



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MARCH 17, 2020

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: CHRISTOPHER VALENZUELA, PLANNING MANAGER

TITLE: HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR 2019

RECOMMENDED MOTION:

A motion to approve the Housing Element (HE) Annual Progress Report (APR) for 2019 and authorize its submittal to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR).

RECOMMENDATION:

Approve a Resolution authorizing the submittal of the HE APR for 2019 to HCD and OPR.

EXECUTIVE SUMMARY:

The HE APR for 2019 is attached for City Council review. The purpose of the HE APR is to track and monitor progress in addressing the City's housing needs, goals and policies. HCD has specific reporting requirements for the annual HE APR, and consist of the below eight tables:

1. Table A - Housing Development Applications Submitted
2. Table A2 - Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units
3. Table B - Regional Housing Needs Allocation Progress – Permitted Units Issued by Affordability
4. Table C - Sites Identified or Rezoned to Accommodate Shortfall Housing Need
5. Table D - Program Implementation Status pursuant to Government Code section 65583
6. Table E - Commercial Development Bonus Approved pursuant to Government Code section 65915.7
7. Table F - Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1, subdivision (c)(2)
8. Table G - Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1, subdivision (c)(2)

The attached tables summarize the City's progress for the 2019 HE APR regarding the production of various types of housing units and implementation of a variety of programs contained in the City's current HE.

BACKGROUND

Section 64500 of the California Government Code requires the City to file an HE APR addressing the status of the General Plan Housing Element and progress made toward implementing its goals and policies. The report must be submitted to HCD and OPR by April 1st of each year. The HE APR covers the calendar year 2019 housing production and implementation programs regarding the City of Salinas 2015-2023 HE.

On March 4, 2020, the Planning Commission reviewed the HE APR. The Planning Commission adopted a Resolution recommending that the City Council approve the HE APR for 2019 and authorize its submittal to HCD and OPR.

DISCUSSION

Below are the highlights of the City's accomplishments for the 2019 HE APR:

- Received four housing development applications, and three of these applications received entitlement within 2019.
- Issued 96 housing related building permits, which authorized the construction of 108 residential units. These 108 housing units are credited towards the City's Regional Housing Needs Allocation (RHNA) contribution for 2019. Eight were Low Income Deed Restricted units.
- The City's RHNA allocation from 2015 through 2023 is 1731 housing units. From 2015 through 2019, the City has produced 498 units, and this represents 29% of that targeted RHNA goal for the City.
- Issued 141 residential Certificates of Occupancy.
- Through the West Area Specific Plan (WASP) approved by City Council on December 17, 2019, the City rezoned eight parcels into several zoning designations which included Low, Medium and High Density Residential, Mixed Use, Public/Semipublic, Parks, and Open Space. The WASP will result in the production of 4,340 new residential units over the next twenty to thirty years. This number of residential units is not inclusive of potential new units generated through the Density Bonus Program and Accessory Dwelling Units (ADUs), which could further increase the development capacity in the WASP.
- Through Zoning Code Amendment (ZCA) 2019-003, the City allowed residential uses in the Public/Semi-Public Zoning District throughout the City and subject to the approval of

a Conditional Use Permit (CUP). Development density for these parcels will be depend on the surrounding zoning districts. This ZCA allowed residential uses in 222 existing parcels throughout the City.

- In regard to the Program Implementation Status (Table D), the City has achieved the following:
 - In 2019, the City Council accepted two community plans, Alisal Vibrancy Plan and the Chinatown Revitalization Plan, which identified opportunity sites for housing and mixed-use developments.
 - On October 29, 2019, the City submitted the SB2 Planning Grant application to the State and was awarded \$310,000 on February 7, 2020. The City will use the SB 2 Planning Grant to change zoning in order to expand the potential housing opportunities in the City ahead of the completion of the General Plan. The SB 2 Grant will be used to undertake environmental and technical studies required to consider increasing the development capacity on multiple parcels throughout the City and rezone them to mixed use.
 - On March 19, 2019, the City Council voted unanimously to adopt an ordinance to exempt Accessory Dwelling Units (ADUs) from development impact fees for a five-year period. The goal is to increase the production of ADU's throughout the City.
 - The City assisted four low-income households through the Housing Services Program and ten through solar energy installations.
 - The Code Enforcement Division opened 2,270 cases and closed 2,713 cases in the 2019 calendar year. The number of housing code cases was nearly identical to last year with 731 in 2018, and with 728 in 2019.
 - The City held two Tax Equity and Fiscal Responsibility Act (TEFRA) hearings to consider the issuance of tax-exempt bonds by the California Statewide Communities Development Authority (CSCDA) for the Salinas Pointe Apartments and Steinbeck Commons.
 - The Housing and CDBG Committee of City Council established the Technical Advisory Committee (TAC) for Housing Policies to discuss the new tenant protection regulations such as the passage of AB 1482 and make policy recommendations.
 - The City received two very low-income density bonus rental units in 2019 and two more low-income units are forthcoming through one project that received entitlement in 2019.
 - In 2019, the following inclusionary units were built: 1) Moon Gate Plaza Project,

