

HOUSING ELEMENT

City of Del Rey Oaks

5th Cycle Housing Element Updated from December 17, 2019 Adopted
Housing Element to address Housing and Community Development
Department (HCD) Comments

HCD Review Draft
Submittal April 19, 2023



Prepared by Denise Duffy & Associates



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

This Page Intentionally Left Blank

TABLE OF CONTENTS

PREFACE – (Updated)

CHAPTER 1.0 INTRODUCTION 1-1

 Housing Elements Contents1-3

 Public Participation (Updated)1-4

 General Plan Consistency1-10

CHAPTER 2.0 POPULATION AND HOUSING PROFILE..... 2-1

 Preface (New)P-1

 Population Characteristics and Historic Trends.....2-1

 Population Growth2-2

 Household Size and Type.....2-3

 Employment2-4

 Housing Inventory2-5

 Households by Income Level2-7

 Overpayment.....2-8

 Special Needs Groups.....2-9

 Housing Age and Condition2-15

 Cost of Housing.....2-16

 Housing Affordability.....2-18

CHAPTER 3.0 HOUSING NEEDS AND RESOURCES 3-1

 Housing Needs.....3-1

 Summary of Del Rey Oaks Land Inventory (Updated)3-2

 Vacant Land Inventory and Ability to Meet RHNA (Updated)3-18

CHAPTER 4.0 HOUSING CONSTRAINTS (Updated) 4-1

 Governmental Constraints4-1

 Locally Adopted Ordinances.....4-10

 Non-Governmental Constraints4-15

 Assisted Units at Risk of Conversion to Market Rates4-20

 Mitigation of Non-Governmental Constraints.....4-21

CHAPTER 5.0 ASSESSMENT OF CURRENT PROGRAMS 5-1

CHAPTER 6.0 ENERGY CONSERVATION 6-1

 Subsidies and Incentive Programs for Household Energy Conservation.....6-1

 Energy Conservation Design for New Residential Developments6-3

CHAPTER 7.0 HOUSING PLAN..... 7-1

 Housing Goals, Policies and Programs.....7-1

 Goals and Policies7-2

 Housing Programs (Updated)7-5

CHAPTER 8.0 LIST OF PREPARERS AND REFERENCES..... 8-1

 List of Preparers.....8-1

 References.....8-1

APPENDICES

- Appendix A:** HCD Review Letter, 2020
- Appendix B:** Outreach/Public Participation
- Appendix C:** Land Use Inventory (Updated) Additional Figures
- Appendix D:** Funding Resources
- Appendix E:** Matrix of Existing Housing Element Policies (Updated)

FIGURES

Figure 1 Vicinity Map3-5

Figure 2 Zoning Map3-5

Figure 3 Land Use3-9

Figure 4 Available Land Inventory (Updated)3-11

TABLES

Table 2-1 Historical Population Growth, 1990 to 2017 City of Del Rey Oaks2-1

Table 2-2 Del Rey Oaks Ethnicity and Racial Composition, 20172-1

Table 2-3 Del Rey Oaks Age Profile, 20172-2

Table 2-4 Del Rey Oaks Population and Household Size, 1990-20302-3

Table 2-5 Monterey County Cities Household Size, 2000 & 20102-3

Table 2-6 Del Rey Oaks Households by Type, 20172-4

Table 2-7 Del Rey Oaks Employment Forecast2-5

Table 2-8 Del Rey Oaks Employment by Industry, 20172-5

Table 2-9 Del Rey Oaks Housing Inventory by Type, 2000-20102-6

Table 2-10 Housing Unit Growth by Type (2000-2016)2-7

Table 2-11 Distribution of Units by Tenure and Size, 20172-7

Table 2-12 Vacancy Rates in Del Rey Oaks, 1990-20102-8

Table 2-13 Households by Income, 2015 Data Estimates2-9

Table 2-14 Household Overpayment, Del Rey Oaks, 20102-10

Table 2-15 Householders 65 Years and Over, Del Rey Oaks and Monterey County, 20122-11

Table 2-16 Householders by Tenure by Age, Del Rey Oaks, 20122-11

Table 2-17 Persons with Disabilities Profile for Area Cities (2012-2016)2-12

Table 2-18 Persons with Disabilities in Del Rey Oaks by Age and Type, 20172-12

Table 2-19 Developmentally Disabled Residents, by Age, for City of Del Rey Oaks2-13

Table 2-20 Overcrowding by Tenure, Del Rey Oaks, 20122-14

Table 2-21 Household Size by Tenure, Del Rey Oaks, 20112-15

Table 2-22 Female Headed Households, 20112-15

Table 2-23 Homeless Needs in Monterey County, 2012-20132-16

Table 2-24 Homeless Persons by Shelter Status, 20172-16

Table 2-25 Farmworkers by Jurisdiction.....2-17

Table 2-26 Del Rey Oaks Housing Stock by Year Constructed2-18

Table 2-27 Age of Housing Stock (2012-2016).....2-18

Table 2-28 Rise in Median Home Prices, 2000 and 20102-18

Table 2-29 Housing Sale Prices (2017 and 2018).....2-19

Table 2-30 Housing Prices - 2019.....2-19

Table 2-31 Average Rents in the Del Rey Oaks Area, 2000 to 20102-20

Table 2-32 Average Rental Housing Prices (2018).....2-20

Table 2-33 2018 Income Limits for Monterey County.....2-21

Table 2-34 Housing Affordability (2018).....2-22

Table 2-35 Owner Affordability, 20152-23

Table 3-1 Regional Housing Need Allocation – 5th Planning Cycle.....3-1

Table 3-2 Del Rey Oaks’ Total Low and Very Low Regional Housing Need Determinations
(with Carry-over from 4th Planning Cycle)3-2

Table 3-3 Site Inventory (Updated)3-13

Table 4-1 Existing Development Standards for Residential Zones4-2

Table 4-2 Zoning Districts Other than Residential Zones4-3

Table 4-3 Development Standards for Non-Residential Zones.....4-4

Table 4-4 City of Del Rey Oaks Fee Schedule.....4-8

Table 4-5 Development Fees Collected by Other Agencies.....4-10

Table 4-6 Interest Rates (Updated)4-19

Table 4-7 Disposition of Home Loans4-21

Table 7-1 Quantified Objectives Summary7-1

Table 7-2 Regional Housing Need Allocation.....7-7

LIST OF ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
ADA	Americans with Disabilities Act
ADU	Accessory Dwelling Unit
AMBAG	Association of Monterey Bay Area Governments
AMI	Area mean income
APR	Annual Percentage Rate
ARM	Adjustable Rate Mortgage
BRP	Base Reuse Plan
CARE	California Alternative Rates for Energy
CDBG	Community Development Block Grant
CDO	Cease and Desist Order
CHAS	Comprehensive Housing Affordability Strategy
CPUC	California Public Utilities Commission
CSCDA	California Statewide Communities Development Authority
DOE WAP	California Weatherization Assistance Program
DTSC	Department of Toxic Substances Control
DUC	Disadvantaged Unincorporated Communities
EIR	Environmental Impact Report
EPA	Environmental Protection Agency
FERA	Family Electric Rate Assistance Program
FHA	Federal Housing Administration
FORA	Fort Ord Reuse Authority
HAMC	Housing Authority of Monterey County
HCD	Housing and Community Development
HMDA	Home Mortgage Disclosure Act
HMP	Habitat Management Plan
LIHEAP	Low-Income Heating Energy Assistance Program

LIRA	Low-Income Rate Assistance
M1W	Monterey One Water
MBCP	Monterey Bay Community Power
MCWD	Marina Coast Water District
MCWRA	Monterey County Water Resources Agency
MGD	Million gallons per day
MPRPD	Monterey Peninsula Regional Parks District
MPWSP	Monterey Peninsula Water Supply Project
OE	Unexploded Ordinance and Explosives
PACE	Property Assessed Clean Energy Program
PG&E	Pacific Gas and Electric
PUD	Planned Unit Developments
PWM/GWR	Pure Water Monterey Groundwater Replenishment Project
R-1	Single Family Residential District
R-2	Multiple Family Residential District
RCS	Residential Conservation Service
RDIF	Regional Development Impact Fee
RHNA	Regional Housing Needs Allocation
SB	Senate Bill
SCE	Southern California Edison
PG&E	Pacific Gas & Electric
SRO	Single-room Occupancy
SWRCB	State Water Resources Control Board
TAMC	Transportation Agency for Monterey County
TCAP	Target Consumer Appliance Program
TND	Traditional Neighborhood Design
UXO	Unexploded Ordinance

This Page Intentionally Left Blank

PREFACE

This 2023 document comprises the Housing Element Update which incorporates the changes addressing revisions identified by the Department of Housing and Community Development (HCD) Division of Housing Policy and Development.

The City Council adopted a 5th Cycle Housing Element on December 17, 2019. HCD's formal review letter was received on March 20, 2020, requiring additional revisions for compliance. These items include revising Program A.1 and committing to rezone Sites 1 and 1a to allow residential uses, and adoption of an emergency shelter ordinance. The letter is attached to the Housing Element as **Appendix A**.

The following chapters update the Housing Element specific to HCD requirements, as addressed in Chapter 1, Introduction. Additional public outreach is also detailed in Chapter 1. Chapter 3 provides the updated inventory for Sites 1 and 1a, and Chapter 7 updates and revises the programs as requested by HCD.

Once HCD reviews this Housing Element Update, the Planning Commission will hold a duly noticed public hearing to consider Planning Commission recommendation to the City Council on the Housing Element, the environmental document, the staff report, public testimony, and other information.

The City Council will then consider the Housing Element at a hearing to be scheduled in summer 2023. The City Council will review the HCD letter, the recommendation from the Planning Commission and any changes to the policies and programs proposed during the review period and public hearings at this upcoming meeting.

This Page Intentionally Left Blank

CHAPTER 1.0 INTRODUCTION

Under the requirements of State law, every city and county in California must prepare a housing element as part of its general plan. The law recognizes that an adequate supply of affordable housing for all income levels is an essential need for all communities and that all local governments share in the responsibility of implementing solutions to address local and regional housing needs. To that end, all California local governments are required to prepare a housing element that lays out how the community will plan for its housing needs. The housing element is directed by the policy framework of the general plan and attempts to balance needs and values of a community while accomplishing the goals of housing element legislation.

Housing elements are developed to identify and analyze a city's housing needs; identify various governmental and non-governmental constraints to meeting those needs; establish reasonable goals, objectives and policies based on those needs; and set forth a comprehensive list of actions to achieve the identified goals and objectives. The detailed statutory requirements for preparing a housing element are codified in the California Government Code (sections 65580–65589). By law, a housing element must also be updated on a regular basis to facilitate the improvement and development of housing within a community and must also be reviewed and certified by the State Department of Housing and Community Development (HCD).

The official definition of housing needs is provided by HCD for each city and county within its geographic jurisdiction. The process to update a housing element must include an evaluation of the community's "Regional Housing Needs Allocation" (RHNA), which provides an estimate of the number of housing units that should be provided in the community to meet its share of new households in the region. As the regional planning agency, the Association of Monterey Bay Area Governments (AMBAG), is responsible for allocating the region's share of the statewide housing need to each jurisdiction based on population projections and regional population.

The City of Del Rey Oaks (City) Housing Element, one of the seven State mandated elements of the City's General Plan, was adopted by the City Council on December 17, 2019 (5th Cycle). Prior to this action, the City's Housing Element was last officially updated on June 1997. In accordance with State Housing Law, this Housing Element has been prepared for the 5th Planning Cycle.

This Housing Element Update addresses specific requested changes defined in HCD's letter in **Appendix A**, to achieve a compliant Housing Element. HCD's specific requirements (as noted in the HCD letter) advise the City that the December 2019 Housing Element must be amended to commit the City to amend the General Plan and the Zoning Code to allow housing on Sites 1 and 1a and provide for year-round emergency shelters under Government Code section 65583, subdivision (a)(4)(A). These must be completed in order to achieve a compliance for the Housing Element from HCD.

The majority of the earlier Draft Housing Element remains valid, and thus, the focus for this update is to address the above HCD letter.

Revisions to the December 2019 Housing Element Chapters below are shown in strike out and underline to aid HCD review of this Update. Focused revisions include:

Chapter 1, Introduction

Update to background information and added public participation discussion.

Chapter 3, Housing Needs and Resources

Update to the Land Inventory analysis focusing on Sites 1 and 1a.

Chapter 7, Housing Plan

Revise Program A-1 committing to rezoning to allow residential uses on Sites 1 and 1a.

Update references to emergency shelter ordinance to acknowledge City's actions have been completed on this item.

Appendix C was also updated consistent with Chapter 3, above, and **Appendix E** was updated to add status of programs since adoption of the December 17, 2020 Housing Element.

There were minor updates to **Chapter 2 and 4**, however, the vast majority of the text and the conclusions and assessment remain unchanged in these and other chapters identified below.

~~Due to significant policy changes from the previous General Plan update, this Housing Element has undergone substantive changes in format and content and is essentially a new document.~~

~~Housing Element Contents¹~~

In general, a housing element must at least include the following components:

Existing Needs and Projected Needs Analysis: Existing needs are the number of households overpaying for housing, living in overcrowded conditions, or special housing needs (such as the elderly or homeless). Projected needs analysis looks at the City's share of regional housing needs established in the RHNA Plan prepared by AMBAG.

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the RHNA. A complete analysis should include a quantification and a descriptive analysis of the specific needs and resources available to address these needs.

Sites Inventory and Analysis: A sites inventory is a detailed land analysis of available sites including specific properties, parcel size and existing conditions, availability of infrastructure, and an evaluation of suitability and potential development capacity that can be used in addressing the RHNA and/or population growth.

Analysis of Constraints: This includes an evaluation of land use controls, fees and exactions, permits and processing procedures and its impact on housing development. The housing element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for people with disabilities. The analysis

¹ This section has been reorganized in this update; reorganized sections are not shown as changes.

should identify the specific standards and processes of these constraints and evaluate their impact on the supply and affordability of housing. The analysis should determine whether local regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs.

Housing Programs: This addresses various programs to accommodate the locality's share of RHNA, remove or mitigate governmental constraints, conserve or improve housing stock, and promote fair and equal housing. Programs must include specific action steps the City will take to implement its policies and achieve its goals. Programs must also include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the jurisdiction's specific role in implementation, and (whenever possible) identify specific, measurable outcomes. This also includes a description of what has been learned based on the analysis of progress and effectiveness of the previous element.

Quantified Objectives: Each jurisdiction must identify specific programs in its housing element that will allow it to implement the stated policies and achieve the stated goals and objectives. An example of an objective may be an estimate of the number of units by income level to be constructed, rehabilitated, and conserved over a planning period.

Organization of this Document

This document is organized into seven sections to address the housing element required contents:

Chapter 1, Introduction, provides the statutory authority for housing elements, the City's planning framework, and an overview of the public outreach process.

Chapter 2, Housing and Population Profile, provides an analysis of demographic, social, and housing characteristics; current and future housing needs due to population growth and change; and a variety of information including employment, income, housing costs, special needs housing, and other factors affecting affordable housing in the City and region.

Chapter 3, Housing Needs and Resources, presents the City's RHNA. This section satisfies the "Existing Needs and Projected Needs Analysis" under required contents above. This section also describes the City's housing resources and includes a listing and analysis of the City's vacant and underutilized sites suitable for development of affordable housing. In addition, this section satisfies the "Sites Inventory and Analysis" under required contents above.

Chapter 4, Housing Constraints, describes how the available land inventory can meet the regional needs and also identifies potential constraints to the development of affordable housing in two categories: governmental and non-governmental constraints. This section satisfies the "Analysis of Constraints" under required contents above. This section also provides a listing of public and non-profit agencies that can serve as resources in the implementation of housing activities in the City.

Chapter 5, Assessment of Current Programs, identifies current programs and references the previous Housing Element; a matrix evaluates progress of previous programs.

Chapter 6, Energy Conservation, outlines current programs and opportunities for energy conservation for residents of Del Rey Oaks.

Chapter 7, Housing Plan, presents the updated goals, policies, programs, and quantified objectives for the Housing Element update with an implementation timeline, an assigned department or agency, and the expected funding source for each program. This section is consistent with requirements of “Housing Programs” and “Quantified Objectives”, as described above.

Data and Methodology

To understand the context of local housing in the City, a review and analysis of the community's population characteristics and housing stock was performed. The primary data source for the Housing Element Update is the City of Del Rey Oaks 5th Planning Cycle Housing Element Data Package prepared by HCD staff. Additional data sources include the U.S. Census Bureau (2010 U.S. Census), and available data from the American Community Survey (ACS), California Department of Finance (DOF), California Employment Development Department, and other sources as noted in the document. Mapping tools for identification of Disadvantaged Unincorporated Communities (DUCs) were also sourced as part of this documentation research.²

Public Participation

A broad community commitment is essential to the City's ability to establish and carry out programs addressing local housing issues. Accordingly, a key objective of the Housing Element is to increase the public's awareness of specific housing-related needs and problems of the community, as well as programs that will effectively meet those needs. The adoption of this Housing Element is only one step toward ensuring the provision of suitable housing for all residents of Del Rey Oaks. Continued pursuit of the programs set forth in this Housing Element must take on the form of active participation by both the public and private sectors in a variety of projects addressing local housing needs. Additionally, public participation in preparation of the Housing Element is required under Government Code section 65588(c).

Throughout the Draft Housing Element update, the public has been provided the opportunity to review draft documents and provide input to ensure all housing concerns in the community have been included and addressed. The Draft Housing Element update meetings were preceded by specific mailings to residents, local businesspersons, representatives of public agencies and non-profit organizations, and representatives of the Planning Commission and City Council. These recipients represent a wide range of personal experience, incomes, special needs, and professional knowledge of the housing industry and housing availability in the City and surrounding region.

Public input was received through workshops conducted in June 2019 and September 2019.³ All meetings and hearings were posted and publicly noticed, including specific mailings to organizations that represent the needs of low-income and special needs housing. Meetings with non-profit representatives occurred to receive input and collaborate on the process and document. Notices were both emailed and sent through the U.S. mail to individuals, organizations and public agencies as listed in **Appendix B** of this document. Notices were published in the newspaper and posted at various locations within the City. In addition, organizations that represent the interests of low-income and special needs households or are

² Review of the sources shows that there are no DUCs within the City limits or Sphere of Influence.

³ Planned public hearings or a joint meeting with the Planning Commission and the City Council will be provided as part of the Draft Housing Element review.

otherwise involved in the development of affordable housing, were specifically contacted during the preparation of this Housing Element as specified above. The City also had a Spanish translator in attendance to ensure all members of the Del Rey Oaks community could participate in the workshop.

The City's efforts to involve all economic segments of the community in the Housing Element update process included an initial public workshop conducted by City staff and consultant on June 6, 2019 at a noticed City Council hearing. The attendees included the full Council, members of the Planning Commission and members of the public. Invitations and notices were sent to all of the recipients noted in **Appendix B**⁴. The presentation included information about the housing element update process, recent updates to State housing law, and the RHNA numbers assigned to the City. The consultants provided fact sheets that provided a breakdown of what the Housing Element meant for the City. No surveys were taken for this process. City and consultants were able to engage with the community members through this workshop, outreach via letters and additional meetings/public workshops. At the June meeting, participants and community members expressed their excitement and shared their ideas for what type of housing they would like to see in the City. The general tone of the participants, based on the questions and comments received, was that they were eager to bring additional housing to the City while minimizing the negative impacts on the environment. There was active participation during this workshop. The following issues were brought up in the discussion at the June 6, 2019 workshop and subsequent hearings on the Housing Element:

- The City's history of drafting the Housing Element and General Plan and available land inventory to meet regional housing needs. Participants expressed interest in having affordable housing requirements met at the former Fort Ord property where there is an existing water allocation and vacant land available to meet RHNA.
- Need for an inclusionary housing ordinance – questions involved requirements for large projects and former Fort Ord area within the City.
- Discussion of the income categories, types of housing, and the need for full range of housing types in the City were identified as needed goals and programs in the Housing Element.
- Role of Planning Commission and City Council; requests for continued public participation in the housing element process and involvement of stakeholders.
- Participants asked questions about recent laws involving Housing Elements and whether funding sources could be sought to prepare updates to the Housing Element on a more regular basis consistent with State requirements.

Some participants asked questions pertaining to the type of housing development that would be needed to meet affordable goals and expressed interest in having mixed-use housing development, specifically residential uses in upper levels of commercial buildings within the City. An additional public meeting took place on September 4, 2019, after the Preliminary Review Draft Housing Element was sent to the City and

⁴ A Spanish interpreter was available for all public workshops; all of the mailings were provided in English. No members of the public requested information to be provided in both English and Spanish. The City had a Spanish speaking staff member available to provide information if requested for all hearings and materials.

made available to the community for public review and comment. All meeting material and draft public workshop materials were posted on the City's website and made available to interested parties, similar to the first public workshop. Mailings and announcements were also sent out, as identified above for the June workshop.

During the second public workshop, all City Council members were in attendance, as well as members of the Planning Commission, the City attorney, representatives from community organizations, and many of the same community members from the first workshop. A Spanish translator was also at the workshop to provide any requested translation services; none were requested or needed. The consultants prepared an information sheet outlining the workshop format of the presentation and distributed it to all the attendees. It explained the steps of submitting a Preliminary Review Draft Housing Element to the HCD and how the public could get involved. The community members expressed their interest in the ongoing development of the Housing Element and were eager to share their thoughts about what could be done to create more housing in Del Rey Oaks. During this workshop, the consultants emphasized the policies and programs contained in the Draft Housing Element and asked to hear feedback on what the community members thought was best for their City. The community engagement workshops resulted in positive discussion between City residents and consultants, who expressed support for policies and programs that were in the Preliminary Draft. Participants also confirmed that the Housing Element must include policies to be consistent with State law. There was overall comment and support for development of more housing in their City for all income levels. Subsequent oral and written comments were also received on the land use inventory, consistency with City Plans and water availability within the City and former Fort Ord property.

The City incorporated comments into the Draft Housing Element including programs addressing development of an inclusionary housing ordinance, location of affordable housing to meet RHNA in the current City limits and the former Fort Ord area where there is vacant land and a water allocation, pursuit of funding sources and development of housing in commercial areas within the City. Specific program revisions were developed based upon recommendations and input from HCD for Chapter 7.0. Public outreach materials including meeting materials and summaries of all public comments are available for review on the City's Housing Element webpage at <https://www.delreyoaks.org/community/page/update-housing-element>⁵.

This Housing Element was developed after research and outreach to a number of parties and represents the combined efforts of public and interested citizens (including representatives of housing non-profits/organizations), City staff, the City's Planning Commission, the City Council, and the City's consultant. After public review of the Housing Element, comments received from stakeholders and public hearings held at both the Planning Commission and City Council, participation continued in the housing element process through involvement of stakeholders. The City continued to reach out to HCD and other stakeholder and made revisions in programs related to where the City would meet RHNA and revised the land use inventory. HCD informed the City in a letter dated November 14, 2019 that the Housing Element would be found compliant after completion of the two following required actions: 1) if it was amended to

⁵ This link has been updated to <https://www.delreyoaks.org/documents>. Also refer to Appendix B, Public Participation.

commit the City to amend the General Plan and the Zoning Code to allow housing on the former Fort Ord Sites 1 and 1a and 2) if it were to provide for year-round emergency shelters⁶.

The Housing Element was revised to incorporate the above recommendations from HCD and an updated Housing Element was made available to the public on the City website and presented to the Planning Commission on November 25, 2019 at a duly noticed public hearing. The Planning Commission voted to recommend to the City Council adoption of the Housing Element, along with the accompanying draft Initial Study/Negative Declaration.

The City continued to provide opportunity for public comments on the Draft. A series of comment letters were received objecting to the use of Sites 1 and 1a the former Fort Ord area due to, in part, concerns about impacts to groundwater resources⁷. In an attempt to address these comments, the Housing Element was revised; primary revisions included removal of future rezoning action as a program and additional review of the land use inventory to address the questions and comments involving environmental and water availability for properties. Additional language was added to address current water planning and acknowledge the potential for water to be provided in areas within the City and outside the former Fort Ord property due to recent water planning efforts. The City Council held a public hearing on December 17, 2019 to consider adoption of the December 2019 Housing Element. At the hearing, the Council was provided with the November 2019 Planning Commission recommended Housing Element, and both a track-changes and a clean copy of the Revised December 2019 Housing Element with the rezoning policies eliminated. The revisions provided to the City Council included revised programs to address stakeholders' comments.

