

6th Cycle Housing Element Update

HCD Review Draft

July 2023

CITY OF
DEL REY OAKS



6th Cycle Update
(2023-2031)
City of Del Rey Oaks

Prepared by Denise Duffy & Associates

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DRAFT 6th CYCLE HOUSING ELEMENT

City of Del Rey Oaks

6th Cycle Housing Element

Prepared for the City of Del Rey Oaks
for submittal to the
Housing and Community Development Department (HCD)

HCD Review Draft: July 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

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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 is one of the seven State mandated elements of the City's General Plan. In accordance with State Housing Law, this Housing Element has been prepared for the 6th Planning Cycle Housing Element Update, 2023-2031.

Housing Element Contents

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

An analysis of constraints 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 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

Housing programs address 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.

Housing element law requires local governments to be accountable for ensuring that projected housing needs reflected by the RHNA Plan can be accommodated.

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 a quantified 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 required contents of a housing element pursuant to state law:

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 requirements for a “Sites Inventory and Analysis” identified under the “Housing Element Contents” subsection presented above. Per Housing element law, **Chapter 3** identifies how the City’s projected housing needs reflected by the RHNA Plan can be accommodated.

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 requirements for an “Analysis of Constraints” identified under the “Housing Element Contents” subsection presented 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. This chapter also includes a matrix that evaluates the progress of programs from the previous Housing Element.

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 satisfies the requirements of “Housing Programs” and “Quantified Objectives” identified under the “Housing Element Contents” subsection, as described above.

Data and Methodology

This Housing Element contains a review and analysis of the community's population characteristics and housing stock to better understand the context of local housing in the City. The primary data source for the Housing Element Update is the City of Del Rey Oaks 6th Planning Cycle Housing Element Data Package prepared by HCD staff. Additional data sources include the U.S. Census Bureau (2020 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 Communities (DACs) were also sourced as part of this documentation research.¹

¹ Review of the sources shows that there are no DACs within the City limits or Sphere of Influence.

Public Participation

The update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers pursuant to Government Code section 65583. 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.

Throughout the process of preparing 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.

Public input was received through a series of workshops conducted in March and May 2023. The Draft Housing Element update meetings were preceded by specific mailings to residents, local businesspersons, representatives of public agencies and non-profit organizations, developers, members of the community and members 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.

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 also published in the newspaper and posted at various locations within the City and through the City's social media. In addition, organizations that represent the interests of low-income and special needs households or are 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 or available upon request to ensure all members of the Del Rey Oaks community could participate in workshops. No surveys were taken for this process. City staff and the consultant were able to engage with the community members through this workshop, outreach via letters, and additional meetings/public workshops.

The following provides an overview of the public workshops and engagement process. Additional materials are included in **Appendix B**.

Overview of Workshops and Meetings

The City's efforts to involve all economic segments of the community in the Housing Element update process included an initial public workshop conducted on March 16th, 2023 and a March 28th, 2023 noticed City Council hearing. Subsequent workshops took place on May 3rd, 2023 and May 9th, 2023. The Planning Commission also held a special meeting on May 17th, 2023. The following provides an overview of the outreach conducted, presentations, participants and discussion items for these meetings.

March 2023 Public Outreach. At the March meetings, presentations explained the process and timing for a housing element and submittal to the HCD and how the public could get involved.

The March 16th attendees included the full Council, members of the Planning Commission and members of the public². Invitations and notices were sent to all of the recipients noted in **Appendix B**.³ The presentations included information about the housing element update process, recent updates to State housing law, and the RHNA numbers assigned to the City for the 5th Cycle Housing Element Update and the 6th Cycle Housing Element Update. The consultant provided fact sheets that provided a breakdown of what the Housing Element Update meant for the City. Topics also included available land inventory and use of former Fort Ord lands for meeting RHNA.

During the March 28, 2023 presentation and public hearing, handouts on the current adopted policies and programs in the Draft Housing Element and information on HCD Affirmatively Furthering Fair Housing (AFFH) was presented. Decision-makers and the community were asked to review the materials presented and to provide input on program amendments during future meetings or other feedback and thoughts about revisions or added programs that would be best for their City. A schedule was presented and members of the City Council and Planning Commission endorsed completion of the 6th Cycle Housing Element Update and necessary rezoning of sites within the required timeframe. The following issues were brought up in the discussion at the March workshop and subsequent March meeting on the Housing Element:

Public participation is essential to effective housing planning. Throughout the housing element process, the City has and will continue to engage the community. **Appendix B** identifies comments from stakeholders and how comments were addressed in this element.

- The City's history of drafting the Housing Element and General Plan and available land inventory to meet regional housing needs.
- The type of housing development that would be needed to meet affordable goals.
- Importance for programs to ensure different affordable levels of housing be mixed in the new areas of development.
- The desire for future housing to include various levels of housing for all income types in any new development. A community member expressed concern that the Del Rey Oaks community does not isolate lower-income families in one area when looking at future development.

Questions revolved around what type of zoning density needs to be implemented. Participants were also eager to better understand recent laws involving Housing Elements and timing for completion. Members of the Planning Commission and City Council endorsed continued public participation in the housing element process and involvement of stakeholders.

² The March 16th, 2023 Workshop provided a combined discussion of 5th and 6th Cycle and RHNA.

³ A Spanish interpreter was available for all public workshops. 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.

May 2023 Public Outreach. Subsequent workshops took place on May 3rd, 2023 and May 9th, 2023. City staff and the consultant presented the Housing Element Workshops 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 meetings updated the status for the 6th Cycle 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 6th Cycle Housing Element Update, particularly related to environmental and other constraints for development and available land in the former Fort Ord area. The City Council and public had questions on the method of rezoning and options for completion of the rezoning on city-owned properties in former Fort Ord and other lands available that may need to be rezoned to accommodate RHNA.

All meeting materials 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. A Spanish translator was available if requested to provide translation services; none were requested or needed.

The following issues were brought up in the discussion at the two May workshops on the Housing Element:

- The applicability of Accessory Dwelling Units (ADU) to meet RHNA requirements. Participants inquired about the potential opportunities to add ADUs to help comply with the City's RHNA requirements.
- Participants asked questions about aging in place and showed interest in developing ways to prevent elderly and at-risk residents from experiencing displacement out of the community.
- Some participants asked questions pertaining to the requirements to allow residential development on the City's former Fort Ord property. Participants inquired about adequate areas of cleared land from hazardous materials, and the possible types of housing to meet a disparity of income levels of residents.
- A map of the Monterey Regional Airport Safety Zones was shown during the presentation. One participant asked about the restrictions of the Safety Zones applying to potential residential development sites.
- Programs from the current Housing Element were presented.

The May 3rd, 2023 public workshop was held via Zoom to provide broader alternatives for participation from the public. Attendees included four City Council members and three Commissioners in addition to community representatives. The May 9th, 2023 public workshop included City Council and Planning Commissioners and was held at City Hall. The consultant conducted a presentation explaining the steps of Draft Housing Element preparation and submittal to the HCD and how the public could get involved. There were few comments from the community members present, however, the decision-makers present expressed their interest in the ongoing development of the Housing Element Update 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 and decision-makers thought was best for their City. Other presentation topics included available land inventory, including areas of development constraints due to environmental considerations within the City. Topics addressed the limited land area within the

City and safety concerns due to airport clear zones, and whether additional housing would also be located in existing commercial areas within the City. The workshops resulted in positive discussion between City and consultants, who expressed support for policies and programs that resulted in development of housing in the City for all income levels.

Based upon comments, the City included programs addressing mixed-use housing development, and conducted more research into potential locations of affordable housing to meet RHNA in the current City limits and the former Fort Ord area. Comments noted the link between universal design to promote aging in place and maintaining diversity of income ranges in the City. Based upon comments from the community, additional emphasis was added to the ADU program and a program was added related to universal design and AFFH.

Draft programs and policies were then presented at a public meeting at the Planning Commission on May 17, 2023. One member of the public attended. Existing programs and recommended program revisions were reviewed during the meeting and subsequent revisions to programs were developed based upon recommendations and input from the Planning Commission as well as previous input from Council members and the public. Programs are detailed in **Chapter 7.0**. Public outreach materials including meeting materials are available for review on the City's Housing Element webpage at <https://www.delreyoaks.org/cityhall/page/del-rey-oaks-housing-element>.⁴

Draft Review. Early drafts of existing and proposed programs were made available to the public throughout the development of the Housing Element Update.⁵ The Public Review Draft Housing Element Update was published online on the City's website and a printed copy was made available at City Hall. Local and regional stakeholders and organizations identified in **Appendix B** were also notified of the availability of the Draft Housing Element for public review. The 30-day public review period of the Draft Housing Element Update occurred from May 25th to June 26th, 2023. Public comment letters were received from Monterey Peninsula Unified School District (MPUSD) and LandWatch. Portions of the Housing Element Update have been revised after incorporating public recommendations and input. The City's Planning Commission received an update during the July 12th Planning Commission meeting.

The Housing Element Update was discussed during a meeting with HCD on June 20th to receive preliminary input from HCD and to prepare the document for streamlined review during the upcoming HCD 90-day review period. The 5th Cycle Housing Element and the 6th cycle Sites Inventory was reviewed during a call with HCD on June 23rd, 2023, and discussed residential densities and rezoning. On June 27th two HCD staff, the City Manager, and the consultant participated in a field trip within in the city boundaries to the visit the Sites Inventory locations, and to get a sense of the local neighborhood character and the potential development constraints within the City. The Consistency Application for the 6th cycle update was submitted to the Monterey County Airport Land Use Commission (ALUC) on June 30th.

HCD Review Draft. 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

⁴ Also refer to **Appendix B, Public Outreach** for links to meeting agendas, videos and other meeting materials.

⁵ Notices were posted online and at City Hall notifying the public of the Planning Commission meeting.

City's consultant. The Housing Element programs were revised to incorporate the above recommendations from workshop participants, Planning Commissioners and City Council based upon the public workshops and the public comments received on the Draft Housing Element (May 2023). HCD comments on the site inventory for 5th cycle were also considered in this 6th Cycle Housing Element Update. (Refer to Public Outreach **Appendix B** for identification of comments on the May 26, 2023 Draft Housing Element and a summary of changes made in consideration of comments received.)

Next Steps

The Update will be sent to HCD for the required 90-day review. After comments are received from HCD and stakeholders, public hearings will be held at both the Planning Commission and City Council. Participation will continue in the housing element process through involvement of stakeholders. The City will continue to reach out to HCD and other stakeholders and make revisions as needed in programs and sites related to where the City would meet RHNA. The City Planning Commission and City Council will hold public hearings and consider adoption of the 6th Cycle Housing Element. The City will then provide the Housing Element Update to HCD for consideration of compliance.

General Plan Consistency

This Housing Element for the City represents the 6th Planning Cycle Housing Element Update and covers the eight-year planning period of December 31, 2023 through December 31, 2031.

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 also proposes concurrent amendments

to the General Plan and specific changes to the Land Use Element, as well as the potential for new implementing ordinances.⁶ Upon adoption of the Housing Element Update and the associated amendments to the General Plan, the Housing Element Update consistency will be achieved.

In addition, 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.⁷ 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 and Housing; the reports are provided to HCD and the Office of Planning and Research on April 1st of each year. At these meetings, General Plan and Housing Element programs and progress towards implementation are reviewed.

The Challenge

The City of Del Rey Oaks has long experienced high housing cost and a lack of access to affordable housing, which significantly impacts low- and moderate-income members of the community. In 2019, the Regional Analysis of Impediments to Fair Housing Access (Regional AI) concluded that low income and moderate-income households have limited opportunities for affordable housing in both the rental and homeownership markets in the City. The 2019 Housing Element Needs Assessment also concluded that the lack of available affordable housing has a significant impact on vulnerable communities, including large families with children, seniors and people with disabilities.

The lack of access to affordable housing is continuing, and becoming, an increasing challenge in the City and across the region. According to the California Association of Realtors' 2020 Housing Affordability Update, in 2020, the median price for a single-family home in Monterey County was \$830,000, and an average family would need to earn \$149,000 a year to afford the monthly housing payment of \$3,740. At the same time, the 2020 low-income level for a family of four in Monterey County was \$77,500, and the moderate-income level for a family of four was \$97,900.

With the recent increase in mortgage rates and limited housing available, the median price for a single-family home in 2022 in Monterey County is \$843,000, and to afford this house, an average family would need to earn \$208,800 a year to cover the housing payment of \$5,220. Currently, the 2022 income level for a family of four in Monterey County under the low-income category is \$91,100, and the moderate-income level for a family of four is \$108,100⁸. The median housing price far exceeds what is affordable for low- and moderate-income families in Monterey County and the situation is worsening.

⁶ 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.

⁷ 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]).

⁸ HCD provides Median income and Moderate Income. 2022 from <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>. Also, see <https://www.car.org/marketdata/data/haitraditional/>.

In Del Rey Oaks, the inability to produce new housing units exacerbates the existing housing crisis. Although the demand for housing is increasing, the lack of available land zoned for residential use and the lack of infrastructure means that City is unable to increase the supply of housing to meet the new demand. The City is also challenged by its limited land area and neighboring jurisdictions' boundaries, effectively limiting new growth outside the City limits. This fundamental imbalance results in increasing prices for both rental and ownership housing as the community competes for the limited supply of available housing. In Del Rey Oaks and statewide, it is clear that rising housing costs create a barrier to affordable housing for low- and moderate-income community members.

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 6th Planning Cycle Housing Element Data Package prepared by HCD staff, U.S. Census Bureau, the California DOF, and the AMBAG. This Chapter also identifies historical data, trends and information for the City to assist in the compilation of required data for the Affirmatively Further Fair Housing Assessment required for the 6th Cycle.¹

Population Characteristics and Historic Trends

The City was incorporated on September 3, 1953 and currently has 1,592 residents in a total area of 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.

Table 2-1 shows trends in population since 1990 in Del Rey Oaks. Total population over the past three decades has changed slightly over the years with a peak population of 1,719 in 2017. Overall, the City has experienced a population decrease of approximately 4.7 percent since 1990. Population has continued to decline since 2020; Del Rey Oaks’ population at the start of 2022 was estimated at approximately 1,539.

Table 2-1 Historical Population Trends, 1990 to 2020 City of Del Rey Oaks										
Year	1990	1993	1997	2000	2002	2008	2010	2014	2017	2020
Population	1,670	1,661	1,608	1,648	1,660	1,599	1,624	1,668	1,719	1,592

Sources: California DOF 1990, 2007, 2012, 2019, and 2020

Ethnicity and Racial Composition

As shown in **Table 2-2**, according to the 2020 data from the 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020), 76.1 percent of the City’s residents reported themselves as White, 6.2 percent reported themselves as Asian, 2.0 percent as Black or African American, and 10.2 percent as Hispanic or Latino. A majority of the Hispanic or Latino population reported themselves as being of Mexican origin (representing 6.3 percent of the total Del Rey Oaks residents). The ethnic mix of Del Rey Oaks has changed since the previous Housing Element Update, as shown in **Table 2-2**.² City residents that reported themselves as White declined from 84.8 percent in 2017 to 76.1 in 2020, a 9.2 percent decrease. Residents that reported themselves as Asian increased by 1.2 percent, from 4.2 percent of the Del Rey Oaks population in 2017 to 6.2 percent in 2022.

¹ See also **Appendix A, Affirmatively Further Fair Housing Assessment**.

² Where previous data from 5th Cycle Housing Element is informative, it is included for comparison.

Table 2-2 Del Rey Oaks Ethnicity and Racial Composition, 2017 - 2020				
Ethnicity/Race	2017	2017 Percent (%)	2020	2020 Percent (%)
White	1,319	84.8%	1,155	76.1%
Black or African American	27	1.7%	30	2.0%
American Indian or Alaska Native	3	0.2%	-	0.0%
Asian ¹	66	4.2%	94	6.2%
Native Hawaiian and Other Pacific Islander	9	0.6%	5	0.3%
Some Other Race	21	1.4%	-	0.0%
Two or More Races	110	7.1%	79	5.2%
TOTAL	1,555	100%	1,518	100%
Hispanic or Latino ²	249	16.0%	155	10.2%

Source: U.S. Census Bureau, 2017, 2020
¹ Asian, Indian, Chinese, Filipino, Japanese, Korean, or Vietnamese.
² Mexican, Puerto Rican, Cuban, other Hispanic or Latino.

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 and 59 percent in 2020.

Age

Approximately 14 percent of Del Rey Oaks’ citizens were under 19 years old according to the 2020 data from the 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020). People aged 65 and over account for about 22 percent of the population in 2020, compared to about 13.6 percent in the County as a whole. Compared to 2017 shown in **Table 2-3**, there has been an increase in residents aged 20 to 29 and 45 to 54, and a decrease in ages 30 to 44. Residents in their early-to-middle ages may be staying and aging in Del Rey Oaks. 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. The average age of the Del Rey Oaks population was 47.1 years in 2017. As seen in **Table 2-3** the average age of the increased slightly to 49.4 years. The data on overall and average ages for the City’s population indicates that the City needs to focus on creating additional housing to accommodate its elderly population, while also considering the need to provide housing for young families moving into the City.

