



CITY OF DEL REY OAKS

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DATE: March 28, 2023
TO: Honorable Mayor and Councilmembers
FROM: Denise Duffy, City Planning Consultant
SUBJECT: Housing Element Status Report

Recommendation: Receive the staff report on the Housing Element Update, including attachments.

Background: In accordance with applicable State housing law, local government agencies are legally required to adopt plans and programs for housing that provide opportunities for and do not unduly constrain housing development. The Housing Element, which is one of seven State-mandated components of the City's General Plan, is therefore a mechanism by which the State requires local jurisdictions to provide a variety of housing options and strive toward reaching regional housing needs while maintaining civic and local responsibility toward economic, environmental, and fiscal factors and community goals stated within adopted General Plan documents. Housing Elements are required to be updated every eight years and are required to be certified by the State of California Department of Housing and Community Development (HCD) prior to finalization, in order for HCD to ensure that cities are taking necessary steps to promote the creation of housing for all income categories and of all housing types.

5th Cycle Discussion

The City's current Housing Element was adopted by the City Council in December 2019. In 2020, HCD sent a letter stating that the 2019 Element was not certified by the State. The City settled a potential legal challenge in 2020, conducted public workshops, met with HCD staff and completed a draft of the 5th Cycle Update. The Regional Housing Needs Allocation (RHNA) for the 6th Cycle was confirmed in October 2022. The 5th Cycle Update draft will be sent to HCD for 60-day review in April 2023. HCD will have 60 days to respond to address compliance. The City will then proceed to make final changes or adopt with concurrent or subsequent action to rezone Sites 1 and 1a. In addition, pursuant to applicable State housing law, the City solicited public participation from all segments of the community in the preparation of the 5th Cycle.

The Regional Housing Needs Allocation (RHNA). RHNA is mandated by state law as part of the periodic process of updating local housing elements of the General Plan. The RHNA quantifies the need for housing within each jurisdiction during the specified planning periods. The Association of Monterey Bay Area Governments (AMBAG) is responsible for developing RHNA allocations for this region, based on totals provided by HCD. The following table from the Housing Element identifies the City's 5th cycle RHNA with 4th cycle shortfall.

Table 7-1 Quantified Objectives Summary								
Income Category	Allocation by Cycle*		Totals by Income Category	New Construction	Rehabilitation	Conservation/ Preservation	Total Units By Housing Type	
	5 th Cycle	4 th Cycle						
Very Low (0-50% of AMI)	7	34	41	41	0	0	41	Combined Low and Very Low = 70
Low (51-80% of AMI)	4	25	29	29	0	0	29	
Moderate (81-120% of AMI)	5	-	5	5	0	0	5	Combined Moderate/ Above Moderate = 16
Above Moderate (more than 120% of AMI)	11	-	11	11	0	0	11	
Total Units	27	59	86	86	0	0	86	
*4 th Planning Cycle affordable housing shortfall requirement applies to very low- and low-income only.								
** Total very low and low-income								
Source: HCD Projected Housing Needs – Regional Housing Needs Allocation (HCD, 2019)								

Per HCD, the City Housing Element and rezoning shall accommodate a shortfall of 59 units of adequately-zoned sites for lower-income households carried over from the previous planning period (4th cycle), as well as a shortfall of 11 units for the 5th cycle planning period.

The City conducted public workshops and hearings on the City's 5th Cycle Update and provided final input on site inventory and program for rezoning on March 16, 2023, confirming Sites 1 and 1a.

Recommendation: Receive revised program (below) for 5th Cycle Housing Element Update, Program 1a.

Program A.1 Accommodate the City's RHNA

According to the RHNA, the City has an affordable housing shortfall of 59 units for the 4th Planning Cycle and an allocation of 11 units for the 5th Planning Cycle for low and very low-income categories. The City has identified Sites 1 and 1a as being the preferred site for development to meet the City's RHNA (please see the Site Inventory in Chapter 3.0 Housing Needs and Resources) for the very low- and low-income categories and for development of moderate and above-moderate income categories. In order to develop the preferred Sites to meet the City's share of the RHNA, the Zoning Ordinance will be revised to allow affordable residential development on Sites 1 and 1a for low- and very low-income. The site will be rezoned in conformance with Government Code section 65583.2(h) and (i). The City will meet the 16 units of moderate and above-moderate RHNA on Site 1 and will re-designate sufficient property in this portion of former Fort Ord within City limits to achieve this goal. The City will provide a range of types of housing units and prices to meet the total 86 units of regional housing allocation needs for Del Rey Oaks. The Housing Element Site Inventory finds that this density can feasibly be developed on these sites. Rezoning will meet the requirements of Government Code section 65583.2(h) and (i). The City must also accommodate its moderate and above moderate RHNA. The City has described 5 sites under consideration adequate area in Site 1 and Site 1a to meet the City's RHNA, see Chapter 3 and Appendix C. All sites must have access to dry utilities, sewer, and water.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	<u>Amend General Plan Land Use Map and Zoning Ordinance to allow residential uses as an allowed use for Site 1 and Site 1a by the 3rd quarter of 2023. The City shall accommodate the City's 5th Planning cycle RHNA and 4th cycle shortfall carryover by 4th quarter 2021.</u>
Source of Funding	General Fund

Revisions shown in ~~strike out~~ and underlined.

