County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 24-327, **Version:** 1

Conduct a workshop to review strategies to increase the construction of affordable housing in the unincorporated areas of Monterey County and provide direction to staff.

RECOMMENDATION:

It is recommended that the Health, Housing & Human Services Committee conduct a workshop to review strategies to increase the construction of affordable housing in the unincorporated areas of Monterey County and provide direction to staff.

SUMMARY:

The Monterey County Board of Supervisors, Health, Housing, and Human Services Committee (HHHS Committee) and the County's Housing Advisory Committee (HAC) are convening a study session to better understand market forces and regulatory constraints that hinder affordable housing development and to consider strategies that could increase opportunities for development of affordable housing in the unincorporated areas of Monterey County.

DISCUSSION:

The County is currently drafting an update to the Housing Element of the General Plan ("6th Cycle Housing Element Update"). The 6th Cycle Housing Element Update must identify properties that are capable of being developed with housing to meet the Regional Housing Needs Allocation (RHNA) for the 8-year planning cycle (6th cycle) of:

1,070 very low-income units
700 low-income units
420 moderate-income units
1,136 above moderate (market rate) units

AB1537 requires the County to rezone these parcels with a default density of least 20-units per acre. Conceptually, higher density housing is more affordable by nature; however, rezoning or upzoning is only part of the challenge facing potential housing development in the County. There are many governmental and non-governmental constraints to housing development. Some of these constraints, like market conditions, are beyond the control of the County. The focus of the workshop will be to consider policies and programs that are within the control of the County.

A review of current housing development proposals is included in this report to inform this discussion. Attachment A to this report lists 10 projects currently under review or complying with conditions of approval. In total these projects would develop approximately 945 units on 270-acres with an average density of 3-units per acre. The median sized project is 15 acres and 78-units at 5-units per acre. The list includes 1 100% affordable project that proposes a density of 6-units per acre. Even the two "builder's remedy" projects that have been submitted to the County are only proposing densities of 10 and 4-units per acre.

Things such as water and wastewater availability are clear limiting factors to development in Monterey County but there are many other factors that impact housing development and ultimately the question of what to do

about these limiting factors remains. To keep the discussion focused on actions that the County can take, the HAC and HHHS have developed a list of questions that are intended to be posed to representatives of various local and regional housing developers. The questions are included in Attachment B to this report.

No specific action is anticipated as a result of this workshop but the committee may provide direction to staff to review and report back on items discussed during the workshop.

FINANCING:
Funding for staff time to prepare this report is included in the FY 23/24 Adopted Budget for HCD.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
Access to affordable housing is foundational to meeting most, if not all, of the Board's Strategic Initiatives.

X Economic Development
X Administration
X Health & Human Services
X Infrastructure
___Public Safety

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The following attachments are on file with the Clerk of the Board:
Attachment A: Current Development Densities
Attachment B: Questions for Discussion
Attachment C: Development Considerations
Attachment D: AH Developer Stakeholder Meeting Minutes
Attachment E: Market Rate Developer Stakeholder Meeting Minutes
Attachment F: MCLHTF Design Questionnaire