policies that are tailored from the analysis. County staff have been gathering and reviewing data that will be reflected in an updated draft Housing Element. Many of the updates will be reflected in additional text and tables (the analysis) and updated or added policies and programs. Below is a summary of the comments and staff analysis of the comments following the organization of comments in the CA HCD letter (**Attachment B**),

*AFFH (Comment A.1):*

The first topic in the CA HCD letter deals with AFFH. County staff and the consulting team at Harris have reviewed the comments and are working on edits to incorporate in the next draft. During the December 6 meeting with the HEU6 team, the state reviewers strongly recommended improving the AFFH analysis by incorporating a regional trend analysis with a directional geographic approach (North, South, East, West). Given the shape and geography of the County, a strict directional approach is not practical. The County settled on the approach of grouping County planning areas (CPAs) into six regional areas.

Regional Areas

- North Monterey County – North County Area Plan (Inland), North County Land Use Plan (Coastal), Castroville Community Plan (Inland), Moss Landing Community Plan (Coastal).
- Monterey Peninsula – Carmel Area Land Use Plan, Del Monte Forest Land Use Plan.
- Salinas Valley – Greater Salinas Area Plan, Central Salinas Valley Area Plan.
- Inland Monterey Areas – Greater Monterey Peninsula Area Plan, Fort Ord Master Plan, Toro Area Plan, Carmel Valley Master Plan, Carmel Valley Village Community Plan, Cachagua Area Plan.
- South Monterey County – South County Area Plan.
- Coastal Areas – Big Sur Coast Land Use Plan (North, Central, South).

Each region will be analyzed to identify regional trends and patterns by incorporating local data and knowledge as provided to staff by a state reviewer in the May 2024 guidance document, “Affirmatively Furthering Fair Housing: A Guide for Incorporating Local Data and Knowledge” The County’s process for regional grouping in taking a Regional Trend Approach for AFFH analysis was confirmed by the state reviewers on December 20, 2025, to work as an alternative to using

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

directional geographic categories. Policies and Actions will be revised or newly developed in the Chapter 8 Housing Plan as appropriate to respond to trends and patterns made evident within the additional analysis.

*Sites Inventory (Comment A.2):*

In addition to edits that respond to requests for more detailed analysis on AFFH and making corresponding updates to programs and policies that address these updated analyses, there were comments in the CA HCD letter that may necessitate changes to the current HEU6 draft with respect to how the draft accommodates the County’s RHNA plus a mandatory buffer. Those comments fall primarily under item 2 beginning on page 3 of the CA HCD letter. Most significant are the comments on Large Sites and Suitability of Nonvacant Sites.

Large sites:

*“Sites larger than ten acres in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. To address this requirement, the element discusses several recent developments, including units affordable to lower-income households, on large sites. However, these recent trends do not appear to match assumptions on identified sites. For example, most recent developments include an affordability component of 20 percent or less.*

*Conversely, the affordability component on most identified sites is greater than 50 percent. The element should either justify utilizing a higher affordability component or rescale affordability assumptions on identified sites similar to recent trends (e.g., 20 percent or less). For example, for sites where the planned development area (using only a portion of an underutilized site) is less than ten acres, the element could discuss some recent trends on underutilized portions of sites with higher affordability. For larger sites (greater than 20 acres), the element could discuss the opportunity for parceling at appropriate sizes and how higher affordability will be facilitated. Based on the outcomes of this analysis, the element should add or modify programs to establish incentives to promote parceling at appropriate sizes and affordability to lower-income households.”*

In the current draft housing element, the County identified 12 large sites (over 10 acres) with varying affordability assumptions depending on site type with a capacity for 2,988 units—1,822 very low and low, 510 moderate, and 656 above moderate. The number of units on these sites ranges from 37 to 932. See Large Sites table below and attached as **Attachment I:**

**ATTACHMENT A**  
**Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates**

Site #	Land Use	Vacant?	Area (AC)	Developable Area (AC)	TCAC Amenities Score	Developed Area?	Developer Interest	Realistic Cap.	Adj. Factor	VL	L	M	AM	Tot (Net)	Unit Breakdown Assumption
31	School/University(Fort Ord Master Plan)	Yes	13.04	13.04	6	No	Y	0.5	100%	20	20	28	63	131	AB 2295
46	Public/Quasi-Public	No	19.59	9.19	12	No	Y	0.5	100%	14	14	19	45	92	AB 2295
47	Open Space Recreation(Fort Ord Master Plan)	No	98.40	98.40	20	Yes	Y	100%	100%	9	9	13	29	60	AB 2295
7	Planned Development Mixed Use District (Fort Ord Master Plan)	Yes	279.56	279.56	4	No	Y	0.5	33%	419	280	186	47	932	SB4
53	City Limits	Yes	47.52	47.52	0	No	N	0.5	100%	214	143	95	24	476	SB4
4	Public/Quasi-Public	No	12.24	2.67	8	No	Y	0.5	100%	12	8	5	2	27	SB4
48	Residential - Medium Density 1 - 4 Units/Acre (Special Treatment Area)	No	17.10	3.75	0	No	N	0.5	100%	2	2	3	30	37	IHO
1	Farmland	No	95.31	45.45	12	No	Y	0.5	100%	146	96	59	154	455	RHNA
40	Residential - Rural Density 5 Acres+/Unit	Yes	26.78	26.78	24	Yes	N	0.8	100%	137	90	56	146	429	RHNA
24	Mixed Use	No	31.53	14.59	8	No	Y	0.5	100%	47	31	19	49	146	RHNA
44	Commercial	No	14.52	8.50	15	Yes	N	0.8	100%	44	29	18	45	136	RHNA
2	Farmland	No	10.68	6.70	11	No	N	0.5	100%	22	14	9	22	67	RHNA
										<b>Total</b>	<b>1,086</b>	<b>736</b>	<b>510</b>	<b>656</b>	<b>2,988</b>

