

Chapter IX. HOUSING ELEMENT SUMMARY



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Comment: *The comments are included to explain some of the rationale for the recommended changes. The comments are intended to stay with these recommendations but not be included in final policy language.*

This chapter of the General Plan, entitled Housing Element Summary, is an abbreviated version of the full Housing Element Technical Document 2002-2008. The full Housing Element was adopted by the Board of Supervisors on November 4, 2003 and subsequently certified by the State Department of Housing and Community Development. The full Housing Element is available under separate cover from the County's Planning and Building Inspection Department.

The Housing Element Summary included in this chapter is provided to aid the reader in understanding how the County's housing policies support the General Plan Guiding Objectives and are integrated with all other elements of this Plan. Part 1 of the Housing Element Summary provides background and rationale for the goals and policies that follow. Part 2 includes the same goals and policies found in the full Housing Element, with some wording changes made to ensure internal consistency with all other policies of the General Plan. Following adoption of the 2004 General Plan, any policy differences with the full Housing Element will be submitted to the State Department of Housing and Community Development for certification. While the full Housing Element Technical Document will need to be updated every five years under state law, it is anticipated that the housing goals and policies will not change significantly over the 20-year horizon of this General Plan.

Part I: Introduction

This introductory narrative is provided for background purposes only. It is not policy, and shall not be cited as policy or used to interpret or construe the policies of this plan.

Comment: *It is recommended that after a brief introductory paragraph such as below, that all narrative discussion be done in a format that physically separates it from actual policy (i.e., Administrative Record Appendix).*

For many, housing is the most critical issue of the General Plan. The availability of decent and affordably priced housing units in close proximity to current and future jobs and services is essential for assuring a high quality of life. In Monterey County, as is the case in many other areas in California, the shortage of such housing has reached critical levels. This Element presents a strategy for addressing the critical housing needs within the unincorporated area. The challenge for this Plan is to provide sufficient land supply zoned at densities that result in housing that will be affordable to Monterey County residents. Additionally, new partnerships between public agencies, private non-profits, private builders, and employers are needed to provide housing that will be within the financial means of the County's workforce and special need populations.

State Requirements

A housing element is one of seven elements required by the State of California to be included in the County's General Plan. Unlike the twenty-year time frame for the General Plan, a housing element is to be updated every five years. Also, unlike other elements, the State specifies in great detail what subjects need to be addressed in a housing element.

In an effort to integrate the Housing Element into the General Plan, it has been designed to provide a twenty-year program that is coordinated with the goals and policies found within the other elements of the Plan. This Housing Element Summary is an abbreviated version of the full Housing Element Technical Document that is required to

meet the state requirements. The Technical Document, framed for the five-year time period of 2002-2008 is available under separate cover from the County's Planning and Building Inspection Department. It includes all of the items required in Article 10.6 of the California Government Code. As the Technical Document is updated every five years, this Housing Element Summary will be updated as needed.

Guiding Objectives

The full Housing Element and, by extension, this Housing Element Summary, have been designed to achieve the overall General Plan Guiding Objectives established as part of the 2004 update of the General Plan. The Objectives that are most relevant to the Housing Element include:

- #2 Identify land that is adequate and appropriate for the residential, commercial, and industrial development needs of Monterey County during the next twenty years, taking into account land located within the cities, existing legal lots of record, and resource and infrastructure constraints.*
- #3 Preserve a distinction between urban and rural areas. Channel new growth to areas already committed to an urban level of development (e.g., cities, areas directly adjacent to cities, and densely developed unincorporated communities.) Preserve rural areas for resource-based industries (e.g., farming, livestock grazing, mining), natural resource protection and open space recreation uses.*
- #4 Strongly encourage new commercial, industrial and residential development to provide actual, new, permanently affordable living quarters, including housing for people with low, very low and moderate incomes who live and/or are employed in Monterey County. Promote density, creative and innovative design concepts, and employer-produced housing which will increase affordable housing opportunities convenient to the workplace. Promote a healthy job and housing balance in all areas.*
- #5 Promote the development of walkable communities that meet the daily needs of their residents, offer a high quality of life for their residents, and reduce the need for automobile trips.*
- #12 Provide a clear statement of county land use values and policies to provide clarity in the county's permit processing system and to simplify review of projects that are consistent with the General Plan.*

A number of the General Plan Guiding Objectives provided direction for the preparation of the Housing Element. The emphasis of these Objectives highlight interest in assuring that housing will be built in compact, well-planned and balanced communities.

