



County of Monterey Planning Commission

Item No.6

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

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PLANNING COMMISSION REFERRAL 19.01 QUARTERLY REPORT OF AFFORDABLE AND WORKFORCE HOUSING APPLICATIONS RECEIVED BY THE COUNTY

At its November 13, 2019, meeting, the Planning Commission requested staff to provide quarterly reports related to affordable and workforce housing applications received by the County. At the Planning Commission's October 26, 2022, meeting it was further requested that pending and approved accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) be added to the report.

Annually, the County reports to California Housing & Community Development (CA HCD) on our progress toward meeting our Regional Housing Needs Allocation (RHNA). This report provides the information reported annually and throughout the course of the past Housing Element cycle (the 5th cycle covering the period from 2015-2023) in response to the Planning Commissions referral. Work on the 6th cycle Housing Element is currently in progress.

Policies and Background Information:

Before reviewing the data on housing applications, an understanding of the how Monterey County Housing & Community Development (HCD) considers housing projects is important to understand. When HCD receives an application, a permit determination is made with reference to zoning regulations and other applicable laws that apply to the proposed use or development.

Single family residential uses - Using a typical residential property development example, a single-family home (unrestricted for affordability), can be permitted with a ministerial building permit in some areas, or the need for a discretionary planning entitlement may be triggered before a building permit can be issued in other areas. This largely depends on location, zoning designation, and site-specific environmental factors. Pursuant to state law, accessory dwelling units (ADUs) are permitted with ministerial building permits unless they are in the Coastal Zone, in which case a planning entitlement is required.

Multi-family housing uses - New apartment building(s) or mobile home parks usually require discretionary planning approvals before building permits are issued. State laws such as the housing accountability act, urban lot splits (SB 9), and employer sponsored housing, have made certain types of development ministerial and eliminated the local discretionary planning entitlement process.

Subdivisions - Subdivisions are subject to the subdivision map act and the County's local subdivision ordinances which require discretionary approval of a tentative map followed by ministerial consideration of a final map if the tentative map is approved. Lots cannot be sold separately until a final parcel map is accepted, even if a tentative map is approved. There are some exceptions (similar to those described above) in state law that remove the local discretion and allow for ministerial approval of a final map. Subdivisions, for the purposes of this discussion, can include creation of lots or can include lots and development. Many subdivisions simply create lots which are sold as vacant lots and buyers of those lots then apply for individual permits to develop. In some cases, a developer may build units on lots, like in the case of East Garrison or Rogge Commons, and sell the unit with the lot. In both cases, the actual creation of a unit can take years from the tentative map approval.

Planning Entitlements v Building Permits - Discretionary Planning Entitlements are often the first step in the process of building new housing units, establishing new uses, or creating new lots. The planning entitlement process provides an opportunity to consider if a proposed development is appropriate based on many different factors. This process can influence the size, shape, design, number of lots or units, and other aspects. It is also a process established to provide an opportunity for public input in the open and public decision-making process. If a planning entitlement is approved, it does not always directly result in a new house, unit, or lot being created. Often conditions of the planning approval must be satisfied and ministerial actions (like securing a building permit or filing a final map) may follow. Building Permits are ministerial approvals that permit the construction of structures and utilities according to approved plans and specifications. Building Permits are determined to meet the California Building Code (with local amendments as applicable) or not, a ministerial decision. Once a building permit is issued, construction may commence. A unit is finally ready for occupancy once a certificate of occupancy or final building inspection is completed.

Affordable Housing - Terms like “an affordable housing project,” “Inclusionary Housing Units”, “deed restricted affordable units (for sale or for rent), and “employer sponsored housing,” have different meanings in state law and in the County Code. Affordable housing projects are usually proposed by a non-profit housing developer or government agency and include the creation of lots and/or units that are intended to be sold or rented to very low-, low-, or moderate-income households. These developments are often financed by state or federal grant programs, tax increments, and local housing fund set asides. Inclusionary Housing usually refers to Chapter 18.40 of the Monterey County code which requires development of 5 or more lots or units provide for at least 20 % of the units for very low-, low-, or moderate-income households. Note: The General Plan requires updating the Inclusionary Housing Ordinance to add 5% of the units be provided to families that qualify as “workforce I” (or above moderate but less than market rate units), in addition to the 20% already required. To satisfy the Inclusionary Housing Ordinance requirements, a developer may provide units for sale or for rent on-site, off-site in certain cases, or pay a fee in lieu of building units. “Employer sponsored housing” is a housing development constructed or purchased by a business that is intended to be occupied by employees of the business. This includes “Agricultural employee housing.”

Due to the various types of development, the difference in potential units or lots and actual units or lots depending on the stage in the permitting process, the type of affordable housing, and other relevant factors, staff have attempted to distinguish the data reported below using terminology that reflects the summary above.

During the 2023 calendar year, the County handed out four applications for a subdivision or multifamily project proposing to construct 419 new housing units. Three projects proposed construction of 242 units of employer sponsored housing units. The fourth project is an “affordable housing project” proposing to construct 132 affordable units on County owned property located at 855 E. Laurel Dr., Salinas. In addition to handing out applications for new projects, several projects that began the application process in prior years have restarted work to complete their applications. These projects include: Charolais Ranch, LaTourette, Riverview, and Harper Canyon.

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Approved by: Craig Spencer, Acting HCD Director

The following attachment is on file with HCD:

Exhibit A - Housing Pipeline

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