Of these sites, as notated in the far right column in the Large Sites table above (“Unit Breakdown Assumptions”), three sites (Sites 31, 46, and 47) are owned by a local educational agency and hence, Assembly Bill 2295 was used to determine distribution of affordable and market rate units on these properties; three sites (Sites 7, 53, and 4) are owned by higher education institutions or religious sites and hence, Senate Bill 4 assumptions were used to determine distribution of affordable and market rate units on these properties; one site (Site 48) is in the Coastal Zone and has a unit distribution based on the Inclusionary Housing Ordinance distribution (20% affordable); and five sites (Sites 1, 2, 24, 40, and 44) are privately owned and have a unit distribution based on our RHNA allocation (approximately 66% affordable).

Staff discussed the findings on large sites with CA HCD staff and based on that discussion, the HEU6 team conducted additional research and compiled additional evidence in support of our current proposal. After gathering and reviewing the additional information, staff believe that the current draft HEU6 unit breakdowns for most of the large sites can be justified. Generally, educational and religious site unit assumptions are justified in relying on adopted state law (Sites 31, 46, 47, 7, 53, and 4); however, based on local and regional examples of approved projects, evidence suggests there is high risk that large sites (educational and religious institution-owned sites) with unit assumptions exceeding between 300-400 affordable units may be required to distribute the units to not exceed 400 affordable units (Sites 7 and 53). Of the six remaining large sites, evidence suggests, based on local and regional examples of approved projects, that unit assumptions for Sites 2, 40, and 44 can be justified as employer sponsored (sites 2 and 40) housing or infill housing near jobs and shopping (site 44). For the remaining two Sites 1 and 24 the unit count justification cannot rely on state law or local and regional examples supporting employee sponsored housing, indicating the risk that CA HCD may require the County reallocate the unit assumptions on these two sites align with the Inclusionary Housing Ordinance (20% affordable).

Given the risks, staff recommends reallocating unit assumptions on Sites 1 and 24 from a breakdown based on the County’s assigned RHNA to a breakdown based on the Inclusionary Housing Ordinance and reallocating unit assumptions on site 7 so that the total affordable units don’t exceed 400. By reallocating units in this way, the draft Housing Element will reduce the capacity assumption for affordable housing units, including most significantly very low income units, and increase units in the market rate category. Alternatively, staff can retain the existing unit assumptions and attempt to justify the assumptions with CA HCD and modify the results later if needed. **Attachment F** is a summary of the housing units by income category that would result if

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

the Board made the recommended changes to the HEU6 (not including adding new sites). Staff will present a breakdown of units representing staff’s recommendations and will be prepared to show how these and any other changes may affect the overall unit numbers at the hearing.

Suitability of Nonvacant Sites:

*“The element must include an analysis demonstrating the potential for additional development on nonvacant sites. No further analysis is necessary where property owners have expressed an interest in residential development in the planning period. Generally, to meet this requirement, the analysis should address several factors including the extent to which existing uses may constitute an impediment to additional residential development; past experience in converting existing uses to higher density residential development; the current market demand for the existing use and existing leases or other contracts or conditions that perpetuate the existing use. However, in almost all cases, the element identifies sites where undevelopable portions are vacant. For these sites, the element should discuss any recent trends, compare those trends to identified sites and describe any impediments to additional development such as leases, contracts or property conditions. For other sites, the element should add analysis as described above.”*

Five types of non-vacant sites have been identified as suitable for housing development: religious institution sites, school sites, sites with existing commercial or industrial uses, sites with existing residential uses, and row crop sites. The table below provides the breakdown of these sites:

<b>Type of Non-Vacant Sites</b>	<b># of Sites</b>	<b>Total # of Units</b>	<b># of Lower Income Units</b>	<b>% Lower Income RHNA</b>	<b># of Moderate Income Units</b>	<b># of Above Moderate Income Units</b>
Religious Institution	3	128	107	6%	19	2
School Sites	2	152	46	3%	32	74
Commercial and Industrial	10	461	229	13%	67	165
Existing Residential	14	503	277	16%	79	147
Row Crop	7	883	442	25%	112	329
<b>TOTAL</b>	<b>36</b>	<b>2,127</b>	<b>1,101</b>	<b>62%</b>	<b>309</b>	<b>717</b>

Of the 36 total non-vacant sites, developers or property owners have expressed interest in 14 of these sites or 39%. Staff have additional information and analysis that support the inclusion of the non-vacant sites as they are presented in the draft HEU6. Staff recommend that non-vacant sites remain as proposed in the current draft. Staff will provide CA HCD with additional justification showing local and regional examples of projects that have successfully redeveloped into housing (for example office building conversions on Garden Road in Monterey) as justification in support of the current proposal.

