



County of Monterey

Item No.

Board Report

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

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Report

REF220020 - GENERAL PLAN HOUSING ELEMENT SIXTH CYCLE UPDATE

- a. Receive preliminary analysis on Board Referral 2023.11 (Askew) - Status update on County of Monterey's Housing Element Sixth Cycle Update program and discuss providing direction on guiding principles for its development; and
- b. Consider and provide to direction to staff concerning the Housing Element timeline.

Project Location: Unincorporated County of Monterey

Proposed CEQA Action: Statutory Exemption pursuant to Section 15262 of the CEQA

RECOMMENDATION:

Staff recommends the Board of Supervisors:

- a. Receive preliminary analysis on Board Referral 2023.11 (Askew) - Status update on County of Monterey's Housing Element Sixth Cycle Update program and discuss providing direction on guiding principles for its development;
- b. Consider and provide direction to staff concerning the Housing Element timeline.

SUMMARY:

Staff is providing a preliminary response to the Board referral (2023.11, Askew) regarding the development of the Housing Element Sixth Cycle Update (HEU). The referral specifically requests the County Housing and Community Development Department (HCD) staff provide a presentation outlining the progress on the update, a timeline for review and consideration of the Housing Element update, and options for discussion of community developed principals to guide the updates.

This referral is timely since staff at HCD is actively working on the Housing Element update with our housing consultants. This preliminary response responds to the referral by providing an update on what has occurred, what is still anticipated to occur, and how the Board and the public can be involved in the process.

DISCUSSION:

Housing Element Sixth Cycle Update (2023-2031)

Background - On September 27, 2023, the County entered into contract with its General Plan Elements Update consultant and staff has been working with its consultant to prepare the Sixth Cycle Update (2023-31) to the General Plan Housing Element (HEU) pursuant to California Gov. Code section 65581. As part of the Sixth Cycle Update to the Housing Element, the County is required to identify sites and zoning designations that can accommodate a Regional Housing Needs Assessment

(RHNA) of 3,326 housing units distributed across four Income levels (1,070 Very Low, 700 Low, 420 Moderate, and 1,136 Above Moderate). In concert with facilitating the County's RHNA, the update to the Housing Element must identify and analyze significant disparities in access to opportunity (AB 686 - Affirmatively Furthering Fair Housing (AFFH) Act), and promote inclusive communities and further housing choice through government programs, policies, and operations that recognize existing racial and economic disparities and remediate these disparities.

Progress - Significant progress has been made to date toward the HEU. Fall 2022 into early winter 2023, staff conducted workshops at the Planning Commission (November 9, 2022 and December 7, 2022), Health, Housing, and Human Services Committee (December 5, 2022), Housing Advisory Committee (December 21, 2022), Board of Supervisors (January 24, 2023). During that time staff also conducted a Community Housing Conditions Survey across unincorporated areas of the County and responded to significant data and information requests to the consultant team. Pursuant to Public Resources Code section 65352.3 *et seq.*, staff also initiated consultation with California Native American tribes within Monterey County.

During winter 2023, the first community meeting was held (January 26, 2023), a Housing Element Update Community Survey conducted, 9 pop-up tabling events were held across the County, 11 Housing Element library displays were deployed, and staff participated (by invitation) in two Civic Academies convened by Communities Organized for Relational Power in Action (COPA) and a number of community organization/group meetings. During this time, the consultant began drafting, and staff reviewed, all sections of the Housing Element that were *not* dependent upon identifying housing sites.

During winter into spring 2023, the HEU team convened targeted meetings with key stakeholder groups including: a) Affordable housing developers; b) Market rate developers; 3) Fair housing providers; 4) Affordable housing advocates and community-based organizations; 5) Property managers; 6) Renters; and 7) Agricultural industry representatives. Also during this time the HEU team developed a comprehensive sites inventory to accommodate the County's RHNA, which was completed in May 2023 and will be shared at the community meeting on June 1, 2023.

Work to develop a comprehensive sites inventory to accommodate our RHNA began in January 2023. To develop the sites inventory, the HEU team implemented the following approach: 1) Identified approved projects in the current pipeline with timeline to be building during the 2023-2031 timeline; 2) Developed a preliminary inventory of properties in the unincorporated county that meet CA HCD sites guidance priorities; 3) Analyzed preliminary properties against AFFH guidance and cross-referenced with County General Plan priority development sites and policies; 4) Consulted with CA HCD for clarifying guidance on how to balance existing planning priorities, overall CA HCD sites guidance, AFFH goals, and infrastructure and water limitations; and 5) Based on outcomes of 1 thru 4, conducted property-by-property assessment and in-field verification to establish proposed sites inventory list.

