

EXHIBIT 3

ANNUAL HOUSING ELEMENT PROGRESS REPORT

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ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction MONTEREY COUNTY
Reporting Period 01/01/2015 - 12/31/2015

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

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

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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 | Deed Restricted Units | |
| Camphora Apartments | 5+ | Renter | 37 | 6 | 0 | 1 | 44 | 0 | See Instructions | 43 | 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. |
| | | | | | | | | | Multifamily Housing Program - HCD, Community Development Block Grant, Redevelopm ent Agency or Successor Agency Funds, Low Income Housing Tax | | |

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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 if 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 | TOTAL UNITS | | |
| (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 | 152 | 0 | 0 | 6 | 3 | 161 | 0 |

* Note: This field is voluntary

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Table C
Program Implementation Status

| Program Description (By Housing Element Program Names) | Name of Program | Objective | Timeframe in H.E. | Status of Program Implementation |
|--|---|----------------|--|----------------------------------|
| <p>H-2.c Extremely Low Income and Special Needs Individuals and Households</p> | <p>Assist 20 extremely low income individuals and households in new or expanded residential care facilities, emergency shelters, transitional housing, supportive housing, or SRO facilities over eight years.</p> | <p>Ongoing</p> | <p>Since funding a portion of the construction cost for a transitional housing unit at Rancho Cielo located outside of Salinas, the County continues its support by providing CDBG funds to Rancho Cielo for services for six at-risk youth living in transitional housing. The County actively participates in making funding recommendations to HUD for Continuum of Care and ESG programs/projects. Additionally, the County is an active participant in a newly formed group which includes multiple county departments, other jurisdictions, and private foundations and businesses to address the lack of housing for the homeless. Finally, the county also has a seat on the newly formed Monterey Bay Economic Partnership which has been formed to address the housing crisis in the region.</p> | |
| <p>H-2.d Homebuyer Assistance Programs</p> | <p>Continue to offer a local first-time homebuyer program. Continue to provide information on other available homebuyer assistance programs (such as the CalHFA and GSFA programs) on County website. Promote CalHFA and GSFA</p> | <p>Ongoing</p> | <p>Interest in the County's First Time Homebuyer Program remains high with 111 families prequalified to participate as of year end 2015. Th County also continues to provide information about other homebuyer assistance programs such as Golden State Finance Authority's Mortgage Credit Certificate and Down Payment Assistance Grant programs.</p> | |

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| | <p>programs to local real estate community to encourage their participation in the programs.</p> | | | |
| <p>H-2.e Housing Choice Vouchers</p> | <p>Support Housing Authority of Monterey County efforts to provide vouchers to very low income individuals and families annually. (At least 75 percent of the vouchers are required to be for extremely low income households pursuant to HUD regulations.)</p> | <p>Ongoing</p> | | <p>The County continues to support the Section 8 Program by referring inquiries to the Housing Authority. This support is applicable to Project Based vouchers as well.</p> |
| <p>H-3.c Adequate Sites for RHNA</p> | <p>As part of the development of future Community and Specific Plans for Community Areas and Capital Improvement and Financing Plans for Rural Centers, 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.</p> | <p>Ongoing</p> | | <p>As part of the development of future Community and Specific Plans for Community Areas and Capital Improvement and Financing Plans for Rural Centers, 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. This to be done within this planning period through 2023.</p> |
| <p>H-4.a Zoning Ordinances and Permit Processing</p> | <p>If amendment to Title 21 regarding the removal of the UP requirement for multi-family housing is considered, this will be completed within two years of the Housing Element adoption. This amendment would help to remove governmental constraints on the provision of housing in Monterey County by streamlining permit processing procedures and facilitate the provision of housing for special needs and extremely low income households.</p> | <p>2018</p> | | <p>If amendment to the zoning code for multifamily housing development occurs, this would occur 2 years following the HE adoption, resulting in amendments to occur by 2018.</p> |
| <p>H-5.a Fair Housing</p> | <p>Include information on County's website and develop written material as needed in</p> | <p>Ongoing</p> | | <p>The County currently provides CDBG funding to two fair housing service providers - Legal Services for Seniors and Project Sentinel. The services</p> |