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

*Constraints to Housing (Comment A.3 and A.4); Special Housing Needs (A.5); and At-Risk Units (A.6):*

County staff and the consulting team at Harris have reviewed the comments and are working on edits to incorporate in the next draft. The results of the analysis will be included in updated policies and programs as needed.

*Policies and Programs (Comments under Section B):*

In Chapter 8 (Housing Plan) of the current draft Housing Element, there are 5 Goals and multiple policies and programs aimed at implementing those goals. The Goals include:

Goal 1 – Conserve, Preserve, and Improve the Existing Supply of Housing

Goal 2 – Assist in the Development of Housing

Goal 3 – Provide Adequate Sites for a Variety of Housing Types

Goal 4 – Remove Governmental Constraints

Goal 5 – Promote Housing Opportunities for All Persons

The CA HCD letter states “As noted in Finding A2, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the County may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.” The letter goes on to recommend a number of updates on specific topics and issues.

County staff and consultants have been gathering data and working on updates in response to comments on the Sites Inventory (noted in Finding A.2). These updates will be translated into additions or deletions to the housing Opportunity Sites to ensure that the plan is sufficient to accommodate RHNA for a variety of housing types. All constraints identified due to infrastructure and the environment will be addressed in updated policies and programs in Chapter 8 of the Housing Element.

*Quantified Objectives (Comments under Section C):*

CA HCD recommends the County expand quantified objectives for rehabilitation and conservation of existing housing units. County staff will update the Housing Plan to include updated targets for conserved or rehabilitated units in response to the state’s comments. Staff will provide an updated list of reasonable and quantifiable objectives for the number of units to targeted for conservation and rehabilitation in the planning period. These targets will be tied to programs that are coordinated with the Housing division within County HCD. It is the goal to conserve all existing affordable housing units in addition to creating new units.

*Public Participation (Comments under Section D):*

CA HCD recognized the County for making considerable efforts in public outreach and community engagement with instruction to employ additional methods in the future that include lower-income and special needs households. Staff will expand on the discussion of public comment themes from



ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

comments received prior to submitting the first draft to CA HCD and will clarify linkages to policies that flow from these comments. Staff is working with other County entities such as the Health Department's Environmental Health Bureau and its Planning, Evaluation and Policy Unit; Civil Rights Office; Office of Community Engagement and Strategic Advocacy; Department of Emergency Management; and Department of Social Services as a starting point to distribute notice of the workshop at the March 11, 2025, Board meeting. Staff requested that these County partners target lower income households and special needs households for distributing the notice. Staff will convene more targeted outreach efforts moving forward including through the Environmental Justice Advisory Committee created for preparation of the environmental justice element.

*General Plan Consistency (Comments under Section E):*

CA HCD recommends the County add discussion of how consistency with the General Plan will be achieved throughout the planning period or that the County include an internal consistency review as part of Program H-2.I (Annual Housing Element Reporting). Staff will prepare a list of General Plan revisions that are required for HEU6 implementation and include that list with the updated draft.

**Other Revisions**

Marina (Sites 7 and 53)

The draft HEU6 includes two large sites within or adjacent to the City of Marina. Site 7 is known as the "Blanco triangle" property, is owned by the University of California (UC) Santa Cruz, and is a satellite campus known as Monterey Bay Education, Science, and Technology Center (MBEST). Site 7 has a realistic capacity assumption of 932 units on approximately 280 acres. UCSC has submitted a letter indicating that they are willing and ready to work with the County to develop this Site 7 and to work with the County as plans unfold. The City of Marina has also provided letters in opposition to designating Site 7 as a Housing Opportunity Site and has offered to provide site 53, within City of Marina boundaries as an alternative housing Opportunity Site to Site 7. Site 53 is also owned by the UC Regents and has a realistic capacity assumption of 476 units on approximately 47.5 acres.

With Site 53 being a suggestion provided by the City of Marina as an alternative to Site 7, both sites cannot remain in the County's Housing Element. If Site 7 remains, the City would not negotiate RHNA sharing on the alternative site. This leaves the need to eliminate one or both of these sites from the draft HEU6.

