

# Attachment B

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## ATTACHMENT B – DISCUSSION

### Background:

Government Code Section 65400 (a)(2) requires cities and counties to provide an annual report to the legislative body regarding the status of the General Plan and progress in its implementation and the degree to which the General Plan is consistent with the General Plan Guidelines adopted by the Governor’s Office of Planning and Research (OPR). The Planning Agency shall provide by April 1 an annual report to the legislative body (Board of Supervisors), State Office of Planning and Research (OPR) and State Department of Housing and Community Development (CA-HCD). “Planning Agency” as defined by Monterey County Code includes the Board of Supervisors (Board), Planning Commission, Housing and Community Development Department (HCD) and other hearing bodies.

County HCD is lead for preparing the Annual Progress Report for the County’s General Plan Implementation (GPI) and the 2015-2023 Housing Element. Specific requirements pertain to the Housing Element portion of the Annual Report. As such, this Annual Report includes a separate report section identifying how Monterey County’s housing efforts conform to specific content requirements from the State. Both reports must be submitted to OPR and CA-HCD by April 1<sup>st</sup> of each year.

Annual reports are required to: provide status of the General Plan and progress in its implementation; evaluate progress in meeting the Regional Housing Needs Assessment (RHNA); and list sites owned by the County and included in the inventory of land in the Housing Element that have been sold, leased or otherwise disposed of in the prior year; and identify the degree to which the approved General Plan complies with State guidelines. For the County of Monterey, annual reports are required for: 2010 General Plan, as amended, for inland areas; 1982 General Plan and certified Land Use Plans, as amended, for coastal areas; and 2015-2023 Housing Element, countywide. **Attachment A** to the staff report includes the 2021 Annual Reports for Board consideration.

### Overview

On July 28, 2020, the Board of Supervisors accepted the July 22, 2020, Citygate report including seventy-six (76) proposed recommendations. The Citygate report led to the creation of the Department of Housing and Community Development on November 30, 2020. Key among the recommendations of the Citygate Report is direction to implement the remaining tasks and policies of the 2010 General Plan. To implement this task, in early 2021, the Board approved a **Five-Year Long-Range Planning Work Program** (Program), which includes implementation tasks for the 2010 General Plan and other priority policies, plans and major projects managed by HCD’s Advanced Planning Team. The Program is modeled on the Five-Year Capital Improvement Plan, which allocates projects over a five-year timeframe, including first-year priority projects and funding. Approximately \$1,000,000 in state grant funds will be allocated to the 2021 implementation program. Program implementation is also supported through the General Plan Implementation Fee (GPUI) of 10% for all land use entitlements. Funds collected

from this fee are intended to be used for Long-Range Planning resources, such as staff to work wholly on implementation of the General Plan.

HCD’s Advanced Planning Team consists of a Principal Planner, two Senior Planners, four Associate/Assistant Planners, and two Management Analysts. Currently the team has four vacant positions, so progress toward implementing the Program was slower than anticipated and actual expenditures are projected to be closer to \$60,000 for this FY 21-22. The Proposed Budget for the Housing and Community Development Department for FY 2022-2023 includes approximately \$940,000 grant and other (non-General Fund) funds to be expended. HCD continues to fill positions as quickly as possible.

Housing Element:

A detailed account of progress towards the Housing Element and RHNA numbers can be found in the staff report **Attachment A**, and summary is provided below.

Units Entitled		Units Issued Building Permits		Unit’s w/Building Permit Final	
Single Family Attached	0	Single Family Attached	0	Single Family Attached	0
Single Family Detached	29	Single Family Detached	60	Single Family Detached	68
Manufactured Home	1	Manufactured Home	4	Manufactured Home	3
2-4 Units	0	2-4 Units	0	2-4 Units	8
5+ Units	60	5+ Units	0	5+ Units	160
Accessory Dwelling Units	9	Accessory Dwelling Units	31	Accessory Dwelling Units	14
Total Entitled Units	<u>99</u>	Total Permits Issued	<u>95</u>	Total BP Final	<u>253</u>

The County did not permit any very low-, low, or moderate-income units in 2021. The 95-building permits that were issued were all for above moderate-income, a RHNA category that the County has already satisfied.

