

City of Monterey Housing Element 2009 - 2014

Adopted July 7,2009

Housing Element

Action Program

Introduction

The Housing Element consists of goals, policies, and programs to meet Monterey's unique and specific position in the regional housing market. Monterey is mostly built out and is the central city of the Monterey Peninsula, so most new housing is higher-density and on previously developed sites. New housing is expensive because it typically requires removal of an existing use to provide a site. Monterey has a higher percentage of apartment and cluster housing and a higher incidence of renters than other cities in Monterey County, so this Housing Element has strong policies to retain and build owner-occupied housing (policies not typically found in other Housing Elements). The Housing Element has recognized this need and has goals, policies, and programs to provide substantial opportunities for new housing development.

The State of California requires that each unit of local government provide adequate sites to meet its portion of the statewide housing need. The State assigns a "fair share" number of housing units to the regional government (Association of Monterey Bay Area Governments (AMBAG)) and the total is distributed among the various cities. The primary impediment to meeting Monterey's share of statewide housing goals is a virtual water moratorium imposed by another state agency. The City has a limited amount of water available for new residential or commercial development and therefore the City cannot anticipate meeting these Housing Element goals without an adequate water supply. To mitigate this problem, the City has incorporated programs to address water capacity, including giving preference in the City's water allocation process to projects meeting fair-share housing goals and to affordable housing projects and supporting the efforts of the California American Water Company in providing a new water source to the City.

The City of Monterey has for many years supported a wide variety of housing programs: loans, grants, and write-down of land costs for the Monterey Housing Authority and nonprofit agencies to support construction of low-cost housing; inclusionary zoning to provide low- and moderate-cost housing; and zoning for more apartments than will be built in the General Plan time frame. The City has done so to provide the opportunity for the private market to construct low- and moderate-cost housing. In addition, the City assists social service agencies and nonprofit housing providers in a wide range of housing services and construction needs.

Unless otherwise specified, the programs in the Housing Element will be administered by the Planning, Engineering, and Environmental Compliance Division and funded by the General Fund,, Community Development Block Grant (CDBG), and Redevelopment Housing Set-Aside Funds.

Goals, Policies, and Programs

a. Home Ownership

The percentage of owner-occupied housing in Monterey declined from 52 percent in 1950 to an estimated 36 percent in 1990. Ownership increased to 39 percent in 2000, but the preponderance of new housing will be cluster or apartment units, with the potential to reduce owner occupancy to less than 25 percent at maximum General Plan buildout. By comparison, owner occupancy statewide has remained almost constant, at 54 percent in 1950 and 57 percent in 2000.

The decreasing percentage of ownership housing results from two factors. First, the City is essentially built out, with a limited number of large vacant sites available for new housing construction. Second, many of the City's former single-family neighborhoods are now zoned for commercial or apartment development, and houses are being removed for commercial and apartment use.

The City has adopted policies to encourage preservation of existing single-family housing in apartment-zoned areas in order to preserve ownership opportunities where the zoning would generally encourage removal of a potential owner-occupied unit.

Construction of new condominiums and conversion of apartments to condominiums are potential sources of new ownership housing. Many of the sites zoned for higher-density housing have views and other amenities that would make the site desirable to potential homeowners, and the Housing Element encourages ownership housing in those circumstances. Housing Element sections on workforce housing have additional ownership housing policies.

Goal a. Promote construction of new ownership housing units and conservation of existing ownership housing units to maintain and/or improve the existing balance between owner and rental units in Monterey.

Policy a.1. Encourage the production of new ownership housing units.

Program a.1.1. The City will continue to update its list of larger developable sites and contact property owners to determine opportunities for housing construction. There will be an emphasis on constructing housing types that provide mixed-income ownership opportunities.

Implementation Timeline: Annually, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division, Housing and Property Management (HPM) Division

Funding: General Fund

Program a.1.2. Maintain existing single-family zoning throughout the City. Rezoning of single-family land to other uses should not occur without findings that the proposed use is more beneficial to the City than retaining single-family ownership opportunities.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program a.1.3. Inclusionary housing units in an ownership housing project should generally be ownership units unless findings can be made that rental units are more beneficial.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: General Fund

Program a.1.4. Encourage and create development standards for new condominiums and ownership townhouses in R-3 and commercial areas

that require amenities desirable to owners and require larger units (three or more bedrooms) to house families with children. Develop height, design, and setback standards to encourage the most creative designs. Area Plans are encouraged to identify potential incentives and ways to implement the incentives.

Implementation Timeline: Create standards for new condominiums by December 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program a.1.5. Evaluate and revise the condominium conversion standards as necessary to ensure adequate provision of amenities, parking, and larger units to house families with children.

Implementation Timeline: Evaluate and revise condominium conversion standards by December 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program a.1.6. Continue to work with the major employers in Monterey and the region to provide targeted homeownership opportunities for employees (see Programs h.1.1 and h.1.2).

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division, Housing and Property Management Division

Funding: General Fund

Program a.1.7. Monitor and evaluate the use permit process for new multi-family projects in the R-3 and Commercial districts to determine whether the process

qualifies as a constraint to residential development. Identify strategies to be implemented by the City to remove any constraint identified by the evaluation. Provide a summary of the evaluation (and strategies, if identified) to HCD as a part of the City's annual reporting requirement.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division, Housing and Property Management Division

Funding: General Fund

Policy a.2. Encourage the conservation of existing homeownership opportunities, including moderate-income units.

Program a.2.1. Develop zoning incentives to encourage retention of single-family houses in R-3 areas. An estimated 300 single-family houses could be conserved (rather than demolished or converted to apartment units). encourage retention of single-family homes, the City will evaluate and revise its development standards. The City will also continue to allow additional floor area ratio for single-family homes and eliminate additional parking requirements with building upgrades.

Implementation Timeline: Develop zoning incentives by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program a.2.2. Consider reducing the minimum lot size for single-family subdivisions on existing R-3 lots to increase the stock of affordable housing, while retaining the existing house where one is present and retaining neighborhood character.

The program may use condominium, townhouse, or detached form of housing units and shall utilize design and construction methods to maximize privacy and minimize sound transmission.

Implementation Timeline: Consider reducing the minimum lot size by June 2010; amend Zoning Code by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division, Housing and Property Management Division

Funding: General Fund

Program a.2.3. Continue the Down Payment Assistance Program. Investigate opportunities to increase Down Payment Assistance loans for equity sharing for detached single-family houses.

Implementation Timeline: 2009-2014, as funding is available

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Housing Setaside funds, CDBG funds.

b. Rental Housing

Most new market-rate and lower-cost housing in Monterey is rental housing.

Most of the multi-family housing potential is in areas that are currently developed, either in R-3-zoned areas that were formerly single-family neighborhoods or in commercially zoned areas that have existing single-family houses or commercial buildings. Because most of these sites require removal of an existing building before new housing can be constructed, land costs are high and growth of rental units has been gradual over the past eight years.

Mixed-use developments (apartments over commercial use) or apartment projects in commercial areas typically provide the opportunity to build apartments in the affordable price ranges and have the potential of serving extremely low-, very low-, low-, and moderate-income renters. The City has increased allowable density and removed many of the impediments to mixed-use and apartment developments in commercial areas.

Goal b. Broaden the choice of rental housing types available to residents of Monterey in all price ranges and for all family sizes, while maintaining neighborhood compatibility and, where possible, using second units to encourage owner opportunities.

Policy b.1. Provide the opportunity to construct new multi-family housing units in pockets of opportunity.

Program b.1.1. Maintain multi-family densities at 30 units per acre in the R-3 zone and in commercial zones with the potential for density bonuses as outlined in Program i.1.2.

Implementation Timeline: Ongoing, 2009-2014

Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program b.1.2. Assist the Housing Authority, nonprofit agencies, and private developers in providing extremely low-, low-, and very low-income housing as opportunities become available, using the current Housing Element as a basis for action.

The City will continue to provide assistance by streamlining the permit process. A staff member is assigned to coordinate City reviews. The City will also coordinate with the developer to help make the project financially feasible, such as by providing low-interest loans and other incentives when affordable housing goals are met.

Implementation Timeline: Ongoing

Responsible Party: Housing and Property Management Division, Housing Authority Funding: Redevelopment Housing Setaside funds and HOME funds **Program b.1.3.** Evaluate the existing allocation of Section 8 vouchers and encourage and support the Housing Authority and private market landlords to expand utilization of the Section 8 voucher program.

- Encourage the Housing Authority to grant 20 percent rent exceptions for the Monterey area to provide a greater housing choice for very lowincome renters.
- Encourage the Housing Authority to market the Section 8 voucher programs to Monterey landlords and post applications on the City's website.
- Encourage the Housing Authority to recruit more Monterey families assisted by Section 8 into the Family Self-Sufficiency Program.

Implementation Timeline: Annually, 2009-2014

Responsible Party: Housing and Property Management Division, Housing Authority Funding: Section 8 vouchers and HOME funds

Program b.1.4. The City will encourage affordable rents by providing brochures that outline the City's Voluntary Rental Guidelines, but discourage citywide rent control.

Implementation Timeline: By June 2010 Responsible Party: Housing and Property Management Division

Funding: Redevelopment Housing Set-Aside funds, CDBG

Program b.1.5. Require a minimum 5,000-square-foot lot size for new apartment developments.

Implementation Timeline: 2009-2014, as new projects are processed through the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund

c. Opportunities for Families with Children

The number of children under the age of 20 decreased substantially between 1990 and 2000. Apartment densities and floor area ratios generally result in small apartments without enough room or play areas for families with children. The number of single-family houses can be expected to decrease over time. As a result of these factors, family housing opportunities can be expected to diminish unless specific action is taken to provide units with adequate size and amenities for families with children. The main opportunities for family housing come from conserving existing singlefamily units (see Section d, Rehabilitation and Conservation Issues), providing housing types suitable for family housing, and providing some multi-family larger units in housing developments or condominiums.

Rental housing is the primary source of housing for lower- and moderate-income families. New apartment development should provide an adequate number of bedrooms and play areas for families. Condominium and ownership townhouse development can provide family opportunities if units and open space take family needs into account.

Goal c. Provide family housing opportunities on larger sites and for all income levels.

Policy c.1. Encourage units suitable for family occupancy.

Program c.1.1. Encourage larger units with two or more bedrooms and open spaces with sufficient area for children's play in R-3 developments.

The City will conduct a comprehensive review and revision of the current parking requirement to determine the feasibility of requiring at least one-third of any housing development over three units to provide two or more bedrooms. All housing projects will continue to be required to provide open space to give residents an opportunity for outside activities.

Implementation Timeline: Conduct a comprehensive review and revisions of current parking requirements by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: Redevelopment Agency, bonds, tax credits

Program c.1.2. Encourage the Housing Authority and for-profit and nonprofit developers to build affordable housing for families with children whenever possible.

The City will discuss family housing needs with potential developers and the financial and processing incentives that are available.

Implementation Timeline: 2009-2011, as projects are approved through the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division, Housing and Property Management Division and Housing Authority

Funding: General Fund

Program c.1.3. Encourage the military to provide and add to its family housing units should the opportunity arise.

Implementation Timeline: The City will meet with the Navy and Army on a yearly basis to review development issues at the military installations and discuss how to provide housing.

Responsible Party: Planning, Engineering and Environmental Compliance Division and Housing and Property Management Division

Funding: General Fund

d. Rehabilitation and Conservation Issues

It is estimated that as of 2008 the City had 880 units with serious deterioration, 2,140 units that were clearly declining, and 4,830 units had deferred maintenance. There are two primary contributors to deterioration. First is the age of housing stock. An estimated 61 percent of the City's housing is over 40 years old. Second is the number of long-term homeowners who have difficulty affording maintenance and repairs. These owners often live in the oldest housing units in the City. Monterey also has 14 affordable housing units which could be converted to market-rate rents in the next ten years.

Goal d. Encourage maintenance and rehabilitation of the entire housing stock. The City will continue to advertise rehabilitation programs on the City's website and provide brochures at the City library and housing office.

Policy d.1. Provide rehabilitation assistance to low-income households and encourage privately funded rehabilitation wherever deterioration is present.

Program d.1.1. Provide emergency major repair assistance to low- and moderate-income households.

Implementation Timeline: 2009-2014, as funding is available

Responsible Party: Housing and Property Management Divisions

Funding: CDBG funds

Program d.1.2. Provide rehabilitation assistance in the form of:

- Major rehabilitation loans;
- Emergency repair loans; and
- Home safety repair grants.

Implementation Timeline: 2009-2014, as funding is available

Responsible Party: Housing and Property Management Division

Funding: CDBG funds and any other funding sources that become available during the planning period

Program d.1.3. Continue the "Mr. Fixit" program to provide emergency repair assistance, weatherization and energy retrofits to an average of 10 units per year.

Implementation Timeline: 2009-2014, as funding is available

Responsible Party: Housing and Property Management Division

Funding: CDBG funds and any other funding sources that become available during the planning period

Policy d.2. Conserve existing low- and moderate-cost housing units.

Program d.2.1. Investigate the option of purchasing inclusionary housing units or other units to replace them. Investigate programs, nonprofit sponsors, and funding sources to retain lower-income housing units at risk of conversion to market-rate rents.

Implementation Timeline: Ongoing as projects are at risk of conversion to market rate

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Set-aside funds and other funding sources identified on a case-by-case basis

Program d.2.2. Maintain the affordability of low- and moderate-income rental units under the Inclusionary Housing Program through the use of deed restrictions and continue to implement the Purchase and Resale Program for owner-occupied inclusionary units.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Set-aside funds, CDBG

Program d.2.3. Continue to monitor atrisk units and gauge interest in renewal through individual contacts and surveys. Meet with property owners to strategize what package of incentives would retain the affordable units.

Implementation Timeline: Contact property owners annually to determine conversion plans.

Responsible Party: Housing and Property Management Division

Funding: General Fund

Program d.2.4. The City will continue to meet with local nonprofits interested in purchasing or managing affordable housing units.

Implementation Timeline: Meet with local nonprofits annually.

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Set-aside funds, CDBG

Program d.2.5. Prioritize funding or acquire funding to assist nonprofits to purchase units that may be lost from the Inclusionary Program or to acquire replacement units.

Implementation Timeline: Meet with local nonprofits annually.

Responsible Party: Housing and Property Management Division

Funding: General Fund, apply for funding on a case-by-case basis

Program d.2.6. Analyze the feasibility of utilizing a City-sponsored rental rehabilitation program to encourage atrisk units to be retained.

Implementation Timeline: Determine feasibility by June 2010.

Responsible Party: Housing and Property Management Division

Funding: Identify a funding source based on feasibility of establishing a program.

Program d.2.7. Implement a program to reduce, waive, or subsidize local fees associated with preservation or replacement of at-risk units.

Implementation Timeline: Implement a program by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: Identify a funding source based on feasibility of establishing a program.

e. Equal Housing Opportunities

Monterey's minority group population is generally distributed throughout the City. The City's housing mediation service has not processed an equal opportunity complaint over the past 12 months. The U.S. and California Constitutions guarantee certain housing rights to all residents. These rights include the freedom to choose a home within the economic capacity of the household and unhindered by discrimination.

Goal e. Provide for fair and equal housing opportunities for all persons, regardless of age, sex, family size, race, creed, color, or national origin.

Policy e.1. Assure that all persons in Monterey receive equal housing opportunities. Promote equal housing opportunities by making this information available at the City library, Housing Department office, and social service providers. Also, provide this information on the City's website.

Program e.1.1. Cooperate in countywide fair housing activities and federal government programs that emphasize educational and counseling activities.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: CDBG funds, HOME funds

Program e.1.2. Provide contract fair housing mediation for all fair housing complaints and questions. Advertise fair housing mediation services. Notify social service agencies of programs. Advertise programs consistent with the City's Housing Consolidated Plan.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Set-aside funds, CDBG

Program e.1.3. Distribute available housing subsidies to sites throughout the City to avoid concentrations of subsidized housing. Inclusionary housing units should be built on the site of market-rate housing. Inclusionary housing should be compatible with the surrounding neighborhood.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: General Fund

Program e.1.4. Continue to provide online applications for the City's Purchase and Resale program waiting list to market affordable housing units on the City's website.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property

Management Division

Funding: General Fund

Program e.1.5. Continue to provide service referrals to rental assistance, ownership assistance, homeless assistance, and general community services.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: Redevelopment Set-aside funds, CDBG

Program e.1.6. Continue to distribute Section 8 applications at the City's Housing Division and have staff available to help applicants with the process.

Implementation Timeline: Ongoing

Responsible Party: Housing and Property Management Division, Monterey County Housing Authority

Funding: Section 8 funds, Redevelopment Set-aside funds, CDBG

f. Special Housing Needs

Housing for the Elderly. In 2000, 20 percent of the population was over 60 years old, an increase from 15 percent in 1990. The main housing concern among elderly renter households is overpaying for housing. Elderly ownership households have a high incidence of overpayment, defined as spending more than 30 percent of household income for housing. The need for elderly housing programs is a concern of both the public and private sectors.

Single-Parent Head of Household. In 2000, 4.4 percent of the households in Monterey had single-parent heads of household with children, virtually unchanged since 1990. The main concern among these households is overpaying. In addition, 11 percent of Monterey households have single-parent heads of household over 65 living alone. While there are no special programs targeted toward single-parent heads of household, new policies for larger multi-family units will help single-parent heads of household with children. The opportunity to construct

lower-cost, multi-family units will help singleparent-headed and elderly households overpaying for housing.

Disabled Households. The State defines disabled households as those having employment householder with an transportation disability. There is a significant overlap between disabled households and elderly households. In Monterey, one problem facing disabled people is the predominance of apartments built over parking, which creates, in effect, second-story units that are hard for the disabled to reach. The percentage of disabled households in Monterey is 9.1 percent, slightly less than the percentage in the County as a whole and approximately half the statewide percentage. The public and private elderly housing projects in Monterey all have provisions for disabled seniors.

Overcrowding/Large Families. Overcrowding is defined as more than 1.01 persons per room. It is primarily associated with large households, but overcrowding can also be an issue with smaller families in small rental units. Monterey has a low incidence of overcrowding when compared to Monterey County and California as a whole. While there are no special programs that address overcrowding, the provisions encouraging affordable rental housing may reduce the potential for overcrowding for smaller families in very small units.

Homeless Persons and Families. The City of Monterey has an average of 193 homeless people. Inability to pay rent or move-in costs is typically the main reason for homelessness, which would indicate that low- and moderate-cost housing is one of the primary solutions to homelessness. The opportunity to construct lower-cost multi-family housing would assist in these cases. The immediate need for emergency housing for the homeless can be met by the provision of emergency shelters.

Special Needs Housing Goals

Goal f. Remain sensitive to the needs of the elderly, single-parent-headed households, the

disabled, and large families, and develop positive programs to assist the homeless.

Policy f.1. Encourage construction of housing units that provide for special needs.

Program f.1.1. Provide for needs of special housing needs groups by complying with ADA regulations in reviewing private development projects and in City-assisted housing projects.

Implementation Timeline: Ongoing, 2009-2014, as projects are processed through the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: Redevelopment Set-aside funds, CDBG funds, private developer funds

Program f.1.2. Market low- and moderate-income housing programs through the use of direct advertising including, but not limited to, the City's website, referrals, brochures, newspapers, and other media.

Implementation Timeline: Information will be available on the website by June 2010.

Responsible Party: Planning, Engineering, and Environmental Compliance Division

Funding: Redevelopment Set-aside funds, CDBG

Program f.1.3. Encourage the schools, students, and senior citizen groups to cooperate with the City-sponsored Home-Share roommate matching service to take advantage of underutilized homes in Monterey.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering, and Environmental Compliance Division

Funding: Community Service grants

Program f.1.4. Develop a program of emergency grants or loans to assist low-income households that are threatened with eviction. Provide funds on a one-time basis to assist households that could remain in their rental housing units if back rent is paid.

Implementation Timeline: 2009-2014, as funding is available

Responsible Party: Planning, Engineering, and Environmental Compliance Division

Funding: Redevelopment Set-aside funds, CDBG, Community Service grants

Program f.1.5. Continue to provide City assistance to nonprofit providers of services and temporary housing to Monterey homeless.

Implementation Timeline: Ongoing, as funding is available

Responsible Party: Planning, Engineering, and Environmental Compliance Division

Funding: Redevelopment Set-aside funds, CDBG, Community Service grants

Program f.1.6. Amend the City's Zoning to provide Code individuals disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. The purpose of this is to provide a process for individuals with disabilities to make requests reasonable accommodation in regard to relief from the various land use, zoning, or building laws of the City. As part of this program, the City will appoint a staff person to work with disabled persons who improvements proposing accommodate their needs. The purpose is to streamline the permit review process if needed.

Implementation Timeline: Amend the Zoning Code by June 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund

Program f.1.7. Pursuant to Senate Bill 2, the City will amend the Zoning Ordinance allow emergency shelters as a permitted use in a newly created overlay zone in the City's C-1, C-2, and/or C-3 zoning districts which are close to transit corridors and close to services. The City has adequate capacity on vacant and underutilized parcels (approximately 34 acres) within the C-1, C-2 and C-3 zoning districts, which are suitable for the development of emergency shelters due to their proximity to public transit lines, social services, and personal services. The City will create this overlay zone with specific development standards for emergency shelters. In addition, the City will evaluate adopting development and managerial standards that will consistent with Government Code Section 65583(a)(4). These standards may include such items as:

- Lighting;
- On-site management;
- Maximum number of beds or persons to be served nightly by the facility;
- Off-street parking based on demonstrated need; and
- Security during hours that the emergency shelter is in operation.

Implementation Timeline: Develop this overlay designation by June 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: CDBG

Program f.1.8. Pursuant to Senate Bill 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall update its Zoning Ordinance to include separate definitions of transitional and

supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Implementation Timeline: Amend the Zoning Code by June 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund

Program f.1.9. To ensure zoning flexibility that allows for the development of single-room occupancy units (SROs), the City will update its Zoning Ordinance to explicitly allow for SROs in a district that is near services and mass transit.

Implementation Timeline: Develop this overlay designation by June 2010.

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund

Program f.1.10. To support development of housing affordable to extremely low-income households, the City shall apply for state and federal funding and grant priority to projects that include units affordable to extremely lowincome households. Additionally, the City will prioritize a portion of the redevelopment set-aside funds to encourage the development of extremely low-income housing.

Implementation Timeline: Annually, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund, RDA funds

g. Adequate Sites Analysis

State law requires the Housing Element to identify "adequate sites" with appropriate zoning and public services to allow development

of a variety of housing types for all income levels. Existing zoning allows the capacity to meet the overall fair share and enables the types of units most likely to support the fair share of very low-, low-, and moderate-income housing.

The Housing Element provides for the opportunity to construct housing for all income groups. Nearly all new housing in the City will be built by private developers at market rates. The City can only provide the opportunity for private developers to build different unit types, which could provide for various income levels. The mixed-use designation provides the opportunity to construct very low- and low-cost units. The multi-family unit designation provides the opportunity to construct very low-, low-, and moderate-cost units. The single-family unit designation provides the opportunity to construct above moderate-cost units.

The available sites analysis in the Housing Element Background Report identifies the realistic potential to construct a total of 2,008 units. The City's current Regional Housing Needs Allocation for 2007–2014 is 657. With a potential of 2,008 units, this gives the City a surplus of 1,351 units. These units are appropriate for provide housing to all income levels (extremely low, very low, low, moderate, and above moderate income).

Goal g. Provide adequate sites to build new housing units for all income levels and to meet the City's fair share of housing needs for 2007-2014.

Policy g.1. Meet the Association of Monterey Bay Area Governments (AMBAG) Fair Share of regional housing needs for 2007-2014.

Program g.1.1. Retain the zoning capacity to meet the AMBAG fair share housing goal between January 1, 2007, and July 30, 2014. Retain the opportunity to construct the remaining fair-share requirement of 146 very low-, 101 low-, 117 moderate-, and 258 above moderate-income housing units with excess zoning capacity for mixed-use housing,

apartments in commercial zones, and apartments in R-3 zones.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program g.1.2. Encourage exceptional design and innovative solutions for housing style, through the implementation of the Downtown Design Guidelines. The City is currently developing design guidelines for other mixed-use/transitoriented development neighborhoods.

Implementation Timeline: Develop design guidelines for other mixed-use/transit-oriented development neighborhoods by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program g.1.3. The City will actively support the redevelopment of underutilized mixed-use sites to meet the City's RHNA allocation and to provide additional affordable housing opportunities throughout the City near transit stops, jobs, and services. The City will assist in the development of these underutilized sites by offering the following assistance:

- The City will post a listing of underutilized sites on the City's website and provide this list of sites to developers interested in developing mixed-use projects in the City.
- The City will, where appropriate and when funds are available, assist with the development of affordable housing projects with the use of redevelopment funds on these underutilized sites.

- The City will also provide technical assistance with applying for additional funding to construct an affordable mixed-use project on an underutilized site.
- The City will provide flexibility in development standards on the construction of an affordable housing project on an underutilized site including but not limited to reduced setback requirements and ____reduced parking requirements on a case-by-case basis.

Implementation Timeline: Provide a listing of sites to affordable housing developers in the area on a yearly basis and assist developers as projects are processed through the Planning, Engineering and Environmental Compliance Division, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund, RDA funds

h. Workforce Housing

The Mayors' Ad Hoc Committee identifies the need for housing for working moderate-income and visitor-service employees as a high priority and encourages increased collaboration between the private, nonprofit, and public sectors. The General Plan Economic Element identifies housing workers at all income levels as a key to attracting and retaining employees with the skills needed to maintain Monterey businesses.

Goal h. Provide housing that specifically meets the needs of the Monterey workforce.

Policy h.1. Design a program with Monterey employers to pool resources to develop workforce housing.

Program h.1.1. Encourage workforce housing programs for major Monterey employers, utilizing land and other

resources available to those employers that could be devoted to workforce housing. Develop a program where land costs are removed or reduced as a cost of housing. Provide both owner and renter housing with a requirement for permanent cost reductions.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property Management Division

Funding: General Fund

Program h.1.2. Encourage workforce housing programs by the City of Monterey for Monterey City employees.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Housing and Property

Management Division

Funding: General Fund

Program h.1.3. Utilize zoning tools such as Planned Unit Developments and Planned Community Zoning to provide flexibility in designing infill housing on larger development sites.

Implementation Timeline: 2009-2014, as projects are submitted to the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

i. Housing Incentive Programs and Inclusionary Housing Program

The City has adopted an inclusionary housing ordinance to assure that new housing construction also includes affordable housing units. In addition to the inclusionary provisions, the City has offered significant incentives, including financial support, parking relief, increased density, and modification of site development standards, to projects that provide substantial affordable housing in excess of the

minimum inclusionary units. The incentive program is intended to provide assistance to projects which meet the broad goals of the Housing Element.

Housing Incentive and Inclusionary Programs

Goal i. Provide incentives for affordable housing, workforce housing, and ownership housing to meet the unique needs identified in the Housing Element. Provide incentives to complement the inclusionary housing program, with a particular goal of maintaining housing in inclusionary perpetuity increasing the percentage of affordable units. Parking adjustment incentives should not impact residential neighborhoods.

Policy i.1. Provide incentives to meet the City's unique housing needs in excess of the requirements in the inclusionary housing ordinance.

Program i.1.1. Continue to implement the City's mixed-use zoning concept that was created to provide incentives to construct housing units by offering water allocations, height variances, and parking exceptions to affordable housing projects.

Implementation Timeline: 2009-2014, as projects are submitted to the Planning, Engineering, and Environmental Compliance Division

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program i.1.2. Continue to allow appropriate density bonuses in the City's commercial districts.

• Density bonuses in excess of 25 percent may be allowed for projects that exceed City inclusionary housing percentages or the state-mandated criteria for low-income, moderate-income, and special-needs housing.

• Projects which receive density bonuses shall maintain affordability for the life of the project.

Implementation Timeline: 2009-2014, as projects are approved through the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program i.1.3. Give preference in the City's water allocation process to projects meeting fair-share housing goals.

Implementation Timeline: 2009-2014, as projects are approved through the Planning, Engineering, and Environmental Compliance Division

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program i.1.4. Develop alternatives for long-term water supply both within and outside the framework of the Water Management District and the California American Water Company.