The City Council adopted the revised December 2019 Housing Element version at a December 17, 2019 hearing⁸.The Council-approved version identified Sites 1 and 1a, as well as Sites 2, 3, and 4 as potential sites within the land inventory able to meet RHNA. This version also removed the commitment to amend the City's General Plan and Zoning Code to allow for housing on Sites 1 and 1a.

The City provided the adopted Housing Element to HCD for required review and consideration of compliance. In a March 2020 letter, HCD informed the City the Housing Element would not be compliant until it was amended to commit the City to amend the General Plan and the Zoning Code to allow housing on Sites 1 and 1a and provide for year-round emergency shelters under Government Code section 65583,

⁶ The letter stated the draft element, incorporating the revisions submitted, "meets the statutory requirements of state Housing Element law". This finding was based on, among other reasons, Program A.1 - accommodate the city's Regional Housing Needs Allocation (RHNA), which commits to rezoning pursuant to the requirements of Gov. Code section 65583.2, subd. (h) and (i). ⁷ LandWatch, a local NGO, strongly objected to rezoning of Sites 1 and 1a in the former Fort Ord area due to potential impacts to groundwater in the area, among other reasons. The City attempted to reach a compromise and in an attempt to avoid a legal challenge, the City revised the Housing Element, taking out rezoning as part of Program A.1.

⁷ LandWatch, a local NGO, strongly objected to rezoning of Sites 1 and 1a in the former Fort Ord area due to potential impacts to groundwater in the area, among other reasons. The City attempted to reach a compromise and in an attempt to avoid a legal challenge, the City revised the Housing Element, taking out rezoning as part of Program A.1.

⁸ The Council noted that this version was adopted in an effort to acknowledge the stated objections, yet still make the deadline for submitting a complete Housing Element update.

subdivision (a)(4)(A)⁹. Additionally, HCD noted that additional public outreach was essential to be conducted prior to amending the Housing Element.

In response to the HCD letter, this Housing Element Update amends Program A.1 to commit to rezoning, as shown in **Chapter 7.0**. The City adopted an Emergency Shelter Ordinance on March 28, 2023. The Ordinance will be provided to HCD for review as part of their consideration of this Update.

The section below documents the additional public participation conducted for this Housing Element Update.

Housing Element Continued Public Participation

Throughout the Housing Element Update process, the City continued to engage the community. The City conducted two additional public workshops on the Housing Element Update in 2021 and 2022; these are presented below. All City Council members were in attendance, as well as members of the Planning Commission, the City attorney, representatives from community organizations, and many of the same community members from previous workshops¹⁰. The City reached out to the mailing list, email list and organizations consistent with the previous outreach efforts, including those organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate.

On June 9, 2021, a Special Meeting of the Joint City Council and Planning Commission Study Session was conducted to present an update on the City's Housing Element before the City Council, Planning Commission, and members of the public. The study session presented a Land Use Inventory of parcels with potential opportunities for housing development; and the City policies regarding Program C.2 on Accessory Dwelling Units (ADUs), Program D.4 on emergency shelters, and Program A.1 on rezoning Sites 1 and 1a to accommodate the City's RHNA. The background of the previous adoption was presented and actions necessary to achieve compliance with the requirements of HCD discussed.

On March 30, 2022, a Housing Element Workshop was presented before the City of Del Rey Oaks City Council, Planning Commission, and members of the public to present information and seek comments on the Housing Element Update. The meeting updated the status of the Housing Element update and discussed rezoning to accommodate affordable housing and meet HCD compliance. Specifically, the City was asked to provide direction on land inventory of sites in the 2019 Housing Element, particularly related to environmental and other constraints for development. The City Council and public had questions on the method of rezoning and options for completion of the rezoning on Sites 1 and 1a, and whether Sites 2, 3 and 4 should be included as available land due to the environmental constraints and limitation on water. Chapter 3.0 and Appendix C were updated to address this comment to indicate these sites are not viable for meeting RHNA for 5th cycle.

⁹ HCD rejected the use of Sites 2, 3 and 4 to meet RHNA, as there was no basis to establish water availability during the planning period.

¹⁰ Additionally, the City conducted public hearings in 2022 and 2023 at the Planning Commission and City Council during the consideration of the Emergency Shelter Ordinance as well as study sessions and hearings at the Planning Commission and City Council during adoption of the ADU ordinance.

On March 16, 2023, an additional Housing Element Workshop was held with the City of Del Rey Oaks City Council, Planning Commission, and members of the public to present information and seek comments on revisions to the Housing Element programs. The meeting updated the status of the Housing Element, provided details on the Emergency Shelter Ordinance and asked the public to weigh in on the revisions to Housing Program, Program A-1. The consensus from the Council and Planning Commission was to rezone both Sites 1 and 1A to accommodate affordable housing and to update City Ordinance and implement Program D.4 to allow emergency shelters by-right in C Zone.

One member of the public spoke and asked that future programs ensure that there would be mixed use for both housing and commercial sites in the community and noted that the City wants to embrace a community that has all income levels in an area, without isolating affordable housing in its design of future housing¹¹. A schedule was presented and members of the City Council and Planning Commission endorsed completion of the 5th Cycle Housing Element and rezoning as required HCD review and CEQA documentation.

On March 28, 2023, a public meeting was held at the City Council meeting to discuss the timing and schedule for updating the Housing Element for both 5th and 6th cycle, and for the Council to approve the 2nd reading of the Emergency Shelter Ordinance. No changes to the consensus reached on rezoning and exclusive use of Sites 1 and 1a were made and endorsement of this approach was confirmed.

Status of Del Rey Oaks Housing Element Compliance with HCD

This Housing Element for the City represents the 5th Planning Cycle update and covers the eight-year planning period of December 31, 2015 through December 31, 2023.

Under Government Code section 65588(e)(4), a jurisdiction that failed to adopt its housing element within 120 calendar days of the statutory due date, shall revise its housing element not less than every four years, until adopting at least two consecutive revisions by the applicable due dates. Since Del Rey Oaks did not meet the requirements of Government Code section 65588(e)(4) under 5th Cycle, it is subject to the four-year revision requirement until the City has adopted at least two consecutive updated revisions by the applicable due dates.

The City is diligently working toward updating the 5th Cycle Housing Element. The City is also working with HCD and staff toward completion and adoption of the required rezoning efforts noted previously to achieve an HCD compliant housing element, adoption of an emergency shelter ordinance and rezoning (see HCD letter included in **Appendix A**) meeting this requirement. This document has been prepared by the City, with input and assistance from HCD and public input.

~~As noted above, the City is subject to the four-year revision requirement until the City has adopted at least two consecutive updated revisions by the applicable due dates. Prior to obtaining housing element compliance, the City must adopt both an initial 5th Planning Cycle Housing Element and a compliant four-year update. The two Housing Elements may not be adopted concurrently. Thus, the City anticipates adopting this 5th Planning Cycle Housing Element by December 31, 2019 and then working on the four-~~

¹¹ This and other comments on future programs will be presented in the 6th Cycle Housing Element currently in preparation.

year update starting in 2020 for completion of the 5th Planning Cycle. The City is working diligently toward this goal.

General Plan Consistency

State law requires that the Housing Element contain a statement of “the means by which consistency will be achieved with other General Plan elements and community goals” (California Government Code, section 65583 [c][7]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies and programs that could affect implementation of the Housing Element; and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements. The Housing Element includes goals, policies, programs, and objectives that are generally consistent with the City’s General Plan. State law requires the preparation of a Housing Element as part of a jurisdiction’s General Plan (Government Code section 65302[c]). Specific requirements of the Housing Element are codified in Government Code sections 65580–65589.8. Unlike other General Plan elements, the Housing Element must be updated periodically according to the statutory schedule.

The Housing Element has been reviewed for consistency with other General Plan elements. Specifically, key housing-related policies in the Land Use Element are reflected in the Housing Element goals and policies. The City’s current General Plan contains several elements with policies related to housing, including Land Use and Circulation. The goals and policies of the Housing Element support the broad vision statements contained in the City’s General Plan, as well as the land use classifications for residential, commercial and open space. Finally, the goals, policies, programs, and objectives established in the Housing Element are primarily consistent with and attempt to implement those set forth in the Land Use Element for land development (consistency with former Fort Ord regulations are addressed separately below).

As General Plan elements are amended over time, the City will review the Housing Element to ensure internal consistency. The Draft Housing Element update process may also result in future amendments to the General Plan and specific changes to the Land Use Element and/or the Circulation Element, as well as the potential for new implementing ordinances.¹² As the City’s Housing Element is required to be regularly revised pursuant to a statutory schedule, the update process will provide housing and land-use strategies that closely reflect changing local needs, resources, and conditions.¹³ The City regularly reviews their progress in implementing their General Plan policies in annual progress reports (APRs). The City conducts public meetings at the Planning Commission and City Council annually for the APRs for the General Plan

¹² The City has reviewed policies in the other elements of the General Plan and has concluded that none of the policies will impede the City’s achievements of, or be inconsistent with, the policies of this Housing Element. Housing Element policies primarily related to housing assistance, housing rehabilitation, equal housing opportunities, residential energy conservation and other topics not directly affected by policies in the other General Plan elements. Furthermore, it has been found that policies contained in the Housing Element will help contribute to the achievement of General Plan policies.

¹³ Certain other elements of the general plan will be evaluated to determine what changes are needed; it is assumed that the Safety Element must be updated on or before the next adoption of the housing element. The safety and conservation elements of the general plan must include analysis and policies regarding fire and flood hazard management. (Government Code section 65302[g]).

and Housing; the reports are provided to HCD and the Office of Planning and Research on April 1st of each year.

Fort Ord Base Reuse Plan

The Housing Element is also governed by policies from the Fort Ord Reuse Authority's (FORA's) Base Reuse Plan (BRP). The City's General Plan addresses and incorporates objectives and policies from the BRP, containing specific land use policies and program actions consistent with the BRP. The BRP is designated under the FORA Act as the official local plan for all purposes related to planning, disposition, reuse and redevelopment of the former Fort Ord (Government Code section 67675). Upon adoption of the BRP, local jurisdictions were required to amend and submit their General Plans to FORA for a determination of conformity with the BRP, and to conform their zoning regulations to the FORA approved amended general plans (Government Code sections 67675-67675.7, inclusive). The City prepared its General Plan Amendment, and FORA found the City's General Plan Amendment was consistent with the BRP by Resolution (June 17, 1997). The City will also request a formal consistency determination from FORA after City adoption of this Housing Element update.

City Redevelopment Plan for the former Fort Ord Base

The City also adopted amendments to its Zoning Ordinance covering the former Fort Ord Redevelopment area in conformance with the land use designations, development standards and policies of the BRP (Ordinance No. 242 introduced on May 27, 1997 and approved on June 17, 1997). On June 17, 1997, the City also adopted amendments to its General Plan which approved land use designations and policies for the City's lands within the former Fort Ord.¹⁴ The City's Redevelopment Plan for the former Fort Ord Base has been reviewed for consistency with the Housing Element and is considered consistent with the goals and policies of the Housing Element.

¹⁴ Resolution #97-1, approved by the City Council on July 17, 2002, adopted the General Plan Update and Certified the Environmental Impact Report (EIR) for the General Plan Update.

This Page Intentionally Left Blank

PREFACE TO CHAPTER 2.0 POPULATION AND HOUSING PROFILE

The following Chapter discusses population and housing characteristics and trends regarding Del Rey Oaks' current and future population, using information sources from the City of Del Rey Oaks 5th Planning Cycle Housing Element Data Package prepared by HCD staff, U.S. Census Bureau, the California DOF, and AMBAG. HCD Comments on the 2019 Adopted Housing Element did not suggest changes were needed to this section¹. This Preface summarizes key points for comparison of updated data. The City's 6th Planning Cycle Housing Element will include a complete updated data package. None of the updated information since the publication and HCD review of the December 2019 Housing Element would affect or change the conclusions or program direction adopted by the Council and updated in this 2023 Update.

Population growth over the past three decades has changed slightly overall with a population decrease of approximately 5 percent since 1990. Del Rey Oaks' total population was estimated at approximately 1,539 in 2020, a decrease from 1,700 population in 2017. The average 2020 household size in Del Rey Oaks was 2.40 persons per household, an increase from 2.32 reported in 2010.

The average age of the Del Rey Oaks population was reported as 47.1 in the 2019 Housing Element, compared with the 2020 higher average age of 49.4. The number of householders 65 years and over in Del Rey Oaks in 2012 was 167 (25.3 percent) compared to 249 (39.3 percent) in 2020. Monterey County's households with householders 65 years and over in 2020 was 33,939 (26.5 percent). The ethnic mix of Del Rey Oaks has changed somewhat since the previous report but the ethnic majority has not changed. City residents that reported themselves as White are the majority. This percentage declined from 85.3 percent in 2018 to 76.1 in 2020, a 9.2 percent decrease.

Data for the 2016-2020 reporting years indicates about 86 percent (up from 82 percent reported in 2019) of all housing units in Del Rey Oaks were single-family, compared to 70 percent of units in Monterey County. Del Rey Oaks continues to have a higher proportion of single-family units and lower proportion of multi-family housing compared to other neighboring cities. The 2010 Census indicates a higher overall vacancy rate of 4.5 percent, with a rental vacancy rate of 2.6 percent and an owner-occupied unit vacancy rate of 1.9 percent. The 2020 Census also indicates an overall vacancy rate of 4.5 percent, with a rental vacancy rate of 4.5 percent and an owner-occupied unit vacancy rate of 0 percent.

As previously reported from the 2010 census data, 11 percent of the City's population had one or more disabilities compared to about 9 percent of the Monterey County population. In 2020, 12.7 percent of the City's population had one or more disabilities compared to 8.5 percent of the

¹ Where possible, updated data was reviewed to determine if any major changes in demographic or community profile from newer 6th cycle data. No major changes were found. Updated data will be reported in 6th Cycle Housing Element per HCD requirements.

Monterey County population, and similar proportions in Salinas (7.5 percent), Seaside (11.3 percent), and Monterey (7.7 percent).

Results from the 2010 U.S. Census indicate that 1,624 people (100 percent of the population) lived in households, none lived in non-institutionalized group quarters, and none were institutionalized. There were 701 households, out of which 164 households (23.4 percent) had children under the age of 18 living in them. 209 households (29.8 percent) were made up of individuals and 90 households (12.8 percent) had someone living alone who was 65 years of age or older. There were 443 families (63.2 percent of all households); the average family size was 2.86. According to the 2016-2020 American Community Survey (ACS) 5-Year Estimates from the U.S. Census Bureau, there were 633 households, out of which 89 households (14 percent) had children under the age of 18 living in them. 224 households (35.4 percent) were made up of householders living alone and 105 households (16.6 percent) had someone living alone who was 65 years of age or older. The average household size was 2.40. There were 384 families (60.7 percent of all households); the average family size was 3.11. Married couple households decreased and female-headed households increased since last reporting, as did non-family households.

By far the biggest change since the release of the 2019 Housing Element is the increased costs for both rentals and home ownership. However, the conclusions remain the same: (1) rental prices are becoming increasingly unaffordable, especially for larger households with very low-incomes; and (2) home ownership is unattainable for most low- and very low-income households.

As home prices have increased in Del Rey Oaks, it has become increasingly difficult for many households to afford the cost of housing. Essentially, lower- and moderate-income households in the County have very limited affordable housing opportunities. Few could afford to purchase a home, and most could not afford adequately sized rental units. Housing becomes moderately affordable only when household incomes reach the middle-income level.

The following section presents Chapter 2.0, Population and Housing Profile, adopted as part of the 2019 Housing Element Update.

CHAPTER 2.0 POPULATION AND HOUSING PROFILE

This Chapter discusses a variety of demographic, economic, housing, and special needs characteristics and trends about Del Rey Oaks' current and future population. This information provides context for housing planning and helps to identify issues that affect the City's existing and future housing needs. Primary data sources in this section comes from the City of Del Rey Oaks 5th Planning Cycle Housing Element Data Package prepared by HCD staff, U.S. Census Bureau, the California DOF, and the AMBAG.

Population Characteristics and Historic Trends

The City was incorporated on September 3, 1953 and currently has over 1,700 residents in a total area of 0.5 square miles. Del Rey Oaks is in Monterey County (County), located between the cities of Seaside and Monterey and neighboring the Monterey Peninsula Regional Airport. The City is accessible via two major roads, Canyon Del Rey Road and Highway 68.

Over the past decade, the City has maintained a static population with little variation from year to year. **Table 2-1** shows recent population growth since 1990 in Del Rey Oaks. Population growth over the past two decades has increased slightly overall with a population increase of approximately 3 percent since 1990. Del Rey Oaks' total population at the start of 2018 was estimated at approximately 1,727.

Table 2-1
Historical Population Growth, 1990 to 2017 City of Del Rey Oaks

Year	1990	1993	1997	2000	2002	2008	2010	2014	2017
Population	1,670	1,661	1,608	1,648	1,660	1,599	1,624	1,668	1,719

Sources: California DOF 1990, 2007, 2012, and 2019

Ethnicity and Racial Composition

As shown in **Table 2-2**, according to the 2017 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017), 85 percent of the City's residents reported themselves as White, 4.2 percent reported themselves as Asian, 1.7 percent as Black or African American, and 9.6 percent as Hispanic or Latino. Most of the Hispanic or Latino population reported themselves as being of Mexican origin (12.9 percent of Del Rey Oaks residents). The ethnic mix of Del Rey Oaks is significantly different from that of Monterey County as a whole. Countywide, the Hispanic population was approximately 58 percent in 2017.

Table 2-2
Del Rey Oaks Ethnicity and Racial Composition, 2017

Ethnicity/Race	Number	Percent (%)
White	1,319	84.8%
Black or African American	27	1.7%
American Indian or Alaska Native	3	0.2%
Asian ¹	66	4.2%
Native Hawaiian and Other Pacific Islander	9	0.6%
Some Other Race	21	1.4%
Two or More Races	110	7.1%

**Table 2-2
Del Rey Oaks Ethnicity and Racial Composition, 2017**

Ethnicity/Race	Number	Percent (%)
TOTAL	1,555	100%
Hispanic or Latino ²	249	16.0%
Source: U.S. Census Bureau, 2017		
¹ Asian, Indian, Chinese, Filipino, Japanese, Korean, or Vietnamese.		
² Mexican, Puerto Rican, Cuban, other Hispanic or Latino.		

Age

Approximately 18 percent of Del Rey Oaks' citizens were under 19 years old according to the 2017 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017). People aged 65 and over accounted for about 20 percent of the population in 2017, compared to about 12 percent in the County as a whole. The high percentage of age 65 and older residents most likely represents households that have lived and owned homes in Del Rey Oaks for many years. This aging population has policy implications and will impact the housing market, as older households generally have fewer resources to spend on housing and require different types of housing and services, compared to younger households. As seen in **Table 2-3** the average age of the Del Rey Oaks population is 47.1. This means that Del Rey Oaks needs to create more housing accommodations for its elderly population, while considering the rise of families moving into the City as well.

**Table 2-3
Del Rey Oaks Age Profile, 2017**

Age	Population	Percent of Total
Under 5	115	7.4%
5 to 9 years	57	3.7%
10 to 14 years	52	3.3%
15 to 19 years	61	3.9%
20 to 24 years	72	4.6%
25 to 29 years	127	8.2%
30 to 44 years	253	16.3%
45 to 54 years	201	12.9%
55 to 59 years	166	10.7%
60 to 64 years	140	9.0%
65 and over	311	20.0%
AVERAGE:	47.1	---
Source: U.S. Census Bureau, 2017		

Population Growth

According to data from the U.S. Census, Del Rey Oaks' population was 1,624 in 2010, a drop of 1.6 percent from the 2000 population of 1,650 persons. During this same period, Monterey County grew by 4.0 percent. The AMBAG's 2018 Regional Growth Forecast forecasts that Monterey County will continue to grow between now and the year 2030. **Table 2-4** provides a summary of population growth and AMBAG's projected population growth. AMBAG is estimating that the Del Rey Oaks population will increase significantly over the next 10 years, in comparison to its minimal increase over the past 20 years. More

specifically, over the past 20 years Del Rey Oaks has seen a population increase of just 3 percent, and AMBAG is estimating that the population will increase by 66 percent by 2030. This is a huge population jump in a relatively short amount of time for a City that has kept a very steady population¹. It is crucial to the success of the City to prepare for the potential influx of people by developing more housing.

Table 2-4
Del Rey Oaks Population and Household Size, 1990–2030

	1990	2000	2010	2020 (est.)	2030 (est.)
Population	1,661	1,650	1,624	1,949	2,591
Source: U.S. Census Bureau, 1990, 2000 and 2010; AMBAG 2018					

Household Size and Type

Results from the 2010 U.S. Census indicate that 1,624 people (100 percent of the population) lived in households, none lived in non-institutionalized group quarters, and none were institutionalized. There were 701 households, out of which 164 households (23.4 percent) had children under the age of 18 living in them. 209 households (29.8 percent) were made up of individuals and 90 households (12.8 percent) had someone living alone who was 65 years of age or older. The average household size was 2.32. There were 443 families (63.2 percent of all households); the average family size was 2.86. Household size is an indicator of overcrowding, so a higher household size would mean there is a trend toward larger families and communities, a decline in household size would mean the population is aging. **Table 2-5** shows the average household sizes from 2000 and 2010 in other various cities in Monterey County and the County average as well. Based on this data, Del Rey Oaks' average household size is lower than the County average, but similar to other coastal cities like Carmel, Marina, Monterey, Pacific Grove and Sand City.

Table 2-5
Monterey County Cities Household Size, 2000 & 2010

City/County	2000	2010
Del Rey Oaks	2.34	2.32
Carmel	1.79	1.78
Gonzales	4.42	4.29
Greenfield	4.75	4.71
King City	4.03	4.26
Marina	2.79	2.75
Monterey	2.13	2.08
Pacific Grove	2.10	2.09
Salinas	3.66	3.66
Sand City	2.46	2.27
Seaside	3.21	3.16
Soledad	4.54	4.27
Monterey County	3.14	3.20
Source: U.S. Census Bureau, 2000 and 2010		

¹ Comments during public workshops questioned the City achieving this population growth and these projections.

For the purpose of looking at housing supply and demand, it is helpful to translate information from population figures into household data. According to U.S. Census data, in 2017 there were 627 total households. The average 2017 household size in Del Rey Oaks was 2.80 persons per household, an increase from 2.32 in 2010 (see **Table 2-6**). As previously mentioned, this means that Del Rey Oaks' population is trending towards a younger demographic with larger families. This is important information because a trend towards a younger demographic with larger families means the City should plan for family housing and services such as daycare. Although there is an increase in the average household size, Del Rey Oaks must not forget about its aging population, which is comprised of the post-World War II baby boomer generation. This generation has always had an enormous population compared to other generations, having implications for healthcare and the economy; therefore, the City needs to plan how they should house these elderly people. As of now, this age cohort mostly resides in single-family homes, but as they require more assistance in their old age, they will need more options for assisted living.

Table 2-6
Del Rey Oaks Households by Type, 2017

Household Type	Number of Households	Percent of Total Households
Married Couple Households	334	53.3
Female-Headed Households	34	5.4
Non-Family Households*	239	38.1
Total Households	627	100
Average Household Size	2.80	--
Source: U.S. Census Bureau, 2017		
Note: Non-Family Households are defined by the U.S. Census as households that include either householders who live alone or householder who is 65 years and over.		

Employment

AMBAG's 2018 Regional Growth Forecast reported that there were 359 jobs in Del Rey Oaks. Over the course of the next 25 years AMBAG estimates a 20 percent increase in jobs in Del Rey Oaks. See **Table 2-7** for a full employment forecast for Del Rey Oaks up to 2040. Because of the increase of available jobs in Del Rey Oaks, there will be an increase in the population leading to a need for more housing. Although Del Rey Oaks is one of the smaller cities in Monterey County, AMBAG is predicting there will be a higher percentage of available jobs in its jurisdiction compared to the rest of the County.

Although many people in Monterey County live and work in different cities, it does not mean that Del Rey Oaks or any other city in the County can ignore their need for housing. This is why AMBAG completed its RHNA, which allocates each City's need for housing of various income levels. Each city in Monterey County must do its fair share to accommodate the inevitable rise in population for the community to develop, while ensuring no groups are left out based on income, age or race.

**Table 2-7
Del Rey Oaks Employment Forecast**

Jurisdiction	2015	2020	2025	2030	2035	2040	Change 2015-2040	
							Numeric	Percent
Del Rey Oaks	359	371	387	404	418	432	73	20%
Monterey County	203,550	211,799	218,203	224,207	230,212	235,822	32,272	16%

Source: AMBAG, 2018

According to the 2017 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017), the total employed population was 795 persons as seen in **Table 2-8**. The table also shows other various industries and their employment rates for both Del Rey Oaks and Monterey County as a whole. In 2017, the majority of people who worked in Del Rey Oaks were employed in both the educational services, and health care and social assistance industry, comprising 30 percent of the total employed population, compared to about 20 percent of Monterey County's residents in the same category. There were no Del Rey Oaks residents employed in the agricultural, forestry, fishing, hunting, or mining industries, compared to an 18 percent total for Monterey County's workforce according to the data in **Table 2-8**.

