



Board Report

File #: 24-275, Version: 1

REF240009 - MONTEREY COUNTY GENERAL PLAN IMPLEMENTATION AND HOUSING ELEMENT ANNUAL PROGRESS REPORT

- a. Consider and accept the 2023 Annual Progress Report for the Monterey County General Plan(s);
- b. Consider and accept the 2023 Annual Progress Report for the 2015-2023 Housing Element;
- c. Consider authorizing the Housing and Community Development Department Director to submit the final progress reports to the State Office of Planning and Research and State Department of Housing and Community Development; and
- d. Consider and provide direction regarding the Five-Year Long-Range Planning Work Program.

Proposed CEQA Action: Not a project per Sections 15060(c)(1) and 15378(b)(4) of the CEQA Guidelines.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Find that submitting these annual reports is not a project subject to CEQA per Section 15060(c)(1) and 15378(b)(4) of the CEQA Guidelines;
- b. Accept the 2023 Annual Progress Report for the Monterey County General Plan(s) pursuant to Government Code Section 65400 (**Attachment A**);
- c. Accept the 2023 Annual Progress Report for the 2015-2023 Housing Element to comply with State Department of Housing and Community Development requirements (**Attachment A**); and
- d. Authorize the Housing and Community Development Department Director to submit the final progress reports to the State Office of Planning and Research and State Department of Housing and Community Development; and
- e. Provide direction to staff on the Five-Year Long-Range Planning Work Program. (**Attachment C**).

SUMMARY:

Pursuant to California Government Code Section 65400, after the Board of Supervisors has adopted all or part of a general plan, the planning agency (in this case the County of Monterey Housing & Community Development Department) shall do both of the following:

- 1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan; and
- 2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes relevant in part:
 - a. The status of the plan and progress in its implementation;
 - b. Progress toward meeting the Regional Housing Needs Allocation (RHNA);
 - c. Applications for housing in the prior year, the number of units applied for, and the number of units approved or disapproved;
 - d. Revisions and Rezones to accommodate RHNA;
 - e. Progress toward consultation with Native American Tribes; and

- f. Information about density bonuses and incentives granted in the prior year.

Monterey County HCD staff maintains a list of projects known as the Five-Year Long-Range Planning Work Program (Work Program) that contains General Plan implementation measures, revisions required pursuant to law, and responses to referrals from the Board of Supervisors and other appointed bodies to serve effective and orderly growth and development in the County. The Work Program is attached as **Attachment C**. Staff is seeking Board direction on the priorities for HCD in FY 2024-25 (See slides 12-18 in **Attachment F**).

Staff proposes to continue to advance priority tasks as outlined in the Work Program and as resources allow in the following general prioritization:

- 1) State or federal legally mandated activities;
- 2) Board policy priorities;
- 3) Tasks with awarded grant funds;
- 4) General Plan implementation priorities (policies with completion dates); and
- 5) Other tasks as time and resources allow.

Year 1 Work Program tasks are grouped and assigned according to priority status and ranking. FY 2024-25 priority status is assigned as “High”, “Moderate”, and “Low”. Tasks are then assigned a ranking. Once a task is assigned and underway, staff makes every effort to maintain active progress through to completion, unless a formal determination is made that other tasks take higher priority. Active tasks rank “1” and include those that are assigned to current staff, are in progress, and will remain as top priorities in FY 2024-25. Pending Active tasks rank “2” and are those that are not currently assigned and active, but are priorities anticipated to commence during FY 2024-25 based on current staffing. Pending tasks rank “3” and have been identified as FY 2024-25 priorities; however, additional staff are needed for Pending tasks to be assigned and become Active.

When new requests or referrals are submitted to HCD, staff looks to the Board, and Planning Commission when appropriate, for clear direction regarding the level of priority and urgency assigned to new tasks in relation to approved Work Program tasks.

General Plan Annual Progress Report

Annually, HCD prepares a combined Annual Progress Report (APR) on the status of the General Plan and progress toward meeting Housing Element policies, including RHNA. **Attachment A** to this report contains the 2023 Annual Progress Report for the 2010 General Plan Implementation (2023 GPI APR) and the 2015-2023 Housing Element Progress (2023 Housing APR). In 2023, there were two amendments to the Local Coastal Program, which falls under the County’s 1982 General Plan (Coastal): 1) Amend the Del Monte Forest Land Use Plan to change the land use designation and zoning classification of a 0.487 acres parcel from open space/resource conservation to medium density residential parcel (Assessor's Parcel Number 008-053-001-000) (LCP-3-MCO-23-0043-1-Part A); and 2) Amendment to the North County Land Use Plan, Moss Landing Community Plan to change the land use designation and description of a 1.13 acre parcel (Assessor's Parcel Number 133-212-008-000) (LCP-3-MCO-23-0043-1-Part B).