6th Cycle Discussion

The 6th cycle RHNA for the City is 184 units, with 53.26% for low and very-low income (38 units low and 60 very low income).

Key components of the housing element are set forth under State law (California Government Code Sec. 65583 et seq) and related land use regulations related to housing. The Draft 6th Cycle Housing Element will include the following components:

- **Background Information:** A housing needs assessment which identifies and analyzes the existing and projected housing needs within the City by examining demographic, employment, and housing trends and conditions, with attention paid to special housing needs (e.g., seniors, large families, persons with disabilities).
- **Constraints on Housing Analysis:** An analysis of existing and potential governmental and nongovernmental barriers to housing development.
- **Housing Resources:** An inventory of resources relevant to meeting the City's housing needs.
- **Housing Plan:** A statement of goals, policies, quantifiable objectives, and financial resources available for the preservation, improvement, and development of housing.
- **Evaluation of Past Performance:** Review of the 2015-2023 5th cycle Housing Element to measure progress and effectiveness of housing and outreach policies and programs.
- **Public Participation:** Public outreach and community engagement program, to include all economic segments of the community including any underrepresented groups.
- **Sites Inventory:** Identify locations of available sites to ensure there is enough land zoned for housing to meet the future need at all income levels.

The City Council will be considering authorizing DD&A to draft the 6th cycle 2023-2031 Housing Element at its meeting on March 28, 2023. During the 5th Cycle Update, the City has completed work towards the 6th cycle, including portion of the necessary tasks to assess existing and projected housing needs, initial review the existing Housing Element, and other requirements. Once Council approves DD&A's contract to officially start, DD&A and City Staff are ready to undertake the needed work on the 6th cycle update to the City's Housing Element.

6th Cycle Element Requirements

Recent changes to state law have imposed new requirements for the Housing Elements which introduces substantial challenges to the City's ability to identify sites to accommodate our required RHNA allocation. New Housing Element requirements include:

- **Higher RHNA Allocations** as noted above.
- **Affirmative Further Fair Housing (AFFH):** Assembly Bill 686 was passed in 2018 as the statewide framework to affirmatively further fair housing (AFFH) to promote inclusive communities, further housing choice, and address racial and economic disparities through government programs, policies, and operations. AB 686 defines "affirmatively furthering fair housing" to mean "taking

meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes. The bill added an assessment of fair housing to the housing element which includes the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity; an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

- **Sites Inventory:** The City must demonstrate in its Housing Element the ability to meet its RHNA allocation, through the provision of sites suitable for residential development. To meet the assigned housing needs, the Housing Element will identify sites that may be suitable for residential development, including vacant and non- vacant sites throughout the City. In addition, the City will include an estimate of ADUs projected to be constructed during the planning period based on development trends. The sites inventory analysis will demonstrate that the City has adequate capacity to accommodate the RHNA for the 6th cycle planning period. The City will also be required to specify the projected housing type/density for each identified site. State law requires that the adequate sites for RHNA must be available for the entire duration of the Housing Element planning period.

This is an overview and intended as informational to the Council. Future Housing Element meetings/workshops will address these items in more detail.

Next Steps

Attachment 1 provides an overview of the schedule. City staff and DD&A will coordinate on providing the following for the 6th Cycle Housing Element Update:

- Proceed with updating the sites inventory analysis;
- Provide community workshops;
- Draft the 6th Cycle Housing Element document and update the housing programs;
- Periodically report to the Planning Commission and City Council for recommendations and input;
- Prepare and refine draft CEQA documents;
- Submittal to HCD (14 days after close of 30-day Public Review);
- HCD Mandatory Review of Draft Housing Element (90 days);
- Respond to HCD comments; and
- Conduct Planning Commission/City Council hearings for adoption of the Housing Element (Fall/Winter 2023)

As part of the upcoming process, the draft housing element will be available for 30-day public review and will require an initial review period by HCD of 90 days.

Public Participation

The process for the 6th Housing Element Update will continue to provide, residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations and input for consideration by decision-makers pursuant to Government Code §65583.

To date, the following public outreach efforts have been made during the update process for 6th cycle, including the March 16, 2023 Public Workshop and City Council Meeting and tonight's March 28, 2023 City Council Meeting. Additional public outreach efforts will be conducted and scheduled throughout the remainder of the update process.

Current Programs: As noted above, the 6th Cycle Housing Element must contain a section evaluating the 5th cycle programs to assess progress and effectiveness of housing and outreach policies and programs. The attached provides an overview of existing 5th Cycle policies and programs.

The City Council is also encouraged to review the attached Programs from Chapter 7.0 5th Cycle Housing Element. This will be useful in future meetings when Council will be considering specific programs to continue or expand (i.e., continuing programs into 6th cycle.)

Recommendation: There is no formal action required for this agenda item. This item is to inform the City Council of the tasks ahead necessary to complete the 6th cycle Housing Element.