**Table 2-8
Del Rey Oaks Employment by Industry, 2017**

Employment by Industry	City of Del Rey Oaks		Monterey County	
	Estimate	Percent	Estimate	Percent
Civilian employed population 16 years and over	795	100%	182,439	100%
Agriculture, forestry, fishing and hunting, and mining	0	0.0%	32,377	17.7%
Construction	56	7.0%	10,927	6.0%
Manufacturing	25	3.1%	9,088	5.0%
Wholesale trade	17	2.1%	4,894	2.7%
Retail Trade	74	9.3%	18,217	10.0%
Transportation and warehousing, and utilities	17	2.1%	6,112	3.4%
Information	37	4.7%	2,389	1.3%
Finance and insurance, and real estate and rental and leasing	48	6.0%	6,963	3.8%
Professional, scientific, and management, and administrative and waste	99	12.5%	16,113	8.8%
Educational services, health care and social assistance	241	30.3%	36,158	19.8%
Arts, entertainment, recreation, and accommodation and food services	83	10.4%	21,928	12.0%
Other services, except public administration	45	5.7%	7,786	4.3%
Public administration	53	6.7%	9,487	5.2%

Source: U.S. Census Bureau. 2017

Housing Inventory

A housing stock is generally comprised of three categories: single-family dwelling units, multi-family dwelling units, and other types of units such as mobile homes, as described below:

Alternatives to Single-Family Housing. New housing alternatives often evolve in the market when the traditional housing supply cannot meet the needs of all segments of the population.

Condominiums. Condominiums have been offered as a moderately priced, low-maintenance housing alternative for single, retired persons, “empty nesters,” and urban professionals. This type of housing has enabled a larger segment of the population to achieve home ownership. However, monthly fees for exterior maintenance, management, and other common services often increase monthly costs, negating some of the savings derived from the relatively lower selling price of certain condominiums. There are very few condominiums in the Del Rey Oaks City limits.

Mobile Homes/Manufactured Housing. Mobile homes are a relatively inexpensive housing alternative since they are prefabricated, and they require less on-site labor than construction of a conventional house. Buyers of mobile homes include the elderly as well as working-class families and individuals who choose this alternative over traditional single-family residences. There are no mobile home parks currently within Del Rey Oaks City limits.² Manufactured and factory-built homes are another option for inexpensive housing.

Table 2-9 gives the breakdown of housing units by type as reported in 2000 and 2010; this table indicates the mix of units in the reporting years 2000 and 2010 remained relatively unchanged.

Table 2-9
Del Rey Oaks Housing Inventory by Type, 2000-2010

Type of Unit	2000	% Change / 2000-2010	2010
Single-Family			
<i>Detached</i>	567	3%	568
<i>Attached</i>	25	0%	25
Multi-family			
<i>2 to 4 units</i>	23	-17%	19
<i>5+ units</i>	109	2%	111
Mobile Homes/Other¹	3	-100%	0
Source: U.S. Census Bureau, 2000 and 2010; HCD, n.d.			
Note: the U.S. Census defines a unit as a house, apartment, or mobile home. Condominiums fall under the definition of multi-family unit according to the U.S. Census Bureau.			
¹ The City of Del Rey Oaks reports that there are no mobile homes within City limits.			

More recent data for the 2012-2016 reporting years indicates about 82 percent of all housing units in Del Rey Oaks were single-family, compared to 70 percent of units in Monterey County. Overall, compared to

² U.S. Census data shows there were three mobile homes and trailers within Del Rey Oaks in 2000 (although a March 2003 housing inventory conducted by the City did not reveal any mobile/manufactured homes).

other neighboring cities, Del Rey Oaks has a higher proportion of single-family units and lower proportion of multi-family housing (U.S. Census Bureau, 2017).³

Table 2-10
Housing Unit Growth by Type (2000-2016)

Unit Type	2000		2012-2016	
	Number of Units	Percent of Total	Number of Units	Percent of Total
Del Rey Oaks				
Single-Family	592	81.4%	607	82.4%
Detached	567	78.0%	571	77.5%
Attached	25	3.4%	36	4.9%
Multi-Family	132	18.2%	121	16.4%
2-4 Units	23	3.2%	19	2.6%
5+ Units	109	15.0%	102	13.8%
Mobile Homes, Boat, RV, Van, etc.	3	0.4%	9	1.2%
<i>Total</i>	<i>727</i>	<i>100.0%</i>	<i>737</i>	<i>100.0%</i>
Monterey County				
Single-Family	91,751	69.7%	96,749	69.0%
Detached	79,405	60.3%	87,859	62.7%
Attached	12,346	9.4%	8,890	6.3%
Multi-Family	34,314	26.1%	37,324	26.6%
2-4 Units	11,822	9.0%	12,278	8.8%
5+ Units	22,492	17.1%	25,046	17.9%
Mobile Homes, Boat, RV, Van, etc.	5,643	4.3%	6,096	4.3%
<i>Total</i>	<i>131,708</i>	<i>100%</i>	<i>140,169</i>	<i>100%</i>

Sources: U.S. Census Bureau, 2000 and 2017

Size of Units

The size of units (i.e., the number of bedrooms a unit contains) is an important factor in describing the housing supply. **Table 2-11** summarizes the distribution of unit sizes between owner-occupied housing and renter-occupied housing in the 2017 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017). Renter-occupied housing was a smaller portion of the housing stock. The vast majority of housing units contained two or three bedrooms.

Table 2-11
Distribution of Units by Tenure and Size, 2017

Size of Unit	Owner-Occupied	Renter-Occupied
Studios	0	3
1-Bedroom Units	20	12
2 or 3-Bedroom Units	348	166
4-Bedroom+ Units	74	4
TOTAL	442	185

Source: U.S. Census Bureau, 2017

³ In Seaside about 73 percent of all units were single-family units; Monterey (53 percent) had slightly lower proportions of single-family units and higher proportions of multi-family housing.

Vacancy Rates

The vacancy rate indicates the approximate percentage of units that are vacant and for sale or rent at any one time. The vacancy rate measures the overall housing availability in a community and is an indicator of how for-sale and rental housing units are meeting the current demand for housing. A low vacancy rate may indicate that households are having difficulty finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford. **Table 2-12** compares the City’s vacancy rate since 1990. In 2000, the Census recorded an overall vacancy rate of 3.6 percent with a rental vacancy rate of 2.9 percent and an owner-occupied unit vacancy rate of 0.7 percent, indicating a very tight housing market. The 2010 Census indicates a higher overall vacancy rate of 5.4 percent, with a rental vacancy rate of 2.6 percent and an owner-occupied unit vacancy rate of 1.9 percent. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing (City of Monterey Housing Element, 2018).

Table 2-12
Vacancy Rates in Del Rey Oaks, 1990–2010

	1990	2000	2010
Tenure			
<i>Owner-Occupied</i>	558	539	517
<i>Renter-Occupied</i>	138	165	184
Vacancy Rate (overall)	7.6%	3.6%	5.4%
<i>Homeowner</i>	2.1%	0.7%	1.9%
<i>Rental</i>	5.5%	2.9%	2.6%
Source: U.S. Census Bureau, 1990, 2000 and 2010			

Households by Income Level

According to 2015 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017), approximately 24 percent of Del Rey Oaks households were classified as low-income, very low-income or extremely low-income based on their household income and income limits data (i.e., their median household income was below 80 percent, 50 percent and 30 percent, respectively, of the countywide median).

In 2015, Monterey County as a whole had 43 percent of their population in the categories of low-, very low-, and extremely low-income compared to Del Rey Oaks’ 24 percent.

Table 2-13 shows the various household income levels of homeowners and renters in Del Rey Oaks.

Table 2-13
Households by Income, 2015 Data Estimates

Income Level	Owner-Households	Renter-Households	Total Households	Percent
Extremely Low-Income (0-30%)	25	4	29	4.5%
Very Low-Income (31-50%)	25	10	35	5.4%
Low-Income (51-80%)	55	35	90	14.0%
Moderate-Income (>80%)	365	120	485	75.2%
Total	470	170	645	100.0%
Source: HUD, 2015				

- Extremely Low-Income:** An “extremely low-income” household is one making less than 30 percent of the countywide median income. In 2015, 4.5 percent of total households were classified as extremely low-income in Del Rey Oaks. Extremely low-income households historically have significant housing needs because their limited incomes force them to spend a disproportionate share of their income on housing, while having a very limited choice of housing options. In Monterey County, a household with an income of less than \$24,250 would be classified as extremely low-income.
- Very Low-Income:** A “very low-income” household is one making between 30 to 50 percent of the countywide median income. In 2015, 5.4 percent of total households were classified as very low-income. Similar to extremely low-income, very low-income households historically have significant housing needs because their limited incomes force them to spend a disproportionate share of their income for housing. In Monterey County, a household with an income of less than \$36,250 would be considered very low-income.
- Low-Income:** “Low-income” households are those households with incomes between 51 and 80 percent of countywide median income. In 2015, 14 percent of total households were low-income. Low-income households have housing problems similar to very low-income households, with cost burden being the major issue. In Monterey County, a household with an income less than \$58,000 would be considered low-income.
- Moderate-Income:** The State defines “moderate-income” households as those with incomes between 81 and 120 percent of the countywide median household income. Based on this definition and 2015 data from the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017), over 75 percent of total households were considered moderate-income households in 2015. Moderate-income households do not have the same problems as the previously mentioned categories, but they do face issues like overpaying for housing, but not in such significant numbers as low-income and very low-income households. In Monterey County, a household with an income above \$58,000 would be considered moderate-income.

Overpayment

Households are considered to be overpaying for housing if payment (rent or mortgage) is 30 percent or greater than household income. **Table 2-14**, shown below, breaks down the number and percentage of renters and owners paying 30 percent or more for gross rent or housing costs per month in Del Rey Oaks. In 2010, 83 households in Del Rey Oaks were paying 30 percent or more per month for housing. Additionally, 10.1 percent of households were paying 50 percent or more per month for housing. These statistics are reflective of the lack of affordable housing in Del Rey Oaks, but the issue is not specific to the City itself. According to the 2010 American Housing Survey, 41 percent of California’s 3.2 million low-income renter households paid more than half of their income on rent.

**Table 2-14
Household Overpayment
Del Rey Oaks, 2010**

Type of Household	All Occupied Housing		Owner-Occupied Housing		Renter-Occupied Housing	
	Number	% of Total Housing	Number	% of Total Housing	Number	% of Total Housing
All Households	685	100.0%	495	64.3%	190	35.7%
Paying More than 50%						
Extremely Low-Income	20	2.9%	10	1.5%	10	1.5%
Lower-Income	49	7.2%	35	5.1%	14	2.0%
Paying More than 30%						
Lower-Income	83	12.1%	55	8.0%	28	4.1%

Source: HCD, n.d.

Special Needs Groups

The Housing Element identifies certain special needs groups that may have more difficulty finding decent affordable housing. Certain segments of the population may have more difficulty finding decent, affordable housing due to their special needs. Special circumstances may be related to one’s employment and income, family characteristics, disability and household characteristics, among other factors. Consequently, certain residents in Del Rey Oaks may experience higher incidences of housing cost burden, overcrowding or other housing problems.

Categories of households in Del Rey Oaks that have been identified as having special housing needs include the following:⁴

- the elderly,
- people with disabilities,
- overcrowded households,
- large families,
- single parents, and
- the homeless.

⁴ Farmworkers are not included as there have been no identified farmworkers or agricultural uses in the City.

The Elderly

Senior citizens are considered a special needs group because of their limited income, health care costs, and disabilities. Elderly persons over the age of 62 represented 18.5 percent of the total population in Del Rey Oaks in 2012. Because of their limited income status, the elderly often has a difficult time securing affordable housing and/or maintaining their existing housing units. According to the 2010 U.S. Census Bureau there were 206 persons living in Del Rey Oaks over the age of 65, or 12.7 percent of the City’s population. While many of the elderly in Del Rey Oaks bought their homes 30 or 40 years ago, they may be relatively unaffected by the high cost of housing, but living on a fixed income makes them particularly affected by the high cost of home repairs and healthcare and the high cost of living in Monterey County.

Various portions of the Housing Element describe characteristics of the elderly population, the extent of its needs for subsidized housing, senior living facilities developed especially for this group, and City provisions to accommodate its needs. According to the ACS (HCD, n.d.), as shown in **Table 2-15**, the number of householders 65 years and over in Del Rey Oaks in 2012 was 167 (25.3 percent). Monterey County’s householders 65 years and over in 2012 was 25,384 (20.3 percent).

Table 2-15
Householders 65 Years and Over
Del Rey Oaks and Monterey County, 2012

	2012 Number	2012 Percent
Del Rey Oaks	167	25.3
Monterey County	25,384	20.3
Source: HCD, n.d.		

As shown in **Table 2-16** below, in 2012, there were approximately 149 owner-occupied elderly householders aged 65 or older within the City (22.5 percent). The number of renter-occupied elderly householders 65 years and over in Del Rey Oaks was 18 (2.7 percent) in 2012. This shows that the majority of elderly people in Del Rey Oaks are homeowners rather than renters, which may have implications for “over-housing,” which means that these elderly people are living alone in three- or four-bedroom homes with limited mobility and special housing needs.

Table 2-16
Householders by Tenure by Age
Del Rey Oaks, 2012

Householders’ Age	Owners	Renters	Total
15-24 years	0	10	10
25-34 years	21	58	79
35-64 years	299	106	405
65-74 years	60	10	70
75+ years	89	8	97
Total	469	192	661
Source: HCD, n.d.			

People with Disabilities

The Americans with Disabilities Act (ADA) defines a disability as a “physical or mental impairment that substantially limits one or more major life activities.” People with disabilities have special needs meaning

that many earn very low incomes, have higher health care costs, and are often dependent on supportive services. To maintain independent living, disabled persons may also need housing assistance. Special housing needs for persons with disabilities fall into two general categories: physical design to address mobility impairments and in-home social, educational, and medical support to address developmental and mental impairments.

As shown in **Table 2-17** below, 11 percent of the City's population had one or more disabilities compared to about nine percent of the Monterey County population, and similar proportions in Salinas (eight percent), Seaside (10 percent), and Monterey (10 percent).

Table 2-17
Persons with Disabilities Profile for Area Cities (2012-2016)

	% of Population	Hearing Disability	Vision Disability	Cognitive Disability	Ambulatory Disability	Self-Care Disability	Independent Living Disability
Monterey	10.4%	33.7%	18.4%	41.0%	55.4%	26.3%	40.4%
Salinas	7.7%	24.0%	17.7%	38.2%	52.6%	24.4%	35.3%
Seaside	9.9%	26.2%	13.8%	38.0%	53.0%	21.3%	35.3%
Del Rey Oaks	11.0%	31.5%	10.9%	37.0%	53.8%	11.4%	27.7%
Sand City	10.0%	27.6%	6.9%	41.4%	31.0%	17.2%	34.5%
Monterey County	9.2%	30.3%	19.0%	37.4%	50.9%	23.9%	37.7%

Source: HCD, n.d.

The City had an estimated 331 persons living with a range of disabilities. **Table 2-18** identifies age of population by disability type within the City. For people with disabilities, specialized needs include certain social services, disabled access throughout the city, and housing units with handicapped access and other modifications.

Table 2-18
Persons with Disabilities in Del Rey Oaks by Age and Type, 2017

Disability Type	Under 18 Years	Ages 18 to 64	Ages 65 and Over	Total
With a Hearing Difficulty	4	19	47	70
With a Vision Difficulty	19	47	0	66
With a Cognitive Difficulty	47	0	23	70
With an Ambulatory Difficulty	0	23	6	29
With a Self-Care Difficulty	23	6	3	32
With an Independent Living Difficulty	--	3	61	64
Total	93	98	140	331

Source: U.S. Census Bureau, 2017

Chapter 507, Statutes of 2010 (SB 812), which took effect January 2011, amended State housing element law to require the analysis of the disabled to include an evaluation of the special housing needs of persons with developmental disabilities. This analysis should include an estimate of the number of persons with developmental disabilities, an assessment of the housing need, and a discussion of potential resources.

According to Section 4512 of the Welfare and Institutions Code a "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation but shall not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center is one of 21 regional centers in the State that provides point of entry to services for people with developmental disabilities and serves Monterey County. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Table 2-19 identifies the population of people in the City with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments provides a closer look at the disabled population.

Table 2-19
Developmentally Disabled Residents, by Age, for City Del Rey Oaks

5-64 Years	Percent of total City population with disabilities	65+ Years	Percent of total City population with disabilities
44	11.43%	59	15.32%

Source: HCD, n.d.

Overcrowded Households

Although there is more than one way of defining overcrowded housing units, the definition used in the Housing Element is 1.01 or more persons per room, the same definition was used in the 2000 U.S. Census and in the 2010 U.S. Census. It should be noted that kitchenettes, strip or Pullman kitchens, bathrooms, porches, balconies, foyers, halls, half-rooms, utility rooms, unfinished attics, basements, or other spaces for storage are not defined as “rooms” for U.S. Census purposes.

Overcrowded households are usually a reflection of the lack of affordable housing available. Families that cannot afford suitably sized housing units are often forced to live in housing that is too small for their needs, which may result in poor physical condition of the dwelling unit.

Table 2-20 below shows overcrowding by tenure for the City of Del Rey Oaks in 2012. Owner-Occupied overcrowding (OO) is less than Renter-Occupied overcrowding (RO), with OO overcrowding at 2 percent and RO overcrowding at 5 percent. This table shows that overcrowding does not seem to be a major issue for the City of Del Rey Oaks right now, but with the estimated influx of people coming to Del Rey Oaks in the next 10 years it could become a more pressing issue unless more housing is developed.

Table 2-20
Overcrowding by Tenure
Del Rey Oaks, 2012

	OO Number	OO Percent	RO Number	RO Percent
Occupied Housing Units	469	71.0%	192	29.0%
<i>Occupants per room</i>				
0.50 or Less	393	84%	99	52%
0.51 to 1.00	68	14%	83	43%
1.01 to 1.50	8	2%	0	0%
1.51 to 2.00	0	0%	10	5%
Source: HCD, n.d.				

Large Families

Large families are defined as those families containing five or more persons. Income is a major factor that constrains the ability of families to obtain adequate housing. Larger units are more expensive and most of the units with three or more bedrooms are single-family units instead of multi-family rental units. Because of this, many large families are forced to live in overcrowded homes. Large families are recognized as a group with special needs based on the limited availability of adequately sized affordable housing units.

Countywide, data from the 2012-2016 ACS (HCD, n.d.) indicates that large households represented about 19 percent of the households, a slight decrease from the 2010 U.S. Census. **Table 2-21** below identifies large households by tenure for Del Rey Oaks for the year 2011. In 2011, 5.8 percent of owner-occupied households in Del Rey Oaks had five persons or more compared to 6.8 percent of renter-occupied households with five persons or more.

Overall, 8.9 percent of households have five or more persons. Similar to overcrowding, this issue is not major at the moment, but if no housing is developed in the next 10 years, then large families will have to deal with overcrowding due to the lack of large family affordable housing. An important indicator of housing availability and affordability is based on how many renter-occupied households are overcrowded, compared to owner-occupied households. As seen in **Table 2-21**, the rate of overcrowded renter-occupied households is larger than that of owner-occupied households being overcrowded meaning there is a lack of affordable housing available in Del Rey Oaks.

Table 2-21
Household Size by Tenure
Del Rey Oaks, 2011

	1 Person		2-4 Persons		5+ Persons		Total	
	Number	%	Number	%	Number	%	Number	%
Owner	117	24.9	325	69.3	27	5.8	469	100
Renter	29	15.1	131	27.9	32	6.8	192	100
Total	146	22.1	456	69.0	59	8.9	661	100
Source: HCD, n.d.								

Female-Headed Households

Single parents often require special consideration or assistance as a result of their lower income, the high cost of childcare, the need for supportive services, and the need for affordable housing. As a result, many single-parent families are faced with limited housing choices. In Del Rey Oaks, there were 30 female-headed family households with children under 18 years of age (4.3 percent of all households) in 2000. In 2011, there were 35 female-headed family households and seven (7) of these with children under 18 years of age (1.52 percent of all households). Because of the increased financial and emotional burden that female-headed households carry, they often have difficulty finding adequate and affordable housing for themselves and their children. The housing needs of a single-parent-headed household range from affordability of a home to availability of nearby services, such as licensed day care to support individual parents who work.

Table 2-22 shows the comparison between female-headed householders in Del Rey Oaks and Monterey County from the 2011 ACS (HCD, n.d.).

Table 2-22
Female Headed Households, 2011

Female Headed Households (2011)	Monterey County		Del Rey Oaks City	
Householder Type	Number	Percent	Number	Percent
Female Headed Householders	15,727	17.46%	35	7.58%
<i>Female Heads with Own Children</i>	10,839	12.04%	7	1.52%
<i>Female Heads without Children</i>	4,888	5.43%	28	6.06%
Total Householders	90,051	100.00%	462	100.00%
Female Headed Householders Under the Poverty Level	3,958	4.40%	3	0.65%
Total families Under the Poverty Level	10,277	11.41%	3	0.65%
Source: HCD, n.d.				

The Homeless

Homelessness represents housing needs that are not met by traditional housing stock. Homeless persons are occasionally evident within the community, although it is difficult to determine the homeless population or classify a homeless person as a resident of one community.

Table 2-23 shows the homeless population in Monterey County.

Table 2-23
Homeless Needs in Monterey County, 2012-2013

	Individual		Persons in Families	
	2012	2013	2012	2013
Total Homeless	1,664	2,277	1,009	663
Total Sheltered	4	367	758	382
Total Unsheltered	1,660	1,910	251	281

Source: HCD, n.d.

The 2019 Monterey County Homeless Report recently published provides the homeless population by jurisdiction and area. To count homeless persons, a Point-in-Time Census was conducted on two consecutive days. The count of homeless individuals staying at a shelter was conducted the night of January 30, 2019, and the count of unsheltered individuals was conducted in the early morning of January 31, 2019. The Point-in Time count identifies homeless persons by shelter status (sheltered or unsheltered).

Table 2-24 below identifies homeless persons by shelter status in Del Rey Oaks and Monterey County from 2015, 2017 and 2019.⁵ All persons identified as homeless in Del Rey Oaks were unsheltered within the City, as the City does not have a homeless shelter. The Department of Housing and Urban Development defines unsheltered homeless persons as those with a primary nighttime residence that is a public or private place, not designed for, or ordinarily used, as a regular sleeping accommodation for human beings, including a car park, abandoned building, bus or train station, airport, or camping ground.

Table 2-24
Homeless Persons by Shelter Status, 2017

Jurisdiction	Unsheltered				Sheltered			
	2015	2017	2019	Net Change	2015	2017	2019	Net Change
Del Rey Oaks	55	111	0	-100%	0	0	0	--
Monterey County	1,630	2,113	1,830	12%	678	724	592	-13%

Source: Applied Survey Research 2015, 2017 and 2019.

Note: The 2017 Monterey County Homeless Census was conducted as a “blitz count.” Those who appeared to be homeless were included in the count, followed by an in-person survey.

Farmworkers

Table 2-25 identifies farmworkers within Monterey County. There is no agricultural land use in the general vicinity of the Del Rey Oaks. Unlike the City of Salinas, further inland and approximately 15 miles northeast, Del Rey Oaks is not an agricultural center. According to the 2013-2017 ACS 5-year estimates (U.S. Census Bureau, 2017), no one identified themselves as working in the “Agriculture, Forestry, Fishing and Hunting and Mining” industry within the City of Del Rey Oaks. The majority of residents are employed not by agricultural interests, but by retail trade (9 percent), professional, scientific, management, administrative, and waste management services (12 percent), and education, health, and social services (30 percent) industries (see **Table 2-8**). Salinas and other valley communities are occupied by the majority of farm workers.

⁵ According to the 2000 U.S. Census Bureau, there were no homeless persons in Del Rey Oaks in 2000. (Applied Survey Research, 2002)

There are no conditions on the development of farm worker housing in Del Rey Oaks because it is not differentiated from multi-family housing or dwelling groups. The City has no specific policies with regard to farmworker housing other than through the allowances for multi-family housing, due to the lack of demand within the community.

