

Exhibit A

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2023 Annual Progress Report
Monterey County
2010 General Plan Implementation
(Non-Coastal) and 1982 General Plan
Implementation (Coastal)
And
2015–2023 Housing Element Progress

Prepared by: County of Monterey Housing and Community Development Department

April 1, 2024

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2023 Annual Progress Report Summary (April 2023 – March 31, 2024)

Introduction

Government Code Section 65400 requires Housing and Community Development (HCD) to provide an annual report to the legislative body by April of each year, regarding the progress of General Plan implementation, progress in meeting the County's share of regional housing needs, implementation of the housing element (for details see attached Exhibit 2) and compliance of the General Plan (GP) with the General Plan Guidelines adopted by the Governor's Office of Planning and Research (OPR).

A total of **59** General Plan tasks have been implemented or adopted since the adoption of the 2010 General Plan.

Background

- 1965: Monterey County's first adopted General Plan
- 1982: Comprehensive update to the County's General Plan adopted, including 12 Area Plans, Master Plans. Coastal Land Use Plans adopted between 1982 and 1986.
 - June 15, 2010 - 2009-2014 Housing Element adopted; California Department of Housing and Community Development (CA-HCD) certified the Housing Element on August 24, 2010.
- October 26, 2010: Monterey County Board of Supervisors adopted the 2010 General Plan (GP) for the non-coastal unincorporated areas of the County.
- November 26, 2010: the 2010 General Plan became effective.
- January 25, 2011: The BOS adopted a General Plan Implementation Work Program addressing policies that require the drafting of over 100 new ordinances, plans and programs to implement the goals of the General Plan. Staff estimated this would be a multi-year program, with a cost of about \$8 million. The process involves interdepartmental coordination, obtaining technical information from county consultants, and scoping with stakeholders through extensive public outreach.
- December 13, 2011: Board of Supervisors approved a Professional Services Agreement (PSA) with EMC Planning Group Inc. to provide technical support for development of certain priority GP implementation documents for an amount not to exceed about \$1 million through June 30, 2015. This PSA has since expired and staff continues to implement the General Plan with support of consultants as needed.
- In response to settlement agreements related to litigation over the General Plan EIR, General Plan Amendments were adopted in 2013 and are described below in the Litigation section.
- January 26, 2016 - 2015-2023 Housing Element adopted; CA-HCD certified the Housing Element on May 10, 2016

2010 General Plan

California Planning and Zoning Law requires each jurisdiction to prepare and adopt "...a comprehensive, long term general plan for the physical development of the... county..." Gov. Code section 65300. The 2010 Monterey County General Plan complies with state law and with the OPR General Plan Guidelines. State law requires that General Plans

address a range of issues. The mandatory elements of a general plan are land use, circulation, housing, conservation, open space, noise and safety. These elements provide the County's objectives, goals and policies to guide land development decisions. General plans may include additional elements that are necessary as directed by the governing legislative body and must be consistent with Government Code Section 65300 et seq.

The 2010 Monterey County General Plan (GP) contains the following required elements:

- Land Use Element (LU); adopted 10/26/2010
 - Circulation Element (CIRC); adopted 10/26/2010
 - Conservation and Open Space Element (C/OS); adopted 10/26/2010, amended 12/15/2020
 - Safety Element (S) (Note: Includes Noise Element); adopted 10/26/2010
 - Housing Element 2015-2023, adopted 01/26/2016, certified by HCD 05/10/16
 - Public Service Element (PS); adopted 10/26/2010, amended 02/12/13
- The General Plan also contains two optional elements:
- Agriculture Element (AG); adopted 10/26/2010
 - Economic Development Element (ED); adopted 10/26/2010

Policies specific to unique geographic areas in Monterey County are addressed in Area/Master Plans which include the following:

- Cachagua Area Plan (CACH); adopted 10/26/2010
- Carmel Valley Master Plan (CV); adopted 10/26/2010, amended 2/12/13
- Central Salinas Valley Area Plan (CSV); adopted 10/26/2010
- Greater Monterey Peninsula Area Plan (GMP); adopted 10/26/2010
- Fort Ord Master Plan (FO); adopted 2001 and certified by Fort Ord Reuse Authority (update to FO adopted 10/26/2010 not certified by Fort Ord Reuse Authority)
- Greater Salinas Area Plan (GS); adopted 10/26/2010
- North County, Inland Area Plan (NC); adopted 10/26/2010
- South County Area Plan (SC); adopted 10/26/2010
- Toro Area Plan (T); adopted 10/26/2010
- Agricultural and Winery Corridor Plan (AWCP); adopted 10/26/2010

