



County of Monterey

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

Board Report

File #: 18-1033, Version: 1

- a. Conduct a study session and receive a report on: 1) Housing Office Activities and Resources; 2) residential building permits finalized between July 2008 and February 2018; 3) policy and program options to support development of new and preservation of existing affordable housing; 4) updating the Affordable / Inclusionary Housing Ordinance; and 5) a status report from the Agricultural Employer-Sponsored Housing Ad Hoc Committee;
- b. Adopt a Resolution to:
 - i. Approve the annual report on the status of Inclusionary Housing In-Lieu Fees for the fiscal year ending June 30, 2018; and,
 - ii. Adopt findings for retaining uncommitted funds in accordance with Government Code Section 66000 et. seq.; and,
- c. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a study session and receive a report on: 1) Housing Office Activities and Resources; 2) residential building permits finalized between July 2008 and February 2018; 3) policy and program options to support development of new and preservation of existing affordable housing; 4) updating the Affordable / Inclusionary Housing Ordinance; and 5) a status report from the Agricultural Employer-Sponsored Housing Ad Hoc Committee;
- b. Adopt a Resolution to:
 - i. Approve the annual report on the status of Inclusionary Housing In-Lieu Fees for the fiscal year ending June 30, 2018; and,
 - i.i. Adopt findings for retaining uncommitted funds in accordance with Government Code Section 66000 et. seq.; and,
- c. Provide direction to staff.

SUMMARY:

There are three open Board Referrals that aim to create a more favorable environment for the development of affordable and employee housing. The three referrals are: 1) Board Referral No. 2017.21 which focuses on ADUs; 2) Board Referral No. 2018.03 which requested an update on the County's progress towards meeting its Regional Housing Needs Assessment (RHNA) and a short-term housing plan; and 3) Board Referral No. 2018.12 which resulted in the formation of an Ad Hoc Committee to address Agriculture Employer-Sponsored Farmworker Housing. Following the staff presentation on this Board Referral on May 22, 2018, staff was directed to return with a refined list of policy and program recommendations that could be implemented to support the development of affordable housing.

At the conclusion of this study session, staff would like Board direction on proceeding with:

- Updating the County's Affordable Housing Ordinance;
- Preparing a Countywide Housing Sustainability Plan;
- Preparing Community Plans and prioritizing them for the Resource Management Agency; and,
- Directing staff to return with a financing program to implement the Board's direction.

DISCUSSION:

Housing, and especially affordable housing, is one of the most challenging issues facing jurisdictions from the national level down to individual cities. Over the past 12-months, the Board of Supervisors has directed staff to look at how the County can address the shortage of housing. Additionally, the State has adopted 14-new laws intended to facilitate the construction of housing through such things as streamlining to the development review process and to create new sources of permanent and temporary funding for housing. The state laws also give the state more leverage over jurisdictions that are not meeting their Regional Housing Needs Assessment (RHNA) obligations by requiring streamlined approval for projects that contribute more affordable housing than is required to imposing monetary fines on jurisdictions that do not process or approve applications in a timely manner, of note Monterey County does not currently fall within this classification. A summary of the new laws prepared by HCD is included as Attachment 6 to this report.

In addition to these Board Referrals, there are several documents that have put forward policy and programmatic requirements and/or recommendations to support the development of more housing. These documents include:

- The County's 2010 General Plan;
- The Monterey Bay Economic Partnership's (MBEP) White Paper - What Realistic Policy Changes Could Improve Housing Affordability in the Monterey Bay Region?; and,
- The Farmworker Housing Study and Action Plan for Salinas and Pajaro Valley.

The purpose of this study session is to provide the Board of Supervisors and the public with a comprehensive overview of and responses to:

- The three Board Referrals;
- An update on the preliminary findings from the process to update the County's Affordable Housing Ordinance to align it with the 2010 General Plan;
- A response to the Board's May 2018 direction to Housing Office Staff to provide an assessment of what it might be able to accomplish with existing resources, including an examination of the tradeoffs if the Board directs staff to implement new policies or programs;
- An assessment of what resources would be required to evaluate the recommendations in the MBEP White Paper and the Farmworker Housing Study.

As the Board considers what housing programs and policies to prioritize, Board members may want to keep the following statistics in mind:

33,159: Number of housing units needed to alleviate housing overcrowding in the Salinas and Pajaro valleys as identified by the Farmworker Housing Study.

6,936: 2014-2023 Regional Housing Needs Allocation for Monterey County and its 12-cities

572: Units reported to HCD on the Housing Element Annual Progress Reports through 12/31/16 by all jurisdictions in Monterey County

3,926: 2014-2023 Regional Housing Needs Allocation of Very Low, Low, and Moderate Income Units for Monterey County and its 12-cities

84: Very Low, Low, Moderate Income Units reported to HDC as of 12/31/16 by all jurisdictions in Monterey County

- 3,750: Number of agricultural employer-sponsored housing units targeted for construction in Monterey County between 2018-2023 by the Farmworker Housing Action Committee.
- 182: Number of new, income-restricted units in multi-family developments built in unincorporated Monterey County in the last 10-years (3 developments).
- 127: Annual average number of new, single-family units built between January 1, 2009 and September 13, 2018.
- \$283,000: Approximate cost to construct an income-restricted unit in a multi-family development in Monterey County

OTHER AGENCY INVOLVEMENT:

The Board of Supervisors Agriculture Employer-Sponsored Housing Ad Hoc Committee met with representatives from the agriculture industry and city managers to discuss employer-sponsored housing issues. County Counsel and the Resource Management Agency were also consulted. County staff met with the city managers or community development directors of Gonzales, Greenfield, King City, Salinas, and Soledad to discuss appropriate locations for employer-sponsored housing.

FINANCING:

There is no financial impact on the General Fund associated with receiving this report.

The Housing Office manages Fund 009 (Inclusionary Housing), Fund 011 (Economic Development Program), Fund 013 (Community Development Fund), Fund 175 (Castroville Pajaro Housing Successor), and Fund 176 (Boronda Housing Successor). Collectively, these funds have recommended appropriations of \$5,189,403 in FY2018/19. There is approximately \$525,000 available in the Inclusionary Housing Fund that can be used implement some, but not all, of the of the plans or recommendations that will be discussed during the study session.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

An adequate supply of affordable and safe housing at all levels of income touches almost all the Board of Supervisors Strategic Initiatives. Access to affordable housing supports the local economy by providing a place to live for the front-line employee. Housing that meets health and safety standards reduces the occupants' exposure to unsanitary conditions that may lead to health conditions leading to increase use of County health services.

Mark a check to the related Board of Supervisors Strategic Initiatives

X Economic Development
__ Administration
X Health & Human Services
__ Infrastructure
X Public Safety

Prepared by: _____
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Approved by: _____
Nicholas E. Chiulos, Assistant County Administrative Officer, Ext. 5145

Attachments:

Board Report

Attachment 1 - Housing Production and Goal Setting

Attachment 2 - Housing Office Overview

Attachment 3 - Status Report on the County Affordable Housing Ordinance

Attachment 4 - Status Report of the Employer Sponsored Ad Hoc Committee

Attachment 5 - Resolution and In Lieu Fee Annual Report

Attachment 6 - California's 2017 Legislative Housing Package