Table 2-25
Farmworkers by Jurisdiction

Area	# of Farmworkers	% of Total Population
Monterey	154	1.2%
Salinas	17,246	25.7%
Seaside	211	1.4%
Urban County		
Total Unincorporated County	6,903	15.2%
Cities		
Del Rey Oaks	0	0.0%
Gonzales	1,022	32.2%
Greenfield	2,456	39.8%
Sand City	0	0.0%
Total		
Urban County	10,381	18.6%
Monterey County	32,414	17.9%

Source: U.S. Census Bureau, 2017

Housing Age and Condition

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. State and federal housing programs typically consider the age of a community's housing stock when estimating rehabilitation needs. In general, most homes begin to require major repairs or have significant rehabilitation needs at 30 or 40 years of age.

Approximately 24 percent of Del Rey Oaks' housing stock has been constructed between 1970 and 2000 (see **Table 2-26**) with no new housing units constructed since 2000.

Table 2-26
Del Rey Oaks Housing Stock by Year Constructed

	Before 1960	1960-69	1970-79	1980-89	1990-00	2000 to Present
Number of Units	429	126	30	92	50	0
Percent of Total	59%	17.3%	4.1%	12.7%	6.9%	0

Source: U.S. Census Bureau, 2000

*Note: No new housing units have been constructed since 2000, per personal communication with City Del Rey Oaks staff (Del Rey Oaks, 2006).

**The U.S. Census Bureau defines a unit as a house, apartment, or mobile home. Condominiums fall under the definition of apartment according to the U.S. Census Bureau.

The condition of the housing stock is correlated to age, with older units being more likely in need of rehabilitation or repairs. The majority of housing in Del Rey Oaks is in good condition despite the age of the stock. Since 1990, one unit was declared “unlivable” and one unit was in need of considerable rehabilitation. Data from the 2012-2016 ACS (HCD, n.d.) indicates that the proportion of older housing units in Del Rey Oaks, Monterey and Seaside is slightly higher than in the County as a whole, as shown in **Table 2-27** below.

Table 2-27
Age of Housing Stock (2012-2016)

Area	Total Housing Units	% Built After 1979	% Built After 1969
Monterey	13,639	25.5%	47.6%
Salinas	42,234	42.2%	60.8%
Seaside	10,851	24.1%	38.3%
Del Rey Oaks	737	21.8%	28.4%
Sand City	154	57.1%	63.0%
Monterey County	140,169	37.2%	56.1%

Source: HCD, n.d.

Note: Percent built prior to 1969 is inclusive of all built prior to 1979.

Cost of Housing

Home Sales

Table 2-28 provides a summary of median home prices in Del Rey Oaks in 2000 and 2010 and the increase in prices (U.S. Census Bureau, 2000 and 2010).

Table 2-28
Rise in Median Home Prices, 2000 and 2010

	2000	2010	% Increase 1990 to 2000
Monterey County	\$265,800	\$566,300	113%
City of Del Rey Oaks	\$312,500	\$653,200	109%

Source: U.S. Census Bureau, 2000 and 2010

Like most areas in California, the cost of housing in Monterey County has increased significantly during the past decade. **Table 2-29** shows more recent data for median housing sale prices (2017 and 2018) and the increase of pricing for median house sales. Also evident is how the cost of homeownership varies quite dramatically within Monterey County depending on the community. Home prices as a whole were on an increasing trend, impacting affordability for Monterey County residents.

Table 2-29
Housing Sale Prices (2017 and 2018)

Jurisdiction	Units Sold in November 2018	Median Sale Price November 2018	Median Sale Price November 2017	Percent Change
Monterey	22	\$726,500	\$792,500	-8.3%
Salinas	108	\$496,000	\$441,000	12.5%
Seaside	19	\$499,750	\$459,000	8.9%
Monterey County	288	\$589,750	\$580,000	1.7%

Source: Veronica Tam & Associates, 2019

Note: Home sales data are not available for all communities in Monterey County, either due to community size or limited number of sales.

According to research conducted by DD&A in the course of preparing this update to the housing element, the average sale price for a single-family home, including condominium units, in the City of Del Rey Oaks in 2019 was \$569,955 (**Table 2-30**).⁶ As of this writing, a total of 24 homes have been sold within the City of Del Rey Oaks since the beginning of the 2019 calendar year, compared to the 34 total homes sold in 2018.

Table 2-30
Housing Prices – 2019

City	Average Sales Price	Median Price
Del Rey Oaks	\$569,995	\$520,000

Source: Zillow, 2019

Rental Costs

Rental prices have also increased significantly in the Del Rey Oaks area; U.S. Censuses of 2000 and 2010 provided data for rents in Del Rey Oaks, see **Table 2-31** below indicating rental increases and costs have steadily increased.

Table 2-32 shows more recent average rental housing prices (2018). Salinas and the County's unincorporated areas had the lowest average rents. However, due to the limited number of units for rent in smaller communities such as Del Rey Oaks, a few outliers could skew the average rents. This table also provides the payment standard established by the Housing Authority County of Monterey (HACM) for participation in the Housing Choice Voucher (HCV) program. Compared to the market rents, the amount

⁶ As of August 15th, 2019

of this payment standard does not offer financial incentives to most landlords to participate in the program.

Table 2-31
Average Rents in the Del Rey Oaks Area, 2000 to 2010

2000	Units	2010	Units
\$100 - \$199	3	\$100 - \$199	0
\$200 - \$299	0	\$200 - \$299	0
\$300 - \$399	0	\$300 - \$399	0
\$400 - \$499	2	\$400 - \$499	4
\$500 - \$599	0	\$500 - \$599	0
\$600 - \$699	0	\$600 - \$699	0
\$700 - \$999	39	\$700 - \$999	15
\$1,000 - \$1,499	104	\$1,000 - \$1,499	25
\$1,500 - \$1,999	7	\$1,500 - \$1,999	114
\$2,000 or more	2	\$2,000 or more	32
No Cash Rent	5	No Cash Rent	0
TOTAL:	162	TOTAL:	190
MEDIAN:	N/A	MEDIAN:	\$1,173

Source: U.S. Census Bureau, 2000 and 2010

Table 2-32
Average Rental Housing Prices (2018)

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedrooms
Housing Authority Payment Standard	\$283- \$683	\$828	\$1,000	\$1,235	\$1,350- \$1,700
Community	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedrooms
Monterey	\$1,289	\$1,734	\$2,236	\$3,015	\$4,788
Salinas	\$850	\$1,563	\$1,915	\$2,618	\$2,780
Seaside	\$1,490	\$1,460	\$2,030	\$3,028	\$3,350
Urban County					
Unincorporated Monterey County	\$1,370	\$1,803	\$1,977	\$3,090	\$2,632
Cities					
Del Rey Oaks	\$862	\$995	\$2,537	\$2,900	--
Gonzales	--	--	--	\$1,525	\$3,200
Greenfield	--	\$1,550	--	\$1,493	\$1,840
Sand City	\$1,805	--	\$2,750	\$2,650	--

Sources: Veronica Tam & Associates, 2019; Craigslist, 2018 and 2019
"--" indicates no units of his size were available for rent.
Note: Housing Authority County of Monterey, Payment Standard and Utility Allowance, effective October 1, 2018.

Housing Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in a community with the maximum affordable housing costs for households at different income levels.

Housing that costs 25 to 33 percent of a household's income is referred to as “affordable housing.” Because household incomes and sizes vary, the price that is considered “affordable” for each household also varies. For example, a large family with one small income can afford a different type of housing than a double-income household with no children. Information on household income by household size is provided each year by the HCD for each county. Income limit data from 2018 for Monterey County is provided in **Table 2-33**.

Table 2-33
2018 Income Limits for Monterey County

Family Size	Extremely Low-Income	Very Low-Income	Low-Income	Median Income	Moderate-Income
1	17,550	29,250	46,800	48,350	58,050
2	20,050	33,400	53,450	55,300	66,300
3	22,550	37,600	60,150	62,200	74,600
4	25,100	41,750	66,800	69,100	82,900
5	29,420	45,100	72,150	74,650	89,550
6	33,740	48,450	77,500	80,150	96,150
7	38,060	51,800	82,850	85,700	102,800
8	42,380	55,150	88,200	91,200	109,450

Source: HCD, n.d.

A comparison of affordability figures to average rental and sales prices indicates that (1) rental prices are becoming increasingly unaffordable, especially for larger households with very low-incomes; and (2) home ownership is unattainable for most low- and very low-income households without some form of subsidy in the sales price and/or down payment assistance (see **Table 2-34** and **Table 2-35**).

As home prices have increased in Del Rey Oaks, it has become increasingly difficult for many households to afford the cost of housing. Essentially, lower- and moderate-income households in the County have very limited affordable housing opportunities. Few could afford to purchase a home, and most could not afford adequately sized rental units. Housing becomes moderately affordable only when household incomes reach the middle-income level.

**Table 2-34
Housing Affordability (2018)**

Household	Annual Income	Affordable Costs (All Costs)		Estimated Utilities		Taxes and Insurance	Affordable Price	
		Rental Costs	Ownership Costs	Renters	Owners		Renters	Owners
Extremely Low-Income (0-30% area median income (AMI))								
1-Person	\$17,550	\$439	\$439	\$107	\$177	\$154	\$332	\$25,179
2-Person	\$20,050	\$501	\$501	\$117	\$191	\$175	\$384	\$31,376
3-Person	\$22,550	\$564	\$564	\$157	\$242	\$197	\$407	\$28,961
4-Person	\$25,100	\$628	\$628	\$210	\$305	\$220	\$418	\$23,943
5-Person	\$29,420	\$736	\$736	\$265	\$373	\$257	\$471	\$24,455
Low-Income (31-50%)								
1-Person	\$29,250	\$731	\$731	\$107	\$177	\$256	\$624	\$69,428
2-Person	\$33,400	\$835	\$835	\$117	\$191	\$292	\$718	\$81,864
3-Person	\$37,600	\$940	\$940	\$157	\$242	\$329	\$783	\$85,879
4-Person	\$41,750	\$1,044	\$1,044	\$210	\$305	\$365	\$834	\$86,912
5-Person	\$45,100	\$1,128	\$1,128	\$265	\$373	\$395	\$863	\$83,755
Moderate-Income (51-80% AMI)								
1-Person	\$46,800	\$726	\$846	\$107	\$177	\$296	\$619	\$86,859
2-Person	\$53,450	\$829	\$967	\$117	\$191	\$339	\$712	\$101,894
3-Person	\$60,150	\$933	\$1,088	\$157	\$242	\$381	\$776	\$108,317
4-Person	\$66,800	\$1,037	\$1,209	\$210	\$305	\$423	\$827	\$111,948
5-Person	\$72,150	\$1,119	\$1,306	\$265	\$373	\$457	\$854	\$110,757
Median-Income (81-100% AMI)								
1-Person	\$48,350	\$1,088	\$1,270	\$107	\$177	\$444	\$981	\$150,885
2-Person	\$55,300	\$1,244	\$1,451	\$117	\$191	\$508	\$1,127	\$175,067
3-Person	\$62,200	\$1,399	\$1,632	\$157	\$242	\$571	\$1,242	\$190,637
4-Person	\$69,100	\$1,555	\$1,814	\$210	\$305	\$635	\$1,345	\$203,415
5-Person	\$74,650	\$1,679	\$1,959	\$265	\$373	\$686	\$1,414	\$209,540
Middle Income (101-120%)								
1-Person	\$58,050	\$1,330	\$1,552	\$107	\$177	\$543	\$1,223	\$193,569
2-Person	\$66,300	\$1,520	\$1,774	\$117	\$191	\$621	\$1,403	\$223,849
3-Person	\$74,600	\$1,710	\$1,995	\$157	\$242	\$698	\$1,553	\$245,517
4-Person	\$82,900	\$1,900	\$2,217	\$210	\$305	\$776	\$1,690	\$264,392
5-Person	\$89,550	\$2,052	\$2,394	\$265	\$373	\$838	\$1,787	\$275,396
Sources: HCD, 2017; Housing Authority County of Monterey, 2018; and Veronica Tam and Associates, 2018. Assumptions: 30% gross household income as affordable housing cost; 20% of monthly affordable cost for taxes and insurance; 10% down payment; and 4.0% interest rate for a 30-year fixed-rate mortgage loan.								

Table 2-35 provides maximum annual income, affordability monthly housing costs and maximum affordability sales price for households in 2015 for comparison purposes.

**Table 2-35
Owner Affordability, 2015**

Household Size	Maximum Annual Income	Affordability Monthly Housing Costs	Maximum Affordability Sales Price
Extremely Low-Income			
1-Person	\$15,250	\$381	\$95,000
2-Person	\$17,400	\$435	\$108,000
3-Person	\$20,090	\$502	\$125,000
4-Person	\$24,250	\$606	\$150,000
5-Person	\$28,410	\$710	\$176,000
Very Low-Income			
1-Person	\$25,400	\$635	\$157,000
2-Person	\$29,000	\$725	\$180,000
3-Person	\$32,650	\$816	\$202,000
4-Person	\$36,250	\$906	\$225,000
5-Person	\$39,150	\$978	\$242,000
Low-Income			
1-Person	\$40,600	\$1,015	\$252,000
2-Person	\$46,400	\$1,160	\$287,000
3-Person	\$52,200	\$1,305	\$323,000
4-Person	\$58,000	\$1,450	\$359,000
5-Person	\$62,650	\$1566	\$388,000
Moderate-Income			
1-Person	\$57,700	\$1,443	\$357,000
2-Person	\$65,950	\$1,649	\$408,000
3-Person	\$74,200	\$1,855	\$459,000
4-Person	\$82,450	\$2,061	\$510,000
5-Person	\$89,050	\$2,226	\$551,000
Source: HCD, 2015			
Note: affordable housing cost for renter-occupied households assumes 30% of gross household income, not including utility cost.			

This information provides context for housing planning and helps to identify issues that affect the City's existing and future housing needs as addressed in the following sections.

CHAPTER 3.0 HOUSING NEEDS AND RESOURCES

Housing Needs

This Chapter identifies the City of Del Rey Oaks’ share of regional housing needs and analyzes the resources available for the development of housing in the City. This includes an evaluation of the availability of land for potential future residential development; the City’s ability to satisfy its share of the region’s future housing needs, and the financial and administrative resources available to assist in implementing the City’s housing programs.

Del Rey Oaks’ Share of Regional Housing Needs

The projected housing needs for Del Rey Oaks originate with the HCD. HCD first estimates a statewide need for housing, which is broken down into regions, each of which then has an assigned share of estimated housing needs. The AMBAG is the local agency mandated by California Government Code section 65554(a) to distribute the “Fair Share Allocation” of the regional housing need to each jurisdiction in Monterey and Santa Cruz counties. The RHNA for the Monterey region is 4,375 housing units for the 2014 to 2023 RHNA cycle.

The Fair Share Allocation of housing is a specific number of residential units, in different income categories, assigned by AMBAG to each local jurisdiction in the region including Del Rey Oaks. The RHNA for the City is shown below. AMBAG’s allocations are based on an analysis of the following:

- The vacancy rate in each city and the existing need for housing it implies;
- The projected growth in the number of households;
- The local and regional distribution of income; and
- The need for housing generated by local job growth.

**Table 3-1
Regional Housing Need Allocation - 5th Planning Cycle**

Income Category	Allocation
Very low-income (31-50% of area of median income)	7
Low-income (51-80% of area median income)	4
Moderate-income (81-120% of area median income)	5
Above moderate (over 120% of area median income)	11
Total	27
Source: RHNA Determination HCD (HCD, 2019)	

The City has a RHNA allocation of 7 very low-income units for the 5th Planning Cycle. Pursuant to new State law (Assembly Bill [AB] 2634), the City must project the number of extremely low-income (30 percent of less of AMI) housing needs based on U.S. Census income distribution or assume 50 percent of the very

low-income units as extremely low-income. Pursuant to new State law (AB 2634), the City must project the number of extremely low income (30 percent of less of area of median income) housing needs based on Census income distribution or assume 50 percent of the very low-income units as extremely low. The City’s extremely low-income need is assumed to be 4 units (using the 50% method).

**Table 3-2
Del Rey Oaks’ Total Low and Very Low Regional Housing Need Determinations
(with Carry-over from 4th Planning Cycle)**

	Very Low-Income	Low-Income	Total Need Low- and Very Low-Income
5th Planning Cycle	7	4	11
4th Planning Cycle*	34	25	59
Total	41	29	70
*Carryover required per HCD for low- and very low-income categories (HCD, 2019) 2007-2014 numbers from 4 th Planning Cycle per AMBAG, 2007-2014 RHNA Plan. (AMBAG, 2008) Source: AMBAG RHNA 5 th Housing Element Cycle (AMBAG, 2014) and RHNA Determination HCD (HCD, 2019)			

Tables 3-1 and 3-2 above summarize the housing needs determination for the City representing the number of new housing units that will be needed by income category to meet the City’s “fair share” of the Monterey Bay Area’s regional housing needs. The AMBAG Regional Housing Needs Determination figures for all jurisdictions in the Monterey Bay area can be found on the AMBAG website at <http://www.ambag.org>¹.

Regional Housing Needs Process

Every city and county in the State of California has a legal obligation to respond to its “fair share” of the projected future housing needs in the region in which it is located. Because local jurisdictions are rarely, if ever, involved in the actual construction of housing units, the fair share numbers establish goals that should be used to guide planning and development decision making. Specifically, the numbers establish a gauge to determine whether the City is allocating adequate sites for the development of housing (particularly housing at higher densities to achieve the housing goals for lower-income households). Beyond this basic evaluation of sites (which must be serviced by necessary infrastructure facilities), the City must review its land use and development policies, regulations, and procedures to determine if any of them are creating unreasonable constraints on housing development to meet its fair share need. Furthermore, the City must demonstrate that it is actively supporting and facilitating the development of housing that is affordable to lower-income households.

¹ These tables represent the RHNA for 5th Cycle and 4th Cycle shortfall. As previously noted, AMBAG adopted 6th Cycle RHNA in October 2022.

Summary of Del Rey Oaks Land Inventory

In considering methods for meeting a jurisdiction's housing needs, the amount of suitable land available for the development of housing is crucial. There must be sufficient vacant, residentially zoned land within the City limits or areas to be annexed that meets the projected housing needs through the 5th Cycle (or that portion of the City's housing needs allocation not already satisfied through actual housing construction). A determination of land availability was made from a careful review of Del Rey Oaks' Land Use Element and Zoning Ordinance in conjunction with a compilation and analysis of suitable vacant sites (consistent with Government Code section 65583.2).

Though State law does not require cities to build additional housing, it does require communities to facilitate new housing production. State housing element law allows local governments to obtain credits toward meeting its RHNA goal in four primary ways: 1) preserve publicly assisted housing that is at risk of converting to non-low-income or market rates; 2) rehabilitate housing projects and place deed restrictions on those projects; 3) construct housing during the planning period; and 4) set aside land at appropriate densities.

For the first option, the City does not have any affordable projects at risk of conversion. For the second option, there are very few units that would qualify under State guidelines for rehabilitation and preservation. As the City is nearing the end of the 5th Planning Cycle, the City would not be able to create or credit residential projects within this timeframe. Thus, the third option is not available. **Therefore, the City's strategy for meeting its RHNA relies solely on ensuring that enough vacant land is available to accommodate projected growth.** (Please refer to **Chapter 7.0, Table 7-1** for Quantified Objectives Summary).

To accomplish this task, State law requires that an adequate sites inventory contain four components. If the sites are underutilized (as opposed to vacant sites), additional analysis is required.

1. **Identify vacant or underutilized parcels.** An adequate land inventory consists of a listing and map of properties proposed to accommodate the regional housing needs by parcel number, size, general plan designation, and zoning of each property.
2. **Analyze site constraints.** The site analysis should demonstrate that proposed sites to count toward the RHNA should not have significant environmental or infrastructure constraints that might affect the timing or feasibility of development by the end of the planning period.
3. **Assess development capacity.** The development capacity of sites in the housing element should be calculated based on minimum density range or realistic development capacity based on historic records of similar projects built in recent years in the City or region.
4. **Demonstrate that zoning is adequate.** Finally, the analysis must demonstrate that the identified zones and densities will facilitate the development of housing for all income levels. In other words, the price and affordability of housing should be correlated to specific zones.

Site(s) Inventory

The following updated sites inventory discusses the housing sites inventory according to these criteria. In addition to assessing the quantity of land available to accommodate the City's total housing needs, this section also considers availability of sites to accommodate a variety of housing types suitable for households within a range of income levels and housing needs. The methodology for determining residential capacity of listed sites was the utilization of the City's General Plan and Zoning Ordinance in addition to the review of available Geographic Information Systems (GIS) information. A vicinity map is included as **Figure 1**. The City's General Plan and Zoning Map are included as **Figures 2 and 3**.

Site(s) Inventory Update

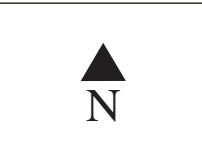
The following sites inventory has been updated subsequent to adoption by the City Council of the 5th Cycle Housing Element, and review or compliance by HCD. HCD and the City Council reviewed the sites inventory and determined that Sites 1 and 1a from the December 2019 Adopted Housing Element were adequate for meeting site inventory requirements and could accommodate RHNA. While additional sites were considered in the previous analysis, as summarized below and discussed in **Appendix C**, Sites 1 and 1a are the only sites retained from the December 2019 Adopted Housing Element to accommodate RHNA².

The available sites identified in this land use inventory are shown on **Updated Figure 4**. Also see **Appendix C** providing additional mapping of sites.

The following site inventory in **Table 3-3** and the full discussion in **Appendix C** provide an analysis of the land available within the City for residential development, and then compares this to the City's future housing needs as determined by AMBAG's RHNA.³

The sites that can accommodate the RHNA are limited to include the former Fort Ord areas (Sites 1 and 1a). and vacant and development lands within the City, including Sites 2, 3 and 4. These Sites 1 and 1a have the potential for services to be provided and thus are the focus of this Chapter. HCD preliminary comments indicate that Site 1a is a preferred site to meet the needs for RHNA low- and very low-requirements. Since the Adopted Housing Element was submitted to HCD, and since the HCD review letter was received by the City, the City Council, Planning Commission, and City staff have conducted additional public outreach, as well as conferred with HCD. The consensus from these meetings is to focus the inventory on Sites 1 and 1a to meet all RHNA, including low- and very low- requirements.

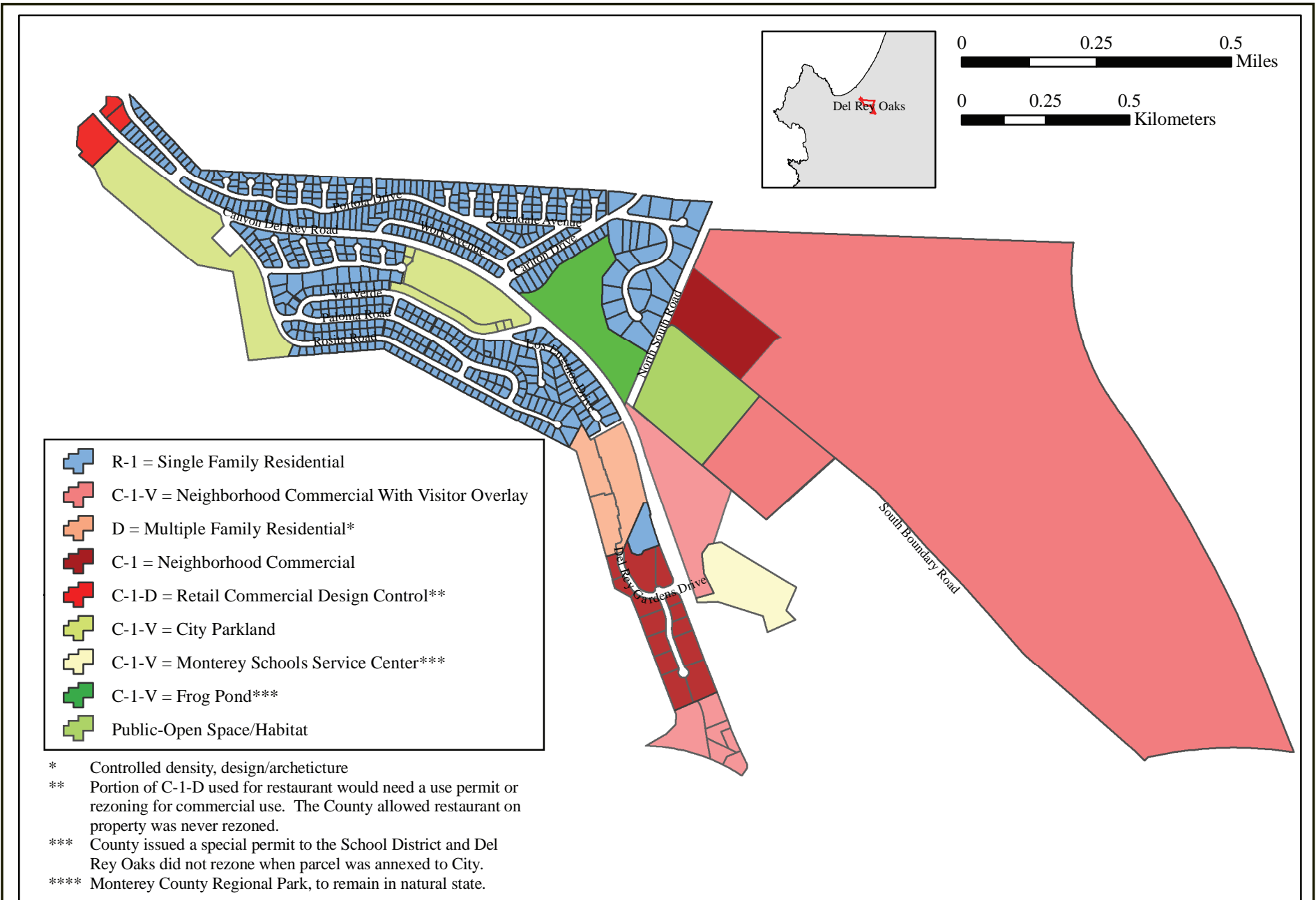
³ For vacant sites identified in two or more consecutive planning periods, HCD requires that housing elements, or non-vacant sites identified in a prior housing element, that are identified to accommodate housing for lower-income households, the sites meet the density requirements for housing for lower-income households and the housing element includes a program to allow by right approval for housing developments that include 20 percent or more of its units affordable to lower income households (Government Code section 65583.2[c]).



