

City of Monterey Housing Element Update

Planning Commission Study Session

February 24, 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
- Housing Needs Assessments
 - Housing Characteristics
 - Income Characteristics
- Goals, Policies, Programs (Revisions)
- Schedule

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

- Access to state funding resources
- Legal responsibility
 - Must be certified for adequate General Plan
 - Court challenge could result in having to pay legal fees, including plaintiff's fees, if case lost

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, known as RHNA
- 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
- SB 375 (2008) – program time frame, “beneficial impact”
- AB 2280 (2008) – density bonus requirements

Housing Needs Assessment

Demographics

	City of Monterey	Monterey County
Population (2008)	29,322	428,549
Total Households (2000)	12,600	121,236
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

Housing Characteristics

City of Monterey	Owner	Renter
Total Housing Units	39%	61%
Overcrowded	2%	7%
Overpaying	32%	39%
Affordable Units	163	79
At Risk Units	104	

Source: 2000 U.S. Census, CHPC

Special Needs Housing

City of Monterey	Number	Percentage of Total Population
Elderly	2,436	8%
Disabled	4,440	15%
Female-Headed Households	1,061	8%
Large Family Households	648	5%
Students	12,351	42%
Homeless	193	0.6%
Farmworkers	178	1%

Source: 2000 U.S. Census, 2009 Homeless Census Count, Individual school data, 2009

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- \$32,400)	\$22,700	\$25,900	\$29,150	\$32,400	\$35,000	\$37,600
Low (\$32,401 - \$51,840)	\$36,300	\$41,500	\$46,650	\$51,850	\$56,000	\$60,150
Moderate (\$51,841 - \$77,760)	\$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)

118

Homes For Sale (resale)

158

Recently Sold

164

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.

Land Use Entitlement Process

	Fee	ARC	PC	CC	Timeframe
Design Review	\$270-Single-family \$800-Multifamily/mixed use	X			60
Use Permit	\$175-Single-family \$750-Multifamily/mixed use		X		60
Variance	\$175-Single-family \$720-Multifamily/mixed use		X		60
Rezone	\$1,000 +hourly fee		X	X	90
General Plan Amendment	\$1,000 +hourly fee		X	X	90
Tentative Maps	\$2,000+\$100 per lot		X		60

FEES FOR SAMPLE PROJECTS

	Single Family (2,000 sq ft house)	Multi Family (4 unit apt bld, 900 sq ft each)
City Use Permit	-	\$750
City Design Review	\$270	\$800
City Building Permit	\$15,948	\$15,308
Building Standards fee	\$57	\$53
Strong Motion Impact Fee	\$141	\$278
Construction Road Impact	\$14,102	\$13,229
Fire	\$628 (fire sprinklers)	\$1,206 (fire sprinklers)
School	\$6,312	\$7,627
Sewer	\$2,732	\$10,928
Water	\$4,619	\$12,835
TMAC Development Feed	\$3,586	\$10,072
Total Estimated Fees	\$48,395	\$73,086 (\$18,272 per unit)

Land Inventory

- PMC is currently creating a vacant land inventory based on the City's 2001 Land Use Inventory map
- Since 2007, the City has built 17 above moderate-income units to reduce their allocation from 657 units to 640 units.

Public Participation

Stakeholder Meeting

- 13 participants, plus City staff
- Groups with the largest needs
 - Disabled
 - Seniors
 - Single women
 - Homeless
- Other issues
 - Water allocations are a constraint to development
 - Loss of families with children

Public Workshop

- 2 participants, plus City staff
- Issues Discussed:
 - Require condo conversions to include 2-3 bedroom units to accommodate larger families.
 - Need more senior housing programs
 - Need more ownership opportunities, all sizes
 - Work with major employers to help provide down payment assistance
 - Schools are closing because there are not enough children in the area - the City is not family friendly

Goals, Policies, Programs

Goals

- **Goal a. Homeownership**
 - Promote construction and conservation of ownership housing units
- **Goal b. Rental Housing**
 - Broaden the choice of rental housing types for all price ranges and family sizes
- **Goal c. Opportunities for Families**
 - Provide family housing opportunities on larger sites and for all income levels

Goals

- **Goal d. Rehabilitation and Conservation**
 - Encourage maintenance and rehabilitation of the entire housing stock
- **Goal e. Equal Housing Opportunity**
 - Provide for fair and equal housing opportunities for all
- **Goal f. Special Needs Housing**
 - Provide housing to the elderly, single-parent-headed households, the disabled, and large families, and develop positive programs to assist the homeless

Goals

- **Goal g. Adequate Sites Analysis**
 - Provide adequate sites to build new housing units for all income levels
- **Goal h. Workforce Housing**
 - Provide housing that specifically meets the need of the Monterey workforce

Goals

- **Goal i. Housing Incentives (Inclusionary)**
 - Provide incentives for affordable housing, workforce housing, and ownership housing as well as to complement the inclusionary housing program
- **Goal j. Community Housing Trust**
 - Investigate a community housing trust to meet the need for workforce housing and other housing needs
- **Goal k. Water**
 - Develop alternatives for long-term water supply

Goals, Policies and Program Revisions

- Technical Clean Up
- Add Implementation Timeline, Funding Source and Responsible Party to all Programs

Programs to Discuss

- Programs a.1.4 and a.1.5 would be amended to require development standards for new condominiums and for condominium conversions that address height and setbacks to encourage creative designs, provide amenities desirable to owners, and include larger units to house families with children.

Programs to Discuss

- Program a.2.2 addresses the need for allowing more ownership units in the R3 District. The R3 District currently allows minimum lot size of 3,500 square feet for subdivisions when an existing unit will be preserved. Revisions to the R3 District may include a reduction of minimum lot sizes for new single-family attached or detached units.

Programs to Discuss

- Program c.1.2 would require a study of the City's parking standards and potential impacts on encouraging larger family units.

Programs to Discuss

- Program f.1.6 update to ensure compliance with ADA standards, adopt a more formal reasonable accommodation procedure to comply with Senate Bill 520.

Programs to Discuss

- 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.

Programs to Discuss

- Program i.2.2. Continue to 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.

Proposed Programs

- Program f.1.9-11
- Health and Safety Code Section 17021.6: define and permit farmworker housing by right
- SB2: define and allow supportive and transitional housing and emergency shelters
 - Performance standards for emergency shelters may be required: lighting, on-site management, maximum number of beds or persons to be served nightly by the facility, off-street parking, and security.
- AB 2634 single-room occupancy units

Proposed Programs

- Proposed New Program i.1.4 would require the City to develop alternatives for long-term water supply, consistent with General Plan policy m.1 of the Public Facilities Element (old Goal K).
- Proposed New Program i.2.3 would require that the City investigate a community housing trust to meet the need for workforce housing (old Goal J).

New Goals/Policies/Programs

- Amend the R-3 to allow residential housing by right (Program b.1.1.)
- 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