Implementation Timeline: 2009-2014, develop long-term water alternatives Responsible Party: Planning, Engineering and Environmental Compliance Division Funding: General Fund

Program i.1.5. The City is committed to ensuring that there in enough water allocation to meet the needs of all new residential units within the 2007-2014 RHNA period. California American Water (CalAm), submitted an application on September 24, 2004, to the California Public Utilities Commission to implement the Coastal Water Project (CWP). The CWP would supply 12,500 acre-feet of water per year for urban users on the Monterey Peninsula. Delivery of this water to the City of Monterey would be adequate to accommodate the City's additional water needs to fulfill its

regional housing allocation. Construction of the Monterey pipeline is scheduled for 2011-2013. The City will continue to support the efforts of CalAm for this project.

Responsible Party: Planning, Engineering and Environmental Compliance Division Timing: Construction of the Monterey pipeline is scheduled for 2011-2013

Funding: General Fund

Program i.1.6. The City will continue to explore alternatives other than density bonus allowed in state law (Section 65915) to meet affordable housing goals.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Policy i.2. Continue the City's Inclusionary Housing program to provide affordable housing throughout Monterey.

Program i.2.1. Continue to provide a minimum of 20 percent permanently affordable low- and moderate-income units for any project with six or more new housing units or for condominium conversion.

Residential projects are encouraged to satisfy the requirement by providing a minimum of 20 percent inclusionary housing units on-site.

Implementation Timeline: 2009-2014, as projects of 6 or more units are processed through the Planning Department

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding Source: General Fund

Program i.2.2. Investigate a community housing trust to meet the need for workforce housing and other housing needs.

Implementation Timeline: Investigate a community housing trust by June 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division and Housing and Property Management Division

Funding Source: General Fund

Sustainability and Energy Efficiency Programs

Goal j. The City will continue to promote sustainability and energy efficiency in residential development with the City through its Climate Action Team and continue to implement its Green Building Ordinance to encourage the reduction of energy use through energy-efficient urban design and through better design and construction in individual homes.

Policy j.1. Implement state energy conservation standards.

Program j.1.1. The City will continue to implement its Green Building ordinance.

Implementation Timeline: Ongoing, 2009-2014

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

Program j.1.2. To facilitate the implementation of green building features in new housing units, the City will consider amending its Green Building Ordinance to require that all new housing projects include green building features.

Implementation Timeline: Amend the Green Building Ordinance by January 2011.

Responsible Party: Planning, Engineering and Environmental Compliance Division

Funding: General Fund

CITY OF MONTEREY 2009-2014 HOUSING ELEMENT BACKGROUND REPORT

Adopted July 7, 2009

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I. INTRODUCTION

The purpose of the Housing Element is to identify the community's housing needs, to state the community's goals and objectives (listed in the Housing Element Action Plan) with regard to housing production, rehabilitation, and conservation to meet those needs, and to define the policies and programs that the community will implement to achieve the stated goals and objectives.

State law requires cities and counties to address the needs of all income groups in their Housing Elements. The official definition of these needs is provided by the California Department of Housing and Community Development (HCD) for each city and county within its geographic jurisdiction. State housing law (Government Code Section 65580) requires an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs. The assessment and inventory must include all of the following:

The Background Report of the Housing Element identifies the nature and extent of the City's housing needs that, in turn, provide the basis for the City's response to those needs in the Housing Element. In addition to identifying housing needs, the Background Report also presents information on the setting in which the needs occur, which provides a better understanding of the community and facilitates planning for housing. The Background Report includes the following:

- Analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels.
- Analysis of any special housing needs populations, such as those with disabilities, the elderly, large families, farmworkers, homeless, and single-parent households.
- Analysis and documentation of household characteristics including level of payment compared to ability to pay, the extent of overcrowding, and an estimate of housing stock conditions.
- Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels. These constraints include land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.
- Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

- A site-specific inventory of land suitable for residential development, including vacant and underutilized sites, and an analysis of the relationship of zoning, public facilities, and city services to these sites.
- Analysis of opportunities for energy conservation with respect to residential development.
- Analysis of the existing and projected needs including the locality's share of the regional housing need in accordance with Section 65584.

For the purpose of evaluating current (2008) housing affordability, housing need, and eligibility for housing assistance, income levels are defined by guidelines adopted each year by HCD. For Monterey County, the area median income for a household of four in 2008 was \$64,800.

HCD has defined the following income categories for Monterey County, based on the median income for a household of four persons:

- Extremely low income: 30 percent and below (\$0 to \$19,450)
- Very low income: 31 to 50 percent of median income (\$19,451 to \$32,400)
- Low income: 51 to 80 percent of median income (\$32,401 to \$51,850)
- Moderate income: 81 to 120 percent of median income (\$51,851 to \$77,800)
- Above moderate income: 120 percent or more of median income (above \$77,800)

In addition, the City has established the following income limits for workforce housing:

- Workforce Level I: 120 to 150 percent of the median income (\$77,800 to \$97,200)
- Workforce Level II: 150 to 170 percent of the median income (\$97,200 to \$110,160)

This information draws on a broad range of informational sources. Information on population, housing stock, and economics comes primarily from the 1990 and 2000 U.S. Census, California Department of Finance 2008 projections, Housing and Community Development Department, Association of Monterey Bay Area Governments (AMBAG) publications, and City documents. Information on available sites and services for housing comes from numerous public agencies. Information on constraints on housing production and past and current housing efforts in Monterey comes from City staff, other public agencies, and some private sources.

The purpose of Monterey's Housing Element is to:

Provide adequate sites to meet the Regional Housing Needs Allocation (RHNA) of 657 units:

- Meet the RHNA affordable housing goals of providing housing to varying income ranges: 22 percent extremely low- and very low-income households, 17 percent low-income, 19 percent moderate-income, and 42 percent above moderate-income, as well as protect existing low- and moderate-cost housing from conversion to market-rate housing;
- Encourage construction of rental housing available to a wide range of incomes and family sizes, and support construction of multiple housing types, including mixed-use housing;
- Encourage owner occupancy through construction of new for-sale housing and by protecting existing single-family housing from demolition in apartment and commercial areas; and
- Provide for special needs housing that will meet the needs of handicapped, single-parent, student, elderly, and family households.

A. Evaluation of Existing Housing Element

Government Code Section 65588(a)(2) "Review and Revision" requires that each unit of local government review its Housing Element as frequently as appropriate to evaluate its effectiveness in attainment of the community's housing goals and objectives. This section reflects the actual housing activities accomplished since adoption of the last Housing Element. A few of the major accomplishments from the last Housing Element were:

- The City adopted the Condominium Conversion Ordinance in 2007 and completed 417 condominium conversions and 135 tentative maps.
- The City administered a Redevelopment Housing Set-aside funded down payment assistance program and has assisted 27 households since 2007.
- The City developed an Analysis of Impediments to Fair Housing report in 2004 and continues to assess the progress in addressing identified impediments on an annual basis through the Consolidated Annual Performance and Evaluation Report (CAPER).
- In 2004, the City created the mixed-use zoning concept which provides incentives to construct housing units by offering water allocations to affordable housing projects, height variances, and parking variances.
- The City assisted the non-profit Monterey County Housing, Inc, a non-profit affiliate of the Housing Authority of the County of Monterey, and various other non-profit agencies with grants and loans for affordable housing major rehabilitation. Affordability restrictions were recorded for the following projects: grant for \$450,000 for 800 Casanova Elderly Housing-86 units (Monterey County Housing, Inc.); grant for \$250,000 to Community Human Service for Safe Place a 6 –bed transitional housing site on Pearl Street; \$300,000 to Interim Inc. for an 8 unit apartment for mentally ill adults. The City also provided to loans to

for profit developers as follows: Alvarado Hotel Mixed Use site in downtown a \$3,000,000 loan consisting of Housing Set-aside funds and HOME funds (\$800,000). This loan provided 18 units as follows: 4 very low, 6 low; 4 median; and 4 moderate income units. A \$2,200,000 loan was also provided to a private developer for 21 units located at 541 Wave Street. This site provides 4 low income and 17 median income rental units. All of the foregoing has deed restrictions that require permanent affordability.

Housing Program	Accomplishments	Continue, Modify or Delete Program
Policy a.1. Encourage the production of new ownership housing ur	nits.	
Program a.1.1. Primary emphasis on larger developable sites (larger than two acres) should be housing types which provide ownership opportunities for a wide range of incomes. The City will develop a list	Effectiveness/Progress: The City will continue to update a list of larger developable sites. Potential sites include the Fort Ord/Ryan Ranch site and a 50-acre School District parcel in Monterra.	The program will be modified and combined with
of larger developable sites and contact property owners to determine opportunities for housing construction.	Appropriateness: The City will continue to put emphasis on larger developable sites appropriate for ownership opportunities for all income levels.	Program b.1.4.
Program a.1.2. Maintain existing single-family zoning throughout the City, providing sites for 163 ownership units. Rezoning of single-family land to other uses should not occur without findings that the proposed	Effectiveness/Progress: There has not been any single-family land rezoned. The City has maintained all single-family zoned land having a capacity of 163 units.	This program will be continued.
use is more beneficial to the City than retaining single-family ownership opportunities.	Appropriateness: The City will continue to maintain sites appropriate for single-family development.	
Program a.1.3. Inclusionary housing units in an ownership housing project should generally be ownership units unless findings can be made that rental units are more beneficial. Ownership inclusionary units are also encouraged in rental projects.	Effectiveness/Progress: The City has successfully implemented this program currently having 163 owner-occupied units affordable to low-, median-, and moderate-income households and has an additional 188 planned for the future.	This program will be continued.
	Appropriateness: The City plans to continue this program to allow for more ownership opportunities affordable to lower-income households.	
Program a.1.4. Encourage and create development standards for new condominiums and ownership townhouses in R-3 and commercial areas. Provide amenities desirable to owners, including larger units to house families with children. Develop height, design, and setback standards to encourage the most creative designs. Area Plans are	Effectiveness/Progress: Design Guidelines have been adopted for the Downtown/East Downtown areas. Five new units have been built since 2002. The City has approved 29 new condominium units, and another 45 to 50 new units are pending approval.	This program will be continued.
encouraged to identify potential incentives and ways to implement the incentives.	Appropriateness: Development of standards for condominiums and ownership townhomes is under way as part of the 2008-2009 work program.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
Program a.1.5. Encourage conversion of apartments to condominiums to provide ownership opportunities. The City will encourage conversion by evaluating and revising its condominium conversion standards as necessary to ensure adequate provision of amenities, parking, and larger units to house families with children.	Effectiveness/Progress: The City adopted the Condominium Conversion Ordinance in 2007, and the General Plan policy that encouraged condominium conversions was adopted in 2005. Since 2005 the City has completed 417 condominium conversions and 135 tentative maps, and 58 conversions are in process.	This program may be modified and continued.
The City's inclusionary housing ordinance applies to all condominium conversion projects.	Appropriateness: Revision of the development standards for condominium conversions are under way as part of the 2008-2009 work program.	
Program a.1.6 . Develop collaborative workforce housing programs with the major employers in Monterey and the region to provide	Effectiveness/Progress: The City has acquired workforce housing by offering incentives but nothing has been formalized.	This program will be continued.
targeted homeownership opportunities for employees (see programs h.1.1 and h.1.2).	Appropriateness: The City intends to continue to work with large employers to target these opportunities.	
Policy a.2. Encourage the conservation of existing home ownership	o opportunities, including moderate-income units.	
Program a.2.1. Develop zoning incentives to encourage retention of single-family houses in R-3 areas. An estimated 300 single-family houses could be conserved (rather than demolished or converted to apartment units). To encourage retention of single-family homes, the City will evaluate and revise its development standards.	Effectiveness/Progress: The City has not yet developed incentives to encourage the retention of single-family houses in the R-3 zone. Appropriateness: These items are on the Planning Commission Work Program for the 2009 to 2010 year.	This program will be continued.
The City will also continue to allow additional floor area ratio for single-family homes and eliminate additional parking requirements with building upgrades.	Work Frogram for the 2000 to 2010 year.	
Program a.2.2. Develop a program to allow a second ownership on existing R-3 lots to increase the stock of affordable housing, while retaining the existing house where one is present and retaining	Effectiveness/Progress: The City has developed a program to allow the subdivision of existing R-3 lots but further program development will be required to allow smaller lot sizes.	This program will be modified and continued.
neighborhood character. The program may use condominium, townhouse, or detached form of housing units, and shall utilize design and construction methods to maximize privacy and minimize sound transmission.	Appropriateness: The City will further develop this program to evaluate lot sizes.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
Program a.2.3. Continue the Down Payment Assistance Program for approximately 10 units per year. Investigate opportunities to increase Down Payment Assistance loans for detached single-family houses.	Effectiveness/Progress: The City assisted 17 households in 2008 and 10 households in 2007. The City administers a Redevelopment Housing Set-aside funded down payment assistance program for up to \$50,000, a Community Development Block Grant Program (CDBG) that provides an additional \$50,000 for low-income households, and a State HOME funded Program that provides a \$50,000 loan for low-income households. All programs require deed restrictions to be placed on the property for affordability controls. Funds are targeted to inclusionary units, which are detached or condominiums. As noted above, all funded down payment assistance must be tied to affordability controls.	This program will be continued.
	Appropriateness: The City will continue to apply and provide assistance to lower-income households.	
Policy b.1. Provide the opportunity to construct new multi-family he	ousing units in pockets of opportunity.	
Program b.1.1. Maintain multi-family densities at 30 units per acre in the R-3 zone. The Zoning Ordinance allows a theoretical maximum of 2,411 new units in R-3 zones, but not all sites are expected to develop to those maximum land uses.	Effectiveness/Progress: The City has maintained densities at 30 units/acre in the R-3 zone, but nothing has been developed due to the lack of available water. Most projects are built as mixed use in the commercial zone, where water is available.	This program will be continued.
	Appropriateness: The City will continue to maintain multi-family densities at 30 units/acre.	
Program b.1.2. Revise the Zoning Ordinance to allow densities of 30 units per acre in commercial areas, with the potential for density	Effectiveness/ Progress: The City revised the Zoning Ordinance in 2004 to allow densities of 30 units/acre in commercial areas.	This program will be modified and
bonuses as outlined in program i.1.2 (incentives). Mixed-use densities will allow at least 1,220 new mixed-use units, but not all commercial lots are expected to develop with mixed-use housing.	Appropriateness: The City will continue to allow 30 units/acre in commercial areas.	combined with Program b.1.1.
Program b.1.3. Assist the Housing Authority, nonprofit agencies, and private developers in providing low- and very-low-income housing as opportunities become available, using the current housing plan as a basis for action.	Effectiveness/ Progress: The City has a long history of collaboration with housing nonprofits, the Housing Authority, and private developers. A housing set-aside loan for \$2,200,000 was provided to a private	This program will be continued.
The City will continue to provide assistance by streamlining the permit	developer for the Alvarado Street 18-unit affordable rental project containing 10 low-income units and 8 moderate-income units. The	

Housing Program	Accomplishments	Continue, Modify or Delete Program
City will also coordinate with the developer to help make the project a	project was developed on the developer's land. This was augmented by an \$800,000 HOME loan.	
financially feasible such as providing low interest loans and other incentives where affordable housing goals are being met.	The City also provided a \$2,300.00 redevelopment housing set- aside loan to a private developer for a 21-unit affordable project containing 17 moderate-income units and 4 low-income units.	
	The City provided two grants totaling \$450,000 to the Housing Authority of Monterey County that owns an 86-unit low-income elderly/disabled rental project. The funds are providing extensive exterior renovations and security improvements. Renovation is anticipated to be complete in spring of 2009.	
	The City provided a grant to Interim Inc. for an 8-unit rental rehabilitation project for special needs population (mentally ill adults).	
	The City provided a grant totaling \$250,000 to Community Human Services for the renovation of their street outreach office into a six-bed transitional housing program for homeless youth 18 to 22 years of age (also special needs). This site will open in June 2009.	
	Appropriateness: The City has a long history of collaboration with housing nonprofits, the Housing Authority, and private developers and will continue to coordinate with the Housing Authority to help assist very low- and low-income households.	
Program b.1.4. Investigate sites for opportunities to build or support low- and moderate-income housing units.	Effectiveness/Progress: The City has identified three sites to providing affordable housing; two sites downtown (484 Alvarado), a site recently vacated due to a fire, and a vacated gas station. The third is the City's parcel on former Fort Ord.	This program will be modified and combined with Program a.1.1.
	Appropriateness: The City will continue to investigate sites available for the development of low- and moderate-income housing units.	
Program b.1.5. Evaluate the existing stock of Section 8 units and encourage and support the Housing Authority and private market	Effectiveness/Progress: There are currently not any project-based Section 8 units in the City of Monterey but the City has	This program will be continued.

Housing Program	Accomplishments	Continue, Modify or Delete Program
landlords to expand utilization of the Section 8 voucher program. Encourage the Housing Authority to grant 20% rent exceptions for the Monterey area to provide a greater housing choice for very low income renters. Encourage the Housing Authority to market the Section 8 Voucher programs to Monterey landlords. Encourage the Housing Authority to recruit more Section 8 assisted Monterey families into the Family Self-Sufficiency Program.	worked with the Housing Authority to expand the use of Section 8 Housing Choice Vouchers by accepting Section 8 voucher holders at its Estrella apartment site (8 low-income units). The City has also worked with the management company for the 29-unit Osio site for acceptance of Section 8 voucher holders for the low-income units. Additionally the City acquired two allocations of State HOME Tenant Based Rental assistance that provided rental assistance for up to two years to eligible low-income households. Grant 04-HOME 0743 – \$542,500 assisted 39 households. Grant 04-HOME-0663 – \$2,436,645 assisted 33 households. Grant 0743 was extended and assisted households for a three-year period.	
	Although landlords have been willing to accept Section 8 during the past seven years, payment standards are too low in comparison to market rents thus making it difficult to offer their units to the program. The waiting list has been closed with the exception of opening a few times for two weeks at a time to accept new applications. The City has provided applications through its Housing Office, at the library, clerk's office, and on the website and assisted with outreach for the program.	
	Information from the Housing Authority indicates that the City contains more Section 8 recipients than surrounding communities. At one time the Monterey Peninsula had a 20 percent rent exception. It expired approximately seven years ago and the Housing Authority is not willing to attempt to obtain another. The HOME program implemented by the City of Monterey has created acceptance by local landlords for the Section 8 program. At this time there are no Family Self-sufficiency Program participants in the City of Monterey.	
	Currently the countywide Section 8 waiting list contains 5,498 households with 511 elderly households and 952 households with disabilities. The existing program utilization is 3,701 Section 8 vouchers, of which 400 are projected to be turned over each year.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	There are additional special purposed vouchers as follows: 29 Section 8 moderate rehabilitation units; 14 Shelter Plus Care; 39 enhanced vouchers; 4 Section 8 Homeownership; 261 project-based Section 8.	
	Appropriateness: The City will continue to evaluate the existing utilization of Section 8 and encourage and support the Housing Authority and private market landlords to expand utilization of the Section 8 voucher program.	
Program b.1.6. Encourage affordable rents with the City's Voluntary Rental Guidelines, but discourage citywide rent control.	Effectiveness/Progress: The City encourages affordable rents by providing brochures that outline the City's Voluntary Rental Guidelines to owners.	This program will be continued.
	Appropriateness: The City will continue to provide brochures to encourage owners of rental properties to offer affordable rents.	
Program b.1.7. Require a minimum 5,000-square-foot lot size for new apartment development.	Effectiveness/Progress: The City continues to require a minimum 5,000 square foot lot size for new apartment development. Since this change was made, there have not been any apartments constructed in the R-3 district.	This program will be continued.
	Appropriateness: The City will continue to require a minimum 5,000 square foot lot size for the development of new apartments.	
Policy c.1. Encourage units suitable for family occupancy.		
Program c.1.1. Encourage units specifically designed for family occupancy on larger developable sites, except in senior citizen housing projects.	Effectiveness/Progress: The Casa Verde site contains 8 three- bedroom units sited around a central courtyard driveway, with a	This program will be deleted.
	small playground. The site is located across from an elementary school. The City received one deed-restricted inclusionary Workforce Level I (between 120 percent and 150 percent of median income) ownership unit at this site.	Larger units are addressed in Program a.1.4 and Program c.1.2.
	There are no large developable sites in the City for development of large-scale family housing by the Housing Authority of Monterey County (HACM) or nonprofit developers. These entities use economies of scale to finance projects through tax credits, bonds,	J

Housing Program	Accomplishments	Continue, Modify or Delete Program
	and other financing mechanisms to provide family rental housing. Small-scale projects of less than 25 units are not deemed feasible by these developers.	
	The Housing Authority operates 11 units of scattered site public housing in the City. These units are two-bedroom units.	
	Appropriateness: The City plans to evaluate ways to encourage these types of units.	
Program c.1.2. Encourage larger units with two or more bedrooms and open spaces with sufficient area for children's play in R-3 developments.	Effectiveness/Progress: The City has been unable to address this program. The City plans to perform a comprehensive review and revision of its parking requirements before this program can be implemented.	The program will be modified and continued
The City will continue to encourage family housing by requiring at least one-third of any housing development over 3 units to provide two or more bedrooms. All housing projects will continue to be required to provide open space giving residents an opportunity for outside activities.	Appropriateness: The City plans to evaluate the feasibility of requiring at least one-third of any housing development over three units to provide two or more bedrooms. The City plans to evaluate this requirement as part of its 2010-2011 work program	
Program c.1.3. Encourage the Housing Authority and profit and nonprofit developers to build affordable housing for families with children whenever possible.	Effectiveness/Progress: The City has not yet implemented this program but plans to address this issue within this next Housing Element cycle.	This program will be continued.
The City will discuss family housing needs with potential developers and the financial and processing incentives that are available.	Appropriateness: The City plans to continue to look at ways to encourage family housing.	
Program c.1.4. Encourage the Naval Postgraduate School to provide and add to family housing units at the Navy La Mesa Housing Area. Encourage the Army to retain family housing on the Presidio of Monterey.	Effectiveness/Progress: In 2002 the Housing at La Mesa Area was renovated and in 2006-2007 the City accepted the military's proposal to rebuild its housing stock through the Residential Communities Initiative Program. The Defense Language Institute	This program will be modified and continued.
The City will meet with the Navy and Army on a yearly basis to review development issues at the military installations and how to provide housing.	is in the process of adopting a master plan and the City has provided its comments on the location of the housing. The City does not expect additional future opportunities to consult with the military on the construction of future housing.	
The City supports the military's proposal to rebuild its existing housing stock through the Residential Communities Initiative Program.	Appropriateness: The City will continue to encourage the Naval Postgraduate School to provide and add to family housing units	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	should the opportunity arise.	
Policy d.1. Provide rehabilitation assistance to low- and mode deterioration is present.	rate-income households and encourage privately funded reha	abilitation wherever
Program d.1.1. Provide emergency major repair assistance to low-and moderate-income households.	Effectiveness/Progress: Since 2002, the City has provided five emergency repair loans to low- and moderate-income households.	This program will be continued.
	Appropriateness: The City will continue to provide emergency repair loans to lower-income households.	
Program d.1.2 . Provide rehabilitation assistance for approximately 8 Major Rehabilitation loans, 10 Emergency Loan repairs, and 15 Home Safety repair grants per year using Community Development Block Grant monies or other grants and funding sources.	Effectiveness/Progress: Since 2002, the City has provided 78 Home Safety repair grants, 19 Major Rehabilitation loans, and 5 Emergency Repair loans.	This program will be continued.
	Appropriateness: The City plans to continue to provide rehabilitation assistance using Major Rehabilitation loans, Emergency Repair loans, and Home Safety repair grants.	
Program d.1.3. Continue the "Mr. Fixit" program to provide emergency repair assistance for minor repairs to an average of 10 units per year.	Effectiveness/Progress: Since 2002, the City has used the Mr. Fixit program to assist 105 units.	This program will be continued.
	Appropriateness: The City will continue to use the Mr. Fixit program to assist in minor and emergency repairs.	
Program d.1.4. Encourage private sector rehabilitation with the residential inspection program that inspects residential units at time of sale and provides information for rehabilitation at the property owners' discretion. Average inspections would be 300–350 units per year.	Effectiveness/Progress: Since 2002, the City has used the Mr. Fixit program to assist 105 units.	This program will be discontinued
	Appropriateness: Discontinue this program. The residential inspection program is more for identifying violations than for rehabilitation.	
Program d.2.1. Investigate the option of purchase of inclusionary housing units or other units to replace them. Investigate programs, nonprofit sponsors, and funding sources to retain lower-income housing units at risk of conversion to market-rate rents.	Effectiveness/Progress: The City of Monterey spent a considerable amount of time working with nonprofits and the Housing Authority to determine the feasibility of purchasing the Mahara Apartments located at 820 Casanova. This site had 32 units of inclusionary housing that was set to expire within the next few years. The nonprofits and HACM determined that the site could not work economically due to the high purchase price	This program will be continued.

Housing Program	Accomplishments	Continue, Modify or Delete Program	
	demanded by the owner. Additionally, legal requirements of Section 504 and the Americans with Disabilities Act (ADA) made the project much more complex and therefore more expensive than if a private developer were to acquire the project.		
	The site was later purchased by a private for-profit developer, which formed a limited liability corporation and obtained conventional financing to upgrade the units for sale. The 32 affordable units had the deed restrictions extended, and pricing was established at an affordable level. The site now has a Notice of Default filed and will soon be in foreclosure. The City is working with various entities to define a plan and obtain federal funds to acquire the unsold units (20 units) and utilize the units for affordable housing.		
	Appropriateness: The City will continue to investigate the option of purchase of inclusionary housing units.		
Program d.2.2. Maintain the affordability of low and moderate income rental units under the Inclusionary Housing Program through the use of deed restrictions and continue to implement the Purchase and Resale Program for owner occupied inclusionary units.	Effectiveness/Progress: The City did maintain affordability of low- and moderate-income rental units. However deed-restricted units with sunset dates are no longer in the City's program. The City did not have the opportunity to exercise its right of first refusal as the owners did not want to sell. New deed-restricted units are restricted in perpetuity.	This program be continued.	will
	Appropriateness: The City plans to continue this program and will continue to maintain affordability of low- and moderate-income rental units under the Inclusionary Housing Program.		
Program d.2.3. Continue to monitor at-risk units and gauge interest in renewal through individual contacts and surveys. Meet with property owners to strategize what package of incentives would retain the affordable units.	Effectiveness/Progress: The City met with property owners but wasn't able to successfully repackage incentives. all property owners declined to extend deed restrictions.	This program be continued.	will
	Appropriateness: The City will continue to work with owners to retain affordable units as at-risk projects arise.		
Program d.2.4. The City will continue to meet with local non-profits	Effectiveness/Progress: Although the City has not yet established a formal list, they continue to discuss with local	This program	will

Housing Program	Accomplishments	Continue, Modify or Delete Program
interested in purchasing or managing affordable housing units.	nonprofits (CHISPA, Interim, HA). So far they have not been interested in purchasing.	be continued.
	Appropriateness: The City plans to maintain an open dialog and continue talking to the housing organizations and will evaluate the feasibility of creating a formal list.	
nonprofits to purchase units that may be lost from the Inclusionary Program or acquire replacement units.	Effectiveness/Progress: The City anticipates limitations on its financial capacity to continue to purchase privately owned inclusionary rental units, and currently no City funds are available for this purpose.	This program will be continued.
	The City of Monterey spent a considerable amount of time working with nonprofits and the Housing Authority to determine the feasibility of purchasing the Mahara Apartments located at 820 Casanova. This site had 32 units of inclusionary housing that was set to expire within the next few years. The nonprofits and HACM determined that the site could not work economically due to the high purchase price demanded by the owner. Additionally, legal requirements of Section 504 and the Americans with Disabilities Act (ADA) made the project much more complex and therefore more expensive than if a private developer were to acquire the project.	
	The site was later purchased by a private for-profit developer, which formed a limited liability corporation and obtained conventional financing to upgrade the units for sale. The 32 affordable units had the deed restrictions extended, and pricing was established at an affordable level. The site now has a Notice of Default filed and will soon be in foreclosure. The City is working with various entities to define a plan in efforts to obtain federal funds to acquire the unsold deed-restricted units (20 units) and utilize the units for affordable housing.	
	Appropriateness: The City will continue to prioritize funding or acquire funding to assist nonprofits to purchase units.	