- Pursuant to Government Code sec. 65400.1, County reports that zero sites owned by the county and included in the inventory of land in the Housing Element were sold, leased or otherwise disposed of in the prior year.

2021 Priority Long-Range Planning Accomplishments

The following is a summary update on what has been completed in 2021. **Attachment C** to the staff report provides the planning project summary matrix completion status for 2021.

Staff made progress on several Long-Range Planning tasks that were identified as priorities in the 2021-2026 Long-Range Planning Work Program presented to the Board on March 23, 2021, as described further below.

The following summarizes the most recent actions on items from the 2021 list of priority projects that was presented to the Board of Supervisors last year:

- Moss Landing Community Plan Update. Progress was made on the comprehensive update and preparation of the EIR to address long-range plans in the Moss Landing area, and update policies to address current issues such as sea level rise. The Board of Supervisors received a presentation on climate change hazards in spring 2021. Updates to the consultant contract are being processed to reflect the modified scope and is anticipated to go to the Board for consideration spring 2022. The Public Draft EIR is anticipated summer 2022 and final plan adoption anticipated late 2022 or 2023.
- Salinas Valley Groundwater Basin Study. Amendment to GP Policy PS-3.1 in 2013, resulting from a settlement agreement included language requiring a 5-year study of the basin relative to the projected buildout. The County contracted with the Monterey County Water Resources Agency (MCWRA) to provide staffing resources to manage outside consultants (such as US Geologic Service or USGS) for this work. The County consultant prepared the hydrogeologic conceptual model portion of the Study final report and is developing a calibration of the Sea Water Intrusion (SWI) Model that, in 2021, was identified to be expanded to include the Salinas Valley Groundwater Basin and Zone 2C. The SVIHM model and expanded SWI Model will enable the County's consultant to complete the Salinas Valley Groundwater Basin Study, which is anticipated to be completed in December 2022. The County's consultant will use the SVIHM to complete the reassessment of Zone 2C and the Salinas Valley Observational Model (SVOM) to evaluate future conditions. The consultant has been working to evaluate data and prepare input for the modeling that will be needed to complete the final report. This work includes, but is not limited to, developing strategies for assessing future water demands, formulating urban pumping estimates for 2030, analyzing future water use coefficients, refining methods for updating land use, and implementing projected 2030 land use to include specific crop types.
- Ag Land Mitigation Program. The County has received a grant through the Sustainable Agricultural Lands Conservation Program (SALC) to develop a program to mitigate conversion of agricultural lands. This was identified as a top priority in the 5-year plan due to grant fund timing. On June 27, 2017, the Board of Supervisors accepted the grant award and issued resolutions of support to the Ag Land Trust for five easement proposals to the California Department of Conservation SALC program. In 2021, staff conducted policy research and analysis, developed a web-based GIS map, and developed a public outreach strategy. Draft policies and public outreach at anticipated in 2022.
- Development Evaluation System (DES). The draft DES, as recommended by the Planning Commission, was presented to the Board of Supervisors at a public hearing on August 25, 2020. The Board provided direction to staff for revisions. Staff anticipates presenting the DES procedures with revisions to the Board in 2022.
- Water and Energy Efficient Landscape Ordinance/Water Conservation Ordinance/ Fire Resistance Plant List /Invasive Plant Policy and Procedures. Implementation of General Plan Policies OS-5.14 and S-2.4 require the exclusion and eradication of invasive plants

and incorporation of the use of fire-resistant plants in landscaping. In addition to the General Plan policies, the “State Water Conservation in Landscaping Act” requires local jurisdictions to either adopt the State Model Water Efficient Landscape ordinance (MWELo) or a local ordinance that is at least as effective in water conservation. On December 7, 2021, the Monterey County Board of Supervisors adopted Ordinance No. 5367 which enacted a new Chapter 16.63 of the Monterey County Code. The code amendment incorporates the state requirements for Water and Energy Efficiency Landscaping and implements multiple policies of the County Local Coastal Program and General Plan 2010.

