

# LandWatch Memo

## Affordable Housing Proposal – For Discussion At 8-28-03 Refinement Group Meeting

### Existing Language

#### Goal LU-10 – Overlay Area: Affordable Housing Overlay

The County shall provide additional affordable housing opportunities in unincorporated areas to improve the balance between jobs and local workforce housing.

Policy LU-10.1

**100% Affordable Housing Projects** – The County shall encourage the development of 100% affordable and workforce housing projects through the establishment of an Affordable Housing Overlay, based on the following parameters:

- a. Overlay applies to all unincorporated lands within Greater Monterey Peninsula and Carmel Valley Planning Areas as well as designated Community Areas and Rural Centers (see Map LU-5).
- b. Properties must meet the following suitability criteria in order to be eligible for a 100% affordable housing project:
  - (1) The property is located within the Affordable Housing Overlay area;
  - (2) The housing types proposed result in sales and rental prices that are affordable to the local workforce, based on the distribution of 10% Very Low, 20% Low, 40% Moderate, 10% Workforce I, and 20% Workforce II income levels (see Housing Element for income level descriptions). Exemptions to this distribution may be made for individual projects by approval of the Board of Supervisors, based on the specific project characteristics and location relative to housing needs in the local area;
  - (3) Development is not proposed on environmentally sensitive areas;
  - (4) The physical characteristics of the property are conducive to residential densities of 10-30 units per acre (sites within the 100-year floodplain, except within the Pajaro Community Area after regional flood protection improvements are made, or with slopes over 30% are not considered conducive to such densities);
  - (5) Neighborhood commercial services are within one mile of the site; and
  - (6) The project is able to connect to public water system, and other public services are available.
- c. If a property meets all of the suitability criteria in (b) above, the property owner may voluntarily choose to develop a 100% affordable housing project, rather than a use otherwise allowed by the underlying land use designation.
- d. The minimum density for 100% affordable housing projects shall be 10 units per acre, up to a maximum of 30 units per acre. An average density of 15 units per acre or higher shall be provided.
- e. Incentives, such as density bonuses, permit processing assistance, waiver or deferral of fees, modified development standards and grant funding assistance, shall be established to encourage voluntary participation in this program.
- f. Within Community Areas, affordable housing projects meeting the provisions of this policy may proceed prior to adoption of a Community Plan and needed regional infrastructure as long as all project related infrastructure improvements are made concurrent with the development.
- g. Within Rural Centers, affordable housing projects meeting the provisions of this policy may proceed prior to preparation of an Infrastructure and Financing Study as long as all project related infrastructure improvements are made concurrent with the development