Housing Program	Accomplishments	Continue, Modify or Delete Program	
rental rehabilitation program to encourage at-risk units to be retained.	Effectiveness/Progress: The City monitored 44 units set to expire within the Housing Element period; a written mailed survey of landlords was conducted. Staff also called all landlords in which the survey was mailed to, this list to discern the level of interest in acquisition by the City or a nonprofit, or the use of City funds for a rental rehabilitation program in exchange for extended deed restrictions. A survey of funding sources was conducted and all funding sources required affordability controls targeted to low-income households.	This program be continued.	will
	The City did not have adequate housing set-aside funds or CDBG funds to engage in a large-scale rehabilitation project for 44 units or to purchase affordability controls.		
	No landlords were interested. They believed that they had complied with their duty to provide affordable housing.		
	The City assisted nonprofits to rehabilitate units by granting funds for rental rehabilitation. In exchange the City has acquired deed restrictions requiring permanent affordability for the following: Interim Inc. – 8 units; Community Human Services – 6 beds transitional housing or one affordable three-bedroom unit for very low-income household; Monterey County Housing, Inc. – 86 units. Previously, these units did not have deed restrictions for affordability placed upon them. They are now permanently designated for affordable housing.		
	Appropriateness: The City plans to continue to analyze the feasibility of the program.		
Program d.2.7. Reduce, waive or subsidize local fees associated with preservation or replacement of at-risk units.	Effectiveness/Progress: The City has not yet addressed this program but plans to develop a more formalized program.	This program be continued.	will
	Appropriateness: The City will continue this program to address the ideas of reducing, waiving, or subsidizing local fees associated with preservation or replacement.		

Housing Program	Accomplishments	Continue, Modify or Delete Program
Policy e.1. Assure that all persons in Monterey receive equal hous available at the City library, Housing Department office and social s		
Program e.1.1. Cooperate in countywide fair housing activities and federal government programs that emphasize educational and counseling activities.	Effectiveness/Progress: The City does a good amount of public outreach regarding fair housing activities and federal government programs that emphasize educational and counseling activities.	This program will be continued.
	The City assists the Housing Authority with counseling on fair housing and first-time homebuyers. The City also works with the Conflict Resolution and Mediation Center, a long-term City Community Services Grant recipient, which provides fair housing mediation services on resolving landlord tenant issues.	
	The City actively participates in several local meeting groups which discuss various housing and community development issues (including fair housing) such as regional Community Development Block Grant (CDBG) and HOME Investment Partnerships grantee groups, a regional foreclosure prevention/intervention group, and the Local Homeless Assistance Committee/Monterey County Continuum of Care.	
	In early 2006, the City co-sponsored a one-day Housing Exposition along with various public and private agencies including local lenders and housing services providers. Event attendees benefitted from informational presentations and handouts, many of which focused upon fair housing.	
	The City provides funds through its annual Community Services Grants program to several agencies which address fair housing activities through education and/or counseling including Monterey Research Center, Conflict Resolution and Mediation Center, and Legal Services for Seniors. All of these agencies have received funds over a period of several years.	
	The City also developed an Analysis of Impediments to Fair Housing report in 2004 and assesses progress in addressing identified impediments on an annual basis through the	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	Consolidated Annual Performance and Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD).	
	Appropriateness: The City plans to continue their outreach efforts to educate the community.	
housing complaints and questions. (The City's 2002 goal provides for 196 rental mediation services to very low/low income persons annually per year.)	Effectiveness/Progress: The City has received multiple general inquiries over the years regarding potential fair housing issues as they relate to the private housing market. The City referred these inquiries as appropriate to local service providers and to the City of Monterey Voluntary Rental Guidelines, the State of California Tenant Rights, and the HUD Equal Opportunity for All handbooks.	This program will be continued and combined with Program e.1.4.
	The City provided HUD fair housing complaint forms to one person in 2008 who expressed interest in filing a formal complaint against a private property management company. City staff also provided complaint form completion and submission guidance to this person.	
	Since 2002, the Conflict Resolution and Mediation Center has served a total of approximately 979 persons, with an average of 195 being served each year.	
	Appropriateness: The City will continue to provide contract fair housing mediation for all fair housing complaints and questions.	
Program e.1.3. Distribute available housing subsidies to sites throughout the City to avoid concentrations of subsidized housing. Inclusionary housing units should be built on the site of market-rate housing.	Effectiveness/ Progress: Since 2002, the 7 Wave Street units received subsidies and the concentration of subsidized housing has not been an issue.	This program will be continued.
Pursue opportunities in all areas of the City through the City's Housing Assistance Plan. Inclusionary housing should be compatible with the surrounding neighborhood.	The City has also successfully implemented this program, currently having 163 owner-occupied units and 79 renter-occupied units affordable to low-, median-, and moderate-income households, and has an additional 248 (owner and renter units) planned for the future. All inclusionary units have achieved design compatibility through the design review process.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	Appropriateness: The City plans to continue to distribute housing subsidies throughout the City.	
Program e.1.4. Advertise fair housing mediation services. Notify social service agencies of programs. Advertise programs consistent with the City's Housing Participation Plan.	Effectiveness/Progress: The City advertises via four annual public hearings, various print ads and public notices published in English and Spanish in the local newspaper, distribution of hard copy and electronic informational materials, and group presentations. Agencies funded through the Community Services Grants program may also use a portion of their grant allocation to cover costs of advertising. These strategies are consistent with the Citizen Participation Plan, formerly known as the Housing Participation Plan.	This program will be continued and combined with Program e.1.2.
	Appropriateness: These efforts have been modestly successful, but the City will continue to intensify outreach to maximize public input.	
Program e.1.5. Continue to provide on-line applications for the City's Purchase and Resale program waiting list to market affordable housing units on the City's web site.	Effectiveness/Progress: The City is currently working on providing on-line applications for the City's Purchase and Resale program waiting list to market affordable housing units on the City's website.	This program will be continued.
	Appropriateness: The City will provide updates to the website by the end of 2009.	
Program e.1.6. Continue to provide service referrals.	Effectiveness/Progress: The City consistently provides service referrals to the public for rental assistance (i.e., tenant/landlord mediation, rental subsidies including Section 8, etc.), ownership assistance (i.e., homebuyer/homeowner counseling, etc.), homeless assistance (i.e., emergency shelter, transitional housing, supportive housing services, etc.), and general community services (i.e., food provision, at-risk youth mentoring, etc.). The City also refers people to the Conflict Resolution and Mediation Center on resolving landlord tenant issues.	This program will be continued and combined with Program e.1.2
	Appropriateness: The City will continue to provide service referrals to the public for rental assistance.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
Program e.1.7. Continue to distribute Section 8 applications at the City's Housing Division and have staff available to help applicants with the process.	Effectiveness/Progress: The City actively works to encourage the use of Housing Choice vouchers (formerly Section 8) for City residents. When the waiting list is open to solicit new recipients, the City distributes the applications, posts the applications at the library and on the website, and assists with answering questions.	This program will be continued.
	Appropriateness: The City will continue to take an active approach when encouraging the use of Housing Choice vouchers.	
Policy f.1. Encourage construction of housing units that provide fo	r special needs.	
Program f.1.1. Provide for needs of special housing needs groups in preparing the Housing Assistance Plan, in reviewing private development projects, and in City-assisted housing projects.	Effectiveness/Progress: Funding preference is given for programs provided directly by City staff as well as those provided by Community Services Grant recipient agencies which target service to priority populations as identified in the Consolidated Plan, formerly known as the Housing Assistance Plan. These priorities include low-income renters, homebuyers, and homeowners as well as other special needs groups (i.e., disabled, elderly, persons living with HIV/AIDS, etc.).	This program will be modified to comply with ADA regulations on safety and accessibility standards.
	Since 2002, the City has administered several programs targeting these special needs groups including the Down Payment Assistance, Purchase and Resale Inclusionary Housing, Housing Rehabilitation, Tenant Based Rental Assistance, and Community Services Grants programs.	
	Through the Community Services Grants program, approximately \$120,000 in CDBG funds and \$150,000 in RDA funds are provided on an annual basis to agencies providing general community services as well as housing advocacy, counseling, rental subsidies, and conflict resolution services to low- and moderate-income households and other special groups.	
	For the past three years, the City has also provided substantial grants to three nonprofit organizations to complete rehabilitation of affordable housing sites for special needs groups:	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	Interim Incorporated – \$300,000 – rental housing for mentally ill homeless persons	
	Monterey County Housing Incorporated – \$450,000 – rental housing for senior citizens	
	Community Human Services – \$250,000 – transitional housing for homeless youth	
	Appropriateness: The City will continue to provide preferences for funding to special needs groups.	
Program f.1.2. Market low- and moderate-income housing programs through the use of direct advertising including but not limited to: website, referrals, brochures, newspapers, and other media.	Effectiveness/Progress: The City advertises via four annual public hearings, various print ads and public notices published in English and Spanish in the local newspaper, distribution of hard copy and electronic informational materials, and group presentations.	This program will be continued.
	The City measures the effectiveness of outreach through monitoring of public hearing and group presentation attendance levels, program application submissions, and receipt of public comments and survey responses.	
	Appropriateness: The City will continue to market low- and moderate-income housing programs through direct advertising.	
Program f.1.3. Encourage the schools, students, and senior citizen groups to cooperate with the City sponsored house-share roommate matching service to take advantage of underutilized homes in Monterey.	Effectiveness/Progress: Since 2002, the City has provided funds through its annual Community Services Grants program to the Alliance on Aging to facilitate successful linkages through the Home Share Program. Since 2002, this agency has made an average of 20 linkages per year. Given the labor-intensive nature of the program required to ensure successful matches, the City considers the program to be successful.	This program will be continued.
	The City advertises the program via distribution of hard copy and electronic informational materials. The Alliance on Aging is also permitted to use a portion of its grant allocation to cover costs of advertising.	

Housing Program	Accomplishments	Continue, Modify or Delete Program
	Appropriateness: The City will continue to sponsor the house-share roommate matching service to take advantage of underutilized homes in Monterey.	
Program f.1.4. Develop a program of emergency grants or loans to assist low-income households that are threatened with eviction. Provide funds on a one-time basis to assist households that could remain in their rental housing units if back rent is paid.	Effectiveness/Progress: Since 2002, the City has provided funds through its annual Community Services Grants program to several agencies providing housing advocacy services and rental housing subsidies as a means to prevent eviction. Funded agencies include Housing Resource Center and the Salvation Army – Monterey Peninsula Corps. These services have assisted approximately 1,104 individuals since 2002.	This program will be continued.
	The specific dollar amount provided to tenants varies by program, with funds covering partial or full monthly rental costs based on client need and funding availability. Some agencies provide a one-time emergency subsidy while others provide assistance over a period of time.	
	Appropriateness: The City will continue to provide funds on a one-time basis to assist households that could remain in their rental housing units if back rent is paid.	
Program f.1.5. Provide City assistance to non-profit providers of services and temporary housing to Monterey homeless.	Effectiveness/Progress: Homeless are identified as a priority population in the Consolidated Plan. As such, funding preference is given for programs provided directly by City staff as well as those provided by Community Services Grant recipient agencies which target services to this group.	This program will be continued.
	Since 2002, through the Community Services Grants program, the City has provided approximately \$593,379 in CDBG and RDA grant funds to agencies including Housing Resource Center, Salvation Army – Monterey Peninsula Corps, Monterey County AIDS Project, Interim Incorporated, Shelter Outreach Plus, John XXIII AIDS Ministry, Community Human Services, and the Conflict Resolution and Mediation Center. These agencies provided housing advocacy, rental subsidies, and other supportive housing services for homeless persons and persons at risk of	

Housing Program	Accomplishments	Continue, Modify or Delete Program	
	homelessness. Since 2002, these programs have served approximately 4,160 persons.		
	Appropriateness: The City plans to continue to provide assistance to nonprofit providers and provide housing to Monterey homeless.		
Program f.1.6. Amend the City's Zoning Code to provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. The purpose of this is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws of the City.	Effectiveness/Progress: The City has not yet amended the Zoning Ordinance to ensure reasonable accommodations for persons with disabilities. The Building Division does ensure that the Americans with Disabilities Act is implemented. The Planning Division processes variances that provide relief from land use and zoning laws to provide for reasonable accommodation.	This program be modified continued.	will and
	Appropriateness: The City will continue to comply with ADA standards and will look into adopting a more formal reasonable accommodation procedure.		
Program f.1.7. Appoint a staff person to work with disabled persons who are proposing improvements to accommodate their needs. The purpose is to streamline the permit review process if needed.	Effectiveness/Progress: The City has not yet appointed a specific staff person to assist disabled persons in accommodating their needs.	This program be combined Program f.1.6.	
	The City does actively work to encourage the use of Housing Choice vouchers for City residents. When the waiting list is open to solicit new recipients, the City distributes the applications, posts the applications at the library, and assists with answering questions.		
	Appropriateness: The City plans to continue this program and will appoint a staff person to this position.		
Program f.1.8. Review and revise the City's Zoning Ordinance to provide flexibility when meeting ADA retrofit requirements.	Effectiveness/Progress: The City has not yet amended the Zoning Ordinance to ensure flexibility with meeting ADA retrofit requirements for persons with disabilities. The Building Division does ensure that the Americans with Disabilities Act is implemented. The Planning Division processes variances that provide relief from land use and zoning laws to provide for		will and with

Housing Program	Accomplishments	Continue, Modify or Delete Program
	reasonable accommodation.	
	Appropriateness: The City will continue to comply with ADA standards and will review and revise the City's Zoning Ordinance to provide for flexibility when meeting ADA retrofit requirements.	
Program f.1.9. Investigate and define siting and operating criteria and development standards for emergency shelters in the City's	Effectiveness/Progress: The City has not yet implemented this program but plans to do so within the next five years.	This program will be modified to
commercial and industrial zoning districts.	Appropriateness: The City will modify this program and will now address Senate Bill 2 requirements.	comply with SB 2 requirements.
Policy g.1. Meet the Association of Monterey Bay Area Government	ts (AMBAG) Fair Share of regional housing needs for the year 200	08.
Program g.1.1. Retain the zoning capacity to meet the AMBAG Fair Share housing goal between January 1, 2000, and July 1, 2008.	Effectiveness/Progress: Since 2002, the City has supervised the construction of 4 low-income rental units (Wave Street Apartments), 17 moderate-income rental units (Wave Street Apartments), and 1 above moderate-income ownership unit (Casa Verde Villas).	This program will be modified and combined with Program g.1.2.
	At the same time, several condominium conversions have been completed resulting in additional low- and moderate-income units including Footprints on the Bay (42 units), Cypress Park Townhomes (32 units), Vista del Mar Condominiums (8 units), and Laine Hill Condominiums (5 units, including one workforce).	
	The Alvarado Mixed-Use Project, which is currently under construction and slated for completion in 2009, will result in an additional 18 low- and moderate-income rental units.	
	Appropriateness: The City will modify this program to show that they will meet their fair share of the regional housing need through the next cycle (2007-2014).	
Program g.1.2. Retain the opportunity to construct the fair-share requirement of 29 very-low-, 244 low-, 323 moderate-cost, and 354	Effectiveness/Progress: The City was able to show capacity for the 2000 RHNA (1,220 units).	This program will be modified and
above moderate housing units with excess zoning capacity for mixed- use housing, apartments in commercial zones, and apartments in R-3	Appropriateness: The City will modify and continue this program to show capacity for the current RHNA cycle (657 units).	combined with Program g.1.1.

Housing Program	Accomplishments	Continue, Modify or Delete Program	
zones.			
Program g.1.3. Investigate and develop a plan to encourage exceptional design and innovative solutions for housing style, which would be appropriate for the City of Monterey.	Effectiveness/Progress: The City developed and adopted Downtown design guidelines, and design guidelines for other mixed-use/transit-oriented development neighborhoods are currently under way.	This program be continued a renumbered Program g.1.2.	
	Appropriateness: The City will continue this program to implement guidelines for mixed-use/transit-oriented development neighborhoods.		
Policy h.1. Design a program with Monterey employers to pool reso	ources to develop workforce housing.		
Program h.1.1. Encourage workforce housing programs for major Monterey employers, utilizing land and other resources available to those employers that could be devoted to workforce housing. Develop a program where land costs are removed or reduced as a cost of housing. Provide both owner and renter housing with a requirement for permanent cost reductions. The City of Monterey will take the lead in creating this program.	Effectiveness/Progress: The City has conducted outreach for the inclusionary units targeted to the local workforce, and the condo conversions (inclusionary component) have been successful in assisting employees of the Defense Language School. Additionally, the Monterey Peninsula Hospital and the City of Monterey, as well as local restaurant workers, will develop a workforce housing program in conjunction with major employers at Ryan Ranch utilizing employer contributions and a variety of funding programs.	This program be continued.	will
	Appropriateness: The City will continue to encourage workforce housing programs for major Monterey employers.		
Program h.1.2. Encourage workforce housing programs by the City of Monterey for Monterey City employees.	Effectiveness/Progress: The City has not yet implemented this program and is still in the process of pursuing it.	This program be continued.	will
	Appropriateness: The City plans to continue this program to encourage workforce housing programs for City employees.		
Program h.1.3. Utilize zoning tools such as Planned Unit Developments and Planned Community Zoning to provide flexibility in	Effectiveness/Progress: The City has not yet implemented this program and is still in the process of pursuing it.	This program be continued.	will
designing infill housing on larger development sites.	Appropriateness: The City plans to continue this program to provide flexibility in designing infill housing on larger development sites.		

Housing Program Policy i.1. Provide incentives to meet the City's unique housing need	Accomplishments	Continue, Modify or Delete Program	
			varill
Program i.1.1. Develop a housing incentive program to meet the most significant housing needs. The City of Monterey shall identify eligible housing types, areas, areas where incentives should be emphasized, funding sources, and specific housing needs to be met. Incentives may include fast track processing, zoning flexibility, water allocation priority, funding, parking adjustments, and cooperative agreements with developers and nonprofit agencies.	Effectiveness/Progress: In 2004, the mixed-use zoning concept was created which provides incentives to construct housing units by offering water allocations to affordable housing projects, height variances, and parking variances. Appropriateness: The City will continue to implement this program.	This program be continued	WIII
Program i.1.2. Allow appropriate density bonuses in the City's	Effectiveness/Progress: The City has a density bonus ordinance	This program	will
commercial districts.	and also allows increased densities in the commercial districts	be continued.	******
Density bonuses in excess of 25% may be allowed for projects that	when a design that is compatible with the surrounding neighborhood is achieved.		
exceed the City's inclusionary housing percentages or the state-mandated criteria for low-income, moderate-income, and special-needs housing.	Appropriateness: The City will continue to allow appropriate density bonuses in the City's commercial districts.		
Projects which receive density bonuses shall maintain affordability for the life of the project.			
Program i.1.3. Give preference in the City's water allocation process to projects meeting fair-share housing goals.	Effectiveness/Progress: The City has given preference to two future affordable projects downtown which have been allocated the City's water.	This program be continued.	will
	Appropriateness: The City will continue to give preference in the City's water allocation process to affordable housing projects.		
Program i.1.5. Explore alternatives other than density bonus allowed in State law (Sections 65915) to meet affordable housing goals.	Effectiveness/Progress: The City has granted parking adjustments to meet its affordable housing goals.	This program be continued.	will
	Appropriateness: The City will continue to explore options to assist in the development of affordable housing.		
Program i.2.1. Provide a minimum of 20% permanently affordable low- and moderate-income units for any project with 6 or more new housing units or for condominium conversion. Investigate a housing impact fee for new residential units or	Effectiveness/Progress: The City has adopted an Inclusionary Housing Ordinance that applies to residential projects of six or more units and will continue to implement it. The City will investigate the possibility of an impact fee for five or fewer	This program be continued.	will

Housing Program	Accomplishments	Continue, Modify or Delete Program
condominium conversions with less than the 6-unit minimum.	residential units and non-residential projects in Program i.2.2.	
Investigate a housing impact fee for construction or expansion of non-residential projects based on the City's need for affordable and workforce housing. Fees will be used to support City housing programs.		
Any residential project may satisfy the fee requirement by providing a minimum of 20% inclusionary housing units.		
Program i.2.2. Investigate a housing impact fee for new residential units, condominium conversions, and non-residential projects based on the City's need for affordable and workforce housing. Fees will be used to support City housing programs. Any residential project may satisfy the fee requirement by providing a minimum of 20% inclusionary housing units	Effectiveness/Progress: The City has investigated collecting impact fees but none could be applied to the City's housing programs. Appropriateness: The City investigated adopting impact fees and has determined that it is not feasible at this time.	This program will be deleted.

B. Coastal Zone Requirement

The City of Monterey is required to report on the number of affordable housing units in the City's coastal zone. This analysis must include:

- The number of housing units approved for construction after January 1, 1982;
- The number of units for persons and families of low and moderate income that have been required to be included in new housing developments within three miles of the coastal zone;
- The number of existing units occupied by low- or moderate-income residents;
 and
- The number of low- and moderate-income residential units that have been required for replacement or authorized for demolition or conversion.

The City's housing stock is located within three miles of its coastal zone. The City has 555 total affordable housing units. Of these units, 423 were constructed after 1982. These units provide housing for 154 low-income and 256 moderate-income households and 13 units for workforce housing. During the last planning period, one unit was demolished to assist in the development of the affordable Wave Street project.

C. Relationship to Other General Plan Elements

The City of Monterey completed a General Plan Update in 2004. The General Plan consists of the following elements: Urban Design, Conservation, Historic Preservation, Economic, Open Space, Social, Circulation, Land Use, Noise, Safety, and Public Facilities. All elements were reviewed for internal consistency as they were prepared. The City will ensure ongoing consistency as amendments to various elements, including the Housing Element, are adopted.

D. Public Participation

Stakeholder Meetings

The City held a stakeholder meeting on February 11, 2009. In an effort to get participation from stakeholders or community members that may not be available to attend evening meetings, this meeting was held during the day, from 12:00 p.m. to 2:00 p.m. Invitations were sent out two weeks prior to the meeting and the meeting presentation was available on the City's website. There were thirteen participants in attendance including representatives from the following organizations that represent low-income households, seniors, homeless, and persons with disabilities:

- Rebuilding Together (rehabilitates the houses of low-income homeowners, particularly the elderly, persons with disabilities, and families with children)
- Alliance on Aging Housing Home Share (senior home-sharing program)

- YWCA (organization working to meet the health and social service needs of men, women, and children)
- Salvation Army (Christian charity organization with programs that include assistance to children and families).
- Central Coast Center for Independent Living (offers program and promotes the independence of persons with disabilities)
- Interim Inc. (supportive services and quality affordable housing for low-income people with mental illness)
- Shelter Outreach Plus (leader in ending the cycle of homelessness and domestic violence by providing safe housing, compassionate support, and opportunities for self-sufficiency through outreach, emergency shelter, transitional housing, and supportive services)
- Housing Resource Center (provides information from low-income rental assistance)
- Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) (has several different programs that are designed to provide housing for very low-, low-, and moderate-income Monterey County residents)
- Legal Services for Seniors (provides legal services for seniors at no cost)
- Monterey County Housing Authority (provides rental assistance and develops and manages affordable housing throughout Monterey County)

The meeting included a brief presentation and then a roundtable discussion on some of the groups within the City with the greatest housing needs and some of the constraints to providing housing in the community. The following is a listing of the comments received at the stakeholder meeting and below each is a response to where this comment was addressed in the Housing Element.

- Fort Ord affordable housing opportunity might have been lost due to competing project at Hidden Hills and Ryan Ranch.
 - Page 95 includes a description of the City's plan regarding the use of the Fort Ord site. Note, this site is not being considered for meeting the City's regional housing need.
- The economy may make meeting goals more difficult.
 - The City is committed to meeting its RHNA allocation through its vacant and underutilized sites inventory in Table 36 and 37.
- Public Housing Authority provides Section 8 vouchers. Monterey has done more
 of its share than Seaside/Marina (59 percent of workforce in the City).
 - Program b.1.3. in the Housing Element will continue to evaluate the existing allocation of Section 8 vouchers and encourage and support the

Housing Authority and private market landlords to expand utilization of the Section 8 voucher program.

- Cities have not done enough in regard to providing affordable housing.
 - The City is committed to meeting its RHNA allocation through its vacant and underutilized sites inventory in Table 36 and 37.
- Interim has 37 units in Monterey 70 persons on waiting list. Interim is looking for property to buy or lease for another project (i.e., dilapidated homes). Water is a constraint.
 - Of the sites included in the adequate sites inventory, two of the vacant sites (Tables 36) have already received a water pre-commitment from the City and the majority of the underutilized sites (Table 37) already have water available. For the sites that have not yet received water allocations, the City gives priority water allocation to affordable projects (Program i.1.3.). California American Water has submitted a proposal to the Public Utilities Commission for a water augmentation system that would provide water to the City for future affordable housing projects (Program i.1.5).
- The lack of available water is a constraint to affordable housing.
 - Of the sites included in the adequate sites inventory, two of the vacant sites (Tables 36) have already received a water pre-commitment from the City and the majority of the underutilized sites (Table 37) already have water available. For the sites that have not yet received water allocations the City gives priority water allocation to affordable projects (Program i.1.3.). California American Water has submitted a proposal to the Public Utilities Commission for a water augmentation system that would provide water to the City for future affordable housing projects (Program i.1.5).
- There is a need for shelter space for single women.
 - Pursuant to Senate Bill (SB) 2, Program f.1.7 commits the City to amend the Zoning Ordinance to allow emergency shelters as a permitted use in a district that is near services and mass transit and without a conditional use permit or other discretionary review.
- Consider a homeless parking lot it's a safe place for homeless to sleep (Santa Barbara has an example).
 - Pursuant to Senate Bill (SB) 2, Program f.1.7 commits the City to amend the Zoning Ordinance to allow emergency shelters as a permitted use in a district that is near services and mass transit and without a conditional use permit or other discretionary review.

- "Near elderly" 55+ needs have increased.
 - Housing Element Program f.1.1. commits the City to provide for needs of special housing needs groups by complying with ADA regulations in reviewing private development projects and in City-assisted housing projects, and Program f.1.3. encourages the schools, students, and senior citizen groups to cooperate with the City-sponsored Home-Share roommate matching service to take advantage of underutilized homes in Monterey.
- The Peninsula is experiencing a loss of family population, but senior population is aging in place.
 - Housing Element Goal c. provides family housing opportunities on larger sites and for all income levels.
- There is a 2-year waiting list for senior housing, CHISPA.
 - The City will continue to support CHISPA's current housing programs.
- Homeless census is up 36 percent.
 - Pursuant to Senate Bill (SB) 2, Program f.1.7 commits the City to amend the Zoning Ordinance to allow emergency shelters as a permitted use in a district that is near services and mass transit and without a conditional use permit or other discretionary review.
- Salvation Army is up 40 percent in senior requests for services.
 - Housing Element Program f.1.1. commits the City to provide for needs of special housing needs groups by complying with ADA regulations in reviewing private development projects and in City-assisted housing projects, and Program f.1.3. encourages the schools, students, and senior citizen groups to cooperate with the City-sponsored Home-Share roommate matching service to take advantage of underutilized homes in Monterey.
- Persons with disabilities experience restrictions to access shelters need wheelchair access.
 - Housing Element Program f.1.6. commits the City to amend the City's Zoning Code to provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing.
- AB 2624 requires that cities provide for extremely low-income families. Cities need to subsidize rent and provide incentives for builders to provide extremely low-income housing.
 - Housing Element Program f.1.9. ensures zoning flexibility that allows for the development of single-room occupancy units (SROs). The City will

update its Zoning Ordinance to explicitly allow for SROs in a district that is near services and mass transit.

- YWCA Domestic Violence Women are not able to return to housing. They do not have any money or any place to go. There is no housing for single women.
 - Housing Element Program f.1.9. ensures zoning flexibility that allows for the development of SROs. The City will update its Zoning Ordinance to explicitly allow for SROs in a district that is near services and mass transit. SROs could be an additional housing opportunity for single women.
- Public Housing Authority needs a coop agreement for water allocations to be able to provide affordable housing.
 - Of the sites included in the adequate sites inventory, two of the vacant sites (Tables 36) have already received a water pre-commitment from the City and the majority of the underutilized sites (Table 37) already have water available. For the sites that have not yet received water allocations, the City gives priority water allocation to affordable projects (Program i.1.3.). California American Water has submitted a proposal to the Public Utilities Commission for a water augmentation system that would provide water to the City for future affordable housing projects (Program i.1.5).
- Salinas recently converted an old hotel into a 124-unit complex with priority for seniors and persons with physical disabilities.
 - Table 37 identifies a number of underutilized sites with mixed potential.
- Rebuilding Together helps fix things for people with disabilities.
 - The City will continue to support Rebuilding Together's program.
- Look into PG&E programs.
 - Goal j. The City will continue to promote sustainability and energy efficiency in residential development within the City through its Climate Action Team and continue to implement its Green Building Ordinance to encourage the reduction of energy use through energy-efficient urban design and through better design and construction in individual homes.