- Community Climate Action Plan. Significant progress was made on the Community Climate Action Plan (CCAP) in 2021. In late 2020, the County was notified that it was awarded a \$175,000 grant from the State to provide funding for a two-year planning program. In 2021, the Board of Supervisors also adopted an amendment to the General Plan policy OS-10.11 to update the policy language concerning the Greenhouse Gas Reduction Plan in line with state targets. Also, in 2021, an RFP was issued and consultant selected to draft the CCAP. Current tasks include completing a greenhouse gas inventory for the County and community engagement process.
- Zoning Map Updates (Ordinance). Due to staff constraints, updates to the zoning maps have been placed on hold. Staff will need to assess priorities for completing this task.
- Castroville Community Plan Update and Nexus Study: Grant funds have been awarded and are allocated to fund an update to the Castroville Community Plan and conduct a related traffic nexus study to update (reduce) housing impact fees applied to development in that area. The Request for Proposals (RFP) is complete, and proposals are being evaluated. Contract award is expected in spring 2022. The cost of this study may exceed grant funding available, and staff is working to identify alternative funding sources.
- Sixth Cycle Housing Element, Environmental Justice and Safety Element Update: HCD staff drafted an RFP incorporating 6<sup>th</sup> Cycle Housing Element, Safety Element and the preparation of an Environmental Justice Element to align with current State General Plan mandates. The RFP for consultant services will be issued in early 2022.
- Inclusionary Housing Policies and Ordinance Revisions: The County Inclusionary Housing Ordinance is a key implementation tool for affordable housing policies. On September 14, 2021, the Board received a progress report on potential revisions to the Inclusionary Housing Ordinance (Chapter 18.40 of MCC). The Board authorized a Jobs-Housing Nexus Analysis and gave direction regarding further evaluation of the existing affordable housing policies in the General Plan. Extensive public engagement process in all districts is underway.

- Vacation (Short-Term) Rental Ordinances: In May 2021, the Board of Supervisors considered the content of the final draft ordinances and provided direction to staff. Based on direction, staff will determine the appropriate level of environmental review under CEQA. An RFP for CEQA analysis is underway and staff anticipates CEQA analysis will commence spring 2022. Once CEQA is complete, the ordinances will return to the Planning Commission for a recommendation to the Board and to the Board to consider adoption.
  
- Cannabis Regulations. Commercial cannabis remains a top priority for HCD to stay consistent with State regulations and improve economic viability of the industry in the County. The following amendments to ordinances relating to commercial cannabis uses were completed within this reporting period:
  1. The Board amended regulations to the renewable energy provisions for indoor cultivation requiring onsite renewable energy generation either with purchase of carbon credits or participation in a program that ensures energy provision from 100% renewable resources, increased from 50%.
  2. The Board amended outdoor cultivation pilot program requirements countywide with the California Coastal Commission to review the coastal ordinance. Effective revisions for inland unincorporated County include program duration increase from 5 to 8 years, setback reduction from 500 to 250 feet, increase maximum allowable canopy from 10,000 to 20,000 square feet, broaden the pilot program to Central Salinas Valley, Cachagua, Carmel Valley areas, and allow outdoor cultivation on land zoned for grazing in Central Salinas Valley and Cachagua areas.

2021 Other Long-Range Planning Accomplishments

Staff was able to accomplish a number of other additional priority tasks that were assigned and completed in 2021 which were not presented to the Board of Supervisors during the previous reporting period.

- East Garrison Project. This housing development project, located within the former Fort Army Base, includes entitlement of a Combined Development Permit to allow approximately 1,400 residential dwelling units (plus option for 70 additional carriage units), commercial and public uses, and public facilities. A total 994 housing units have been built to meet a range of diverse housing needs. Community Housing Improvement and Planning Associates, Inc. (CHISPA) is the non-profit developer selected for the Phase 2 Rental Affordable Housing Development to construct 65 very low and low-income rental units plus one unrestricted manager's unit. CHISPA closed escrow and the the 16-month construction period will commence by March 2022. Phase 3 will include the commercial Town Center development and park, which are anticipated complete in 2023. The developer has sold all existing housing units in Phase 3 and has an approximately 275 lots left to develop. Due to changing market conditions and the

COVID-19 pandemic, market rate housing construction has been put on hold at East Garrison. Construction is anticipated to recommence in 2022.