Litigation

Following adoption of the 2010 General Plan, four lawsuits were filed in late 2010 against the County challenging the certification of the 2010 General Plan Environmental Impact Report and approval of the 2010 General Plan. The County engaged in settlement negotiations for about two years, resulting in settlement of two of the lawsuits. This settlement agreement resulted in the County adopting amendments to the General Plan. The lawsuits settled or pending on the 2010 General Plan include:

- 1) Carmel Valley Association, Inc. v. Board of Supervisors of the County of Monterey (Monterey Superior Court case no. M109442); case settled. General Plan amended consistent with terms of the Settlement Agreement (February 12, 2013).
- 2) Salinas Valley Water Coalition et al v. County of Monterey (Monterey Superior

Court case no. M109451); case settled. General Plan amended consistent with terms of the Settlement Agreement (February 12, 2013).

- 3) LandWatch Monterey County v. County of Monterey (Monterey Superior Court case no. M109434). Supplemental petition challenging February 12, 2013, General Plan amendment filed March 21, 2013. Settlement Agreement entered in early 2015. The litigation has not been dismissed but is inactive.
- 4) The Open Monterey Project (TOMP) v. Monterey County Board of Supervisors (Monterey Superior Court case no. M109441). Supplemental petition challenging February 12, 2013, General Plan amendment filed March 21, 2013. Settlement Agreement entered in early 2015. The litigation has not been dismissed but is inactive.

The County adopted two General Plan Amendments as related to the litigation:

County initiated amendment of the Carmel Valley Master Plan pursuant to terms of a settlement agreement responding to litigation filed by the Carmel Valley Association:

Resolution approving Addendum No. 1 to Final Environmental Impact Report (FEIR) #07-01, SCH#2007121001, and amending Policies CV-1.6 (Residential Build-out), CV-2.17 (Traffic evaluation/methodology), CV-2.18 (Carmel Valley Traffic Improvement Program), CV-3.11 (Tree Protection), and CV-3.22/CV-6.5 (Non-agricultural Development on slopes).

Resolution No. 13-029: Adopted by the Board of Supervisors on February 12, 2013

County initiated amendment of the Public Services Element pursuant to terms of a settlement agreement responding to litigation filed by the

Salinas Valley Water Coalition:

Resolution approving Addendum No. 2 to FEIR #07-01, SCH#2007121001, and amending Policies PS-

3.1 (Long-Term Sustainable Water Supply), PS-3.3 (Domestic Wells) and PS-3.4 (High-Capacity Wells).

Resolution No. 13-028: Adopted by the Board of Supervisors on February 12, 2013.

Fort Ord

The Fort Ord Reuse Authority (FORA) was established by state law in 1994 for the former Fort Ord area. (Government Code section 67650 et seq.) FORA dissolved by operation of law June 30, 2020. (Government Code section 67700.) While FORA was in existence, FORA adopted the Fort Ord Base Reuse Plan (BRP), and local jurisdictions were required to submit their general plans to FORA for a finding of consistency with the BRP and FORA's plans and policies.

In 2001, Monterey County amended the County's 1982 General Plan to incorporate a Fort Ord Master Plan with relevant sections of the BRP. In 2002, FORA certified that the Fort Ord Master Plan is consistent with the BRP. In 2010, the County adopted an updated Fort Ord Master Plan as part of the 2010 General Plan, but the Fort Ord Reuse Authority had a tie vote on whether the 2010 Fort Ord Master Plan was consistent with the BRP. Accordingly, that 2010 Plan was not certified by FORA. The Fort Ord Reuse Authority (FORA) no longer exists, and duties previously performed by FORA staff have been transferred to local governments having jurisdiction over lands within the former Fort Ord area.