Public Workshop

The City held a public workshop to solicit input from City residents on February 11, 2009, at 6:00 pm. The format for this meeting was a presentation identifying some of the key findings from the City's Housing Needs Assessment and a group discussion on some of the City's needs in regard to housing. Three City of Monterey residents attended. The following is a listing of the comments received.

 Existing non-conforming use requirements may be a constraint to providing affordable housing opportunities.

- Housing Element Program g.1.1 requires that the City retain the zoning capacity to meet the AMBAG fair share housing goal between January 1, 2007, and July 30, 2014, and retain the opportunity to construct the remaining fair-share requirement of 146 very low-, 101 low-, 117 moderate-, and 258 above moderate-income housing units with excess zoning capacity for mixed-use housing, apartments in commercial zones, and apartments in R-3 zones.
- Disabled accessibility requirements are cost prohibitive.
 - Housing Element Program f.1.6 requires that the City amend the City's Zoning Code to provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing.
- Consider some kind of counseling for persons going through the permit process.
 Provide information on the website or in flyers located at the Planning and Building Department.
 - The City makes information regarding the permit process available on the City's website.
- Require condo conversions to include 2- to 3-bedroom units to accommodate larger families.
 - Housing Element Goal c. and associated programs provide family housing opportunities on larger sites and for all income levels.
- Schools are closing because there are not enough children in the area the City is not family-friendly.
 - Housing Element Goal c. and associated programs provide family housing opportunities on larger sites and for all income levels.
- Need more senior housing programs for those who are aging in place, such as second units.
 - The City will continue to work with CHISPA and continue to implement Program f.1.3. which encourages the schools, students, and senior citizen groups to cooperate with the City-sponsored Home-Share roommate matching service to take advantage of underutilized homes in Monterey.
- Work with the colleges and the Navy to address housing needs of those families.
 - Housing Element Program c.1.3. encourages the military to provide and add to its family housing units should the opportunity arise.
- Need more ownership opportunities, all sizes.
 - Housing Element Goal a. and associated programs promote construction of new ownership housing units and conservation of existing ownership

housing units to maintain and/or improve the existing balance between owner and rental units in Monterey.

- Revisit the Condo Conversion Ordinance, review requirements, increase size of units, increase open space requirements to provide for families with children.
 - Housing Element Program a.1.4. encourages and creates development standards for new condominiums and ownership townhouses in R-3 and commercial areas that require amenities desirable to owners and require larger units to house families with children. The program requires that the City develop height, design, and setback standards to encourage the most creative designs. Area Plans are encouraged to identify potential incentives and ways to implement the incentives.
- Consider rent control ordinance.
 - The City is not considering a rent control ordinance at this time.
- Explore use of CDBG housing rehabilitation funds for single-family dwelling units.
 - Housing Element Program d.1.3. uses CDBG funds to continue the "Mr. Fixit" program to provide emergency repair assistance, weatherization and energy retrofits to an average of 10 units per year.

Planning Commission and City Council Public Meetings

Planning Commission Study Session

The first public meeting was a Planning Commission study session held on February 24, 2009. The format for the meeting was a presentation that included a summary from the stakeholder meeting and the public workshop, a summary of demographic information from the Housing Element Housing Needs Assessment, new legislation requirements as they pertain to the City, and a discussion on key Housing Element policies and programs. There were no public comments received at this meeting.

Planning Commission Meeting

On March 10, 2009 the Planning Commission reviewed requested revisions to the key Housing Element policies and programs discussed at the February 24, 2009.

Planning Commission Meeting

On March 24, 2009, the Planning Commission reviewed the Preliminary Review Draft Housing Element and made a recommendation to direct staff to submit the draft to HCD for the 60-day preliminary review period. The only comment received by the Planning Commission was a request to revise language regarding the Fort Ord site. City staff incorporated this language as suggested.

Public Comment during the HCD 60-Day Review Period

During the 60-day HCD review period, the City will make the Preliminary Draft Housing Element available for public viewing at City offices and on the City's website.

Public Hearings

The City received comments on the Preliminary Draft Housing Element from HCD on May 22, 2009, staff incorporated the necessary changes and submitted the Housing Element back to HCD for review.

Once the final requested HCD revisions were complete, staff made the Draft Housing Element available to the public, Planning Commission, and City Council. Public hearings were advertised and scheduled for Planning Commission recommendation and City Council adoption of the Draft Housing Element.

Planning Commission Hearing

The City held a Planning Commission Meeting on June 23, 2009 to review the revised Housing Element and to provide an opportunity for the general public to comment on the revised draft prior to adoption. There were no public comments received at this meeting. The Planning Commission authorized the Housing Element be sent to City Council for adoption.

City Council Hearing

A final public hearing took place on July 7, 2009 before the City Council to provide a final chance for public comment on the revised draft and to present the final draft to the City Council for adoption. There was one public comment regarding the availability of water for future development and the design and impacts of future development in the mixed use neighborhoods. The Constraints section of the Housing Element addresses water constraints as well as the existence of design standards and guidelines for the greater downtown mixed use neighborhood and plans to development the same for Lighthouse Avenue and N. Fremont Street within the planning period. The City Council adopted the Housing Element on a 5-0 vote.

E. Goals, Policies, and Programs Quantified Objectives Summary

Based on the goals, policies, and programs outlined in the Housing Element and findings from the Housing Needs Assessment, the following objectives represent a reasonable expectation of the maximum number of new housing units that will be developed, rehabilitated, or conserved and the number of households that will be assisted over the next five years. The City should be able to facilitate the construction of 564 new units and assist with the rehabilitation of 40 and preservation of 14 affordable housing units between 2009 and 2014.

Quantified Objectives Summary (2009–2014)

	Income Level						
Task	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total	
Fair Share Allocation	73	73	111	125	275	657	
Residential Permits Issued 1/07 – 2/09	0	3 ¹	15 ¹	17 ¹	58 ^{1,2}	93	
New Construction Objectives	73	70	96	108	217	564	
Rehabilitation	10	10	20	0	0	40	
Preservation	0	0	14 ³	0	0	14	
Total	83	80	130	108	217	618	

Source: Association of Monterey Bay Area Governments, 2008; City of Monterey, 2009

¹ Multi-family development (77 units):

⁴⁰⁶ Alvarado (Monterey Hotel Apartments), 18 units (10 low-income, 8 moderate-income)

⁴²⁶ Alvarado (Regency Theater), 11 units (1 low-income, 1 moderate-income, 9 above moderate-income)

¹³¹ Lighthouse Ave (French Glass), 14 units (1 low-income, 1 moderate-income, 12 above moderate-income)

Cypress Meadows, 12 units (3 very low-income, 3 low-income, 6 moderate-income)

²⁰¹ Cannery Row, 5 units (above moderate-income)

⁴⁷⁵ Alvarado Street, 3 units (above moderate-income)

⁴⁹⁹ Webster Street, 1 unit (above moderate-income)

⁶⁴³ Cannery Row, 6 units (1 moderate-income, 5 above moderate-income)

⁸⁹⁰ Taylor Street, 2 units (above moderate-income)

¹⁹¹ Lighthouse Ave, 5 units (above moderate-income)

² 16 Single-family homes constructed (above moderate-income)

³ The City currently has 14 units "at risk" of converting to market rate (De La Vina Apartments).

II. BACKGROUND REPORT

A. Population Characteristics

Since 1910 and 1990, the City's population grew steadily, with large increases in 1910, 1930, and 1950. In 2000, the City experienced its first decline in population in over a century. The U.S. Census reported a population of 29,674 persons in 2000, representing a 7 percent decrease between 1990 and 2000. According to the Department of Finance estimates, Monterey's population in 2008 was 29,322, showing a small decline since 2000 **(Table 1)**.

Table 1
City of Monterey
Historical Population Trends

Year	Population	Number Change	% Change
1890	1,662	-	-
1900	1,748	86	5%
1910	4,928	3,180	182%
1920	5,479	551	11%
1930	9,141	3,662	67%
1940	10,084	943	10%
1950	16,205	6,121	61%
1960	22,618	6,413	40%
1970	26,302	3,684	16%
1980	27,558	1,256	5%
1990	31,954	4,396	16%
2000	29,674	-2,280	-7%
2008	29,322	-352	-1%
Source: U.S. Department	of Commerce, Bureau of the Census,	California Department of Finance, 2	2008

In comparison to the City's population loss in recent years, the County of Monterey is growing (Table 2). The majority of growth is occurring in the unincorporated county area and the communities along Highway 101 in the Salinas Valley. In contrast, most communities on the Monterey Peninsula are either experiencing population decreases or minimal growth.

Table 2
Monterey County and Various Cities
Population Growth

Area	1970	1980	1990	2000	2008
Carmel	4,525	4,707	4,239	4,081	4,049
Del Rey Oaks	1,823	1,557	1,661	1,650	1,627
Gonzales	2,575	2,891	4,660	7,525	8,803
Greenfield	2,608	4,181	7,464	12,583	17,316
King City	3,717	5,495	7,634	11,094	11,852
Marina	Not incorporated	20,647	26,436	21,014	19,171
Monterey	26,302	27,558	31,954	29,674	29,322
Pacific Grove	13,505	15,755	16,117	15,522	15,297
Salinas	58,896	80,479	108,777	143,776	150,898
Sand City	212	182	192	261	298
Seaside	36,883	36,567	38,901	31,696	34,194
Soledad	4,222	5,928	7,146	11,263	27,905
Total Cities Population	155,268	205,947	255,121	301,510	320,907
Monterey County	247,450	290,444	355,660	401,762	428,549

Source: U.S. Department of Commerce, Bureau of the Census, 1970, 1980, 1990 and 2000 Census Reports; California Department of Finance, 2008

Age Distribution

A community's age distribution can identify special housing and social service needs that may go unmet if not identified. For example, a community with a growing elderly population may need to provide smaller housing units with accessibility features. Communities with large numbers of school-age children may need to focus on family housing and support services, such as day care.

Monterey is generally shifting toward a more mature population when comparing 1990 and 2000 Census data (**Table 3**). The most significant increases in age cohorts were witnessed in the 45-54 year range. Conversely, declines were experienced in the majority of age cohorts less than 34 years. The reason for these shifts can be attributed to many factors, but there are likely three main factors at play:

 The 45-54 age group is part of the cohort of post-World War II baby boom households, which is large in itself and whose members tend to have the income to locate in a desirable area like Monterey.

- Navy housing has traditionally served families with children, and the demolition of 277 units in La Mesa Village has eliminated housing available to families with children.
- The above-75 age group most likely represents households that have lived in Monterey for many years and own houses, have long tenure in apartment units, or live in retirement housing.

The age distribution indicates that families with children are not finding housing in Monterey. This is most likely the result of rising housing costs, the lack of affordable housing for families, the lack of three-bedroom rentals (due to the fact that a large percentage of Monterey's rental housing stock was built for single soldiers), and the number of households that have remained in family housing after their children have left home.

Table 3
City of Monterey
Analysis of Age Groups

Age Group	1990	2000	Percentage Change
Under 5	2,226	1,477	-33%
5-9	1,674	1,421	-15%
10-14	1,155	1,263	9%
15-19	2,388	1,961	-18%
20-24	3,247	2,695	-17%
25-34	7,690	5,382	-30%
35-44	4,645	4,638	0%
45-54	2,528	4,031	59%
55-64	2,277	2,396	5%
65-74	2,327	1,974	-15%
75-84	1,309	1,699	30%
85+	488	737	51%
Total	31,954	29,674	-7%
Median Age	31.4	36.1	

Race/Ethnicity

The majority of Monterey's residents are white **(Table 4)**. Other racial groups comprise a small portion of the City's population and have remained relatively constant in number in the past decade.

The 2000 Census was the first year that allowed people to categorize themselves as two races. As a result, 1990 and 2000 Census information for race are not comparable data sets. Over 1,000 persons reported that they were of two races.

Table 4
City of Monterey
Race Characteristics

	1990	2000		
White	27,680	23,985		
Black	937	749		
American Indian	176	170		
Asian	2,210	2,205		
Native Hawaiian & Other Pacific Islander	128	86		
Some Other Race	823	1,159		
Two or more Races	Not Reported	1,320		
Total	31,954	29,674		
Source: U.S. Department of Commerce, Bureau of the Census, 1990 & 2000 Reports				

B. Household Characteristics

Household Type

The 2000 Census reports 12,600 households live in the City of Monterey, which is approximately a 1 percent decrease since 1990 **(Table 5)**. There are two predominant types of households as defined by the Census: family and non-family households. The Census defines a family household as a household with one or more people living in the same household who are related by birth, marriage, or adoption. A non-family household is defined as persons living alone or with non-relatives.

There are 6,478 family households in Monterey, of which 4,981 are married families, 1,061 are single-mother households, and the remaining 436 are other types of households. Forty percent of the married families and 53 percent of the single-mother households have their own children who are under the age of 18.

Approximately half of the City's households are categorized as non-family households by the Census. The majority of the non-family households are single persons living alone, and they account for approximately 76 percent of the non-family households. In general, these households fall into two groups: individual students and older households.

Table 5
City of Monterey Household Characteristics

	1990	2000	Percentage Change		
Family Households	7,318	6,478	-11%		
Non-Family Households	5,375	6,122	14%		
Total Households 12,693 12,600 -1%					
Source: U.S. Department of Commerce, Bureau of the Census, 1990 & 2000 Census Reports					

Household Size

Household size is an indicator of overcrowding. A city's household size will increase over time if there is a trend toward larger families. In communities where the population is aging, the average household size is likely to decline.

The average household size in Monterey was 2.26 persons in 1990. The 2000 Census indicates that household size has slightly decreased to 2.13 persons. The slight decrease in household size is reflective of the City's aging population and the decrease in family households in the City. In comparison, household size in Monterey is similar to most Monterey Peninsula cities (Carmel, Pacific Grove, Sand City, Marina, Del Rey Oaks), with the exception of Seaside. The inland communities along Highway 101 tend to have larger household sizes, ranging from 3.66 persons in Salinas to 4.75 persons in Greenfield (Table 6).

Table 6
Monterey County and Various Cities
Household Size

City/ County	1990	2000			
Carmel	1.82	1.79			
Del Rey Oaks	2.39	2.34			
Gonzales	4.09	4.42			
Greenfield	4.11	4.75			
King City	3.44	4.03			
Marina	3.05	2.79			
Monterey	2.26	2.13			
Pacific Grove	2.16	2.10			
Salinas	3.21	3.66			
Sand City	2.33	2.46			
Seaside	3.10	3.21			
Soledad	4.53	4.54			
Monterey County	2.96	3.14			
Source: U.S. Department of Commerce, Bureau of the Census, 1990 & 2000 Reports					

Owner and Renter Households

Information about renter- and owner-occupied households can indicate a need for a certain type of housing. The 2000 Census reported that the City of Monterey has a total of 12,600 households, of which 4,853 are owner-occupied and 7,747 are renter-occupied (Table 7). In comparison, most jurisdictions in Monterey County had a smaller percentage of renter households as compared to owner households.

Table 7
Monterey County and Various Cities 2000 Renter/Owner Occupancy

City/County	Owner	Households	Renter Households		
City/County	Number	Percentage	Number	Percentage	
Carmel	1,303	57%	982	43%	
Del Rey Oaks	539	77%	165	23%	
Gonzales	991	58%	704	42%	
Greenfield	1,569	59%	1,074	41%	
King City	1,410	52%	1,326	48%	
Marina	3,088	46%	3,657	54%	
Monterey	4,853	39%	7,747	61%	
Pacific Grove	3,607	49%	3,709	51%	
Salinas	19,206	50%	19,092	50%	
Sand City	29	36%	51	64%	
Seaside	4,323	44%	5,510	56%	
Soledad	1,535	62%	937	38%	
Monterey County	66,213	55%	55,023	45%	
Source: U.S. Department of Commerce, Bureau of the Census, 2000 Report					

Overcrowding

Overcrowding is an important indicator that housing is not meeting the needs of the population. When available housing is insufficient for households' needs in terms of cost and size, families will sometimes double up to save on housing costs. The Census defines overcrowded housing as units with more than one person per room, excluding kitchens, bathrooms, hallways, and porches.

The number of overcrowded housing units has increased slightly since 1990 **(Table 8)**. Approximately 5 percent of all Monterey housing units (682) are overcrowded compared to 15 percent statewide. Renter-occupied units are far more likely to be overcrowded than owner-occupied units (573 renter-occupied to 109 owner-occupied in Monterey).

Table 8
Tenure by Occupants per Room

	Мс	onterey
	Number	Percentage
Owner Occupied	•	
1.01 to 1.5 occupants per room	35	<1%
1.51 to 2.00 occupants per room	68	<1%
2.01 or more occupants per room	6	<1%
Subtotal	109	2%
Renter Occupied		
1.01 to 1.5 occupants per room	263	3%
1.51 to 2.00 occupants per room	210	3%
2.01 or more occupants per room	100	1%
Subtotal	573	7%
Total Overcrowded Households	682	5%
Source: U.S. Department of Commerce, Bureau of Census, 2	000 Census Report	
City of Monterey Total Owner Households 4,856; Renter He	ouseholds 7,778	

C. Employment

In 2002, the City of Monterey requested a study to determine the residence locations of employees working for large employers in the City. Based on the estimate of 35,312 jobs in Monterey area zip codes in the Dunn and Bradstreet report of 2002, it is safe to assume that the study addresses approximately 20 to 30 percent of the jobs in the City of Monterey. The survey identified ten major employers: the City of Monterey, the Community Hospital of Monterey Peninsula, Monterey Peninsula College, the Monterey Bay Aquarium, the Monterey Peninsula Unified School District, McGraw Hill, the Monterey Institute of International Studies, the Naval Postgraduate School, the Defense Language Institute, and the Monterey County Herald.

Of the 8,913 employees employed by the ten employers, the Monterey Peninsula Unified School District and the Community Hospital of Monterey Peninsula each employed 23 percent, 14 percent were from the Defense Language Institute, 12 percent were from the Naval Postgraduate School, 8 percent were from McGraw Hill, 6 percent were from Monterey Peninsula College, the Monterey Bay Aquarium and the City of Monterey each employed 5 percent, and the Monterey Institute of International Studies and the Monterey County Herald employed 2 percent each.

Although these 8,913 employees were employed in the City of Monterey, 76 percent lived on the Peninsula, 14 percent lived in Salinas, and 3 percent lived in South and North County.

According to the 2000 Census, 17,673 employed persons over the age of 16 years lived in the City of Monterey. The majority of these residents were employed in the education, health, and social services sector or the arts, entertainment, recreation, accommodation, and food services sector. Notably, the City also had approximately 3,191 persons in the armed forces employed in Monterey in 2000, which represented 18 percent of the City's working age population.

D. Household Income

Household income is one of the most significant factors affecting housing choice and opportunity. Income largely determines a household's ability to purchase or rent housing. While higher-income households have more discretionary income to spend on housing, lower- and moderate-income households are limited in the range of housing they can afford. Typically, as the income of a household decreases, the incidence of housing cost burdening and overcrowding increases.

For the purpose of evaluating current (2008) housing affordability, housing need, and eligibility for housing assistance, income levels are defined by guidelines adopted each year by the California State Department of Housing and Community Development (HCD). For Monterey County, the area median income for a household of four in 2008 was \$64,800.

HCD has defined the following income categories for Monterey County, based on the median income for a household of four persons:

- Extremely low income: 30 percent and below (\$0 to \$19,450)
- Very low income: 31 to 50 percent of median income (\$19,451 to \$32,400)
- Low income: 51 to 80 percent of median income (\$32,401 to \$51,850)
- Moderate income: 81 to 120 percent of median income (\$51,851 to \$77,800)
- Above moderate income: 120 percent or more of median income (above \$77,800)

In addition, the City has established the following income limits for workforce housing:

- Workforce Level I: 120 to 150 percent of the median income (\$77,800 to \$97,200)
- Workforce Level II: 150 to 170 percent of the median income (\$97,200 to \$110,160)

Table 9 shows Monterey County's maximum annual income level for each income group adjusted by household size. This data is used when determining a household's eligibility for federal, state, or local housing assistance and when calculating the maximum affordable housing payment for renters and buyers.

Table 9
Monterey County
Maximum Household Income Level by Household Size

	Maximum Income Level					
Household Size	Extremely Low	Very Low	Low	Median	Moderate	
1 person	\$13,600	\$22,700	\$36,300	\$45,500	\$54,400	
2 persons	\$15,500	\$25,900	\$41,500	\$51,800	\$62,200	
3 persons	\$17,500	\$29,150	\$46,650	\$58,300	\$70,000	
4 persons	\$19,450	\$32,400	\$51,850	\$64,800	\$77,800	
5 persons	\$21,000	\$35,000	\$56,000	\$70,000	\$84,000	
6 persons	\$22,550	\$37,600	\$60,150	\$75,200	\$90,200	
7 persons	\$24,100	\$40,200	\$64,300	\$80,400	\$96,500	
8 persons	\$25,650	\$42,750	\$68,450	\$85,500	\$102,700	
Source: Department of Hou	Source: Department of Housing and Community Development, Income Limits 2008					

According to the 2000 Census, median income in the City of Monterey was \$49,109 in 2000. By comparison, in 2000 median income was \$48,305 in Monterey County and \$47,493 in the State of California. The percentage of households earning various incomes in 2000 is shown in **Table 10**.

Table 10
City of Monterey
Household Income, 2000

Income Range	Number of Households	Percentage		
Less than \$15,000	1,508	12%		
\$15,000-\$24,999	1,262	10%		
\$25,000-\$34,999	1,431	11%		
\$35,000-\$49,999	2,261	18%		
\$50,000-\$74,999	2,865	23%		
\$75,000-\$99,999	1,403	11%		
\$100,000 or more	1,926	15%		
Total	12,656	100%		
City Median Household Income: \$49,109				
Monterey County Median Household Income: \$48,305				
Source: 2000 U.S. Census				

Housing Costs Compared to Ability to Pay

The following section discusses 2008 income levels and ability to pay for housing as compared to housing costs. Housing is classified as "affordable" if households do not pay more than 30 percent of their income for payment of rent (including monthly allowance for water, gas, and electricity) or monthly mortgage (including property taxes). Since above moderate-income households do not generally have problems locating affordable units, these units are frequently defined as those reasonably priced for households that are low- to moderate-income.

Table 11 shows the 2008 income limits for very low-, low-, and moderate-income households in Monterey County by the number of persons in the household. It also shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a four-person household classified as low-income with an annual income of up to \$51,850 could afford to pay a monthly gross rent (including utilities) of up to \$1,297 or to purchase a house priced at up to \$145,163.

Table 11
Housing Affordability by Income Level

Extremely Low Income (Households at 30% of 2008 Median Income)							
Household Size	1	2	3	4	5	6	
Annual Income	\$13,600	\$15,500	\$17,500	\$19,450	\$21,000	\$22,600	
Max. Monthly Gross Rent ¹	\$340	\$388	\$438	\$486	\$525	\$565	
Max. Purchase Price ²	\$31,357	\$37,033	\$42,959	\$48,778	\$53,383	\$58,131	
Very Low Income	Very Low Income (Households at 50% of 2008 Median Income)						
Household Size	1	2	3	4	5	6	
Annual Income	\$22,700	\$25,900	\$29,150	\$32,400	\$35,000	\$37,600	
Max. Monthly Gross Rent ¹	\$568	\$648	\$729	\$810	\$875	\$940	
Max. Purchase Price ²	\$58,452	\$67,948	\$77,622	\$87,566	\$95,043	\$102,753	
Low Income (Households at 80% of 2008 Median Income)							
Household Size	1	2	3	4	5	6	
Annual Income	\$36,300	\$41,500	\$46,650	\$51,850	\$56,000	\$61,150	
Max. Monthly Gross Rent ¹	\$908	\$1,038	\$1,166	\$1,297	\$1,400	\$1,529	
Max. Purchase Price ²	\$98,898	\$114,355	\$129,705	\$145,163	\$157,514	\$172,829	
Moderate Income (Households at 120% of 2008 Median Income)							
Household Size	1	2	3	4	5	6	
Annual Income	\$54,500	\$62,200	\$70,000	\$77,800	\$84,000	\$90,200	
Max. Monthly Gross Rent ¹	\$1,363	\$1,555	\$1,750	\$1,950	\$2,100	\$2,255	
Max. Purchase Price ²	\$153,052	\$179,504	\$199,138	\$222,342	\$240,798	\$259,254	

Source: California Department of Housing and Community Development, Official State Income Limits for 2008 and http://www.realtytrac.com/vcapps/financial_calculators.asp

Notes:

¹ Assumes that 30% of income is available for monthly rent, including utilities.

² Assumes that 30% of income is available to cover mortgage payment, 10% down, taxes, mortgage insurance, homeowners insurance; at 7%, 30 year term fixed mortgage.

Housing Affordability

Table 12 provides a summary of households that overpay for housing as a percentage of household income. A household that pays more than 30 percent of its gross monthly income on rent or a mortgage payment is overpaying for housing. Another term used to describe overpayment situations is to say households are "cost-burdened." Households that pay between 30 and 34 percent on shelter cost are considered to be cost-burdened and households paying more than 35 percent on shelter cost are considered to be severely cost-burdened. Thirty-seven percent of households currently overpay for housing. About 39 percent of all renter-occupied households overpaid for housing in 2000, which was higher than the percentage of owner-occupied households (32 percent) overpaying for housing.

According to the 2000 Comprehensive Housing Affordability Strategy (CHAS) data, it is estimated that of the 7,752 renter-occupied households, 943 households fall into the extremely low-income category and of the 4,176 owner-occupied households, 193 households fall into the extremely low-income category. There were approximately 1,136 extremely low-income households in the City of Monterey in 2000.

Table 12
Selected Monthly Costs as a Percentage of Household Income

Income Range	Total Households	% of Households Overpaying	Paying 30-34% of Household Income	Paying 35%+ of Household Income		
Renter Occupied						
\$0-\$10,000	733	69%	31	478		
\$10,001-\$19,999	898	83%	28	719		
\$20,000-\$34,999	1,487	71%	295	768		
\$35,000-\$49,999	1,594	25%	187	214		
\$50,000+	3,040	10%	149	158		
Subtotal	7,752	39%	690	2,337		
Owner Occupied						
\$0-\$10,000	111	75%	0	83		
\$10,001-\$19,999	301	54%	25	138		
\$20,000-\$34,999	523	37%	11	183		
\$35,000-\$49,999	537	46%	75	170		
\$50,000+	2,704	24%	296	366		
Subtotal	4,176	32%	407	940		
Total Households (Occupied Units)	11,928	37%	1097	3,277		
Source: 2000 U.S. Census			•			

E. Special Needs Groups

The Housing Element identifies certain special needs groups that may have more difficulty finding decent affordable housing. In Monterey, these special needs groups are the elderly, disabled persons, female-headed households, homeless persons, students, and large families. The City has determined it does not have a significant enough farmworker population to warrant a consideration as a special needs group. **Table 13** shows the population in each of the special needs categories.

Table 13
City of Monterey
Special Needs Households

Special Needs Households	Number	Percentage of Population
Elderly Persons (Persons over 65)	4,530	15%
Elderly Households (Persons over 65)	2,963	24%
Disabled Persons	4,440	15%
Female-Headed Households	1,015	8%
Female-Headed Households with Children	561	5%
Male-Headed Households	489	4%
Male-Headed Households with Children	273	2%
Homeless (Persons)	193 ¹	0.6%
Students	12,351 ²	42%
Farmworkers	178	1%
Large-Family Households	648	5%

Source: U. S. Department of Commerce, Bureau of the Census, 2000

Notes:

<u>Elderly</u>: Analysis of the housing needs of the elderly is important for three reasons: (1) many elderly have fixed and limited incomes, (2) many elderly persons are "overhoused" (living alone in a three- or four-bedroom house), and (3) because some elderly have mobility and health problems, these needs can create special housing requirements.

