



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

Receive a preliminary response to Referral Number 2026.07 (Church) regarding development of an ordinance to accelerate housing development by establishing objective criteria for approval of accessory dwelling units, lot-splits under Senate Bill 9 (2021), and duplexes, triplexes, and fourplexes in appropriate areas of unincorporated Monterey County.

RECOMMENDATION:

It is recommended that the Board of Supervisors provide direction to staff to incorporate objective criteria for approval of accessory dwelling units (ADUs), lot-splits under Senate Bill 9, and to allow for duplexes, triplexes, and fourplexes in appropriate areas of unincorporated Monterey County as part of the 6th Cycle Housing Element implementation efforts.

SUMMARY:

On April 28, 2026, Supervisor Church submitted a referral (Referral No. 2026.07) requesting an ordinance to accelerate housing development by establishing objective criteria for approval of ADUs, lot-splits under Senate Bill 9, and allow for duplexes, triplexes, and fourplexes in appropriate areas of the County.

This referral calls for the promotion of housing types that increase density beyond the traditional single family dwelling by making these housing types permissible in residential areas and by establishing objective criteria that will be considered in permitting. Objective Criteria are useful tools to create a clear, predictable framework for both applicants and the County of Monterey, reducing uncertainty and minimizing discretionary decision-making. Additionally, increasing density on existing sites promotes development of smaller homes, and therefore relatively speaking, promotes more affordable housing choices. This direction is in alignment with programs included in the draft 6th Cycle Housing Element and such changes would increase the County's ability to qualify for a state pro-housing designation.

Objective Standards

By relying on measurable standards such as size limits, setbacks, height restrictions, and design requirements jurisdictions can streamline approvals, lower administrative burdens, and reduce barriers to development approvals. Well-defined, objective approach supports broader housing goals, such as increasing supply, improving affordability, and making efficient use of existing residential land, all while maintaining community character through consistent enforcement of clearly stated rules.

Program H-4.D of the draft Housing Element commits the County to creating objective criteria by

2027. This will include criteria for review of multifamily housing, affordable housing developments, ADUs, duplexes, triplexes, and fourplexes.

Accessory Dwelling Units (ADUs)

Accessory dwelling units (ADUs) are smaller, independent residential spaces located on the same lot as a primary home. ADUs can be attached to the main house, converted from existing structures like garages or basements, or built as separate buildings. Junior ADUs (JADUs) are also included in this category as small independent living areas contained within the walls of a single family dwelling. ADUs and JADUs have become a popular housing option because they provide flexible living arrangements for extended family, aging relatives, or renters, while also offering homeowners a potential source of additional income. Because ADUs and JADUs are additive to an existing single family dwelling, they increase use of existing residential land, help increase housing supply, support affordability, and promote more efficient, sustainable community development without requiring large-scale new construction. The State of California has adopted legislation governing the criteria that can or cannot be applied to ADU and JADU permitting. The County has adopted ADU regulations pursuant to the state law in the coastal, unincorporated areas and is brining forward similar changes in the inland areas in the near future. The new regulations removed zoning related barriers to ADU approvals. The County has also developed pre-approved ADU designs that can be used to save costs on engineering, design, and permitting. High construction costs, coastal zone permit triggers, and lack of water or sewage infrastructure in many unincorporated areas remain the primary constraint to ADU construction.

Program H-2.A commits the County to “Encourage, Incentivize and Monitor Accessory Dwelling Units (ADUs)” in the unincorporated areas. As described above, the County has made progress on updating ADU standards and has created pre-approved ADU designs. More can be done to disseminate requirements and opportunities for ADU developments. Additional information on ADUs will be explored as part of the implementation of Program H-2.A

Second Units and Residential Lot Splits (Senate Bill 9)

California’s Senate Bill 9 (SB 9, 2021), also known as the Housing Opportunity and More Efficiency (HOME) Act, is a state law that took effect in 2022 to address the housing shortage by allowing more development in areas traditionally zoned for single-family homes. The law enables property owners to build up to two primary housing units on a single-family lot and, in many cases, split that lot into two parcels, potentially allowing up to four units where only one home was previously permitted. A key feature of SB 9 is that qualifying projects must be approved through a ministerial (non-discretionary) process, meaning local governments cannot require public hearings or subjective review if objective standards are met. SB 9 contains a number of qualifying criteria, such as location within an “urbanized area” that limit the applicability within unincorporated Monterey County however, the County has processed a handful of SB 9 applications using the criteria in state law.