General Plan Amendment Native American Tribal Consultation

The County of Monterey is in the process developing its Housing Element Sixth Cycle Update (2024-2031). On December 1, 2022, the County sent formal notification of the Housing Element update to Native American Tribes in Monterey County pursuant to Public Resources Code Section 65522.3 *et seq.* The Esselen Tribe of Monterey County (ETMC) requested consultation, which is underway. The County of Monterey has a Native American and Archaeological Resources Technical Advisory Panel (NAARTAP) established per Monterey County Code Chapter 2.95. The NAARTAP has also been consulted regarding the draft Housing Element update sites inventory. The County is also updating its Safety Element and developing a new Environmental Justice Element. Formal consultation notification to Native American Tribes is anticipated in spring 2024 and staff will also bring the Safety and Environmental Justice Elements to the NAARTAP for consultation in 2024.

General Plan Implementation

Since the adoption of the 2010 General Plan, 58 ordinances, plans and programs have been implemented or adopted. In 2023 for the reporting period, the items listed below have been in process. The 2023 Annual Report Summary Matrix, attached as Exhibit 1, indicates the work completed in 2023, references to the corresponding General Plan policies, and the next steps to take on specific tasks.

To track General Plan implementation, a Five-Year Long-Range Planning (General Plan Implementation) Work Program (Program) is established, which allocates projects over a five-year timeframe, and allocates priority projects and funding to the first year. A total of approximately \$602,195 in state grant funds have been awarded for work during FY 2023-24 into next FY 2024-25.

The General Plan Implementation Fee (GPUI) is a surcharge added on all land use entitlement applications received by the County. The surcharge is 10% of the entitlement fee. Funds collected from this fee are intended for Long-Range Planning resources, such as staff to work on implementation of the General Plan. In Fiscal Year 2022-23 (July 1, 2022 to June 30, 2023) a total of \$851,795 was collected in GPUI fees. For the current Fiscal Year 2023-24 (July 1, 2023 to June 30, 2024), fiscal year to date GPUI revenues are \$525,533.

2023 Annual Progress Report – General Plan Working Progress Tasks

Following is a summary of General Plan Implementation (GPI) activities completed or advanced in the 2023 report period and planned for 2024. The full Monterey County Long-Range Planning Work Program may be found at <https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/advance-planning/ordinances-plans-under-development> under the “2023 General Plan Implementation and Housing Element Annual Progress Report and Five-Year Long-Range Planning Work Program 2025-2029 (REF240009)” item.

Salinas Valley Zone 2C - Salinas Valley Groundwater Basin Study, LRWP Task No. 155

Amendment to GP Policy PS-3.1 in 2013, resulting from a settlement agreement, included language requiring a 5- year study of the Salinas Valley Groundwater Basin relative to the projected buildout of the General Plan. The County contracted with the Monterey County Water Resources Agency (MCWRA) to provide staffing resources to manage outside consultants (such as US Geologic Service or USGS) for this work. The Salinas Valley Groundwater Basin study report was provided to the County in Summer 2023. Staff plans to present the report and associated recommendations to the Board of Supervisors in 2024 for consideration.

Year 4 (of the 5-year study) work program was provided in 2018. The Salinas Valley Integrated Groundwater and Surface Water Hydrologic Model (SVIHM) was developed by USGS. A hydrogeologic conceptual model has been prepared and a calibration of the Sea Water Intrusion (SWI) Model that, in 2021, was identified to be expanded to include the Salinas Valley Groundwater Basin and Zone 2C is complete. The SVIHM model and expanded SWI Model was incorporated into the Salinas Valley Groundwater Basin Study. The County's consultant used the SVIHM to complete the reassessment of Zone 2C and the Salinas Valley Observational Model (SVOM) to evaluate future conditions. The report included developing strategies for assessing future water demands, formulating urban pumping estimates for 2030, analyzing future water use coefficients, refining methods for updating land use, and implementing projected 2030 land use to include specific crop types.

Agricultural Land Mitigation Ordinance (REF160008), LRWP Task Nos. 43, 154 (Complete)

Policy No. AG-1.12 requires preparation, adoption and implementation of a program that requires projects involving a change of land use designation resulting in the loss of Important Farmland (as mapped by the Department of Conservation (DOC) Farmland Mapping and Monitoring Program) to mitigate the loss of that farmland. In 2016, the County of Monterey RMA-Planning received a Sustainable Agricultural Lands Conservation Program (SALC) grant award from the State of California up to \$182,366. On June 27, 2017, the Board of Supervisors accepted the grant award and issued resolutions of support to the Ag Land Trust for five easement proposals to the California Department of Conservation SALC program. The SALC grant expired June 14, 2023. On March 12, 2024, the County adopted Ordinance No. 5414 adding Chapter 21.92 to the Monterey County Code related to Regulations to Mitigate for Development on Farmland. This task is now complete.