In the City of Monterey, the elderly (persons over 65) constituted 15 percent (4,530 persons) of the City's population in 2000. The number of elderly households made up 24 percent (2,963 households) of the total households in 2000. Approximately one-third

¹ 2009 Homeless Census Count, 2008 DOF population used to calculate percentage

² Estimates are provided by Naval Post Graduate School, Monterey Institute of International Studies, Monterey Peninsula College, and Monterey College of Law, February 2009; 2008 DOF population used to calculate percentage

(1,049) of the elderly households are renters and the remaining two-thirds (1,932) own their homes. Programs f.1.1 and f.1.3 address elderly needs in Monterey.

<u>Disabled Persons</u>: The two main housing problems facing disabled persons are the need for housing that meets particular physical needs (wheelchair accessible, etc.) and monetary needs. Because of limited job opportunities for the handicapped and disabled, their incomes are often below the median income.

In 2000, disabled persons comprised 15 percent of the City's population. Of the 4,440 disabled persons, 2,478 persons are between the ages of 16 and 64 and are considered part of the City's workforce. Sixty-five percent of those persons are employed.

Disabled or handicapped residents generally have varying housing needs depending on the nature and severity of the disability. Physically disabled persons generally require modifications to the housing units such as wheelchair ramps, elevators or lifts, wide doorways, accessible cabinets, and modified fixtures and appliances. If the disability prevents the person from operating a vehicle, then proximity to services and access to public transportation are important. Severely physically disabled persons may also require nursing or care facilities.

If the physical disability prevents the individual from working or limits his or her income, the cost of housing and needed modification can be significant. Because physical handicaps vary, this group rarely congregates toward a single service organization, and this fact makes estimating the number of individuals and specific needs difficult.

The physical modification of housing is not generally necessary to accommodate mentally disabled persons, but they will generally require special services and monetary support. Since jobs and incomes are often limited to such individuals, affordable housing is important. Many mentally disabled persons would prefer to live independently, but because of monetary circumstances they are forced to live with other family members or with roommates. This may cause additional stress and problems. In some instances the need for a resident assistant to help deal with crisis or challenging situations may also create special housing demands. This would suggest that there is a need for some apartment or condominium complexes that are reserved exclusively for persons requiring extra assistance in dealing with their daily routines. Many mentally handicapped persons are unable to drive, so access to public transportation is also important.

Programs f.1.1 and f.1.6 currently address the needs for persons with disabilities.

<u>Single-Headed Households</u>: Single-parent households require special consideration and assistance because of their greater need for day care, health care, and other support services. Single-parent headed households, female- headed in particular, tend to have lower incomes, thus limiting housing availability. In 2000, there were 1,015 female-headed households, of which 561 had children. In addition, there were 489 male-headed households, of which 273 had children. Program f.1.2 addresses the needs of single-parent households.

<u>Large-Family Households</u>: Large households require housing units with more bedrooms than housing units needed by smaller households. In general, housing for these households should provide safe outdoor play areas for children and should be located to provide convenient access to schools and childcare facilities. These types of needs can pose problems, particularly for large families that cannot afford to buy or rent single-family houses, as apartment and condominium units are most often developed with childless, smaller households in mind.

Large families are recognized as a group with special housing needs based on the limited availability of adequately sized affordable housing units.

The 1990 Census reported 484 households with five or members in Monterey, representing approximately 4 percent of the City's total households. In 2000, the Census reported 648 households with five or members, representing approximately 5 percent of the City's total households.

An important indicator of housing availability and affordability is based on how many renter-occupied households are overcrowded, in comparison to owner-occupied households. The 2000 Census reports 286 large-family households are homeowners and 390 large-family households are renters Program a.1.4. states the City will encourage and plans to create development standards for new condominiums and ownership townhouses in R-3 and commercial areas that require amenities desirable to owners and require larger units (three or more bedrooms) to house families with children.

<u>Homeless</u>: Homeless individuals and families have perhaps the most immediate housing need of any special needs group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness and to community opposition to the siting of housing that serves homeless clients.

In early 2009, a homeless count was completed by the Monterey County Continuum of Care. The data collected indicated an increase in homelessness in Monterey County. In 2007, there were 893 homeless individuals and families counted as unsheltered, and in 2009 the count indicated 1,215 unsheltered homeless individuals and families, a 36 percent increase. The number of individuals in transitional housing also increased from 506 to 705. The count for the City of Monterey shows that there are 193 unsheltered individuals, all but eight being adults. Program f.1.7 states the City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in a newly created overlay zone in the City's C-1, C-2, and/or C-3 zoning districts which are close to transit corridors and close to services. The City has adequate capacity on vacant and underutilized parcels (approximately 34 acres) within the C-1, C-2 and C-3 zoning districts, which are suitable for the development of emergency shelters due to their proximity to public transit lines, social services, and personal services. The City will create this overlay zone with specific development standards for emergency shelters.

Table 14 provides a list of facilities and services available in Monterey County for the homeless and persons threatened with homelessness.

Table 14
Monterey County Homeless Services

Facility Type	Capacity (number of beds)
EMERGENCY SHELTERS	
The Salvation Army	30
Victory Mission	52
SOPlus	92
Pajaro Rescue Mission	35
YWCA	17
Community Human Services	4
John XXII AIDS Ministry	10
Interim, Inc.	15
Franciscan Workers	16
Total	271
TRANSITIONAL HOUSING (18 Months – 2 Years)	,
Interim, Inc.	80
Housing Authority	216
The Salvation Army	54
SOPlus	168
Sun Street Centers	105
Community Human Services	42
Veterans Transition Center	94
His Hidden Treasure	4
New Start Recovery Home	6
John XXII	5
Unity Care	6
Total	780
HOMELESS PREVENTION AND INTERVENTION	·
Housing Resource Center	-
Legal Services for Seniors	-
Legal Aid	-
Catholic Charities	-
Monterey County Department of Social Services	-
Salvation Army	-
Source: Coalition of Homeless Services, 2008	

<u>Farmworkers</u>: The special housing needs of many agricultural workers stem from their low wages and the insecure nature of their employment. The urban nature of Monterey and surrounding communities accounts for the City's small farmworker population. The 1990 estimate for Monterey's farmworker population was 305 persons, less than 1 percent of the City's total population. The 2000 Census estimated that there were only 178 persons that worked in agricultural, fishing, forestry, hunting, and/or mining. The demand for housing generated by farmworkers in Monterey is thus estimated to be nominal and can be addressed through overall programs for affordability.

In addition, the Housing Authority of Monterey County operates Migrant and Permanent Farm Labor units for a total of 215 housing units for this targeted population. The Housing Authority recently completed a project that rehabilitated a blighted property in central Salinas. The property consists of 44 units for single farmworkers. As there is not a significant need for farmworker housing in the City of Monterey, this need is met at a regional level.

<u>Students</u>: The City of Monterey has a sizeable student population. It is unique in that a substantial portion of these students are associated with the military. With the exception of the Monterey College of Law, which is no longer located within city limits, Monterey has four advanced education institutions (**Table 15**).

Table 15
City of Monterey
Inventory of Advanced Education Institutions

Education Institution	Number of Students
U.S. Naval Post Graduate School (a)	1,577
U.S. Army Defense Language Institute (b)	2,939
Monterey Institute of International Studies (c)	859
Monterey Peninsula College (Main Campus) (d)	6,874
Monterey College of Law (e)*	102
Total	12,351

Sources:

- a. Naval Post Graduate School, Deputy Public Affairs Officer, September 2008
- b. U.S. Army Defense Language Institute, February 2009
- c. Monterey Institute of International Studies, Registrar's Office, Monterey Institute of International Studies, February 2009
- d. Monterey Peninsula College, Admissions and Records, February 2009
- e. Wendy LaRiviere, Monterey College of Law, February 2009
- * As of 2005, the Monterey College of Law was no longer located within the Monterey city limits. The institution is current located on Fort Ord.

For students attending the Naval Post Graduate School and Army Defense Language Institute (DLI), the military provides a basic allowance for housing to live either on or off base. As of January 2009, the DLI provides between \$1,309 and \$2,919 a month for off-base housing depending on a student's rank and whether or not they have dependents.

On-base housing is provided for both families and single persons. Family housing is provided at La Mesa Village in the City of Monterey, at the Ord Military Community located between the cities of Marina and Seaside, and at the Presidio of Monterey, which is located adjacent to Monterey's downtown. Housing for single persons is located on the Naval Post Graduate School campus in downtown Monterey and at the Presidio.

Military Housing

There are three military residential communities in the Monterey Peninsula area that are managed through the Monterey Bay Military Housing partnership, which combines the strengths of both the public and private sectors. The Defense Language Institute is in the process of adopting a master plan and the City has provided its comments on the location of the housing. The City does not expect additional future opportunities to consult with the military on the construction of future housing.

Beginning in 2003, the U.S. Army, the U.S. Navy, and the Clark Pinnacle Family Communities LLC, a private company, combined forces and began the Parks at Monterey Bay. The Parks at Monterey Bay comprises of more than 2,250 military housing units that make up the neighborhoods at La Mesa Village, the Presidio of Monterey, the Naval Postgraduate School in Monterey, and the Ord Military Community in Seaside. The Parks at Monterey Bay works closely with the military commands through their Residential Communities Office, which acts as the liaison between the private companies and the military.

La Mesa Village

La Mesa Village houses military personnel with E-7 through E-9 ranking, 01-03, and 04-06 ranking. The village is made up of two-, three-, and four-bedroom single-family homes. La Mesa contains sections which are reserved for foreign military service officers and at times has capacity to meet the unaccompanied housing personnel demand.

Presidio of Monterey

Housing at the Presidio is limited and made available to enlisted service personnel and officers. Apartments and single-family homes are available and range in size from two to four bedrooms. Unit availability and command requirements dictate personnel placement in homes at the Presidio.

Naval Postgraduate School (NPS)

Housing at the NPS campus is very limited. The four single-family homes located at the NPS are reserved for key and essential staff as well as the school's executive staff.

Ord Military Community

The Ord Military Community is located outside of the City of Monterey, in the City of Seaside. Housing is available for both enlisted personnel and officers. Duplexes and single-family homes are available with two, three, and four bedrooms.

F. Housing Characteristics

Housing Units

The City of Monterey is the second largest city in Monterey County, with 13,549 housing units (**Table 16**). The largest city is Salinas, which has 42,268 housing units and is more than three times larger than Monterey. Between 1990 and 2000, Monterey's housing stock decreased, partly because of the loss of housing units in the City's military base (La Mesa). Between 2000 and 2008, housing in the City increased by 167 units.

Table 16
Monterey County and Various Cities
Analysis of Housing Trends

	1990	2000	2008	Growth 1990–2000	Growth 2000-2008			
Carmel	3,324	3,334	3,363	10	29			
Del Rey Oaks	733	727	727	-6	0			
Gonzales	1,222	1,724	2,023	502	299			
Greenfield	1,926	2,726	3,764	800	1,038			
King City	2,444	2,822	3,009	378	187			
Marina	8,261	8,537	8,709	276	172			
Monterey	13,497	13,382	13,549	-115	167			
Pacific Grove	7,916	8,032	8,108	116	76			
Salinas	34,577	39,659	42,268	5,082	2,609			
Sand City	86	87	138	1	51			
Seaside	11,238	11,005	11,257	-233	252			
Soledad	1,650	2,534	3,810	884	1,276			
Total City Housing Units	86,874	94,569	100,725	7,695	6,156			
Monterey County	121,224	131,708	140,296	10,484	8,588			
Source: 1990, 2000 US Census; Department of Finance, 2008								

Housing Type

The City's housing stock comprises an almost equal number of single-family and multi-family housing units. As the table below shows, the percentage of multi-family housing units has steadily increased since 1950, while single-family residences have declined. This split between multi-family and single-family housing is unique to any jurisdiction in Monterey County (Tables 17 and 18).

Table 17
City of Monterey
Historical Analysis of Housing Unit Mix

	1950	1960	1970	1980	1990	2000	2008
Detached Single- Family	3,708	5 208	5,594	5,088	5,653	5,911	5,955
Attached Single- Family	3,708	5,208	5,594	950	1,095	916	914
Multi-Family*	1,452	2,297	3,827	6,058	6,749	6,593	6,680
Total Housing Units	5,160	7,505	9,421	12,096	13,497	13,420	13,549
SF/ MF Mix	71%/ 29%	69%/ 31%	59%/ 41%	50%/ 50%	50%/ 50%	49%/ 51%	51%/ 49%

Source: U. S. Department of Commerce, Bureau of the Census, 1950-2000 Reports; Department of Finance, 2008

Table 18
Monterey County and Surrounding Cities
Comparison of Single-Family to Multi-Family Housing Stock, 2008

City/County	Single- Family Detached*	Single- Family Attached	Multi- Family	Total Units	Percentage Single- Family	Percentage Multi- Family
Carmel	2,756	114	493	3,363	85%	15%
Del Rey Oaks	570	25	132	727	82%	18%
Gonzales	1,516	133	374	2,023	82%	18%
Greenfield	2,916	282	566	3,764	85%	15%
King City	2,002	282	725	3,009	76%	24%
Marina	3,967	1,537	3,205	8,709	63%	37%
Monterey	5,955	914	6,680	13,549	51%	49%
Pacific Grove	5,108	451	2,549	8,108	69%	31%
Salinas	24,134	3,594	14,540	42,268	66%	34%
Sand City	63	7	68	138	51%	49%
Seaside	6,728	2,339	2,190	11,257	81%	19%
Soledad	2,957	214	639	3,810	83%	17%
Monterey County	92,242	12,587	35,467	140,296	75%	25%

Source: Department of Finance, 2008

^{*} Condominiums are included under the multi-family count

^{*} The single-family detached number includes mobile homes

Vacancy Rate

The vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford.

According to the Department of Finance (DOF), the overall vacancy rate for the City of Monterey in 2008 was 5.65 percent, which is less than that of Monterey County (8.86 percent). DOF does not breakout vacancy rates for rental versus owner housing units, therefore the 2005-2007 American Community Survey is the most recent data available for vacancy by tenure. According to the 2005-2007 American Community Survey the owner vacancy rate was 3.1 percent and the renter vacancy rate was 2.5 percent. The rental vacancy rate of 3.1 percent is slightly lower than a healthy rate of 5 percent which indicates that housing prices are higher than people can afford (somewhat typical for an affluent coastal community), thus occupying more rental housing. Since the owner vacancy rate of 2.5 percent is higher than the healthy rate of 2 percent, it also indicates people were unable to purchase homes in the area. In addition, the vacancy rate may also be due to the higher number of vacation homes.

Age and Housing Stock Condition

Based on projections from the City's last Housing Element and conversations with staff in the City's Building Division, it is estimated that as of 2008, the City had approximately 880 units with serious deterioration, 2,140 units were clearly declining, and 4,830 units had deferred maintenance. There are two primary contributors to deterioration: age of housing stock and the number of long-term homeowners who have difficulty affording maintenance and repairs. An estimated 61 percent of the City's housing is over 40 years old. Long-term owners often live in the oldest housing units in the City (City of Monterey, 2002 Housing Element).

Table 19 illustrates the period in which housing units were built in the City. The accepted standard for major rehabilitation is after 50 years. In Monterey, 40 percent of Monterey's housing units are over 50 years old. Therefore, an estimated 3,024 housing units require rehabilitation.

Table 19
City of Monterey
Age of Housing Stock

Year Built	Number of Units	Percentage of Total				
1939 or earlier	1,734	13%				
1940-1959	3,608	27%				
1960-1969	2,592	19 %				
1970-1979	3,109	23%				
1980-1989	1,650	12%				
1990-2000	727	5%				
2000-2009	166	1%				
Total	13,586	100%				
Source: U.S. Department of Commerce, Bureau of the Census, 2000 Census Report; Department of Finance, 2008						

In 1986, the City conducted a door-to-door housing conditions survey of single-family homes. This survey revealed that over 22 percent of the City's single-family housing stock exhibited "more deficiencies and clearly declining" to major housing condition deficiencies. Six percent of the single-family housing stock needed replacement **(Table 20)**.

Table 20
City of Monterey
Condition of Single-Family Housing Stock

Housing Conditions	Percentage of Single-Family Units
Homes in good condition with no to minor deficiencies	42%
Homes with moderate deficiencies	36%
Homes with more deficiencies and clearly declining	16%
Homes with major to severe deficiencies	5%
Homes with major deficiencies and unsuitable for habitation	1%
Source: City of Monterey Housing Division, 1986	

Housing Costs

The cost of housing is directly related to the extent of housing problems faced by lowand moderate-income households in a community. If housing costs are high relative to household income, correspondingly the incidence of housing cost burden and overcrowding will be high as well.

Home Sales

According to Real Estate Solutions, a company providing detailed information on resale activity, the average sales price for a single-family home in the City of Monterey in 2008 was \$831,389 (Table 21).

Table 21
Housing Prices (November 2008)

City/County	Average Sales Price	Median Price
Carmel	\$1,875,000	\$1,737,500
Carmel Valley	\$986,025	\$854,550
Marina	\$382,714	\$360,000
Monterey	\$821,389	\$730,000
North County Monterey	\$365,464	\$360,000
South County Monterey	\$188,774	\$180,000
Pacific Grove	\$811,875	\$682,500
Pebble Beach	\$2,470,800	\$1,025,000
Seaside/Sand City	\$325,129	\$325,000
North Salinas	\$271,019	\$277,000
East Salinas	\$169,814	\$178,000
South Salinas	\$304,711	\$302,500
Source: Real Estate Solutions, 2008	· · · · · · · · · · · · · · · · · · ·	

Rental Costs

Table 22 shows the results of a rental survey completed in February 2009 to identify locally available rental units. The monthly median rent was \$2,875 for single-family homes and \$1,513 for units in multi-family structures. Although three-bedroom homes had the greatest number of listings for single-family home rentals, there were no three-bedroom apartments available for rent at the time of the survey. Two-bedroom apartments had the greatest availability among multi-family units available for rent. Of the single-family homes, the three-bedroom units were the cheapest per bedroom, at an average of \$799 per room. Of the units in multi-family structures, those with two bedrooms had the lowest per-bedroom cost at roughly \$775 per bedroom. Condominiums comprise a small percentage of the City's rental housing market. Seven condominiums were advertised for rent, with monthly rents ranging from \$1,400 to \$3,000.

It is important to emphasize that this analysis is not representative of the entire rental housing market because several rentals are available through private companies that may choose not to advertise in the sources that were used for this survey. The rental survey was completed over a two-month period and included information gathered through phone interviews, Internet searches, and local paper listings. This analysis is a "snapshot" in time, which gives a sample of housing rental costs. In addition, the

analysis oversimplifies the complex rental housing market dynamics, such as the fact that less-expensive units may be available far less frequently than higher-cost units.

Table 22
City of Monterey Rental Costs (February 2009)

Unit Type	# of Units	Average Rent	High Rent	Low Rent
Single-Family				
1 Bedroom	5	\$1,130	\$1,400	\$950
2 Bedroom	8	\$1,787	\$2,200	\$1495
3 Bedroom	12	\$2,399	\$3,000	\$1,995
4 Bedroom	4	\$3,375	\$6,000	\$2,250
5 Bedroom	3	\$5,683	\$9,750	\$2,300
Condominium				
1 Bedroom	2	\$1,400	\$1,500	\$1,300
2 Bedroom	5	\$1,860	\$2,500	\$1,550
3 Bedroom	1	\$3,000	\$3,000	\$3,000
Apartments				
Studio	9	\$887	\$1,150	\$725
1 Bedroom	13	\$1,156	\$1,550	\$650
2 Bedroom	27	\$1,550	\$2,350	\$1,185
3 Bedroom	0			
Rooms for Rent	36	\$738	\$1,400	\$575
Source: PMC Rental Surve	y, February 2009	ı		

G. Assisted Housing "At Risk" of Conversion

State law requires the City to identify, analyze, and propose programs to preserve housing units that are currently restricted to low-income households and that will become unrestricted and possibly lost as low-income housing. State law requires the following:

- An inventory of restricted multi-family housing projects in the City and their potential for conversion;
- An analysis of the costs of preserving and/or replacing the units "at risk" and a comparison of these costs;
- An analysis of the organizational and financial resources available for preserving and/or replacing the units at risk; and
- Programs for preserving the at-risk units.

Inventory of Affordable Housing

Currently, there are a total of 555 deed restricted housing units in the City of Monterey (Table 23). Of these units, 177 are owner-occupied units and 378 are renter-occupied units. Several of these units are restricted for affordable use through the City's Inclusionary Housing Program. Another large portion of these units are owned by nonprofits that provide housing for special needs groups. Table 23 below also lists future development for the City. This will include an additional 212 owner-occupied affordable units and 78 renter-occupied affordable units.

Table 23 2008 Affordable Housing Inventory

Project Name/ Project Codes	Low	Moderate	Workforce	Agreement Date*	Owner	Rental	Funding Source
Casanova Plaza/ HACM	Х			1972		86	HA/CD
Various Apartment Projects		Х		1981		46	D
Yerba Buena Townhomes/HOA		Х		1983	13		D
Portola Vista/ HACM 1	X			1983		64	НА
Montecito/HACM	Х			1985		5	D
Watson/HACM	Х			1985		8	D
English Avenue Townhomes/HOA		Х		1986	19		D
Interim Incorporated	Х			1987		8	NP
Oak Grove/HACM	Х					5	NP
El Estero Senior House/CHISPA ²	Х			1990		26	NP
Interim Incorporated	Х			1992		3	NP
Interim Incorporated	Χ			1992		6	D
Ocean Harbor House/HOA		Х		1993	22		D
Villa Rose/HOA		Х		1993	2		D
Casa de la Estrella/HMS Prop Mgmt	Х			1994		8	CD
Laguna Grande/ HOA	Х	Х		1994	19		CD

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Project Name/ Project Codes	Low	Moderate	Workforce	Agreement Date*	Owner	Rental	Funding Source
Interim Incorporated	Х			1995		6	NP
5 th Street	Х			1995	1		D
Interim Incorporated (De Le Vina Apartments) 3	Х			1996		14	D
Osio Plaza/AG Davi Property Mgmt	Х	Х		1999		29	CD
Centennial Gardens	Х	Х		2001		6	NP
McNear Street		Х		2002		1	D
Del Monte and Sloat/Outzen	Х	Х		2004		3	D
Wave Street Apartments	Х	Х		2004		21	D
Dream Theatre Site Cannery Row Co.	Х	Х		2004		3	D
Drake Condominiums		Х		2005	2		D
Casa Verde Villas			Х	2007	14		D
Footprints on the Bay	Х	Х		2007	42		D (CDBG, HOME, RDA)
Laine Hill Condominiums	Х	Х	Х	2007	4 (1 ⁴)		D (HOME, RDA)
Cypress Park Townhomes	Х	Х		2007	32		D
Vista del Mar	Х	Х		2007	8		D (CDBG, HOME, RDA)
Monterey Hotel Apartments	Х	Х		Under Construction(2009)		18	D (HOME, RDA)
Cypress Meadows	Х	Х		Under Construction		12	D (CDBG, HOME, RDA)
Skyline Townhomes	Х	Х		Future (2009)	8		D
City-Owned Ryan Ranch	Х	Х		future	180	60	CD
Monterey Townhomes		Х		future	18		D
Regency Theater	Х	Х		future	2		D
Del Monte Beach			Х	future	1 ⁴		D

Project Name/ Project Codes	Low	Moderate	Workforce	Agreement Date*	Owner	Rental	Funding Source
Condo Conversion							
French Glass		Х		future	3	2	D
Community Human Services		Х		future		6	NPT
Valero Site		Х		future		10	C/D
Total Deed- Restricted					173	74	
Total Current Affordable Units					177	378	
Total Future Development					212	78	
Total with future Development					389	456	

^{*} Date of the affordability covenant or deed restriction that requires the project become affordable.

D - Developer

HA - Housing Authority

C/D - City RDA Loan Developer

N/P - Non-Profit

NP/T - Non-Profit Transitional Housing

¹ Portola Vista is owned by the City and leased by the Housing authority. There is currently HCD financing on the site. Should the site affordability conditions expire, the city could take over the site.

² El Estero Apartments, the City extended the lease another 55 years during the planning period to allow for a HUD refinance of the site.

³ Risk assessments for these properties are low and lower risk

⁴Workforce affordable

Loss of Assisted Housing

Affordability covenants and deed restrictions are typically used to maintain the affordability of publicly assisted housing, ensuring that these units are available to lower- and moderate-income households over a certain period of time. A project's funding source typically dictates the length of affordability and once the affordability period expires, the units are at risk of reverting to market-rate rents unless a local entity such as a nonprofit acquires the project or another funding source that allows the units to be subsidized is available and utilized. As shown in **Table 24**, there is currently one project considered to be at risk of converting to market rate. According to the HCD standards, any unit restricted by an agreement that will expire within ten years is considered "at risk."

Table 24
City of Monterey
Affordable Housing at Risk of Conversion

Project	Date of Agreement Expiration	Number of Units
De La Vina Apartments	06/30/2018	14
Total At Risk		14
Source: California Housing Partnership Cor	poration (CHPC), February 2009	

Preservation and Replacement Options

Generally, there are two ways to address and conserve units that may convert to market rates: preservation or replacements. Preserving units entails covering the difference between market-rate rents and the amount of rent that is affordable to a lower- or moderate-income household, and replacement necessitates the construction of new units. The cost of preserving the affordability of existing assisted units is generally estimated to be less than the total replacement of units through new construction. New construction tends to be less cost-efficient due to the shortage of available land, which is often a limiting factor in the development of affordable housing.

Many low- and moderate-income households can afford rents for two- and three-bedroom apartments without experiencing overpayment. However, extremely low- and very low-income households find it more difficult to obtain rental housing at an affordable price without overpaying. To maintain the existing affordable housing stock, the City may plan either for the preservation of the existing assisted units or the development of new units equivalent to those estimated to be lost to conversion to market rates.

Preservation

As stated previously, the cost to preserve the at-risk units may be more reasonable than financing the replacement cost of these units. The feasibility of preserving existing units depends on the willingness of the owner to sell the property, the existence of qualified nonprofit purchasers, and the availability of funding. A survey done in February 2009 in nearby Pacific Grove showed a multi-family project selling for \$19,800,000 (152-unit project). This equates to a per-unit cost of approximately \$130,263. With this per-unit cost, preserving the 14 units at risk in Monterey is estimated to cost approximately \$1,823,682.

There are several organizations available to acquire and manage these units, if property owners are interested, including the Housing Authority, CHISPA, Monterey County Housing Incorporated, South County Housing, and Interim. Funds available to encourage continued affordability include project-based Section 8, redevelopment setaside, and HOME funds. The Housing Element goals and policies provide additional information on strategies to preserve the City's affordable housing stock.

Replacement Cost of At-Risk Units

The other option to conserve at-risk units is replacement or new construction. For example, the Monterey Hotel Apartments located at 610 Alvarado is an 18-unit project under construction. Ten units will be affordable to low-income households and 8 will be affordability to moderate-income households. The total cost of the Monterey Hotel Apartments is approximately \$3 million with \$2.2 million loaned by the City's Redevelopment Agency and an \$800,000 HOME grant. This equates to a per-unit cost of approximately \$166,661. Using this cost example, the cost to construct 14 new units would be \$2,333,254.

H. HOUSING CONSTRAINTS

Various interrelated factors can constrain the ability of the private and public sectors to provide adequate housing and meet the housing needs for all economic segments of the community. These factors can be divided into two categories: non-governmental and governmental. Non-governmental constraints consist of land availability, the environment, land cost, construction costs, and availability of financing. Governmental constraints consist of land use controls, development standards, processing fees, development impact fees, code enforcement, site improvement costs, development permit and approval processing, and provision for a variety of housing.

Non-Governmental

Land costs, construction costs, and market financing contribute to the cost of housing investment and can potentially hinder the production of new housing. Although many constraints are driven by market conditions, jurisdictions have some leverage in instituting policies and programs to address such constraints. The discussion below analyzes these market constraints, as well as the activities that the City can undertake to mitigate their effects.

Land Costs

Monterey is almost entirely built out. Future residential development potential rests upon infill, which is the recycling of existing sites and limited remaining vacant land. Land is expensive due to its low availability and other factors, such as ocean view and water credits. In March 2009, the Monterey County Assessor's Office estimated raw land costs in Monterey at \$70 per square foot. On the average 5,000 square foot lot, the Assessor estimated a land value of \$300,000 to \$450,000, with \$350,000 being the average. The Assessor emphasized this figure was a rough estimate because there have been limited sales of vacant land on which to base estimates.

Construction Costs

As of February 2009, the City of Monterey Building Division reported that average single-family home construction cost is approximately \$200 per square foot and multifamily is \$150 per square foot (land costs not included). The high construction costs are possibly the result of location and the cost of delivering materials to the Monterey Peninsula.