Table 2-3 Del Rey Oaks Age Profile		
Age	Population	Percent of Total
Age Profile – 2017 Data		
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%

Table 2-3 Del Rey Oaks Age Profile		
Age	Population	Percent of Total
55 to 59 years	166	10.7%
60 to 64 years	140	9.0%
65 and over	311	20.0%
AVERAGE:	47.1	---
Age Profile – 2020 Data		
Under 5	60	4.0%
5 to 9 years	60	4.0%
10 to 14 years	57	3.8%
15 to 19 years	36	2.4%
20 to 24 years	107	7.1%
25 to 29 years	183	12.06%
30 to 44 years	149	9.8%
45 to 54 years	257	16.9%
55 to 59 years	146	9.6%
60 to 64 years	129	8.5%
65 and over	334	22.0%
AVERAGE:	49.4	---

Source: U.S. Census Bureau, 2017, 2020

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 City’s population dropped to 1,592 in 2020. During this same period, Monterey County grew by 5.8 percent. The AMBAG’s 2022 Regional Growth Forecast projects that Monterey County will continue to grow between now and the year 2040. **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, between the years 2000 and 2020, Del Rey Oaks has seen a population increase of just 0.7 percent, while AMBAG is estimating that the population will increase by 34 percent by 2030. This estimate reflects a significant population increase in a relatively short amount of time for a City that has kept a very steady population. The growth forecasts presented by AMBAG during previous population projection cycles have anticipated new employment opportunities and the development of housing in former Fort Ord; however, new housing and employment at the former Fort Ord area of the City has been delayed due to a variety of factors. If this projected growth does occur, it will be critical for the City to prepare for the potential influx of people by developing more housing opportunities.

Table 2-4 Del Rey Oaks Population and Future Population Projections, 1990–2040						
	1990	2000	2010	2020	2030 (est.)	2040 (est.)
Population	1,661	1,650	1,624	1,662	1,734	2,330

Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020; AMBAG 2022

Household Size and Type

According to the 2016-2020 American Community Survey (ACS) 5-Year Estimates from the U.S. Census Bureau, 1,518 people (100 percent of the population) lived in households, none lived in non-institutionalized group quarters, and none were institutionalized. 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 in 2020 was 2.40 people. There were 384 families (60.7 percent of all households) with an average family size of 3.11 people. 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, 2010, and 2020 in Del Rey Oaks and nearby cities in Monterey County and the County average. Based on this data, Del Rey Oaks’ average household size is lower than the County average, but larger than the cities of Carmel, Sand City, Monterey, Pacific Grove and Sand City. Of the peninsula cities, only Marina and Seaside have larger average household sizes.

Table 2-5 Monterey County Cities Household Size, 2000, 2010, & 2020			
City/County	2000	2010	2020
Del Rey Oaks	2.34	2.32	2.40
Carmel	1.79	1.78	1.97
Marina	2.79	2.75	2.70
Monterey	2.13	2.08	2.10
Pacific Grove	2.10	2.09	2.18
Salinas	3.66	3.66	3.74
Sand City	2.46	2.27	1.98
Seaside	3.21	3.16	3.06
Monterey County	3.14	3.20	3.25

Source: U.S. Census Bureau, 2000, 2010, 2020

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 2020 there were 633 total households. The average 2020 household size in Del Rey Oaks was 2.40 persons per household, an increase from 2.32 in 2010 (see **Table 2-5**). 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 be aware of a growing need for family housing and related services such as daycare. As noted in the City’s previous housing element, although there is an increase in the average household size, the City must also ensure that adequate housing is available for its aging population, which is comprised of the post-World War II baby boomer generation. This generation has always had a much larger population compared to other generations, having implications on 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 as they age, more options for assisted living and housing may be warranted.

As shown in **Table 2-6**, Del Rey Oaks, Married Couple Households have decreased, and Female-Headed Households have increased in the City between 2017 and 2020.

Del Rey Oaks amended the Title 17 Zoning Ordinance to revise the definition of Family in 2022.³ The previous Zoning Ordinance definition was outdated and in need of amendment. Past views of “traditional” definition of family was a housekeeping unit composed of people related by blood, marriage or adoption. This previous definition excludes a number of households such as long-term partners who have been living together for decades but are not legally married, single parents raising a foster child and others, such as individuals with disabilities who share housing so they can have the support they need to live in the community. Family is defined as “an individual or two or more persons who are related by blood or marriage; or otherwise live together in a dwelling unit.”

Table 2-6 Del Rey Oaks Households by Type		
Household Type	Number of Households	Percent of Total Households
2017 Household Data		
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	--
2020 Household Data		
Married Couple Households	301	47.6
Female-Headed Households	42	6.7
Non-Family Households*	249	39.3
Total Households	633	100
Average Household Size	2.40	--
Source: U.S. Census Bureau, 2017, 2020		
Note: Non-Family Households are defined by the U.S. Census as households that include either householder who live alone or householder who is 65 years and over.		

Employment

AMBAG’s 2022 Regional Growth Forecast reported that there were 748 jobs in Del Rey Oaks in 2020. Over the course of the next 25 years AMBAG estimates a 12 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, Del Rey Oaks (as well as other cities in the County) would still need to ensure that they are providing sufficient housing units to accommodate its population growth projections. This is why AMBAG completed its RHNA, which allocated each City’s need for housing of various income levels. Each city in Monterey County must do its fair share to accommodate the

³ City of Del Rey Oaks Resolution 2022-02, December 2022

inevitable rise in population for the community to develop, while ensuring no groups are left out based on income, age or race.

According to the 2020 data from the 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020), the total employed population was 748 persons as seen in **Table 2-7**.

Table 2-7 Del Rey Oaks Employment Forecast, 2022								
							Change 2015-2040	
Jurisdiction	2015	2020	2025	2030	2035	2040	Numeric	Percent
Del Rey Oaks	705	748	753	774	794	815	129	18%
Monterey County	225,268	243,015	245,054	249,613	253,918	258,553	38,169	17%

Source: AMBAG, 2022

Table 2-8 also shows other various industries and their employment rates for both Del Rey Oaks and Monterey County as a whole. In 2020, 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 29.6 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 a 16 percent total for Monterey County's workforce according to the data in **Table 2-8**.

Table 2-8 Del Rey Oaks Employment by Industry, 2020				
Employment by Industry	City of Del Rey Oaks		Monterey County	
	Estimate	Percent	Estimate	Percent
Civilian employed population 16 years and over	796	100%	188,734	100%
Agriculture, forestry, fishing and hunting, and mining	0	0.0%	29,975	15.9%
Construction	44	5.5%	12,524	6.6%
Manufacturing	34	4.3%	10,219	5.4%
Wholesale trade	6	0.8%	4,587	2.4%
Retail Trade	55	6.9%	18,535	9.8%
Transportation and warehousing, and utilities	18	2.3%	7,143	3.8%
Information	22	2.8%	2,593	1.4%
Finance and insurance, and real estate and rental and leasing	36	4.5%	7,073	3.7%
Professional, scientific, and management, and administrative and waste	122	15.3%	18,766	9.9%
Educational services, health care and social assistance	236	29.6%	38,246	20.3%
Arts, entertainment, recreation, and accommodation and food services	96	12.1%	21,063	11.2%
Other services, except public administration	49	6.2%	8,087	4.3%
Public administration	78	9.8%	9,923	5.3%

Source: U.S. Census Bureau, 2020

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.⁴ Manufactured and factory-built homes are another option for inexpensive housing.

Table 2-9a 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 2-9b** gives the breakdown of housing units by type as reported in 2010 and 2020; this table indicates a small increase in single-family attached dwellings and 2-to-4-unit multi-family dwellings, and a decrease in 5+ units multi-family dwellings in the mix of housing units in the reporting years 2010 and 2020. Between 2000 shown in **Table 2-9a** and 2020 shown in **Table 2-9b**, there has been a decrease in large multi-family units and a slight increase in single-family detached units. Overall, the City has not had any real increases in new housing types.

Table 2-9a 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.			

⁴ 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).

Table 2-9b Del Rey Oaks Housing Inventory by Type, 2010-2020			
Type of Unit	2010	% Change / 2010-2020	2020
Single-Family			
<i>Detached</i>	568	1.2%	575
<i>Attached</i>	25	56%	39
Multi-family			
<i>2 to 4 units</i>	19	21.1%	23
<i>5+ units</i>	111	-30.6%	77
Mobile Homes/Other¹	0	0%	0

Source: U.S. Census Bureau, 2010 and 2020
 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 2012-2020 reporting years (see **Table 2-10**) indicates about 86 percent of all housing units in Del Rey Oaks were single-family, compared to 70 percent of units in Monterey County. Overall, compared to 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, 2020).⁵

Table 2-10 Housing Unit Growth by Type (2012-2020)				
Unit Type	2012-2016		2016-2020	
	Number of Units	Percent of Total	Number of Units	Percent of Total
Del Rey Oaks				
Single-Family	607	82.4%	614	86.0%
Detached	571	77.5%	575	80.5%
Attached	36	4.9%	39	5.5%
Multi-Family	121	16.4%	100	14.0%
2-4 Units	19	2.6%	23	3.2%
5+ Units	102	13.8%	77	10.8%
Mobile Homes, Boat, RV, Van, etc.	9	1.2%	0	0.0%
<i>Total</i>	<i>737</i>	<i>100.0%</i>	<i>714</i>	<i>100.0%</i>
Monterey County				
Single-Family	96,749	69.0%	98,637	69.5%
Detached	87,859	62.7%	89,380	63.0%
Attached	8,890	6.3%	9,257	6.5%
Multi-Family	37,324	26.6%	36,658	25.8%
2-4 Units	12,278	8.8%	12,953	9.1%
5+ Units	25,046	17.9%	23,705	16.7%
Mobile Homes, Boat, RV, Van, etc.	6,096	4.3%	6,615	4.7%
<i>Total</i>	<i>140,169</i>	<i>100%</i>	<i>141,910</i>	<i>100%</i>

Sources: U.S. Census Bureau, 2017 and 2020

⁵ In Seaside about 72 percent of all units were single-family units; Monterey (51 percent) had slightly lower proportions of single-family units and higher proportions of multi-family housing.

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 2020 data from the 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020). 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, 2020		
Size of Unit	Owner-Occupied	Renter-Occupied
Studios	3	0
1-Bedroom Units	13	12
2 or 3-Bedroom Units	377	150
4-Bedroom+ Units	72	6
TOTAL	465	168
Source: U.S. Census Bureau, 2020		

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. 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** compares the City’s vacancy rate over time. The 2010 Census indicates an 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 indicated 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. The City has gone from a 2 percent vacancy rate of 2.1 percent in 1990 to a zero-vacancy rate for ownership housing in 2020, indicating an unhealthy balance of available supply for home ownership.

Table 2-12 Vacancy Rates in Del Rey Oaks, 2010–2020		
	2010	2020
<i>Owner-Occupied</i>	517	465
<i>Renter-Occupied</i>	184	168
Vacancy Rate (overall)	4.5%	4.5%
<i>Homeowner</i>	1.9%	0.0%
<i>Rental</i>	2.6%	4.5%
Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020		

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 2-13a** and **Table 2-13b** show the various household income levels in Del Rey Oaks in 2015 and 2020.

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

Income Level	Cost Burdened > 30%	Cost Burdened > 50%	Total Households	Cost Burdened > 30% Percent	Cost Burdened > 50% Percent
Extremely Low-Income (0-30%)	24	20	39	61.5%	51.3%
Very Low-Income (31-50%)	19	15	35	55.3%	42.9%
Low-Income (51-80%)	14	10	45	31.1%	22.2%
Moderate-Income (>80%)	20	10	45	44.4%	22.2%
Total	77	55	164	46.95%	33.53%

Source: HUD, 2022

- 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 2-14a**, 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 based on 2010 data. 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. In comparison to 2020 (see **Table 2-14b**), 57 households in Del Rey Oaks were paying 30 percent or more per month for housing, and 6.9 percent of households were paying 50 percent or more per month for housing. Similarly to 2010, there remains a lack of affordable housing in Del Rey Oaks and the state. According to the 2020 data from the 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020), 26 percent of California’s 5.8 million renter households paid more than half of their income on rent.

Table 2-14a 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.

Table 2-14b Household Overpayment Del Rey Oaks, 2020		
Type of Household	All Occupied Housing	
	Number	% of Total Housing
All Households	654	100.0%
Paying More than 50%		
Extremely Low-Income	20	3.1%
Very Low-Income	15	2.3%
Low-Income	10	1.53%
Paying More than 30%		
Extremely Low-Income	24	3.67%
Very Low-Income	19	2.91%
Low-Income	14	2.14%

Source: U.S. Census Bureau, 2020

Special Needs Groups

The Housing Element identifies certain special needs groups that may have more difficulty finding decent affordable housing. 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:⁶

- the elderly,
- people with disabilities,

⁶ Farmworkers are not included as there have been no identified farmworkers or agricultural uses in the City.

- overcrowded households,
- large families,
- single parents, and
- the homeless.

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, as seen in **Table 2-15**. In 2020, elderly persons over the age of 65 represented 6.8 percent of the total population (334 persons) in Del Rey Oaks. 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 (U.S. Census Bureau, 2020), as shown in **Table 2-15**, the number of households with householders 65 years and over in Del Rey Oaks has grown from 167 in 2012 (25.3 percent) 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).

Table 2-15 Householders 65 Years and Over Del Rey Oaks and Monterey County, 2012-2020				
Jurisdiction	2012 Number	2012 Percent	2020 Number	2020 Percent
Del Rey Oaks	167	25.3	249	39.3
Monterey County	25,384	20.3	33,939	26.5

Source: HCD, n.d., U.S. Census Bureau, 2020

The number of younger householders has decreased between 2012 and 2020. In 2012, there were 494 householders under 64 years old and 384 in 2020 as shown in **Table 2-16**. As shown in **Table 2-16** below, in 2020, there were approximately 230 owner-occupied elderly households age 65 or older within the City (36.3 percent). There were 19 (3 percent) renter-occupied elderly households 65 years and over in Del Rey Oaks in 2020. This indicates 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			
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
15-24 years	0	0	0
25-34 years	14	20	34
35-64 years	221	129	350
65-74 years	136	17	153
75+ years	94	2	96
Total	465	168	633

Sources: HCD, n.d., U.S. Census Bureau, 2020

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 may 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 described in the 5th Cycle Housing Element Update, 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). In 2020, shown in **Table 2-17**, 12.7 percent of the City’s population had one or more disabilities compared to 8.5 percent of the Monterey County population. Similar proportions are present in Salinas (7.5 percent), Seaside (11.3 percent), and Monterey (7.7 percent).

Table 2-17 Persons with Disabilities Profile for Area Cities (2016-2020)								
	Hearing Disability	Vision Disability	Cognitive Disability	Ambulatory Disability	Self-Care Disability	Independent Living Disability	Total Disabilities	Disabilities to Total Population
Monterey	984	336	630	1,156	558	878	2,315	7.66%
Salinas	2,727	2,676	3,689	5,416	2,851	4,056	12,315	7.53%
Seaside	1,106	623	1,410	1,934	866	1,291	3,646	11.26%
Del Rey Oaks	54	22	85	66	15	42	202	12.69%
Sand City	11	3	11	15	0	4	37	11.38%
Monterey County	10,654	6,591	11,196	17,616	7,810	13,188	37,082	8.45

Source: U.S. Census Bureau, 2020

The City had an estimated 202 adult persons living with a range of disabilities in 2020. **Table 2-18** identifies age of population by disability type within the City in 2020, respectively. For people with disabilities,

specialized needs include certain social services, disabled access throughout the city, and housing units with handicapped access and other modifications.

Disability Type	Under 18 Years	Ages 18 to 64	Ages 65 and Over	Total
With a Hearing Difficulty	22	17	37	76
With a Vision Difficulty	0	17	5	22
With a Cognitive Difficulty	3	59	26	88
With an Ambulatory Difficulty	0	36	30	66
With a Self-Care Difficulty	0	4	11	15
With an Independent Living Difficulty	--	25	17	42
Total	25	158	126	309

Source: U.S. Census Bureau, 2020

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 18 years of age, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include intellectual disability, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to intellectual disability or to require treatment similar to that required for individuals with an intellectual disability but shall not include other handicapping conditions that are solely physical in nature.

Many persons with developmental disabilities 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.

Table 2-19 Developmentally Disabled Residents, by Age, for City of 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 used in the 2000, 2010, and 2020 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** shows overcrowding by tenure for the City of Del Rey Oaks in 2012 and 2020. In 2012 Owner-Occupied overcrowding (OO) was less than Renter-Occupied overcrowding (RO), with OO overcrowding at 2 percent and RO overcrowding at 5 percent. In 2020 Owner-Occupied overcrowding (OO) is less than Renter-Occupied overcrowding (RO), with OO overcrowding at 0 percent and RO overcrowding at 5.4 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				
	OO Number	OO Percent	RO Number	RO Percent
2012 Overcrowding Data				
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%
2020 Overcrowding Data				
Occupied Housing Units	465	73.5%	168	26.5%
<i>Occupants per room</i>				
0.50 or Less	370	79.6%	115	68.5%
0.51 to 1.00	95	20.4%	44	26.2%
1.01 to 1.50	0	0%	9	5.4%
1.51 to 2.00	0	0%	0	0%

Sources: HCD, n.d., U.S. Census Bureau, 2022

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 2016-2020 ACS (U.S. Census Bureau, 2020) indicates that large households represented about 6.6 percent of the households, a slight decrease from 8.9 percent 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. In 2020, 5.4 percent of owner-occupied households in Del Rey Oaks had five persons or more compared to 10.1 percent of renter-occupied households with five persons or more, and 6.6 percent of households have five or more persons as shown in **Table 2-21**. 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 in 2011 and 2020.