Organization of Element

This Housing Element Summary is organized to address both the existing housing stock within unincorporated areas of the County as well as redevelopment and new development within designated Community Areas and Rural Centers. Important themes of this Element involve achieving a better jobs/housing balance throughout the County, providing developer incentives to encourage more housing that is affordable to the local workforce, ensuring a range of housing opportunities within Community Areas, and ensuring that needed infrastructure is planned and constructed to accommodate the 2020 projected housing needs.

Part 2: Goals and Policies

The following goals and policies are from Chapter 8, Housing Program Strategy: 2002-2008, of the Housing Element Technical Document.

Goal H-1 - Housing Within Existing Residential Areas

Support new housing opportunities within and adjacent to already developed areas, and encourage the conservation and improvement of existing housing stock through rehabilitation and replacement programs.

- Policy H-1.1 **Intensification of Already Developed Areas** – The County shall promote the development of areas that are already in residential use to their fullest by encouraging redevelopment and conversion of low density areas to higher residential densities or mixed-use areas. The potential for intensification of existing Community Areas will be considered in the development of Community Plans. The potential for intensification of Rural Centers shall be evaluated as a part of the Infrastructure and Financing study requirements for Rural Centers.
- Policy H-1.2 **Rehabilitation Assistance within Unincorporated Areas** - The County shall encourage conservation of existing housing stock through rehabilitation, while also assuring that existing affordable housing stock is not lost. The County shall encourage housing rehabilitation efforts in Community Areas and Rural Centers where housing stock is most in need of rehabilitation, and shall assist very low and low income homeowners and owners of rental property that provide affordable housing in maintaining and repairing their housing units.
- Policy H-1.3 **Replacement of Housing** - The County shall support identification of severely deteriorated housing units throughout the County and identify methods to encourage construction of new units while addressing the displacement needs of existing residents.
- Policy H-1.4 **Deleted**
- Comment:** This policy was deleted because requiring compatibility with existing neighborhoods may provide a basis for opposing new affordable housing within existing communities and may impose unnecessary restrictions on the design of affordable housing. Also, there are unincorporated areas in the County that one may not want to design in a manner that is compatible with existing neighborhoods. Some examples include areas such as Pajaro, Chualar, Boronda and San Lucas. The historic character of a neighborhood may be subjective or not clearly defined.*
- Policy H-1.5 **Energy Efficiency** –The County shall promote energy efficiency through the use of energy conservation measures, where feasible, in all new and existing housing units.

Goal H-2 – Jobs/Housing Demand

Increase housing supply in areas that can be served with infrastructure and are in proximity to job locations.

Policy H-2.1 **Employment Center Job-Based Housing Demand** – The County will encourage housing production to support housing demand throughout the County. Residential areas will be designated to accommodate the housing units that are needed for, existing or new, jobs located within planning areas.

Policy H-2.2 **Deleted**

***Comment:** This policy is covered in the Land Use, Public Service and Circulation Elements.*

Goal H-3 - New Housing Within Community Areas and Affordable Housing Overlays

Encourage additional housing units within unincorporated Community Areas and within Affordable Housing Overlay areas.

Policy H-3.1 **Community Areas** – The County shall place a high priority on planning for urban-density residential growth in Community Areas. Community Plans or Specific Plans (hereafter referred to collectively as “Community Plans”) shall be prepared for each Community Area.

Policy H-3.2 **Community Plans for Existing Residential Areas** – Community Plans shall consider the needs of the whole community. Plans should include measures to address existing and future needs for housing.

Policy H-3.3 **New Housing within Community Areas** - Within Community Areas, the County shall plan for housing that achieves balance within the communities. New housing units within already existing Community Areas should be blended into existing residential areas, and shall include unit types that would help to achieve a mixture of price levels and housing diversity.