Using current pricing sources, the average costs for a newly constructed 2,000 square foot single-family home (land costs not included) in the region would be calculated as follows:

Per Home Costs, Total	\$291,509
Contractor Mark-up	\$13,440
Equipment	\$4,303
Labor	\$118,351
Material	\$121,129

(Source: Building-cost.net, 2009)

Infrastructure

Water

The primary constraint to development on the Monterey Peninsula is water. Water is supplied to most of the Monterey Peninsula by the California American Water Company through wells in Carmel Valley, dams on the Carmel River, and a well drawing from the Seaside Aquifer. The City is part of the Monterey Peninsula Water Management District, which is responsible for developing long-term water supply for the Monterey Peninsula cities in the district.

The Monterey Peninsula Water Management District has established water allocations for jurisdictions within its district. The City of Monterey has established an internal allocation system, whereby water allotments are established for residential, commercial, and industrial uses.

All of the City's water has been allocated to projects or pre-committed for future affordable housing projects in the commercial district. As a result, most new construction is put on a waiting list or is required to provide another water source. Some sites included on the adequate sites inventory (Tables 36 and 37) have already received their water allocations. Other sites have adequate water to redevelop as mixed-use projects that include housing units.

Some property owners are considering wells and desalination plants that are costly but possible alternatives. In addition, the Monterey Peninsula Water Management District has been evaluating a new dam on the Carmel River and other potential ways to increase water supply, such as stormwater diversion, desalination, or reclaimed water. Water is anticipated to continue to be the primary constraint to development. The Housing Element includes programs that address water capacity. Housing Element Program i.1.3 states that the City will give preference in the City's water allocation process to projects meeting fair-share housing goals. Program i.1.1 states that the City will continue to implement the mixed-use zoning concept that was created to provide incentives to construct housing units by offering water allocations, height variances, and parking exceptions to affordable housing projects.

California American Water submitted an application on September 24, 2004, to the California Public Utilities Commission to implement the Coastal Water Project (CWP). The CWP would supply 12,500 acre-feet of water per year for urban users on the Monterey Peninsula, as well as for injection into the Seaside Groundwater Basin. The proposed project includes the construction and operation of a seawater desalination plant including intake and discharge facilities, water transmission pipelines, storage reservoirs, pump stations, and aquifer storage and recovery facilities. Delivery of this water to the City of Monterey would be adequate to accommodate the City's additional water needs to fulfill its regional housing allocation. Construction of the Monterey pipeline is scheduled for 2011-2013 (see Program i.1.5).

Sewer

The Monterey Peninsula Waste Pollution Control District (MPWPCD) charges a connection fee of \$2,732 per new unit. The City's Plans and Public Works Department indicates that the sewer system is able to handle additional capacity, with the exception of one pump station that will need to be upgraded. Current customers pay a monthly charge of \$10.75 per month and have the opportunity to save 5 percent by paying the full annual amount at the start of each calendar year. Since 1991, MPWPCD has increased fees by a total of \$1.75.

Section 9.1 of the City Code requires that property owners install a sewer relief vent and backwater valve as part of the property's sewer lateral in the event that the lowest plumbing fixture of the property is less than 2 feet lower than the nearest upstream manhole cover. It is the responsibility of the principal owner of the property to purchase and install the sewer relief vent and backwater valve. The vent and the valve assist the City with cleanup efforts related to sewage backups and are a cost-effective way to ensure the health and safety of residents in the City. Per conversations with the City Engineer, the City currently has enough capacity to accommodate the City's regional housing need.

To comply with Senate Bill 1087, the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households.

Curb/Gutter & Sidewalk

The City requires all new multi-family and mixed-use development to install curbs, gutters, and sidewalks if they do not exist already. The City estimates these costs to be approximately \$176 per permit.

Environmental and Location

There are several environmental constraints to development in Monterey due to its location, including the National Marine Sanctuary, the Monterey Pine Forest, hillsides in excess of 25 percent slope, and various endangered species located in and around the Monterey Bay, Del Monte Beach, Ryan Ranch, and Garden Road. There are also manmade constraints to the location and size of housing development due to the Monterey Peninsula Airport. The City's challenge is to target new housing development while balancing these constraints. None of the sites listed in the adequate sites inventory (Tables 36 and 37) have environmental constraints, therefore the City's ability to meet its regional housing need is not affected.

Availability of Financing

The cost of financing has a substantial effect on the affordability and availability of housing. Interest rates have a significant role in determining the feasibility of development projects, especially residential real estate. In the County of Monterey, interest rates were between 5.15 and 7 percent during 2008. Developers typically pass the cost of financing development projects onto buyers or tenants, thus affecting the affordability and availability of housing types for residents. The availability of financing for residents to purchase, refinance, and improve homes is an important analysis of the private market to determine the feasibility of homeownership access.

Tables 26, **27**, and **28** provide summaries of loan activity as reported by lending institutions in the Salinas Metropolitan Statistical Area/Metropolitan Division (MSA/MD). The Home Mortgage Disclosure Act (HMDA) requires that lending institutions make publicly available an array of information related to lending activity on an annual basis. In order to determine the availability of financing and draw conclusions regarding the market's ability to ensure access to financing for residents in the City, HMDA data for approved loan activity, denied loan activity, and withdrawn/incomplete loan activity is provided in the tables below.

Table 25 provides a summary of approved loan activity (home purchase loans and refinance/improvement loans) in the City of Monterey and the Salinas MSA/MD for the years 2004 to 2007. As shown in the table, there were 1,201 approved home purchase loans and 2,488 approved home refinance and improvement loans between 2004 and 2007 in the City. Financing in the City appears to be more readily available than financing within the MSA/MD. A larger share of all loans is approved in the City than in the MSA/MD, indicating that financing does not constrain access to housing.

An important trend presented by the data is the sharp decline in total loan activity within the Salinas MSA/MD. Approximately 40,400 loan applications were processed in the MSA in 2004. By 2007, processed loan applications had declined by 38 percent to 24,881, with 9 percent fewer home loan applications being approved. Monterey also experienced a decline (30 percent) in loan application activity, but did not experience a sharp decline in the share of approved home loan applications.

Table 25
Approved Loan Activity
City of Monterey and Salinas MSA/MD, 2004–2007

	Approved Loan Activity									
	Home Purchase Loans				Home	Home Refinance & Improvement Loans				Loan ations
Year	Mont	<u>Monterey</u>		Salinas MSA/MD		Monterey Salinas MSA/MI		MSA/MD	Montorov	<u>Salinas</u>
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Monterey MSA/MD	
2004	353	20%	9,116	23%	748	42%	16,914	42%	1,791	40,398
2005	342	23%	9,401	22%	641	44%	16,514	39%	1,468	41,853
2006	244	21%	5,116	15%	561	48%	14,886	43%	1,173	34,341
2007	262	21%	3,396	14%	538	43%	10,099	41%	1,243	24,881
Total	1,201	21%	27,029	19%	2,488	44%	58,413	41%	5,675	141,473

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006, 2007

Note: Loans Approved include: loans originated and loans approved, not accepted. Total Loan Applications is the sum of all Approved, Denied, and Withdrawn/Incomplete loan applications.

Table 26 provides a summary of denied loan activity in the City of Monterey and the Salinas MSA/MD. The share of denied home purchase loans fluctuated little between 2004 and 2007 in both the City and the MSA/MD. The percentage of denied home refinance and improvement loans increased steadily between 2004 and 2007 for both the City and the MSA/MD. Similarly, the state also reported comparable increases.

Table 26
Denied Loan Activity, City of Monterey and Salinas MSA/MD, 2004-2007

	Denied Loan Activity									
	Home Purchase Loans				Home		e & Improv ans	ement	Total Applic	
Year	Mont	erey	Salinas I	Salinas MSA/MD		terey	Salinas I	MSA/MD	Monterey	Salinas
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Monterey	MSA/MD
2004	83	5%	2,167	5%	206	12%	5,549	14%	1,791	40,398
2005	71	5%	2,749	7%	168	11%	6,139	15%	1,468	41,853
2006	63	5%	2,352	7%	173	15%	6,423	19%	1,173	34,341
2007	66	5%	1,550	6%	230	19%	6,542	26%	1,243	24,881
Total	283	5%	8,818	6%	777	14%	24,653	17%	5,675	141,473

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006, 2007

Note: Total Loan Applications is the sum of all Approved, Denied, and Withdrawn/Incomplete loan applications.

Table 27 provides a summary of all loan applications that were either incomplete or withdrawn from loan consideration. While the availability of financing is not understood by quantifying withdrawn and incomplete loan applications, it is important to analyze such data in order to explain fluctuations in approved and denied loan applications. As seen below, the share of withdrawn and incomplete loan applications changed little between 2004 and 2007, indicating that changes in approved and denied applications are strong indicators of the availability of financing.

The analysis of home loan activity in the City of Monterey compared with the Salinas MSA/MD between the years of 2004 and 2007 does not indicate that the availability of financing is a constraint to the access of homeownership.

Table 27
Withdrawn/Incomplete Loan Activity City of Monterey and Salinas MSA/MD

	Withdrawn/Incomplete Loan Activity									
	Home Purchase Loans			Home		e & Improv ans	ement	Total Applic		
Year	Mont	Monterey Salinas MSA/MD Monte		Salinas MSA/MD		nterey Salinas MSA/MD		MSA/MD	Montorov	Salinas
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Monterey MSA/MD	
2004	65	4%	1,662	4%	188	10%	4,990	12%	1,791	40,398
2005	74	5%	1,808	4%	172	12%	5,242	13%	1,468	41,853
2006	27	2%	1,172	3%	105	9%	4,392	13%	1,173	34,341
2007	48	4%	666	3%	99	8%	2,628	11%	1,243	24,881
Total	214	4%	5,308	4%	564	10%	17,252	12%	5,675	141,473

Source: Home Mortgage Disclosure Act, 2004, 2005, 2006, 2007. Note: Loans Approved include: loans originated and loans approved, not accepted. Total Loan Applications is the sum of all Approved, Denied, and Withdrawn/Incomplete loan applications.

Governmental Constraints

Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors may constrain the maintenance, development, and improvement of housing. This section discusses potential governmental constraints as well as policies that encourage housing development in the City of Monterey.

Land Use Controls

The City's Zoning Ordinance allows residential development in all the City's residential and commercial zones. The only zone that does not allow residential development is the I-R district (Industrial). As described in **Table 28** below, the residential densities allowed for development provide a wide range of development opportunities.

Table 28 Permitted Housing Type/Zoning

Zoning		Permitted Housing Type	Density (units/acre)
R-E	Residential Estate	Single-family detached homes	2-8
R-1	Residential Single-Family	Single-family detached homes	2-8
R-2	Residential Low Density Multifamily	Multi-family, including duplexes, townhouses, apartments, or cluster housing	14.5
R-3	Residential Medium Density Multifamily	Garden apartments, townhouses, cluster homes	30
C-1 ¹	Neighborhood Commercial	Business, mixed-use	30 ²
C-2 ¹	Community Commercial	Retail shopping area, mixed-use	30 ²
C-3 ¹	General Commercial	Auto sales, contractor yards, warehouses, mixed-use	30 ²
CO ¹	Office and Professional	Offices, mixed-use	30 ²
CR	Cannery Row Commercial	Specialty and general commercial, service, recreational and public and semipublic uses	30 ²

Source: City of Monterey, Zoning Ordinance, September 2008

Notes:

- Multi-family with 3 or fewer units are permitted; all others require a use permit.
- 2 Densities may exceed 30 du/acre if the building size and height are compatible with adjoining buildings.

The City regulates the type, location, density, and scale of residential development primarily through its Zoning Ordinance. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents, as well as to implement the policies of the Monterey General Plan. The Zoning Ordinance also helps preserve the

character and integrity of existing neighborhoods. **Table 29** summarizes the relevant residential standards for both single-family and multi-family development.

Table 29
Residential Development Standards

Zana Diatriat	Minimum Lot	Building		Yard Setback	
Zone District	Area (sq.ft.)	Height	Front	Side	Rear
R-E (R-E5A-R-E-20)	20,000 - 5 acres	2½ stories or 30 ft	35 ft	10% but no more that 10 ft	35 ft
R-1 (R-1-5-R-1-40)	5,000 - 40,000	2½ stories or 30 ft	35 ft	10% but no more that 10 ft	35 ft
R-2 (R-2-5-R-2-20)	5,000 – 20,000	2 stories or 25 ft	20 ft	5 ft or 10% of lot width	15 ft
R-3 (R-3-5-R-3-20)	5,000 – 20,000	2 stories or 25 ft	20 ft	5 ft or 20% of lot width	15 ft
C-1	5,000	2 stories or 25 ft	01	O ¹	10 ¹
C-2	5,000	2 stories or 25 ft	01	O ¹	0 ¹
C-3	10,000	2 stories or 25 ft 3 stories and 35 ft. ²	0 ^{1, 3}	O ¹	0 ¹
со	15,000	2 stories or 25 ft 3 stories and 35 ft. ²	20	5 ⁴ Corner Site: 20 % of width; min. 10 ft; max. 15 ft.	Max of 15 ft.
CR ⁵	5,000	4 stories and 45 ft.	0	15, plus 3 ft. for each story over 3	0

¹ Abutting or fronting on an R district, the standards of the adjacent district apply.

- Respects the historic character of Cannery Row structures; and
- Respects architectural character, pedestrian scale, and perspective of the Cannery Row buildings.

Source: City of Monterey, Zoning Ordinance, September 2008

²Use Permit required.

³ Along East Del Monte Avenue, the average yard shall be 15 feet, and the minimum yard shall be 10 feet.

⁴Ten feet for two- and three-story buildings.

⁵ The Planning Commission may modify any development standard to permit a project that is consistent with the Cannery Row LCP. Specific design considerations require that a project:

Mixed-Use Development Standards

A mixed-use project contains both residential and commercial uses on a single site within a commercial zoning district. The intent is to encourage the mix of retail, office, and residential uses. The regulations listed below apply to all mixed-use projects.

Mixed-use projects shall be permitted with a use permit in all commercial districts. After approval of the original use permit to establish a mixed use, offices and retail uses shall be allowed subject to requirements of the underlying zone. Mixed-use development shall meet the property development standards of the underlying zone, with the following qualifications and exceptions:

- Commercial and office uses shall be the predominant street frontage use in a mixed-use project.
- Mixed-use developments should be compatible with the existing design elements of the surrounding area. The development should not look like an apartment building, if the predominant design is commercial. Density may exceed 30 units per acre if the Planning Commission determines that additional units will make the mixed-use building size and height compatible with adjoining buildings.
- Private open space is encouraged for each residential unit. Interior patio areas or patios to the rear of a building are options for providing open space.
- Off-street parking and loading shall be required for all uses, subject to the requirements set forth in Article 18 of the Zoning Code.
- Residential apartment units shall have a minimum of one permanently assigned parking space for each unit (no covered parking spaces required). Units that exceed 1,000 square feet may be required to conform to multi-family, rental and multi-family, and condominium requirements. Additional parking may also be required if it is determined that the amount of residential space is disproportional to the amount of commercial space and the potential for shared parking is therefore minimal in the mixed-use project. Parking adjustments and shared parking may be used for both commercial and residential parking requirement in a mixed-use project.
- An acoustic analysis and noise mitigation program to reduce noise transmission between commercial and residential uses shall be submitted with a use permit application for a use which typically generates high noise levels in a mixed-use building.
- Each residential unit shall be provided a separate storage area consisting of at least 100 cubic feet and having a minimum horizontal surface of 25 square feet. In addition, for projects with more than four units, there shall be at least one washer and one dryer for each five units.

The City's parking requirements for residential districts vary by housing type, the number of units, and parking needs. **Table 30** identifies the City's parking requirements for different housing types. Single-family units are required to have two covered spaces. For all other types of residential development, parking requirements are based on the number of bedrooms per unit.

Table 30 Parking Requirements

	R-E	R-1	R-2	R-3
Single-family	2	2	2	2
Multi-family/Condominium				
Studio	-	-	1.2	1.2
One bedroom	-	-	1.5	1.5
Two bedrooms	-	-	2	2
Three or more bedrooms	-	-	2.5	2.5
Guest house	1	1	1	1
Elderly housing	-	-	.5	.5
Source: City of Monterey, Zoning Ora	inance, September 2	008		

Provision for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage development of various types of housing for all economic segments of the population. This includes single-family housing, multi-family housing, manufactured housing, mobile homes, emergency shelters, and transitional housing, among others. **Table 31** below summarizes those housing types.

Table 31 Housing Types Permitted by Zoning District

					Zone	Distri	icts			
Housing Types Permitted	R-E	R-1	R-2	R-3	C-1	C-2	C-3	СО	IR	Overlay Zone
One-Family Dwelling	Р	Р	Р	Р						
Multi-Family Dwellings			P ¹							
Second Units										
Manufactured (mobile home, factory built)	Р	Р	Р	Р						
Residential Care, Limited	Р	Р	Р	Р						
Residential Care, General	U	U	U	U						
Farmworker Housing						P ²				
Transitional and Supportive Housing										
Emergency Shelters					P ²	P ²	P ²			
Single Room Occupancy units (SROs)										C ²

Source: City of Monterey Zoning Ordinance, September 2008

Notes

Secondary Living Units: The second unit law was first enacted in 1982 with the addition of Government Code Section 65852.2, which authorized local agencies to approve second units through a conditional use permit process. The law has been amended four times, most recently with the adoption of AB 1866, which requires applications for a second unit to be considered ministerially without discretionary review or a hearing. That is, AB 1866 eliminated the use permit procedure. The small concession to the local agencies was that the legislators left intact the ability to adopt local standards. But if local standards are not adopted, second unit development applications will be reviewed pursuant to the minimum standards for review, set forth in Section 65852.2. It also continues to allow local agencies to prohibit the development of second units in single-family and multi-family residential zones based on formal written findings of adverse impacts on the public health, safety, and welfare. In a recent case involving the City of Santa Monica, the Court of Appeal determined that charter cities, such as Monterey, were not exempt from Section 65852.2.

¹ Three or fewer units permitted; four or more require a use permit.

² Programs f.1.8 and f.1.9 states that the City will amend these uses to comply with SB 2 and AB 2634. These will be the allowed uses after this amendment.

Most cities have read the law as a mandate to process second units using either the statutory minimum standards or more restrictive locally adopted standards. However, Monterey has taken a different direction. In 1986, the City passed an ordinance that completely prohibits second units in the City, with findings of adverse impacts.

Mobile/Manufactured Homes: Mobile homes and manufactured housing offer an affordable housing option to many low- and moderate-income households. It is the intent of the City to provide opportunities for the placement of manufactured homes in R districts, consistent with state law, and to ensure that such manufactured homes are designed and located so as to be harmonious within the context of the surrounding houses and neighborhood. The City permits mobile homes and manufactured housing in all residential districts.

Farmworker Housing: The 2000 Census estimates that of the total working population only 178 City residents work in agricultural, fishing, forestry, hunting, and/or mining, representing less than 1 percent of the City's residents. Therefore, the demand for housing generated by farmworkers in Monterey is estimated to be nominal and can be addressed through overall programs for affordability.

Residential Care Limited: Residential care facilities, limited, are defined by the City as facilities providing 24-hour-a-day care to seven or more persons with non-medical conditions, including wards of the juvenile court, and those in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those services and facilities licensed by the State of California. Residential care facilities, limited, are permitted in all residential districts (R-E, R-1, R-2, and R-3).

Residential Care General: Residential care facilities, general, are defined by the City as facilities providing 24-hour-a-day care to seven or more persons with non-medical conditions, including wards of the juvenile court, and those in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those services and facilities licensed by the State of California. This classification also includes homeless shelters. Residential care, general, requires a resident manager. Residential care facilities, general, require a conditional use permit in all residential districts (R-E, R-1, R-2, and R-3).

Emergency Shelters: California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person."

In effect since January 1, 2008, Senate Bill (SB) 2 (Cedillo, 2007) requires the City to allow emergency shelters without any discretionary action in at least one zone that is appropriate for permanent emergency shelters (i.e., with commercial uses compatible with residential or light industrial zones in transition), regardless of its demonstrated need. The goal of SB 2 was to ensure that local governments are sharing the responsibility of providing opportunities for the development of emergency shelters. To that end, the legislation also requires that the City demonstrate site capacity in the zone identified to be appropriate for the development of emergency shelters. Within the

identified zone, only objective development and management standards may be applied, given they are designed to encourage and facilitate the development of or conversion to an emergency shelter. Those standards may include:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based upon demonstrated need, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone;
- The size and location of exterior and interior on-site waiting and client intake areas;
- The provision of on-site management;
- The proximity to other emergency shelters provided that emergency shelters are not required to be more than 30 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

Program f.1.7 states the City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in a newly created overlay zone in the City's C-1, C-2, and/or C-3 zoning districts which are close to transit corridors and close to services. The City has adequate capacity on vacant and underutilized parcels (approximately 34 acres) within the C-1, C-2 and C-3 zoning districts, which are suitable for the development of emergency shelters due to their proximity to public transit lines, social services, and personal services. The City will create this overlay zone with specific development standards for emergency shelters.

Transitional and Supportive Housing: Transitional housing is defined in Section 50675.2 of the Health and Safety Code as rental housing for stays of at least six months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms, such as group housing or multifamily units, and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is defined by Section 50675.14 of the Health and Safety Code as housing with linked on-site or off-site services with no limit on the length of stay and occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing are usually focused on retaining housing, living and working in the community, and/or health improvement.

SB 2 requires that transitional and supportive housing types be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. Compliant with SB 2, the City will explicitly define both transitional and supportive housing types, as well as permit both uses in all residential zones only subject to the requirements within that zone. Program f.1.8 states that the City shall update its Zoning Ordinance to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.

Housing for Persons with Disabilities: SB 520 (Chapter 671, Statutes of 2001) requires all local jurisdictions to undertake an analysis of governmental constraints to the development, improvement, and maintenance of housing for persons with disabilities and to include a program to remove constraints to, or provide reasonable accommodations for housing designed for occupancy by, or with supportive services for persons with disabilities. For the purposes of state law, "persons with disabilities" are defined in the Government Code as those individuals facing a variety of physical, mental, or health problems that make major life activities difficult or impossible.

Monterey's Municipal Code defines a family as "an individual or two or more persons living together in a dwelling unit as a single housekeeping unit." The definition is broad and neither mentions nor omits people with disabilities. Currently, Monterey does not have any specific land use or development standard related to the spacing or concentration of persons with disabilities or any special parking requirements, but the City has included Program f.1.6 to provide a process for individuals with disabilities to make requests for reasonable accommodation.

Program f.1.6 states that the City will amend the Zoning Ordinance to provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures that may be necessary to ensure equal access to housing. The purpose of this program is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws of the City. As part of this program, the City will appoint a staff person to work with disabled persons who are proposing improvements to accommodate their needs. The purpose is to streamline the permit review process if needed.

Extremely Low-Income Households: Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

Extremely low-income households typically comprise persons with special housing needs, including, but not limited to, persons experiencing homelessness or near-homelessness, persons with substance abuse problems, and farmworkers. The City's Zoning Ordinance currently does not allow SROs in any district. Program i.1.9 states that to ensure zoning flexibility that allows for the development of SROs, the City will

update its Zoning Ordinance to explicitly allow for SROs in a district that is near services and mass transit.

Density Bonuses: State law requires cities and counties to approve density bonuses for housing developments that contain specified percentages of units affordable to very low- or low-income households or units restricted to occupancy by seniors.

Under state law (California Government Code, Sections 65915–65918), housing developers may qualify for several types of density bonuses of at least 25 percent and up to 35 percent based on the percentage of housing units in a development that is affordable to very low-income, low-income, moderate-income, or senior households. Density bonus units must be restricted to occupancy by seniors or affordable to the targeted income for at least 30 years. Depending on the percentage of affordable units and the income level(s) to which the units are affordable, cities and counties must also grant at least one to three "concessions" (additional incentives) in addition to a density bonus.

According to the Monterey Zoning Ordinance, the City will grant a 25 percent density bonus over the housing unit density allowed by the existing zoning if the developer agrees to meet the following conditions:

- At least 25 percent of the units are for low- or moderate-income households; and
- At least 10 percent of the units are for lower-income households.

Within 90 days of receiving a request for such an incentive, the City Council will hold a noticed public hearing. Following the hearing, the City Council may grant such incentives as are appropriate and consistent with the General Plan and the purposes of this ordinance which do not conflict with any other provision of this ordinance or the City Code.

After City Council approval of a request of incentives, the developer shall be required to enter into an agreement with the City to provide low- and moderate-income housing. This Housing Incentive Agreement shall include, but not be limited to, the following provisions:

- The proportion of the total units that will be affordable by persons and families of low or moderate incomes shall be specified.
- A commitment that the affordable units will remain available and affordable by persons and families of low- or moderate-income.
- A requirement that the units affordable by persons and families of low or moderate income be identified on building plans submitted for architectural review and described in the application for a low- and moderate-income housing incentive.
- A requirement that resale controls be included as a deed restriction to ensure continued affordability.

• A description of the specific incentives that the City will make available to the developer and any condition pertaining to them.

To comply with state law, Program i.1.2 states that the City will continue to allow appropriate density bonuses in the City's commercial districts. Density bonuses in excess of 25 percent may be allowed for projects that exceed City inclusionary housing percentages or the state-mandated criteria for low-income, moderate-income, and special-needs housing. Projects which receive density bonuses shall maintain affordability for the life of the project.

Inclusionary Ordinance: The purpose of an Inclusionary Ordinance is to encourage the development of housing affordable to a broad range of households with varying income levels within the City as mandated by state law, and to promote the City's goal to add affordable housing units to the City's housing stock in proportion to the overall needs and goals reflected in the 2009 Housing Element. The requirements for the Inclusionary Ordinance are summarized below:

- Developers of less than six housing units are exempt from mandatory compliance with the ordinance.
- Developers of six or more housing units shall:
 - Provide at least 20 percent of their project for moderate-income and low-income households. The units supplied shall be a proportionate mix of units to the number of units in the entire project and similar in size and type, excluding amenities.

OR

- Provide an approved Developer Housing Program to the City promoting the City's goal that at least 20 percent of all new housing be affordable to low- and moderate-income households. Designations of levels of affordability are subject to Council approval of the Developer Housing Program. The units supplied shall be a proportionate mix of units to the number of units in the entire project and similar in size and type, excluding amenities.
- The developer may choose to produce 20 percent low-income housing instead of moderate-income housing. In such case, the City may choose to increase the level of incentives. If a developer provides land or funds in lieu of producing housing, the City or other housing sponsor may choose to use these resources to produce low- or moderate-income housing.
- In consideration of developer participation, the City may offer incentives as it deems appropriate to developers of low- or moderate-income housing in the City, including those provided by state law. These incentives may be adopted by Council Resolution and suited to the particular circumstances of such developments.

Condominium Conversion Ordinance: The purpose of the Condominium Conversion Ordinance is to increase homeownership and the percentage of owner-occupied housing in the City. In 2005 the General Plan set forth a policy which encouraged condominium conversions, and then in 2007 the City adopted a Condominium Conversion Ordinance. Since 2005 the City has completed 417 condominium conversions and 135 tentative maps. Of these 417 condominium conversions, several have been affordable to low- and moderate-income households (Footprints on the Bay, 42 units; Cypress Park Townhomes, 32 units; Vista del Mar Condominiums, 8 units; and Land Hill Condominiums, 5 units). The Condominium Conversion Ordinance does have an inclusionary housing requirement, and the affordability of the units is determined by the City.

Permit Processing: Land use entitlements are processed through the Planning, Engineering, and Environmental Compliance Division. The table below summarizes the process and review body for each entitlement (**Table 32**).

Table 32
Land Use Entitlement Processes

Entitlement Involving New Housing Units	Fee	ARC	Planning Commission	City Council	Expected Time Frame (days)
Decigo Review	\$270, New one- or two- story residential buildings;	Х			60
Design Review	\$800, New apartments or mixed-use development	^			60
	\$175, Single-family residential;				
Use Permit	\$750, Multi-family or mixed use;		x		60
	\$2,000, with environmental review				
	\$175, One residential variance;				
Variance	\$720, One mixed-use or multi-family variance;		Х		60
	\$1,000, Multiple variances				
Rezone	\$1,000 + hourly fee		Х	Х	90
General Plan Amendment	\$1,000 + hourly fee		Х	Х	90
Tentative Map (more than 4 lots)	\$2,000 + \$100 per lot		Х		60

Source: City of Monterey Planning, Engineering, and Environmental Compliance Division, 2009

^{*} Based on a complete application, fee, and submittal package

<u>Architectural Review</u> – Single-family residences and multi-family projects require review by the City's Architectural Review Committee (ARC), which evaluates the architectural compatibility of a project with the neighborhood.