Table 2-21 Household Size by Tenure Del Rey Oaks								
	1 Person		2-4 Persons		5+ Persons		Total	
	Number	%	Number	%	Number	%	Number	%
2011 Household Size								
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.								
2020 Household Size								
Owner	168	36.1	272	58.5	25	5.4	465	100
Renter	56	33.3	95	56.6	17	10.1	168	100
Total	224	35.4	367	58.0	42	6.6	633	100
Sources: HCD n.d., U.S. Census Bureau, 2020								

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. As shown in **Table 2-22**, 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). In 2020, there were 42 female-headed family households and seventeen (17) of these with children under 18 years of age (2.69 percent of all households) as shown in **Table 2-22**. 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 and 2020 ACS (U.S. Census Bureau, 2020).

Table 2-22 Female Headed Households, 2011				
Female Headed Households (2011)		Monterey County		Del Rey Oaks City
Householder Type	Number	Percent	Number	Percent
2011 Female-Headed Household Size				
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%
2020 Female-Headed Household Size				
Female Headed Householders	15,986	17.20%	42	10.94%
<i>Female Heads with Own Children</i>	9,914	10.67%	17	4.43%
<i>Female Heads without Children</i>	6,072	6.53%	25	6.51%
Total Householders	92,948	100.00%	384	100.00%
Female Headed Householders Under the Poverty Level	3,756	4.04%	0	0.0%
Total families Under the Poverty Level	8,196	8.82%	7	1.82%
Sources: HCD n.d., U.S. Census Bureau, 2020				

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 Population in Monterey and San Benito Counties, 2021		
	Persons without children ¹	Persons with children ²
Total Homeless	315	363
Total Sheltered	315	363
Total Unsheltered	-. ³	-. ³

Source: US Dept of HUD, 2022.

¹ This category includes single adults, adult couples with no children, and groups of adults.

² This category includes households with one adult and at least one child under age 18.

³ In 2021, HUD gave communities the option to cancel or modify the unsheltered survey portion of their counts based on the potential risk of COVID-19 transmission associated with conducting an in-person survey. As a result, HUD has excluded the unsheltered population sub-totals and all unsheltered sub-population data for this reporting period. Readers are cautioned that the unsheltered and total homeless counts reported here may be missing data.

The 2022 Monterey County Homeless Report recently published provides the homeless population by jurisdiction and area. To count homeless persons, a Point-in-Time Census (PIT) was conducted on two consecutive days. The count of homeless individuals staying at a shelter was conducted the night of January 27th, 2022, and the count of unsheltered individuals was conducted in the early morning of January 27th and 28th, 2022. The 2021 unsheltered PIT was postponed to the end of January 2022 due to COVID-19 safety concerns. The 2022 PIT count was also conducted during the Omicron COVID-19 surge which challenged outreach efforts. The PIT 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, 2019, and 2022.⁷ 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.

Three types of facilities provide shelter for homeless individuals and families: emergency shelters, transitional housing, and permanent housing.

- Emergency Shelter: housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person.
- Transitional Housing: a residence that provides housing for up to two years. Residents of transitional housing are usually connected to rehabilitative services.
- Permanent Supportive Housing: refers to housing that is affordable, service-enriched, and allows formerly homeless clients to live at the facility on an indefinite basis.

All persons identified as homeless in Del Rey Oaks would be considered unsheltered by this definition within the City, as the City does not have a publicly or privately operated homeless shelter. Within Monterey County, 66 percent of homeless individuals were unsheltered and 34 percent resided in shelters (emergency shelters or transitional housing).

⁷ According to the 2000 U.S. Census Bureau, there were no homeless persons in Del Rey Oaks in 2000. (Applied Survey Research, 2002)

Table 2-24 Homeless Persons by Shelter Status, 2022										
Jurisdiction	Unsheltered					Sheltered				
	2015	2017	2019	2022	Net Change	2015	2017	2019	2022	Net Change
Del Rey Oaks	55	111	0	2	-96%	0	0	0	0	--
Monterey County Total	1,630	2,113	1,830	1,357	-17%	678	724	592	690	2%

Source: Applied Survey Research 2015, 2017, 2019, and 2022.
 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.

A Homeless Survey was conducted in the weeks following the PIT Homeless Count to collect basic demographic details and information including service needs and utilization. Surveys were administered between January 29th and March 31st, 2022, to a randomized sample of individuals and families currently experiencing homelessness.

The primary cause of a person’s inability to obtain or retain housing can be difficult to pinpoint, as it is often the result of multiple compounding causes. An inability to secure adequate housing can also lead to an inability to address or obtain other basic needs, such as healthcare and adequate nutrition. In Monterey County, 50 percent of survey respondents reported financial issues such as job loss and eviction as the primary cause of their homelessness.

Individuals experiencing homelessness can face significant barriers to obtaining permanent housing. These barriers can range from housing affordability and availability to accessing the economic and social supports (e.g., increased income, rental assistance, and case management) needed to secure and maintain permanent housing. The most common response (71 percent) was “can’t afford rent” when asked what prevented them from obtaining housing, suggesting housing affordability and poverty issues as key obstacles. The second most common response (56 percent) reported a lack of job or not enough income, and 35 percent said they had no money for moving costs. Survey respondents were asked if they have received a housing voucher of any kind in the last 12 months, 10 percent of all respondents revealed they had, although only 21 percent of those respondents reported that they were able to successfully use the housing voucher.

As reported by Applied Survey Research (ASR), the biggest obstacles to obtaining permanent housing for the homeless in Monterey County were inability to afford rent (71 percent), lack of a job/income (56 percent), and lack of money for moving costs (35 percent).

Farmworkers

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 2016-2020 ACS 5-year estimates (U.S. Census Bureau, 2020), 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 arts, entertainment, recreation, accommodation and food services (12 percent); professional, scientific, management, administrative, and waste management services (15 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.

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.

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 65 percent of Del Rey Oaks’ housing stock has been constructed before 1960, and over 25 percent between 1970 and 2020 (see **Table 2-25**).

Table 2-25 Del Rey Oaks Housing Stock by Year Constructed						
	Before 1960	1960-69	1970-79	1980-89	1990-99	2000 to Present
Number of Units	464	69	56	113	9	3
Percent of Total	65%	9.7%	7.8%	15.8%	1.2%	0.4%

Source: U.S. Census Bureau, 2020
*The U.S. Census Bureau defines a housing unit as a house, apartment, mobile home, a group of rooms, or a single room that is occupied or intended for occupancy as separate living quarters. 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. As shown in **Table 2-26**, data from the 2016-2020 ACS (U.S. Census Bureau, 2020) indicates that the proportion of older housing units in Del Rey Oaks, Monterey and Seaside is much higher than in neighboring cities and the County as a whole.

Table 2-26 Age of Housing Stock (2016-2020)			
Area	Total Housing Units	% Built After 1979	% Built After 1969
Monterey	13,615	27.1%	49.8%
Salinas	42,675	41.2%	58.9%
Seaside	11,594	28.0%	43.2%
Del Rey Oaks	714	17.5%	25.4%

Table 2-26 Age of Housing Stock (2016-2020)			
Area	Total Housing Units	% Built After 1979	% Built After 1969
Sand City	197	64.0%	70.1%
Monterey County	141,910	38.5%	56.8%

Source: U.S. Census Bureau, 2020
Note: Percent built prior to 1969 is inclusive of all built prior to 1979.

Cost of Housing

Home Sales

Table 2-27 provides a summary of median home prices in Del Rey Oaks in 2000, 2010, and 2020 and the increase in prices (U.S. Census Bureau, 2000, 2010 and 2020).

Table 2-27 Rise in Median Home Prices, 2000, 2010, and 2020				
	2000	2010	2020	% Increase 2000 to 2020
<i>Monterey County</i>	\$265,800	\$566,300	\$559,400	110%
<i>City of Del Rey Oaks</i>	\$312,500	\$653,200	\$660,300	111%

Source: U.S. Census Bureau, 2000, 2010, and 2020

Like most areas in California, the cost of housing in Monterey County has increased significantly during the past decade. **Table 2-28** shows data for median housing sale prices for 2020 and 2022. 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. Comparing **Table 2-27** and **Table 2-28** emphasizes the severe increase in home prices over the last two decades.

Table 2-28 Housing Sale Prices (2020 and 2022)					
Jurisdiction	Units Sold in 2020	Median Sale Price 2020	Units Sold in 2022	Median Sale Price 2022	Percent Change
Del Rey Oaks	17	\$645,000	22	\$865,000	34.1%
Monterey	64	\$875,000	106	\$1,113,000	27.2%
Salinas	79	\$595,000	52	\$700,000	17.6%
Seaside	63	\$650,000	103	\$775,000	19.2%

Source: Redfin, 2023
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 and from 2020-2022 was \$770,000 (**Table 2-29**).⁸ As of this writing, a total of 59

⁸ As of January 18th, 2023

homes were sold in the City of Del Rey Oaks since the beginning of the 2020 calendar year, compared to the 34 total homes sold in 2018.

City	Median Sales Price	Median Home Price
Del Rey Oaks	\$770,000	\$660,300
Monterey	\$1,174,500	\$813,600
Seaside	\$694,500	\$539,200
Monterey County	\$755,000	\$559,400

Source: Redfin, 2023 and U.S. Census Bureau, 2020

Rental Costs

Rental prices have also increased significantly in the Del Rey Oaks area; U.S. Censuses of 2000, 2010 and 2020 provided data for rents in Del Rey Oaks, see **Table 2-30** below indicating rental increases and costs have steadily increased. Similar to home value prices, availability of affordable rental housing has decreased and rental prices have increased over the last two decades. This significantly affects lower-income households as they are typically renters. High rental prices can exacerbate housing challenges such as overcrowding and cost burden if adequate rental stock is not available for households.

2000	Units	2010	Units	2020	Units
Less than \$500	5	Less than \$500	4	Less than \$500	5
\$500 - \$999	39	\$500 - \$999	15	\$500 - \$999	0
\$1,000 - \$1,499	104	\$1,000 - \$1,499	25	\$1,000 - \$1,499	0
\$1,500 - \$1,999	7	\$1,500 - \$1,999	114	\$1,500 - \$1,999	15
\$2,000 or more	2	\$2,000 or more	32	\$2,000 or more	145
No Cash Rent	5	No Cash Rent	0	No Rent Paid	3
TOTAL:	162	TOTAL:	190	TOTAL:	165
MEDIAN:	N/A	MEDIAN:	\$1,173	MEDIAN:	\$2,372

Source: U.S. Census Bureau, 2000, 2010 and 2020

Table 2-31a and **Table 2-31b** compare average rental housing prices between 2018 and 2023. Salinas and the County’s unincorporated areas had the lowest average rents.

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedrooms
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
Del Rey Oaks	\$862	\$995	\$2,537	\$2,900	--
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.

Additionally, average rental housing prices have risen severely within the last several years and has created further pressure on housing affordability for low-income residents. For renters that qualify, rental assistance is provided by the Housing Authority County of Monterey (HACM) through their participation in the Housing Choice Voucher (HCV) program. Compared to the market rents, the amount of this payment standard does not offer financial incentives to most landlords to participate in the program

Table 2-31b Average Rental Housing Prices (2023)					
	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedrooms
Community	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedrooms
Del Rey Oaks	--	\$1,995	\$3,150	\$3,500	\$5,000
Monterey	\$1,575	\$2,000	\$2,845	\$4,000	\$4,250
Salinas	\$1,768	\$1,890	\$2,497	\$3,200	\$4,517
Seaside	\$1,495	\$1,950	\$2,650	\$3,500	\$3,795
Marina	\$1,475	\$1,845	\$2,300	\$3,975	\$3,950

Source: Zillow, 2023
 "--" indicates no units of this size were available for rent.
 Note: Housing Authority County of Monterey, Payment Standard and Utility Allowance, effective November 1, 2022.

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 2022 for Monterey County is provided in **Table 2-32**. When compared with households by income level in **Table 2-13a** and **Table 2-13b** and overpayment in **Table 2-14a** and **Table 2-14b**, data 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. 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 2-32 2022 Income Limits for Monterey County					
Family Size	Extremely Low-Income	Very Low-Income	Low-Income	Median Income	Moderate-Income
1	\$23,900	\$39,800	\$63,700	\$63,050	\$75,650
2	\$27,300	\$45,550	\$72,800	\$72,100	\$86,500
3	\$30,700	\$51,200	\$81,900	\$81,100	\$97,300
4	\$34,100	\$56,850	\$91,000	\$90,100	\$108,100
5	\$36,850	\$61,400	\$98,300	\$97,300	\$116,756
6	\$39,600	\$65,950	\$105,600	\$104,500	\$125,400
7	\$42,300	\$70,500	\$112,850	\$111,700	\$134,050
8	\$46,630	\$75,050	\$120,150	\$118,950	\$142,700

Source: HCD, 2023

Table 2-33 provides maximum annual income, affordability monthly housing costs and maximum affordability sales price for households in 2022 for comparison purposes.

Table 2-33 Maximum Annual Income, Affordability Monthly Housing Costs & Maximum Affordability Sales Prices, 2022			
Income Group	HCD Income Limits	Maximum Affordable Price	
		Monthly Rental	Ownership
Extremely Low (0-30% AMI)			
One Person	\$23,900	\$598	\$95,323
Two Person	\$27,300	\$683	\$108,884
Three Person	\$30,700	\$768	\$122,444
Four Person	\$34,100	\$853	\$136,005
Very Low (30-50% AMI)			
One Person	\$39,800	\$995	\$158,739
Two Person	\$45,500	\$1,138	\$181,473
Three Person	\$51,200	\$1,280	\$204,207
Four Person	\$56,850	\$1,421	\$226,741
Low (50-80% AMI)			
One Person	\$63,700	\$1,593	\$254,062
Two Person	\$72,800	\$1,820	\$290,356
Three Person	\$81,900	\$2,048	\$326,651
Four Person	\$91,000	\$2,275	\$362,945
Moderate (80-100% AMI)			
One Person	\$75,650	\$1,891	\$301,723
Two Person	\$86,500	\$2,163	\$344,998
Three Person	\$97,300	\$2,433	\$388,072
Four Person	\$108,100	\$2,700	\$431,147

Source: SOURCE: California Department of Housing and Community Development, State Income Limits, 2022, Monterey County and City of Sand City 6th Cycle Housing Element, May 2023
Note: Maximum affordable sales prices are based on the following assumptions: 6.42 percent interest rate, 7 30-year fixed loan, and 5 percent down payment

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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. 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 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. 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.

The RHNA for the Monterey region was 4,375 housing units for the 2015 to 2023 5th RHNA cycle. The Final Draft October 2022 Regional Growth Forecast Summary forecasts that the Monterey Bay Area (Santa Cruz and Monterey County) will add 32,867 new households between 2020 and 2045. For the eight-year time frame covered by this Housing Element Update, Monterey County’s housing need is 20,495 units. All jurisdictions in the Monterey Bay Area received a much larger RHNA this cycle compared to the last cycle, primarily due to changes in state law that led to a considerably higher Regional Housing Needs Determination compared to previous cycles.

Table 3-1 below identifies the RHNA for Del Rey Oaks for the current 6th cycle.

Table 3-1 Regional Housing Need Allocation – 6 th Planning Cycle					
Jurisdiction	Income Category				
	Very Low	Low	Moderate	Above Moderate	Total
Del Rey Oaks	60	38	24	62	184

The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to above moderate-income households (see **Table 3-2**). This calculation is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region’s existing housing need.

For Del Rey Oaks, the 6th Planning Cycle RHNA is 184 units, a substantial increase from the last cycle. The 6th Cycle RHNA allocation places considerable pressure on jurisdictions across the state. Small cities with little or no population changes are challenged in identifying adequate sites with limited available land, particularly with environmental and other land use constraints impacting developable areas.

Table 3-2 Regional Housing Need Allocation Percentages - 6 th Planning Cycle		
Income Category	6 th Cycle Allocation	Percentage of Total Units
Very low-income (31-50% of area of median income)	60	33%
Low-income (51-80% of area median income)	38	20%
Moderate-income (81-120% of area median income)	24	13%
Above moderate (over 120% of area median income)	62	34%
Total	184	100%

Source: RHNA Determination HCD (AMBAG, 2022)

The City has an RHNA allocation of 60 *very low-income* units for the 6th Planning Cycle. Pursuant to State law (Assembly Bill [AB] 2634), the City must project the number of extremely low-income (30 percent or less of Area of Median Income [AMI]) housing needs based on U.S. Census income distribution or assume 50 percent of the *very low-income* units as extremely low-income. The City’s extremely low-income need is assumed to be 30 units for Del Rey Oaks (using the 50% method).

As noted in **Table 3-3**, the City must also accommodate the shortfall from previous 4th and 5th cycle planning periods.

Table 3-3 Del Rey Oaks’ 6 th Cycle Total Low and Very Low Only - Regional Housing Need Determinations (with Carry-over from 4 th and 5 th Planning Cycles)			
Planning Cycle	Very Low-Income	Low-Income	Total Need Low- and Very Low-Income
6th Planning Cycle	60	38	98
5 th Planning Cycle*	7	4	11
4 th Planning Cycle*	34	25	59
Total	101	67	168

*Carryover required per HCD for low- and very low-income categories (HCD, 2019)
2007-2014 numbers from 4th Planning Cycle per AMBAG, 2007-2014 RHNA Plan. (AMBAG, 2008)
Source: AMBAG RHNA 5th Housing Element Cycle (AMBAG, 2014), AMBAG RHNA 6th Housing Element Cycle (AMBAG, 2022) and RHNA Determination HCD (HCD, 2019)

Tables 3-1, 3-2, and 3-3 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 In combination of previous cycles and 6th cycle, the City is planning to meet a total of 270 RHNA.