- Fort Ord Habitat Resource Management Plan. In 2021, the County hired a consultant and began development of a Draft Habitat Resource Management Plan (RMP) for County-owned Ford Ord lands subject to the requirements of the 1997 Installation-wide Habitat Management Plan. The County's RMP scope of work also includes lands owned by the Monterey Peninsula College (MPC), and staff is working with MPC staff to identify its "fair share" funding. Biological surveys and public outreach will commence spring 2022, and the Final RMP with CEQA analysis is anticipated complete by the end of 2022.
- Metal Detection Prohibition on Former Fort Ord Lands (Ordinance). On April 20, 2021, the Board adopted Ordinance No. 21-003 to amend MCC Chapter 16.10 prohibiting unauthorized metal detection activities on the former Fort Ord.
- Native American and Archaeological Resource Technical Advisory Panel (NAARTAP). General Plan Policy OS-8.5 requires the establishment of an advisory panel to provide technical input on how the County can best address monitoring and site treatment in a manner that is consistent with the General Plan. The Board previously adopted an ordinance enacting Chapter 2.95 of Monterey County Code to implement this policy, which includes the composition and appointment of the panel and its duties. Over the course of 2019, a sub-committee of the Planning Commission was created with a goal of getting the NAARTAP created. Solicitations were made to tribal representatives and qualified archaeologists to join the panel. Ultimately, eight qualified participants came forward consisting of four (4) tribal representatives and (4) qualified archaeologists. In February 2020, these participants were officially appointed by the Planning Commission.
- Big Sur Coast Land Use Plan Update (BSLUP). Update to the 1986 BSLUP is underway. In 2021, a draft BSLUP update proposed by the Big Sur Coast Land Use Advisory Committee (LUAC) was presented to the Planning Commission. The Planning Commission, in turn, established an Ad Hoc Committee that began working through the LUAC's proposed edits. An revised draft BSLUP update is anticipated to return to the Planning Commission for consideration, undergo CEQA and be brought before the Board of Supervisors in 2022.
- Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Project. In June 2021, the Board approved the preferred project. The CRFREE Project has been awarded over \$9.4 million in grants. The FEMA CLOMR and Caltrans Project Report were completed in 2021. The CRFREE Project is currently in the final design, permitting, and right of way coordination phase. Efforts to complete the final design, negotiate right of way agreements, and obtain local, State, and Federal permits must be completed prior to the beginning of construction. In addition, an approximately \$25.3 million implementation grant is pending National Environmental Protection Act (NEPA) analysis by FEMA. Staff continues to work to negotiate the following agreements, which are anticipated to come before the Board for consideration spring 2022: 1) All party



Memorandum of Understanding (MOU) for project implementation; and 2) MOU with Carmel Area Wastewater District (CAWD) for cooperation and funding.