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| <p>H-5.b Non-Profit Housing Assistance Programs</p> | <p>2016. Continue marketing efforts throughout the planning period. Continue to distribute fair housing information at public counters and community locations. Continue to refer questions and complaints regarding fair housing to the appropriate fair housing service providers and monitoring agencies.</p> | <p>Ongoing</p> | <p>provided include training to housing providers as well as to other agencies and jurisdictions in regard to fair housing law. They also provide legal services to individuals with fair housing issues.</p> |
| <p>H-5.c Homeless Services</p> | <p>Continue to support non-profit housing development and market the availability of the County to provide the assistance.</p> <p>Continue to allocate CDBG funds to service providers that provide assistance to the homeless through the annual budgeting process. Provide assistance to 2,000 homeless persons through</p> | <p>Ongoing</p> | <p>The County supports the efforts of local non-profits that provide direct housing assistance to lower income Monterey County households. The County also provides funding to two non-profits to assist with fair housing efforts. The County will continue to market the availability of these programs through written materials (e.g. brochures, flyers, etc.), on the County's web site and at neighborhood and community centers.</p> <p>The County provides technical assistance to non-profit housing developers in regard to funding and specific development issues of new projects. The County also provides direct financial support to projects as funds become available.</p> <p>During 2015, the County continued its assistance to non-profit South County Housing/Eden with financing for the reconstruction of the Camphora Farm Labor Camp that formerly housed 44 extremely low, very low, and low income farmworker families totaling 174 people near Soledad. County-provided State CDBG funding previously was used to pay down a portion of the Seiler Acquisition Note and complete onsite water storage and distribution system improvements. Additionally, County RDA/ Housing Successor Agency loans funded a portion of the construction which began in January of 2015. Occupancy is expected in the first quarter of 2016.</p> <p>The County also assisted MidPen Housing to acquire and rehab Geil Street, an 11 unit project located in Castroville, by providing both CDBG and Housing Successor Agency funds. Work began and was completed in 2015. Four of the 11 residents are farmworkers. Deed restrictions provide affordability at the following levels: 2 units @ extremely low, 4 units @ very low, and 5 units at low income.</p> <p>The County provides financial assistance on an annual basis through its CDBG program to a number of local non-profit agencies that offer direct services to the homeless as well as to those at risk of becoming homeless. Shelter Outreach Plus offer outreach and medical services to the homeless in the unincorporated area of north county known as Pajaro. In 2015, their Mobile</p> |

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| | <p>partnerships with various non-profit organizations and social service agencies.</p> | | <p>Outreach Services Team program provided services to 139 homeless people. The Food Bank and Meals on Wheels provided meals to 633 individuals who were at risk of becoming homeless. Rancho Cielo provided services to six homeless youth in their transitional housing program.</p> |
| <p>H-2.b Farmworkers and Agricultural Employees Housing</p> | <p>Assist employers with providing 40 lower income farmworker housing units over eight years. Specifically, work to achieve 10 of the 40 units as extremely low income. On an ongoing basis, coordinate with nonprofit developers and employers to identify appropriate sites and funding sources for farmworker housing. Through the NOFA process, continue to provide funding support for farmworker housing using the Affordable Housing Fund. Support applications for farm housing grants when the proposed projects are consistent with the County's General Plan.</p> | <p>Ongoing</p> | <p>During 2015, the County continued its assistance to non-profit South County Housing/Eden with financing for the reconstruction of the Camphora Farm Labor Camp that formerly housed 44 extremely low, very low, and low income farmworker families totaling 174 people near Soledad. County-provided State CDBG funding previously was used to pay down a portion of the Seller Acquisition Note and complete onsite water storage and distribution system improvements. Additionally, County RDA/ Housing Successor Agency loans funded a portion of the construction which began in January of 2015. Occupancy is expected in the first quarter of 2016.</p> <p>The County also assisted MidPen Housing to acquire and rehab Geil Street, an 11 unit project located in Castroville, by providing both CDBG and Housing Successor Agency funds. Work began and was completed in 2015. Four of the 11 residents are farmworkers. Deed restrictions provide affordability at the following levels: 2 units @ extremely low, 4 units @ very low, and 5 units at low income.</p> <p>Finally, the County worked with ag employer T&A to fast track a farmworker project in the unincorporated area of Spreckles. One hundred two-bedroom units will house up to 800 farmworkers. The project began construction in mid-2015 and is expected to open in April of 2016.</p> |
| <p>H-1.a Preservation of Existing Rental Affordable Units</p> | <p>Preserve nine at-risk affordable housing units</p> | <p>Ongoing</p> | <p>The County assisted MidPen Housing to acquire and rehab Geil Street, an 11 unit project located in Castroville, by providing both CDBG and Housing Successor Agency funds. The owners had allowed the property to fall into disrepair, defaulted on the State loan and, for all intent and purpose, abandoned the property. MidPen negotiated to purchase the property, take over the state loan and fund the rehab through County funding. Acquisition and the work occurred in 2015. Four of the 11 residents are farmworkers. Deed restrictions provide affordability at the following levels: 2 units @ extremely low, 4 units @ very low, and 5 units at low income.</p> |
| <p>H-1.c Energy Conservation</p> | <p>Reduce energy consumption and carbon emissions throughout the planning period. Assist in energy conservation improvements for five homes annually.</p> | <p>Ongoing</p> | <p>The County is undertaking a number of energy conservation related initiatives. Since adopting a Green Building Ordinance and the Municipal Climate Action Plan (MCAP) in 2013, the County has continued to work on a Community Climate Action Plan. In 2015, staff developed and implemented a public outreach and participation strategy which included a Community Meeting, online poll, and creation of a Focus Group which met 9 times over 4 months to discuss and develop goals and measures. Staff participated on the Project Development Advisory Committee which has the responsibility for</p> |