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.

Requirements for Land Inventory

State law requires that the City provide an adequate number of sites to allow for and facilitate production of the City’s regional share of housing. To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify “adequate sites.” Under State law (California Government Code Section 65583[c][1]), adequate sites are those with appropriate zoning and development standards, with services and facilities, needed to facilitate and encourage the development of a variety of housing for all income levels. The California Department of Housing and Community Development, in its guidelines that interpret State law (Housing Element Questions and Answers, Question #23, Housing Element Site Inventory Guidebook) states that:

“The locality’s sites are adequate if the land inventory demonstrates sufficient realistic capacity at appropriate densities and development standards to permit development of a range of housing types and prices to accommodate the community’s share of the regional housing needs by income level. A two-part analysis is necessary to make this determination.

The locality’s sites are adequate if the land inventory demonstrates:

- 1) There is realistic development capacity of suitable land, which is or will be served by facilities and infrastructure, accommodate the locality’s total new construction need by income group over the next five years; and,
- 2) That these available sites appropriately zoned (considering local development standards and land costs) for a variety of housing types (single-family, multi-family, mobile homes, etc.) and at appropriate densities to facilitate the development of housing to meet the locality’s regional housing need by income level category, including the need for very low- and low-income households.”

¹ These tables include the RHNA for 5th Cycle and 4th Cycle shortfall.

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 6th 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 existing publicly assisted affordable housing 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 very small with limited staffing and funding resources, the City would not be able to construct residential projects as proposed under the third approach. Therefore, the City's strategy for meeting its RHNA relies solely on ensuring that enough vacant land is available to accommodate projected growth and providing appropriate residential densities to meet RHNA. (Please refer to **Chapter 7.0, Table 7-1** for Quantified Objectives Summary).

Site(s) Inventory

The following discussion addresses the methodology and results of the housing sites inventory according to the criteria identified above. 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.

Inventory. The City's inventory was developed with the use of a combination of resources, including the review of available Geographic Information Systems (GIS) information, updated Assessor's data, field surveys, and review of the City's General Plan Land Use Map, Zoning Map and Zoning Ordinance. A vicinity map is included as **Figure 1**. The City's General Plan and Zoning Maps are included as **Figures 2** and **3**.

Assessment of 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. California Government Code section 65583.2(c) requires, as part of the analysis of available sites, cities to calculate the projected residential development capacity of the sites identified in the Housing Element that can be realistically achieved.

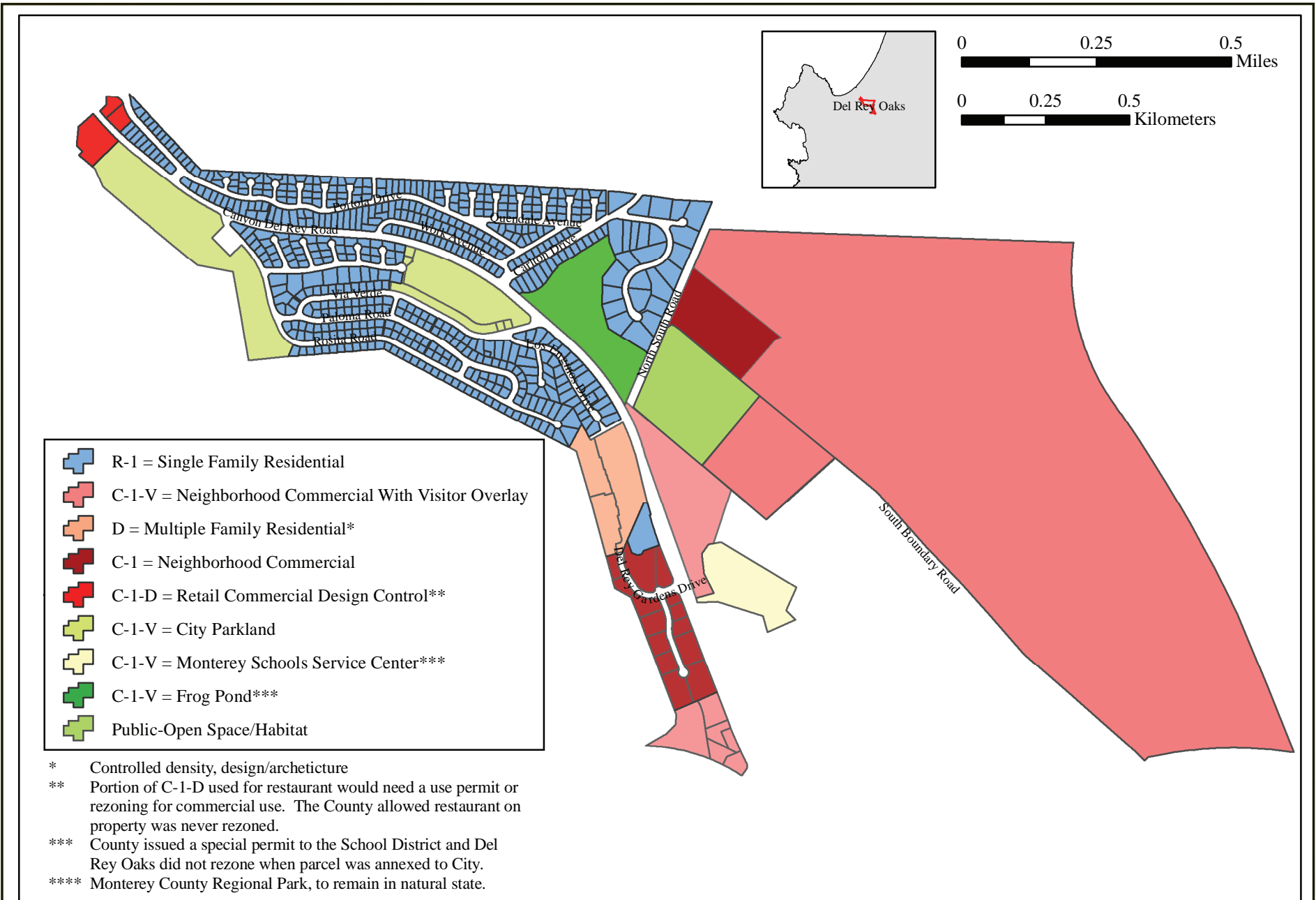
The methodology for determining residential capacity of listed sites was the utilization of the City's General Plan, Zoning Ordinance as well as consideration of physical constraints to development of the area.



Vicinity Map

Figure
1

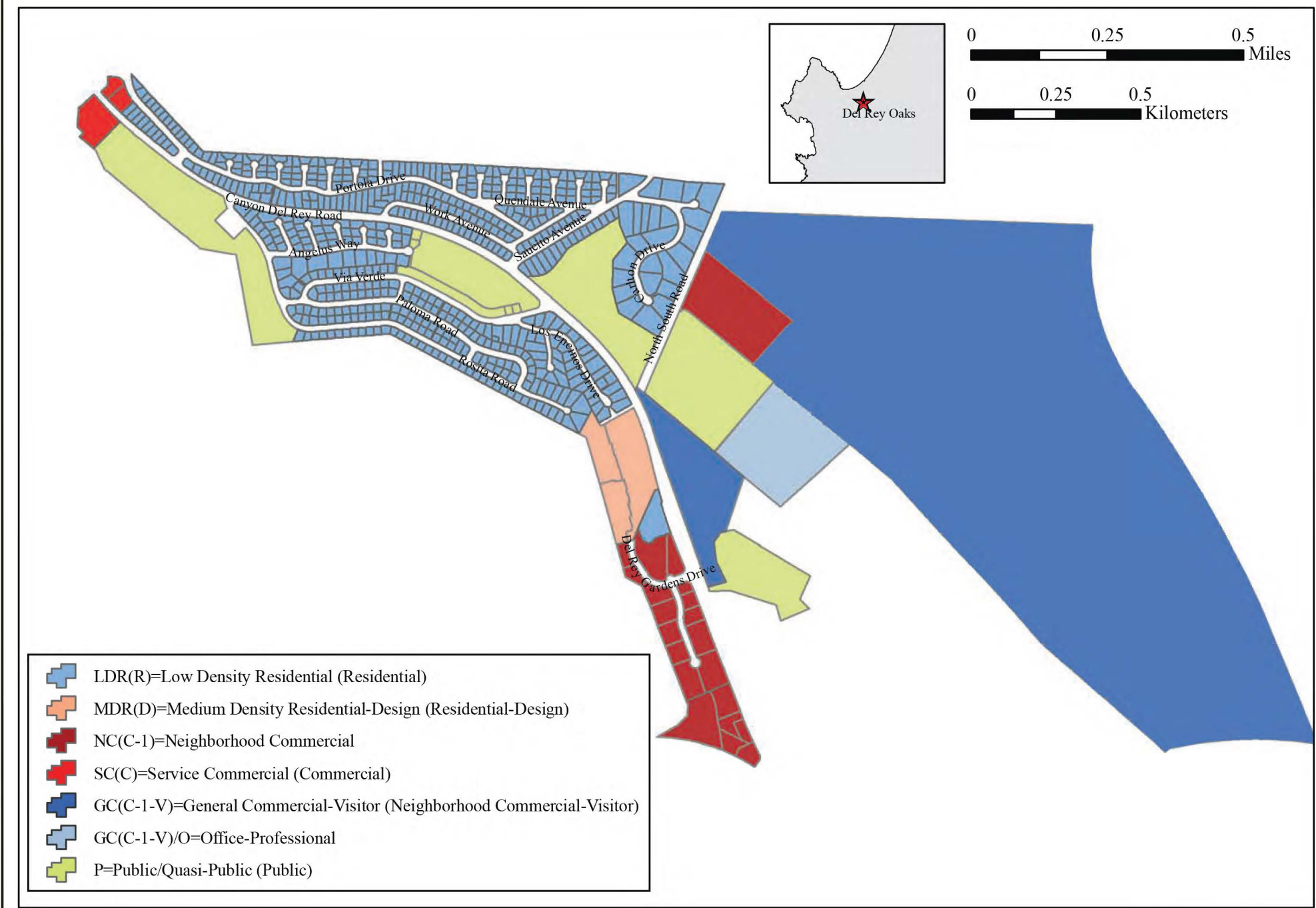
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Zoning Map for the City of Del Rey Oaks

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City of Del Rey Oaks General Plan

Figure
3

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Estimating Potential Units by Income Category. State law requires that jurisdictions demonstrate in the Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the regional growth. The City is committed to identifying sites and as needed, rezoning sites at appropriate densities as required by law. The State of California, through Assembly Bill 2348 (AB 2348), has established "default" density standards for local jurisdictions. State law assumes that a minimum density standard of 20 units per acre for a suburban community, such as Del Rey Oaks, is adequate for facilitating the production of housing affordable to lower income households. The site inventory analysis uses this state standard.

Adequate Sites. To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify "adequate sites" to accommodate the RHNA. Under state law (California Government Code section 65583[c][1]), adequate sites are those with appropriate zoning and development standards, with services and facilities needed to facilitate and encourage the development of a variety of housing for all income levels. Compliance with this requirement is measured by the jurisdiction's ability to provide adequate land to meet the RHNA. 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.

- **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.
- **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.
- **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.
- **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.

HCD Site Inventory Guidebook further advises that sites are considered suitable for residential development if zoned appropriately and available for residential use during the planning period. If the inventory demonstrates that there are insufficient sites to accommodate the RHNA, the inventory must identify sites for rezoning to be included in a housing element program to identify and make available additional sites to accommodate those housing needs early within the planning period.

The City identified adequate land inventory and provided listing and map of properties proposed to accommodate the regional housing needs by parcel number, size, general plan designation, and zoning of each property.

In the case of Del Rey Oaks, since there are limited areas of residentially zoned lands, the City has also identified lands that may be rezoned to accommodate the regional housing needs.

Inventory Results

This section identifies the sites, and then compares this to the City's future housing needs as determined by AMBAG's RHNA for 6th Cycle. As part of the 5th Cycle Housing Element Update, both HCD and the City concluded that Sites 1 and 1a were appropriate for meeting site inventory requirements and could accommodate RHNA in the 5th Cycle. Sites 1 and 1a are retained from the 5th Cycle Housing Element to accommodate RHNA in this 6th Cycle. There is adequate land area in Sites 1 and 1a in the former Fort Ord for the City to accommodate its share of regional housing needs for all income groups, per Government Code section 65583[c][1]).

In addition, the analysis identifies additional sites not previously considered to accommodate the RHNA. See **Figure 4** and supplemental mapping in **Appendix C. Table 3-4** below provides a summary of the site inventory analysis. **Appendix C** provides further information on resources, services and constraints on the land available within the City for residential development.²

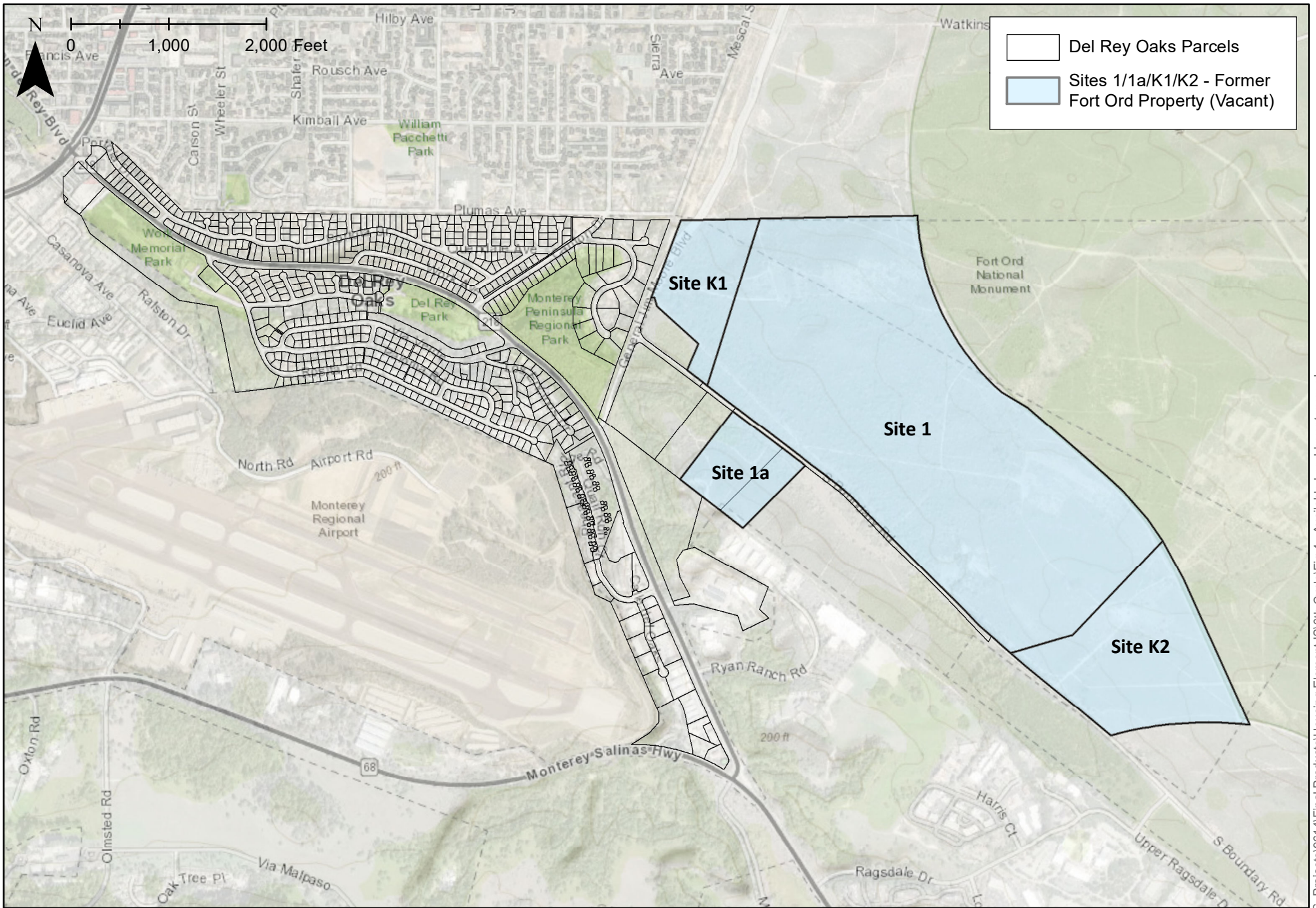
The sites that can accommodate the RHNA are focused on the vacant sites at the former Fort Ord (Sites 1 and 1a from 5th Cycle) and new Sites K1 and K2 where there is adequate land available. All sites are planned for development in the City's General Plan, however, none of the sites are currently zoned for residential use. The sites have a General Plan and Zoning designation of General Commercial – Neighborhood Commercial with Visitor overlay (GC (C-1-V)) and therefore, rezoning will be required to allow for residential land use.³ Water and sewer services, as well as other utilities, are planned for all four sites. Sites 1 and 1a are owned by the City and Sites K1 and K2 are privately-owned. Site K1 is approximately 20 acres bordering General Jim Moore Boulevard, where water and recycled water lines are in place from Marina Coast Water District. Site K2 has an entitlement for 210 RV spaces and ancillary facilities on approximately 54 acres.