Vicinity Map

Figure
1

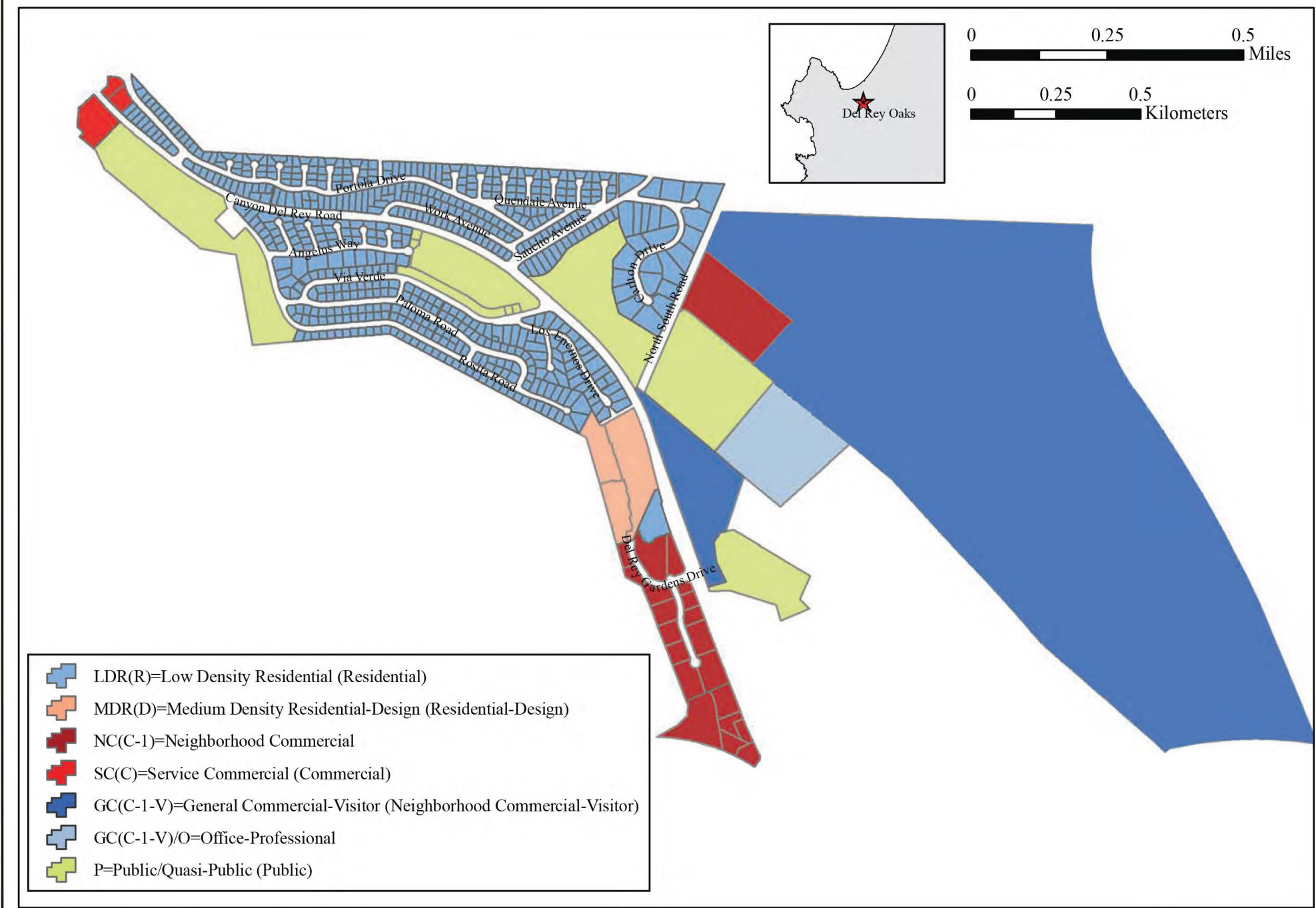
This Page Intentionally Left Blank



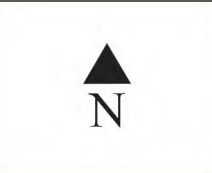
Zoning Map for the City of Del Rey Oaks

Figure
2

This Page Intentionally Left Blank



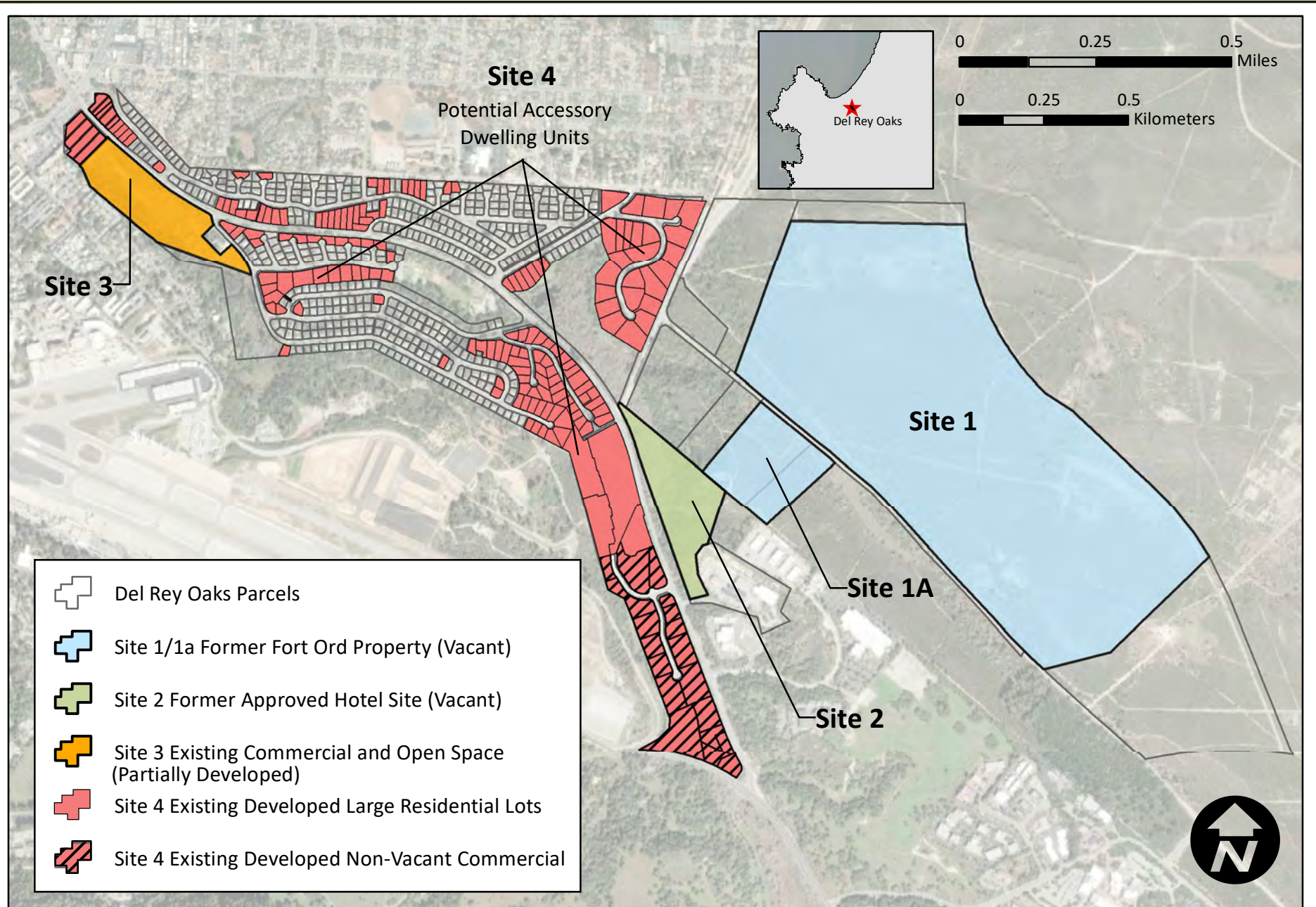
-  LDR(R)=Low Density Residential (Residential)
-  MDR(D)=Medium Density Residential-Design (Residential-Design)
-  NC(C-1)=Neighborhood Commercial
-  SC(C)=Service Commercial (Commercial)
-  GC(C-1-V)=General Commercial-Visitor (Neighborhood Commercial-Visitor)
-  GC(C-1-V)/O=Office-Professional
-  P=Public/Quasi-Public (Public)



City of Del Rey Oaks General Plan

Figure
3

This Page Intentionally Left Blank



Updated Available Land Inventory
City of Del Rey Oaks Housing Element Update, March 2023

Boundaries are approximate and for illustrative purposes only.

Figure
4

This Page Intentionally Left Blank

While all sites require rezoning and general plan amendments to allow for residential land use including areas outside of the former Fort Ord with the exception of Site 4, Sites 2 and 3 have engineering and environmental constraints, as well as water and infrastructure limitations which make these sites unviable for development of affordable housing according to HCD. Sites 2 and 3 are located within the CalAm service area, and under a water moratorium due to the Cease-and-Desist Order on properties. Site 4 was also rejected by HCD as the City does not have a history of ADU development, and all areas within Site 4 are also under the Cease-and-Desist Order for new or increased water service.

Future development of former Fort Ord areas Site 1 and 1a are contingent upon rezoning, general plan amendment, removal of potential hazards associated with unexploded ordnance, as well as securing a developer. The City proposes to rezone Sites 1 and 1a during 5th Cycle to accommodate residential land uses as identified in updated programs included in Chapter 7 and as required in the HCD letter contained in **Appendix A**. Sites 1 and 1a provide adequate land and reasonable suitability for location of future housing to meet all needs under the RHNA.

~~Site 1 is assumed to have a longer period of time for potential affordable housing development and entitlements due to the larger size of the property, infrastructure requirements, and community involvement. While each site has some constraints, all properties are assumed to provide adequate land and reasonable suitability for location of future housing to meet all needs under the RHNA.~~

The following table summarizes the site inventory assessment for ~~all the sites~~ the former Fort Ord Sites 1 and 1a. Additional analysis is also included in **Appendix C**.

**Table 3-3
Site Inventory**

Sites Inventory Analysis Summary – Site 1	
Assessor Parcel Number	031-191-026-000
Property Size	<u>232 acres⁴</u>
<u>Location</u>	<u>Former Fort Ord, North of South Boundary Road and East of General Jim Moore Boulevard</u>
General Plan and Zoning designation	General Commercial – Neighborhood Commercial with Visitor overlay (GC (C-1-V))
Dry Utilities	Utilities would need to be extended to the site. Utilities would be provided by Energy: Pacific Gas & Electric (PG&E) Cable, Internet & Phone Service: Comcast or AT&T
Suitability and availability	Site 1 is a vacant large parcel (<u>232-acre</u>) property that is currently available and has been planned for development in approved City and regional planning documents. <u>Site 1 is owned by the City</u> . A developer has come forward in the past two years and gotten a tentative parcel map approved by the City; <u>developers have expressed interest</u> in various types of housing and mixed use. <u>Due</u>

⁴ Corrections for Sites were made to this analysis based upon Monterey County GIS parcel data.

**Table 3-3
Site Inventory**

	to previous military use of the site at former Fort Ord, additional approvals from DTSC (Department of Toxic Substances Control) for UXO (Unexploded Ordnances) issues are required.
Map of sites	See Figure 4 and Appendix C
Realistic capacity	<p>A City Rezoning and General Plan Amendment would be required to designate part of the site to allow residential land use. A FORA consistency determination would also be required to use this site for residential land uses. Currently, the City's adopted Redevelopment Plan identifies up to 200 residential units onsite. Only a portion of the entire property would be needed to meet the City's RHNA. The City would need to complete a general plan amendment and rezoning an area of adequate size to specifically allow residential development <u>or adopt an overlay zoning district to allow for residential land uses within the site.</u> <u>In either scenario, there is adequate land within Site 1 for accommodating RHNA.</u> Assuming approximately 20 acres is rezoned and would be developed under D district zoning density (16-18 units per acre current density under City's Zoning Code, this site could facilitate residential development to satisfy the RHNA. While realistic capacity may be greater, the City is assigning 200 units of capacity which is adequate to meet RHNA consistent with the adopted Redevelopment Plan. This is considered the potential realistic development capacity based on the regional planning efforts conducted to date for the site under the Redevelopment Plan. As the City has had no development of housing for over two decades, there are no historical records of similar projects built in recent years in the City that can be relied upon for identifying capacity. However, recent projects in the former Fort Ord area have achieved this development capacity.</p>
Affordability Level of Units	There will be a range of various income level housing in the development. This site can meet the RHNA requirements identified, including affordability levels for all moderate-, low- and very low-incomes, shown in Tables 3-1 and 3-2 .
Suitability and availability of non-vacant lands	Not Applicable (Vacant Land)
<u>Site 1: Updated Discussion of Site 1, Former Fort Ord Property:</u>	
<ul style="list-style-type: none"> The former Fort Ord Property is located at the southern boundary of the former Fort Ord military base within the City. Site 1 consists of approximately 232 acres of this currently undeveloped property and contains primarily maritime chaparral and coastal scrub vegetation. The property is relatively hilly, but there are no steep grades or environmental constraints known that would preclude development. The City has been pursuing development to allow both market rate and affordable residential uses on the site. The site is currently zoned to allow golf course, commercial and visitor-serving uses and would require rezoning and general plan amendments to revise the land use designations on the site to allow residential. For the purposes of this Housing Element, the City is focused on determining an adequate area of vacant land that can be used to meet the RHNA needs as identified in Table 3-1 and 3-2. The large area of available land 	

**Table 3-3
Site Inventory**

in Site 1 ensures adequate land area to meet RHNA needs for affordable housing, including 5th Planning Cycle and 4th Planning Cycle carry over.

- The City's adoption of the December 2019 Housing Element was challenged in 2020, in part, due to the inclusion of this site for future housing. The lawsuit was dropped; however, any future development of the site may be controversial and would require future environmental documentation that could be challenged.
- The City has taken a number of actions to allow development on the site over the past decades. The City adopted a Redevelopment Plan for the former Fort Ord Property in 2004. The project may be developed in phases, concurrent with governmental approvals and infrastructure development. Background materials that more fully describe background on planned development entitlements including the following:
 - The adopted Redevelopment Plan, Report on the Plan, and Negative Declaration.
 - The City General Plan and Certified EIR, which is available from the City.
 - The Fort Ord Reuse Plan and Certified EIR which is available from the City FORA.
 - Adoption of the 2019 Housing Element and Initial Study/Negative Declaration.
- The property has direct access from South Boundary Road which feeds into both General Jim Moore Boulevard and Canyon Del Rey (Highway 218). Canyon Del Rey connects to State Highway 68, a main highway connecting the Monterey Peninsula cities to the City of Salinas. Canyon Del Rey (Highway 218) also connects directly to State Highway 101. General Jim Moore Boulevard provides the major north-south thoroughfare through the former base; this road also travels through the northern section of the City of Seaside and is a major thoroughfare leading to the City of Salinas. South Boundary Road forms the southern boundary of the site and offers indirect access to State Highway 68.
- Per the City General Plan ~~FORA BRP~~, residential is not specifically allowed land use. However, the City has made significant progress toward development and is currently working with FORA to allow for housing on this site. ~~Previous approvals include a consistency determination from FORA on the adopted Redevelopment Plan.~~ A City Rezoning and General Plan Amendment would be required to designate part of the site to allow residential land uses.
- Sites 1 and 1a will be served by local water, sewer and dry utilities. Planned infrastructure is available and sufficiently accessible to support housing development. The extension of electricity, gas, high speed fiber, sanitary sewer and potable water pipelines and the reconstruction of South Boundary Road are all planned in conjunction with the development of the former Fort Ord property. ~~FORA~~ The City is overseeing the reconstruction of South Boundary Road- and construction is anticipated in 2024/25-2019-2020. Future delivery of water and utilities is dependent on funding availability to extend the infrastructure to serve these sites, including sewer and water.
- The Marina Coast Water District (MCWD), which is responsible for providing water service to the property will design water pipeline concurrently with the road design and construction. The property has an existing water allocation of 242.5 acre-feet per year from the MCWD in accordance with ~~FORA~~ and the MCWD's 2015 and recent 2020 Urban Water Management Plan. A Water Supply Assessment was adopted for the property by MCWD identifying uses and water availability to the site although this would need to be updated by MCWD. However, water service and extension are dependent upon MCWD CIP projects to extend water lines from General Jim Moore Boulevard to the sites.
- As part of the former Fort Ord military base, portions of the property had UXO that have since been removed by the Army. In accordance with regulatory restrictions, additional environmental insurance and additional

**Table 3-3
Site Inventory**

<p>clearance by regulatory agencies as well as restrictive covenants on use of the site are required consistent with the State requirements. The City has obtained environmental insurance to be allocated for the Del Rey Oaks site.</p> <ul style="list-style-type: none"> • The City will need to select a developer for future development on Site 1 and determine the requirements of affordable housing to be provided on Site 1. • Although there are remaining hurdles for use of this property as residential, the City is diligently pursuing this approach. The site is currently zoned for visitor serving/commercial and appropriate approvals will be required to also allow residential use. The City’s Redevelopment Plan specifies up to 200 residential units on this site. Rezoning and general plan amendments to specifically allow residential designation/uses are needed. • Future actions to initiate a change in zoning designation to provide for the City’s required RHNA on the site would be required <u>and is included as a planned program under this Housing Element (see Chapter 7.0).</u> 	
<p>Sites Inventory Analysis Summary – Site 1a</p>	
Assessor Parcel Number	031-191-027(8)-000, 031-191-028-000
Property Size	17.8 acres
Location	<u>Former Fort Ord, South of South Boundary Road and East of General Jim Moore Boulevard</u>
General Plan and Zoning designation	<u>Zoning designation: C-1-V = Neighborhood Commercial With Visitor Overlay and General Plan designation: GC(C-1-V)/O (Office-Professional (O)).</u> The City would need to designate this site to allow residential land use similar to Site 1 above. Currently, this property is City-owned and within the former Fort Ord area.
Dry Utilities	Utilities would need to be extended to the site. Utilities would be provided by Energy: Pacific Gas & Electric (PG&E) Cable, Internet & Phone Service: Comcast or AT&T
Suitability and availability	Site 1a is <u>comprised of two separate parcels, encompassing a total of 17.8 acres</u> within the former Fort Ord in the City limits of Del Rey Oaks. It is currently vacant land and available for development with almost 10 acre-feet of water assigned to this site. No water or sewer lines
Map of sites	See Figure 4

**Table 3-3
Site Inventory**

Realistic capacity	Assuming a density range for medium density, a realistic development capacity on this site is 72 units. This is based on assumption of developable property of approximately 6 acres within the 17.8 acres property (outside the steeply sloping area of the site) and a D District zoning density of 16-18 units per acre. There are no historical records of similar projects built in recent years in the City, but other jurisdictions have successfully developed in this density range and higher in former Fort Ord.
Affordability Level of Units	There will be a range of various income level housing in the development, similar to Site 1. There is enough realistic capacity to meet RHNA needs at this site in combination with Site 1.
Suitability and availability of non-vacant lands	Not Applicable (Vacant Land)
Site 1a: <u>Updated</u> Discussion of Available Residential Development on City-Owned Portion of Site 1a, south of South Boundary Road (Connected Parcel to Former Fort Ord Property within City of Del Rey Oaks):	
<ul style="list-style-type: none"> • This site is identified on Figure 4 as Site 1a and ownership is retained by the City. This site is also within the former Fort Ord property but is not part of the development area that is planned for development on the north side of South Boundary Road. This is one of the few properties within the City with a current water allocation and vacant land to accommodate residential development capacity. • A City Rezoning and General Plan Amendment would be required to designate part of the site to allow residential land uses. A FORA consistency determination would also be required to use this site for residential land uses. • The site would need to be rezoned <u>to designate residential housing as an allowed use.</u> • The parcel is approximately 17.8 acres of vacant land. Nearby properties in Del Rey Oaks are the Frog Pond Wetland Preserve to the west, which is owned by Monterey Peninsula Regional Parks District (MPRPD). This parcel also borders the City of Monterey to the south. • <u>Water and sewer are available on General Jim Moore. Future extension of services would need to be extended to South Boundary Road. The property is vacant and there is no water or sewer service on-site.</u> Environmental issues include steep grades in portions of the site. The area along South Boundary Road could accommodate higher density housing, such as an apartment complex, but similar to Site 1, this site would need to be rezoned to a residential zoning district which allows residential use. • Services and other factors are similar to the discussion above for Site 1; however, this site is smaller and is not being considered by the City for a development agreement with a developer. The City thus has the potential to provide affordable housing more expeditiously on this site. Future development of Site 1 is contingent upon securing a developer and is assumed to have a longer period of time for potential affordable housing development and entitlements due to the larger size of the property, infrastructure requirements, and community involvement. 	

**Table 3-3
Site Inventory**

<ul style="list-style-type: none"> • Future delivery of water and utilities is dependent on funding availability to extend the infrastructure to serve these sites, including sewer and water.
<p><i>Note these site summaries are updated from the adopted Housing Element. Please see Appendix C for analysis and summary of Sites 2, 3 and 4 (previously considered in the 2019 Housing Element Update).</i></p>

Vacant Land Inventory and Ability to Meet RHNA

State law requires that local governments zone sufficient vacant land for residential use at standards and densities appropriate to meet housing needs of all economic segments, as identified above; sites should also have available public facilities and services.

The City currently faces a shortage of vacant land designated for residential development. The City has also been facing long-term water service and availability constraints affecting provision of affordable housing. The City has considered Sites 1 and 1a for development for decades, with commercial, recreational and visitor serving uses as the land use currently allowed. Rezoning to allow for residential uses has been contemplated in previous drafts of the Housing Element. The City has confirmed that Sites 1 and 1a are the most suitable and viable for provision of housing sites to meet the RHNA allocation.

Sites 2 and 3 require revised land uses to allow residential and Sites 1 and 1a would need to be amended on the former Fort Ord. Site 4 does not require any zoning amendments and the analysis above and documentation in **Appendix C** identifies parcels that could be developed for ADUs. There are several milestones that need be reached before water can come available at Sites 2, 3, and 4, including completion of the Pure Water Monterey Groundwater Replenishment Expansion Project as well as, or, approval of permits and construction of the Monterey Peninsula Water Supply Project. ~~Although these projects are by no means complete or certain that water will be provided to the City by these projects, it is reasonable to consider these planned water sources may come available during the current planning period under the MPWMD allocation program.~~

The City is working toward meeting its requirement for needed affordable housing ~~through all of the sites~~ through rezoning Sites 1 and 1a, where water is not constrained by a Cease-and-Desist Order for water hookups and where suitable vacant land is available, as identified in the Land Use Inventory and evaluated herein.

