



County of Monterey

Item No.

Board Report

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

Legistar File Number: 25-465

June 24, 2025

Introduced: 6/16/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve transferring \$100,000 from the Board of Supervisors (District 5) discretionary funds to the Housing Community Development (“HCD”) Inclusionary Housing Fund and assign said funds for HCD Housing Pilot Projects located within the Fifth District;
- b. Authorize and direct the Auditor-Controller to amend the Fiscal Year (FY) 2024-25 adopted budget for HCD, Fund 009, Appropriation Unit HCD003, Unit 8544 increasing appropriations by \$100,000, financed by an operating transfer in of \$100,000 from the General Fund 001, Board of Supervisors Appropriation Unit BOA001(4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller to transfer \$100,000 in FY 2024-25 from the General Fund 001, Board of Supervisors Appropriation Unit BOA001 to HCD Inclusionary Housing, Fund 009, Appropriation Unit HCD003, Unit 8544. (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve transferring \$100,000 from the Board of Supervisors (District 5) discretionary funds to the Housing Community Development (“HCD”) Inclusionary Housing Fund and assign said funds for HCD Housing Pilot Projects located within the Fifth District;
- b. Authorize and direct the Auditor-Controller to amend the Fiscal Year (FY) 2024-25 adopted budget for HCD, Fund 009, Appropriation Unit HCD003, Unit 8544 increasing appropriations by \$100,000, financed by an operating transfer in of \$100,000 from the General Fund 001, Board of Supervisors Appropriation Unit BOA001(4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller to transfer \$100,000 in FY 2024-25 from the General Fund 001, Board of Supervisors Appropriation Unit BOA001 to HCD Inclusionary Housing, Fund 009, Appropriation Unit HCD003, Unit 8544 (4/5ths vote required).

SUMMARY/DISCUSSION:

If approved, this item will allocate \$100,000 from District 5’s discretionary funds to the Housing and Community Development (HCD) Fund to support the launch of a Fast-Track Permitting Pilot for “missing-middle” housing projects located within the Fifth District.

This pilot serves two key public purposes: (1) to expedite the development of attainable housing for households earning 80-150% of Area Median Income (AMI); and (2) to evaluate innovative permitting strategies-such as AI-assisted review tools and cross-agency coordination-that could ultimately reduce costs, shorten timelines, and improve service delivery across Monterey County.

Monterey County’s middle-income workforce, families, and seniors face a critical shortage of attainable housing options. Streamlined and predictable permitting processes are essential to increasing

housing supply, supporting local economic growth, and improving quality of life. By targeting projects that meet defined sustainability and quality standards, this pilot will directly benefit the public by enabling construction of housing that is affordable to essential workers and community members who are otherwise priced out of the market.

The expenditure also provides an opportunity for the County to evaluate modern, scalable solutions being tested across California, such as third-party reviews, pre-approved plan models, and digital permitting systems. This pilot will explore such methods while maintaining County authority over final decisions.

The public benefit of this initiative is clear: it helps address a region-wide housing challenge, supports workforce retention, and fosters operational innovation within local government. Any incidental benefit to individual developers or property owners is secondary to the broader public purpose served. This allocation is therefore consistent with Article XVI, Section 6 of the California Constitution.

The pilot's scope includes:

- Prioritizing eligible projects for 80-150% AMI households;
- Accepting applications for pre-approved housing models;
- Engaging third-party firms for plan and zoning compliance review;
- Testing AI-assisted tools for permit streamlining;
- Establishing service-level agreements for permit decisions (e.g., 10-15 business days);
- Facilitating cross-departmental and interagency collaboration;
- Tracking pilot metrics and producing an evaluation report to inform long-term program design.

PUBLIC PURPOSE FINDINGS:

In approving this expenditure, the Board of Supervisors finds that the expenditure is for a public purpose and the transaction is not prohibited by Article XVI, Section 6 of the California Constitution. Any benefit to an individual is incidental to the significant public purpose identified in the description above.

OTHER AGENCY INVOLVEMENT:

County Administrative Office has coordinated with the Office of the County Counsel and Housing Community Development Department. The request to bypass the Budget Committee was approved on June 13, 2025.

FINANCING:

If approved, \$100,000 will be transferred from Board of Supervisors (District 5) unused discretionary funds in the General Fund 001 to the HCD Inclusionary Housing Fund 009. These funds will be set aside in Assigned Fund Balance for future use on HCD Housing Pilot Projects located within the Fifth District.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This item administers grants pursuant to the Discretionary Fund Policy.

Mark a check to the related Board of Supervisors Strategic Initiatives

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

Prepared and Approved by: Supervisor Kate Daniels, District 5

Attachments:

1: Letter dated April 28, 2025, from Regenerative California