HCD previous comment letters have concluded that former Fort Ord properties are appropriate to meet the needs for RHNA for all housing types, including low- and very low- income requirements. Since the 5th Cycle Housing Element was submitted to HCD, the City Council, Planning Commission, and City staff have conducted additional public outreach for the 6th Cycle Housing Element Update and have considered all sites within this site inventory.

The City's site inventory identifies city-owned Sites 1 and 1a, and privately held sites K1 and K2, as additional sites if needed. The City will be processing a zoning overlay to allow residential uses and finds these sites capable to meet all RHNA, including low- and very low- requirements.

² **Appendix C** also includes an additional potential candidate site outside of former Fort Ord, in response to a public comment raised during the local public review period. This non-vacant site is owned by a local educational facility and used as administrative and bus facility by the school district. Further information is provided in **Appendix C1-A**.

³ Government Code section 65583.2(h) requires sites that are identified for rezoning to accommodate a lower income RHNA shortfall fulfill the following requirements: permit owner-occupied and rental multifamily uses by right for developments in which 20 percent or more of the units are affordable to lower income households; permit the development of at least 16 units per site; ensure sites permit a minimum of 20 dwelling units per acre and ensure either a) at least 50% of the shortfall of low- and very low-income regional housing need can be accommodated on sites designated for exclusively residential uses, or b) if accommodating more than 50% of the low- and very low-income regional housing need on sites designated for mixed-uses, all sites designated for mixed-uses must allow 100% residential use and require residential use to occupy at least 50 percent of the floor area in a mixed-use project.



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

Date
5/16/2023
 Scale
1 in = 1,000 ft



Denise Duffy & Associates, Inc.
 Planning and Environmental Consulting

Figure
4

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Future development of former Fort Ord areas is contingent upon rezoning, general plan amendment, removal of potential hazards associated with unexploded ordnance, as well as securing a developer. The City committed to rezone Sites 1 and 1a to accommodate residential land uses as identified in updated programs included in **Chapter 7**. The continued use of Sites 1 and 1a provides adequate land and reasonable suitability for location of future housing to meet needs under the 6th cycle RHNA. Sites 1 and 1a have been declared as surplus under the requirements of the Surplus Land Act. Sites K1 and K2 provide additional land area and capacity within the City to accommodate RHNA.

A rezone program has been included in the Housing Element Update (Program A.1). The following summarizes the key elements of the sites addressed in this Chapter. As a means of documenting how these sites can realistically be developed during the planning period, a narrative description of factors supporting development has been prepared for each of the sites. This analysis further details existing conditions, as well as potential interest in rezoning and development on the sites. The following summarizes the site inventory assessment. Additional tables and mapping are included in **Appendix C**.

Table 3-4 Site Inventory	
Sites Inventory Analysis Summary – Site 1	
Assessor Parcel Number	031-191-026-000
Property Size	232 acres
Location	Former Fort Ord, North of South Boundary Road and East of General Jim Moore Boulevard
General Plan and Zoning designation	Zoning designation: C-1-V = Neighborhood Commercial With Visitor Overlay and General Plan designation: General Commercial – Neighborhood Commercial with Visitor overlay (GC (C-1-V)).
Rezoning Required	Yes; Proposed Overlay Zone of adequate area to meet RHNA at minimum densities of 20 units/acre.
Dry Utilities	Utilities would need to be extended to the site, including for Pacific Gas & Electric (PG&E) and Cable, Internet & Phone Service (Comcast or AT&T).
Water and Sewer	Water and sewer service is planned but would need to be extended from General Jim Moore Boulevard, where the existing MCWD infrastructure water and recycled water lines are planned for extension to serve Site 1.
Suitability and availability	Site 1 is a vacant large parcel (232-acre) property that is currently available and has been planned for development in approved City and regional planning documents. Site 1 is owned by the City. The City issued an RFP for this site and developers continue to express interest in various types of housing and mixed use. Due to previous military use of the site at former Fort Ord, additional approvals from DTSC (Department of Toxic Substances Control) for UXO (Unexploded Ordnances) are required on portions of the property.
Ownership and Surplus Land Act	City-owned; declared as surplus under the requirements of the Surplus Land Act.
Map of sites	See Figure 4 and Appendix C
Realistic capacity	The City would need to complete a general plan amendment and rezoning an area of adequate size to specifically allow residential development or adopt an overlay zoning district to allow for residential land uses within the site. In either scenario, there is adequate land within Site 1 for accommodating RHNA. Assuming the property would be developed under D district zoning density (currently 16-18 units per acre) with a zoning overlay for affordable (minimum of 20 units/acre), and use of approximately 10-20 acres, this site could facilitate residential development to satisfy the RHNA. While realistic capacity may be greater, the City is assigning

Table 3-4 Site Inventory	
	200 units of capacity which is adequate to meet RHNA. 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.
Affordability Level of Units	There will be a range of various income level housing in the development. This site can meet the RHNA, including affordability levels shown in Tables 3-1 and 3-2 .
Site Suitability	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 that would preclude development.
Access	The property has direct access from South Boundary Road which feeds into General Jim Moore Boulevard and then 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.
Site 1: Additional Discussion Site 1, Former Fort Ord Property:	
	<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. The City has been pursuing development to allow both market rate and affordable residential uses on the site. • The large area of available land in Site 1 ensures adequate land area to meet RHNA needs for affordable housing, including 5th Planning Cycle and 4th Planning Cycle carry over. <ul style="list-style-type: none"> ○ The City has taken a number of actions to allow development on the site over the past decades. 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 CEQA documentation. ○ The City General Plan and Certified EIR. ○ The Fort Ord Reuse Plan and Certified EIR. ○ 2019 Housing Element Initial Study/Negative Declaration. • 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. The City is overseeing the reconstruction of South Boundary Road and construction is anticipated in 2024/25. 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 allotment from the MCWD in accordance with MCWD’s 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 South Boundary Road. • 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 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 for the Del Rey Oaks site. A large portion of Site 1 is cleared for residential use.

Table 3-4 Site Inventory	
<ul style="list-style-type: none"> The City’s former Redevelopment Plan specifies up to 200 residential units on this former Fort Ord site. The City is committed to amend the General Plan and Zoning Ordinance to apply an overlay zone designation on the site. This is included as a planned program under this Housing Element (see Chapter 7.0). 	
Sites Inventory Analysis Summary – Site 1a	
Assessor Parcel Number	031-191-027-000 031-191-028-000
Property Size	APN 031-191-027-000 (6 acres) APN 031-191-028-000 (11.8 acres) 17.8 acres total
Location	Former Fort Ord, South of South Boundary Road and East of General Jim Moore Boulevard
General Plan and Zoning designation	Zoning designation: C-1-V = Neighborhood Commercial With Visitor Overlay and General Plan designation: GC(C-1-V). The City would need to designate this site to allow residential land use similar to Site 1 above. This property is City-owned.
Dry Utilities	Utilities would need to be extended to the site, including for Pacific Gas & Electric (PG&E) and Cable, Internet & Phone Service (Comcast or AT&T).
Water and Sewer	Water and sewer service is planned but would need to be extended from General Jim Moore Boulevard, where the existing MCWD infrastructure water and recycled water lines are planned for extension to serve Site 1a.
Suitability and availability	Site 1a is comprised of two separate parcels, encompassing a total of 17.8 acres 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.
Ownership and Surplus Land Act	City-owned; declared as surplus under the requirements of the Surplus Land Act.
Map of sites	See Figure 4 and Appendix C
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.
Access	The property has direct access from South Boundary Road which feeds into General Jim Moore Boulevard and then Canyon Del Rey (Highway 218).
Site 1a: 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. A City Rezoning and General Plan Amendment would be required to allow residential land uses. The site would need to be rezoned to designate residential housing as an allowed use. 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. The steep grade on the southern portion of this site represents a major development constraint. 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 currently there is no water or sewer service 	

Table 3-4 Site Inventory	
<p>on-site. Environmental issues include steep grades in portions of the site. The area along South Boundary Road could accommodate higher density housing.</p> <ul style="list-style-type: none"> • 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. • Future delivery of water and utilities is dependent on funding availability to extend the infrastructure to serve these sites, including sewer and water. MCWD Capital Improvement Program (2019-2023) included the water and sewer extension. The City is also overseeing the South Boundary Road improvements which are expected to be constructed in 2024/25 timeframe. 	
Sites Inventory Analysis Summary — Site K1	
Assessor Parcel Number	031-191-024-000
Property Size	20-acre parcel size, 3-5 acres to be used for residential
Location	Former Fort Ord, North of South Boundary Road and directly east of General Jim Moore Boulevard
General Plan and Zoning designation	Zoning designation: C-1-V = Neighborhood Commercial With Visitor Overlay and General Plan designation: GC(C-1-V). The City would need to designate this site to allow residential land use similar to Site 1 and 1a above.
Dry Utilities	Utilities would need to be extended to the site, including for Pacific Gas & Electric (PG&E) and Cable, Internet & Phone Service (Comcast or AT&T).
Water and Sewer	Water and sewer service is planned but would need to be extended from General Jim Moore Boulevard, where the existing MCWD infrastructure water and recycled water lines are planned for extension to serve Site K1.
Suitability and availability	Site K1 is comprised of one parcel, encompassing a total of 20 acres within the former Fort Ord in the City limits of Del Rey Oaks. It is currently vacant land and available for development with an assumed water demand of almost 10 acre-feet of water assigned to this site.
Ownership	This property is in private ownership.
Map of sites	See Figure 4 and Appendix C
Realistic capacity	Assuming a density range for medium density, a realistic development capacity on this site is 60 -100 units. This is based on assumption of a portion of the property for use as mixed-use, approximately 3 to 5 acres within the 20 acres property and an affordable housing overlay zoning minimum density of 20 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 the area.
Affordability Level of Units	There will be a range of various income level housing in the development, similar to Sites 1 and 1a. It is assumed the property owner may want to have affordability levels at a moderate-income.
Access	The property has direct access from General Jim Moore Boulevard.
Site K1: Discussion of Available Residential Development K1, east of General Jim Moore (former Fort Ord Property within City of Del Rey Oaks):	
<ul style="list-style-type: none"> • This site is also within the former Fort Ord property but is not part of the RFP for the City-owned development area of Site 1. • Rezoning and General Plan Amendment would be required to allow residential land uses. • The parcel is vacant. • Water and sewer are available on General Jim Moore. • This site is nearest to existing MCWD water and existing development. • The site is likely best suited for Mixed Use. • 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 clearance by regulatory agencies as well as restrictive covenants on use of the site are required consistent with the State requirements for use as residential. 	

Table 3-4 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. 	
Sites Inventory Analysis Summary — Site K2	
Assessor Parcel Number	031-191-025-000
Property Size	53.81 acres overall, a portion to be used for residential
Location	Former Fort Ord, Northeast of South Boundary Road
General Plan and Zoning designation	Zoning designation: C-1-V = Neighborhood Commercial With Visitor Overlay and General Plan designation: GC(C-1-V). The City would need to designate a portion of this site to allow residential land use similar to Site 1 and 1a above.
Dry Utilities	Utilities would need to be extended to the site, including for Pacific Gas & Electric (PG&E) and Cable, Internet & Phone Service (Comcast or AT&T).
Water and Sewer	Water and sewer service is planned but would need to be extended from General Jim Moore Boulevard, where the existing MCWD infrastructure water and recycled water lines are planned for extension to serve Site K2.
Suitability and availability	Site K2 is comprised of one parcel, encompassing a total of 53.81 acres within the former Fort Ord in the City limits of Del Rey Oaks. It is currently vacant land and available for development with almost 50 acre-feet of water entitlement assigned to the site by the City when the owners purchased the property. A portion of the property would be available for small-cottage units at an affordable level; the analysis assumes 2 acres of land for this use.
Ownership	This property is in private ownership (same owner as K1).
Map of sites	See Figure 4 and Appendix C
Realistic capacity	The site is entitled for a 210-unit visitor-serving RV development, with approximately 4,000 square feet assigned to each RV space. Assuming a portion of these approved spaces, consistent with the developers' requirements, the assigned capacity on this site is 40 moderate income units. This is based on assumption that a portion of the property would remain in use for visitor serving within the property. Per the requirements above, an affordable housing overlay zoning minimum density of 20 units per acre on a portion of the 53.81-acre site would be assigned. 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 the area.
Affordability Level of Units	The property owner indicated preference to have affordability levels at a moderate-income.
Access	The property is accessed from South Boundary Road.
Site K2: Discussion of Available Residential Development K1, east of General Jim Moore (former Fort Ord Property within City of Del Rey Oaks):	
<ul style="list-style-type: none"> This site is also within the former Fort Ord property but unlike the other areas, this site is approved and entitled for a 210-RV project. A portion of this approved project area can be used for meeting RHNA. A City Rezoning and General Plan Amendment would be required to allow residential land uses. Water and sewer are available on General Jim Moore; this site is furthest from existing MCWD water and existing development. The property owner has expressed interest in continuing discussions and providing a mix of residential units on this site. 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 clearance by regulatory agencies as well as restrictive covenants on use of the site are required consistent with the State requirements for use as residential. Future delivery of water and utilities is dependent on funding availability to extend the infrastructure to serve these sites, including sewer and water. 	

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 former Fort Ord, particularly City-owned Sites 1 and 1a, for development for decades. For all former Fort Ord sites, currently only commercial, recreational and visitor serving uses are allowed. Rezoning to allow for residential uses has been contemplated in previous drafts of the Housing Element. The City has confirmed that including Sites 1 and 1a are suitable and viable for provision of housing sites to meet the RHNA allocation. Sites 1a and K2 are additional sites for provision of RHNA. While extension of infrastructure is needed to serve these sites, extension is planned in the MCWD Capital Improvement Program (2019-2023) and can be completed to allow for development within the 6th cycle period. The City is also overseeing the South Boundary Road improvements which are expected to be constructed in the 2024/25 timeframe.

Other

Other sites outside the former Fort Ord have been considered during previous Housing Element Updates. There are no vacant sites over 2 acres in size that are zoned residential. Previous site inventory for 5th cycle identified limited land area, steep slopes, environmental resources, and infrastructure limitations for the area outside former Fort Ord for vacant land.⁴ Additional restrictions are associated with the local airport safety zones precluding residential uses and densities that would provide adequate land area to meet RHNA. Additional non-vacant sites for development also require revisions to zoning and general plan land uses to allow residential uses, with the exception of accessory dwelling units addressed below. Additional constraints to development include the restrictions due to safety due to the location of the Monterey Peninsula Regional Airport, however, the residential zoned areas within Del Rey Oaks where ADUs would be built are outside the restricted zones per the ALUC maps. **Appendix C** includes mapping showing the location of the safety zones and a summary table identifying the restrictions within the City.

Potential Candidate Site (Non-Vacant Site) Outside of Former Fort Ord: During the public comment period for the Draft Housing Element, two comment letters were received. The local school district (Monterey Peninsula Unified School District or MPUSD) requested that the City consider a program to provide employee housing for District employees consistent with AB 2295. AB 2295 allows a school district or county office of education that meets certain criteria to utilize its surplus property to provide affordable housing to its employees. The City Planning Commission considered this request during a meeting held on July 12, 2023 and added a program that would provide for a Preferential Housing Ordinance consistent with AB 2295.

⁴ Property located outside of the Airport Land Use Commission (ALUC) Runway and Turning Safety Zones was also considered. The Moose Lodge 876 site was assessed but removed from consideration per email correspondence with the City Manager and the property owner.

Appendix C provides mapping and background information on the property within the City that is owned by the MPUSD. This site is considered an additional potential candidate site; the site is not needed to meet RHNA as discussed above. As shown in **Appendix C**, the potential site is outside of former Fort Ord and is within the Cal-Am service area and under the CDO.⁵ However, if planned water sources come available during the current planning cycle, and the CDO is lifted, the site would be available for employee housing, subject to the needs of the MPUSD.

Accessory Dwelling Units. Eight ADU building permits were issued since May 2020. There were three in 2020, two each in 2021 and 2022 and one as of May 19, 2023. This provides a history of ADU development over the previous three years. It is important to note that the City ADU ordinance was adopted in 2021. The use of ADUs would not require any zoning amendments.

The ADUs currently being built are done during an existing moratorium on water expansion and thus, it is reasonable to expect when restrictions are lifted, additional ADU development will occur.⁶ The previous Housing Element noted that there were several milestones that needed to be reached before water would come available for ADUS, including completion of the Pure Water Monterey (PWM) Groundwater Replenishment Expansion Project as well as, or, approval of permits and construction of the Monterey Peninsula Water Supply Project (MPWSP). The PWM Expansion Project is planned for construction and full operation in 2024/25. The MPWSP Project desalination facility was recently approved at a smaller capacity by the California Coastal Commission. It is reasonable and documented that at least one of these planned water sources will come available during the current planning period and that additional water will become available for ADU development under the MPWMD allocation program. Thus, this Site Inventory assumes 20 units of ADU development in the 6th planning cycle.

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 can be provided to the CalAm service area within the City.

Conclusion

The purpose of the site inventory is to identify and analyze specific sites that are available and suitable for residential development from 2023-2031 in order to accommodate the City's assigned 184 housing units. The City does not build the housing but creates the programs and policies to plan for where it should go and how many units could be on potential sites. See **Appendix C** for a complete and detailed description of all sites included in the City's inventory of vacant and available housing sites.