HCD evaluated the September 18, 2019 HCD Review Public Review Draft Housing Element and the December 2019 Adopted Housing Element and directed the City to the former Fort Ord area as the most suitable site for future development required to meet the City’s RHNA goals. HCD cited

development of the former Fort Ord property, where there is a current water allocation.

~~However given the challenges of development on these areas due to potential groundwater impacts at this site, a complete environmental review will need to be conducted before development can occur on this site. Therefore, the City is also looking to address the RHNA with limited use of Sites 2, consideration of Site 3 and also Site 4. Sites 2 and 3 of the Site Inventory Analysis would provide 30-40.5 acres of development space, and these sites provide land available to meet RHNA needs. (Site 2 realistic capacity is limited due to available land that is not constrained by resources). Site 4 would accommodate a maximum capacity of 185 Accessory Dwelling Units (ADU). The combined realistic capacity of all of these sites would be more than enough to accommodate the 70 Low Income and Very Low Income unit portion of the RHNA. Sites outside the former Fort Ord within the City assume that additional water under the MPWMD allocation program can be provided or that an additional water source is approved, and water provided to the CalAm service area within the City.~~

The analysis conducted indicates there is combined capacity of more than 270 units in Sites 1 and 1a, ~~2, and 3 of up to 288 units and up to 185 maximum units in Site 4,~~ which is more than adequate to meet RHNA in all income categories. Under this approach, and since there are water, infrastructure, and land use compatibility constraints on all of the properties within the MPWMD, the City is focused on use of all identified Sites 1 and 1a for provision of affordable housing to accommodate the RHNA needs. (See **Chapter 7.0, Table 7-1** for Quantified Objectives Summary and program for rezoning these sites).

This Page Intentionally Left Blank

CHAPTER 4.0 HOUSING CONSTRAINTS

Governmental Constraints

Governmental constraints are potential and actual policies, standards, requirements, fees, or actions imposed by the various levels of government on development that serve to ensure public safety and welfare with respect to housing construction and land use issues. Federal and State programs and agencies play a role in the imposition of non-local governmental constraints and are beyond the influence of local government; therefore, they cannot be effectively addressed in this document.

As governmental actions can constrain development and affordability of housing, state law requires the housing element to “address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing” (Government Code section 65583(c)(3)). Requirements for Housing Elements must include analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for persons of all income levels and, also, include an analysis of potential constraints to development of housing for persons with disabilities.

The discussion below provides background and understanding of the City’s land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The City’s primary regulations affecting residential development and housing affordability include the Land Use Element of its General Plan, Zoning Ordinance and the City’s processing procedures, standards, and fees related to development.

As with other cities, Del Rey Oaks’ development standards and requirements are intended to protect the long-term health, safety, and welfare of the community. In general, Del Rey Oaks’ development standards and requirements are comparable to many other communities in the Monterey Bay area—particularly communities where high growth rates have raised concerns about the impacts of development on community livability. However, the policies of the Del Rey Oaks General Plan have been developed to try and balance concerns about community livability with the recognized need in the community for affordable housing development for persons of all income levels.

Land Use Controls

Locally imposed land use and building requirements can affect the type, appearance, and cost of housing built in Del Rey Oaks. These local requirements include zoning standards, development fees, parking requirements, subdivision design standards, and design review. Other building and design requirements imposed by Del Rey Oaks follow State laws such as the Uniform Building Code, Subdivision Map Act, and energy requirements.

Pursuant to section 65583 of the Government Code, the City is tasked with allowing for the development of an array of housing types that are suitable for all economic segments of the community. The Housing Element must describe how the City’s Municipal Code allows for different types of housing and related uses to meet the needs of its residents. Housing types and related uses include single-family dwellings,

duplexes, day nurseries, mobile homes, boardinghouses, multiple-unit dwellings, condominiums, and single-room occupancy units.

Development Standards

The Del Rey Oaks General Plan and Zoning Ordinance provide for a range of housing types and densities. **Table 4-1** summarizes current residential zoning standards. Also see tables below identifying zoning district densities and standards in other zoning districts. The City provides for residential uses in commercial zones as shown in the tables below under the Commercial (C), Special Treatment (ST) and Design (D) zoning districts. The City’s Planned Unit Development (PUD) district allows residential use at 5 to 18 units per acre.

**Table 4-1
Existing Development Standards for Residential Zones**

	Single Family Residential Districts (R-1) ¹	Multiple Family Residential Districts (R-2)
Permitted Uses	One- and two-family dwellings, schools, libraries, clinics, and nurseries/greenhouses with accessory buildings	Two-family dwellings, dwelling groups, two-family flats, multiple family dwellings, hotels, clubs, lodges; automobile courts, automobile camps, and similar uses; all uses permitted in R-1 Districts ¹
Conditional Uses	Short-Term Rentals shall be permitted, after obtaining a conditional use permit from the Planning Commission ³	
Lot Requirements		
Density	1-2 single family dwelling units per lot plus auxiliary unit allowed in lots sizes over 8,000 square feet (sq. ft.)	2+ per lot depending on lot size
Lot Size (min.)	6,000 sq. ft.	6,000 sq. ft.
Building Coverage	900 sq. ft. minimum (min.)	60% max
Yard Requirements		
Front (min. in feet)	20 ft. ⁴	20 ft. ⁴
Side (min. in feet)	Not less than 10% of the lot width but not less than 6 ft. ⁵	6 ft., except add 2 ft. for each story beyond the second story
Rear	Not less than 20% of the depth of the lot, to a maximum depth of 20 ft.	Not less than 15 ft.
Height Requirements		
Building Height (max.)	30 ft. ⁶	35 ft.
Number of Stories (max.)	1.5	3
Additional Regulations		
Garage (min.)	288 sq. ft.	N/A
Parking	One space for each family unit; one space for each two guest rooms, and one additional on-site parking space for an Auxiliary Housing Unit	One garage space for each family unit

Source: City of Del Rey Oaks Zoning Ordinance, as amended through May 13, 2019.

¹ The City has an adopted accessory dwelling unit ordinance Chapter 17.70 Accessory Dwelling Units, consistent with state law. Available at:

https://library.municode.com/ca/del_rey_oaks/codes/municipal_code?nodeId=TIT17ZO_CH17.70ACDWUN —referred to

**Table 4-1
Existing Development Standards for Residential Zones**

	Single Family Residential Districts (R-1) ¹	Multiple Family Residential Districts (R-2)
<p>as an “auxiliary (second) unit”. Such units are defined by the City of Del Rey Oaks Zoning Code as: “a studio or one-bedroom residential dwelling unit, having independent living facilities including kitchen and bathroom, not exceeding 450 sq. ft. in size, which is within, attached to, or detached from an existing single family dwelling within the R-1 district.”</p> <p>² Subject to securing a use permit for any use for which a use permit is required in an R-1 District.</p> <p>³ Provided that in case a building line for the street upon which the lot faces is established by the street and highway plan of the master plan of the city, then the front yard shall have a depth of not less than that specified thereby.</p> <p>⁴ Exceptions allowed subject to obtaining a conditional use permit from the Planning Commission.</p> <p>⁵ Exceptions provided per code based upon lot size, layout and location.</p> <p>⁶ Except as otherwise permitted.</p>		

There are no open space development standards in any residential zones. Additionally, other land use designations unassociated with residential zoning also allow residential uses. The zoning designations of C, C-1, ST, and D allow residential uses in these categories, thereby expanding the ability for housing in a number of land use designations.

Table 4-2 below identifies those zoning districts other than specified residential districts that allow residential development as a conditional use in other primary districts within the City.

**Table 4-2
Zoning Districts Other than Residential Zones**

Residential Use/Densities	D Zoning	C Zoning	C-1 Zoning	ST Zoning
PUD (5-18 units per acre)	Conditional Use	Not Specified	Not Specified	Not Specified
Residential-Single Family	Conditional Use	All uses permitted in any R District, ¹ development standards must be consistent with the residential zone	Conditional Use, development standards must be consistent with the residential zone	Permitted Use
Residential-Condominium	Conditional Use	All uses permitted in any R District, ¹ development standards must be consistent with the residential zone	Not Specified, although development standards must be consistent with the residential zone	Conditional Use
<p>¹ Except automobile camps and similar uses Note: Per Zoning Code, D Zoning. “17.16.030 - Conditional uses. No uses are permitted in the "D" zone without a use permit. The following uses are permitted in the "D" zone subject to first securing a conditional use permit: 1. Common-interest subdivisions (including condominiums and planned development townhouses) exceeding a density of five units per gross acre to a maximum density of 18 units per gross acre designed to provide an optimum of open space and similar amenities which will enhance the living qualities of the development and will promote, insofar as compatible with the intensity of land use, a suitable environment for family life.</p>				

As identified above, the Del Rey Oaks General Plan and Zoning Ordinance provide for a range of housing types and densities in residential and non-residential zones as well. **Table 4-3** summarizes current non-residential zoning standards.

Existing Zoning Code Accessory Dwelling Units

The City adopted an Accessory Dwelling Units (ADU) Ordinance under Chapter 17.70 of the Zoning Code which implements the various state laws related to the development of ADUs. This Chapter implements the streamlined, ministerial review procedure for ADUs and outlines objective design standards and reduced parking standards applicable to ADUs.

**Table 4-3
Development Standards for Non-Residential Zones**

	Design (D) Overlay District	Commercial (C)	Neighborhood Commercial (C-1)	Special Treatment (ST)
Permitted Uses	Uses subject to securing a use permit ¹	Commercial use, residential, retail and wholesale businesses, automobile camps ² , power-driven machinery, outdoor advertising signage/structures	Restricted Commercial Use, business and professional offices	Single-Family Residential and “multiple residences to the designated density”; Agricultural Use
Lot Requirements				
Density <u>if applicable</u>	Five (5) units per gross acre to a maximum of eighteen (18) units	-	-	Multiple density per the ST zone or as approved in ST use permit approval
Lot Size (min.)	14,000 sq. ft.	N/A	10,000 sq. ft.	5 acres
Building Coverage	50% max	N/A	N/A	Max determined by density designation
Yard Requirements				
Front (min. in feet)	20 ft.	N/A	35 ft.	N/A
Side (min. in feet)	7 ft., except add 2 ft. for each story beyond the first story ³	20 ft. ⁴	10 ft.	10 ft. along property line adjoining another ownership
Rear	15 ft. ⁵	10 ft. ⁴	15 ft.	20 ft. along rear property line adjacent to another ownership
Height Standards				
Building Height (max.)	35 ft.	35 ft.	30 ft.	N/A
Number of Stories (max.)	3.5 ⁶	3	2 ⁶	N/A
Additional Regulations				

**Table 4-3
Development Standards for Non-Residential Zones**

	Design (D) Overlay District	Commercial (C)	Neighborhood Commercial (C-1)	Special Treatment (ST)
Parking	1.75 spaces for each studio, one bedroom and two-bedroom dwelling unit; 2 spaces for each dwelling unit of three bedrooms or larger.	N/A	1 space for each single family and detached guest house dwelling unit.	1.75 spaces for each studio, one bedroom and two-bedroom dwelling unit; not less than 2 spaces for each dwelling unit of three bedrooms or larger.
<p>Source: City of Del Rey Oaks Zoning Ordinance, as amended through May 13, 2019</p> <p>^{1,2} Subject to securing a use permit in each case.</p> <p>³ Where any multiple dwelling or dwelling group is arranged so as to have a rear entry opening into a side yard, said side yard shall be no less than 9 ft. and the side yard upon which said dwelling fronts shall be not less than 20 ft.</p> <p>⁴ In cases of C District property bordering an R District</p> <p>⁵ Except as otherwise provided for accessory buildings.</p> <p>⁶ No accessory building shall exceed either 15 ft. or one story in height.</p>				

Processing and Permit Procedures

State law requires the housing element to analyze permitting processing, specifically to address procedures that hinder the construction of a locality's share of the regional housing need. The following addresses the City's permit process and timeframes for development of residential housing and project permitting.

Ministerial Projects

Ministerial projects include non-structural residential and commercial improvements and demolition of existing buildings.

Discretionary Projects

Discretionary permits within the City of Del Rey Oaks include: (a) zoning permits, as required, for buildings and structures erected, constructed, repaired, or moved within or into any district; (b) special use permits, issued (i) for any use as specified by the Zoning Ordinance, public utility, service, or building in any district, (ii) for removal of minerals and natural resources in any district, and (iii) to classify as a conforming use any institutional use existing in any district at the time of the establishment of that district; (c) variances; (d) home occupation use permits; and (e) design review permits.

Within the R-1 and R-2 districts, several uses require the approval of a special use permit. In the R-1 district, two-family dwellings, schools, libraries, churches, institutions, clinics for treatment of human ailments, nurseries, greenhouses, and auxiliary (second or accessory) units all require a use permit. In the R-2 district, all of the uses that require a use permit in the R-1 district also require a use permit in the R-2 district. In addition, automobile courts, automobile camps, and similar uses also require a use permit in

the R-2 district.¹ Processing times for development review vary, based on the size of the project and the extent of environmental review required, and can range from six months to more than one year if an EIR is required.

The review and entitlement process are initiated by the submission of preliminary project plans to the City staff for review and recommendation. If the permit is simple such as a building permit with design review, the City staff at the front counter will hand out an application form and typically move to a hearing or action soon after submittal of required plans and documents. With a use permit or other such request, the applicant prepares and submits required materials. Within 30 days of initial submission, the City or contracting planning staff prepare a preliminary staff review document and provide a copy of said document to applicants. Applicants typically respond to the preliminary staff review with the submission of additional plans and applications as necessary; then the City will schedule projects for review by the Planning Commission for consideration or approval (assuming exempt from environmental review).

If the environmental review of the project can be accomplished without the processing of an EIR, public hearing(s) are scheduled and held by the Planning Commission and, if necessary, by the City Council. The entire process is about 90 to 120 days if turnaround time by the applicant is reasonable (two to three weeks). The need for City Council action on a project or related to a project will add one to two months to the process. The need to prepare required environmental studies will typically add two or three months to the process as well. The determination of the need for an EIR will add six months to one year of processing time.

Per the Zoning Ordinance, the City's design review board considers plans, architectural plans, and color material designations in all developments in residential districts which require (1) a variance; (2) a use permit; or (3) a building permit for a new building/structure or remodel that involves structural changes pursuant to section 17.56.030 of the Del Rey Oaks Zoning Ordinance. These discretionary approvals also require public noticing. Findings are required only if there is a variance and/or a use permit and are otherwise not required for design review. Per the City of Del Rey Oaks, most conditional use permits need Planning Commission approval and do not need to have findings. If required, per the City Zoning Code, findings are as follows: "The findings of the planning commission, except as otherwise provided in this section, need include only that the establishment, maintenance and/or conducting of the use for which the use permit is sought will not, under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort, convenience, or welfare of persons residing or working in the neighborhood of such use and will not, under the circumstances of the particular case, be detrimental to the public welfare or injurious to property or improvements in the neighborhood" (City of Del Rey Oaks Zoning Code Section 17.04.080). The City's design guidelines process allows for flexibility for designs and approaches under which applicants can develop their projects. Multi-family residential development

¹ Per the Zoning Code Definitions: "Automobile camp means land or premises which is used or intended to be used, let or rented for occupancy by campers traveling by automobile or otherwise or for occupancy by or for trailers or movable dwellings, rooms or sleeping quarters of any kind. Automobile court means a group of two or more detached or semi-detached buildings containing guestrooms or apartments provided in connection therewith; which group is designated and used primarily for the accommodation of automobile travelers. See Del Rey Oaks Zoning Ordinance accessible at: https://library.municode.com/ca/del_rey_oaks/codes/code_of_ordinances

requires a conditional use permit in the City's current Zoning Ordinance in commercial districts and design review is conducted during this process. The City has not received any applications for multi-family development primarily due to the limited area for development, limitation on available vacant land and severe water constraints. Design review process and application forms are available for review on the City's website at <https://www.delreyoaks.org/>. Forms are simplified and easy to complete. City processing procedures keep projects on a reasonable timetable.

Processing and application requirement do not form a constraint to provision of adequate housing. Overall, for the size of the City of Del Rey Oaks and limited City staffing with contracted personnel for planning and building services, the City has a record of moving permits through the process with time periods typically less than comparable jurisdictions with much larger staff and resources.

Building Codes

Building Codes regulate the physical construction of dwellings and include plumbing, electrical, and mechanical improvements. The Del Rey Oaks Building Department contracts with the City of Monterey to provide plan-checks and inspections. The Del Rey Oaks Building Department enforces the currently required 2016 Uniform Building Code and the California amendments, as established by the State, and has little control over these standards. Building Code enforcement is conducted through scheduled inspections of new construction, remodeling, and rehabilitation projects, and upon resale or transfer of ownership of residential property. Inspections are also conducted in response to public complaints or an inspector's observation that construction is occurring without proper permits. Local enforcement of these codes does not significantly add to the cost of housing in Del Rey Oaks. There are no local amendments to the Uniform Building Code.

Site Improvements and Building Requirements

At present, public facilities in Del Rey Oaks are adequate to meet the needs of existing and projected growth in the community. Although building codes can increase the cost of development, they provide a key mechanism for the City to protect the health, safety, and welfare of its citizens. Code enforcement is carried out by the City's building inspector.

The on- and off-site improvement standards in Del Rey Oaks are not as stringent as they are in most other cities. The City requires that each house have a garage and that each auxiliary (second) unit have an off-street parking space. The City also requires that each house have a 20-foot setback, a side setback that is 10 percent of the width of the lot, and a back setback that is 20 percent of the depth of the lot (or 20 feet, whichever is less). There are no identified off-site improvements other than the provision of utilities to the site. Each unit, principal and auxiliary second units, such as a guest house) must be provided with separate utility hookups and meters, and no occupancy of the unit shall take place until all utilities are provided².

²Chapter 17.70 of the Zoning Code implements the various state laws related to the development of accessory dwelling units.

Fees

Table 4-4 summarizes the average fees for both single-family and multi-family units in Del Rey Oaks. Fees include the following: planning and environmental review; building permits; use permits; grading permits; and permits for electrical, mechanical, and plumbing among others. The school impact fee is levied by the Monterey Peninsula Unified School District and is not levied by the City.

**Table 4-4
City of Del Rey Oaks 2019 Fee Schedule**

Department		Fee
Planning Department		
Architectural Review Committee Review:		
Commercial		
Major	New commercial	\$1,990
Minor	Commercial additions, remodels, exterior tenant improvements, etc.	\$620
Residential		
Major	New one or two-story buildings, or second-story additions	\$840
Minor	One-story additions, exterior alterations to one-story buildings or one-story of a two-story	\$200
Architectural Review Committee Sign Review:		
Major	Large monument signs, multiple freestanding signs, pole signs, internally illuminated signs	\$680
Minor	All signs not included above	\$120
Architectural Review/Solar Panels		No Fee
Appeal Fees		
Appeals of Planning Commission Decisions to City Council		\$370
Appeals of Staff Decisions/Home Occupation Permits		\$170
Environmental Review		
Environmental Impact Report		Contract price + 17%
Environmental Initial Study Leading to a Negative Declaration (Excludes Fish and Game Fee and technical studies)		\$3,570
Environmental Exemption		\$100
Use Permits		
Master	Projects requiring environmental review and/or multiple permits	\$4,000 deposit
Major	Commercial, industrial, multi-family	\$2,990
Minor	Single-family residential uses	\$820
Permits		
Home Occupation (Business) Permit due every year		\$150
Home Occupational Use Permit Application Fee		\$10
Permit Extension		\$780
Reopen Permit		\$850
Special Permits (Temporary use)		\$280
Special Sign Permit (Temporary window/banner sign)		\$170
Investigative fee for work without permit(s)		Cost of the permit
Missed Inspections or work not complete		\$95/hour
Electrical/Plumbing/Mechanical Permit		\$125
Grading Permit Fee		\$120
Tree Removal/Significant Alteration Permit		\$50
Residential Property Inspections Reports - Single Family Dwelling		\$250
Duplicate Job Card		\$25

**Table 4-4
City of Del Rey Oaks 2019 Fee Schedule**

Department		Fee
Variance Permit		
Master	Multiple variances for commercial, multi-family or industrial projects	\$1,410
Major	One variance (coverage, height, parking adjustments) for commercial, multi-family or industrial sites	\$980
Minor	One variance - residential fences, setbacks, parking, etc.	\$820
Engineering		
Encroachment Permit (Residential)		\$250
Encroachment Permit (Commercial)		\$300 plus 2% of cost of public improvements requires plan check
Street Opening Permit (Residential)		\$250
Street Opening Permit (Commercial)		\$300 plus 2% of cost of public improvements requires plan check
Driveway, Curb, Gutter, Sidewalk Permit		\$150
Construction Activity Road Impact Fee		1% of the sum of the building permit's project valuation
Storm Water Review & Inspection Fee		\$250 plus \$95/hour for plan review & inspection
Zoning Permits		
R-1 District		\$100
D District (Condo.)		\$100
Hotel/motel/multi-family		\$200
1-7 units		\$925
8-36 units		\$125/unit
>36 units		Negotiated fee for cost of planning service
Commercial & Industrial		
<15,000 square feet		\$500+140 K/sf
>15,000 square feet		Negotiated fee for cost of service
Additional meetings		\$400
Reclassification or Rezoning		
Major text	alterations of existing sections	\$1,500 Deposit/cost of service
Minor text	addition of new section	\$1,000/1st section charged +\$300 for each additional section
Standard Subdivision Map		
Tentative		\$1,800+\$100/lot
Exceptions		\$700/lot w/exceptions
Minor		\$1,600
Exceptions		\$700/lot w/exceptions
Additional meetings for minor text amendments		\$120
Final Map		
Processing		\$750+\$60/lot

**Table 4-4
City of Del Rey Oaks 2019 Fee Schedule**

Department		Fee
Parcel Map		\$600 per map
Lot Line Adjustment		\$1,000
General Plan Amendment		
Minor Text	alterations of existing sections	Contract Cost plus 10%
Major Text	addition of new sections	Contract Cost plus 15%
Development Agreements		
Consultant fee, plus 30% of consultant fees to cover normal staff costs, plus 15% of consultant fee as a contingency fund to cover unanticipated costs, plus duplication. These fees shall be considered advances, and should the actual cost be less than the fee advanced, the excess shall be returned to the applicant; should the actual cost be more than the fee advanced; the difference shall be paid by the applicant.		
Applicant shall, in addition to those fees listed in this fee schedule, pay the actual cost of legal advertising.		
It is the City policy and requirement that processing of development or planning projects be fully cost recoverable. Application fees are intended to reimburse the City for minimal costs incurred for the normal or routine amount of time necessary to process applicant's requests. If additional or other unusual time is required on a particular project, then the developer/applicant will be charged for these additional costs to the City, plus a 30% administrative overhead fee.		

Regional Fees

Table 4-4, City of Del Rey Oaks 2019 Fee Schedule, identifies the City imposed fees. Currently, the City does not charge any City-wide development impact fees on new residential development. However, there are regional agency fees depending on the area and development. **Table 4-5**, Development Fees Collected by Other Agencies, provides an estimate of development fees that are collected by other agencies for residential development within the City. For example, the Transportation Agency for Monterey County (TAMC) established a Regional Development Impact Fee (RDIF) program to address required mitigation for traffic impacts. Del Rey Oaks is within Zone 3 of the RDIF program, serving the Greater Monterey Peninsula Planning Area. In the Zone 3 area, fees were \$217 per trip (2017). ~~FORA assesses impact fees for new residential development; FORA imposed a fee of \$23,279 per unit in 2017.~~ The City recognizes the regional fees are imposed to recover or address regional infrastructure; while not within the City's control, the fees are appropriately charged for infrastructure provided. All other jurisdictions have comparable regional fees.

**Table 4-5
Development Fees Collected by Other Agencies**

Utility Type	Provider Name	Single-Family Project ¹	Multifamily Project ²	Affordable Project ³
Water	Monterey Peninsula Water Management District (MPWMD)	\$6,194 (\$210 + \$273/fixture unit)	\$108,318 (\$210 + \$273/fixture unit)	\$1,166 (\$210 + \$137/fixture unit)
	California American Water Company (Cal-Am)	\$5,000	Actual cost	\$3,000
	Marina Coast Water District (MCWD)	\$4,526	\$81,468	\$4,526
Sewer	Monterey One Water (M1W)	\$3,506	\$63,099	\$1,800

	Marina Coast Water District (MCWD)	\$2,333	\$41,994	\$1,000
School	Monterey Peninsula Unified School District (MPUSD)	\$6,720 (\$3.36/sq. ft.)	\$4,032 (\$3.36/sq. ft.)	\$6,720 (\$3.36/sq. ft.)
Transportation	Transportation Agency for Monterey County (TAMC)	\$4,291	\$54,239	\$2,051 ¹
Housing	FORA	\$23,279	\$23,279	\$23,279
Assumptions: 1. Single-family development based on 2,000 square feet. 2. Multifamily development based on 1,200 square feet at 18 units. 3. Affordable cost per <u>equivalent development unit</u> (edu), 400 square feet garage per unit is used for Building Permit Fees Estimation; in order to meet Affordable Standards for sewer, units must have maximum 7 fixture units (1 bathroom, no dishwasher or clothes washer). Traditional residential has 22 fixture units (2 bathrooms, dishwasher, clothes washer). 4. TAMC fees (http://www.tamcmonterey.org/programs/dev-impact-fees/) shown are for single-family unit, for 18 apartment units, and for a moderate-income condominium unit.				