Agricultural Buffer Regulations (REF130045), LRWP Task Nos. 23-11, 43 & 154

As part of the public outreach and development of the Agricultural Land Mitigation Ordinance, staff received feedback and conducted preliminary work regarding the County's Agricultural Buffer regulations during the 2023 reporting period. In 2024, the Chief of Planning, in collaboration with Agricultural Commissioner, will develop an Administrative Interpretation of Agricultural Buffer policies pursuant to the 2010 General Plan. Staff plans to prepare draft and final clarifying amendments to MCC 21.66.030 for consideration by the Planning Commission and Board of Supervisors.

Development Evaluation System (REF120030), LRWP Task No. 35

The 2010 General Plan identifies Community Areas, Rural Centers and Affordable Housing Overlay Districts as areas of top priority for development. Outside of those areas, Policy LU-1.9 of the General Plan requires a Development Evaluation System (DES) be established to provide a systematic, consistent, predictable and quantitative method for decision-makers to evaluate developments of five or more lots or units and developments that will have the equivalent or greater impact on traffic, water or wastewater. Staff has been working on developing the evaluation system and has received input from various stakeholders since the adoption of the 2010 General Plan, including multiple workshops with the Planning Commission. Staff held the final Planning Commission workshop on the DES in 2019. The draft DES, as recommended by the Planning Commission, was presented to the Board of Supervisors in August 2020. The Board directed further revisions. Due to other conflicting priorities and limited staffing resources, no progress was made on the DES in 2023, and work is anticipated to commence once again in 2024.

Zoning Maps & Classifications Update (REF140023), LRWP Task No. 44

This task requires both an update to the zoning maps and the development of new zoning regulations within the inland zoning ordinance (Title 21) to develop new zoning and overlay districts that were established by the 2010 General Plan. In 2020, the Board of Supervisors adopted an ordinance establishing regulations applicable to Mixed Use Zoning Districts (Chapter 21.17). During the 2023 reporting period, staff completed its preliminary research and review of land use and zoning maps. The current project scope includes:

- Updates to the County's zoning maps to implement the 2010 General Plan land use designations.
- Amendment to Chapter 21.08 (Establishment and Designation of Zoning Districts) to codify the transition from Sectional District Maps to GIS shapefiles.
- Amendment to Chapter 21.39 (Community Plan Zoning District) to codify this section is applicable to adopted Community Plans and Master Plans.
- Amendment to Chapter 21.50 (Urban Reserves Zoning District) to codify that staff needs to review Board adopted Memorandum of Agreements and Memorandum of Understanding between the County and cities for applicable development occurring in the unincorporated County.
- Implementation of the Agricultural and Winery Corridor Plan (AWCP) will result in a new Chapter being added to Title 21.

Staff conducted an informational workshop at the Planning Commission on March 13, 2024. Updated zoning maps and an ordinance to amend Title 21 is anticipated to be considered by the Planning Commission in late summer and the Board of Supervisors fall 2024.

Future portions of the project to be implemented separately include:

- Implementation of the Affordable Housing Overlay (AHO) may result in a General Plan amendment and a new Chapter being added to Title 21.
- Updates to the Fort Ord Master Plan (FOMP), associated land use designation, and zoning maps.

Community Climate Action & Adaptation Plan (REF120045), LRWP Task No. 14

Progress on the Community Climate Action and Adaptation Plan (CCAAP) was delayed during the 2023 reporting period. In late 2020, the County was notified that it was awarded a

\$175,000 grant from the State to provide funding for a two-year planning program. In 2023, the County drafted the initial Greenhouse Gas (GHG) mitigation strategies and made the determination that the CCAAP would be a non-CEQA qualified plan. The CCAAP is anticipated to be complete summer 2024.

Chualar Community Plan (REF240012), LRWP Task No. 46

The 2010 Monterey County General Plan designates Community Areas to be actively supported as the County’s primary planning priorities. Developing a Community Plan for Chualar is one of the highest priorities (LU-2.23). On February 1, 2024, staff published a Request for Proposal (RFP) to solicit proposals for consultant firms to assist in the development of the Chualar Community Plan. The RFP closed on March 15, 2024, and staff anticipates conducting consultant interviews in April 2024, and negotiating a Professional Services Agreement with a successful firm to be considered by the Board of Supervisors in early summer 2024. Community outreach and planning will get underway immediately following.