Each architectural review project undergoes a three step process: concept, preliminary, and final review. At concept review, ARC reviews the project design. Preliminary review is typically delegated to staff and is where final details such as colors, landscaping, and exterior lights are approved. From start to finish, the design review process takes about 60 days. The cost for design review is \$270 for single-family residences (one or two stories) and \$800 for apartment buildings or mixed-use developments.

<u>Use Permits</u> – Mixed-use projects and apartments over four units require approval of a use permit by the Planning Commission. Processing time typically takes two months for Planning Commission review and approval. Though not a requirement, staff encourages applicants to meet with staff early in the design process to discuss potential issues. The first formal step in the permit process is the review of the application by staff and the environmental determination. Staff reviews the proposed use and determines if it will be detrimental to the public health, safety, or welfare of persons residing or working in or adjacent to the neighborhood of such use, and will not be detrimental to properties or improvements in the vicinity or to the general welfare. The application then goes to public hearing with the Planning Commission. After Planning Commission approval, the project is reviewed by the Architectural Review Committee as described in the above section (architectural review). Use permits allow a minimum of 90 days processing time: 30 days for completeness review by staff and then 60 days to schedule a hearing. Based on the number of building permits that are approved each year, the City does not consider this a constraint to the development of housing in the City.

<u>Variances</u> – Applications that include a request for a variance require Planning Commission approval. Processing time and procedure is similar to that described above for the use permit.

Zoning and General Plan Amendments – Applications that require amendments to the Zoning Map, Zoning Ordinance, or General Plan require review and approval by both the Planning Commission and City Council. The City Council is the final decision-making body and receives a recommendation and report of findings from the Planning Commission. Upon City Council approval of the amendment request, the project proceeds through the architectural review process.

Building Codes and Enforcement

Code enforcement plays an important role in maintaining the quality of neighborhoods. Code enforcement deals with a range of neighborhood issues, from abandoned vehicles parked in yards or driveways to illegal conversions of garages into living spaces to unsanitary buildup of trash and debris on private property.

The first "tool" in enforcing codes in Monterey is public education. When code enforcement officers explain that a law is being broken, most problems are resolved

quickly. Actual code "enforcement" (usually by way of issuing citations) is normally used only when voluntary cooperation is not received. The City's goal is to stay in contact with community groups to understand local concerns, and questions regarding neighborhood issues are welcomed.

The City of Monterey adopted the 1997 Uniform Building Code and amendments to the code were made in 2004 and 2007.

Fees

The City collects various fees from applicants to cover the costs of processing permits, including fees for planning approvals, subdivision map approvals, environmental review, public works and plan check services, and building permits. In addition to these service fees associated with development processing, the City and regional transportation agency charges several impact fees to offset the future impact of development on regional traffic and circulation, parks, and libraries. For a detailed list of development fees, see **Appendix A.**

As a means of assessing the cost that fees contribute to development in Monterey, the City has calculated the total Building, Planning, and Public Works fees associated with development of three different residential projects (single-family, multi-family, and mixed-use). As indicated in **Table 33**, development fees for a 2,000 square foot residential project total approximately \$48,395 per unit. Development fees for a 4-unit multi-family building total about \$73,086. Development fees for a mixed-use project having 14 residential units (16,500 square feet residential) and 6,800 square feet of commercial space total \$347,640.

Table 33
Fees for Sample Projects

TYPE OF DEVELOPMENT	FEE
Single-Family Residence (for 2,000 square foot home):	
City Design Review	\$270
City Building Permit	\$15,948
Building Standards Fee	\$57
Strong Motion Impact Fee	\$141
Construction Road Act Impact	\$14,102
City Fire Department Fee	Fire Sprinklers + \$628
MPUSD School Fee (outside agency)	\$6,312
MPWMD Water Fee (outside agency) (assumes 2 bathrooms, kitchen & laundry room)	\$4,619
MRWPCA Sewer Fee	\$2,732
Regional Transportation Agency Fees	\$3,586
Total (estimated)	\$48,395

(Assumptions: Water is available for allocation; exempt from CEQA.)

Estimated Total Project Cost:

Single-Family Dwelling 2,000 sq. ft \times \$200 = \$400,000

Garage 400 sq. ft. \times \$25.43 = 10,172

\$410,172

(Fees comprise about 12% of project cost.)

Multi-Family Building (4-unit apartment building; 2,000 sq. ft. building, 900 sq. ft. parking;				
3 1-bedroom units; 1 2- bedroom unit)				
City Use Permit	\$750			
City Design Review	\$800			
City Building Permit	\$15,308			
Building Standards Fee	\$53			
Strong Motion Impact Fee	\$278			
Construction Road Act Impact	\$13,229			
City Fire Department Fee	Fire Sprinklers + \$1,206			
MPUSD School Fee (outside agency)	\$7,627			
MRWPCA Sewer Fee	\$10,928			
MPWMD Water Fee (outside agency) (assumes 1 bathroom and kitchen per unit)	\$12,835			
Regional Transportation Agency Impact Fees	\$10,072			
Total (estimated)	\$73,086			
(A sound from Water is an illebit for all setime sound from CEO A)	(\$18,272 per unit)			

(Assumptions: Water is available for allocation; exempt from CEQA.)

Estimated Total Project Cost:
Residential 2,000 sq. ft. \times \$150= \$300,000
Garage 900 sq. ft. \times \$25.43 = \$22,887
\$322,887
(Fees comprise about 23% of project cost.)

Mixed-Use Project (14 residential units/apartments; 16,500 sq. ft. residential; 6,800 sq. ft.	
commercial)	
City Use Permit	\$750
City Design Review	\$800
City Building Permit	\$36,864
Building Standards Fee	\$172
Strong Motion Impact Fee	\$900
Construction Road Act Impact	\$42,836
City Fire Department Fee	Fire Sprinklers + \$2,906
City Park Fee	\$23,100
MRWPCA Sewer Fee	\$31,869
MPUSD School Fee (outside agency)	Residential \$43,395
	Commercial \$16,456
MPWMD Water Fee (outside agency)	Residential \$44,923
(assumes 1 bathroom, 1 kitchen, 1 washer per	· · ·
unit)	Commercial \$31,601
Regional Transportation Agency Impact Fees	\$71,068
TOTAL	\$347,640

(Assumptions: Water is available for allocation; 14 1-bedroom/1-bath apartments; does not include condominiums or PUD, meets all zoning code/regulations, requires only one use permit entitlement, and is exempt from CEQA)

Estimated Total Project Cost:

Residential 16,500 sq. ft. \times \$150 = \$2,475,000

Commercial 6,800 sq. ft. \times \$100 = \$680,000

Carports 5,058 sq. ft. \times \$25.43 = \$128,625

\$3,283,625

(Fees comprise about 11% of project cost.)

Source: City of Monterey, February 2009

I. HOUSING OPPORTUNITIES

Availability of Sites for Housing

This section provides the inventory of vacant and underutilized land that is available in the City of Monterey for both multi-family and single-family residential development. **Table 36** provides the number of acres, zoning, unit potential, and availability of infrastructure for all vacant acreage not earmarked for a pending project. **Table 37** provides an inventory of underutilized properties that have potential for more intensive development (see Figure 1 for a map of vacant and underutilized sites).

A total of 657 new housing units have been allocated by AMBAG for the City of Monterey from 2007 through 2014. For this planning period, the Housing Element must show that the City has the capacity and appropriate zoning and development standards to facilitate the development of 257 housing units affordable to extremely low-, very low-, and low-income households to meet its fair share allocation for these income levels. In addition, the City will have to allow for 125 housing units available to moderate-income households and 275 units to above moderate-income households.

RHNA Progress

Between January 2007 and February 2009, no units affordable to extremely low-income households were constructed. Since 2007, building permits have been pulled for 77 units, including 3 units restricted for very low-, 15 for low-, and 17 for moderate-income households. There have also been 42 building permits processed for the development of housing units affordable to above moderate-income households.

This development reduces the City's RHNA allocation as shown under the Remaining RHNA column in **Table 34**. The City currently has an adequate amount of vacant and underutilized land capacity to accommodate the City's remaining fair share allocation. See **Tables 36** and **37** for a complete list of available sites to meet the City's 2007-2014 RHNA.

Table 34 displays the City's RHNA progress toward those allocations, its remaining allocations, a summary of the capacity of vacant and underutilized sites, and the resulting shortfall or surplus of appropriate sites. As previously stated, the City has issued 93 building permits since January 1, 2007, and has a remaining total RHNA allocation of 564 units and a total unit capacity of 771 units on vacant or underutilized sites.

As a result, the City has a surplus unit capacity of 104 units that would be affordable to extremely low-, very low-, and low-income households, a surplus capacity of 46 units for moderate-income households, and a surplus capacity of 57 units affordable to above moderate-income households, for a total surplus of 207 units. **Tables 36** and **37** exhibit the characteristics of the available sites for the development of single-family homes and multi-family units. There is a potential for 66 single-family dwelling units and 705 multi-

family dwelling units. The City's total housing allocation does not take into account all underutilized R-3 parcels, which are smaller and could support an additional single-family home. These parcels would likely be developed in response to housing demand and would serve above moderate-income households.

Table 34
Comparison of Regional Growth Need and Residential Sites

Income Group	Total RHNA	Progress Since 2007	Remaining RHNA	Site Inventory Capacity	RHNA Surplus
Extremely Low	73	0	73		
Very Low	73	3	70	343	10
Low	111	15	96		
Moderate	125	17	108	154	46
Above Moderate	275	58	217	274	57 ³
Total	657	93 ^{1,2}	564	771	207

Source: Association of Monterey Bay Area Governments, 2008; City of Monterey, 2009

Notes:

Realistic Capacity

The Zoning Districts and General Plan land use designations are shown for each site identified as having capacity for new residential construction. The realistic capacity of sites zoned residential in both **Tables 36** (vacant) and **37** (underutilized) is based on the allowed dwelling unit capacity and recent buildout yields of residential projects in the City. In addition, the realistic capacity of sites in non-residential zones suitable for mixed-use development has been determined based on recent mixed-use development trends. **Table 35** provides a summary of recent residential and mixed-use developments and the density of dwelling units achieved.

The dwelling unit density achieved by recent projects in each of the zones (R-3, C-2, C-R, and P-C) described in **Table 35** is used for determining the capacity of each parcel identified in **Tables 36** and **37**.

¹ 16 Single-family homes constructed (above moderate-income).

² Multi-family development (77 units; very low-, low-, and moderate- income units are all deed restricted in perpetuity):

⁴⁰⁶ Alvarado (Monterey Hotel Apartments), 18 units (10 low-income, 8 moderate-income)

⁴²⁶ Alvarado (Regency Theater), 11 units (1 low-income, 1 moderate-income, 9 above moderate-income)

¹³¹ Lighthouse Ave (French Glass), 14 units (1 low-income, 1 moderate-income, 12 above moderate-income)

Cypress Meadows, 12 units (3 very low-income, 3 low-income, 6 moderate-income)

²⁰¹ Cannery Row, 5 units (above moderate-income)

⁴⁷⁵ Alvarado Street, 3 units (above moderate-income)

⁴⁹⁹ Webster Street, 1 unit (above moderate-income)

⁶⁴³ Cannery Row, 6 units (1 moderate-income, 5 above moderate-income)

⁸⁹⁰ Taylor Street, 2 units (above moderate-income)

¹⁹¹ Lighthouse Ave, 5 units (above moderate-income)

³ 124.4 underutilized acres in the R-3 district not included in Site Inventory Capacity. The City has adequate underutilized R-3 parcels that can meet the future housing demands of above moderate-income households.

Residential

The residential development examples described in **Table 35** are examples of projects which were completed as solely residential uses. As shown in **Table 35**, recent residential projects have been completed on underutilized R-3 and C-2 parcels, which contained one single-family home on each lot. Due to a lack of vacant land supply and a demand for housing, additional residential units have been developed on lots with existing single-family homes in the R-3 and C-2 districts, resulting in a higher residential intensity. The single-family homes have been retained and new smaller multi-family developments have been constructed on each parcel. For example, at 801 Lyndon Street, the parcel previously contained a single-family home, though it is zoned for much higher density (R-3). In 2005 an additional three residential units were developed on the site at roughly 27 dwelling units to the acre.

According to the City, there has been an increase in the number of smaller multi-family projects being developed on underutilized residential parcels, which is the result of a low supply of vacant parcels and a higher demand for additional housing units. Residential development examples in **Table 35** serve as the basis for developing the realistic development potential of underutilized residential sites identified in **Table 37**. The realistic capacity of each of the underutilized sites, which currently have single-family homes, will be calculated assuming 27 dwelling units per acre.

Mixed Use

Mixed-use development examples in **Table 35** show the prior use and the redeveloped use of each site. In addition, **Table 35** provides the total size of each parcel and the portion of the parcels that were redeveloped with residential uses. For example, at 131 Lighthouse Avenue a commercial building occupied a 0.57 acre parcel which was redeveloped with a three-story mixed-use development consisting of ground-floor commercial and upper-floor residential uses. The zoning standards for mixed-use development permit commercial uses on the ground floor and residential on the upper floors. The Lighthouse project was developed with 12 residential units (5 affordable units), which equates to 21 dwelling units per acre.

As seen in **Table 35**, the residential density of each mixed-use site ranges between 15 and 86 dwelling units per acre. The average density of residential units for all mixed-use sites in **Table 35** is 40 dwelling units per acre. For the purpose of developing the residential development potential of mixed-use development on underutilized sites in **Table 37**, it is assumed that each site will develop at the average density of 40 dwelling units per acre.

The residential densities achieved in residential projects are calculated according to the total size of each site. The City's Zoning Code permits up to 30 dwelling units per acre in commercial zones, but exceptions are made to allow higher densities in mixed-use projects to ensure compatibility with surrounding development. Potential uses on sites that are prime for mixed use are considered into the calculation of the density of each development. Ground-floor commercial uses do not constrain more intense residential

development as the City shows several examples in which residential density exceeds 30 dwelling units per acre.

Development Potential of Non-Vacant Sites

The City has a limited supply of vacant land suitable for residential development. The majority of the City is considered built out, and residential housing demand has been met through redeveloping underutilized properties. Through the remainder of the planning period, underutilized parcels are the most suitable resource to accommodate the City's remaining fair share allocation. The City has a relatively large supply of underutilized commercial and higher-density residential parcels that are suitable for redevelopment and more intensive residential development.

A large portion of the City's R-3 district has been developed with single-family homes. Programs a.2.1 and a.2.2 encourage the preservation of single-family homes in the R-3 district; however both programs recognize the importance for encouraging the development of smaller multi-family developments on the unused portions of parcels containing single-family homes. Underutilized R-3 parcels in **Table 37** are the most suitable for accommodating an increase of residential development.

The City's supply of underutilized commercially zoned sites is also an important resource to support residential development activity. The commercial sites identified in **Table 37** are most suitable for redevelopment. The City has determined these sites are the most suitable for redevelopment due to a variety of factors. For the most part, these sites are older and the intended uses are no longer fully realized. These sites are also connected to existing infrastructure (water, power, streets, etc), which makes them more valuable for redevelopment. **Table 37** assumes that underutilized commercial parcels will be redeveloped with mixed-use projects that contain residential units and meet the City's housing demand.

The French Glass mixed-use development, located at 131 Lighthouse Avenue, is an example of a recently completed mixed-use project in the City's C-2 district. Of the 14 residential units constructed as part of the project, one is restricted for a low-income household, one is restricted for a moderate-income household and nine are affordable for above moderate-income households. Prior to the completion of French Glass, the site was used for commercial uses. French Glass is one of several redevelopment examples of commercial sites to mixed use with residential uses shown in **Table 35**.

Table 35
Residential Development Examples

Site Address	Zoning District	Acres	Project Type	Existing Use (units)	Number of Housing Units	Housing Density du/acre ¹	Notes		
	Residential								
890 Taylor St.	R3	0.11	Residential	Single-family (1)	2	18	Single-family home retained and two units added.		
801 Lyndon St.	R3	0.11	Residential	Single-family (1)	3	27	Single-family home retained and three units added.		
541 Wave St.	C2	0.19	Residential	Single-family (1)	21	110	Replaced single-family home with 21 residential units.		
515 Wave Street	C2	0.15	Residential	Single-family (1)	3	20	Single-family home retained and three units added.		
				Mixed U	Jse (C2, CR, PC)				
1280 Del Monte Ave	C2	.44	Mixed Use	Grocery store (0)	9	21	3-story (ground-level retail and two stories of residential)		
191 Lighthouse Rd.	C2	.24	Mixed Use	Gas station (0)	5	21	Demolished gas station and constructed a new 10,383 square foot, two building mixeduse project with 2,633 square feet of retail space in a two-story building, five condominium units in a separate three-story building.		
475 Alvarado St.	C2	.10	Mixed Use	Retail and office	3	30	Ground-floor retail and upper-floor residential.		
426 Alvarado St	C2	.59	Mixed Use	Theater	11	19	Mix of retail, restaurant, office and residential.		
131 Lighthouse Ave	C2	.57	Mixed Use	Commercial	12 (5 affordable units)	21	3-story mixed-use project (commercial on ground floor and residential on upper floors)		

Site Address	Zoning District	Acres	Project Type	Existing Use (units)	Number of Housing Units	Housing Density du/acre ¹	Notes
643 Cannery Row	CR	.10	Mixed Use	Commercial	6	60	Two stories added to single-story commercial building. Additional floors are residential and the ground floor retained commercial use.
480 Cannery Row	CR	3.50	Mixed Use	Fish processing and warehousing	51	15	Oceanview Plaza with a mix of retail and residential.
201 Cannery Row	CR	.11	Mixed Use	Vacant	5	45	4-story mixed-use building (retail and residential).
330/350 Alvarado St.	PC	0.35	Mixed Use	-	30 (29 affordable units)	86	3-story mixed use project (retail/theater ground floor and residential on upper floors)
406 Alvarado	C2	.22	Mixed Use	Vacant	18	82	Monterey Hotel Apartments, 18 units (10 low-income, 8 moderate-income)

Source: City of Monterey, 2009

¹ Housing density per acre refers to the density of residential units located on the developed parcels.

Available Vacant Sites

The City has a limited supply of available vacant land, which will not supply a large share of the future housing need. **Table 36** provides an inventory of vacant land in the City suitable for residential development. The table has been organized by available vacant sites in non-residential zones and residential zones.

The realistic capacity of each site was determined by utilizing the recent development examples identified previously in **Table 35**. Residential construction is permitted in mixed-use developments in the City's commercial zones. As discussed in the Realistic Capacity section of this Housing Element, mixed-use developments in the City achieve an average density of 40 dwelling units per acre. Sites 1-4 are located in the C-2 District, which requires a Planning Commission determination that a development is compatible with adjacent sites in order to allow an increase in density over 30 dwelling units per acre. Each of the sites 1-4 is suitable for development at 40 dwelling units per acre that would meet these criteria. For example, site 2 is 0.25 acres and located in the C-2 zone. If developed at a density of 40 dwelling units per acre, the site yields a capacity for 10 units. The realistic capacity of vacant C-2 sites is 58 units, all of which have been allocated toward meeting the City's above moderate-income housing need.

The R-3 district contains 5 parcels 0.23 acres or larger, which are suitable for multifamily development. The City's state-designated default density for sites appropriate for higher-density housing allocations is 20 dwelling units per acre. The City's R-3 district allows up to 30 dwelling units per acre, but the vacant site inventory conservatively assumes 20 dwelling units per acre. The vacant sites in the R-3 district have a realistic capacity of 30 units, which have been allocated toward the City's moderate-income housing need. **Table 11** displays the maximum affordable rents for all income levels. Comparing the maximum affordable monthly rent for moderate-income households with the average rental rates of apartments and condominiums presented in **Table 22**, market-rate rental units are affordable to moderate-income households.

In the Residential Single-Family (R-1) district, there are 11 vacant acres available for single-family construction made up of multiple small infill sites. The maximum number of units allowed per acre in the R-1 district is 8 units. According to recent development activity, it is realistic to plan for a density of 6 units per acre to be achieved in the R-1 district. The realistic development capacity of the vacant sites in the R-1 district is 66 units and is counted toward meeting the needs of above moderate-income households.

The realistic capacity of vacant sites in the commercial district and R-1 district is 124 units, all of which have been allocated toward the City's above moderate-income housing needs. The remaining above moderate-income household allocation was 217; after accounting for 124 additional units, the remaining need is 93 above moderate-income units. The capacity of vacant R-3 sites identified in **Table 36** is 30 units, which have been allocated toward the City's moderate-income household need of 108 units, which means the remaining moderate-income household allocation is 78 units.

Table 36
Available Vacant Land Inventory

APN	GP Designation	Zoning	Allowable Density (du/acre)	Acres	Realistic capacity	Infra- structure	Con- straints
001073004000	Commercial	C-2	Varies	0.21	8	Yes	Water ¹
011467002000	Commercial	C-2	Varies	0.25	10	Yes	Water ¹
001691001000	Commercial	C-2	Varies	0.4	16	Yes	Water ²
001574022000	Commercial	C-2	Varies	0.6	24	Yes	Water ²
nt Non-residentia				1.46	58		
001881050000	Residential	R-3	30	0.41	8	Yes	Water ¹
001057002000	Residential	R-3	30	0.27	5	Yes	Water ¹
001064009000	Residential	R-3	30	0.24	5	Yes	Water ¹
001066012000	Residential	R-3	30	0.23	5	Yes	Water ¹
001728002000	Residential	R-3	30	0.35	7	Yes	Water ¹
acant			30	1.5	30		
Total Vacant R-1 Capacity 8					66		
Total Vacant Residential (R-1 and R-3)					96		
Total Vacant					154		
	001073004000 011467002000 001691001000 001574022000 nt Non-residential 001881050000 001057002000 001064009000 001728002000 acant nt R-1 Capacity nt Residential (R-	APN Designation 001073004000 Commercial 011467002000 Commercial 001691001000 Commercial 001574022000 Commercial nt Non-residential 001881050000 001057002000 Residential 001064009000 Residential 001066012000 Residential 001728002000 Residential acant nt R-1 Capacity nt Residential (R-1 and R-3)	APN Designation Zoning 001073004000 Commercial C-2 011467002000 Commercial C-2 001691001000 Commercial C-2 001574022000 Commercial C-2 nt Non-residential Residential R-3 001881050000 Residential R-3 001057002000 Residential R-3 001064009000 Residential R-3 001728002000 Residential R-3 acant nt R-1 Capacity nt Residential (R-1 and R-3)	APN GP Designation Zoning Density (du/acre) 001073004000 Commercial C-2 Varies 011467002000 Commercial C-2 Varies 001691001000 Commercial C-2 Varies 001574022000 Commercial C-2 Varies nt Non-residential R-3 30 001081050000 Residential R-3 30 001057002000 Residential R-3 30 001064009000 Residential R-3 30 001728002000 Residential R-3 30 acant 30 30 30 nt R-1 Capacity 8 8	APN GP Designation Zoning (du/acre) Density (du/acre) Acres 001073004000 Commercial C-2 Varies 0.21 011467002000 Commercial C-2 Varies 0.25 001691001000 Commercial C-2 Varies 0.4 001574022000 Commercial C-2 Varies 0.6 nt Non-residential R-3 30 0.41 001881050000 Residential R-3 30 0.27 001057002000 Residential R-3 30 0.24 001064009000 Residential R-3 30 0.23 001728002000 Residential R-3 30 0.35 acant 30 1.5 11.0 nt R-1 Capacity 8 11.0 nt Residential (R-1 and R-3) 12.5	APN GP Designation Zoning Density (du/acre) Acres (capacity) Realistic capacity 001073004000 Commercial C-2 Varies 0.21 8 011467002000 Commercial C-2 Varies 0.25 10 001691001000 Commercial C-2 Varies 0.4 16 001574022000 Commercial C-2 Varies 0.6 24 nt Non-residential R-3 30 0.41 8 001881050000 Residential R-3 30 0.27 5 001064009000 Residential R-3 30 0.24 5 001066012000 Residential R-3 30 0.23 5 001728002000 Residential R-3 30 0.35 7 acant 30 1.5 30 nt R-1 Capacity 8 11.0 66 nt Residential (R-1 and R-3) 12.5 96	APN GP Designation Zoning Density (du/acre) Acres (du/acre) Realistic capacity Intrastructure 001073004000 Commercial C-2 Varies 0.21 8 Yes 011467002000 Commercial C-2 Varies 0.25 10 Yes 001691001000 Commercial C-2 Varies 0.4 16 Yes 001574022000 Commercial C-2 Varies 0.6 24 Yes nt Non-residential R-3 30 0.41 8 Yes 001057002000 Residential R-3 30 0.27 5 Yes 001064009000 Residential R-3 30 0.24 5 Yes 001728002000 Residential R-3 30 0.35 7 Yes acant 30 1.5 30 nt R-1 Capacity 8 11.0 66 nt Residential (R-1 and R-3) 12.5 96

Source: City of Monterey, 2009

Underutilized Sites

As mentioned, the City of Monterey has limited vacant land resources to ensure adequate space for residential development. Through the planning period for this Housing Element, as was evidenced throughout the previous planning period, a large share of the City's housing need will be met through the development of underutilized sites. **Table 37** provides an inventory of sites that have been determined to be underutilized and capable of supporting an increase in residential capacity over the existing use. The inventory contains underutilized sites in the City's C-2, C-R, and R-3 districts.

Commercial (Mixed Use)

The commercial sites identified (C-2 and C-R) are a significant resource for the City to meet future housing growth needs. As shown in **Table 35**, the City has experienced an increase in mixed-use development within commercial districts, most of which has occurred in the C-2 district. Mixed-use projects in the C-2 district have achieved densities of up to 86 dwelling units per acre, with a mixture of units affordable to

¹ The City gives priority water allocation to affordable projects (Program i.1.3.). Program i.1.5 outlines a regional strategy for achieving a future water supply.

² Water has been pre-committed to these sites.

households of all incomes. Mixed-use projects in the C-2 district typically average a density of 40 units per acre.

The capacity of each underutilized site in the C-2 district was determined by multiplying 40 dwelling units per acre by the acreage of those commercial sites that can be determined to accommodate this density while achieving compatibility with the scale and character of adjacent sites, as required by the Mixed-Use Development Standards, and 30 dwelling units per acre for the remaining C-2 sites. Underutilized C-2 parcels in **Table 37** have a realistic capacity to support the development of 232 housing units in mixed-use developments. C-R parcels (sites 24 and 25) have capacity to support the development of 67 housing units for a total of 299 housing units in mixed-use developments on commercially zoned land.

As mentioned, the recalculated RHNA for extremely low-, very low-, and low-income households is 239 housing units and the remaining need for moderate-income households (after subtracting the vacant site development potential) is 78 units. Mixed-use development in the City's underutilized C-2 commercial zones has produced residential units in projects with densities as high as 86 units per acre. On average, mixed-use developments in the C-2 district achieve 40 units per acre and represent the densest development occurring in the City, suitable for moderate- and lower-income households. As shown in **Table 37**, the City estimates that in the identified underutilized commercial sites, there is a realistic capacity of 299 units (sites 10 through 25).

Sites 10 through 12 have a realistic development capacity of 132 units. The higher-density development and larger size of the parcels make them suitable for meeting the needs of lower-income (extremely low-, very low-, and low-) households. Accounting for the capacity of sites 10 through 12 (132 units) to meet the City's remaining lower-income housing need results in a remaining need of 107 lower-income housing units. Sites 24 and 25 have a combined realistic capacity of 67 units, and based on the realistic density and size of each parcel, the units could be made affordable to moderate-income households, which results in a remaining need of 11 moderate-income housing units. The remaining capacity of underutilized commercial sites 10 through 25 is 100 units, which leaves a surplus of 7 units affordable to above moderate-income households.

Market Trends

As shown in **Table 35**, a trend is emerging in the City to redevelop commercially zoned parcels with mixed-use development. Due to a limited inventory of land primarily zoned for residential development, mixed-use development has included residential units. The cost to redevelop underutilized parcels as mixed-use projects has proved to be a more affordable development option due to the low supply of vacant parcels. According to the County Assessor, the average cost for a vacant 5,000 square foot lot is \$350,000. While the cost to acquire and redevelop a non-vacant lot is difficult to determine because the existing use of the lot is calculated in the acquisition cost, developers are becoming more active in the acquisition and rehabilitation of non-vacant parcels.