- Carmel Lagoon Scenic Road Protective Structure (SRPS) and Ecosystem Protection Barrier (EPB) Project. Two technical studies have been finalized (Sediment transport and the natural location of the breach), and a third is in review by the technical advisory committee, and the stakeholder and agency advisory group. It is expected that the additional technical studies will be complete in the Spring of 2022. The Draft EIR will be recirculated in summer 2022 and will be brought to the Board for approval in Fall 2022. In January 2021, the county experienced an atmospheric river event that ultimately resulted in flooding of homes adjacent to the Camel Lagoon in the 4<sup>th</sup> Addition neighborhood. The community has maintained active communication with the County as a result of these events, and HCD staff is working with our colleagues in the Public Works, Facilities, and Parks Department (PWFP) consider adaptive management options for interim (seasonal) sandbar management.
- Telecommunications Ordinance. Update to rescind and replace section 21.64.310 of chapter 21.64 to the Monterey County Code relating to the siting, design, and construction of wireless communication facilities in unincorporated County of Monterey to: 1) be consistent with revisions to federal and state laws related to unmanned telecommunication facilities; and 2) address objective design standards. In 2021, the Planning Commission established an Ad Hoc Committee to work with staff on this update and the committee considered a draft ordinance. The ordinance and accompanying objective design guidelines will be considered by the Planning Commission and Board in summer 2022.
- Desalination Ordinance Update. Amend MCC Section 10.72.030 to remove the requirement that "...each facility will be owned and operated by a public entity", allowing both public and private ownership and operation of water desalinization treatment facilities within the county. The draft ordinance and CEQA Initial Study are underway, and the final ordinance with CEQA analysis is anticipated to come before the Board in spring 2022.
- Noise Ordinance Update. Amend MCC Chapter 10.60, to revise the hours during which loud and unreasonable sound is prohibited and revise the fine for violations including adding provisions for administrative citations and associated penalties. The draft ordinance was presented to the Board of Supervisors in February 2022, and updates are underway to incorporate Board direction. The final ordinances and CEQA are anticipated to be complete spring 2022.
- Lot Merger Ordinance. An ordinance that would add a new section 19.11.060 for "Voluntary Merger of Contiguous Parcels", to permit property owners of two or more acres of land under common ownership to merge recorded parcels without the property reverting to acreage and extinguishment of the subdivision (pursuant to the State Subdivision Map Act Chapter 6, Article 1, Sections 66499.11-20.3) has been drafted. In 2021, the draft ordinance got underway, and presentation of the draft and final ordinance

with associated CEQA analysis are anticipated to come before the Planning Commission and Board of Supervisors in late 2022 or 2023.

- Partners in Restoration Master Permit. In 2021, the Board of Supervisors authorized HCD to work with the Resource Conservation District of Monterey County (RCDMC) and other conservation organizations to develop a program to allow the RCDMC to apply for and receive a Master Permit from the County for a suite of restoration and conservation-based practices. RCDMC is developing the proposed program and technical studies and anticipates submitting its application by May 2022. County will review the application and conduct an Initial Study for the project, which are anticipated to be complete by fall 2022. Due to grant funds received by RCDMC, this project must come before the Board for consideration by the end of 2022.
- Fire Fuel Management Public Works Program (PWP) - Coastal. Resource Conservation District of Monterey County (RCDMC) is developing a programmatic compliance pathway for applicants in the Coastal Zone of Monterey County to propose projects that improve the health and resiliency of the forest and supporting landscape which would be consistent with the California Coastal Act. Under the guidance of RCDMC, projects that are consistent with the requirements of the PWP would not be required to apply for a Coastal Development Permit from the County of Monterey.
- Accessory Dwelling Units and Junior Accessory Dwelling Units Ordinances. On January 14, 2021, the Board adopted Coastal Ordinance was submitted to the California Coastal Commission (CCC) for certification. Throughout 2021 to present, staff have responded to CCC questions and comments related to the ordinance amending MCC Zoning regulations in accordance with current State housing law. Some updates to the ordinance are anticipated based on CCC's feedback, and staff is hopeful CCC will certify the ordinance by summer 2022.
- SB9 Housing Legislation Map. State housing law SB 9 provides for ministerial approval of not more than two residential units on one lot that is zoned single family residential. SB 9 also provides that lot splits meeting requirements set forth in the legislation are subject to ministerial approval. Exceptions in the text of the law limit the applicability of SB 9 in County areas. This map will show areas in the County for which SB 9 is applicable in accordance with state law and is underway in collaboration with County ITD.

### 2022 Priority Tasks

Persistent staff vacancies, coupled with evolving priorities, and the on-going Covid shelter in place mandates impacted implementation of the planned Long-Range Planning Work Program tasks for 2021 to 2022, whereby a number of tasks did not meet certain milestones as planned. Year 1 of 2022-2027 Five-Year Long-Range Planning Work Program represents the priorities for the upcoming fiscal year (2022-23 in this case), which is driven largely by funding and resource availability (**Attachment C**).