



# **HOUSING ELEMENT UPDATE SIXTH CYCLE (2023 – 2031)**

**REF220020**

County of Monterey Board of Supervisors

March 11, 2025

Agenda Item No.12



## ACTION

- Conduct a workshop on the draft Housing Element Sixth Cycle Update (Draft HEU6);
- Consider proposed revisions to the Draft HEU6 in response to the CA HCD findings; and
- Provide direction to staff.



# HOUSING ELEMENT SIXTH CYCLE UPDATE STATUS

County GP Housing Element Sixth Cycle Update – Due December 2023 – is out of compliance:

- Inquiry letter from CA HCD Accountability
  - Followed up on a timeline to submit the next HEU6 draft for 60-day review period
- Builders Remedy
  - 8 applications submitted - 4 of the applications are Opportunity Sites
- Jeopardized Grant Funds
  - 2025 Permanent Local Housing Allocation ~\$800K

Next level of enforcement for non-compliance:

- Fines and Penalties
- Loss of permit authority
- Legal action by California's Attorney General

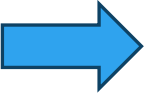


# BUILDERS REMEDY

- Restricts ability to deny development that meets certain affordable criteria
- Specific findings for denial are limited generally to one or more of the following:
  - Public health or safety
  - State or federal law
  - Agriculture or resource preservation land
- Applications
  - Viejo Road, Carmel = 75–200 units (60-160 market; 15-40 low)
  - 10196 Oakwood Circle, Carmel = 3 units (2 market; 1 low)
  - 1101 Olmsted Road, Monterey = 100 units (80 market; 20 low)
  - 967 Salinas Road, Royal Oaks = 160 units
- Opportunity Sites
  - 24945 Valley Way, Carmel = 52 units (41 market rate; 11 low-income)
  - 3705 Rio Road, Carmel = 34 units (29 market; 5 low)
  - 26500 Val Verde Drive, Carmel = 74 units (59 market; 15 low)
  - 10 Flight Road, Carmel Valley = 24 units (21 market; 3 low)



# HOUSING ELEMENT UPDATE AND APPROVAL PROCESS

- ✓ •Aug 19, 2024 - Submitted draft to CA HCD for review/approval for first review of 90 days.
- ✓ •Nov 18, 2024 - Received CA HCD review findings letter.
  - Dec 6, 2024 - Met with CA HCD to discuss finding.
-  •Nov - April 2024/25 - Respond to findings and Revise Housing Element for 2<sup>nd</sup> CA HCD review.
  - Jan 8, 2025 – Planning Commission Workshop
  - March 11, 2025* – Board of Supervisors Workshop
  - Post for Public Review available 7 days.
- April 2025 - Submit to CA HCD for review of 60 days.
- May/June 2025 – Receive CA HCD second findings letter.
- Summer 2025 – Planning Commission recommend, Board of Supervisors adopt
  - Final HEU6 → CA HCD to certify.
  - Zoning Ordinance to rezone for HEU6.

## Programmatic Environmental Impact Report

- Notice of Preparation
  - ✓ •Oct 21-Nov 20, 2024 –30-day Public Review
  - Nov 7, 2024 – Scoping Meeting
- Winter 2024/25 – Technical Studies and PEIR being drafted
- Spring 2025 - Admin Draft PEIR Staff Review
- May/June 2025 - Public Draft PEIR 45-day Public Review
- Summer 2025 - Final PEIR

# DRAFT HOUSING ELEMENT – AUGUST 19, 2024

Capacity Calculation – Draft HEU to CA HCD August 19, 2025					
	VLI	LI	Mod.	Above Mod.	Total
<b>Regional Housing Needs Allocation (RHNA)</b>	<b>1,070</b>	<b>700</b>	<b>420</b>	<b>1,136</b>	<b>3,326</b>
Alternative Methods to Meet the RHNA (Credits)					
Entitled or Proposed Projects	257	206	205	816	1,484
Accessory Dwelling Unit Potential	0	9	0	261	270
<b>Subtotal</b>	<b>257</b>	<b>215</b>	<b>205</b>	<b>1,077</b>	<b>1,754</b>
Opportunity Sites					
Total from Opportunity Sites	1,561	1,063	731	1,124	4,479
<b>Total (Credits &amp; Site Inventory)</b>	<b>1,818</b>	<b>1,278</b>	<b>936</b>	<b>2,201</b>	<b>6,233</b>
<b>Surplus/(Shortfall)</b>	<b>748</b>	<b>578</b>	<b>516</b>	<b>1,065</b>	<b>2,907</b>
<b>TOTAL RNHA BUFFER</b>	<b>70%</b>	<b>83%</b>	<b>123%</b>		