<p><b>Proposed Modification of Policy LU-10.1 (Underline/Strikeout Format)</b></p>	<p><b>Comments</b></p>
<p><b>Goal LU-10 – Overlay Area: Affordable Housing Overlay</b>                      The County shall provide additional affordable housing opportunities in unincorporated areas <del>to improve the balance between jobs and local workforce housing through an affordable housing overlay incentive program.</del></p> <p>Policy LU-10.1</p> <p><b>100% Affordable and Workforce Housing Projects Overlay</b>– The County shall encourage the development of 100% affordable and workforce housing projects through the establishment of an Affordable and Workforce Housing Overlay, based on the following parameters:</p> <p>a. <del>Overlay applies to all unincorporated lands within Greater Monterey Peninsula and Carmel Valley Planning Areas as well as designated Community Areas and Rural Centers (see Map LU-5):</del></p> <p>a. <u>Proposed projects Properties must meet the following suitability criteria conform to the following requirements in order to be eligible for development under this Affordable and Workforce Housing Overlay policy a 100% affordable housing project:</u></p> <ol style="list-style-type: none"> <li><del>(1) The property is located within the Affordable Housing Overlay area;</del></li> <li>(1) The housing constructed will be rented or sold <del>types proposed result in sales and rental at</del> prices that are affordable to the local workforce, based on the distribution of 10% Very Low, 20% Low, 40% 20 % Moderate, 40% 25% Workforce I, and 20% 25% Workforce II income levels (see Housing Element for income level descriptions). <u>All developments in an Affordable Housing Overlay area shall include units in each of these categories, to maintain a diversity of housing types within the development.</u></li> <li>(2) <u>All of the affordable and workforce housing units constructed according to this policy shall be permanently protected for subsequent resale or rental to persons or families within the specified income ranges, by deed restrictions or by other equivalent and effective methods. Exemptions to this distribution may be made for individual projects by approval of the Board of Supervisors, based on the specific project characteristics and location relative to housing needs in the local area;</u></li> <li>(3) <u>All of the affordable and workforce housing units constructed according to this policy shall first be offered for rental or sale to individuals who currently live in or work in Monterey County, and if any such residential unit is resold or rented subsequently, such residential unit shall again be offered first to individuals who then currently live in or work in Monterey County.</u></li> <li>(4) Development is not proposed on environmentally sensitive areas;</li> <li>(5) The physical characteristics of the property are conducive to residential densities of 10-30 units per acre. <del>sites</del> Construction within the 100-year floodplain, except within the Pajaro Community Area after regional flood protection improvements are made, or with slopes over 30% <u>will not be permitted</u> <del>are not considered conducive to such densities</del>;</li> <li>(6) Neighborhood commercial services are <u>located</u> within one mile of the site; and</li> <li>(7) The project is able to connect to public water system, and other public services are available.</li> </ol>	<p>The program contained in the GPU doesn't directly relate to the "jobs-housing" balance issue, and therefore the language suggesting that this is a factor should be removed.</p> <p>Because the policy does not really propose 100% "affordable housing," the title of the policy should be changed.</p> <p>"Location" questions are dealt with as part of the requirements list (formerly "suitability criteria"), so the current paragraph a. can be eliminated.</p> <p>The new paragraph a. establishes a "list of requirements," instead of "suitability criteria," and is introductory only.</p> <p>The original subparagraph (1) is eliminated because "location" issues are dealt with as part of the requirements list.</p> <p>The language in the new subparagraph (1) specifies that the housing "will" be rented or sold at the specified prices. The current language focuses on "proposed housing types," which is not directly linked to the actual price.</p> <p>The suggested changes "loosen" the standards in the current text. The proposed distribution will provide projects that reflect the diverse needs of the County's workforce—50% of the housing will be for the "traditional" affordable housing categories – persons of very low, low, and moderate income – and 50% will</p>

- (8) The proposed project is located in a designated Community Area or on lands within the Greater Monterey Peninsula and Carmel Valley Planning Areas (see Map LU-5).
- b. If a property meets all of the ~~suitability~~ criteria in (b) ~~above~~, the property owner may voluntarily choose to develop an ~~a 100%~~ affordable and workforce housing project on the property, rather than a use otherwise allowed by the underlying land use designation.
- c. The minimum density for 100% affordable housing projects shall be 10 units per acre, up to a maximum of 30 units per acre. ~~An average density of 15 units per acre or higher shall be provided.~~
- d. Incentives, such as density bonuses, waiver or deferral of fees, modified development standards, priorities with respect to resources (water, sewer, etc.), use of tax increment funding within redevelopment areas, grant funding assistance, permit streamlining, and permit processing assistance, using designated, experienced staff for these types of projects, and permitting a developer to pay for outside planners, plan checkers and building inspectors where appropriate, shall all be established to encourage voluntary participation in this program.
- e. Within Community Areas, affordable housing projects meeting the provisions of this policy may proceed prior to adoption of a Community Plan and needed regional infrastructure as long as all project related infrastructure improvements are made concurrent with the development.
- f. ~~Within Rural Centers, affordable housing projects meeting the provisions of this policy may proceed prior to preparation of an Infrastructure and Financing Study as long as all project related infrastructure improvements are made concurrent with the development~~

be for the “workforce” level, and will meet the needs of those above median income persons who nonetheless cannot afford market rate housing. Since the “overlay” concept is one that allows a much more intense development of land than would otherwise be possible, and this increased ability to develop serves as a powerful “incentive” to produce affordable and workforce housing, it is reasonable to target this policy at the income levels described.

The added language in subparagraph (1) is to ensure a diverse mix of housing within each development.