Staff appreciates the offer from the City of Marina of an alternative Opportunity Site. County staff have considered this alternative but ultimately suggest that the Housing Element retain Site 7 and remove Site 53. Although Site 53 is located closer than Site 7 to services and facilities and promotes the desirable concept of city centered growth, the Site is within the boundaries of the City of Marina on the Former Fort Ord. A number of factors have been considered in coming to this recommendation, including the following:

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

- Agreements between the City, County and/or UCSC MBEST would be required for the County to count housing development on this site toward meeting the RHNA numbers in the unincorporated area.
- UC MBEST has expressed support for the inclusion of Site 7 in HEU6 and has a willingness to coordinate with the County to develop housing on this property.
- Concurrently, UC MBEST has stated that they have no plans to develop Site 53 because Site 53 is not contiguous with other lands owned by UC MBEST (unlike Site 7 which is across Blanco Road from property owned by UC MBEST near the Marina Airport)
- Site 53 is smaller than site 7 which means fewer units can be built on Site 53.
- Site 53 has some environmental constraints including underground plumes from the former Fort Ord Landfill site that contaminated the groundwater under the site location. The Site is one of several sites in Marina (**Attachment G**) that continue to undergo federal cleanup and monitoring of groundwater contamination of the 180/400 Aquifer.
- County allocation of limited water from the Fort Ord water allocations may be needed for development of either site.

With these factors in mind, staff recommend removing Site 53 and retaining Site 7 in the draft HEU6. Removing Site 53 (and/or site 7) will reduce the number of housing units, including lower income units, that the draft Housing Element accommodates.

**Airport Land Use Commission Recommendations (Attachments C and D)**

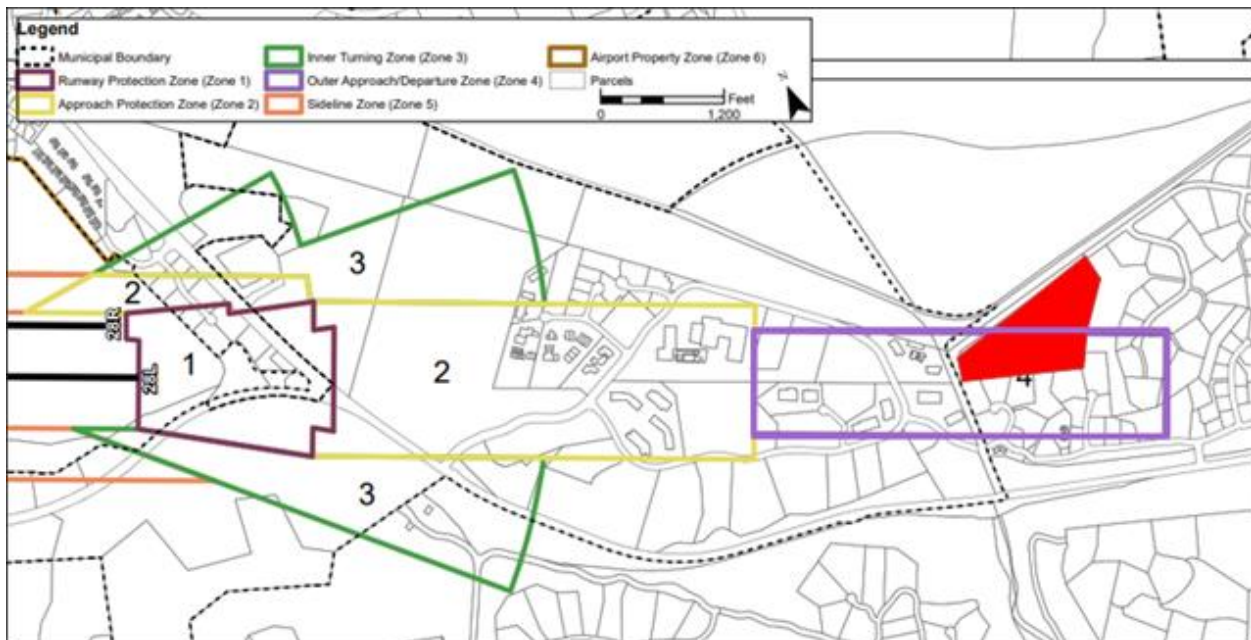
On January 13, 2025, the Airport Land Use Commission (“ALUC”) reviewed the proposed Housing Opportunity Site 7 (Blanco Triangle or UCMBEST) – A large site over 10 acres known as the UC MBEST site owned by the UC Regents, has proposed unit counts in the four income levels of 419 Very Low, 280 Low, 186 Moderate, and 47 Above Moderate.

- ALUC made findings of consistency subject to two conditions requiring that the Housing Element allow only the portion of the site referenced in the Marina ALUP that allows high-density residential development. The second condition is to amend County code as follows: 1) amend its Airport Approach Zoning (AAZ) regulations (Title 21, Chapter 21.86), or create a new Chapter, that applies to all properties with the Marina Municipal’s Airport Influence Area, incorporates the noise, airspace protection (including other flight hazards), and safety zone compatibility requirements of the 2019 Marina Municipal ALUP, establishes required conditions of approval and Appropriate Authority findings; and 2) rezone all properties within the Marina Municipal Airport Influence Area to include an AAZ overlay district.