# CA HCD FINDINGS LETTER – NOV 18, 2024

Sites Inventory / Opportunity Sites

Affirmatively Furthering Fair Housing

Housing Programs

Other Matters



# POLICY ISSUES

- Opportunity Sites – Update unit allocation for Builder’s Remedy applications
- Large opportunity sites – Unit allocation assumptions
- University of California-owned sites in Marina area
- Airport Land Use Commission recommendations
- Additional opportunity sites, if needed
- Other needed revisions/modification prior to second submittal to state



# POLICY ISSUES – STAFF RECOMMENDATION

- Opportunity Sites w Builder’s Remedy applications
  - Adjust units to align with Builder’s Remedy law and applications
- Large opportunity sites
  - Site 7 (UC-owned “triangle”) – Reduce unit counts to maximum 400 lower income (533 total)
  - Site 1 (Bolsa Knolls area) & Site 24 (SR68 & Reservation Rd) – Reallocate to IHO (80:20)
- University of California-owned sites 53 and 7 in Marina area
  - Site 53 (UC-owned City of Marina) - Remove
- Airport Land Use Commission recommendations
  - Sites 46 & 47 (York School) - Remove

# RHNA CALCULATIONS – STAFF RECOMMENDATION

	VLI	LI	Mod.	Above Mod.	Total
RHNA	1,070	700	420	1,136	3,326
15% Buffer	161	105	63	170	499
<b>RHNA + Buffer Total</b>	<b>1,231</b>	<b>805</b>	<b>483</b>	<b>1,306</b>	<b>3,825</b>
<b>Alternative Methods to Meet the RHNA (Credits)</b>					
Entitled or Proposed Projects	257	206	205	816	1,484
Accessory Dwelling Unit Potential	0	9	0	261	270
<b>Subtotal</b>	<b>257</b>	<b>215</b>	<b>205</b>	<b>1,077</b>	<b>1,754</b>
<b>Opportunity Sites</b>					
Opportunity Sites 16, 17, 20-22, 55 - Adjust for Builder's Remedy	(80)	(51)	(36)	23	(144)
Recommendation - Sites 46,47,53 = 0; Sites 1,7,24 = Reallocated	(573)	(377)	(236)	160	(1,027)
<b>Subtotal (Net New)</b>	<b>908</b>	<b>635</b>	<b>459</b>	<b>1,307</b>	<b>3,308</b>
<b>Total (Credits &amp; Site Inventory)</b>	<b>1,165</b>	<b>850</b>	<b>664</b>	<b>2,384</b>	<b>5,062</b>
<b>Surplus/(Shortfall) over RHNA+15% Buffer</b>	<b>(66)</b>	<b>45</b>	<b>181</b>	<b>1,077</b>	<b>1,736</b>
<b>TOTAL RNHA BUFFER</b>	<b>9%</b>	<b>21%</b>	<b>58%</b>		



# POLICY QUESTIONS

- How do we add sites and/or very low units to achieve RHNA plus buffer (15% minimum)?
  - Back up sites?
  - Prior eliminated sites?
  - Community Areas?
  - Builder's Remedy applications?
  - Site Specific Requests (public correspondence received)
  - Other approach?



# POLICY QUESTIONS

- Public Comment Received
  - LandWatch – Additional large site research provided; Remove sites 1 & 40; Concerns with prime farmland sites 1, 2 & 52; Add Tarpey Flats (Builder’s Remedy)
  - Developer Request – Add Olmstead Road (Tarpey Flats site)
  - Property Owner/Developer Request – Site 1, Increase developable area/unit counts for site
  - City of Marina – Remove site 7; Consider alternative site 53; Add prior sites in Carmel Valley for AFFH
  - Pajaro Disaster Long Term Recovery Alliance Request - Add 100 Sill Road for 100% affordable
  - York School Request – Keep Sites 46 & 47
  - Save Tarpey Flats/Various Public Commenters Request – Do not include Tarpey Flats
  - Monterey Bay Economic Partnership “Take Action” = Proceed with maximum number housing near amenities/jobs; Only remove sites at direction of state



# RECOMMENDATION

- Conduct a workshop on the draft Housing Element Sixth Cycle Update (Draft HEU6);
- Consider proposed revisions to the Draft HEU6 in response to the CA HCD findings:
  - Adjust unit counts for opportunity sites that have Builder's Remedy applications (Sites 16, 17, 20-22, and 55)
  - Reduce Site 7 unit counts to maximum 400 lower income (533 total)
  - Redistribute Site 1 & Site 24 to include 20% affordability
  - Remove Site 53 within City of Marina
  - Remove Sites 46 & 47 per ALUC recommendation
- Provide direction to staff:
  - Additional opportunity sites to meet RHNA buffer
  - Other needed revisions/modification prior to second submittal to state



# GET INVOLVED!

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