Although development and permitting fees add to the cost of new residential development, the fees currently charged by Del Rey Oaks are in line with or lower than fees charged in neighboring cities. The pro-rata share of fees are based on comparable information provided by the City of Seaside. It is estimated that on average, fees for a single-family residence or for a multifamily unit constitute no more than ten percent of the building valuation (excluding land cost).

Del Rey Oaks is a small, nearly built-out city; the staff is very small and the workload of City staff is high. However, the City has been able to respond to all applications in a timely manner as noted above and staffing is supplemented with contract planners for larger projects. City staffing and processing time is not considered a constraint to development of housing based upon the history of response of the City on projects overall.

Locally Adopted Ordinances

The governmental constraints section of the housing element must also include analysis of any locally adopted ordinance such as an inclusionary or short-term rental ordinance that directly impacts the cost and supply of residential development. The City of Del Rey Oaks has a short-term rental ordinance that is in place to ensure that full-time residents are not adversely affected by short-term renters. This regulation states that generation of noise, vibration, glare, odors or other effects that unreasonably interfere with any person’s reasonable enjoyment of their residence shall not be allowed. The City also requires fees to pay for the short-term rental license, which is administered by the City Manager. There are currently six properties available for short-term rentals on the popular website, VRBO.com in Del Rey Oaks. The small number of short-term rentals in the City are not significant enough to directly impact the cost and supply of residential development. Del Rey Oaks has no other requirements related to growth that would preclude the City from meeting its regional housing needs. Though, the City does have local amendments to the California Building Code. These amendments refer to extension of building permits due to factors outside of the applicants’ control. They essentially give the applicants more leeway to try and promote housing development, so it would not block the development within the City. The City has no other requirements and does not have any growth controls.

One group of governmental constraints that if removed or modified could likely result in the development of new affordable housing is the City's set of development standards in its auxiliary (second) unit ordinance. There have been no requests or applications for auxiliary units in the City during the recent years, primarily due to the very limiting water allocation system for individual homes within the City under MPWMD.³

Existing Zoning Code Auxiliary Unit Application and Review Process

~~In the R-1 districts, one auxiliary (or accessory) housing unit is permitted attached to or detached from an existing single-family dwelling, subject to obtaining a use permit and provided the following requirements or conditions are met:~~

- ~~• The existing single-family lot where the unit is proposed shall be at least 8,000 sq. ft. per section 17.08.100.A of City Zoning Ordinance.~~
- ~~• The auxiliary (second) unit shall not exceed 450 sq. ft. in floor area.~~
- ~~• One additional on-site parking space shall be provided for the auxiliary (second) unit.~~
- ~~• The owners of the property shall reside within either the principal residence or in the auxiliary (second) unit.~~
- ~~• All exterior alterations shall be approved by the architectural review board.~~
- ~~• There shall be only one driveway to serve both units (only one entrance from the street) unless otherwise specifically permitted in the use permit.~~
- ~~• All applicable zoning regulations shall apply to the addition or construction of the auxiliary (second) housing unit.~~
- ~~• Any detached housing unit shall be separated from the principal dwelling by a minimum of at least 6 ft.~~
- ~~• Any existing single-family dwelling on the site within which an auxiliary (second) housing unit is to be attached or included shall be made to comply with minimum City building and housing code standards to the satisfaction of the building inspector, including the installation of smoke detector devices in both units.~~
- ~~• All applicable development fees shall apply to the auxiliary (second) unit.~~
- ~~• Street number signs for each unit, principal and auxiliary (second), shall be provided in such a manner as to be visible from the street to the satisfaction of the chief of police.~~
- ~~• Each unit, principal and auxiliary (second), shall be provided with separate utility hookups and meters, and no occupancy of the auxiliary (second) unit shall take place until all conditions set forth in this section are satisfied.~~

³ See Water Supply and Constraints section for discussion of the ongoing building restriction for new homes or additions due to the limited water allocation within MPWMD boundaries.

Constraints on Development: In recent years, State law on accessory dwelling units (formerly known as secondary units) has gone through major changes. Most communities have not revised their Zoning Codes to reflect the new State law. Although existing second unit ordinances have become null and void in 2017, The following identifies current City regulations and analyzes the constraint; follow up programs and adherence to State requirements that can mitigate these identified restrictions.

- ~~Current Regulations: The City has a several programs in place addressing auxiliary unit development. Currently the minimum lot size allowed for the construction of an auxiliary unit is 8,000 sq. ft., a relatively large lot size in Del Rey Oaks. The City's standards also require the provision of an off street parking space for each unit built. Additionally, the second unit must have a separate utility meter, sewer connection, a separate outside entrance, and its own kitchen and bathroom. If the unit is detached, the second unit must be more than 6 ft. from the main house, and the property owner must live in either the auxiliary unit or the main unit. These restrictions may form somewhat of a barrier to the construction of auxiliary units in Del Rey Oaks. However, it is just as likely that the severe limitation on water availability and therefore causes the constraint and limits development of residential or commercial lands in the City. If these standards (along with City development fees) were to be waived or relaxed, in cases where the property owner was to rent to persons of very low-income and low-income, it is likely that new affordable auxiliary housing (ADUs) could be provided within Del Rey Oaks.~~
- ~~Consistency with State Law: The City's Zoning Ordinance is not current on State law in reference to density bonuses, auxiliary units, which are now referenced as ADUs. Chapter 1062 of the Statutes requires development applications for accessory dwelling units to be "...considered ministerially without discretionary review or a hearing..." or, in the case where there is no local ordinance in compliance with subsections (a) or (c), a local government must "...accept the application and approve or disapprove the application ministerially without discretionary review...". In order for an application to be considered ministerially, the process must apply predictable, objective, fixed, quantifiable, and clear standards. While the City's Zoning Code allows for ADUs to be constructed in the R 1 district, it currently requires a use permit and thus is not considered ministerial. The City is reviewing its Zoning Ordinance for this and other provisions of recent updates to State statute on ADUs including AB 494 and SB 229. to ensure the City is meeting all new state law. , a program has been included to address ADUs (See **Chapter 7.0 Housing Plan**). In any case, communities either adopt their own ordinance in compliance with new State law, or State law preempts local ordinances.~~

Manufactured Homes

Per Government Code section 65852.3, the installation of manufactured homes is allowed as a by-right use, subject to design standards, on lots zoned for single-family dwellings. Homes constructed in a controlled factory environment and that adhere to federal construction codes are known as manufactured homes. Following construction, these single-family structures are moved to the home site and set up. The degree of assembly to be completed on the home site depends on the manufacturer, but manufactured homes are typically delivered as panels or sections.

Density Bonus

The City has not amended its Zoning Ordinance to incorporate a density bonus ordinance consistent with the requirements and intent of SB 1818 and SB 435. Also, the State adopted AB 2222 adding new replacement requirements and extended affordability control to the State's density bonus provisions. AB 2222 became effective on January 1, 2015. The City complies with existing State low density bonus provisions but has not ~~will be required to adopt~~ a density bonus ordinance to comply with these additional requirements in 5th cycle planning period to date. City staff expects to have these updates adopted within one year of the Housing Element adoption of 6th Cycle Update.

Housing Accessibility for the Disabled

Housing elements are required to analyze potential and actual governmental constraints to the development of housing for persons with disabilities, demonstrate efforts to remove identified government constraints, and include programs to accommodate housing designed for disabled persons. This constraints analysis examines the City of Del Rey Oaks zoning provisions, building codes, and permitting processes or procedures to identify potential impediments. **Chapter 7.0 Housing Plan** of this Housing Element proposes specific actions and implementation schedules to remove such impediments on persons with disabilities.

The analysis must also address meeting the needs of supportive housing, transitional housing, and emergency shelters. In accordance with existing law, transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone (Gov. Code, section 65583, [a][5]).

The City shall work to revise its Zoning Ordinance based upon the following findings, to better facilitate and encourage the development of housing for persons with disabilities:

- Section 17.36.010 allows porches, outside stairways, or terraces to extend up to 3 ft. into any required side yard. Although this section does not specifically reference ramps needed for accessibility by disabled persons, ramps up to 30 inches in height are allowed without a building permit or administrative approval. Nonetheless, it may be appropriate to modify this provision to expressly include ramps as a permitted encroachment into required front and rear yards in order to ensure accessibility for persons with disabilities.
- The City's parking requirements are not modified for housing designated for persons with special needs and should be reviewed for modifications.

The City's building code requires new residential construction to comply with ADA requirements. State law requires buildings consisting of three or more units to incorporate design features, including: 1) adaptive design features for the interior of the unit; 2) accessible public and common use portions; and 3) sufficiently wider doors to allow wheelchair access. These codes apply to all jurisdictions and are enforced by federal and state agencies. This Housing Element includes a program for the City to process Reasonable Accommodation requests through an administrative review process.

Zoning and Land Use

State and federal laws encourage an inclusive living environment where persons of all walks of life, with or without special needs, have the opportunity to find suitable housing. The Del Rey Oaks Zoning Ordinance (Chapter 17.08 through 17.36) permits a range of housing types suitable to special needs groups with and without the approval of a special use permit. The City does not impose additional zoning, building code, or permitting procedures on small group homes other than those allowed by State law. Small group homes are permitted without regard to distances between such uses or the number of uses in any part of the City.

Currently, The 2019 Housing Element Update stated the Del Rey Oaks Zoning Code is dated and does not reflect the current legal definition of a “family” (although the Code does not restrict occupancy of a housing unit or dwellings to only persons who are related). The Del Rey Oaks Zoning Ordinance, section 17.04.150, defines a “family” as follows: “a Family means a person or persons, related by blood, marriage or adoption, or a group of not more than four persons, excluding necessary employed servants, not related by blood, marriage or adoption, living together as a single housekeeping unit.”⁴ Del Rey Oaks (See **Chapter 7.0 Housing Plan**) will amend its Zoning Ordinance to either not have a definition of family in their Zoning Code or An amendment to the City’s Zoning Ordinance was approved on March 28, 2023 to update the definition of “family”); the updated definition is inclusive and consistent with recent definitions.

Emergency Shelter and Transitional Housing

The Zoning Ordinance lacks specific references to and definitions of small and large residential care facilities, emergency shelters, and transitional housing. State law requires that all communities allow for the siting of an emergency shelter for homeless persons. An emergency shelter is a facility that houses persons on a short-term basis who are either homeless or recovering from domestic violence. Transitional housing is typically defined as temporary (usually 6-month to 2-year) housing for individuals or families who are transitioning to permanent housing, or for youth who are moving out of the foster care system. California Health and Safety Code (section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person.” In effect since January 1, 2008, Senate Bill (SB) 2 requires the City to allow emergency shelters without any discretionary action in at least one zone that is appropriate for permanent emergency shelters (e.g., with commercial uses compatible with residential or light industrial zones in transition), regardless of its demonstrated need (Cedillo, 2007). The goal of SB 2 was to ensure that local governments are sharing the responsibility of providing opportunities for the development of emergency shelters. To

⁴ A community’s Zoning Ordinance can potentially restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. For instance, a landlord may refuse to rent to a “nontraditional” family based on the zoning definition of a family. A landlord may also use the definition of a family as an excuse for refusing to rent to a household based on other hidden reasons, such as household size. Even if the code provides a broad definition, deciding what constitutes a “family” should be avoided by jurisdictions to prevent confusion or give the impression of restrictiveness. California court cases have ruled that a definition of “family” that: 1) limits the number of persons in a family; 2) specifies how members of the family are related (i.e. by blood, marriage or adoption, etc.), or 3) is a group of not more than a certain number of unrelated persons as a single housekeeping unit, is invalid.

that end, the legislation also requires that the City demonstrate site capacity in the zone identified to be appropriate for the development of emergency shelters. The City's Zoning Ordinance was updated on March 28, 2023 to include an approved ordinance regarding emergency shelters (Chapter 17.80 of the City of Del Rey Oaks Zoning Ordinance).

The City of Del Rey Oaks Zoning Ordinance accommodates a range of housing types, both conventional and non-conventional, in the community. Permitted housing types include single-family residences (including manufactured homes), multi-family housing, secondary dwellings, mobile homes, and live-work housing.

Although the City's Zoning Ordinance may not specifically reference either type of facility, emergency shelters and transitional housing would be allowed in the R-1 district (two-family dwellings, with a use permit), the R-2 district (dwelling groups and multiple dwellings, without a use permit), and C-1 districts (dwelling groups, multiple dwellings, public or quasi-public uses appropriate to the C-1 zone, and any other use not specifically defined, all with a use permit). However, the City's zoning regulations do not explicitly identify transitional and supportive housing as allowable uses the city's residential or commercial zones.

SB 2 requires that transitional and supportive housing types be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. Both transitional and supportive housing types must be explicitly permitted in the Zoning Code pursuant State law. Programs in this Element are proposed to allow these housing types as an allowed use in one or more of the zoning districts. (See **Chapter 7.0 Housing Plan**). Currently, transitional housing may be permitted as a conditional use in the commercial and residential multi-family districts.

Reasonable Accommodation

Under State and federal law, local governments are required to “reasonably accommodate” housing for persons with disabilities when exercising planning and zoning powers. Jurisdictions must grant variances and zoning changes, if necessary, to make new construction or rehabilitation of housing for persons with disabilities feasible but are not required to fundamentally alter their Zoning Ordinance. The City currently processes requests for reasonable accommodation for disabled persons via a variance, only if required. The City will review the reasonable accommodation procedure to provide flexibility in the planning application and development regulations for disabled residents via an administrative procedure. The procedure will specify eligibility, standards and regulations covered by the reasonable accommodation procedure, and extent of relaxation provided.

Single-Room Occupancy (SRO)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Currently, the City's Zoning Ordinance does not contain provisions for SRO housing. The City will amend the Zoning Ordinance to conditionally permit SRO housing in the C-1 zone.

Employee Housing

The California Employee Housing Act requires that housing for six or fewer employees be treated as a

regular residential use. The Employee Housing Act further defines housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted. However, the City has no agricultural zones and does not allow for agricultural uses within any zoning designations. The City will amend the Zoning Ordinance by the end of 2020 to include provisions for housing for six or fewer employees.

Mitigating Constraints

Based upon this review of the City's standards, the following amendments will be considered; see **Chapter 7.0 Housing Plan** in this Housing Element:

- 1) Support efforts of public and private groups providing housing for the elderly and disabled, including assistance with obtaining permits, or where appropriate, waiving City fees or regulatory requirements.
- 2) Amend the Zoning Ordinance to require new multi-family development to be in compliance with Title 24 of the California Code of Regulations.
- 3) ~~The City has amended Amend~~ the Zoning Ordinance to eliminate limits on number of persons allowed to live in housing unit under definition of "Family".
- 4) Amend the Zoning Ordinance to include language on density bonuses to comply with State requirements.
- 5) Conduct a review of the Zoning Ordinance to allow for reduced parking standards for special needs housing and remove any additional identified constraints to ensure that reasonable accommodations are provided with regard to special needs housing.
- 6) ~~The City amended the Zoning Ordinance for ADUs and Emergency Shelters, consistent with State Law. Zoning Ordinance was updated on March 28, 2023 to include an approved ordinance regarding emergency shelters (Chapter 17.80 of the City of Del Rey Oaks Zoning Ordinance). Zoning Ordinance allows for ADUs to be constructed in the R-1 District but calls them auxiliary units. Amend the Zoning Ordinance to update language and provisions of recent updates to state statute on ADUs including AB 494 and SB 229 to be consistent with all new state law passed.~~
- 7) 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.
- 8) Review and amend the Zoning Ordinance to conditionally permit SRO housing in the C-1 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.

Non-Governmental Constraints

State law requires Housing Elements to analyze potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land and the cost of construction. Non-governmental constraints are those

generated by the private sector and which are beyond the control of local governments. Some of the impacts of non-governmental or market constraints can be offset to a minimal extent by local governmental actions, but usually the effects are very localized and have little influence on the total housing need within the jurisdiction or market area. In addition to environmental constraints, such as water supply, non-governmental constraints to affordable housing in Del Rey Oaks consist of three major factors: price of land, availability of financing, and cost of construction.

The major barrier to providing housing for all economic segments of the community concerns the nature of the housing market itself. The availability and cost of housing is strongly influenced by market factors over which local government has little or no control. State law requires that the housing element contain a general assessment of these constraints. The primary market constraints to the development of new housing are the costs of constructing and purchasing new housing. These costs can be broken down into three categories: land, construction, and financing. The City has a limited ability to influence these factors. Land costs are impacted by the number of adequate sites that are available. Regional demand and costs have a great impact on land costs. Construction and financing costs are also determined at the regional, State, and national levels by a variety of private and public actions that are not controlled by the City.

The following paragraphs briefly summarize these components of the local market and the statewide market.

Financing Costs and Availability

Financing costs are subject to fluctuations of national economic policies and conditions. The cost of money for site preparation and construction is a very important determinant of the initial cost to the purchaser. Mortgage rates have an even more dramatic effect on the cost of housing to the homebuyer and on the cost of constructing rental units. Interest rates are ultimately passed on to the renter by the apartment owner. Recent interest rates have been low enough to allow an increase in building activity regionally; however, a significant portion of the population has still been precluded from participation in the market. There is always a concern that interest rates will increase again during future years and that such increases may result in a slowing of construction activity.

Fluctuating interest rates can have a particularly dramatic effect on the building industry when mortgage rates increase between the start of construction and the completion of a project. Recent increases in mortgage rates have reduced affordability for homes in the City and region. According to the California Association of Realtors' 2020 Housing Affordability Update, the median price for a single-family home in Monterey County is \$830,000 and the average family would need to earn \$149,600 a year to afford the monthly housing payment of \$3,740. The average income level for low-income families of four in Monterey County is \$77,500, and the moderate-income level for a family of four is \$97,900. Due to the low interest rates currently available, it is anticipated that home buying will continue to increase provided other recessionary factors are overcome.

The price of housing and obtaining permanent financing for qualified homebuyers does not pose irreconcilable pose two major constraints; however, there are various home loan programs requiring 0 to five percent down payments. Interest rates on typical home loans are shown below. these financing vehicles average just above six percent.

Disposition and Development Agreements can require housing for low income households in exchange for agency financial participation.

Table 4-6
Interest Rates in 2019

Product	Interest Rate	Annual Percentage Rate (APR)
Conforming and Federal Housing Administration (FHA) Loans		
30-Year Fixed Rate	3.625%	3.748%
15-Year Fixed Rate	3.125%	3.306 %
7/1 ARM	3.250 %	3.881%
5/1 ARM FHA	3.250%	3.994%
Jumbo Loans – Amounts that exceed conforming loan limits		
30-Year Fixed-Rate Jumbo	3.625%	3.678%
15-Year Fixed-Rate Jumbo	3.250%	3.326%
7/1 Adjustable Rate Mortgage (ARM) Jumbo	2.875%	3.650%

Notes: Conforming loan is for no more than \$417,000. A jumbo loan is greater than \$417,000. Source: www.wellsfargo.com, August 19, 2019.

Following several years of historically low interest rates, as shown in Table 4.6, interest rates have risen substantially. Interest rates declined overall from late 2018 until early 2022. Recently, interest rates have increased significantly, with a sharp increase starting in January 2022 as seen in the figure below.



FIGURE 4-1: U.S. AVERAGE INTEREST RATES – FEBRUARY 2019 – JANUARY 2022

Source: Freddie Mac Primary Mortgage Market Survey.

The availability of financing affects a person’s ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements and refinancing.

Table 4-7 summarizes the disposition of loan applications submitted to financial institutions in 2017 (the most recent HMDA data available) for home purchase, refinance, and home improvement loans in Del Rey Oaks and Monterey.

**Table 4-7
Disposition of Home Loans (2017)**

Loan Type	Total Applicants	Percent Approved	Percent Denied	Percent Other
Del Rey Oaks				
Government-Backed Purchase	4	50.0%	0.0%	50.0%
Conventional Purchase	16	87.5%	0.0%	12.5%
Refinance	47	63.8%	12.8%	23.4%
Home Improvement	7	57.1%	14.3%	28.6%
Total	74	67.6%	9.5%	23.0%
Monterey				
Government-Backed Purchase	49	65.3%	12.2%	22.4%
Conventional Purchase	422	73.2%	7.8%	19.0%
Refinance	599	57.3%	18.9%	23.9%
Home Improvement	70	70.0%	15.7%	14.3%
Total	1,140	64.3%	14.3%	21.4%

Price of Land

Land costs in Del Rey Oaks are higher than most of California and lower than other coastal communities in the County and neighboring counties. The price of housing in the City has risen since the late 1970s at a much faster rate than household income. Contributing factors are the costs of land, materials, labor, financing, fees and associated development requirements, sales commissions, and profits. The City is almost entirely built out other than the former Fort Ord land area. Other than Fort Ord land, which is currently owned by the City, residential development potential would involve infill, but for the limited remaining vacant land. An internet search for vacant residential lots for sale in the City identified one parcel in 2017 of approximately 4,000 square feet sold for under \$125,000. A more recent search of land in the adjacent City of Seaside identified one 2,000 square foot parcel sold for \$235,000 in 2019. Recent research shows a 9,845 square foot vacant property offered for sale in the City of Del Rey Oaks for \$400,000.

Measures to reduce land costs, which are traditionally available to local governments, include the use of Community Development Block Grant (CDBG) and the use of government-owned surplus lands for housing projects. These measures generally benefit the construction of assisted, low-income housing.

Construction Costs

Construction costs vary widely depending on the type of structure being built. For instance, the total construction cost of a multi-family structure will cost significantly more than a single-family home, though the cost of each unit in the multi-family structure will generally cost less due to economies of scale. The range also depends on the type of builder, size of the house, and materials used to build the home.

Due to limited construction in the City of Del Rey Oaks for new housing, the City of Monterey data is reported herein. Per Building Division data, the average single-family home construction cost was approximately \$350 per square foot and multi-family was \$250 per square foot (without land costs) in 2015 (City of Monterey, 2016).

Hazards

Large portions of the former Fort Ord base contain hazardous and toxic waste sites as well as unexploded ordnance. The entire former military base was placed on the National Priorities List of Hazardous Waste Sites (i.e., Superfund List) in 1990 as a result of contamination of certain subsurface aquifers from a municipal waste landfill. Since then, many contaminated sites on the former base have been remediated and approved for transfer to the FORA and/or local jurisdictions by the Environmental Protection Agency (EPA).

The portion of the former Fort Ord that lies within the Del Rey Oaks City limits contains hazardous and toxic waste (i.e., unexploded ordnance). As part of the former Fort Ord military base, portions of the property had unexploded ordnance that has been removed by the U.S. Army. DTSC (Department of Toxic Substances Control) must approve the use of the site for residential purposes. The redevelopment area within the City limits at Fort Ord was designated for commercial/hotel development consistent with the Fort Ord BRP. The additional assignment of residential designation in this particular area is constrained by the former use as a military range and related unexploded ordnance issues.

Unexploded Ordnance

Unexploded ordnance and explosives (OE) still exist at locations throughout the former military base. Extensive surveys have been conducted by the U.S. Army to investigate suspected areas of OE, and removal activities are ongoing. Extensive OE cleanup has been conducted, particularly in the area of the former Fort Ord (Site 1), and the State of California has approved the transfer of most of the site to the City of Del Rey Oaks for all uses including single-family housing. Additional lifting of covenants and restrictions in portions or all of the area of the former Fort Ord is required to be approved by the State of California Department of Toxic Substances Control (DTSC) prior to provision of residential use on these sites.

Water Supply and Constraints

In Del Rey Oaks, the primary environmental constraints are a lack of an adequate water supply, environmental hazards located on the former Fort Ord, and the presence of significant biological resources in the riparian area of Canyon Del Rey Creek, the Frog Pond area and portions of the former Fort Ord portion of the community, ~~which are protected by the FORA Habitat Management Plan (HMP).~~

Water Supply

Two water suppliers, the MCWD and Cal-Am, serve the City. The withdrawal of water from the Salinas Valley Groundwater Basin, and distribution of that water on the former Fort Ord, is under the jurisdiction of the MCWD and the Monterey County Water Resources Agency (MCWRA).