Policy H-3.4 **Community Area Development Standards** – The County shall ensure that development standards within Community Areas allow medium to high residential densities, mixed-use development, accessory dwelling units and other innovative housing types, pursuant to the design criteria for Community Areas. In the preparation of development standards for Community Areas, the County shall also evaluate and consider modifying the County’s existing parking requirements, building setback and height limitations, mix of commercial and residential space, and minimum and maximum density standards to ensure that they do not create unneeded obstacles for affordable housing solutions.

Policy H-3.5 **Public Participation** - Community Plans shall be developed utilizing a public process that provides opportunities for community review and suggestions.

Policy H-3.6 **Promotion** - The County shall promote the development of areas that have been targeted for residential development.

Policy H-3.7 **Monitoring of Community Plans** - The County shall monitor the implementation of Community Plans to assure that design criteria are carried forth and that unit counts are achieved.

Policy H-3.8 **100% Affordable Housing Projects** – The County shall place a high priority on the development of 100% affordable and workforce housing projects through the establishment of an Affordable Housing Overlay, based on the following parameters.

- a. Overlay applies to all unincorporated lands within Greater Monterey Peninsula, Carmel Valley Planning Areas, Big Sur, as well as all Community Areas and the Rural Centers. (see Map LU-5).
- b. Properties must meet the following suitability criteria in order to be eligible for the Affordable Housing Overlay:
 - (1) The property is located within the Affordable Housing Overlay area;
 - (2) The housing types proposed result in sales and rental prices that are affordable to the local workforce, based on the distribution of 10% Very Low, 15% Low, 15% Moderate, 20% Workforce I, and 40% Workforce II income levels (see Housing Element for income level descriptions). Individual projects may increase the percentage of Very Low, Low and Moderate income categories by reducing the percentage of Workforce I or Workforce II income levels. Exemptions to this distribution to allow for market rate units up to, but not exceeding 25% of total units, may be made for individual projects by approval of the Board of Supervisors, based on one or more of the following criteria: i) the specific project characteristics and location relative to housing needs in the local area; ii) special economic factors, such as land cost or infrastructure upgrades, affecting the cost of development within the local area;
 - (3) CEQA analysis for the project does not disclose any significant unavoidable adverse impacts for which findings of overriding considerations cannot be made;
 - (4) Development is allowed in the 100 year floodplain with mitigating measures.
 - (5) A mix of housing types on sites in excess of 5 acres, i.e., at least two product types, such as for rent apartments, for rent townhomes, ownership townhomes, ownership single family homes. On sites of less than 5 acres, a single housing type may be allowed. The mix of housing types and designs shall be sensitive to neighboring uses.
- c. If a property meets all of the suitability criteria in (b) above, the property owner may voluntarily choose to develop an Affordable Housing Overlay project, rather than a use otherwise allowed by the underlying land use designation.
- d. The minimum density for an Affordable Housing Overlay project shall be 6 units per acre, up to a maximum of 30 units per acre. An average density of 10 units per acre or higher shall be provided. The maximum lot size for detached single-family affordable units shall be 5,000 square feet.

- e. To encourage voluntary participation in the Affordable Housing Overlay process, the County shall provide incentives for Affordable Housing Overlay projects such as:
 - (1) Density bonuses;
 - (2) Streamlined permitting process, including assigning experienced staff to such projects, hiring outside contract planners, plan checkers and building inspectors (at the cost of the developer)
 - (3) Waiver or deferral of planning and building permit fees (but not fees for the purpose of financing infrastructure);
 - (4) Priority allocation of resource capacity such as water and sewer over other projects not yet approved.
 - (5) Modified development standards and grant funding assistance, shall be established to encourage voluntary participation in this program.
- f. Within Community Areas, affordable housing projects meeting the provisions of this policy may proceed prior to adoption of a Community Plan and needed regional infrastructure as long as all project related infrastructure improvements are made concurrent with the development.
- g. Within Rural Centers, affordable housing projects meeting the provisions of this policy may proceed prior to preparation of an Infrastructure and Financing Study as long as all project related infrastructure improvements are made concurrent with the development.
- h. Where infrastructure deficiencies or other conditions qualify, include Affordable Housing Overlay projects within redevelopment areas. Use the tax increment from the project area to finance off-site infrastructure and level of service improvements and to subsidize the Very Low and Low income units within the Affordable Housing Overlay project.
- i. The Board of Supervisors shall review the 25% exemption cap (paragraph b.2 above) every two years to assure that this Affordable Housing Overlay policy achieves its intended goal of encouraging developers to voluntarily produce Affordable Housing Overlay projects.