Program H-2.N of the draft Housing Element commits the County to codify, by ordinance, SB 9 by the end of 2026. Outreach for awareness of the opportunities for homeowners is also needed and will be explored.

Multi-family housing (duplexes, triplexes, fourplexes, and apartments)

Duplexes, triplexes, fourplexes are often found in denser residential areas that have the ability to connect to public sewer and water services. Allowing these types of housing can help address housing shortages by adding housing that is more affordable than single-family homes but less dense than large apartment buildings. They also make more efficient use of land, support multigenerational living, and can fit into neighborhoods with relatively minimal visual change if guided by clear, objective standards. With the increased residential density, concerns often come up around parking, infrastructure capacity, and neighborhood character. Thoughtful standards like setbacks and design compatibility can address many of these concerns. This effort would likely be concentrated in urbanized areas of the County with access to sewer and water utilities and in some cases, can be addressed at the Community Plan level.

The draft Housing Element does not have a program specifically requiring updates to the zoning ordinances to allow these small multi-family uses. The draft Housing Element does commit the County to preparing objective criteria and ministerial approval requirements for multi-family housing projects on housing opportunity sites that contain a certain level of affordable units. Additionally, there are several Housing Element programs that are related to reducing barriers to housing and reviewing development standards that provide the opportunity to incorporate this portion of the referral in the implementation work.

Pro-housing Designation

The creation of objective criteria for housing, allowing ADUs, lot splits, and allowing duplexes, triplexes, and fourplexes in residential areas will help the County make progress toward qualifying for a pro-housing designation with the State. A pro-housing designation in California is a recognition from the California Department of Housing and Community Development (CA HCD) given to local governments. One of the biggest benefits of a pro-housing designation is a competitive edge for state funding. Beyond funding, the designation signals that a County is actively reducing barriers to housing, such as streamlining approvals, allowing greater density, or adopting objective development standards. This can make the area more attractive to developers and investors, helping projects move forward more quickly. The program requires adoption of a resolution by the Board of Supervisors and a showing that the jurisdiction has appropriate regulations and programs that support and encourage housing development (reflected as a score). One of the scored criteria is the adoption of zoning regulations that allow ADUs, duplexes and triplexes, and another is objective standards for housing review. These policies will help the County increase scoring to qualify for the designation.

Anticipated Resource needs

The implementation of this referral along with the implementation of the Housing Element will require an investment of staff time and consulting resources. If the County does not track and implement the programs of the Housing Element, we risk being decertified by the State. Knowing this, HCD has been preparing for the commitment that will be required to follow-through on the Housing Element implementation and has secured \$650,000 in Measure AA funding for the 2026/27 Fiscal Year. This funding will be used to secure consulting services to assist existing staff resources within HCD, to implement the Housing Element programs and, by extension, this referral. Additional funding may be needed into the 2027/28 Fiscal Year to complete the required ordinances and environmental work.

HOUSING IMPACTS:

Reduces constraints on Housing Development

- Increases constraints on Housing Development
- Neutral

The referral is clear. It is the intent to reduce constraints on housing options and promote housing development in the County.

OTHER AGENCY INVOLVEMENT:

This report has been prepared by HCD. It is anticipated that HCD work with the CAOs office, Homeless Services Division, County Counsel's Office, and other departments in the future when preparing the required ordinances.

FINANCING:

Staff time to prepare this preliminary response is included in the Fiscal Year 2025/26 adopted budget for HCD. The exact costs of staff time and consulting services needed to process the ordinances requested in the referral are unknown at this but staff has estimated the need for approximately \$650,000 for consulting support into Fiscal Year 2026/27 and has received funding approvals to use Measure AA funds to implement the Housing Element.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The referral supports the Board's Economic Development, Health & Human Services, and Administration, initiatives by promoting affordable housing options and increasing competitiveness for grant funding opportunities.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

Attachment A - Referral No 2026.07