Fort Ord Habitat Resource Management Plan (REF220022), LRWP Task No. 21-12

Developing the Fort Ord Habitat Resource Management Plan (RMP) for County-owned and Monterey Peninsula College-owned (MPC) lands on the former Fort Ord is required by deed restriction and the 1997 Installation-wide Habitat Management Plan, and implements various program/policies identified in the County Fort Ord Master Plan. During the reporting period staff conducted community outreach to solicit input on draft baseline conditions and management activities. The Administrative Draft Plan is under review. The Final Plan is anticipated to come before the Board of Supervisors by the end of 2024.

Exhibit 1 Summary 2023 Annual Progress Matrix

Task	Reference No.	GP Policy or Other Mandate	Program Area/MCC/Title	Work Completed in 2023 -20243 (April 2022 to March 2024)	Work Anticipated in 2024-2025
2023 General Plan Implementation and Housing Element Annual Progress Report	REF240009	State Code	Countywide	Annual Plan Complete and Submitted to Planning Commission 4/10/2024 and Board of Supervisors 4/23/2024 for consideration and acceptance.	2024 GPI/HE APR
Long Term Sustainable Water Supply and Salinas Valley Zone 2C - Salinas Valley Groundwater Basin Study	REF140088	AG-1.7, 2.1, 2.2, PS-3.1, PS-3.2; Board Referral 2014.01	2010 GP (Inland)/Title 21	Report was completed in June 2023.	Final Report and Recommendation to Board.
Agricultural Land Mitigation Ordinance	REF160008	State Code (AB 823), AG-1.12, OS-1.7, OS-1.8	2010 GP (Inland)/Title 21	Ord No. 5414 adopted March 12, 2024. This task is complete.	N/A – Complete

Development Evaluation System	REF120030	LU 1.19	2010 GP (Inland)/Title 21	No Activity.	Final Ordinance. CEQA
Community Climate Action and Adaptation Plan	REF120045	State Code, OS-10.11	2010 GP (Inland)/Title 21	Drafted initial Greenhouse Gas (GHG) mitigation strategies.	Final Greenhouse Gas Reduction Plan/Climate Action Plan. CEQA.
Zoning Ordinance and Map Updates	REF140023	LU-2.8, 2.11, 2.12, 2.17, 2.18, 2.21, 2.24, 2.28, 2.33, 2.34, 3.1, 4.1, 5.1, 6.1, 6.2, 9.4; AG-1.7, 2.1, 2.9, 3.3, 4.3; PS-3.13, 12.12; CACH-1.2, 1.5, 3.1; CV-1.6, 1.12, 1.20, 1.22, 1.23, 1.25, 1.26, 1.27, 3.1, 3.13; CSV-1.1, 1.3, 1.4, 1.5, 1.6, 1.7, 3.1; GMP-1.1, 1.6, 1.7, 1.8, 1.9, 3.2, 3.3; GS-1.1, 1.2, 1.3, 1.9, 1.10, 1.11, 1.13; NC-1.5, 3.1, 3.6 ; T-1.4, 1.7; SC-6.1; AWCP-4.4	2010 GP (Inland)/Title 21	Preliminary research and review of land use and zoning maps complete. Staff conducted an informational workshop at the Planning Commission on March 13, 2024	Final updated zoning maps. Draft and final ordinance. CEQA.
Chualar Community Plan	REF240012	LU-2.21.c, LU-2.23	2010 GP (Inland)/Title 21	Request for Proposals issued.	Select consultant, conduct community outreach and draft plan.
Agricultural Buffer Regulations	REF130045	State Code (AB 823), LU-2.17, LU-2.8, OS-1.7, OS-1.8	2010 GP (Inland)/Title 21	Policy research completed	Develop Administrative Interpretation. Final clarifying amendments to Chapter 21.66.030.
Fort Ord Habitat Resource Management Plan	REF220022	1997 Habitat Management Plan/Deed Restriction, Various Fort Ord Master Plan programs/policies	2010 GP (Inland)/Fort Ord Master Plan	Community outreach and Administrative Draft Plan	Draft and Final Plan. CEQA.