Goal H- 4 - Housing Affordability and Diversity

Within new residential development, encourage a range of housing types, prices and sizes that will meet the varied needs of Monterey County households.

- Policy H-4.1 **Housing Variety** - The County shall encourage housing opportunities that provide for a diverse housing stock for all income levels and the special needs of households, such as seniors, disabled households, homeless, farm workers and other low-income working households.
- Policy H-4.2 **Diversification and Affordability within New Community Areas** – Within new Community Areas, the County shall encourage densities and diverse housing types that will facilitate a mixture of housing prices. The affordability and diversity requirements in new Community Areas shall be specified during the development of the Community or Specific Plan. Such requirements shall be consistently carried forth into development standards and Development Agreements between the County and developers. This policy shall not apply to the first single-family residential dwelling and any allowed structure pursuant to policy LU-9.1 and

H-4.7 on an existing lot of record. This policy shall be subject to the provisions of Policy H-8.1 (Housing in Areas Near Cities) and LU-4.1 (City/County Coordination).

Policy H-4.3 **Diversification and Affordability within Existing Community Areas –**
The County shall consider the current diversity and affordability of existing Community Areas as a part of the development of Community Plans for the area. The County shall encourage densities and diverse housing types that will facilitate a mixture of housing prices. This policy shall not apply to the first single-family residential dwelling and any allowed structure pursuant to policy LU-9.1 and H-4.7 on an existing lot of record. This policy shall be subject to the provisions of Policy H-8.1 (Housing in Areas Near Cities) and LU-4.1 (City/County Coordination).

Policy H-4.4 **Inclusionary Housing Program -** The County shall assure consistent application of the Inclusionary Ordinance. This program requires that 20% of new housing units be affordable to very low, low and moderate income households.

Policy H-4.5 **Density Bonus Incentives –** The County shall implement the state density bonus provisions for housing projects that meet at least one of the following:

- a. 10% of the units affordable to very low income households.
- b. 20% of the units affordable to low income households.
- c. 20% of the units in a condominium project and affordable to moderate income households.
- d. 50% of the units for special need groups such as farmworkers, hospitality workers and as otherwise defined in Section 51.3 of the State Civil Code.

In implementing the density bonus, the County shall not reduce the base density below the zoning in effect at the time an application is submitted. The density bonus shall be 25% of the base density.

Developer incentives shall be offered to encourage housing projects that meet these provisions, such as density bonuses, or other equivalent incentives such as modified development standards, streamline permit processing and fee reductions, waivers or provide other incentives or concessions of equivalent financial value based upon the land cost per dwelling unit.

Policy H-4.6 **Federal and State Housing Grant and Loan Programs -** The County shall administer housing programs and leverage available funding to obtain additional state, federal, and private funding assistance to achieve the maximum amount of affordable housing. The County shall continue to apply for state and federal housing grants and loans to assist with the costs associated with development of affordable housing.

Policy H-4.7 **Secondary Dwellings -** The County shall promote secondary dwelling units as an important source of affordable housing. Promoting the development of secondary dwelling units per parcel eases the rental housing deficit, maximizes limited land resources and existing infrastructure and provides homeowners with supplemental income. In addition to a principal residence on a parcel, the County shall allow secondary dwellings as described below:

In addition to Principal Residences as described above, one secondary unit, which may exceed the overall zoning density of the parcel, shall be allowed in all Major Land Groups allowing residential dwellings as follows:

- a. A secondary unit shall be allowed ministerially provided it meets the following:
 - (1) adequate water and sewer facilities exist, which may include on-site wells and septic;
 - (2) the unit is not intended for sale and may be rented;
 - (3) the lot is zoned for single family or multi family use;
 - (4) the lot contains an existing single family dwelling;
 - (5) the second unit is either attached to the existing dwelling and located on the same lot as the existing living area;
 - (6) the increased floor area of an attached second unit does not exceed 30% of the existing living area;
 - (7) the total area of floorspace for a detached second unit does not exceed 1,200 square feet;
 - (8) height, setback, lot coverage and other applicable zoning regulations are met.