This is also another opportunity to hear from the City Council on any ideas, concerns, and/or direction to staff and consultants regarding the matter, as a continuation of the discussion held by City Council on March 16, 2023. As such, this staff report contains no formal recommendation for action for 6th Cycle.

Attachment 1 – Schedule 6th Cycle

Attachment 2- Programs Chapter 7, Housing Element 5th Cycle

Attachment 1

Schedule

Schedule City of Del Rey Oaks Housing Element Update – 6th Cycle	
Tasks	Time Frame
Task 1 – Initiation and City and HCD Meetings	March and April 2023
<i>Task 1a – Public Outreach</i>	Public Outreach will be ongoing through completion of project Initial meetings to be conducted in March and April. April/May - Up to two (2) open houses, listening sessions or workshops (one (1) or both meetings may be conducted via Zoom depending on outreach needs). April/May - Planning Commission and City Council study sessions (one (1) meeting each for a total of two (2) meetings, unless combined), and May - Conduct tribal consultation in compliance with SB 18, including preparing all notices and mailings.
Task 2 – Housing Element Update Components	April/May 2023 – (Internal City Staff review to be completed by section)
<i>Task 2a - Review of Existing Programs</i>	April 2023
<i>Task 2b - Housing Assessment and Needs Analysis</i>	April 2023
<i>Task 2c - Housing Resources and Opportunities</i>	April/May 2023 -
<i>Task 2d - Housing Constraints Analysis</i>	April/May 2023 -
<i>Task 2e - Sites Inventory</i>	May 2023
<i>Task 2f - AFFH Analysis</i>	May 2023
<i>Task 2g- Revisions and New Programs</i>	May/early June 2023
Task 3 – Prepare Draft Housing Element	April/May/early June 2023
Task 4 – Public Review	30 days starting end of May/early June 2023
<i>Task 4a - HCD review and Housing Element Revisions</i>	90 days starting July/August through early September Mid-September and October Revisions
Task 5 – Environmental Documents/CEQA	Summer 2023 through November 2023
Task 6 – Adoption and Planning Commission & Council Meetings	October/November/December 2023
City of Del Rey Oaks Housing Element Update – 6th Cycle, March 23, 2023	

Attachment 2

Programs Chapter 7, Housing Element 5th Cycle

CHAPTER 7.0 HOUSING PLAN

Housing Goals, Policies and Programs

Under California law, the housing element must include the community's goals, policies, quantified objectives, and housing programs for the maintenance, improvement, and development of housing. This Housing Element contains five goal statements the City has identified to address major housing related issues facing the community. The following goals, policies, and programs are identified to meet the City's unique and specific position in the regional housing market while meeting the community demands of a growing community and changing housing market.

The Housing Plan is organized into two sections: Goals and Policies, and Housing Programs. A goal is a higher-level statement that addresses the general nature and intent of the City's housing objectives. Under each goal statement, policies are also identified which provide guidance and expand upon the City's goals. Following the Goals and Policies section, the Housing Programs section describes specific actions, procedures, or strategies the City will take to carry out the identified goals and policies. These programs also specify who the primary responsibility is for carrying out these actions and an estimated timeframe for its accomplishment. The timeframe indicates the fiscal year in which the activity is scheduled to be completed. These timeframes are general guidelines and may be adjusted based on City staffing and budgetary considerations.

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 number of new housing units that can be developed, rehabilitated, or conserved/preserved for the 5th Cycle Planning Period (Table 7-1).

Table 7-1
Quantified Objectives Summary

Income Category	Allocation by Cycle*		Totals by Income Category	New Construction	Rehabilitation	Conservation/ Preservation	Total Units By Housing Type	
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** Total very low and low-income								
Source: HCD Projected Housing Needs – Regional Housing Needs Allocation (HCD, 2019)								

Goals and Policies

Housing Opportunities

GOAL A: THE CITY WILL PROVIDE ADEQUATE SITES TO BUILD NEW HOUSING UNITS FOR ALL INCOME LEVELS AND TO MEET THE CITY'S FAIR SHARE OF HOUSING NEEDS.

The City wants to facilitate a wide range of housing types to ensure there is adequate supply to meet the current and future needs of the City. By maintaining a balanced inventory of housing types including sizes, price and style, the City will ensure that adequate supply is available to meet existing and future housing needs. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. This goal will ensure the provision of adequate sites that will allow for development of a variety of affordable housing in a safe and sustainable environment for all residents of the City, consistent with the City's housing allocation adopted by the AMBAG.

Policies

- A.1 Development of Underutilized Sites: The City shall ensure adequate vacant land and underutilized sites suitably zoned and prepared for residential development and/or redevelopment are available to meet the City's housing need as identified by AMBAG.
- A.2 Diversity of Housing Types that Meet City and Regional Housing Needs: The City shall implement land use policies that allow for a range of residential densities and housing types, prices, ownership, and size, including low-density single family uses, live-work units, and units in mixed-use developments.
- A.3 Affordable Housing: The City shall promote the development of housing affordable to lower- and moderate-income households by pursuing State and federal funding sources for affordable housing projects. Where possible, the City shall partner with existing non-profit and for-profit corporations that are interested and able to construct and manage very low- and low-income households in the City.
- A.4 New Sources of Infrastructure Financing: The City shall continue to seek new sources of financing for necessary infrastructure improvements for new development to facilitate new housing development.

Affordable Housing

GOAL B: THE CITY WILL ENCOURAGE THE PROVISION OF A WIDE RANGE OF HOUSING BY LOCATION, TYPE OF UNIT, AND PRICE TO MEET THE EXISTING AND FUTURE HOUSING NEEDS IN THE CITY.

The City is committed to provide adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. In order to do this, the City has identified a number of policies and programs ranging from seeking funding from varied sources, thereby increasing the opportunities for the development of affordable housing units, to working with non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant

role in establishing strong neighborhoods and a sense of community pride, the City also supports programs that make purchasing a home a realistic option for lower-income households.

Policies

- B.1 Adoption of Inclusionary Housing Ordinance: The City shall safeguard availability of affordable housing to moderate-, low-, very low-, and extremely low-income households through the adoption of Inclusionary and Affordable Housing Requirements.
- B.2 Homeownership Housing: The City shall encourage the development of ownership housing and assist tenants to become homeowners within the parameters of federal and state housing laws.
- B.3 Provide Incentives for Affordable Housing: The City shall promote the use of density bonuses and other incentives to facilitate the development of new housing for extremely low-, very low-, and low-income households.
- B.4 Affordable Rentals: The City shall identify and solicit redevelopment funds as well as federal and State financial assistance for the construction of rental housing units and for rent subsidies for very-low-income and low-income households.

Remove Constraints

GOAL C: THE CITY WILL WORK TO REMOVE GOVERNMENTAL AND NON-GOVERNMENTAL CONSTRAINTS TO HOUSING DEVELOPMENT.

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

Policies

- C.1 Flexible Development Standards: The City shall continue to improve and streamline the project review process by periodically evaluating and ensuring that zoning provision, City site improvement standards, development review procedures, entitlements procedures, and development fees do not unreasonably constrain the development, conservation, and rehabilitation of housing. Should constraints be identified, actions such as amendments to policies and procedures may be implemented to reduce or eliminate those constraints.
- C.2 Reduce or Eliminate Non-Governmental Constraints: The City shall monitor non-governmental constraints, such as interest rates, construction costs, water availability, and others, through consultation with developers, lenders and other entities directly involved in the provision of housing. Should constraints be identified, actions such as amendments to policies and procedures may be implemented to reduce or eliminate those constraints.

Equal Housing Opportunities

GOAL D: THE CITY WILL PROMOTE EQUAL HOUSING OPPORTUNITIES FOR ALL PERSONS.

The City recognizes the importance of extending equal housing opportunities for all persons, regardless of race, religion, sex, family status, marital status, ancestry, national origin, color, age, physical or mental disability, sexual orientation, source of income, or any other arbitrary factor.

The City has many residents who have special housing needs. State law requires the housing element to address the needs of specific “special needs” groups, including seniors, persons with disabilities, large families with children, female-headed households, and people who are homeless. Meeting the needs of these residents requires a broad range of strategies for housing and other services. This section also addresses student and faculty housing.

Policies

- D.1 Fair Housing Services: The City shall support efforts to eliminate housing discrimination on the basis of race, gender, color, religion, age, marital status, offspring, or disability. The City shall ensure compliance with federal, State, and local Fair Housing and anti-discrimination laws and ordinances. Federal, State, and local Fair Housing laws make it illegal to discriminate against any person because of race, color, religion, gender, disability, familial status, national origin, ancestry, marital status, sexual orientation, source of income, or age in the rental or sale, financing, advertising, appraisal, provision of real estate brokerage services, etc., and land-use practices.
- D.2 Reasonable Accommodation: The City shall encourage provision of an adequate supply of suitable housing to meet the needs of people with disabilities. The City will continue to implement a reasonable accommodation process for persons with disabilities to request exceptions or modifications of zoning, permit processing, and building regulations to ensure housing is accessible. The City will require incorporation of ADA and California Title 24 Disabled Access Regulations into new construction.
- D.3 Housing for Seniors: The City shall support housing programs that increase the ability of senior households to remain in their homes or neighborhoods, and if necessary, to locate other suitable affordable housing to rent or purchase.
- D.4 Family Housing: The City shall facilitate and encourage the development of larger rental and ownership units for families with children, including lower- and moderate-income families, and the provision of services such as childcare and after-school care when feasible.
- D.5 Student and Single-Room Occupancy Housing: The City shall facilitate and encourage the development of rental and ownership units for families with children, including lower- and moderate-income families, and the provision of services such as childcare and after-school care when feasible.
- D.6 Support Organizations Serving the Homeless Community: The City shall support the efforts of non-profit and community organizations that provide emergency shelter and other assistance for the homeless population, including alcohol and drug recovery programs.

Quality Housing Opportunities

GOAL E: THE CITY WILL CONTINUE TO CONSERVE AND IMPROVE THE CONDITION OF THE EXISTING HOUSING STOCK TO ENSURE THE SAFETY, WELFARE, AND AFFORDABILITY OF RESIDENTS.

Conserving and improving the housing stock helps maintain investment in the community and keeps existing housing affordable. Many factors can contribute to the deterioration of residential units including quality of workmanship, age, type of construction, and location. Preventing these problems from occurring and addressing them when they do occur protects the safety and welfare of residents and assists in meeting housing needs throughout the City. As a majority of the City's housing stock is over 30 years old, it is important to maintain residential units and keep them from deterioration. The City will focus its efforts on rehabilitation, code enforcement, preservation of quality of family home and will take a proactive approach to conserving the current housing stock.

Policies

- E.1 Residential Rehabilitation: The City shall assist lower-income households whose housing units are in need of rehabilitation to ensure the safety and habitability of housing units and the quality of residential neighborhoods.
- E.2 Code Enforcement: The City shall promote the continued maintenance of the City's existing housing stock and residential neighborhoods through enforcement of adopted code requirements that set forth the acceptable health and safety standards for the occupancy of housing units.
- E.3 Preserve Quality Single Family Housing and Rental Stock: As single family and rental stocks deteriorate, the City shall preserve the existing single-family housing, especially those single-family and rental units occupied by lower-income households.
- E.4 Sustainable Housing Design: The City shall improve affordability by promoting the incorporation of energy efficient practices into residential design.

Housing Programs

Housing Opportunities

Program A.1 Accommodate the City's RHNA

According to the RHNA, the City has an affordable housing shortfall of 59 units for the 4th Planning Cycle and an allocation of 11 units for the 5th Planning Cycle for low and very low-income categories. The City has identified Sites 1 and 1a as being the preferred site for development to meet the City's RHNA (please see the Site Inventory in Chapter 3.0 Housing Needs and Resources) for the very low- and low-income categories and for development of moderate and above-moderate income categories. In order to develop the preferred Sites to meet the City's share of the RHNA, the Zoning Ordinance will be revised to allow affordable residential development on Sites 1 and 1a for low- and very low-income. The site will be rezoned in conformance with Government Code section 65583.2(h) and (i). The City will meet the 16 units of moderate and above-moderate RHNA on Site 1 and will re-designate sufficient property in this portion of former Fort Ord within City limits to achieve this goal. The City will provide a range of types of housing units and prices to meet the total 86 units of regional housing allocation needs for Del Rey Oaks. The Housing Element Site Inventory finds that this density can feasibly be developed on these sites. Rezoning will meet the requirements of Government Code section 65583.2(h) and (i). The City must also accommodate its moderate and above moderate RHNA. The City has ~~described 5 sites under consideration~~ adequate area in Site 1 and Site 1a to meet the City's RHNA, see Chapter 3 and Appendix C. All sites must have access to dry utilities, sewer, and water.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	<u>Amend General Plan Land Use Map and Zoning Ordinance to allow residential uses as an allowed use for Site 1 and Site 1a by the 3rd quarter of 2023. The City shall accommodate the City's 5th Planning cycle RHNA and 4th cycle shortfall carryover by 4th quarter 2021.</u>
Source of Funding	General Fund

Program A.2 Develop written process for continued compliance with AB 2162

The City shall continue to comply with the requirements of state law AB 2162 (Chapter 753, statutes of 2018) and will develop a written process to adhere to the statutory requirements in accordance with state law. AB 2162 streamlines and expedites the approval of supportive housing to better address the need of Californians experiencing homelessness. The legislation requires a local government to approve, within statutory timelines, a supportive housing development that complies with specified criteria.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Continue to comply with AB 2162 (ongoing); develop a written compliance process for AB 2162 by the end of 2022.
Source of Funding	General Fund

Affordable Housing

Program B.1 Develop Inclusionary and Affordable Housing Requirements

The City will adopt an Inclusionary and Affordable Housing Ordinance that will require new residential development or redevelopment in the City to meet the City's RHNA requirements as identified in the AMBAG RHNA. The City's RHNA requirement are identified as follows.

Table 7-2
Regional Housing Need Allocation

Income Category	5 th Cycle Allocation	4 th Cycle Allocation*	Total
Very low- (31-50% of area of median income)	7	34	41
Low-income (51-80% of area median income)	4	25	29
Moderate-income (81-120% of area median income)	5		5
Above moderate (over 120% of area median income)	11		11
Total	27	59	86

Source: HCD, n.d.
*4th Planning Cycle carry over requirements

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Develop a City Inclusionary and Affordable Housing Ordinance that meets the RHNA inclusionary housing requirements; adopt ordinance by the end of 2023 2021 .
Source of Funding	General Fund

Program B.2 Facilitate Affordable Housing for All Income Levels

The City will support housing for low-income, extremely low-income, and moderate-income households and persons with disabilities (including developmental disabilities). The City will actively seek to participate in and promote housing assistance service provided by such agencies as the Monterey County Housing Authority and the U.S. Department of Housing and Urban Development.

As opportunities arise, new funding sources for lower-income housing will be sought from available non-profit, local, State, and federal programs. Planning and entitlements should consider how to position an affordable project to qualify for future grant applications.

The City will also work with developers to facilitate affordable housing development. Specifically, as funding permits, the City will provide gap financing to leverage State, federal, and other public affordable funding sources. Gap financing will focus on rental housing units affordable to lower-income households and households with special needs (such as seniors and disabled, including people with developmental disabilities). To the extent feasible, the City will also ensure a portion of the affordable housing units created will be available to extremely low-income households.

Responsible Agency	City Hall, City Manager's Office
Timeline and Objective	Actively seek funding opportunities to increase the supply of affordable housing for lower income households, analyze sites owned by the City to identify those that could be suitable to support affordable housing. Seek to leverage these funds with federal, state, and County HOME funds to

	increase the amount of affordable housing on housing strategy sites. Work with developers of housing strategy sites and non-profit developers to identify opportunities to increase the percentage of affordable housing by encouraging developers to apply for available funds and utilize other creative mechanisms. (Ongoing work with developers; report on funding annually to City Council)
Source of Funding	General Fund

Program B.3 Utilize Section 8 Housing Choice Vouchers

The Housing Authority of Monterey County (HAMC) which administers the Section 8 Certificate/Voucher Program for Del Rey Oaks and throughout Monterey County provides rental subsidies to very low-income families and elderly households that spend more than 30 percent of their gross income on housing.

To help overcome the reluctance of many landlords to sign Section 8 agreements, the City shall work with the Housing Authority to offer incentives to property owners that sign Section 8 agreements.

Responsible Agency	City Hall, City Manager's Office
Timeline and Objective	The City, working with the HAMC, shall provide information and incentives to property owners to encourage them to sign Section 8 agreements with the HAMC. The number of applications received will depend upon how many property owners apply for Section 8 agreements with the HAMC and City. This program could provide rental assistance to at least two or three renters per year, with the first full active year being 2022.
Source of Funding	Staff time, HAMC, and private owners/developers

Program B.4 Preferential Housing for Del Rey Oaks Residents and Workers

To the extent that such policy can be legally implemented, the City shall consider adoption of a new ordinance in compliance with the Fair Housing Law, requiring that all newly constructed inclusionary dwelling units for below-market-rate income, moderate-income, and lower-income households within the City, and all first-time homebuyer programs, be provided on a preferential basis to Del Rey Oaks residents and workers.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Adopt a Preferential Housing Ordinance by the end of 2020 <u>2023</u> .
Source of Funding	General Fund, Developer Fund

Program B.5 Develop a Density Bonus Ordinance Consistent with State law

Government Code section 65915 requires that a jurisdiction adopt a local Density Bonus Ordinance consistent with State law. State Density Bonus Law requires a local jurisdiction to grant an increase in density, if requested by a developer, for providing affordable housing as part of a development project. Key provisions of the law include incremental density bonuses that correspond to the percentage of

housing set aside as affordable units. The City shall develop and adopt a Density Bonus Ordinance consistent with the current Government Code and State Density Bonus Law. Once passed, the City will review any future amendments to State Density Bonus law to ensure that its local ordinance remains consistent with State law. Once passed the City shall commit to consider requests under State Density Bonus Law (including requests for incentives, concessions, waivers, and parking reductions) so that projects that qualify are not prevented from developing at the densities to which they are entitled.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Adopt a City Density Bonus Ordinance, consistent with Government Code and State Density Bonus Law, by the end of <u>2023</u> 2021 .
Source of Funding	Staff Time

Program B.6 Facilitate Affordable Rental Units

The City will apply for low interest loans, grants, and rent subsidies through the U.S. Department of Housing and Urban Development, the California Housing Finance Agency, Farmers Home Administration, and the HCD. The City will apply for at least one funding opportunity per year within the 5th Cycle Planning period. In addition, the City will provide funding through use of tax increment funding for a housing fund as such funds are available.

Responsible Agency	City Council
Timeline and Objective	Research available funds to assist in the construction of affordable units (and accessory dwelling units) to low-income and very low-income households (anticipated to start seeking funding opportunities beginning 2020). The City will file 3 funding application during the 5 th Cycle Planning period.
Source of Funding	Staff time; State, federal, and regional grants; and private property owners/developers

Remove Constraints

Program C.1 Support efforts of public and private groups providing housing for the elderly and disabled, including assistance with obtaining permits and permit streamlining consistent with SB 35, or where appropriate, waiving City fees or regulatory requirements.

The City will continue to find opportunities to streamline the permitting process to remove unnecessary barriers, without compromising public health, safety and community character. In order to do this, as part of the City's Zoning Ordinance update, site improvement standards and development procedures will be reviewed and, as needed, revised to ensure that such standards and procedures do not unnecessarily constrain the development, conservation, and rehabilitation of affordable housing. This Zoning Ordinance update will ensure compliance with SB 35 which allows streamlined approval processes in municipalities not meeting the RHNA.

Responsible Agency	City Planning and Building Departments
Timeline and Objective	Review, and as needed, revise the City Zoning Ordinance by the end of <u>2023</u> 2021 .
Source of Funding	General Fund

Program C.2 ~~Update~~ Encourage the construction of Accessory Dwelling Units Ordinance to Existing Standards

A major constraint to housing in the City is affordability. ADUs help meet the City's needs for housing that is affordable by providing a housing resource for seniors and low- and moderate-income households. The City adopted an ADU ordinance consistent with applicable State law. ~~State ADU law has been updated since the passage of the City ADU ordinance.~~ The City will continue to review and update their ADU Ordinance (~~also known as auxiliary housing~~) to be compliant with updated State regulations that promote the development of ADUs.

The City will encourage the construction of ADUs by providing incentives such as waiver or reduction of development fees and expedited permit processing for ADU applications. Further, information to all eligible property owners concerning the City's amended ordinance will be provided at the City Hall.

In addition, the City will explore the availability of prefabricated tiny homes and micro-units that may be suitable for ADUs, with the intent of providing additional information to interested homeowners.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Adopt updated ADU Ordinance by the end of 2020. City staff shall give an annual report to City Council on the number of new secondary units that are being built each year, starting at the end of 2021. If this number cannot meet the goal of two to three units per year, City Council will act to further amend the standards of the ADU Ordinance and height/setback requirements (for those units that have adequate water availability). Information detailing the requirements of the City's amended ADU Ordinance, and incentives for developing ADUs including permits waiver or reduction of development fees and expedited permit processing, shall be readily available at the City Hall and shall be included on the City's website and in the City newsletter by <u>first third quarter 2023</u> 2021 (anticipated to follow the approval and adoption of the ADU Ordinance in the end of 2020).
Source of Funding	Staff time

Program C.3 Mitigating Constraints

Based upon this review of the City's standards, the following additional Zoning Ordinance amendments will be considered:

- Amend the Zoning Ordinance to eliminate limits on number of persons allowed to live in housing unit under definition of "Family".
- Amend the Zoning Ordinance to include language on density bonuses to comply with State requirements.

- Review Zoning Ordinance to ensure that transitional and supportive housing is allowed in the same way other residential uses are allowed in all zoning districts allowing residential uses.
- Review and amend the Zoning Ordinance to conditionally permit SRO housing in the C-1 (Commercial) zone.
- Consistent with the California Employee Housing Act, amend the Zoning Ordinance to update standard that requires that housing for six or fewer employees be treated as a regular residential use.

Responsible Agency	Planning Department, City Council, Planning Commission, and City Hall
Timeline and Objective	Adopt updated Zoning Ordinance by the end of <u>2023</u> 2020 .
Source of Funding	Staff time

Program C.4 Ensure the Availability of an Adequate Water Supply to Serve the Long-Term Housing Needs of the City

A major constraint to development within the City is water supply. The City will continue to work with the MPWMD, MCWD, ~~FORA~~, and other appropriate agencies through meetings and consultation to seek securement of sufficient water resources to meet the expected needs of projected housing development.

Responsible Agency	City Council
Timeline and Objective	Participate in an annual meeting with MPWMD, MCWD, FORA , and other appropriate agencies by the end of 2020.
Source of Funding	General Fund

Equal Housing Opportunities

Program D.1 Promote Fair Housing by Providing Educational and Referral Materials

The City will continue to provide Fair Housing education and outreach, making information available in multiple languages, and refer persons with fair housing questions to the Housing Authority, Department of Equal Housing and Employment, and California Rural Legal Assistance on an as-needed basis. The City will make information about fair housing services available at City offices and on the City's website.

Responsible Agency	City Hall, Planning & Building Departments
Timeline and Objective	Provide Fair housing education materials at City Hall in English and Spanish, post information on the City website by first quarter <u>2023</u> 22 ; and provide information in City newsletter annually.
Source of Funding	Staff time, General Fund

Program D.2 Provide Opportunity for and Encourage the Development of Adequate Housing for the City's Special Needs Groups.

The City shall facilitate the provision of housing for the elderly and disabled, including developmental disabilities, and other special needs housing by modifying the Zoning Ordinance to define licensed residential care facilities, to explicitly allow small residential care homes by right in all residential zone districts, allow group homes of six or fewer to be allowed in all zones allowing single-family uses (not

limited to residential uses), and to permit larger residential care homes (seven or more) in the City's R-2 and C-1 districts consistent with the standards of these districts.

The City shall also support the efforts of public and private groups to provide housing for the elderly and disabled. Such support may include staff assistance in obtaining permits or financing, or, where appropriate, the waiver of City fees or regulatory requirements, some combination of these, or other tangible measures of support.

Responsible Agency	Planning Department, City Council, and Planning Commission
Timeline and Objective	The City will aim to update the Zoning Ordinance by the end of 2023 2020. It will aim to identify at least one residential project by 2024 that is targeted for seniors and/or persons with mobility impairments. The City will monitor these programs through annual reports to the City Council, with the first annual report by the end of 2021.
Source of Funding	Staff Time, General Fund, and State and federal programs designated specifically for special needs groups

Program D.3 Special Needs Housing for Disabled Persons

The City shall amend the Zoning Ordinance to ensure that future projects incorporate accessible design. Specifically, the zoning ordinance will be amended to:

- 1) Require new multi-family development to be in compliance with Title 24 of the California Code of Regulations;
- 2) Eliminate restrictions on occupancy standards for group homes by amending the definition of family to comply with section 801(c) and 801(k) of the Fair Housing Act; and
- 3) Allow reduced parking standards for all transitional housing and homeless shelters, for age-restricted housing (regardless of affordability), and for persons with disabilities.

The zoning code will be further reviewed to identify and remove any additional constraints and ensure that reasonable accommodations are provided with regard to housing designed for persons with disabilities. This update will expressly allow exceptions to zoning and development standards including, but not limited to, ramps as a permitted encroachment into required front and rear yards in order to ensure accessibility for persons with disabilities.

Responsible Agency	Planning Department, City Council, and Planning Commission
Timeline and Objective	Review zoning code and report to City Council on needed updates to address State law by first quarter 2023 2020. Amendments to Zoning Code specific to this program shall be adopted by end of 2023 2020.
Source of Funding	Staff Time, General Fund

Program D.4 Support Programs to Reduce Homelessness

The City shall identify adequate sites for emergency shelters and then amend its Zoning Ordinance to make appropriate zone changes, if needed, to provide for the zoning for the site to allow for the emergency shelters in the City's zoning districts consistent with State law. ~~Zoning changes may not be~~

~~necessary as certain zones may allow emergency shelters currently.~~ Adequate sites for these housing types are available throughout the City in C zones outside of the former Fort Ord that allow residential use with a permit (acreages and vacant sites in these zones are shown in **Figure 4**). Although the City has constraints due to lack of water and available land sites, the C zone outside could be developed into emergency shelters, most of the City is within a mile of transit stops and community services. Specifically, the City has adequate capacity on vacant and underutilized parcels (approximately 12 acres) within the C-1 zoning districts outside of former Fort Ord near Canyon Del Rey (see **Figure 4**), which are suitable for the development of emergency shelters due to their proximity to public transit lines, social services, and personal services.

To the extent that funds are available, the City will provide financial support to sponsor or assist emergency shelter facilities, inside City limits or outside within a reasonable proximity to the City, as well as encourage or support facilities by providing grants, or low cost loans, to operating agencies.

Responsible Agency	City Council and Planning Commission
Timeline and Objective	Amend the City Zoning Ordinance to include provisions for emergency shelters as needed within one year of housing element adoption by end of first quarter 2023.
Source of Funding	State and federal programs designated specifically for special needs groups

Program D.5 Develop written process for continued compliance with AB 101

The City shall continue to comply with the requirements of AB 101 and develop a written process to adhere to the statutory requirements in accordance with state law. AB 101 requires a Low Barrier Navigation Center (LBNC) be a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses if it meets specified requirements, including:

- Access to permanent housing.
- Use of a coordinated entry system (i.e. Homeless Management Information System).
- Use of Housing First according to Welfare and Institutions Code section 8255. (Gov. Code section 65662.)

A LBNC is defined as a Housing First, low barrier, temporary, service-enriched shelter focused on helping homeless individuals and families to quickly obtain permanent housing. Low barrier includes best practices to reduce barriers to entry, such as allowing partners, pets, storage of personal items, and privacy. (Gov. Code section 65660).

Responsible Agency	Planning Department, City Council and Planning Commission
Timeline and Objective	Continue to comply with AB 101 (ongoing); develop written compliance process for AB 101 compliance by the end of 2023 2 .
Source of Funding	General Fund

Quality Housing Opportunities

Program E.1 Assist in Rehabilitating Housing

The City will investigate available low-interest loans, subsidies, and grants from federal and State agencies to provide rehabilitation funds. As funding becomes available, the City shall provide grants and/or low interest, deferred, and/or forgivable loans for building code violations, health and safety issues, essential repairs, upgrades of major component systems, and modifications to accommodate disabilities. Rehabilitation funds will be available to low-income homeowners and to owners of rental units that will rent to low-income households. Subject to federal funding the City will look to assist an average of one to two households (ranging from single-family, multi-family, and mobile homes), dependent on need.

Responsible Agency	City Council and Manager
Timeline and Objective	Assist two households by the end of 2021.
Source of Funding	Loans, subsidies, and grants and tax increment funding

Program E.2 Continue Code Enforcement

The City will continue to perform code enforcement for areas or homes with building code violations posing life and/or safety risks to occupants and/or significant property maintenance concerns and ensure that such violations are adequately abated. When violations are cited, enforcement officers will provide a list of potential funding sources to homeowners.

Responsible Agency	Police Department
Timeline and Objective	Continue to implement code enforcement efforts in the targeted areas with concentrated issues of code violations; ongoing.
Source of Funding	General Fund

Program E.3 Energy Conservation and Energy Efficient Opportunities

The City will promote subsidy and incentive programs for energy conservation available to residents. Some of these programs include PG&E's rebates, Energy Watch Partnerships, and Energy Savings Assistance Program; CARE/FERA program, and the CaliforniaFIRST program. The City will promote these programs in their newsletter and on their website.

Responsible Agency	City Hall, Planning Department, and Building Department
Timeline and Objective	Information detailing energy conservation programs shall be provided at the City Hall and shall be included on the City's website and updated at least once per year. Energy conservation programs targeted to low-income households shall be promoted in the City newsletter at least once per year and available at the City Hall. Complete annually by December of each year.
Source of Funding	General Fund

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