Sites 46 and 47 (York School) – Boths large sites over 10 acres owned by York School and both non-vacant sites. Site 46 contains the existing York School and has a proposed unit count in the four income levels of 14 Very Low, 14 Low, 19 Moderate, and 45 Above Moderate. Site 47 is located across York Road and South Boundary Road from site 46. Site 47 is improved with a field and track and has a proposed unit count of 9 Very Low, 9 Low, 13 moderate, and 29 market rate units.

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

- The ALUC recommended that the Housing Element be revised to remove Sites 46 and 47 from the Sites Inventory due to conflicts with the Monterey Airport Land Use Compatibility Plan (“ALUCP”).
- York School has expressed a desire to build teacher housing on their campus (Site 46) and on an adjacent property (Site 47). Opportunity Site 46 is located within Safety Zone 7 and Safety Zone 4. York School’s main structures and facilities are located within Safety Zone 4. The northern portion of the site, containing two athletic fields, is within Safety Zone 7. Housing of more than 1 unit for every 2 acres and the intensification of any use that is non-conforming, as is the current school facility in Zone 4, is inconsistent with the ALUCP. Zone 4 of the ALUCP is illustrated by the purple rectangle below with the York School site 46 site shown in red.



The northern area of site 46 and all of site 47 (the polygon to the north of site 46) are located in Safety Zone 7 of the ALUCP. Safety Zone 7 does not restrict residential uses or density but does limit development that may be a flight hazard. Flight hazards in this case are subject to Title 14 Code of Federal Regulations (CFR) Part 77 horizontal surface, which has an elevation of 406 feet above mean sea level (AMSL). Accordingly, any terrain with an elevation greater than 406 feet AMSL would encroach into the Part 77 horizontal surface and could pose a threat or obstruction to airspace. Site 46 is lower in elevation than site 47 and the area of site 46 outside of Zone 4 does not seem to pose a direct conflict with the horizontal surface constraints. The majority of Opportunity Site 47’s terrain is within the “50-ft Terrain Penetration Buffer” which means that the property has elevations that are within 50 feet of 406 feet (ranging from 356 to 406 feet). Additionally, the eastern portion of site 47 has elevations that exceed 406 feet (ranging from 407 to 550 feet) and thus already penetrates the Part 77 horizontal surface. The western portion of site 47 does not penetrate the Part 77 horizontal

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

surface and could potentially be developed with restrictions on height. The figure below shows the western portion of the site (in red) that has a ground elevation that would cause flight hazards if developed with housing, the middle of the site (in yellow) where an allowable 35 foot height limit could create a flight hazard and the western portion of the site (in green) that is at a lower elevation and could potentially be developed with structures under the Part 77 horizontal surface restrictions. Given the potential hazards and noise from aircrafts, the ALUC recommended removing both sites in their entirety.



With the ALUC recommendation, the Board has two options.

Option 1: Remove sites 46 and 47 from the draft HEU6 as recommended by the ALUC; or

Option 2: Adopt findings to override the ALUC recommendation and keep one or both of the Housing Opportunity sites in the draft HEU6.

The County may overrule the ALUC's decision to remove the York School sites pursuant to Government Code Section 65302.3 and Public Utilities Code (PUC) Section 21676, if specific findings are made with a two-thirds vote. The Board must find that keeping the inventory site(s) meet:

1. The intent of Article 3.5 of the SAA (PUC Section 21676(a)),
2. The purpose of PUC section 21670 (protect public health, safety, and welfare by ensuring the orderly expansion of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports to the extent that these areas are not already devoted to incompatible uses); and

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

3. Other published case law.

The County must provide ALUC and Caltrans Division of Aeronautics with a copy of the proposed decision and findings at least 45 days prior to overruling the ALUC decision. The ALUC and the Caltrans Division may provide comments to the local agency governing body within 30 days of receiving the proposed decision and findings. The County must incorporate any comments provided by the ALUC and Caltrans Division of Aeronautics into the public record of the final decision to overrule the ALUC. Overruling the ALUC removes liability for damages to property or personal injury from the airport operator in the event of an aircraft accident and places it onto the County.

Staff recommends that the Board of Supervisors remove sites 46 and 47 from the draft HEU6 as recommended by the ALUC. Removing sites 46 and 47 will reduce the number of housing units, including lower income units, that the draft Housing Element accommodates. This does not preclude York School from pursuing a development on their site in the future. It would mean that York school is removed from the County's Housing Element as a Housing Opportunity Site. Alternatively, the Board may consider overriding findings that would allow residential development on sites 46 and/or 47. If the Board desires this approach, staff recommends limiting the housing opportunity sites to portions of site 46 or 47 that are not in Safety Zone 4 and would not penetrate Part 77 horizontal surface restrictions.

**Additional Correspondence**

Between August 19, 2024, and the drafting of this report, the County has received additional correspondence related to the HEU6 update.