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| <p>H-2.f Inclusionary Housing</p> | <p>Facilitate the development of 10 affordable inclusionary housing units annually.</p> | <p>Annually</p> | <p>implementing the Community Choice Aggregation feasibility study and project. The County also awarded HUD CDBG funding for installation of solar energy systems which resulted in 8 low income families benefited from these installations on their single family houses.</p> |
| <p>H-2.f Inclusionary Housing</p> | <p>Facilitate the development of 10 affordable inclusionary housing units annually.</p> | <p>Annually</p> | <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. The County's Inclusionary Housing program was last amended in 2011. In 2015, the Housing Advisory Committee requested that the program be reevaluated and updated to ensure that the program continues to meet the County's affordable housing goals. The County will review both the Ordinance and the Administrative Manual in 2016 to ensure consistency with the General Plan and reflect market conditions. As necessary and appropriate, the County will amend the Inclusionary Housing Ordinance to enhance the effectiveness of the Ordinance in addressing the County's housing needs for all income groups. After a long drought, developers are now proposing new projects to the county which will result in new inclusionary units. A number of projects have been or are in process of becoming entitled. Due to the time required for development, no new units were completed in 2015. The County also used inclusionary housing funds in 2015 to buy back an inclusionary unit which was at risk of being lost due to foreclosure. It was rehabilitated and then resold to a moderate income qualified household. In 2012, a Pebble Beach project was approved which 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 still in the entitlement process. The first phase of the for sale component of the East Garrison Project began construction in 2013. It includes 19 moderate income Inclusionary townhouse units and 47 workforce for sale houses which are expected to be built in 2016. 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> |
| <p>H-3.b Community and Specific Plans</p> | <p>Pursue the General Development Plan for the Cypress Opportunity Area in Castroville Community Plan within this Housing Element planning period. Continue to work with the developers of East Garrison and Butterfly Village to implement Specific Plans throughout the</p> | <p>2015-2023</p> | <p>The County will continue developing planning documents for various unincorporated areas. The following Community and Specific Plans have been in development in recent years: Castroville, East Garrison, Butterfly Village, Moss Landing. The following Community or Specific Plans will be developed in the current HE planning period: Boronda, Chualar, and Pajaro. Also, the following Rural Centers will be developed in the current HE planning period: Bradley,</p> |

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| | planning period. Continue the development of Community Plans for the Pajaro, Chualar, and Moss Landing Community Areas. | | Lockwood, Pine Canyon in King City, Pleyto, River Road, San Ardo and San Lucas. |
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General Comments:

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