Property owners have also began to express interest in redeveloping existing commercial uses with a mixed-use development. Site 13 in **Table 37** is an active gas station. The owner of the property has expressed interest and is seeking a development partner to redevelop the site as mixed use from the primary commercial use.

Downtown Design Guidelines

The City also actively supports the redevelopment of underutilized commercially zoned parcels (Program g.1.3). The City's Downtown Design Guidelines recommend that surface parking (sites 15-23) be replaced with structured parking that is integrated into developments containing more intensive development (Program g.1.2). As developments are proposed in the Downtown commercial area, the Planning Commission will consider a range of parking solutions in order to ensure that key downtown properties are put to the best use.

In addition to addressing parking strategies for redeveloping Downtown, the Design Guidelines also recommend that existing buildings should be rehabilitated and new structures developed that increase density (Program g.1.2). Commercial uses are encouraged at the street level, with office and residential uses on the upper floors.

Residential

The City also has a large supply of underutilized sites in the R-3 district. The uses on R-3 sites identified in **Table 37** have been developed at low densities with single-family residential units. The City's Zoning Code allows for multi-family development with up to 30 units per acre in the R-3 zone.

The majority of the City's R-3 district has been built out. A large portion of the district is built with single-family homes, well below maximum allowable densities, and is therefore considered underutilized. Programs a.2.1 and a.2.2 preserve the existing single-family homes in the R-3 district as a measure to continue to support homeownership. At the same time, the City recognizes the need for denser development in order to meet the affordability needs of lower-income households. Therefore, the City has identified single-family parcels that can support additional housing units. Sites 26 through 29 in **Table 37** have been identified as ideal sites that could each support the development of residential units. Each site contains one single-family home.

As shown in **Table 35** the City has approved multi-family projects on underutilized R-3 parcels containing a single-family home. In fact, many R-3 parcels in the City contain a single-family home and a multi-family building. As previously discussed, multi-family development on underutilized R-3 parcels yields an average density of 27 dwelling units per acre. The R-3 sites in **Table 37** have a realistic capacity to support an additional 255 units. Site 29 is 7.46 acres and is currently occupied with an underutilized community building that is more than 40 years old. Site 29 has a capacity to support the development of 201 new housing units, which could be made affordable to lower-income households and have been allocated as such, which creates an excess capacity of 94 units affordable to lower-income households. Sites 26 through 28 have a capacity to support 44 multi-family housing units, which would be affordable to moderate-income

households, and which creates a surplus of 33 housing units affordable to moderate-income households. Sites 30 and 31 include projects that are currently under review by the City. Site 30 is owned by the City and will be developed with 10 low-income units. Site 31 is proposed to be developed with 12 units, which will contribute to the above moderate-income need. Site 32 has been approved for the development of a 51-unit mixed-use project. However, the developer has not yet applied for building permits. The site is required to provide 38 units affordable to above moderate-income households and 13 to moderate-income households, which provides a greater surplus for the above moderate-income housing need.

In addition to the underutilized parcels located in the R-3 zone suitable for development of larger multi-family housing, there are 124.40 acres of underutilized residential land in the R-3 district suitable to meet the needs of above moderate-income households. The City's land use survey found that a large share of the underutilized R-3 sites will support minimal additions of residential units. There are over 800 sites with single-family units considered to be underutilized in the R-3 district. As previously mentioned, Programs a.2.1 and a.2.2 implement measures to retain home ownership while allowing for more intensive uses of the R-3 district. Specifically, Program a.2.2 encourages the City to explore the option of reducing the minimum lot size requirements of single-family lots in the R-3 zone. The intent of reducing the lot sizes is to promote more intense uses of the developed zone while retaining existing structures. The 124.40 underutilized acres in the R-3 district combined with Programs a.2.1 and a.2.2 is sufficient to meet the housing need of above moderate-income households, creating a surplus of available sites for above moderate-income households.

Table 37
Underutilized Land Inventory

Site #	APN	Address	GP Designation	Zoning	Allowable Density ²	Acres	Existing Use (units)	Description of Existing Use	Realistic Capacity
10	0131030- 36000	2031 N. Fremont Street	Commercial ¹	C-2	Varies	1.05	Commercial (0)	Old restaurant occupies the site adjacent to residential under same ownership. City has received inquiries regarding the redevelopment of this site for increased density through mixeduse development.	31
11	0130210- 12000	2020 Del Monte Ave.	Commercial ¹	C-2	Varies	1.11	Commercial (0)	Current use is a 40+ year-old roller skating rink with mixed-use potential. City has received inquiries regarding mixed-use development potential.	44 ³
12	0017030- 03000	601 E. Franklin St.	Commercial ¹	C-2	Varies	1.90	Commercial (0)	Vacant building, ripe for reuse. The City has received inquiries regarding mixed-use development potential.	57
13	0016820- 10000	320 Fremont St.	Commercial ¹	C-2	Varies	0.61	Commercial (0)	Active gas station, but owner actively seeking partner to redevelop.	24 ³
14	0016810- 37000	600 Munras Ave.	Commercial ¹	C-2	Varies	0.68	Commercial (0)	Old restaurant with office lease spaces upstairs that are vacant. City has received inquiries regarding mixed-use development potential	27 ³
15	0015730- 12000	439 Alvarado St.	Commercial ¹	C-2	Varies	0.17	Commercial (0)	Parking for adjacent bank. Downtown Design Guidelines opportunity.	7 ³
16	0015740- 19000	470 Tyler Ave.	Commercial ¹	C-2	Varies	0.2	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	8 ³
17	0015740-	478 Tyler Ave.	Commercial ¹	C-2	Varies	0.1	Parking (0)	Parking for adjacent business. Downtown Design Guidelines	4 ³

Site #	APN	Address	GP Designation	Zoning	Allowable Density ²	Acres	Existing Use (units)	Description of Existing Use	Realistic Capacity
	20000							opportunity.	
18	0015740- 05000	482 Tyler Ave.	Commercial ¹	C-2	Varies	0.1	Commercial (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	4 ³
19	0015740- 15000	Corner of Tyler and Perry	Commercial ¹	C-2	Varies	0.1	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	4 ³
20	0015740- 13000	115 Pearl Ave.	Commercial ¹	C-2	Varies	0.1	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	4 ³
21	0016920- 07000	471 Tyler Ave.	Commercial ¹	C-2	Varies	0.18	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	7 ³
22	0016920- 04000	456 Washington St.	Commercial ¹	C-2	Varies	0.15	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	6 ³
23	0016920- 10000	468 Washington St.	Commercial ¹	C-2	Varies	0.13	Parking (0)	Parking for adjacent business. Downtown Design Guidelines opportunity.	5 ³
24	0168200- 90000	731 Munras Ave.	Commercial ¹	C-R	Varies	0.95	Restaurant (0)	Very old restaurant that is currently operating. Site is suited for mixeduse development.	38 ³
25	0010210- 05000	600 Cannery Row	Commercial ¹	C-R	Varies	0.99	Restaurant (0)	Restaurant is currently in operation, however development standards would allow the entire site to be used for mixed-use development, including the addition of a second story above the restaurant, to meet the maximum allowed density of 30 du/acre.	29
26	0013610- 15000	160 Seeno St.	Residential ¹	R-3	30	0.50	Single- family (1)	One single-family home currently occupies the site. Suitable for more intensive residential development.	14
27	0013610-	136 Seeno St.	Residential ¹	R-3	30	0.60	Single-	One single-family home currently	16

Site #	APN	Address	GP Designation	Zoning	Allowable Density ²	Acres	Existing Use (units)	Description of Existing Use	Realistic Capacity
	16000						family (1)	occupies the site. Suitable for more intensive residential development.	
28	0014030- 11000	738 Jefferson	Residential ¹	R-3	30	0.50	Single- family (1)	One single-family home currently occupies the site. Suitable for more intensive residential development.	14
29	0132620- 12000 0132620- 13000	930 -950 Casanova	Residential ¹	R-3	30	7.46	0	This is an underutilized community center. Upon discontinuance of the use, the entire site would be redeveloped as multi-family.	201
30	0015120- 03000 0015120- 04000 0015120- 16000 0015120- 07000	619 – 669 Van Buren	Residential ¹	R-3	30	0.48	Single- family	The City purchased this property with HUD funding and has planned to develop 10 affordable units on this site. The existing structures are vacant.	10
31	0010310- 03000	300 Cannery Row	Commercial ¹	C-R	30	0.45	0	Project has received preliminary planning review.	12
32		480 Cannery Row	Commercial	C-R	30	3.5	0	Project has received planning approval but not building permits	Permitted for 38 market rate and 13 mod. units
Total		•	'	'		22.01			617

Source: City of Monterey, 2009

¹ All existing sites have water that could be redistributed to residential development if redeveloped.

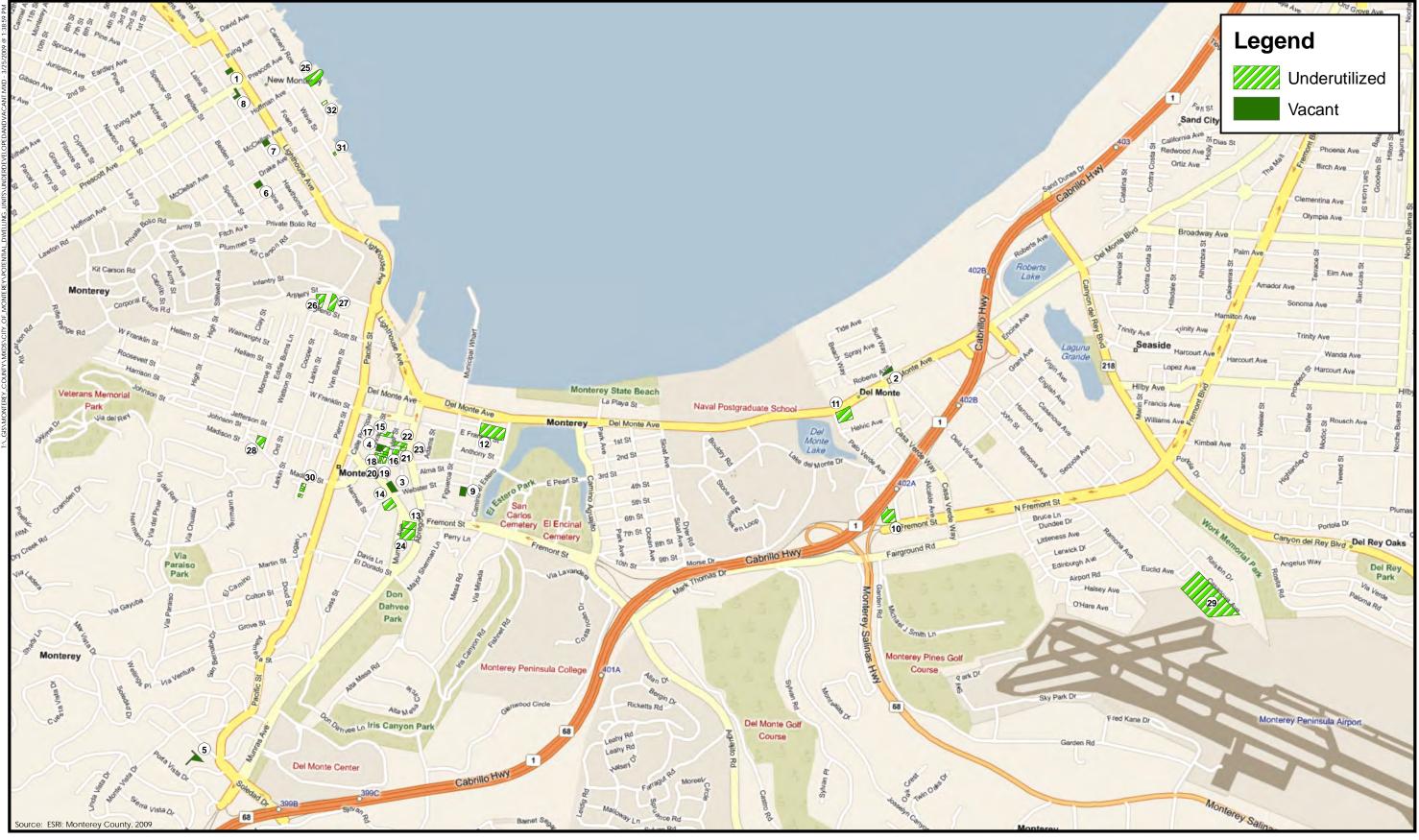
2 Residential development density is regulated through a mixed use permit in commercial districts and varies according to the proposed project.

3 An increased density to 40 du/acre would be compatible with adjacent uses.

Future Development Growth Opportunity

Fort Ord Site

Fort Ord was established in 1917 as a maneuver area and field artillery target range and was closed in September 1994. While many of the old military buildings and infrastructure remain abandoned, several structures have been torn down in anticipation of development. The site is now occupied by California State University-Monterey Bay, subdivisions, residential and commercial development, military facilities, and a nature preserve. A 136-acre portion of former Fort Ord property that is adjacent to the Ryan Ranch Business Park will eventually be annexed by the City. Due to its proximity to Ryan Ranch, the site has been prezoned Industrial (IR). However, the City will perform an opportunities and constraints analysis of the site to determine its best use and whether it would be an appropriate location for workforce housing to serve the adjacent business park. Possible constraints to residential development at this site include its proximity to the Monterey Peninsula Airport and distance from public transportation and other public services.









Resources for Affordable Housing

Financing is generally available for housing construction and purchase in the City of Monterey. This has not been a constraint to housing production in Monterey.

Efforts by the City to assist in the development, rehabilitation, and preservation of affordable housing would utilize organizational and financial types of resources. The following programs include local, state, and federal housing programs that are valuable resources in assisting in the development of affordable housing, preserving at-risk housing, and for housing rehabilitation.

Community Development Block Grant (CDBG): The Department of Housing and Urban Development (HUD) awards Community Development Block Grant funds annually to entitlement jurisdictions and states for general housing and community development activities, including housing rehabilitation, public facilities and infrastructure, public services, and economic development activities. HUD also offers various other programs that can be utilized by the City and by nonprofit and for-profit agencies for the preservation of low-income housing units such as Section 202 and Section 108 loan guarantees.

Community Services Block Grant (CSBG): In all states, the Community Services Block Grant program is designed to provide a range of services to assist low-income people in attaining the skills, knowledge, and motivation necessary to achieve self-sufficiency. The program also provides low-income people with immediate life necessities such as food, shelter, and health care needs. In addition, services are provided to local communities for the revitalization of low-income communities, for the reduction of poverty, and to help provider agencies to improve and increase their capacity at achieving results and to develop community resources with whom to link services and funding.

HOME Program: The Home Investment Partnerships Program (HOME) was created under the Cranston-Gonzalez National Affordable Housing Act enacted in November 1990. The HOME Investment Partnership Program is designed to improve and increase the supply of affordable housing. The City of Monterey applies to HCD for these funds and the grants are awarded on a competitive basis. HOME funds may be used for housing rehabilitation, new construction, and acquisition and rehabilitation for both single-family and multi-family projects.

Redevelopment Agency: The City of Monterey does not have an independent Redevelopment Agency or department. The City Council acts as the City Redevelopment Agency. Various departments and divisions within the City address redevelopment issues and projects as they arise. For example, the Planning, Engineering and Environmental Compliance Division, which includes housing and property management, works on projects in Downtown Monterey, on Cannery Row, and in the Custom House development areas. This Housing and Property Management Division receives Plans & Public Works Block Grant Funds which are primarily used for housing in Monterey. **Table 38** below provides a description of the amount of money the City anticipates to accrue over the planning period, along with the expected uses.

Table 38
Projected Redevelopment Funds and Expenditures

Accounts			Years						
Accounts	2010/11	2011/12	2012/13	2013/14	2014/15				
Projected Income									
Cannery Row #271	\$65,000	\$62,000	\$65,000	\$65,000	\$65,000				
Greater Downtown #272	\$536,079	\$395,580	\$400,000	\$400,000	\$400,000				
Custom House #273	\$384,451	\$546,160	\$ 545,000	\$545,000	\$545,000				
Sale Ocean Harbor House units	\$3,196,000								
Total projected income RDA	\$4,181,530	\$1,003,740	\$ 1,010,000	\$1,010,000	\$1,010,000				
Projected Project Expenditures	3								
Van Buren Housing	\$50,000	\$1,000,000							
Fort Ord Site Pre Planning		\$60,000							
Down Payment Assistance	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000				
Housing Related Contracts	\$120,00	\$ 120,000	\$12,000	\$12,00	\$ 12,000				
Replace OHH Units with Rental				\$ 3,196,000					
Total Expenditures (projected)	\$570,000	\$1,580,000	\$412,000	\$ 3,608,000	\$412,000				
Source: City of Monterey, 2009									

Low Income Housing Tax Credit Program (LIHTC): In 1986, Congress created the federal low-income housing tax credit to encourage private investment in the acquisition, rehabilitation, and construction of low-income rental housing.

Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the California Legislature created a state low-income housing tax credit program to supplement the federal credit.

The state credit is essentially identical to the federal credit. State credits are only available to projects receiving federal credits. Twenty percent of federal credits are reserved for rural areas and 10 percent for nonprofit sponsors. To compete for the credit, rental housing developments have to reserve units at affordable rents to households at or below 46 percent of area median income. The assisted units must be reserved for the target population for 55 years.

The federal tax credit provides a subsidy over ten years toward the cost of producing a unit. Developers sell these tax benefits to investors for their present market value to provide upfront capital to build the units.

Credits can be used to fund the hard and soft costs (excluding land costs) of the acquisition, rehabilitation or new construction of rental housing. Projects not receiving

other federal subsidy receive a federal credit of 9 percent per year for ten years and a state credit of 30 percent over four years (high cost areas and qualified census tracts get increased federal credits). Projects with a federal subsidy receive a 4 percent federal credit each year for ten years and a 13 percent state credit over four years.

California Housing Finance Agency (CalHFA): The California Housing Finance Agency (CalHFA) offers permanent financing for acquisition and rehabilitation to forprofit, nonprofit, and public agency developers seeking to preserve at-risk housing units. In addition, CalHFA offers low-interest predevelopment loans to nonprofit sponsors through its acquisition/rehabilitation program.

California Department of Housing and Community Development: HCD conducts the Urban Predevelopment Loan Program, which provides funds to pay the initial costs of preserving existing affordable housing developments for their existing tenants. Priority is given to applications with matching financing from local redevelopment agencies or federal programs.

HCD also conducts the acquisition and rehabilitation component of the Multifamily Housing Program to acquire and rehabilitate existing affordable rental housing. Priority is given to projects currently subject to regulatory restrictions that may be terminated. Assistance is provided through low interest construction and permanent loans. Eligible applicants include local government agencies, private nonprofit organizations, and forprofit organizations.

J. OPPORTUNITIES FOR ENERGY CONSERVATION

Energy-related costs could directly impact the affordability of housing, particularly with California in a midst of an energy crisis. Title 24 of the California Administrative Code sets forth mandatory energy standards for new development and requires the adoption of an "energy budget." Subsequently, the housing industry must meet these standards and the City is responsible for enforcing the energy conservation regulations.

The City of Monterey Building Division reviews all new residential construction and additions for compliance with energy conservation requirements. Residential construction has the option of complying with pre-tested standards or demonstrating through energy calculations that the structure independently meets the energy conservation goals. According to the City's Building Official, most residential developers provide energy calculations that describe how the project will meet the energy requirements. Implementation of this law saves a significant amount of energy.

The City has a Climate Action Team which is made up of City staff and members of the Planning Commission. They meet regularly to discuss progress toward development of a Climate Action Plan for the City that will contain goals, objectives, and programs for how the City can reduce its carbon footprint.

The City Council adopted a mission statement and strategic initiatives for the City of Monterey. The Council directed staff to develop a system of standards and incentives for sustainability of new construction and remodels – "Green Initiative."

Monterey recently signed the U.S. Mayors Climate Protection Agreement. The agreement commits the City to meet the greenhouse gas emissions requirement of the Kyoto Protocol, which requires a 7 percent reduction from 1990 levels by 2012. A green building program is an accepted and effective policy solution for emission mitigation.

In addition, the City Council signed the U.N. Urban Environmental Accords, which promote an environmentally sound, healthy, and safe urban environment. The Accords require the City to "adopt a policy that mandates a green building rating system that applies to all new municipal buildings."

The City adopted a Green Building Program in August 2008, which includes the following principles:

- City will take a leadership role and design, construct, and certify projects to a Silver LEED standard (for projects over 1,000 square feet).
- City should not "reinvent the wheel" for a Green Building Program and use adopted standards. The City is proposing U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standard for nonresidential projects and Build It Green's Green Building Guidelines for residential projects.

- Phased implementation.
- Incentives.

The program includes the following incentives: green building award, expedited permitting, priority inspections, floor area exemptions for certain green building methods, setback flexibility for certain green building practices, and height exemptions for certain green building elements.

<u>Green Building Award</u> –The Green Building Program will offer a plaque that can be affixed to green building projects, public recognition by the City Council at a semi-annual ceremony, and additional marketing and press releases.

<u>Expedited Permitting</u> – Projects that meet this incentive will be fast-tracked through the building permit process. Projects will move to the "front of the line" and will see a reduction in the processing time by approximately increasing turnaround times by 25 percent.

<u>Priority Inspections</u> – Projects that meet the green building requirements will be given priority for inspections with a next-day inspection.

<u>Floor Area Ratio</u> – The Green Building Program eases limits on floor area ratio (FAR) where an increase in FAR is directly related to certain green building methods. An example is straw bale construction where "thicker walls" reduce the amount of usable floor area.

<u>Setback Flexibility</u> – The Green Building Program will allow the Architectural Review Committee to modify setbacks for residential projects that use certain green building practices. Some commercial districts already have a zero setback so no increased flexibility is needed.

<u>Increase in Building Height to Accommodate Green Building Elements –</u> The Green Building Program eases height limits on certain green building elements. An example of this is solar panels.

APPENDIX A

City of Monterey Schedule of Fees, February 2009

DEPAR	TMENT OF PLANS AND PUBLIC WORKS	Fee	Resolution #
Auglitaat	Planning Office		
	ural Review Committee Review:		
Commerc			
Major	(new commercial/industrial buildings, new apartment buildings, two-story commercial additions)	\$800	06-17
Minor	(commercial additions, remodels, exterior tenant improvements, etc.)	\$200	06-17
Resident	ial		
Major	(new one or two-story buildings, or second-story additions)	\$270	06-17
Minor	(one-story additions, exterior alterations to one-story buildings or one-story of a two-story)	\$125	06-17
Architect	ural Review Committee Sign Review:		
	(large monument signs, multiple freestanding signs, pole signs, internally illuminated signs)	\$175	06-17
	(all signs not included above)	\$100	06-17
Architect	ural Review/Solar Panels	No Fee	04-36
Appeals (of Zoning Administrator	\$75	06-17
Appeals (of Planning Commission	\$140	06-17
	of Architectural Review Committee s or Environmental Determination	\$100	06-17
Appeals Permits	of Staff Decision/Home Occupation	\$50	06-17
Use Pern	nits:		
Master	(projects requiring environmental review and/or multiple permits (including PUDs)	\$2000 + Hourly Fee	04-36
Major	(commercial, industrial, multi-family)	\$750	04-36
Minor	(single-family residential uses)	\$175	06-17
Environn	nental Impact Report	10% or contract price	04-36
Environn Declarati	nental Initial Study Leading to a Negative on	\$100 + Hourly Fee	02-156
Environn	nental Exemption	No Fee	02-156
Fisherma	ın's Wharf Project Review:		
Major	(major use or building changes as determined by the Deputy City Manager of Plans and Public Works; new or expanded structures; new fishing trip or tour boats;	\$500	02-156

DEPARTMENT OF PLANS AND PUBLIC WORKS Planning Office			Fee	Resolution #
replacement fishing trip or tour boats that				
	exceed size, length and weight of the existing boat; Wharf Master Plan Policy			
		poat; whan Master Plan Policy ent requests)		
		se changes as determined by the		
Minor	Deputy C	City Manager of Plans and Public	\$100	02-156
Works)			.	
General Plan Amendment			\$1000 + Hourly Fee	02-156
Historic Preservation Mills Act Request			\$200	04-36
Home Occupation Permit (Business)			\$30	02-156
Permit Extension Request			1/2 of current fee	04-36
Permit Re		•	1/2 of current fee	04-36
	Re-open Permit		1/2 of current fee	04-36
<u> </u>		ingo, pet permits)	\$75	04-36
_	•		\$2000 + \$100 per	
Tentative Subdivision Map (more than 4 lots)		lot	02-156	
Small Subdivisions (4 or less lots)			\$850	04-36
Lot Line Adjustment			\$625	04-36
Planned Unit Development		elopment	\$2000 + \$100 per lot	02-156
Variance	Permit:			
Master		variances for commercial, multi-	\$1,000	04-36
Major	(one variance (coverage, height, parking adjustments) for commercial, multi-family or industrial sites)		\$720	04-36
Minor	(resident	ial fences, setbacks, parking)	\$175	04-36
Zone Cha	ange		\$1000 + Hourly Fee	02-156
Zoning O	rdinance	Amendment	\$1000 + Hourly Fee	02-156
Undocum	nented Dv	velling Units	\$175	04-36
Illegal Construction			Double Current Fee	04-36
Building Permit & Plan Check Fee Schedule			Contact Building	
For all residential & commercial projects:			Permit &	02-157
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			Inspection at 831.646.3890.	
Residential Property Inspections Reports - Single Family Dwelling			\$100	02-157
FIRE DEPARTMENT				
Fire Prote	ection Sy	stem Plan Check and Inspection		
		•		

DEPARTMENT OF PLANS AND PUBLIC WORKS Planning Office	Fee	Resolution #
Fire Alarm System	\$100 + \$2 for each detector & pull station.	03-7
Automatic Fire Sprinkler System	\$100 1-5 heads	
	\$200 5-180 heads	
	\$200 180+heads\$1.50/ head	03-71
Fixed Fire Protection System (other than auto sprinklers)		
New	\$200	03-71
Alteration	\$100	03-71
PLANS & PUBLIC WORKS DEPARTMENT		
Temporary Encroachment Permit	\$172	08-014
Permanent Encroachment Permit	\$172	08-014
Street Opening Permit	\$172	08-014
Banner Permit	\$172	08-014
Driveway, Curb, Gutter, Sidewalk Permit	\$172	08-014
Construction Activity Road Impact Fee	1% of the sum of the building permit's project valuation	05-179
Public Improvement Design Service	\$91.00/hour	08-014
Public Improvement Plan Check	\$91.00/hour	08-014
Plans & Public Works Services	Misc.	05-15
Administration Fee for Notification to obtain a necessary permit, hourly	\$91.00/hour	08-014
Public Improvement Inspection	3% of common area or dedication improvements.	92-112
Plans & Public Works Publication Technical Standa and Specifications		
	per sq. foot blueprint \$1.20	08-014
	per photocopy .18	06-11
Plans & Public Works Publication copied on CD	\$28	08-014
Water Well Permits	\$25	92-112
Water Well Permits Appeals	\$25	92-112
Final Subdivision Map Check	\$600	05-15
Parcel Map Check	\$310	05-15
Sewer Connection (Twin Oaks)	\$420/developable	05-15

DEPARTMENT OF PLANS AND PUBLIC WORKS Planning Office		Fee	Resolution #
		parcel	
Standard Specifica	ation	\$50.00 per set	08-014
Street Patch Charg	ge	\$16.50/sq. foot (asphalt only)	08-014
Storm Water Erosi	on Control Plan	\$178	08-014
Building Permit	& Inspection Services Division		
Plumbing Permit			
For the Issuance of a Water Heater Permit		\$50	04-48
For the Issuance of all other Plumbing Permits		\$69.25	04-48
Electrical Permit			
For the Issuance of all other Electrical Permit		\$69.25	04-48
Mechanical Permit			
For the Issuance of	all other Mechanical Permit	\$69.25	04-48
Grading Plan Revi	ew Fee		
For the review of ea	ach grading plan (Minimum)	\$69.25	04-48
Grading Permit Fe	e		
For the issuance of	each grading permit (Minimum)	\$69.25	04-48