Table 3-5, Vacant/Partially Vacant and Available Sites, summarizes the City's sites inventory for the 2023-2031 planning period. The analysis conducted indicates there is combined capacity of more than 270 units in Sites 1 and 1a, and up to 100 maximum units in Sites K1 and K2, which is more than adequate to meet RHNA in all income categories. Per **Table 3-5**, the sites identified in this report are sufficient to

⁵ The addition of this site is also responsive to the second comment letter, requesting that sites outside the former Fort Ord be considered to meet RHNA. Further information is provided in **Appendix C1-A** and **Program D-7**.

⁶ As presented in Chapter 4.0, a major constraint on development is the CDO for water hookups within the Cal-Am Service area and the MPWMD, which limits any increase in water use.

accommodate approximately over 200 percent of the City's Regional Housing Needs Allocation for the 6th cycle planning period.

Table 3-5 Vacant and Available Sites					
Housing Resource	Very Low-Income Capacity	Lower Income Capacity	Moderate Income Capacity	Above Moderate-Income Capacity (Net)	Total Capacity
ADUs	6	10	2	2	20
Total	6	10	2	2	20
RHNA	60	38	24	62	184
Difference	54	28	22	60	164

The City is working toward meeting its requirement for needed affordable housing through rezoning Sites 1 and 1a, and Sites K1 and K2 (if needed) where water is not constrained by a restriction for water hookups and where suitable vacant land is available, as identified in the Land Use Inventory and evaluated herein.

The combined realistic capacity of all of these sites would be more than enough to accommodate the 98 Low-Income and Very Low-Income unit portion of the 6th Cycle RHNA.

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, accessory dwelling units, 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. **Tables 4-2** and **4-3**, below, identify zoning district densities and standards in other zoning districts, respectively. The City provides for residential uses in commercial zones under the Commercial (C), Special Treatment (ST) and Design (D) zoning districts, as shown in **Tables 4-2** and **4-3**, below.

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. ²
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. Current code identifies 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. ¹ See below for discussion of the City's adopted accessory dwelling unit ordinance (Chapter 17.70 Accessory Dwelling Units) and parking requirements. See also: https://library.municode.com/ca/del_rey_oaks/codes/municipal_code?nodetid=TIT17ZO_CH17.70ACDWUN ² Subject to securing a use permit for any use for which a use permit is required in an R-1 District. 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. ⁴ Exceptions allowed subject to obtaining a conditional use permit from the Planning Commission. ⁵ Exceptions provided per code based upon lot size, layout and location. ⁶ Except as otherwise permitted.		

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 D district allows residential use at five (5) to 18 units per acre and flexible design standards. Per the identified development standards, residential uses are allowed in commercial districts as well as D and ST special districts. The zoning designations of C, C-1, ST, and D allowing for residential uses expands 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
(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
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.				

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 zones that allow residential uses, including commercial zones that would be typically considered non-residential. **Table 4-3** identifies the zoning standards as well as the permitted uses for these zones.

Table 4-3 Development Standards for Commercial and Other 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 (if applicable)	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 stories ⁶	3 stories	2 stories ⁶	N/A
Parking Regulations				
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</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 (16 feet for ADU).</p>				

Accessory Dwelling Units

State law provides for the development of Accessory Dwelling Units (ADUs) on a lot in any zone that allows residential or mixed use as a primary use; and provides for Junior ADUs (JADUs) on any lot with a single dwelling unit. The City adopted an ADU Ordinance (October 26, 2021) under Section 17.70 of the Zoning Code. The ADU Ordinance implements the various state laws related to the development of ADUs. An ADU is defined as a residential dwelling unit (detached or attached) with complete, independent living facilities (kitchen and bathroom) located on the same lot as a primary dwelling unit. Per the code, the maximum floor area for a studio or one-bedroom ADU is 1,000 square feet and 1,200 square feet for two-bedrooms or more. In situations where an existing accessory structure is being converted to an ADU, an additional 150 square feet are allowed for expansion beyond the physical dimensions of the ADU, limited to providing ingress and egress only. A JADU is a smaller dwelling unit (500 square feet maximum in size) that is developed within a single dwelling unit on a single dwelling unit lot that has a separate entrance, efficiency kitchen, and access to a bathroom either within the JADU or shared with the primary dwelling unit.

The ADU Ordinance implements a streamlined, ministerial review procedure for ADUs, outlines objective design standards in accordance with State Law and ensures reduced parking standards applicable to ADUs. ADUs and JADUs shall not be rented for a period of less than 30 days.

The provision of ADUs and JADUs within the City can:

- Provide a greater balance of housing options and affordability to meet the City’s housing goals;
- Provide more affordable housing options for seniors and lower-income individuals to remain in the community;
- Provide independent accommodations for extended family or caregivers to live on the same premises;
- Provide the opportunity for supplemental rental income to homeowners; and
- Help to reduce local vehicle miles of travel (VMT) and meet Climate Action Plan goals by accommodating a greater variety of housing options in close proximity to services and employers within the community.

Parking

The Zoning Ordinance establishes parking standards for each type of facility in a zone in accordance with the regulations of Section 1129B of Title 24, California Code of Regulations. As described in the **Table 4.1** and **Table 4.3**, above, and in Chapter 17.36 General Use Regulations of the Zoning Ordinance, garage or parking spaces are provided as follows:

1. One garage space for each family unit in any multiple dwelling, apartment, dwelling group, duplex, automobile court or dwelling in any district;
2. One garage space for each two guest rooms in any hotel, rooming house or boarding house;
3. Garage or parking space for other uses allowed in any R district as determined and set forth by the planning commission in approving the use permit for any such use.

Del Rey Oaks' Zoning Ordinances Chapter 17.70.050 provides parking requirements for ADUs. In addition to on-site parking required for the primary dwelling unit, one on-site parking space shall be provided for each ADU per unit or bedroom, whichever is less. On-site parking spaces for ADUs may be covered or uncovered, may be tandem, and may be located within the front, side, or rear setback areas unless there is a specific site or regional condition related to fire or life safety that would make parking in setback areas unsafe. Where a garage, carport, or covered parking structure is demolished in conjunction with the construction of an ADU, or converted to an ADU, the local agency shall not require that those off-street parking spaces for the primary unit be replaced.

On-site parking is not required for JADUs. No on-site parking is required for an ADU in the following cases:

1. The ADU is located within one-half mile walking distance of public transit.
2. The ADU is constructed within the primary residence or within an accessory structure.
3. On-street parking permits are required but not offered to the occupant of the ADU.
4. A car-share vehicle pick-up/drop-off location is located within one block of the ADU.

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

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

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 would 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 would 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 would schedule projects for review by the Planning Commission for consideration or approval (assuming that the project is exempt from environmental review).

If the environmental review of the project can be accomplished without the processing of an EIR or other CEQA documentation (Exemption, Negative Declaration, or Mitigated Negative Declaration), 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 approval (or an action otherwise related to a project) would add one to two months to the process. The need to prepare required environmental studies (Exemption, Negative Declaration, or Mitigated Negative Declaration) would typically add two or three months to the process. In the event that an EIR is required, an additional six months to one year of processing time would apply to the project.

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 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

of automobile travelers. See Del Rey Oaks Zoning Ordinance accessible at:
https://library.municode.com/ca/del_rey_oaks/codes/code_of_ordinances

development primarily due to the limitation of 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/>. The City's design review and application forms are designed to be simple and easy to complete. City processing procedures are intended to keep decisions on projects within a reasonable timetable.

Zoning, Development Standards and Processing Analysis

Processing and application requirements do not form a constraint to provision of adequate housing. Although the City is small and has limited staffing, the City staff has a record of moving permits through the process with time periods typically shorter 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 an experienced inspector to provide plan checks and inspections. The Del Rey Oaks Building Department enforces the currently 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.

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 provided.²

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.

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

Table 4-4 City of Del Rey Oaks Current 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
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

Table 4-4 City of Del Rey Oaks Current Fee Schedule		
Department		Fee
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
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		
<p>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.</p>		
<p>Applicant shall, in addition to those fees listed in this fee schedule, pay the actual cost of legal advertising.</p>		
<p>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.</p>		

Table 4-4 is the current City’s fee schedule and is available on the City’s website available at: <https://www.delreyoaks.org>.

The City’s fees are reasonable and consistently lower than neighboring or similar jurisdictions. The City fee schedule cited above is current and made available at the City Hall and also on City’s website. City fees and regional fees noted below do not pose a constraint to provision of affordable housing. 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.

Regional Fees

Table 4-5 provides an estimate of development fees that are collected by other agencies for residential development within the City. **Table 4-4** 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				
Utility Type	Provider Name	Single-Family Project ¹	Multi-family 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
Assumptions: 1. Single-family development based on 2,000 square feet. 2. Multi-family development based on 1,200 square feet at 18 units. 3. Affordable cost per equivalent development unit (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 (https://www.tamcmonterey.org/development-impact-fees) shown are for single-family unit, for 18 apartment units, and for a moderate-income condominium unit.				

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 Zone 3, fees were \$481 per trip (2022). 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. The City complies with the new transparency requirements for posting all zoning, development standards and fees on the City’s

website. The full set of City fees identified above is the current City's fee schedule and is available on the City's website.

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 area cities. 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).

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.

The City complies with all state law in relation to manufactured homes. No constraint to development of manufactured housing is evident in City code or processing. The City does not have any development standards, code or processing requirements under that directly or indirectly impact the provision of manufactured homes, as documented above.

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 and must be renewed annually. There are currently three 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. The City does not have an inclusionary housing ordinance and complies with State Density Bonus laws.

Del Rey Oaks has no other requirements related to growth that would preclude the City from meeting its regional housing needs. The City does have local amendments to the California Building Code; however, 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.

Locally Adopted Ordinances Summary Analysis:

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, ADUs, secondary dwellings, mobile homes, and live-work housing. The City does not have any locally adopted ordinances that directly impact the cost and supply or residential development (e.g., inclusionary requirements, short term rentals, growth controls), as documented above.

Constraints on Development

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 does not impose undue constraints or fees that would limit or constrain affordable housing. New development of housing is constrained by external forces within the City area (the very limiting water allocation system for individual homes within the City under MPWMD). The entire region within MPWMD has severe limitation on water availability and therefore causes constraint and limits development of residential or commercial lands in the City. Due to the Monterey Peninsula's limited water resources, the City does not have water credits available for allocation. All private property development that requires a water permit is limited to the water credits associated with the specific site. The Monterey Peninsula's water agencies and providers are diligently pursuing the development of new water sources and projects to deliver water to jurisdictions. The timing of when additional water will be available for allocation to individual properties is uncertain at this time. The City has and will continue to work with other peninsula jurisdictions, Cal Am, and the MPWMD to help advance future water supply allocation and delivery to the City.
- **Consistency with State Law:** The City's Zoning Ordinance is not current on State law in reference to density bonuses. The City is reviewing its Zoning Ordinance for this and other provisions of recent updates to State statutes to ensure the City is meeting all new state law. (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. The City follows State law and complies with requirements for Density Bonuses. This program is contained in **Chapter 7.0 Housing Plan**³.

City Development Standards and Zoning for Special Housing Needs

Housing Accessibility for the Persons with Disabilities

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.

³ The 5th Cycle Housing Element proposed adoption of a Density Bonus Ordinance consistent with state law. The City did not complete adoption of the Density Bonus Ordinance.

As noted in the Special Needs section of the Housing Needs Assessment Report, persons with disabilities have a number of housing needs related to accessibility of dwelling units; access to transportation; employment, and commercial services; and alternative living arrangements that include on-site or nearby supportive services. The Land Use Element of the General Plan does not restrict the siting of special need housing.

The City ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) and federal requirements for accessibility.

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 17.40) permits a range of housing types suitable to special needs groups with and without the approval of a special use permit. As part of the update of the housing element in 2019 and 2022, the City conducted a review of its zoning laws, policies and practices for compliance with fair housing laws. This constraints analysis examines the City of Del Rey Oaks zoning provisions, building codes, and permitting processes or procedures. The City has not identified any zoning or other land-use regulatory practices that could discriminate against persons with disabilities and impede the availability of such housing for these individuals.

Mitigating Constraints City Development Standards/Zoning Code

The following discussion provides examples of the ways in which the City facilitates housing for persons with disabilities through its regulatory and permitting processes. Also included are areas where the City is proposing programs or methods to ensure accessibility is not hampered by zoning or regulations. **Chapter 7.0 Housing Plan** of this Housing Element also proposes specific actions and implementation schedules to remove any potential impediments on persons with disabilities.

Efforts to Remove Regulatory Constraints for Persons with Disabilities

The City does not impose additional zoning, building code, or permitting procedures on small group homes other than those allowed by State law. The State has removed any City discretion for review of small group homes for persons with disabilities (six or fewer residents). There are no City initiated constraints on housing for persons with disabilities caused or controlled by the City. The City does not restrict occupancy of unrelated individuals in group homes and does not define family or enforce a definition in its zoning ordinance. Small group homes are permitted without regard to distances between such uses or the number of uses in any part of the City. The General Plan Land Use Element and designations do not restrict the siting of special needs housing.

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.

Typically, due to the small size and community, the requests are handled over the counter and through the city staff and building inspector (contract position). Variances to accommodate requests such as special structures or appurtenances (i.e., access ramps or lifts) needed by persons with physical disabilities are not typical. While variances to standards and applications may be handled through an administrative procedure, the standard used to evaluate such deviations conflicts with laws applicable to housing for persons with disabilities. The element includes a program (see **Chapter 7.0**) to establish a written and administrative reasonable accommodation procedure in the zoning code for providing exception for housing for persons with disabilities in zoning and land use. The procedure will specify eligibility, standards and regulations covered by the reasonable accommodation procedure, and extent of relaxation provided, consistent with State law.

- The City implements and enforces Chapter 11, 1998 California Code. The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities.
- The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with accessibility requirements. Such retrofitting is permitted under Chapter 11, 1998 version of the California Code. Further, the City works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint.
- This Housing Element includes a program for the City to process Reasonable Accommodation requests through an administrative review process.

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 three (3) ft. into any required side yard. This section does not specifically reference ramps needed for accessibility by disabled persons; however, ramps up to 30 inches in height are allowed without a building permit or administrative approval. Finally, the element includes a program to amend zoning and clarify at Section 17.36.010 of the zoning ordinance that retrofitted access ramps are permitted in setback areas. Allowing ramps as a permitted encroachment into required front and rear yards will ensure accessibility for persons with disabilities.
- Parking standards for housing for disabled persons are the same as all for residential development. **Tables 4-1 to 4-3** provide parking requirements for the City. This Housing Element includes a program to reduce the parking requirement for affordable housing projects, including for senior housing and disabled housing; this program was included in the previous Housing Element. **Chapter 7.0** of this Housing Element 2023-2031 carries this policy forward.

Building Permits and Processing

The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for other residential projects and are designed to be straightforward and not burdensome to the

applicant. City officials are not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

The City does not impose special occupancy permit requirements or business licenses for the establishment or retrofitting of structures for residential use by persons with disabilities. If structural improvements were required for an existing group home, a building permit would be required. If a new structure was proposed for use as a group home, design review would be required as for any other new residential structure. The City design review process has not been used to deny or substantially modify a housing project for persons with disabilities to the point where it is no longer feasible. All residential projects in the City require the same level of design review.

Building Codes

The City provides reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits through its flexible approaches to retrofitting or converting existing buildings and construction of new buildings that meet the shelter needs of persons with disabilities. The Del Rey Oaks Building Department enforces the currently required Uniform Building Code and the California amendments, as established by the State. 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.

Universal Design Element

The City has not adopted a universal design ordinance governing construction or modification of homes using design principles that allow individuals to remain in those homes as their physical needs and capabilities change. The City has added the development of a Universal Design Element as **Program D.6** (see **Chapter 7.0**) during this planning period. The City will refer to the HCD website to develop guidelines and a model ordinance consistent with the principles of universal design.

Emergency Shelters, Transitional and Supportive Housing

Emergency Shelters

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]).

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. 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 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 updated its Zoning Ordinance to allow emergency shelters as permitted use in the C-1 district (Chapter 17.80 of the City of Del Rey Oaks Zoning Ordinance).

Transitional and Supportive Housing

"Transitional housing" and "transitional housing development" mean buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months (Health and Safety Code Section 50675.2). Transitional housing is typically housing for individuals or families who are transitioning to permanent housing, or for youth who are moving out of the foster care system. Residents of transitional housing are usually connected to rehabilitative services.

"Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to on- or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community (Health and Safety Code Section 50675.14). "Permanent supportive housing" refers to housing that is affordable, service-enriched, and allows formerly homeless clients to live at the facility on an indefinite basis.

State law requires the consideration of both supportive and transitional housing as residential uses that must only be subject to the same restrictions that apply to similar housing types in the same zone. In addition, AB 2162 (2018) requires supportive housing to be a use by right in zones where multi-family and mixed- uses are permitted if the development meets certain requirements. The Zoning Ordinance does not identify zones that will allow the development of supportive or transitional housing. Both transitional and supportive housing types must be explicitly permitted in the Zoning Code pursuant to State law. Currently, transitional housing may be permitted as a conditional use in the commercial and residential multi-family districts⁴.