*Chris Steinbruner (Owner of Site 1)* - Mr. Steinbruner is the owner of Site 1 in the current draft HEU6. Site 1 is a large, non-vacant (in agricultural use) site located on the northern boundary of the City of Salinas. In a letter dated November 1, 2024, Mr. Steinbruner requests that the County amend the unit capacity assumptions for Site 1 in the draft HEU6. The site is 95.31 acres in size and the current draft HEU6 assumes that about one half, or 45.45 acres, of this property would be developed with housing. Mr. Steinbruner suggests that the whole site can and should be developed, that development of only half the site is not feasible for both housing and agricultural uses, and that he intends to develop all 95 acres with an estimated density of 10 unit per acre. The letter is attached as **Attachment H** to this report for reference.

Staff are supportive of changing the developable acreage assumptions on Site 1 given the written developer interest that is more reliable than the assumptions previously made. The combination of increasing developable acreage while simultaneously decreasing the development density is not desirable or recommended. This exchange would not change the overall unit number in the current draft (double the acreage and half the density). It is desirable to make efficient use of land with higher densities, particularly where this involves the conversion of agricultural lands.

*Brad Slama (Owner of the Monterey Airport/Tarpey Flats site)* - Mr. Slama owns the property located at 1101 Olmsted Road, Monterey known as the Monterey Airport or Tarpey Flats site. The site included as a Housing Opportunity Site in prior drafts of HEU6 but was removed at the

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

recommendation of the Board of Supervisors and is not included in the August 2024 draft submitted to the state. The County has received a builder remedy application for the development of 100 units with 20 low income and 80 market rate units on this site. Mr. Slama's letter dated February 4, 2025, outlines the property owner's goal, contingent on the inclusion (or re-inclusion) of this site as a Housing Opportunity Site in the HEU6 update and allocation of water credits by the County, to develop a portion of the property (43 acres of the 120 acre site) at higher densities than the proposed builder remedy application. The letter is attached as **Attachment H** to this report for reference.

Staff are supportive of adding this site back in the Housing Element should the Board of Supervisors choose to consider this option. This site is in a high resource area and is designated in the 2010 General Plan as an "Affordable Housing Overlay" site. Although it is not the only option, re-inclusion of this site will provide greater flexibility for the County to address comments from CA HCD should sites need to be removed, or units need to be reallocated.

*City of Marina (Sites 7 and 53)* - Mayor Burce Delgado, on behalf of the City of Marina, submitted a letter dated December 18, 2024. The letter requests that the County remove Site 7 due to concerns regarding over planning for units, economic development impacts, airport incompatibilities, the availability of other sites that further fair housing and environmental justice principals. The letter is attached as **Attachment H** to this report for reference.

*LandWatch Monterey County* – LandWatch Monterey County provided examples of project in California that have been included in certified housing elements with high levels of affordability on large sites. This information was provided in support of justifying the unit assumptions the County has proposed in the current draft Housing Element. Examples of projects included a project in Marin County on a religious institution site (using Senate Bill 4 assumptions), That project was the St. Vincent's School for Boys which included assumptions for 440 low-income units on 3 parcels totaling 315 acres; this site was successfully included in Marin County's Housing Element.

Staff did review the information provided by LandWatch and incorporated some of the information in our response to CA HCD. Again, the County has not received a response from CA HCD on our response and so we are in need of making some assumptions. The Marin County site is an example we are looking at for our recommendation on the Site 7 unit assumptions.

### **Planning Commission**

On January 8, 2025, the Planning Commission made the following recommendations:

- Sites 7 and 53 – As much housing that can be accommodated throughout the County is the ideal scenario. If there can be only one or the other, keep the site that is under County jurisdiction, and do not include the parcel that is not under County jurisdiction. The larger site that can accommodate more housing units aligns with the intent of state housing element laws.
- Methodology for unit counts on large sites – The HEU6 team provided a draft of a set of examples that demonstrate other jurisdictions that have developed affordable housing on large sites. If CA HCD does not accept this methodology, an alternative will need to be

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

identified. The Commission recommends using the alternative that results in the most affordable housing.

- Builder’s Remedy (“BR”) – Sites with a submitted BR application are recommended for inclusion in the Sites Inventory, only if sorted and screened for meeting criteria that would be beneficial to the Housing Element and increase County capacity for affordable housing.
- Buffer goes below 15% - If opportunity sites need to be added, the approach recommended is to consider back-up sites, focusing first on community plan areas and/or areas with existing infrastructure. Prior eliminated sites have had considerable feedback from the public.

**Addition of New Sites**

If sites 53, 46, and 47 are deleted (Marina site and York School sites) and unit assumptions on sites 1, 7, and 24 (large sites) are reallocated, the Housing Element would not provide enough capacity to develop the 1,070 very low income units needed to meet the County’s RHNA. As stated previously, the HEU6 must provide for the development of at least the RHNA obligations plus a 15-30% buffer for affordable housing unit obligations. This means that the County would need to add new sites that are capable of supporting affordable housing units. Staff recommends that any site added to the HEU6 be within “high resource” in alignment with AFFH comments and revisions. Some options for new sites include:

- Reconsideration of sites previously removed
- Inclusion of Builder Remedy application sites; or
- Identification of new sites

On this issue, the Planning Commission recommended screening Building Remedy applications for potential inclusion and consideration of new opportunity sites focusing on community plan areas with existing infrastructure. Builder remedy applications received to date are listed in the discussion on consequences for not having a certified Housing Element below. Of the eight builder remedy applications, four are on properties already included as Housing Opportunity sites in the current draft. Builder remedy applications that are not on Housing Opportunity sites include the Viejo Road applications, the Oakwood circle application, the Olmstead Road application, and the Salinas Road application. These applications cannot be relied on to meet very low income housing needs in the Housing Element since the builders remedy law allows housing development to propose low income (not very low income) units.