Adoption of Community Developed Guiding Principles - The County's Draft Housing Element is anticipated to be distributed for public review in summer 2023. The HEU team anticipates presenting the Draft Housing Element in a workshop at the Housing Advisory Committee (HAC), Health, Housing and Human Services Committee (HHHSC), and Planning Commission (PC) during the first public review period of the Draft Housing Element. Following the public review period and public workshops, staff would incorporate feedback received and submit the Draft Housing Element to CA HCD (*first submission*). The original Housing Element timeline presented by staff indicated that the Draft Housing Element would be presented to the Board during the public review period, however, staff eliminated this Board hearing in order to accommodate thorough and complete committee input without delay for submitting the first draft to CA HCD.

Upon receipt of CA HCD comments on the Draft Housing Element, the HEU team would incorporate comments responsive to the state and submit the updated Final Draft Housing Element to CA HCD (*second submission*). At this time, the Final Draft Housing Element will be referred to the Airport Land Use Commission for a consistency determination. Upon the second submission to CA HCD, the HEU team would bring forward the Final Draft Housing Element to the Planning Commission and the Board of Supervisors for consideration and adoption.

The proposed steps for committee, Planning Commission and Board review of this Sixth Cycle HEU follow and expand upon the County's Fifth Cycle Housing Element Update (2015-2023) steps. In 2014/2015, staff conducted an early housing element workshop at the HAC. The Draft Fifth Cycle Housing Element was presented and input provided by the HAC and PC. The Draft Fifth Cycle Housing Element was then submitted to CA HCD for review and comment. The Final Draft Fifth Cycle Housing Element was presented to the PC which was recommended (with minor revisions) to the Board for final adoption.

Timeline to Complete the Housing Element Update - Pursuant to State law, the Housing Element must be adopted by the Board of Supervisors by December 31, 2023. After December 31, 2023, there is a "120-day safe harbor period" (until April 29, 2024) after which additional triggers apply. Like most other jurisdictions in the state, the County is behind in the HEU and will not meet the December 31, 2023, deadline. Staff is working with its consultants to update and refine the HEU schedule, including the requisite public and CA HCD review periods, and plans to present an updated schedule (inclusive of timeline for Board action and all advisory boards tasked with supporting housing policy work), at the Board of Supervisors meeting on June 6, 2023. Staff will also be prepared to discuss the consequences of missing the December 31, 2023 deadline and the 120-day safe harbor deadline at that time.

ENVIRONMENTAL REVIEW:

This presentation is statutorily exempt pursuant to Section 15262 of the CEQA Guidelines as an early discussion on possible future action that does not involve a commitment to a project. The General Plan amendments will require a CEQA determination prior to adoption.

OTHER AGENCY INVOLVEMENT:

Multiple County departments are involved in the development of the Housing Element Update including the: Health Department's Environmental Health Bureau and its Planning, Evaluation and Policy Unit; Civil Rights Office; County Administrative Office's Sustainability Program, Office of Community Engagement and Strategic Advocacy, and Office of Homeless Services; and the County Counsel's Office.

FINANCING:

Staff time to support the Housing Elements Sixth Cycle Update is included in the FY2022-23 Adopted budget for HCD Unit 8543, Appropriation Unit HCD002. Funding for the consultant's work on the Housing Element is included in the FY2022-23 Adopted Budget for HCD General Fund, Unit 8543, Appropriation Unit HCD002 and Fund 13, Unit 8545, Appropriation Unit HCD004. Anticipated FY2022-23 consultant expenditures total \$346,359, of which \$36,019 is funded from the General Plan Update and Implementation Augmentation from the Cannabis Assignment (General Fund) and \$310,340 is reimbursable with Regional Early Action Planning (REAP) grant funds (Fund 13). Anticipated FY2023-24 consultant expenditures total approximately \$180,512 is included in the FY2023-24 Proposed Budget Augmentation request for HCD General Fund, Unit 8543, Appropriation Unit HCD002 and Fund 13, Unit 8545, Appropriation Unit HCD004. Of the total anticipated FY2023-24 expenditures, approximately \$60,000 is to be reimbursed by REAP grant funds (Fund 13) and \$120,512 will be funded from the General Fund approved augmentation.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This project supports the Board of Supervisors' Strategic Initiatives with revision of the Housing Element for the 6th Cycle Update which will contribute to strengthening a diversified and healthy economy by removing barriers to potential housing development and promoting jobs/housing balance. The Housing Element Sixth Cycle Update would include strategies to ease the discretionary review process of potential housing development for the effective and efficient management of resources.

<u> X </u>	Economic Development
<u> X </u>	Administration
<u> X </u>	Health & Human Services
<u> X </u>	Infrastructure
<u> X </u>	Public Safety

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