Subparagraph (2) ensures that the affordable and workforce housing produced according to this policy will be maintained as a kind of “community resource” over time.

Exemption language is eliminated. New subparagraph (3) establishes a “residents and workers” first policy for all units produced in an Affordable and Workforce Housing Overlay area.

No change in the language in what is now subparagraph (4)

The language in what is now subparagraph (5) makes the existing statement clearer.

Minor language change in what is now subparagraph (6).

No change in what is now subparagraph (7)

New subparagraph (8) basically

incorporates the “location” policies formerly contained in other parts of the current version, except that Rural Centers are eliminated. As discussed at the August 21, 2003 Refinement Group meeting, whatever “policy” language is adopted must be made consistent with whatever “Locational” criteria are ultimately decided upon. If this policy were to apply in “Rural Centers,” then the language about Rural Centers should be added back in. In addition, it should be noted that the “current” text in this section does not appear to reflect the Board’s final action on June 24<sup>th</sup>, directing the publication of a “second draft” of the GPU. It is my belief that the Board explicitly eliminated part of the Camel Valley area from this policy. The language, of course, should reflect the Board’s action. The fact that we don’t actually have the document that the Board directed be published is one reason that LandWatch has (unsuccessfully) urged the Refinement Group to follow the Board’s motion, which says that that the Refinement Group is to “review the plan published according to directions #1 and #2...”

Changes in paragraph b. are conforming to proposed new structure.

Current language in paragraph c. is unclear. Revised language allows for density to range between 10 and 30 units per acre.

Changes in paragraph d. reflect suggestions from Alfred Diaz-Infante and William Silva.

No changes in paragraph e.

	<p>Paragraph f. is eliminated, consistent with elimination of Rural Centers.</p>
<p><b>Additional Proposed Policies</b></p> <p><b>[Proposed New Policies]</b></p> <p><b>#1 - A Policy Commitment To Affordable Housing</b> – The lack of adequate affordable housing within the community is causing extremely serious economic, public safety, social, and environmental problems. These problems constitute a community crisis, and absent the policies established within this General Plan, new commercial and residential developments within the community will make these problems worse. It is critically important for the public health, safety, and welfare that all new developments within the community help provide additional housing opportunities for persons who live and work in the community, and particularly for those persons with very low, low, or moderate incomes.</p> <p><b>#2 - Permanent Protection For Affordable Housing</b> - In all cases in which housing is constructed as either “affordable housing,” or as “workforce” housing, such housing will be permanently protected for sale or rental to persons and families with very low, low, moderate or “workforce” income levels, through deed restrictions or other equivalent and effective methods.</p> <p><b>#3 - An “Inclusionary” Requirement For New Residential Developments</b> – Within all new residential subdivisions or residential housing developments of twelve or more units, an affordable housing requirement shall be imposed as a condition of project approval: at least X% of the housing units constructed shall be capable of purchase or rental by persons or families with very low incomes [<b>current standard is 6%</b>; <b>LandWatch recommends 10%</b>]; at least X% of the housing units constructed shall be capable of purchase or rental by persons or families with low incomes [<b>current standard is 6%</b>; <b>LandWatch recommends 15%</b>]; and at least X% of the housing units constructed shall be capable of purchase or rental by persons or families with moderate incomes [<b>current standard is 8%</b>; <b>LandWatch recommends 15%</b>]. All such housing shall truly be “inclusionary,” and shall be constructed within each individual development. No offsite transfer of such inclusionary units shall be permitted. All inclusionary affordable housing shall be built either prior to or concurrently with the market-rate housing built within the residential subdivision or residential housing development, and all such inclusionary housing shall be permanently protected for sale or rental to persons and families with very low, low, or moderate incomes, through deed restrictions or other equivalent and effective methods. The community shall provide density bonuses and other incentives to assist developers in meeting the inclusionary requirements established by this policy. In residential subdivisions or residential housing developments of from two to eleven units, the community may require the developer to make a contribution to the community’s affordable housing fund, in lieu of actual construction of inclusionary housing units.</p>	<p><b>Comments</b></p> <p>LandWatch believes that the additional proposed policies, outlined in the left hand column of this section, should be incorporated into the Monterey County General Plan, and would strengthen the production of affordable housing in Monterey County.</p> <p>#1- This is a proposed general statement that LandWatch believes should be incorporated into the GPU. Incorporation of this strong statement would bolster all of the GPU policies related to affordable housing.</p> <p>#2 – This policy of permanent protection for affordable housing should apply not only in the “overlay” areas, but should apply to <i>all</i> new affordable and workforce housing, to preserve the units that are constructed for the long term, as a community resource.</p> <p>#3 – This proposed policy would place a commitment to a strong inclusionary housing program into the <i>General Plan</i>. As indicated in the bracketed and bolded comments, LandWatch would favor increasing the basic inclusionary amount from 20% to 40%, but whatever percentages are chosen by the Board of Supervisors, the inclusionary program should be spelled out in the General Plan, to make the County’s commitment to this vital program as strong as legally possible</p>