Key	
BOS	Board of Supervisors
CCC	California Coastal Commission
DOC	Department of Conservation
DOF	Department of Finance
GP	2010 General Plan
HEU	Housing Element Update
LCP	Local Coastal Program
Ord No.	Ordinance Number
Res No.	Resolution Number

2023 Annual Progress Report – Housing Element Working Progress Tasks

Housing Element Annual Progress Report

The HE APR consists of 12 data tables and a summary screen and a screen for Local Early Action Planning (LEAP) Grant reporting. The tables and data reported on each are:

Table A – Housing Development Applications Submitted

The County received housing development applications that proposed creating new residential lots or units during 2023.

Table A2 – Annual Building Activity Report Summary

During 2023 the County:

Approved entitlements for 45 applications proposing 135 new residential lots or units.

Building permits issued for 125 building permits for 169 new units.

Building permits finalized for 143 new units.

Table B – Regional Housing Needs Allocation Progress

This table is compiled by state Housing and Community Development from HE APRs submitted during the 5th Housing Element Cycle.

Table C – Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law

The County has not identified or rezoned any sites to accommodate shortfall housing need or to comply with the No Net-Loss law.

Table D – Program Implementation Status

This table has been completed with implementation efforts and impacts of 5th Cycle Housing Element Programs.

Table E – Commercial Development Bonus Approved

The County has not approved any commercial development with density bonus approvals.

Table F – Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites

The County has not rehabilitated or otherwise preserved housing units to provide alternative sites. There are statutory limitations on when the County counts these units toward RHNA.

Table F2 – Above Moderate-Income Units Converted to Moderate Income

The County has not converted any above moderate-income units to moderate-income units.

Table G – Locally Owned Lands Included in the Housing Element Sites Inventory that Have Been Sold, Leased, or Otherwise Disposed of

The County did not include any locally owned lands in the Housing Element Sites Inventory.

Table H – Locally Owned Surplus Sites

The County has not identified any locally owned surplus sites.

Table J – Student Housing Development for Lower Income Students for Which Was Granted a Density Bonus

The County has not approved or granted density bonuses for any student housing.

Table K – Tenant Preference Policy

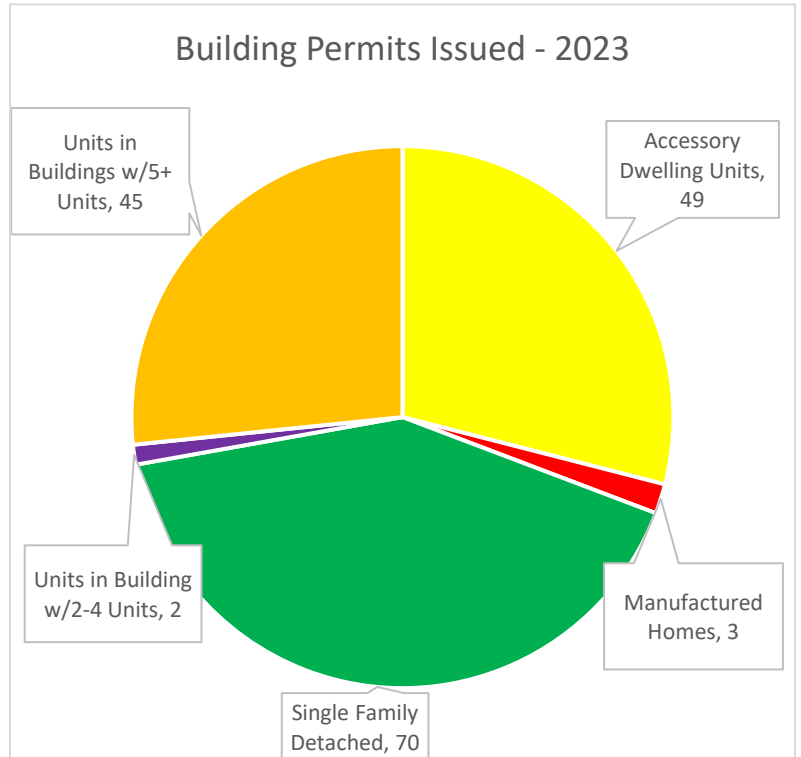
The County has not adopted a tenant preference policy.

The full 2023 Housing Element APR may be accessed from the County's webpage at <https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/housing-programs/housing-element>.