Community areas with access to infrastructure include the communities of Boronda, Castroville, Pajaro, Chualar, and Fort Ord. These communities are lower income areas with the exception of Fort Ord which is a moderate resource area. All of these communities already have sites identified in the current draft HEU6.

There are large sites, located in high resource areas, that were previously removed from the Housing Element and are capable of supporting the housing numbers needed to meet our RHNA plus buffer. Those sites include Tarpey Flats/Monterey Airport site which also has a builder remedy

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

application, a site located north of Carmel Valley Road near the intersection with Highway 1 that has been referred to as the “Mormon Church site,” and a site near the park in the community of Aromas. Staff suggests that the Board consider revisiting the inclusion of one of these sites. Staff will review options and alternatives for new sites and is receptive to any feedback or suggestions the community or Board may have.

**Consequences for the County due to not having a certified Housing Element**

*Rezone of Opportunity Sites*

Jurisdictions that have a Housing Element certified by the deadline are allowed a year from certification to rezone parcels that may need to be upzoned to accommodate densities required by the state. The County missed the December 31, 2023 for achieving a certified housing element and must process the rezone concurrent with certification of the HEU6.

*Builder’s Remedy*

A consequence of having missed the deadline for state certification is that the County is subject to the “builder’s remedy”. As of January 1, 2024, the “builders remedy” provisions of the Housing Accountability Act apply, which prohibits a jurisdiction from denying or making infeasible “a housing development project...for very low, low, or moderate-income households...unless [the County] makes written findings based upon a preponderance of evidence in the record as to one of the following.” (paraphrased list follows)

- (1) The County has a compliant housing element and meets or exceeds the assigned RHNA for one or more of the income categories (very low, low, moderate, above moderate).
- (2) The housing development, as proposed, would have a specific, adverse impact upon public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the impact without rendering the development unaffordable.
- (3) Denial is required to comply with specific state or federal law.
- (4) The housing development is on land zoned for agriculture or resource preservation or does not have adequate water or wastewater facilities to serve the project.
- (5) The County has a compliant housing element and the proposed development is inconsistent with the zoning and general plan land use designation.

This housing law has been revised, effective January 1, 2025, with the provision that a builder’s remedy application is not required to include request for a rezone or amendment to any land use policy documents such as the General Plan.

As of January 16, 2025, the County has received the following pre-applications or applications under Builder’s Remedy law:

24945 Valley Way, Carmel, CA 93923 [APN 009-061-003-000] – Carmel Assisted Living

*PLN240092-DEP - Status: Application Checklist Given Out 7/16/24 - Proposing a total of 52 homes consisting of 41 market rate units and 11 low-income units.*



ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

711 Viejo Road, CA 93923 [APN 103-011-015-000] – Grove James O. & West Kim Trs.

*PLN240344-DEP - Status: Application Request Submitted 11/18/24* - Preliminary Application pursuant to Senate Bill 330, allow construction of a 275,000 square foot apartment building consisting of 96 market rate units and 24 low income units.

*PLN250004-DEP - Status: Application Request Submitted 1/3/25* - Preliminary Application pursuant to Senate Bill 330, allow construction of a 107,250 square foot apartment building consisting of 60 market rate units and 15 low income units.

*PLN250005-DEP – Status: Application Request Submitted 1/3/25* - Preliminary Application pursuant to Senate Bill 330, allow construction of 200 units consisting of 160 market rate units and 40 low income units.

10196 Oakwood Circle, Carmel, CA 93923 [416-542-011-000] – McDougall Amy E.

*PLN240139 - Status: Application incomplete as of 11/25/24* - Proposing a total of 3 homes (1 single-family, 1 ADU, 1 JADU) consisting of 2 market rate units and 1 low-income unit.

3705 Rio Road, Carmel, CA 93923 [009-562-015-000] – Carmel Center Place LLC

*PLN240322-DEP - Status: Application Checklist Given Out 12/02/24* - Combined Development Permit consisting of a: 1) Vesting Tentative Map to allow a 34 lot subdivision; 2) Use Permit to allow the removal of more than 3 protected trees; and 3) Administrative permit and Design Approval to allow the construction of 34 multi-family residential units (5 of which will be inclusionary housing units).