**#4 - New Jobs And New Housing Go Together** – When newly constructed professional office, industrial, or commercial facilities create 50 or more new jobs, the employers utilizing these new facilities shall be required to help provide, directly or indirectly, new, permanently affordable living quarters, to help meet the housing demand generated by the new jobs.

**#5 - Establish Minimum Density Requirements** – The Land Use Classification System established within the General Plan shall provide for *minimum* as well as maximum densities within each of the Residential Land Use Designations. [The policy should then spell out the minimum densities allowed in of the residential land use designations. LandWatch has not offered its specific recommendations here. The important thing is to incorporate the “minimum density” principle into the Land Use Element].

**#6 - Ensure A Range of Housing Types** – New residential developments shall include a mix of low-density, medium density, and high-density units, and shall provide housing opportunities for all income levels.

**#7 - “Mixed Use” Developments To Increase Housing Opportunities** – New commercial and professional office developments shall incorporate residential housing opportunities on site. Existing commercial and professional office developments shall be encouraged to redevelop and reconfigure uses to incorporate new residential housing opportunities. Notwithstanding this policy, the government may make a finding, with respect to a specific proposed new commercial or professional office development, that it would be inappropriate to require on site residential housing in a proposed new commercial or professional office development, because of the unsuitability of the area or the development for residential development; in that case, the government may require equivalent residential housing to be constructed at an offsite location.

**#8 - Design Housing To Meet Community Needs** – Every new residential development of fifteen or more units, when constructed at either Medium or High Density, shall incorporate all of the following design features:

- On site recreational facilities, appropriately sized to serve the needs of the residents of the development.
- Except for developments exclusively designed for residents who will be fifty-five years of age or older, on site childcare facilities, or the provision within the development of one or more units specifically designed to accommodate family day care, including necessary outdoor space, and appropriately sized to serve the needs of the residents of the development.
- Indoor space, including simple kitchen and restroom facilities, to accommodate educational, social service, and similar programs, and appropriately sized to serve the needs of the residents of the development.

possible.

#4 – This proposed policy would link the creation of new jobs to the provision of new housing.

#5 – When lands designated for “higher” densities are actually developed at “lower” densities (a common occurrence) then affordable housing opportunities are lost. Proposed policy #5 would prevent this.

#6 – Proposed policy #6 would help ensure that social and income diversity is “built in” to all future developments in Monterey County. There are lots of “exclusive” housing opportunities already available (Pebble Beach, Carmel, and Pasadera, as examples). Future developments should include a broad range of housing types, to meet the needs of the entire community.

#7 – Proposed policy #7 is another way to help make commercial and business developments provide housing opportunities.

#8 – These design standards will help ensure that “higher density” developments actually produce better living conditions for residents than lesser density developments would do.

<p>#9 – This proposed policy, again, should apply to <i>all</i> new affordable and workforce housing projects, not just those in the affordable housing “overlay” areas.</p>	<p><b>#9 - First Right To Rent or Purchase</b> – When residential housing developments are approved, any affordable and workforce housing units constructed within such housing developments shall first be offered for rental or sale to individuals who currently live in or work in Monterey County, and if any such residential unit is resold or rented subsequently, such residential unit shall again be offered first to individuals who then currently live in or work in Monterey County.</p>
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