Building Permits Issued - 2023

The County receives RHNA credit for a unit when a building permit is issued during a calendar year. This information is reported on Table A2 of the APR. The adjacent chart shows the number and types of units that were issued building permits during 2023.

The APR does not allow reporting negative numbers, which means units that are demolished and not rebuilt are not reported. During 2023, the County took code enforcement actions against two illegally converted buildings let to the demotion of 69 housing units, units that were presumably occupied by very low or -low-income households.



5th Cycle RHNA Performance

The APR counts all building permits issued. This can create a misleading picture of the true number of new housing units permitted. A building permit can include demolition of an existing unit and replacement with a new unit, which is not a net increase in units. It can also include units rebuilt after being destroyed by a natural disaster or fire and building permits issued but not completed.

To create a more accurate picture of the number of new housing units permitted during the 5th Cycle, building permits have been classified as either new, replacement, or net loss. Table 1 summarizes the RHNA and building permits issued during the entire 5th Housing Element Cycle as they have been reported to HCD. The net result is that the County issued building permits for 268 fewer units than are reported on HE APR. Table 2 shows the number of housing units issued

Table 1
5th Housing Element Cycle – 2015 - 2023
Summary of Building Permits Issued as Reported to HCD

	RHNA Allocation	Buildin g Permits Issued	RHNA Remainin g	% RHNA Remainin g
Very Low- Income	374	174	200	53%
Low-Income	244	344	-100	
Moderate- Income	283	34	210	88%
Above Moderate- Income	650	1,644	-994	
Total	1,551	2,196		

building permits after adjusting for the negative numbers as discussed above.

2015 – 2023 5th Cycle Housing Element Overview

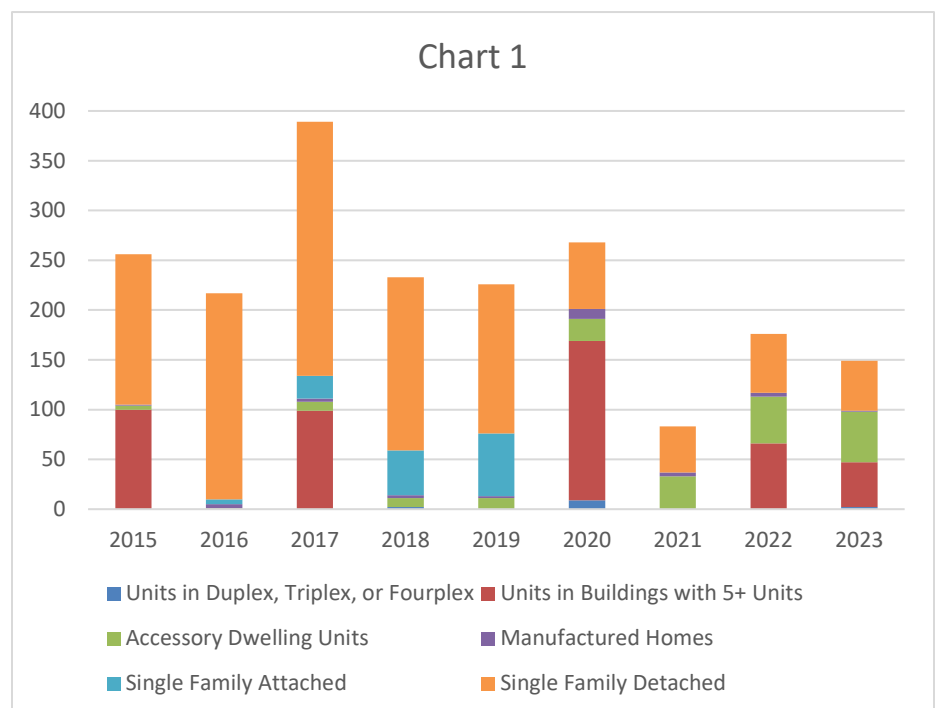
During the 5th Cycle, the County issued building permits for 1,997 new units. The County issued permits for an average of 222 new units annually. However, the number of units permitted between 2021 and 2023 slowed to an average of 136 annually. There are two possible explanations for this slowdown. First, East Garrison Partners paused development with 209 above moderate-income, 33 moderate-income, and 66 very low-/low-income units remaining. During the 5th Cycle, East Garrison pulled building permits for 42% of all units. East Garrison was responsible for the only affordable units permitted that were not employer sponsored permitted during the Cycle. Other, large, legacy projects, such as the Commons at Rogge Road and Santa Lucia Preserve accounted for another 26% of the permitted units and did not trigger new inclusionary or other affordability requirements. Second, the outbreak of COVID appears to have slowed construction of new single-family homes despite low interest rates.

