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**Monterey County  
Housing Element Update**

# MEETING MINUTES

**Name of Meeting:** Market Rate Developer Stakeholder Meeting  
**Date of Meeting:** February 1, 2023  
**Time:** 2:00 pm  
**Location:** Zoom Meeting  
**Subject:** Housing Element Update – Existing challenges that create a barrier to develop affordable housing in unincorporated Monterey County and opportunities/solutions to help address these barriers.

Participant	Organization
Participant # 1	Ausonio Homes
Participant # 3	SHEA Homes
Participant # 4	Avila Construction
Jaime S. Guthrie – County Staff	Housing and Community Development, Monterey County
Hitta Mosesman – Consultant	Harris & Associates
Kelly Morgan – Consultant	Harris & Associates

## Challenges - General

- Participant 1: Nothing can be built reasonably in Castroville due to excessive fees. Even when converting to apartments developers still have to pay traffic impact fees. Fees are a constraint for anything to be developed in Castroville.
- Participant 3: Permit approvals can be difficult to obtain in a timely manner.
- Participant 4: If you build a housing project it's in spite of the regulations and processes. A few folks have figured out the barrier to entry, but it is very difficult.
- Participant 1: Even for something like a lot line adj for commercial property, it takes upwards of 3 years, timing for this is unacceptable.
- Participant 4: County staff also acknowledge processes to be lengthy.
- Participant 3: We are looking at other places in the County but having worked in Marina and now SHEA Homes has a very long bureaucratic process the timeframes are long and frustrating. To produce housing units and take advantage of opportunities need to deal with timing constraint. A serious conversation needed as are resources put behind plan check and review. The timing for entitlement permitting impacts expense; timing forces an economic shift and exposes unnecessary risk. When considering a project, initial questions always include if the development is in the County because of the difficulties in getting the entitlements and permits.
- Participant 4: Public meetings for projects are also excessive when considering the various boards and committees that have to be involved.
- Participant 3: SB330 and streamline provisions need to be adhered to, limiting the number of public hearings and need to be extended to residential mixed use and followed accordingly. The timing needs to be by-right from an entitlement stance so long as the existing zoning is okay and already in place.

- Participant 4: Agree.

### **Challenges – Water & Infrastructure in the unincorporated Monterey County and the region**

- Participant 4: In Pajaro there was a public housing development where to appease planning and neighbors, the developer had to fill in sidewalks and have a sewer report conducted despite the development not having an impact. Public works required this.
- Participant 3: The County has to back developers and not require developers to pay for infrastructure issues. SB330 should not have developers paying for non-objective issues. If housing is a priority, then act accordingly.
- Participant 3: Sometimes the water district is more of a burden than the cities.
- Participant 3: Water is most constrained in the County, definitely an issue/intrusion, political, etc. The issue needs federal funding. The County can increase housing by increasing water supply. Solutions in the works like Conveyance River or CalAm get pushed back by lawsuits, the coastal commission, etc., creating a hurdle to resolution.
- Participants 1 & 3: NIMBYism creates a hurdle as well, citing a lack of housing but creating infrastructure-based constraints that create a barrier to increasing housing stock.
- Participant 4: Potential sites are needed for agriculture (farm workers), but that availability is hard to come by with the infrastructure SOI, coastal commission barriers. The County agriculture mitigation policy is a huge constraint, causing issues if developers have to buy a permanent easement to mitigate the loss of agriculture land.
- Participant 3: The volume of agriculture land is going to shrink due to the robotizing of the actual work and the movement of opportunities outside of CA, likely to see reduction in use of agriculture land in Salinas. A policy that looks at capitalizing and treating agriculture land as endangered when it isn't is a poor policy. Should be looking ahead at the reality of the situation.
- Participant 4: Density mitigates use of agriculture land, density is a constraint, very small for multi-family and will help mitigate loss of agriculture land.
- Participant 1: Castroville was able to do density bonus to increase units for a development from 6 to 18. Should be noted that when switching to regular apartments, developers will need to adhere to fees. Density bonus then becomes an issue as parking is an issue. Can't always reduce parking realistically to take advantage of the density bonus incentive.
- Participant 4: Public transport infrastructure is lacking.

### **Opportunities/Solutions**

- Shorten timeline, waive impact fees, and adhere to state laws on streamlining permitting.
- Better policies, affordable housing overlays, and the County should look into and deliver water and provide additional supply for adequate water.
- Current densities need updating to help mitigate the issues, less public hearings, and more by-right for the zoning codes.
- County should reimburse developers that have to update infrastructure for issues non-related to their development.
- County coordination on infrastructure when a project comes forward and working with each district to move things forward. Cities will typically step in and advocate for AH. The County needs to do the same to make sure water district allocation is in its place.
- If considering mixed use - commercial should be stated as not requirement but instead optional w/ zoning. If requiring commercial and it can't be filled due to the market, it holds up the housing portion. The policy should be flexible.
- There are opportunities for conversion if considering the option to rezone to residential (Castroville, Carmel Valley, Mid-Valley, Rio Road, etc.).
- Identify grants, resources, environmental policies to help CEQA requirements upfront, and existing incentives for developers.
- Consider policies and procedures seen in other jurisdictions like Marina's housing overlay, Salinas' revitalization downtown plan, and Monterey's downtown specific plan.