The majority of the City of Del Rey Oaks, with the exception of the proposed project area within the former Fort Ord area, is under Cal-Am's operation and supply. Cal-Am is a privately owned and operated water company with a system capacity regulated by the MPWMD. Cal-Am draws from Carmel River surface water, alluvial ground water in the Carmel Valley, and Seaside coastal ground water to supply customer needs. Oversight of the underlying Seaside Groundwater Basin is the responsibility of the MPWMD and the Seaside Basin Water Master. Historically, the Monterey Peninsula's greatest environmental constraint

has been water shortages that limit residential development. The MPWMD is responsible for water being allocated to jurisdictions within its district, but there are no remaining water allocation credits in Del Rey Oaks and no water is available within the allocation system to the City. Cal-Am is under a CDO and no new water connections are allowed within the service boundaries, which includes Del Rey Oaks, until a new source of water supply is implemented.

The MPWMD has the ability to tax and raise capital required to finance public works projects to augment the existing water supply. The MPWMD has permit authority over the creation or expansion of water distribution systems. State Water Resources Control Board (SWRCB) water rights are issued by the SWRCB Division of Water Rights and specify diversion limits on the Carmel River. The current SWRCB CDO does not allow use of any additional water from the Carmel River system and also mandates severe cutbacks on use of this source as a supply for the Cal-Am system. Several efforts to conserve and research new water sources are underway to try and address the CDO. Monterey One Water (M1W), in conjunction with the MPWMD is completing construction of the Pure Water Monterey Groundwater Replenishment (PWM/GWR) Project which provides for water supply and groundwater replenishment. The water supply objective is to reduce reliance on water supplies from the Carmel River in order to assist in lifting the SWRCB CDO. Cal-Am is also moving forward with its planned Monterey Peninsula Water Supply Project (MPWSP) consisting of slant intake wells, a 6.4 million gallon per-day (MGD) desalination project and related facilities to supply water to the Monterey Peninsula. The project received California Public Utilities Commission (CPUC) approval in September 2018. The MPWMD and M1W are also proposing an Expanded PWM/GWR Project; which is considered a “back-up plan” to the MPWSP. The Expanded PWM/GWR Project would be implemented in the event that the MPWSP encounters obstacles that prevent timely and feasible implementation.

Unfortunately, until a new supply is available, the MPWMD’s allocation program will continue to prohibit the addition of new unit fixtures or new units without an available City allocation for such expansion of uses or fixtures. Therefore, any additional fixtures are required for the development and construction of residential units within the City or auxiliary (accessory) dwelling units are under a moratorium until additional allocation is available to the City of Del Rey Oaks. Therefore, the water supply constraints severely limit production of additional housing on developable land in the City within the MPWMD boundaries.

The City has no water to allocate to new uses in the City within their MPWMD allocation, but they do have an allocation of water assigned for redevelopment of the former Fort Ord area of Del Rey Oaks within the MCWD jurisdiction.⁵ Water from the MCWD comes from two sources, groundwater and recycled water. Groundwater: The MCWD withdraws groundwater for delivery to all of the jurisdictions in the former Fort Ord area. The withdrawal of water from the Salinas Valley Groundwater Basin, and distribution of that water on the former Fort Ord, is under the jurisdiction of the MCWD and the MCWRA. Through an agreement between the MCWRA and the U.S. Army (now transferred to the MCWD), water is available from the Salinas Valley Groundwater Basin for uses on the former Fort Ord within specified quantities and

⁵ The portion of Del Rey Oaks within the boundaries of the former Fort Ord is within the jurisdiction of the MCWD.

provided that such provisions of water do not aggravate or accelerate the existing seawater intrusion in the basin. FORA has allocated a portion of this water to the City, however FORA is scheduled to sunset in 2020. As a result, the City is working with the MCWD to finalize an agreement for water service; the agreement will be signed and in place prior to the FORA sunset date. Nevertheless, The City currently has an agreement with MCWD for water service and has water assigned for redevelopment of the former Fort Ord area of Del Rey Oaks within the MCWD jurisdiction. This is reserved for projects within its City limits at the former Fort Ord. Water from the City's allocation from FORA is reserved for the Del Rey Oaks project and will be allocated to the phased developments on a first-come, first-served basis. Any development on the former Fort Ord will need to undergo an environmental review, as there are potential impacts surrounding groundwater, traffic, and noise. Residential development will require rezoning, general plan amendments, and permit approvals as well as consistency determination by FORA if completed prior to the sunset date.

City-Water Conservation Policies and Support of Water Augmentation Programs

The City has been and continues to be supportive of water supply augmentation programs and projects. Such support is reflected by General Plan policy, which commits the City to supporting water resource programs, including desalinization and reclamation, to accommodate citywide growth permitted under the General Plan. Beyond this, the City has endeavored to maximize the level of development and new uses consistent with its available water allocations. It has established progressive water conservation policies and programs through its 1997 General Plan and requirements under the MPWMD. All new construction is required to install low-flow or ultra-low-flow water fixtures and plumbing and to use drought-tolerant landscaping. The City has policies in the General Plan to promote water conservation. It also has policies to mandate working with appropriate agencies to increase available potable water supply for residential and other uses, and policies that promote the use of reclaimed water for areas with large areas of turf. MCWD regulations also require that water used for irrigation of commercial landscape areas be from a recycled water supply if one is available (or becomes available) adjacent to the project site. Project plans indicate provisions for the use of recycled wastewater for irrigation when a supply of recycled water becomes available.

Chapter 727, Statutes of 2005 (SB 1087) establishes processes to ensure the effective implementation of Government Code section 65589.7. This statute requires local governments to provide a copy of the adopted housing element to water and sewer providers. In addition, water and sewer providers must grant priority for service allocations to proposed developments that include housing units in the affordable to lower-income household categories. Chapter 727 was enacted to improve the effectiveness of the law in facilitating housing development for lower-income families and workers. For local governments, Chapter 727 requires all cities and counties to deliver housing element updates to water and sewer service providers within a month after adoption.

The City will continue its participation with the appropriate water authorities and support the expansion and completion of water supply projects (see **Chapter 7.0, Housing Plan**).

Airport

The Monterey Airport Comprehensive Land Use Plan (ACLUP) identifies land use compatibility and noise measures in the airport planning area. Due to the requirement of consistency, the provisions of this plan can impact both the development of housing and the cost of residential development in the form of siting restrictions on new housing development and the inclusion of noise attenuation features. At present, no vacant residential sites exist within the largely built-out portion of the City in areas identified as noise or safety impact areas by the Airport Comprehensive Land Use Plan. However, a portion of incorporated former Fort Ord lands lie within the airport's Approach Protection Zone and Traffic Pattern Zone. Future development within these zones will have to follow strict guidelines and appropriate mitigation measures to ensure consistency with the above plan. In particular, within the Approach Protection Zone, residential use is limited; however, there is adequate land available in the current City and also in former Fort Ord to address regional housing needs even with this limitation. The Monterey Airport Land Use Commission (ALUC) staff has recommended the Housing Element Update to be consistent with the ACLUP.

Biological Resources – Former Fort Ord

The adopted 1997 Fort Ord BRP set aside approximately 20,000 of the 28,000 acres of the former Fort Ord as protected habitat (16,000 acres) and open space recreational uses. In the City, the greater portion of such protected habitat is located in the vicinity of the former Fort Ord lands owned by either the U.S. Army or the MPRPD. The long-term protection of these sensitive habitats and the federally listed species they support has been addressed by the Final Installation-Wide Multi-Species Habitat Management Plan for Former Fort Ord (U.S. Army Corps of Engineers, April 1977), a document referred to as the "HMP." The HMP was prepared to assess impacts on vegetation and wildlife resources and provide mitigation for their loss associated with the disposal and reuse of former Fort Ord (ACOE, 1997). The requirements of the HMP will be codified through the completion and execution of a Habitat Conservation Plan and Implementing Agreement. Developer impact fees to FORA include funding for implementation of HMP measures throughout the former Fort Ord. The recipients of former Fort Ord lands, including the California Department of Parks and Recreation (State Parks), California State University, Monterey Bay (CSUMB), the County of Monterey, and the Cities of Del Rey Oaks, Marina, and Seaside, are required to implement HMP requirements in accordance with the deed covenants.

Biological impacts within development parcels to special-status species addressed in the HMP are considered addressed when project implementation is in compliance with the HMP and 2017 Programmatic BO. If Del Rey Oaks or other recipients of former Fort Ord land are not in compliance with the HMP and 2017 Programmatic BO, mitigation measures are applied to reduce construction-related impacts through a combination of education, protective measures during construction, monitoring, and invasive species control.

Natural communities in the former Fort Ord area include central maritime chaparral, central maritime chaparral/coast live oak woodland mix, and ruderal/disturbed. Due to its limited distribution and pressures from development and urbanization, military operations, and fire suppression, central maritime chaparral is listed as a sensitive habitat on the CDFW's Natural Communities List. It is also identified as a sensitive habitat in the HMP. Coast live oak (*Quercus agrifolia*) trees are protected under DRO Municipal Code.

Assisted Units at Risk of Conversion to Market Rates

Section 65583(a)(8) of the State Government Code requires the analysis of and a program for preserving assisted housing developments that are eligible to change to market rate housing during the next 10 years and to adequately plan for preventing or minimizing tenant displacement and reduction in the local affordable housing stock. Within the City of Del Rey Oaks, there are no assisted housing developments; therefore, there is no risk of conversion.

Mitigation of Non-Governmental Constraints

Per State law, the element must identify local efforts to address non-governmental constraints that create a gap in the jurisdiction's ability to meet RHNA by income category (Gov. Code, section 65583, [a][6]). The housing element analysis above identified funding available to provide for housing and water constraints as the most severe non-governmental constraint to provision of affordable housing.

Water Availability

Water severely limits the addition of new residential development or accessory units within the City. The development of affordable housing, secondary (ADUs) and special needs housing are constrained by water availability. The Housing Element provides policies and programs to assist in water development to the extent possible, though water availability is a larger regional issue mostly outside of the City's control. There are several milestones that need be reached before water can come available including completion of the Pure Water Monterey Groundwater Replenishment Expansion Project as well as, or, approval of permits and construction of the Monterey Peninsula Water Supply Project. The City will continue to explore the potential for sites to be developed with affordable housing units to meet the City's RHNA, given the City's water constraints.

Funding Resources

The other primary non-governmental constraint is the high cost of housing as discussed above. In 2020, the median property value in Del Rey Oaks, CA was \$660,300, and the homeownership rate was 73.5%.⁶ The Housing Element provides policies and programs to address home ownership and assistance to address this issue. Funding resources that address affordability and offer programs for home ownership and rental options are also included as **Appendix D** of this document.

⁶ <https://datausa.io/profile/geo/del-rey-oaks-ca>

This Page Intentionally Left Blank

CHAPTER 5.0 ASSESSMENT OF CURRENT PROGRAMS

State Housing Element law requires an evaluation of the achievements of the City's housing goals, policies, and programs adopted in the 1992 Housing Element. There are many factors that affect the success or apparent failure of a policy or program, including what the City has done and what other agencies or groups have done to implement the program. Other factors affecting program success include the effects of the economy in general, decreasing availability of State and federal funding for new below market-rate housing, constraints such as lack of water supply, or lack of opportunity to implement the program due to small and constrained staff and City resources. In addition, since adoption of the December 2019 Housing Element, progress on this program development was hampered due to a legal challenge to the adoption, staff changes at the City, staffing constraints and by the pandemic.

An evaluation of the City's current housing policies addressing progress and evaluation of the City's 2019 Housing Element and current Housing Element (1992) is included as **Appendix E**.

This Page Intentionally Left Blank

CHAPTER 6.0 ENERGY CONSERVATION

Housing elements are required to identify opportunities for energy conservation. Energy costs are an increasingly significant portion of housing costs. Effective energy conservation systems can assure that capital and carrying costs of energy-saving techniques and devices do not exceed energy savings, thus making a house less affordable. There are several potentially cost-effective energy-saving programs:

The Residential Conservation Service (RCS) program, which requires major utilities to provide free energy audits for residential buildings and to assist with arranging for installation and financing. The following programs are available through PG&E to qualified low-income households:

- Energy Partners, which provides home insulation and related repairs.
- Target Customer Appliance Program (TCAP), through which new refrigerators, furnaces, and water heaters are available.
- Low-Income Rate Assistance (LIRA), which offers up to a 15 percent discount on utility bills.
- State residential building standards which establish energy performance criteria for new residential buildings (Title 24 of the California Administrative Code).
- State and federal appliance standards that require manufacturers to produce and sell energy-consuming appliances according to specified performance criteria.

Encouraging more energy efficiency in Del Rey Oaks provides important benefits for residents and local businesses. Energy conservation also helps minimize the percentage of income a household must dedicate to energy and reduces the use of nonrenewable resources. In July 2019, the California Building Standards adopted a final version of the new building code, CALGreen, parts of which will become mandatory on January 1, 2020. CALGreen exists alongside the latest edition of the historic Title 24, which will take effect on January 1, 2020. CALGreen includes provisions to ensure the reduction of water use by 20 percent, improve indoor air quality, divert 50 percent of new construction waste from landfills, and inspect energy systems (i.e., heat furnace, air conditioner, mechanical equipment) for nonresidential buildings over 10,000 sq. ft. to make sure that they are working according to design.

Currently, Del Rey Oaks encourages energy conservation through the enforcement of statewide energy standards (current building standards and Title 24) to ensure that new residential units meet a minimum level of energy efficiency. The City enrolled in PG&E's Solar Choice program, as a result 100 percent of power consumption for City buildings is from solar power. The City is also studying options to use solar panels at City Hall to reduce the City's power bill while continuing to maximize use of renewable energy. The City also held two workshops in June 2019 on solar power for individual homeowners and developers.

Subsidies and Incentive Programs for Household Energy Conservation

The following are some of the many programs available to assist persons with energy conservation measures.

The U.S. Department of Energy has a program oriented toward assisting low-income persons with energy efficiency. Under the Low-Income Heating Energy Assistance Program (LIHEAP), there are three separate programs including the Weatherization Program that provides assistance to qualifying households to replace inefficient appliances such as refrigerators, electrical water heaters, and microwaves with efficient appliances. The program also assists with attic insulation, weather stripping, and home repairs to make a home more energy efficient.

California Weatherization Assistance Program (DOE WAP) – The DOE WAP program provides weatherization and other energy efficiency services to low-income households. Groups served by this program include seniors, those with disabilities and families with children. Services provided include attic insulation, energy efficient refrigerators, energy-efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

California Alternative Rates for Energy/Family Electric Rate Assistance Program (CARE/FERA) – Low-income customers that are enrolled in the CARE/FERA program receive a 20 percent discount on their electric and natural gas bills and are not billed in higher rate tiers that were created for Southern California Edison (SCE), PG&E, and San Diego Gas & Electric (SDG&E). CARE is funded through a rate surcharge paid by all other utility customers.

PG&E offers a variety of energy conservation services for residents and provides several other energy assistance programs for lower-income households. These programs include Energy Watch Partnerships, Better Together Giving Program and Energy Savings Assistance Program. The Energy Watch Partnerships program helps residents lower their energy bills and promote cleaner energy production. Through this program, PG&E has extended the reach of effectiveness of energy efficiency programs and provided information about demand response programs, renewable energy, and self-generations opportunities. The Better Together Giving Program gives millions of dollars each year to non-profit organizations to support services including environmental and energy sustainability. Projects include residential and community solar energy distribution projects, public education projects, and energy efficiency programs. The goal is to ensure that most of the funding assists underserved communities, which includes low-income households, people with disabilities, and seniors. PG&E also offers rebates for energy-efficient home appliances and remodeling. Rebates are available for cooling and heating equipment, lighting, seasonal appliances, and remodeling (cool roofs, insulation, water heaters). These opportunities are available to all income levels and housing types. The energy Savings Program provides free attic insulation, weather-stripping and caulking, water heater blankets, energy-efficient lightbulbs, replacement of appliances and low-flow showerheads for low-income households. The PG&E “walk-through audit” provides a comprehensive assessment of energy.

Monterey County participates in the CaliforniaFIRST program which is a Property Assessed Clean Energy (PACE) Program. PACE helps homeowners pay for water and energy efficiency projects. PACE allows property owners to finance the installation of improvements on homes or businesses through the issuance of a municipal bond, and pay the amount back as a line item on their property tax bill. The CaliforniaFIRST Program is a program of the California Statewide Communities Development Authority (CSCDA), a joint powers authority co-sponsored by the California State Association of Counties and the League of California Cities, and is administered by Renewable Funding.

Monterey Bay Community Power (MBCP) is a locally controlled public agency providing carbon-free electricity to residents and businesses. Starting in 2018, all PG&E customers within Monterey, San Benito, and Santa Cruz Counties were automatically enrolled in MBCP. The City did not join MBCP until May 2019, and services will begin in early 2021. MBCP is recognized as a Community Choice Energy agency providing a higher percentage of renewable or carbon-free electricity at lower rates, supporting low-income rate payers, and finding local renewable energy projects. MBCP partners with PG&E to provide billing, power transmission and distribution, customer service, grid maintenance services and natural gas services to Monterey County. Additionally, MBCP is offering a program that allows for the construction of power generation facilities in member jurisdictions to bring power to areas not currently served by PG&E.

Energy Conservation Design for New Residential Developments

There are several relatively simple and yet proven community design techniques that can significantly improve not only the energy efficiency of a home but can contribute to the livability and quality of a home and neighborhood. These include the following:

- **Street and Subdivision Patterns for Maximum Solar Access.** Residential streets laid out in an east/west alignment maximize southern exposure for typical residential lots. Orientation of homes on such lots with the broadest portions of the walls and roof facing south (whether in the front or rear) can increase the exposure to solar radiation and provide warmth for the home in the winter months. Such an orientation also provides a better opportunity to create a “grid” of streets that, in turn, help to interconnect a community, making it more pedestrian- and neighbor-friendly.
- **Home Design and Construction.** Beyond subdivision design and careful siting of new homes, there are a number of building design features that can maximize energy efficiency and improve comfort within the home. Building materials, appliances, fixtures and energy sources can be selected to minimize energy demand and greenhouse gas emissions. Energy loss and gain can be minimized through installation of high R-value wall and ceiling insulation (over and beyond the minimum required by the Building Code) and use of minimal glass on east and west exposures.¹ The addition of adequately sized roof overhangs or eaves can reduce solar and heat gain in the summer while allowing low winter sunlight to enter the home. The energy demand for water heating can be reduced through the use of recirculating systems for centralized hot water distribution or point-of-use hot water heating systems for more distant locations. The recycling of construction and demolition materials should continue to be required, and the reuse of such materials as part of new development could be encouraged.
- **Trees on Residential Lots to Assist in Heating and Cooling.** Careful placement of deciduous trees on a residential lot can greatly enhance energy efficiency. By placing large-canopy deciduous trees proximate to the broadest part of a home, the summer shading from the tree can dramatically

¹ R-value measures how well certain building insulation materials can resist heat. The higher the R-value, the greater the insulation performance.

cool the residence by as much as 10 to 15 degrees. In the winter, when deciduous trees are dormant and leafless, maximum solar access is provided on the home. Use of low water plant materials and less lawn on residential lots also contributes to resource conservation.

- **Energy Efficiency Beyond the Residence.** In addition to the simple residential design techniques for energy efficiency, Del Rey Oaks can broaden energy conservation and livability goals by requiring the placement of new homes in close, walkable proximity to retail and other commercial land uses, thus reducing dependence on air polluting autos for short distance vehicle trips. Similarly, new multi-family housing should be clustered and placed near schools, commercial services, and public transit.

This Page Intentionally Left Blank

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	
	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)								

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 Sites 1 and 1a 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	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 third quarter of 2023. The City shall accommodate the City’s 5th Planning cycle RHNA and 4th cycle shortfall carryover by 4th quarter 2021.
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 <u>fourth quarter 2023</u> .
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 <u>fourth quarter 2023</u> 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

	<p>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)</p>
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	<p>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.</p>
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 <u>by fourth quarter of 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 <u>fourth quarter 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>third quarter 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 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 first <u>third</u> quarter 2023 <u>2021</u> (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 <u>third quarter of 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 <u>and throughout 5th Cycle</u> .
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 2022 ; 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 third quarter 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

This Page Intentionally Left Blank

CHAPTER 8.0 LIST OF PREPARERS AND REFERENCES**List of Preparers****City of Del Rey Oaks**

John Guertin, City Manager
Jeff Hoyne, Former Assistant City Manager
Karen Minami, Deputy City Clerk

Denise Duffy & Associates, Inc.

Denise Duffy, Principal
Diana Staines, Associate Planner
Conor O'Toole, Associate Planner
Robyn Simpson, Associate Planner
Troy Lawson, Assistant Planner

References 2019 Housing Element

[AMBAG] Association of Monterey Bay Area Governments. 2008. *Revised DRAFT – Regional Housing Needs Allocation (RHNA) Plan 2007-2014 for Monterey and Santa Cruz Counties*. Available online at:

<<https://www.co.monterey.ca.us/Home/ShowDocument?id=44068>>

_____. 2014. *Regional Housing Needs Allocation Plan: 2014-2023*. Available online at:

<<https://ambag.org/programs-services/planning/regional-housing-planning>>

_____. 2018. *2018 Regional Growth Forecast*. Available online at:

<https://ambag.org/sites/default/files/documents/2018_Regional_Growth_Forecast.pdf>

Applied Survey Research. *Homeless Census and Homeless Youth/Foster Study, Monterey County*.

_____. 2017, 2019 and 2022. *Monterey County Homeless Census & Survey Comprehensive Report*.

Available online at: <[http://www.chspmontereycounty.org/wp-](http://www.chspmontereycounty.org/wp-content/themes/chsp/img/2017-Monterey-County-Census-Report.pdf)

[content/themes/chsp/img/2017-Monterey-County-Census-Report.pdf](http://www.chspmontereycounty.org/wp-content/themes/chsp/img/2017-Monterey-County-Census-Report.pdf)>

<https://static1.squarespace.com/static/5176dcd7e4b0e5c0dba41ee0/t/5d547dd07afc360001930eb8/1565818322308/2019+HIRD+Report_Monterey_Draft2.pdf>

<https://chsp.org/wp-content/uploads/2022/07/2022montereyfinalV2.pdf>

Craigslist. Average Rental Housing Prices. 2018 and 2019. Retrieved from

<<https://monterey.craigslist.org/>>

[DOF] California Department of Finance, Demographic Research Unit. 1980-2019. Population Estimates for Cities, Counties, and the State. Available online at:

<<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/>>.

[City] City of Del Rey Oaks. 1997. City of Del Rey Oaks General Plan Update EIR. Adopted by City of Del Rey Oaks on June 17, 1997. Prepared by Denise Duffy & Associates.

- City of Monterey. 2016. *City of Monterey 2015-2023 Housing Element*. Available online at:
<https://monterey.org/Portals/0/Reports/Housing/2015-2013_Housing_Element.pdf>
- County of Monterey. Monterey County Analysis of Impediments to Fair Housing Choice, 2019. Available online at:
https://www.cityofsalinas.org/sites/default/files/departments_files/community_development_files/housing_division_files/final_monterey_county_ai_report_0_0.pdf
- HCD. (n.d.). 5th Planning Cycle Data Package. Accessed: August 2019
- Housing Authority County of Monterey. 2018. *FY 2018 Annual Plan and Supporting Documents*. [HUD] U.S. Department of Housing and Urban Development. Comprehensive Housing Affordability Strategy. 2015. Available at
<<https://www.huduser.gov/portal/datasets/cp.html>>
- U.S. Census Bureau. 1990. General Population Characteristics, California.
- _____. 2000. Profile of General Demographic Characteristics: 2000. Available online at:
<<http://factfinder2.census.gov/>> Accessed: August 2019.
- _____. 2010. General Housing Characteristics: 2010. Available online at:
<<http://factfinder2.census.gov/>> Accessed: August 2019.
- _____. 2017. American Community Survey 5-Year Estimates. Available online at:
<<http://factfinder2.census.gov/>>. Accessed: August 2019.
- Veronica Tam & Associates. 2019. *2019 Monterey County Regional Analysis of Impediments to Fair Housing Choice Report*. Prepared for Monterey County. Available online at:
<https://monterey.org/Portals/0/Reports/Housing/2019_0328-Public-Review-Draft-AI-Monterey-County.pdf>
- Zillow. 2019 and 2022. Rentals, Home Prices and Values. Available online at:
< <https://www.zillow.com/del-rey-oaks-ca/home-values/>>