

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 4, 2024

Kimberly Cole, Director
Community Development Department
City of Monterey
570 Pacific Street
Monterey, CA 93940

Dear Kimberly Cole:

RE: City of Monterey's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Monterey's (City) housing element that was adopted on July 16, 2024. In addition, technical edits were received on October 3, 2024. The technical edits were authorized by Resolution Number 24-118 C.S. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Anna Davi and Julie Gorman pursuant to Government Code section 65585, subdivision (c).

HCD is pleased to find the adopted housing element, including technical edits, in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element, including technical edits, addresses the statutory requirements described in HCD's June 26, 2024, review.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 1-B (Multifamily Residential Overlay Amendments)
- Program 1-C (Focused Specific Plan Updates)
- Program 1-D (Permit Streamlining Pilot Project)
- Program 1-E (Education Workforce Housing Overlay)
- Program 1-F (Congregational Overlay)
- Program 1-G (Surplus Municipal Parking Facilities)
- Program 1-H (Fort Ord/Ryan Ranch Specific Plan)
- Program 1-I (Highway 68 Area Plan Update)
- Program 1-K (Employer Sponsored Housing)
- Program 1-L (County Courthouse Site)

- Program 2-A (By-right Rezoning Sites from Prior Inventories)
- Program 2-B (Permit Thresholds for Multifamily Projects)
- Program 2-C (ARC Review)
- Program 2-D (Adopted Plans and Zoning with Objective Standards)
- Program 2-E (Revise Parking Requirements)
- Program 2-F (Density Bonus Ordinance)
- Program 2-G (Local Coastal Plan)
- Program 2-J (Water Distribution Policy)
- Program 2-K (Water Supply Constraints)
- Program 3-B (Special Needs Housing – Removal of Constraints)
- Program 3-C (Local Density Bonus)
- Program 3-I (Place-based Capital Improvements)
- Program 4-D (Residential Care Facilities)
- Program 4-E (Supportive and Transitional Housing)
- Program 4-G (Single Room Occupancy)
- Program 4-J (Anti-Displacement Strategy)
- Program 6-A (Adequate Sites)
- Program 6-C (ADU/JADU Monitoring)

For example, Programs 1-B (Multifamily Residential Overlay Amendments), 1-C (Focused Specific Plan Updates), 1-L (County Courthouse Site) and 2-A (By-right Rezoning Sites from Prior Inventories), among other provisions, commit to make prior identified sites available and address the regional housing need allocation (RHNA) shortfall of capacity, including rezoning to permit housing developments with 20 percent affordability without discretionary action. For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), all necessary rezoning must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation

consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

HCD appreciates the collaboration and dedication provided throughout the housing element update and review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Mao Lee, of our staff, at Mao.Lee@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager