

City of Monterey Housing Element Update

Stakeholders Meeting

February 11, 2009

City of Monterey City Council Chambers



Agenda

- Welcome and Introductions
- Housing Element Update
 - Requirements
 - Compliance
 - Contents
 - Regional Housing Needs Allocation (RHNA)
 - New State Law Requirements
- Demographics
 - Housing Characteristics
 - Income Characteristics
- Goals, Policies and Programs

Housing Element Requirements

- One of the seven mandated elements
- Existing and projected housing needs of all economic segments of the community
- 5-year timeframe
- State sets schedule for periodic update of Housing Element
- Review by California Department of Housing and Community Development (HCD)

Importance of Compliance

- Legal responsibility
 - Must be certified for adequate General Plan
- Access to state funding resources
- Fiscal obligation
 - Could have to pay legal fees, including plaintiff's fees, if challenged

Housing Element Contents

- Review of existing policies/programs
- Needs assessment
- Constraints on housing development
- Housing resources
- Goals, policies, programs, and quantified objectives

Regional Housing Needs Allocation (RHNA)

- State law requires HCD to determine total regional housing needs
- AMBAG distributes the regional number among its jurisdictions
- Monterey's 2007-2014 allocation (657) is distributed among 5 standard income categories

Regional Housing Needs Allocation (RHNA)

AMBAG RHNA for City of Monterey

Income Category	2007-2014 RHNA	Percent of Total
Extremely Low	73	11%
Very Low	73	11%
Low	111	17%
Moderate	125	19%
Above Moderate	275	42%
Total	657	100%

Source: Association of Monterey Bay Area Governments

New State Law Requirements

- SB 2 (2007) - emergency shelters, transitional and supportive housing
- AB 2634 (2006) - existing and projected extremely low-income need
- AB 2348 (2004) - detailed sites inventory to meet RHNA

2000 and 2008 Demographics

	City of Monterey	Monterey County
Household Population (2008)	26,839	407,282
Household Size (2008)	2.1	3.1
Median Age (2000)	36.1	31.7
Percent Minority (2000)	19%	60%

Source: 2008 Department of Finance, 2000 U.S. Census

2000 Housing Characteristics

City of Monterey	Owner	Renter
Total Housing Units	39%	61%
Overcrowded	2%	7%
Percentage of lower income households overpaying	17%	83%
Affordable Units	250 units (deed restricted)	

Source: 2000 U.S. Census

HCD Income Limits (2008) Monterey County

2008 Monterey County Median Income: \$64,800

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
Very Low (0- \$19,450)	\$22,700	\$25,900	\$29,150	\$32,400	\$35,000	\$37,600
Low (\$19,451 - \$32,400)	\$36,300	\$41,500	\$46,650	\$51,850	\$56,000	\$60,150
Moderate (\$32,401 - \$51,850)	\$54,500	\$62,200	\$70,000	\$77,800	\$84,000	\$90,200

Source: HCD Income Limits, 2008

Rental Housing Affordability

City of Monterey Rental Rates: Multi-family: (\$750-\$2,350)
Single-family: (\$950-\$2,300)

Income Group	Household Income (4-person household)	Affordable Monthly Rent*
Extremely Low	\$19,450	\$486
Very Low	\$32,400	\$810
Low	\$51,850	\$1,296
Moderate	\$77,800	\$1,945

Source: PMC Rental Survey, February 2009,(50 apartments surveyed,48 homes surveyed)
HCD State Income Limits, 2008

*utilities not included

Ownership Housing Characteristics

Median income is \$64,800 (4-person household)

Income Group	Income Limit	Affordable Monthly Payment	Max. Affordable Price*
Extremely Low	\$19,450	\$486	\$60,660
Very Low	\$32,400	\$810	\$101,160
Low	\$51,850	\$1,296	\$161,910
Moderate	\$77,800	\$1,945	\$242,910

Source: Home Affordability Calculator www.mortgage101.com

*assumes 10% down, includes taxes and insurance

Home Prices-City of Monterey

Average Sales Price

\$821,389

Median Sales Price

\$730,000

Source: Real Estate Solutions, November 2008

Foreclosures (Bank Owned, REO)

116

Homes For Sale (resale)

153

Recently Sold

169

Source: Trulia Real Estate Overview, February 2009

2004-2014 Fastest Growing Occupations (Salinas MSA)

Occupational Title	2004	2014	Numeric Change	Annual Salary	*Housing Allocation
Retail Salesperson	5,550	6,300	750	\$20,530	Very Low
Registered Nurses	2,310	2,830	520	\$82,722	Above Moderate
Farm, Ranch and Other Agriculture Managers	2,750	3,170	420	\$48,714	Low
Waiters and Waitresses	2,650	3,050	400	\$17,056	Extremely Low
Maids/Housekeeping Cleaners	1,960	2,240	280	\$20,675	Very Low

Source: California Employment Development Department (EDD), 2008

*Assumes income level for a family of four

Very Low-Income Households <\$32,400

- Senior on Social Security
- Total Annual Income: **\$12,660**

Max Purchase Price: **\$11,526**

Max Monthly Rent: **\$317**



Source: <http://www.move.com/home-finance/financial-calculators/home-affordability-calculator.aspx>

*Assumes 10% down; 5.5% interest ; and includes taxes and insurance.

Low-Income Households \$32,401-\$51,850

- Father - full-time Security Guard **\$24,440**
- Mother - part-time Bank Teller **\$14,165**
- Three children



Total Annual Income: **\$38,605**

Max Purchase Price: **\$116,754**

Max Monthly Rent: **\$965**

Source: <http://www.move.com/home-finance/financial-calculators/home-affordability-calculator.aspx>

*Assumes 10% down; 5.5% interest ; and includes taxes and insurance.

Moderate-Income Households: \$51,851-\$77,800

- Single Mother works full-time as a Legal Assistant
- Two children
- Total Income: **\$70,824**

Max Purchase Price: **\$238,063**

Max Monthly Rent: **\$1,771**



Source: <http://www.move.com/home-finance/financial-calculators/home-affordability-calculator.aspx>

*Assumes 10% down; 5.5% interest ; and includes taxes and insurance.

Goals, Policies and Programs

Homeownership

- **Goal a.** Promote construction and conservation of ownership housing units
 - **Policy a.1.** Encourage the production of new ownership housing units
 - **Policy a.2.** Encourage the conservation of existing home ownership opportunities

Homeownership Programs

- Develop a list of larger sites to determine opportunities for housing construction
- Maintain existing single-family zoning
- Inclusionary housing - ownership
- Condominium standards
- Encourage condominium conversions
- Develop workforce housing programs
- Zoning incentives

Rental Housing

- **Goal b.** Broaden the choice of rental housing types for all price ranges and family sizes
 - **Policy b.1.** Provide the opportunity to construct new multi-family housing units in pockets of opportunity

Rental Housing Programs

- Allow densities of 30 units per acre in commercial zones
- Provide low- and very-low-income housing
- Investigate sites for opportunities to build low- and moderate-income housing units
- Evaluate the existing stock of Section 8 units
- Encourage affordable rents with the City's Voluntary Rental Guidelines
- Require a minimum 5,000-square-foot lot size for new apartment development

Opportunities for Families with Children

- **Goal c.** Provide family housing opportunities on larger sites and for all income levels
 - **Policy c.1.** Encourage units suitable for family occupancy

Opportunities for Families with Children Programs

- Encourage units for family occupancy on larger developable sites
- Encourage developers to build affordable housing for families with children
- Encourage family housing units at the Navy La Mesa Housing Area

Rehabilitation and Conservation Issues

- **Goal d.** Encourage maintenance and rehabilitation of the entire housing stock
 - **Policy d.1.** Provide rehabilitation assistance to low- and moderate-income households
 - **Policy d.2.** Conserve existing low- and moderate-cost housing units

Rehabilitation and Conservation Issues

- Encourage private sector rehabilitation
- Purchase of inclusionary housing units
- Inclusionary Housing Program
- Continue to monitor at-risk units
- Create a list of entities interested in purchasing or managing affordable housing units
- Analyze the feasibility of utilizing rehabilitation program to encourage at-risk units to be retained
- Reduce local fees for preservation or replacement of at risk units

Equal Housing Opportunities

- **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

Equal Housing Opportunities Programs

- Cooperate in countywide fair housing activities
- Fair housing mediation for all fair housing complaints
- Distribute housing subsidies throughout the City to avoid concentrations of subsidized housing
- Advertise fair housing mediation services
- Continue to provide on-line applications for the City's Purchase and Resale program
- Continue to provide service referrals

Special Housing Needs

- **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

Special Housing Needs Programs

- Advertise housing programs
- Encourage house-share roommate matching
- Use emergency grants or loans to assist low-income households
- Provide City assistance to non-profit providers for temporary housing to Monterey homeless
- Amend the City's Zoning Code to provide individuals with disabilities reasonable accommodations
- Define development standards for emergency shelters in the City's commercial and industrial zoning districts

Adequate Sites Analysis

- **Goal g.** Provide adequate sites to build new housing units for all income levels and to meet the City's RHNA
 - **Policy g.1.** Meet the Association of Monterey Bay Area Governments (AMBAG) Fair Share of regional housing needs
 - **Policy g.2.** Investigate and develop a plan to encourage exceptional design and innovative solutions for housing style

Adequate Sites Analysis Programs

- Retain the zoning capacity to meet the City' RHNA

Workforce Housing

- **Goal h.** Provide housing that specifically meets the need of the Monterey workforce
 - **Policy h.1.** Design a program with Monterey employers to pool resources to develop workforce housing

Workforce Housing Program

- Encourage workforce housing programs
- Utilize zoning tools such as Planned Unit Developments and Planned Community Zoning to provide flexibility for infill housing on larger development sites

Housing Incentive and Inclusionary Housing Program

- **Goal i.** Provide incentives for affordable housing, workforce housing, and ownership housing and incentives to complement the inclusionary housing program
 - **Policy i.1.** Provide incentives to meet the City's unique housing needs
 - **Policy i.2.** Continue the City's housing program to provide affordable housing throughout Monterey and promote voluntary private efforts to develop affordable housing

Housing Incentive and Inclusionary Housing Program

- Develop a housing incentive program
- Allow appropriate density bonuses in commercial districts
- Give preference in the water allocation process to projects meeting fair-share housing goals
- Explore alternatives other than density bonus allowed in State law to meet affordable housing goals
- Provide a minimum of 20% permanently affordable low- and moderate-income units
- Investigate a housing impact fee for new residential units, condominium conversions, and non-residential projects

Community Housing Trust

- **Goal j.** Investigate a community housing trust to meet the need for workforce housing and other housing needs

Water

- **Goal k.** Develop alternatives for long-term water supply both within and outside the framework of the Water Management District and the California American Water Company

New Goals/Policies/Programs

- Address new state law requirements
- Green Building Incentives
- Other ideas

Schedule

Stakeholder/Public Workshop	February 11, 2009
PC Meeting (Programs)	February 24, 2009
PC/CC Joint Meeting	March 25, 2009
Submit Draft Element to State	March 27, 2009
Receive HCD Comments	Mid-May 2009
Adopt Final Housing Element	June-July 2009

Questions/Comments