For the reporting period from April 1, 2023, through March 31, 2024, progress was made on the following 2010 General Plan Implementation (GPI) tasks included in the County’s 2023 General Plan and Housing Element Annual Progress Report to the state: Agricultural Land Mitigation Ordinance (Complete); Salinas Valley Zone 2C - Salinas Valley Groundwater Basin Study (SVGB Study)(Complete); Agricultural Buffer Regulations; Agricultural and Winery Corridor Plan Implementation; Chualar Community Plan; Community Climate Action Plan; Development Evaluation System; and Zoning Ordinance and Map Updates.

Housing Element Annual Progress Report

Progress was made implementing the 2015-2023 Housing Element resulting in 169 units issued building permits during calendar year 2023. This brings the County's total for the Fifth Cycle Housing Element to 1,928 units, of which 1,183 satisfy RHNA. The County exceeded its RHNA allocations in the Low-Income and Above Moderate-Income categories, but did not meet the RHNA allocations in the Very Low-Income and Moderate-Income categories. Table B from the 2023 Housing APR, which tracks RHNA compliance is included as **Attachment B**. This table populates from prior Housing Element APRs and does not include data from 2015-2017 when new reporting requirements were added. Additionally, updates to the Housing Element for the Sixth Cycle are underway. Housing Element updates will include new policies and programs aimed at accommodating RHNA numbers issued for the 2024-2031 planning horizon (Sixth Cycle Housing Element of the General Plan).

The full 2023 Housing APR can be found at:

<https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning->

The California Department of Housing & Community Development has created a variety of dashboards that allow users to access data reported during the Fifth Housing Element Cycle for all jurisdictions in the state. These dashboards can be accessed at:

<https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element->

Long-Range Work Program

Included with this report is the draft Five-Year Long-Range Work Program for Fiscal Years 2024-25 through 2028-29 (Work Program). This Work Program lays out a path forward to implement all the remaining tasks, studies and ordinances required to realize the policies of the General Plan as well as other priority policies, plans and major projects managed by or with substantial collaboration with HCD. The Work Program is summarized, including task prioritization, in **Attachment C**.

For the reporting period from April 1, 2023, through March 31, 2024, progress was made on 32 Work Program tasks. Nine Work Program tasks were completed, including the submittal of two state mandated annual reports, and the following:

1. Accessory Dwelling Unit Policy Guidance and Pre-Approved Plans;
2. Agricultural Land Mitigation Ordinance;
3. East Garrison Phase 2 Affordable Rental Apartments;
4. Forest Health and Fire Fuel Management Program;
5. Noise Ordinance Updates;
6. Commercial Cannabis Amendments to Monterey County Code (MCC) 7.90; and
7. Senate Bill 9, The California HOME Act, Policy Memo.

Since adoption of the 2010 General Plan, a total of 73 Work Program tasks have been completed, 58 of which were GPI tasks. The HCD's Advanced Planning Team currently has eight of the nine assigned positions filled and seeks to fill the remaining vacancy in 2024.

Staff recommends the Board of Supervisors accept the 2023 General Plan Implementation and Housing Element Annual Progress Report and authorize the HCD Director to submit as required to the state. Staff also requests direction regarding the Five-Year Long-Range Planning Work Program and priorities.

DISCUSSION:

See **Attachment D** - Discussion

ENVIRONMENTAL REVIEW:

Staff finds that progress reports are not a project as defined by the California Environmental Quality Act (CEQA), Guidelines Sections 15060(c)(3) and 15378. These reports are an administrative activity that will not result in direct or indirect physical changes to the environment. They are for information purposes only. Activities identified in these reports implement policies of the 1982 and 2010 General Plans and the 2015 Housing Element, which were subject to CEQA review. In addition, CEQA will be addressed, as appropriate, with each task as it is completed.

OTHER AGENCY INVOLVEMENT:

Implementation of the 2010 General Plan (Non-Coastal) and the 1982 General Plan (Coastal) involves close coordination between all the land use departments and agencies (Planning, Building, Housing, Engineering/Public Works, Environmental Services, Environmental Health, Fire Districts, and Water Resources Agency). In addition, County Counsel's office actively participates in the legal review of ordinances and plans prepared as part of GPI and other needed updates.

On April 10, 2024, staff was scheduled to present the draft Annual Progress Reports and Five-Year Long-Range Planning Work Program to the Planning Commission for their consideration on the implementation of goals and strategies of the 1982 and 2010 General Plans and to provide input regarding the Work Program. The Planning Commission continued the item to its April 24, 2024 meeting.

FINANCING:

Between Fiscal Year (FY) 2015-16 through FY 2022-23, a total of \$2,773,672 approved General Fund (including Cannabis Tax Assignment, Contingency) and American Rescue Plan Act (ARPA) augmentation funds were spent for consultant work on GPI and other Work Program activities. See **Attachment E** for details these expenditures by project and fiscal year.