Table 2
5th Housing Element Cycle
Net New Housing Units Permitted

	RHNA Allocation	Building Permits Issued	RHNA Remaining	% RHNA Remaining
Very Low-Income	374	138	236	63%
Low-Income	244	269	-25	
Moderate-Income	283	73	210	74%
Above Moderate-Income	650	1,448	-798	
Total	1,551	1,928		

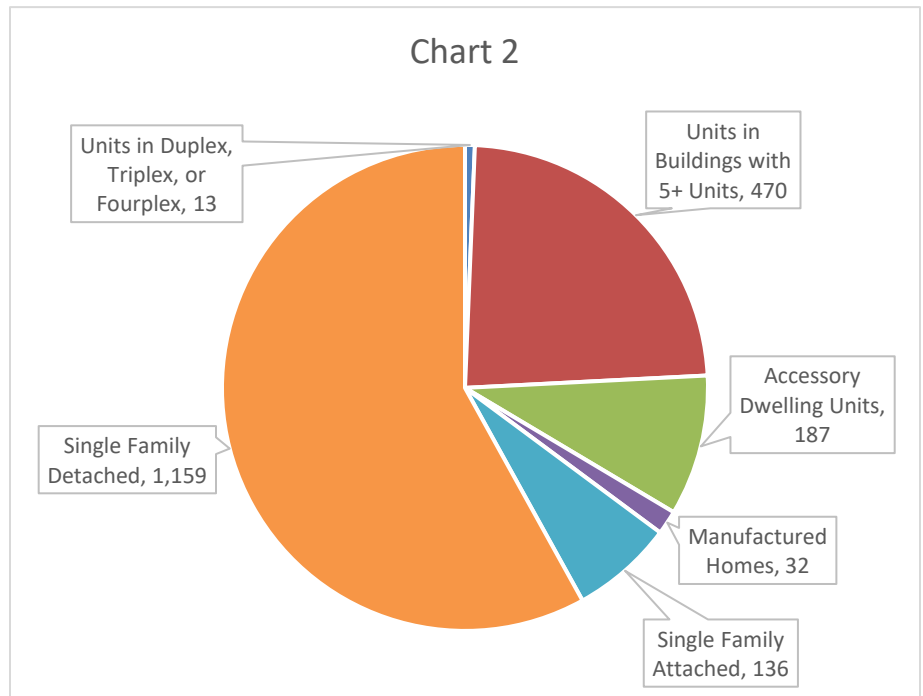
Charts 1 and 2 show information on the types of units permitted by year and during the 5th Cycle overall.

One factor keeping the cost of housing high is the lack of new multifamily unit construction in the unincorporated areas. During the 5th Cycle, the County issued building permits for 470 units in buildings with five or more units. The only new multifamily project, the Alfred Diaz-Infante Apartments (31 very low- and 34 low-income units), was permitted in 2022. This project was specifically to satisfy East Garrison's Phase II very low- and



low-income affordable housing requirement. There was a nearly 16-year delay between when the requirement was imposed and when the developer satisfied it. East Garrison Partners still has its third phase affordable housing obligation to satisfy. This includes a multifamily project with 41 very low- and 24 low-income units, and 33 moderate income units. These units are not expected to be issued building permits until 2025 at the earliest, 19 years from when the project was entitled, and the requirement to construct affordable units was imposed.

The balance of the new multifamily units was employer sponsored housing and assumed to be affordable. To qualify as RHNA affordable units, only the front door was counted as a unit, the individual farmworker would earn less than 70% of area median income, and that the units will be occupied nine months a year. These units are also covered by permits issued by the County Health Department's Environmental Health Bureau and inspected annually. While these units provide an essential source of housing for seasonal workers and reduce seasonal overcrowding, they do not increase the County's supply of permanent housing.



Accessory Dwelling Units (ADUs), often seen as part of the solution to addressing the chronic housing shortage accounted for 9% of new housing units during the 5th Cycle. During the last three years of the cycle, ADU permits increased to 32% of issued permits. More than 63% of new ADUs have been permitted in the Big Sur, Carmel, and Greater Monterey Peninsula planning areas.

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