18 low-income rental units within the 90-unit development; 2) Monte Bella Subdivision Phase 5B (KB Homes), 7 low-income ownership units closed in this reporting period, 1 unit forthcoming in 2020. The City of Salinas CDBG/Housing Subcommittee conducted the Inclusionary Housing Lottery on Tuesday, May 21, 2019 for the previously mentioned inclusionary for-sale units; 3) Hikari Apartments, also known as Haciendas Phase III, 10 low-income rental units within the 50-units development.

- City submitted an application for HCD Emergency Solutions Grant (ESG) in 2019 and was awarded \$280,598. The City was also designated by the Continuum of Care (COC) as the Administrative Entity for the California Emergency Solutions and Housing (CESH) Program. The City applied for HCD CESH (round two) in 2019 and was awarded \$562,293. These funds will be used to address and prevent homelessness.
- Zoning Code Amendment (ZCA) 2018-002 established an Adaptive Reuse Ordinance and this ZCA resulted in the conversion of two historic buildings in 2019 that were underutilized in the Downtown. These two conversions will result in 89 new units.
- Zoning Code Amendment (ZCA) 2019-002 approved by City Council on October 22, 2019 clarified the regulations on small project employee housing to allow medium project employee housing within the Low Density and Medium Density Residential Zoning Districts subject to a Conditional Use Permit (CUP).
- The City also approved for the conversion of motels for employee housing with a Temporary Use of Land Permit (TULP). This process will reduce the impact and competition between City residents and employees, primarily H2A workers, to find housing within City limits.
- The Chinatown Health Services operated by Franciscan Workers of Junipero Serra was closed in July 2019. A new Chinatown Navigation Center was rehabilitated and re-opened by the City on the same location in November 2019. Community Homeless Solutions is the current operator of the Chinatown Navigation Center, which provides shower and bathroom services. They will also be providing overnight services in 2020.
- In September 2019, the City awarded funding to Downtown Streets Team who has launched cleanup efforts in Chinatown and Downtown. Team members, who are homeless, receive services, a basic financial stipend (gift cards), and case management services to increase their housing stability and find employment.
- In 2019, the City hired Tina La Perle to be the Homeless Outreach Coordinator for City. Tina has assisted the City to coordinate and facilitate social services from Service Providers and oversees the implementation of the CESH Program. Tina also provides oversight of street outreach and housing navigation services to

reduce homelessness in the City.

- Through approved entitlements in 2019, one project was awarded a density bonus, and will result in the creation of two additional affordable rental units which will have 55-year affordability restrictions.
- The City donated the eight consolidated parcels known as 21 Soledad Street identified in the Housing Element Sites Inventory to construct the Moon Gate Plaza project. This is the first Permanent Supportive Housing Model in the City and it is a 90-unit development with retail and residential services on the ground floor.

DEPARTMENTAL COORDINATION:

Housing Division staff collaborated with several City departments in order to update and complete the 2019 HE APR. Departments that assisted with the 2019 HE APR included Public Works, Library and Community Services, Police, Fire and Community Development (Current Planning, Advance Planning, Building, Code Enforcement and Plan and Project Implementation Divisions).

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by CEQA Guidelines Section 15378.

STRATEGIC PLAN INITIATIVE:

The HE APR for 2019 supports the following City Council Strategic Plan goals related to investment strategies for housing and new revenue and operational efficiency by adhering to State regulations and ensuring eligibility for grants and coordinating housing goals to use the City's limited resources more effectively.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact to the City from submitting the HE APR. It should be noted that those cities who have not submitted their HE APR to HCD and OPR may not be eligible for future grants or loan funding from HCD because of noncompliance with the requirement to submit the HE APR.

ATTACHMENTS:

Resolution
Housing Element Annual Progress Report for 2019
Planning Commission Resolution