Program C.3 in Chapter 7.0 proposes to establish both supportive and transitional housing uses by-right in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multi-family uses pursuant to Government Code section 65651, and to establish a permit process that is only subject to those restrictions which apply to other residential uses of the same type in the same zoning

⁴ Currently, transitional housing would be allowed with a use permit in the R-1 district (two-family dwellings, and in the R-2 district (dwelling groups and multiple dwellings) without a use permit, and in the C-1 districts with a use permit (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 in the City's residential or commercial zones. 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**).

district. The implementation program will result in a revision to the Zoning Ordinance to bring it into consistency with State law.

Single-Room Occupancy (SRO)

The U.S. Department of Housing and Urban Development (HUD) defines a Single Room Occupancy Unit (SRO) as a residential property that includes multiple single room dwelling units. Each unit is for occupancy by a single eligible individual. The unit need not, but may, contain food preparation or sanitary facilities, or both. 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. AB 2634 mandates that local jurisdictions address provisions for extremely low-income households, including single room occupancy units, which the City seeks to address via amending an existing program in the previous Housing Element.

The City will amend the Zoning Code to accommodate special needs housing, which would include consideration of amendments to address single room occupancy units in residential zones pursuant to State law (see **Chapter 7.0 Housing Plan**).

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 2024 to include provisions for housing for six or fewer employees.

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 of assisted housing units to market rate units.

Mitigating Constraints City Development Standards/Zoning Code

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 for further discussion):

- 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) Conduct a review of the Zoning Ordinance for special needs housing and remove any additional identified constraints to ensure that reasonable accommodations are provided with regard to special needs housing.

- 3) Amend the 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.
- 4) 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.

Program C.3 describes actions the City will take to amend the zoning code to allow Transitional and Supportive Housing and extremely low- income units that may include single room occupancy units.

Program D.2 includes actions the City will take to amend the Municipal Code to accommodate special needs housing, which will include consideration of amendments to address single room occupancy units in residential zones pursuant to State law.

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. Following several years of historically low interest rates, as shown in **Table 4-6**, interest rates have risen substantially. Interest rates on typical home loans are shown for 2019.

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.

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. The price of housing and obtaining permanent financing for qualified homebuyers pose two major constraints.



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

Source: Freddie Mac, Primary Mortgage Market Survey.

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 illustration above.

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 of 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, construction cost data for the City of Monterey 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 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

In 1993, the Army began investigating sites where munitions and explosives of concern (MEC) were suspected to be present. Sites were characterized during Remedial Investigations (RI) and the cleanup alternatives were evaluated in a Feasibility Study (FS). Unexploded ordnance and explosives (OE) or MEC 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/MEC, and removal activities are ongoing. Extensive cleanup has been conducted, particularly in the area of the former Fort Ord, and the State of California has approved the transfer of the entirety of the portion of the former Fort Ord within City limits to the City for all uses approved by the City General Plan currently. Additionally, a major portion of the interior of Site 1 is cleared for residential use. Additional lifting of covenants and restrictions in portions of the former Fort Ord is required to be approved by the State DTSC prior to provision of residential use. Mapping in **Appendix C-4** identifies the area without the deed restriction for residential use.

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.

Water Supply

Two water suppliers, Marina Coast Water District (MCWD) and California-American Water (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, through a water allocation credit system allocated by jurisdictions. Del Rey Oaks has no remaining water available within the allocation system to the City. Cal-Am is under a Cease-and-Desist Order (CDO) and no new water connections are allowed within their service boundaries, which includes Del Rey Oaks, until a new source of water supply is implemented and the water allocation system is amended by MPWMD to their jurisdictions.

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 completed construction of the Pure Water Monterey Groundwater Replenishment (PWM/GWR) Project which provides purified recycled water for 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. The PWM/GWR project water would be used to reduce water drawn from wells on the Carmel River owned by Cal-Am. The MPWMD and M1W are also planning for an Expanded PWM/GWR Project to expand the capacity of the advanced water purification facility and increase injection capabilities to the PWM project. 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 MPWSP project received California Public Utilities Commission (CPUC) approval in September 2018 and conditional Coastal Commission approval in 2022 for a phased, reduced desalination facility.

Upon implementation, the MPWSP and an Expanded PWM/GWR Project can provide needed water supply for future housing development in the Monterey Peninsula and former Fort Ord. Unfortunately, until a new supply is available and the CDO is lifted by the SWRCB, MPWMD's allocation program will continue to prohibit the addition of new unit fixtures or new units without an available additional City allocation for such expansion of uses or fixtures within the MPWMD and CalAm service area. Until then,

any additional fixtures required for the development and construction of residential units that results in increased water use within the City including auxiliary (accessory) dwelling units are under a moratorium until additional allocation is available to the City of Del Rey Oaks. These existing water supply constraints severely limit production of additional housing on developable land in the City within the MPWMD boundaries.

While the City has no water to allocate to new uses in the City within their MPWMD allocation until water projects are implemented are available and the CDO is lifted, there is 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. 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 provided that such provisions of water do not aggravate or accelerate the existing seawater intrusion in the basin. Water is also available from the PWM GWR project assigned to MCWD to serve former Fort Ord. 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.⁶ This is reserved for projects within its City limits at the former Fort Ord. and is assigned to former Fort Ord by MCWD on a first-come, first-served basis. 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 for the City sites on Former Ford Ord will require rezoning, general plan amendments, and permit approvals.

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. The City has established progressive water

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

⁶ Under the Base Reuse Plan adopted by FORA in 1997, each jurisdiction was allocated a water supply that could be used for development. A Settlement Agreement between Landwatch Monterey County, Keep Fort Ord Wild, and the Marina Coast Water District and its Board of Directors, dated September 17, 2018, provides that “Pursuant to contractual rights to recycled water, MCWD is entitled to 1,427 AFY of advanced treated water from the Pure Water Monterey Project for use within the former Fort Ord. The first 600 AFY of that advanced treatment water (ATW) is projected to replace and offset existing groundwater irrigation uses and to provide ATW for uses within yet-to-be-built residential developments thereby eliminating the use of groundwater for non-potable uses for those new units.” MCWD also committed to provide a future, water supply for new residential uses in Fort Ord beyond the 6,160 of total new residential units within the former Fort Ord in accordance with Fort Ord Reuse Plan Section 3.11.5.4(b)(2) of the FORA’s Development and Resource Management Plan. (The agreement noted the number may be “amended from time to time by FORA, and subject to the Groundwater Sustainability Plan for the Monterey Subbasin as approved by the California Department of Water Resources.” While FORA is disbanded, the MCWD UWMP updates and monitors the available water supply and housing units developed.

conservation policies and programs through its 1997 General Plan and requirements under the MPWMD. All new construction requires 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. Section 65302.3 of the Government Code requires that the General Plan must be consistent with airport land use plans. The plan identifies safety and noise considerations and appropriate mitigation measures for areas surrounding the airfield. 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 with the exception of the Moose Lodge property. However, a large portion of the City lies east of Calle Del Rey and Highway 218 lies within safety zones which preclude future development. The Monterey Airport Land Use Commission (ALUC) staff has recommended the previous Housing Element Update (5th Cycle) was consistent with the ACLUP citing the locations of Sites 1 and 1a of former Fort Ord.

Flood Hazards

The City's flood hazards are addressed in Chapter 15.44 - Flood Damage Prevention in the Zoning Code.⁷ This ordinance is to ensure development is appropriately sited and constructed to avoid hazards. The regulations are intended to protect human life and health and ensure that development within the areas of potential flooding will not obstruct flood flow, be designed to reduce the need for construction of flood

⁷ Del Rey Oaks Zoning Code. Available at: https://library.municode.com/ca/del_rey_oaks/codes/municipal_code?nodeId=TIT15BUCO_CH15.44FLDAPR_15.44.060BAES_ARSPFLHA

control facilities, will locate any new habitable areas at or above the base flood elevation (BFE), and will minimize the cost of damage to property owners. Because these provisions are intended to protect the public health and safety, the processes accompanied with permitting are not considered a constraint.

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 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.

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

Based upon this review and analysis in this section, the primary constraint to housing development is water. 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 to be reached before water can come available including completion of the PWM GWR as well as, or, approval of permits and construction of the MPWSP. 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. Water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households in accordance with state law (Gov. Code, § 65589.7.) The State and local authorities overseeing water provision are MCWD and MPWMD for local water management and the SWRCB who

has oversight on the current moratorium on water hook-ups. Since the State and the water agencies and districts that allocate water are in control of state and local water requirements, the City is not able to grant priority for water and sewer providers for affordable housing in order to demonstrate compliance with these requirements. The City will work with water and sewer service providers to establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households per Gov. Code, § 65589.7.

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%.⁸ 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.

Fees

Although governmental fees do contribute to the total cost of housing development, the extent to which these costs are passed on to the consumer depends on the price sensitivity of each housing type and the ability of housing developers to absorb such cost increases and still maintain acceptable profit margins. Where increased costs cannot be absorbed by the consumer or developer, housing production will decline. In “price-sensitive” markets, such as that for affordable housing, when increased costs cannot be absorbed by the developer or products modified to compensate the developer, affordable housing is not built. Government Code Section 66020 requires that planning and permit processing fees do not exceed the reasonable cost of providing the service, unless approved by the voters; agencies collecting fees must provide project applicants with a statement of amounts and purposes of all fees at the time of fee imposition or project approval. **Table 4-4** presents the 2019 permit processing, planning/zoning, and building fees for the City, and is the current fee schedule for the City. Government Code Section 66000 et seq. (Mitigation Fee Act) sets forth procedural requirements for adopting and collecting capital facilities fees and exactions, and requires they be supported by a report establishing the relationship between the amount of any capital facilities fee and the use for which it is collected. The City does not currently have an impact fee schedule adopted in accordance with the nexus requirements of the Government Code.

Termination Notice Requirements

State law (Government Code Section 65863.10) requires notice by owners who want to terminate their rental restrictions (Section 8 and federally assisted mortgages), whose restrictions expire (tax credit projects), or who want to sell an assisted property. The law applies to projects with low-income rental restrictions, including (1) all types of project-based Section 8 developments; (2) projects with mortgages financed through the Section 221(d)(3) BMIR, Section 236, Section 202 programs or Section 515; and (3) projects that have received an allocation of tax credits under Section 42. At the time of this writing, there are no known assisted multi-family housing units or owners indicating they are considering termination of rental restrictions or conversion of restricted units to market-rate units within the City.

⁸ Data USA, <https://datausa.io/profile/geo/del-rey-oaks-ca>

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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 5th Cycle 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.

The City Council adopted the 5th Cycle Housing Element on December 17, 2019; the approval was subsequently challenged in a legal suit from a local community organization. Progress on program development was hampered due to the legal challenge to the adoption, staff changes at the City, staffing constraints due to the small size of the City and workload and by the pandemic during the 5th cycle. During 5th Cycle, the City was able to adopt an Emergency Shelter Ordinance, amend the zoning ordinance to update the definition of family, adopt and implement the ADU ordinance, continue outreach to its residents, and move forward with a zoning overlay zone for provision of affordable housing to meet the RHNA.

A full evaluation of the City's current housing policies and progress in program implementation is included as **Appendix E**.

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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. In addition to the energy-saving programs discussed below, state and federal requirements increase cost-effectiveness of buildings and energy use. State residential building standards establish energy performance criteria for new residential buildings (Title 24 of the California Administrative Code). State and federal appliance standards also 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 2022, the California Building Standards integrated a final version of the new building code, CALGreen, parts of which became mandatory on January 1, 2023. CALGreen exists alongside the latest edition of Title 24 which took effect on January 1, 2023. 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 Government buildings is from solar power. In 2020, the City installed photovoltaic solar panels at City Hall to reduce the City's power bill while continuing to maximize use of renewable energy.

In early 2021, the City began service with Central Coast Community Energy (3CE, formerly Monterey Bay Community Power (MBCP)), a cooperative Community Choice Aggregation (CCA) that provides energy from renewable sources to residents, businesses, and the City. 3CE provides 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 3CE. The City joined 3CE in May 2019 and services began in early 2021.

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 – 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. CARE is funded through a rate surcharge paid by all other utility customers.

Pacific Gas & Electric (PG&E) – 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, described below:

- 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-generation 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.

PG&E also participates in several other energy assistance programs for lower income households, which help qualified homeowners and renters conserve energy and control electricity costs. These programs include the CARE Program and the Relief for Energy Assistance through Community Help (REACH) Program:

- The CARE Program described above provides a 20% monthly discount on gas and electric rates to income-qualified households, certain non-profits, facilities housing agricultural employees, homeless shelters, hospices and other qualified non-profit group living facilities.
- The REACH Program provides one-time energy assistance to customers who have no other way to pay their energy bill. The intent of REACH is to assist low-income customers, particularly the elderly, disabled, sick, working poor and the unemployed, who experience severe hardships and are unable to pay for their necessary energy needs.

Property Assessed Clean Energy (PACE) - 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.

Central Coast Clean Energy (3CE) – 3CE 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. 3CE partners with PG&E to provide billing, power transmission and distribution, customer service, grid maintenance services and natural gas services to Monterey County. Additionally, 3CE 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. Increasing energy efficiency results in lower costs to homeowners and renters for utilities. Some of these design features 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 admit the maximum amount of sunlight into the building to increase the exposure to solar radiation and provide warmth for the home in the winter months. The use of passive solar construction techniques that require proper solar orientation, appropriate levels of thermal mass, south facing windows and moderate insulation levels 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 the use of higher insulation levels in place of thermal mass or energy conserving window orientation and 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. Locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core and garages along the north face can also be used as an energy saving construction technique. Making the main entrance a small, enclosed space that creates an air lock between the building and its exterior, and orienting the entrance away from winds or using a windbreak to reduce the wind velocity against the entrance. 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 trees can dramatically 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.

Other Factors

Del Rey Oaks Municipal Code Section 2.10.060 identifies and encourages trip reduction and contains requirements for trip reduction plans for residential development. With respect to future development, water supply is a significant potential constraint on growth in and around the City.

Water conservation is a key element of the City's and their water provider's and management agency's strategy to meet projected water demand. The MPWMD and MCWD offer several programs and incentives, including rebates, to help reduce water use. MCWD's Water Conservation Ordinance and Water Shortage Contingency Plan as well other programs for water conservation are located on their website: <https://www.mcwd.org/index.html>. MPWMD's website identifies the requirements for water use and offers advice and programs for water conservation at <https://www.montereywaterinfo.org/>.

Other Requirements

The City distributed the 5th and 6th Cycle Housing Element to water and sewer providers, emphasizing requirements of Government Code Section 65589.7 to prioritize allocations to lower income housing.

Conclusion

Utility-related costs can directly affect the affordability of housing in California. However, Title 24 of the California Administrative Code sets forth mandatory energy standards for new development and requires adoption of an “energy budget.” In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations.

Site Planning techniques, the use of landscaping and the layout of new developments can also reduce energy consumption associated with residential development through reductions in heating and cooling needs, opportunities to use non-motorized methods of transportation and reductions in energy inputs to the development of housing.

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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. The Housing Programs section describes specific actions, procedures, or strategies the City will take to carry out the identified goals and policies. This section also specifies the primary entity responsible for program implementation and the timeframe for accomplishment and monitoring for the actions.

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 6th Cycle Planning Period (**Table 7-1**).

Table 7-1 6 th Cycle Quantified Objectives Summary								
Income Category	Allocation by Cycle*		Totals by Income Category	New Construction	Rehabilitation	Conservation /Preservation	Total Units By Housing Type	
	4 th /5 th Cycle Shortfall	6 th Cycle						
Very Low (0-50% of AMI)	41	60	101	101	0	0	101	Combined Low and Very Low = 168
Low (51-80% of AMI)	29	38	67	67	0	0	67	
Moderate (81-120% of AMI)	5	24	29	29	0	0	29	Combined Moderate/ Above Moderate = 92
Above Moderate (more than 120% of AMI)	11	62	73	73	0	0	73	
Total Units	86	184	270	270***	0	0	270	
*4 th Planning Cycle affordable housing shortfall requirement applies to very low- and low-income only. ** Total very low and low-income *** Includes 20 ADUs Source: HCD Projected Housing Needs – Regional Housing Needs Allocation (HCD, AMBAG 2022)								

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 providing 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

The City will provide a range of types of housing units and prices to meet the total 184 units of regional housing allocation needs (RHNA) for Del Rey Oaks.

RHNA 6 th Cycle 2023-2031	Income Group				
	Very Low	Low	Moderate	Above Moderate	Total
Del Rey Oaks	60	38	24	62	184

The City will provide for an adequate number of units to meet the very low- and low-income categories and for development of moderate and above-moderate income categories within the RHNA and including the 4th and 5th cycle shortfall. The City will use Sites 1 and 1a owned by the City, and if needed, also Sites K1 and K2 (private property owners). The City will adopt an overlay zone to allow residential uses to meet RHNA as shown on **Table 7-1**. The City will ensure sufficient property is available in former Fort Ord to achieve this goal throughout the planning cycle. 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).