- b. A secondary unit not meeting the above criteria may be allowed with an administrative permit.

A Secondary unit may not be subdivided from the principal residence. Secondary units are not subject to the PS-Table I standards.

Guesthouses are not considered “secondary units” as they have no cooking facilities, and are allowed in all districts allowing residential use.

Comment: This policy reflects current state law.

Policy H-4.8 **Funding Assistance** - The County shall leverage funding available through the Inclusionary Housing Program in-lieu fees, program income and the Redevelopment Housing set-aside funds to obtain additional loans, grants, and private financing to develop the maximum feasible amount of affordable housing.

Policy H-4.9 **Deleted**

Policy H-4.10 **Homeless** - The County shall recognize the needs of those that are unable to participate in market-rate housing and shall make funding and technical assistance available to support the efforts of local non-profit agencies that provide direct housing assistance to homeless households, including programs such as Emergency Shelters, Eviction Prevention/Rental Assistance, Transitional Housing/Group Homes, and Permanent Affordable Housing.

Goal H-5 – Employer Assisted and Workforce Housing
Support the development of housing affordable to the general workforce of Monterey County and provide support to employers and other organizations who finance or produce housing units needed for their employees.

Policy H-5.1 **Workforce Housing** – The County shall encourage the development of housing affordable to workforce households that is, households employed in the labor market who may not be able to afford market-rate housing.

- Policy H-5.2 **Housing Trust Fund** - The County shall work with other jurisdictions to establish a Housing Trust Fund to assist in the development or affordability of workforce housing.
- Policy H-5.3 **Employer Assistance** – The County shall seek assistance from employers and housing partners in order to encourage the production of housing units on either employer owned sites or other areas adjacent to their job site.
- Policy H-5.4 **Workforce Housing Program** - The County shall develop a Developer Housing Incentives Program which includes incentives for developers that provide 20% affordable units through the Inclusionary Program and 20% additional units for work force and moderate income households. Examples of incentives that will be included are:
- a. Fee reductions or waivers;
 - b. Expedited processing times;
 - c. Modified development standards;
 - d. Density bonuses;
 - e. Staff assistance in permit processing; and
 - f. Financial assistance.

Goal H-6 - Regional Housing Allocation

Achieve the County’s State mandated regional housing targets and promote the regional allocations that encourage development of housing that is commensurate with wage levels and in proximity to current and future jobs.

- Policy H-6.1 **Regional Allocation** - The County shall ensure that there is sufficient land feasible for development at appropriate densities with adequate infrastructure to accommodate 2,511 new units within unincorporated areas from 2002-2008.
- Policy H-6.2 **On going Tracking of Production** - The County shall monitor the production of housing units to assure the effectiveness of plans in providing affordable housing opportunities for all segments of the County’s current and projected population.
- Policy H-6.3 **Future Allocations** - The County shall encourage future regional fair share allocation processes to take into account the location of current and future jobs and the need for housing that encourages mixed-income neighborhoods.

Goal H-7 - Equal Opportunity and Accessibility in Housing

Ensure that all households have equal access to housing without discrimination.

- Policy H-7.1 **Fair Housing and Equal Opportunity** – Promote and enforce fair housing and equal opportunity laws throughout the County.

Goal H-8 - New Housing Within and Adjacent to Cities

Encourage increased housing supply within and adjacent to existing cities and near current and future jobs.

Policy H-8.1 **Housing in Areas Near Cities** – The County shall collaborate with the cities to prepare growth strategies encouraging the development of a range of housing types within and adjacent to cities and near current and future jobs in order to assure that housing will be available for all segments of the population.