1101 Olmsted Road, Monterey, CA 93940 [APN 259-011-072-000] – Knight Christopher S et al (Saucito Land Company et al)

*PLN240299-DEP - Status: Application Checklist Given Out 12/6/24* - Preliminary Application pursuant to Senate Bill 330 and the "builder's remedy" for a proposed residential "housing development project consisting of 80 single family dwellings including detached homes ranging from approximately 4,288 to 4,346 square feet and 20 multi-family residential dwelling units of approximately 609 to 835 square feet (deed restricted & available for rent). The total unit count for the project is 100 and the total maximum square foot of the residential development is approximately 364,380.

26500 Val Verde Drive, Carmel, CA 93923 [015-021-020-000] – Carmel Rio Road LLC

*PLN240105-DEP - Status: Application incomplete as of 12/11/24* - Proposing 74 new homes consisting of 59 market rate units and 15 low-income units.

967 Salinas Road, Royal Oaks, CA 95076 [APN 117-072-013-000] – PLP Pajaro LLC

*PLN240268-DEP - Status: Application Checklist Given Out 12/23/24* - Proposed Residential units 160. Combined Development Permit to allow the renovation and reconfiguration of existing golf course with no net expansion of footprint consisting of: Coastal Development Permits for

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

demolition of existing clubhouse and construction of new clubhouse on "OR" district land, new uses including camping, cabins and RV park on 7.2 acres of "OR" district land; Vesting Tentative Map for subdivision of approximately 14.2 acres of HDR district land; project includes new water system plant and relocated golf maintenance facility on "OR" district land.

10 Flight Road, Carmel Valley, CA 93924 [187-442-012-000] – Ryan Bridge LLC & Flight Road LLC

*PLN250002-DEP - Status: Application Request Submitted 1/2/25 - SB 330 Application with Builder's Remedy & California State Density Bonus Law.* The proposed new residential development project will consist of a total of twenty-four (24) multi-family residential units on the +/-4.37 acre site. Twenty-one (21) of the units will be for sale market rate duet 2-story townhouse units with 3-bedrooms, 2-bathrooms, and attached two car garage. The remaining three (3) units will be for rent inclusionary (affordable) 3-bedroom / 1-bathroom walk-up flats style apartments in a 2-story building with garage and surface parking. New site improvements include new driveways, on-site parking, utilities, and landscape areas with new replacement trees.

#### *Funding Impacts*

Another consequence is loss of eligibility for certain state funding sources. The County has a 5-year agreement for Permanent Local Housing Allocation (PLHA) funding that must be reapplied for annually. For 2025, the County cannot reapply for funding at this time (PLHA Section 302 Threshold Requirements [Section 302(a)]).

#### **Conclusion**

Staff requests Board conduct a workshop on updates to the draft HEU6 and provide direction to staff on the following potential revisions to the Housing Element that impact Housing Opportunity Sites and the overall plan to accommodate the Regional Housing Allocation Needs plus the recommended buffer:

- Reallocation of unit assumptions on large opportunity sites.
- Removal of Sites 7 or 53 in/near the City of Marina.
- Response to the Airport Land Use Commission recommendations (Sites 46 and 47 – York School).
- Potential additions to Housing Opportunity sites.
- Any other changes or revisions desired before resubmitting for a second review by the CA HCD.

The recommendations from staff contained in this discussion make some assumptions, based on additional analysis and data gathering since the letter was received from the State, as to what staff believes is prudent and will be acceptable to CA HCD in the future.

Those recommendations can be summarized as:

- Update the analysis and relate to policies and programs as recommend by the state
- Remove Sites 46, 47 due to ALUC recommendations and site 53 in favor of keeping site 7

ATTACHMENT A  
Detailed Discussion on Housing Element Sixth Cycle (2023-2031) Updates

- Reallocate unit assumptions on Sites 1 and 24 from RHNA distribution to IHO distributions
- Reallocate unit assumptions on Site 7 so that there is a justifiable number of lower-income units.

If these recommended changes are implemented, a new site (or new sites) will need to be added to meet minimum RHNA and buffer requirements. Staff suggests reconsidering the Tarpey Flats /Monterey Airport site or the “Mormon Church” site in Carmel Valley, or some other site to be identified.

The most significant change recommended from a unit perspective involves the reallocation of units on Site 7. If unit assumptions are not reallocated on Site 7, new sites do not need to be added. Again, staff is recommending reallocation of unit assumptions on Site 7 preemptively in response to CA HCD comments and based on data gathered from other examples throughout the state.

The County could resubmit an updated draft of HEU6 to the State with more justification in support of the current draft assumption and not preemptively reallocate unit assumptions. With this approach, any revisions that may still be required by the State would be made in a future iteration.

Staff continues to notify interested parties who have requested to be notified of engagement opportunities and public meetings. Written comments and questions about the HEU6 effort continue to be accepted. Requests for notice or any comments and questions are directed to [GeneralPlanUpdates@countyofmonterey.gov](mailto:GeneralPlanUpdates@countyofmonterey.gov) which is monitored by several County staff, and to Jaime Guthrie at [GuthrieJS@countyofmonterey.gov](mailto:GuthrieJS@countyofmonterey.gov) or by phone at (831) 796-6414.

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