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Present Zoning Overlay to Planning Commission and City Council by end of second quarter 2023 and rezone by end of third quarter 2023 for 6 th Cycle. Report to City Council to confirm adequate area is available for meeting RHNA on a regular basis; report due by end of first quarter yearly.
Source of Funding	General Fund

Program A.2 Develop Mixed Use Zoning Designation

The City will seek to identify potential areas for mixed use, both in the former Fort Ord areas and in commercial sites defined by the City, where a mixed-use designation would be appropriate working with developers, property owners, the community and the Planning Commission and City Council. Sites will be selected based upon availability of land without resource constraints or limitations due to airport land use conflict, with available water service and utilities. Densities shall be a minimum 20-25 units per acre with at least 50% of the square footage of development dedicated to residential uses. Underlying land uses can be commercial or visitor serving areas; zoning will be amended to permit residential uses as well as mixed uses at higher intensities than currently allowed in commercial zones and to allow mixed use in visitor-serving designation zones. *Note: not needed to meet RHNA for 6th Cycle per the analysis in Chapter 3.*

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Submit report on available sites for mixed use designation by mid-2025.
Source of Funding	General Fund

Program A.3 Small Lot Residential in New Subdivisions

The City shall amend the General Plan and Zoning Ordinance to allow small lot Planned Unit Developments (PUD) consisting of individual lots that utilize Traditional Neighborhood Design (TND) techniques for development of cottage or small bungalow-type homes. Further, provide an overlay or PUD ordinance for projects if needed to allow for privately maintained common open space and mixed housing types.

Note: not needed to meet RHNA for 6th Cycle.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	End of 2025
Source of Funding	General Fund

Affordable Housing

Program B.1 Develop Inclusionary and Affordable Housing Requirements

The City will require new residential development or redevelopment in the City to provide affordable housing to meet the City’s RHNA requirements as identified in the AMBAG RHNA. The City will continue to pursue development opportunities of the former Fort Ord properties and will include affordable housing requirements in a disposition & development agreement to achieve this objective. The City will also consider development of an inclusionary housing policy option to determine if this method will better facilitate the City objective to achieve a variety of housing types and opportunities for very low, low- and moderate-income households. The City will assess and analyze a variety of inclusionary housing programs, standards, requirements and regulations to determine the best course of action. Utilizing either or both options, the City will determine the appropriateness and application of inclusionary policies, and adopt policies, programs or regulations that will produce housing opportunities for affordable to very low, low and moderate-income households. Any regulations shall provide additional detail and address development of rental and for-sale housing affordable to very low, low- and moderate-income households, as well as the applicability of this requirement and its alternatives. to the City shall require affordable housing for new development at a minimum of 20% affordability.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	The City will assess and analyze a variety of inclusionary housing programs, standards, and requirements and provide a report to the City Council by end of 2024. To ensure adequate provision of affordable housing, the City will require development agreements or adopt an inclusionary housing policy to ensure development of affordable housing.
Source of Funding	General Fund

Program B.2 Facilitate Affordable Housing for All Income Levels

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

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

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

Responsible Agency	City Hall, City Manager’s Office
Timeline and Objective	Actively seek funding opportunities to increase the supply of affordable housing for lower income households, analyze sites owned by the City to identify those that could be suitable to support affordable housing. Seek to leverage these funds with federal, state, and County HOME funds to increase the amount of affordable housing on housing strategy sites. Work with developers of housing strategy sites and non-profit developers to identify opportunities to increase the percentage of affordable housing by encouraging developers to apply for available funds and utilize other creative mechanisms. (Ongoing work with developers; report on funding biannually to City Council)
Source of Funding	General Fund

Program B.3 Utilize Housing Choice Vouchers

The Housing Authority of Monterey County (HAMC) which administers the Housing Choice Voucher (HCV) 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 HCV agreements, the City shall work with the Housing Authority to offer incentives to property owners that sign HCV agreements.

Responsible Agency	City Hall, City Manager’s Office
Timeline and Objective	The City, working with the HAMC, shall provide information and incentives to property owners to encourage them to sign HCV agreements with the HAMC. Informational pamphlets will be available at City Hall in English and Spanish regarding the voucher program and a notice posted in the City’s Acorn Newsletter. The number of applications received will depend upon how many property owners apply for HCV 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 2024.
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	Confirm if policy can be legally implemented by end of 2024. Adopt a Preferential Housing Ordinance by fourth quarter of 2025.
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 fourth quarter 2025.
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 every other year within the 6th 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 2024). The City will file 4 funding applications during the 6 th Cycle Planning period.
Source of Funding	Staff time; State, federal, and regional grants; and private property owners/developers

Program B.7 Preferential Housing for Teachers and Local Educational Employees

Government Code section 65914.7 (AB 2295) considers housing development projects on property owned by a local educational agency to be an allowable use of the property, provided certain criteria are met. AB 2295 allows a school district or county office of education that meets certain criteria to utilize its surplus property to provide affordable housing to its employees. This program seeks to provide needed housing

for teachers and other employees of the local educational agency. If qualifying parcels are identified within the city in accordance with AB 2295, the City shall adopt a streamlined ministerial permitting policy for workforce housing on sites owned by a local education agency to support housing opportunities for teachers and educational employees, consistent with AB 2295.

In order for a project to qualify for this program, the ordinance shall specify that the project shall meet all requirements of AB 2295, including but not limited to:

- The project is on an infill site as defined by AB 2295;
- The project qualifies as an allowable use under AB 2295;
- The project meets the density and height standards applicable under AB 2295; and
- The project meets other objective development standards applicable under AB 2295.

The project shall not be sited in an environmentally sensitive area, require demolition of deed-restricted affordable units or rent-controlled units, or historic structures, will not use a mobile home site, and does not require subdivision.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	If a local educational agency identifies a qualifying parcel within the City on which they intend to develop housing, City will adopt a Preferential Housing Ordinance consistent with AB 2295 by end of 2025.
Source of Funding	Staff time; local education agency 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 third quarter 2024.
Source of Funding	General Fund

Program C.2 Encourage the Construction of Accessory Dwelling Units

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 will continue to review and update the ADU Ordinance 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 ADU approval process will be provided at City Hall. In addition, the City will explore the availability of standardized plans for ADUs/JDUs that may be suitable for ADUs or JDUs, with the intent of providing additional information to interested homeowners.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	<p>City staff shall give an annual report to City Council on the number of new ADUs that are being built each year by April 1st of each year, starting in 2024. Information detailing the requirements of the City’s 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 second quarter 2024.</p> <p>As part of annual review, the City will review their ADU and JADU development progress to evaluate if production estimates are being achieved. If ADUs are not being permitted as assumed in the Housing Element, the City will take action within 6 months of completion of the ADU review to ensure that adequate capacity at each income level is maintained to meet the City’s RHNA needs.</p>
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 and zoning ordinance amended, as required to be consistent with state law in the following areas:

- Amend the Zoning Ordinance to include language on density bonuses to comply with State requirements.
- Amend 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.
- 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 required amendments to the Zoning Ordinance by third quarter of 2025.
Source of Funding	General Fund

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, M1W and other appropriate agencies through meetings and consultation to seek securement of sufficient water resources to meet the expected needs of projected housing development. Continue to provide City representative on Board of M1W to promote water provision as a priority for affordable housing. Provide the Draft Housing Element to the local water and service providers for the City in accordance with State law.

Responsible Agency	City Council
Timeline and Objective	Participate in two annual meetings with MPWMD, MCWD, M1W and other appropriate agencies by the end of 2031 and throughout 5 th Cycle. Request MPWMD and MCWD provide annual updates to the City Manager on completion of water projects and provision of water for affordable housing for the City.
Source of Funding	General Fund

Program C.5 Adopt Safety Element Update and Environmental Justice Element

SB 1035 requires that the City to revise and update the safety element to identify flood hazards and address the risk of fire in certain lands; and upon each revision of the housing element, to review and, if necessary, revise the safety element to identify new information relating to flood and fire hazards that was not previously available during the previous revision of the safety element. The City will revise and update the Safety Element and adopt the update within 12 months of adoption of the 6th Cycle Housing Element. SB 1000 (2018) requires that the City include an environmental justice component to the General Plan during the 6th Cycle update of the City’s Housing Element. The City will adopt a separate Environmental Justice Element within 12 months of adoption of the 6th Cycle Housing Element.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	As funds are available, adopt a Safety Element Update and Environmental Justice Element, consistent with Government Code and State Law, by fourth quarter 2027.
Source of Funding	General Fund

Program C.6 Evaluate Fees for Development Projects

Planning permit and development impact fees are used to cover the costs and expenses incurred by or on behalf of the City in connection with planning applications and development of property. Fees help cover the public costs related to development projects, including time that staff spend on reviewing development proposals. To support the development of higher-density housing, the City will review the City of Del Rey Oaks Fee Schedule to reduce fees for affordable housing units. The City wishes to encourage additional creation of smaller residential units to serve their aging senior and single person households. To incentivize development of smaller units, the City will revise their fee program for affordable units and assess building and permit fees per square footage per unit, assuming such fees are reduced from normal fees and consistent with State law.

Responsible Agency	Planning Department, City Council, Planning Commission
Timeline and Objective	Evaluate and review the City of Del Rey Oaks Fee Schedule to ensure that the fees appropriately support feasible development of smaller housing units; revise affordable housing fees by amending fee ordinance for smaller units. Study and adopt revised fee update by fourth quarter 2025.
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 2024; 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 2025. It will aim to identify at least one residential project by 2026 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 2024.
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 consistent with State law; 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 third quarter 2024. Amendments to Zoning Code specific to this program shall be adopted by end of 2025.
Source of Funding	Staff Time, General Fund

Program D.4 Support Programs to Reduce Homelessness

The City amended its Zoning Ordinance to allow for the emergency shelters in the City’s C-1 zoning district consistent with State law. The City found that the C-1 district sites provided adequate opportunity (within a mile of transit stops and community services). The City will monitor the sites to continue to confirm there is adequate capacity and sites which are suitable for the development of emergency shelters. 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	Report annually on homeless count and provision of adequate area for homeless shelters in the City. Research available funding for facilities if applicable.
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 2024.
Source of Funding	General Fund

Program D.6 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. Specifically, AB 2162 requires supportive housing to be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. 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 fourth quarter 2023.
Source of Funding	General Fund

Program D.7 Adopt Universal Design Element for New Development

Universal design is used to govern construction of homes by using design principles that allow individuals to remain in those homes as their physical needs and capabilities change. The City shall research principles of universal design for application for new development, particularly for senior housing or housing for those with disabilities. The City shall prepare a report for the Planning Commission and City Council identifying principles of universal design, successful application in other jurisdictions, the HCD model ordinance and the process for application of an ordinance. Upon endorsement of Planning Commission and City Council, the City shall develop a written process specific to the City of Del Rey Oaks and prepare guidelines and a model ordinance consistent with the principles of universal design.

Responsible Agency	Planning Department, City Council and Planning Commission
Timeline and Objective	Research and provide written report by end of fourth quarter 2024. Develop written process for Universal Design and adopt Universal Design Element Guidelines and Ordinance by end of 2025.
Source of Funding	General Fund

Program D.8 Develop Objective Design and Development Standards

Housing Accountability Act SB 330 and SB 35, enacted to address the State-wide housing shortage, requires cities to review residential developments based on “objective” standards, such as specific and defined design requirements, rather than on subjective standards. This program commits the City to review the Zoning Code, and design guidelines to ensure that development standards and design

guidelines are clear and objective for multiple family and mixed-use residential development. The City shall also develop and adopt objective design standards for multiple family and mixed-use residential development.

Responsible Agency	Planning Department, City Council and Planning Commission
Timeline and Objective	Develop Objective Design and Development Standards for multifamily and mixed-use residential development by December 2025.
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 or other available 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 2025.
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

Program E.4 Annual Report

Provide an Annual Report to the City Council and Planning Commission that describes (1) implementation of Housing Element programs to date, (2) the amount and type of housing activity as related to the Housing Element’s goals, policies, and programs, and (3) an updated summary of the City’s housing needs. The Annual Report will address the requirements of Government Code Section 65400. Submit this report to the California Department of Housing and Community Development within 30 days after review by the City Council.

Responsible Agency	City Hall, Planning Department, and Building Department
Timeline and Objective	Information detailing housing needs and progress shall be included on the City’s website and updated at least once per year prior to submittal to HCD. Complete annually by April 1 of each year.
Source of Funding	General Fund

Program E.5 Affirmatively Further Fair Housing By Providing Equal Housing Opportunities For All Existing And Future Del Rey Oaks Residents

The City will affirmatively further fair housing by providing equal housing opportunities for all existing and future Del Rey Oaks residents through the following methods: Enhance housing mobility strategies. Protect existing residents from displacement. Encourage new housing choices and affordability in high and medium resource areas. Improve place-based strategies to encourage community conservation and revitalization including preservation of existing housing.

The population of Del Rey Oaks includes special needs groups, which require a variety of unit sizes to serve needs that are not currently addressed within the City. These issues include:

- Seniors. A growing cohort of seniors in the City indicates a potential need for specialized housing types and social services dedicated to seniors. According to the ACS (U.S. Census Bureau, 2020), the number of households with householders 65 years and over in Del Rey Oaks has grown from 167 in 2012 (25.3 percent) 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).
- Persons with Disabilities. The population of Del Rey Oaks with a disability is 12.7 percent, similar or slightly higher than neighboring communities. As the population ages, the City may need to consider future care and services for the aging population and people with disabilities. It is generally understood that the need for housing for people with disabilities outweighs the availability of adequate housing units. Outreach, and the adoption and implementation of universal design methods can increase the number of units available to people with disabilities and aging populations, provide housing mobility and reduce displacement.
- Large Households. In 2020, 5.4 percent of owner-occupied households in Del Rey Oaks had five persons or more compared to 10.1 percent of renter-occupied households with five persons or more. This issue is not major at the moment, but with limited new housing development and

increasing pricing, large families will have to deal with overcrowding due to the lack of large family affordable housing. Rental unit sizes available for rent in Del Rey Oaks do not currently serve large families. In order to better serve this population, it is important to develop affordable housing that can accommodate large families with three (3) or more bedrooms and reduce barriers to affordable housing construction, and to consider incentives to encourage units suitable for larger households.

- Female-Headed Households. As of 2020, female-headed households represent approximately 6.7 percent of total households in Del Rey Oaks. As a goal of affirmatively furthering fair housing, methods to prioritize the inclusion of female-headed households and female-headed households with children to find adequate and affordable housing will be sought.
- Homelessness. Although Del Rey Oaks contains a small unhoused/homeless population compared to Monterey County, it is important to consider allowing types of facilities to provide shelter for homeless individuals and families including emergency shelter, transitional housing, and permanent supportive housing.

The City will affirmatively further fair housing by providing equal housing opportunities for all existing and future Del Rey Oaks residents through the following methods:

- Leverage City-owned land for the development of affordable housing projects and provide a mix of densities, affordability and housing types to encourage diversity within the community.
- Encourage new housing choices and affordability in high resource areas through reduced development fees, increased incentives for development of ADUs and other housing choices within the City.
- Encourage development and use of ADUs as a strategy to encourage affordable housing within the City. ADU's can serve the aging population of the City and reduce displacement.
 - Programs A.1, B.1, and B.2 ensure very low, low, moderate, above moderate income, and inclusionary housing opportunities are made available in the city and to accommodate the City's RHNA.
 - Program A.2 provides for a Mixed-Use Zoning Designation to increase opportunities for a wide variety of housing and increase housing mobility, which enables residents to locate housing outside of traditionally lower- and moderate-income neighborhoods.
 - Program A.3 reduces lot size constraints and promotes opportunities for smaller housing at higher densities.
 - Program B.3 expands use of housing vouchers in the City by providing information about local fair housing resources, entities, or assistance on the City website. Working with HACM as the fair housing services organization to explore ways to expand services and outreach in the City will reduce very low-income and elderly cost-burden households, reducing displacement.
 - Program B.4 incentivizes housing opportunities for Del Rey Oaks residents and workers.

- Program B.5 promotes opportunities for density bonus provisions.
- Program B.6 facilitates affordable rental units through funding opportunities. B.2 helps to provide gap financing to leverage public affordable funding sources, focusing rental housing units affordable to lower-income households and households with special needs (such as seniors and disabled, including people with developmental disabilities).
- Program B.7 promotes housing opportunities for teachers and local educational employees.
- Programs C.1 and C.3 reduce mitigating constraints, remove barriers, and streamline permitting processes on housing development in the Zoning Ordinance.
- Program C.2 encourages the construction of accessory dwelling units as a source of affordable housing.
- Program C.4 ensures the availability of adequate water supply to serve the long-term housing needs of the City.
- Program C.5 adopts a separate Environmental Justice Element of the General Plan to reduce disparities in environmental factors in the City.
- Program C.6 evaluates fees for development projects to reduce potential constraints on the development of higher-density housing.
- Program D.1 provides fair housing education and outreach information publicly.
- Programs D.2, D.3, D.4, and D.6 accommodate housing for special needs groups, including supportive housing, consideration of single room occupancy units, and to encourage or support emergency shelter facilities.
- Program D.7 develops a process for universal design in order to assist residents to age in their homes and reduce the risk of displacement.
- Program D.8 commits the City to evaluate the Zoning Code and to design guidelines to establish and adopt objective design standards for multifamily and mixed-use residential development.
- Program E.1 assists in rehabilitating housing for low-income homeowners and to owners of rental units that will rent to low-income households.
- Program E.4 provides annual reports to ensure the housing programs are achieving the City’s goals.

Responsible Agency	City Hall, Planning Department, and Building Department
Timeline and Objective	Ongoing
Source of Funding	General Fund

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CHAPTER 8.0 LIST OF PREPARERS AND REFERENCES

List of Preparers**City of Del Rey Oaks**

John Guertin, City Manager
Karen Minami, Deputy City Clerk

Denise Duffy & Associates, Inc.

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

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