For the current FY 2023-24, \$123,650 was approved for the Vacation Rental Ordinance Environmental Impact Report, which is on track to be fully expended within the fiscal year. An augmentation totaling \$50,000 was approved to fund initial work on the Chualar Community Plan; however, work is anticipated to get underway in early next fiscal year so no expenditures toward that project are anticipated this fiscal year. An augmentation totaling \$270,906 was approved to fund General Plan updates of the Housing Element, Safety Element, and new Environmental Justice Element. More work than anticipated toward the General Plan updates is planned for this fiscal year. HCD will apply the \$50,000 funded for the Chualar Community Plan toward General Plan updates for a total estimated \$320,906 to be spent this fiscal year.

Staff continues to perform as much of the implementation work as possible and has been successful securing some outside funds to pay for consultant costs and limited staff costs in recent years including grant awards from: Local Early Action Planning Program (LEAP); Regional Early Action Planning Program (REAP); Building Homes and Jobs Act (SB2); and the Sustainable Agricultural Lands Conservation Program (SALC). A total of approximately \$1,702,366 in state grant fund awards to HCD have been active and funding GPI and Work Programs activities in recent years as summarized below:

LEAP

Status: Active

Awarded: \$500,000

Expenditures: \$399,151 anticipated total through FY 2023-24 (\$358,232 for the Castroville Community Plan Update and \$40,919 for CEQA analysis for Affordable Housing Overlay Zones). \$100,849 anticipated in FY 2024-25 for the Chualar Community Plan.

REAP 2.0

Status: Active - New FY 2023-24 grant award

Awarded: \$180,000 (pending anticipated reduction to \$90,000 proposed in state budget cuts)

Expenditures: \$90,000 anticipated total for FY 2023-24 for the Castroville Community Plan Update.

SB2

Status: Complete

Awarded: \$310,000

Expenditures: \$307,177 (\$88,449 for Accessory Dwelling Unit pre-plan approved designs and \$218,828 for Castroville Development Impact Fee Nexus Study).

SALC

Status: Complete

Awarded: \$182,366

Expenditures: \$54,653 total for Agricultural Land Mitigation Ordinance. The remaining (unspent) portion of the grant funds could not be utilized for any other projects and will return to the state.

REAP 1.0

Status: Complete

Awarded: \$530,000

Expenditures: \$530,000 (\$402,349 for General Plan Elements update and \$127,651 for the Inclusionary Housing Ordinance).

The proposed FY 2024-25 Work Program is estimated to include \$1,191,795 for total consultant costs. The Department's requested budget for FY 2024-25 will include approximately \$100,849 in remaining LEAP grant funds for the Chualar Community Plan consultant costs and \$316,061 from Fund 029 for the Fort Ord Habitat Resource Management Plan consultant costs. FY 2024-25 Work Program unfunded consultant costs are estimated to be \$774,885, and augmentation requests have been submitted for the following: \$625,734 for the General Plan Update, of which \$571,275 is for the Housing Element and required Environmental Impact Report and \$54,459 is for the Environmental Justice and Safety Elements; and \$149,151 for the Chualar Community Plan. Staff notes that the Chualar Community Plan cost estimates for FY 2024-25 are based on staff's preliminary estimate and that actual anticipated costs may change upon review of proposals and selection of a consultant contract.

In addition, the General Plan Implementation Fee is levied on all development and planning permits. This fee generated approximately \$851,795 in FY 2022-23 and \$525,533 to date in FY 2023-24.

BOARD OF SUPERVISORS' STRATEGIC INITIATIVES:

Implementing County's General Plan and the Work Program supports the Board of Supervisors' Strategic Initiatives for Economic Development, Health & Human Services, and Infrastructure by providing the necessary policies, regulations and plans to ensure reasonable and safe development, plan for the future needs of the County, manage infrastructure and County facilities, and protect natural resources.

☒ Economic Development
☐ Administration
☒ Health & Human Services
☒ Infrastructure
☐ Public Safety

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Approved by: Craig Spencer, HCD Director

The following Attachments are on file with the Clerk of the Board:

Attachment A -2023 General Plan & Housing Element Annual Progress Reports

Attachment B - 2023 Housing APR Table B

Attachment C - Draft Five-Year Long-Range Planning Work Program Overview

Attachment D - Discussion

Attachment E - General Plan and Work Program Augmentation Expenditures FY2015 to FY23

Attachment F - Presentation

cc: Front Counter Copy; Fenton & Keller; Brian Finegan Law Office (Michael Harrington); Grower-Shipper Association (Christopher Valadez); Law Offices of Michael D. Cling (Michael Cling); Monterey County Farm Bureau (Norm Groot); Salinas Valley Water Coalition (Nancy Isakson); Prunedale Neighbors Group (Ed Mitchell); Anthony Lombardo and Associates (Dale Ellis); Horan Lloyd Law Firm (Pamela Silkwood); Big Sur Multi-Agency Advisory Council c/o Colleen Courtney; Highway 68 Coalition (Mike Weaver); Carmel Residents Association; Carmel Valley Association; Marjorie Kay; The Open Monterey Project (Molly Erickson); LandWatch (Michael DeLapa); Janet Brennan; John H. Farrow; Craig Spencer (HCD); Ashley Paulsworth (CAO); Kelly Donlon (County Counsel); Planning File No. REF240009.