MEMORANDUM

To: Christy Sabdo, Associate Planner, City of Monterey
From: Andrew Hill and Karen Chavez, Dyett & Bhatia
Re: Monterey 2031 – Preliminary Sites Inventory and Key Strategies
Date: May 31, 2023 (revised June 7)

Dear Christy:

This memo presents a preliminary inventory of sites available for housing in Monterey and some key strategies for the Housing Element Update. The sites inventory is a core component of the Housing Element which demonstrates capacity for the production of sufficient new housing to meet the City’s RHNA obligations for the 2023-31 period. Amid the ongoing housing shortage in California, Monterey is required to plan for at least 3,654 new homes over the next 8 years to accommodate current and projected need.

The Housing Element is being updated as part of the Monterey 2031 General Plan Update project, a collaborative effort between the City and its residents to create a blueprint that will guide development, conservation, and investment in Monterey in the years to come. The inventory and strategies identified in this memo reflect extensive community input collected through a citywide survey conducted between March 1 and April 30, 2023 and through the community listening sessions held in December 2022.

This memo provides context for decision-maker meetings in June at which direction on the sites and key strategies for the Housing Element will be sought. It is organized to:

- Provide relevant background information regarding State guidance for site suitability and community input on locations and strategies for new housing;
- Introduce several areas of the City with the greatest potential to accommodate new housing, an assessment of the capacity for new housing in each, based on State site suitability guidelines and potential strategies to facilitate development in the area; and
- Summarize the total potential housing capacity of the sites with implementation of the potential strategies in relation to Monterey’s RHNA allocation.

BACKGROUND

State law requires that a community identify an adequate number of sites to accommodate 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.” Land considered suitable for residential development includes the following:

- Vacant sites zoned for residential use.
- Vacant sites zoned for nonresidential use that allow residential development.
MEMORANDUM

- Residentially zoned sites that are capable of being developed at a higher density (non-vacant sites, including underutilized sites).
- Sites owned or leased by a city, county, or city and county
- Sites zoned for nonresidential use that can be redeveloped for residential use and a program is included in the Housing Element to rezone the site to permit residential use within three years of adoption.

Further, State law stipulates criteria for the adequacy of sites included on the inventory, including that they be zoned to accommodate housing, have appropriate development standards, and be served by public facilities as needed to facilitate the development of a variety of housing products suitable for all income levels. Vacant sites included on prior inventories in two or more consecutive planning periods and non-vacant sites included on the prior period inventory cannot be carried forward to the current planning period to satisfy the need for housing affordable to lower income households unless they are rezoned to allow residential use by right at the default density for the jurisdiction, which in Monterey's case is 20 dwelling units per acre.

Additionally, new guidance from the State requires that the projections for the realistic capacity of eligible sites be made on the basis of past performance in the jurisdiction or the surrounding region. Accordingly, a survey of recently constructed projects in Monterey and surrounding communities was conducted to establish average as-built densities that can be applied to determine the realistic capacity of sites included in the inventory. Although housing demand is high in the city, production has been severely constrained by water supply availability. Therefore, the survey also considered recent residential development projects on comparable sites in Seaside, Marina, and Sand City that do not face the same water supply constraints as Monterey so as to provide a realistic estimate of the future capacity of sites when water supply is available. Based on the results of the survey, the following densities have been used to project realistic capacity: 55 dwelling units per acre (du/ac) in the Alvarado District Downtown; 29 dwelling units per acre for non-vacant sites along commercial corridors; and 15.9 du/ac in the Pacific/Munras/Cass area, based on the average density of existing housing in the area. For vacant residential lots in low density neighborhoods, a typical rate of one unit per lot was assumed.

HOUSING POTENTIAL BY OPPORTUNITY AREA

Between March 1 and April 30, 2023, over 1,050 residents, business owners, and people working or attending school in Monterey participated in the Monterey 2031 Community Survey. The survey focused in particular on eight areas of Monterey with the greatest potential to accommodate new housing or other types of development in the coming years, and the questions were designed to solicit feedback that will help plan where new housing, employment, and shopping should be located and how to achieve other community objectives like improving transportation options, revitalizing older commercial streets, and preserving and enhancing neighborhood character. A survey report was prepared to document community input collected and present key implications for the planning process.

This section of the memo introduces the opportunity areas and their capacity for new housing, accounting for community input received and State guidance for site suitability. A description of development potential in each area and strategies to facilitate development.
MEMORANDUM

are proposed, including changes to City policies and regulations. Maps depicting sites in each area that can potentially accommodate new housing are included at the end of this memo. The maps present the opportunity sites ranked by viability for development with housing in consideration of the prevailing land use characteristics and hazards. Tier 1 sites are those with indicators that signal the strongest redevelopment potential, and which are also least encumbered by natural and humanmade hazards. Tier 5 sites are those with some indication of redevelopment potential, but which are constrained by hazards.

Downtown
Downtown Monterey is the city's premier business and tourism district, featuring shopping, restaurants, office, hotels, banks, and some higher density housing. There are few vacant parcels, but there is strong potential for redevelopment of older, underutilized commercial properties that currently feature 1-story buildings and large alleys or surface parking lots. The area south of Franklin Street between Alvarado and El Estero Park (known as the Pearl District) is projected to be impacted by sea level rise in 2050 and parts of this area are already subject to flooding during storms. The Downtown Specific Plan establishes a Density Cap Overlay which applies to much of the Pearl District, which limits building height to 4 stories for predominantly residential projects and caps permitted housing development at a maximum of 30 dwelling units per acre (du/ac) calculated on the basis of all sites included in the overlay with no limit for individual parcels.

In the recent citywide survey, respondents indicated the highest level of support for density and taller buildings downtown. A full 55 percent of respondents indicated that they believe low rise or mid-rise apartments and condominiums are appropriate housing type in this area of the city. Today, residential development at up to 100 du/ac is permitted in the Alvardo District and at up to 30 du/ac on other properties downtown. Recent development has been approved at above 50 du/ac in the area. Height limits vary by district, with up to four stories allowed in the downtown core (Alvarado District), three stories permitted in the East Village District, and generally two stories permitted in other areas (except the Pearl District as noted above). Parcel size tends to be small, less than 10,000 square feet on average, and the ownership pattern is somewhat fragmented, which poses challenges for development. The best development opportunities can be found in the Alvarado District, where there are several adjacent clusters of underutilized commercial properties along Calle Principal and Tyler that offer opportunities for redevelopment. The City Council has previously identified the Calle Principal Garage as a potential housing opportunity site, so redevelopment of this property has been assumed over the planning period. Given that the Pearl District is projected to be heavily impacted by sea level rise, no sites in this subarea have been included on the inventory.

Responding to community feedback and development opportunities, the following strategies are proposed to facilitate housing development downtown:

- Revise City land use and zoning regulations to permit building heights up to 55 feet (5 stories) in the Alvarado District to enhance development feasibility. (No change to permitted density or building heights in other parts of downtown).
- Revise City policy and regulations to incorporate a clear statement that 100 percent residential projects are permitted throughout the downtown area, except on/adjacent to Alvarado Street per City Council resolution 21-129 C.S.
MEMORANDUM

- Offer municipal shared parking agreements to projects that propose at least 30 new housing units within 1,000 feet of a City-owned parking lot or structure to assist with development feasibility and encourage lot consolidation.

On this basis, the preliminary inventory assumes development of 447 new housing units downtown, including 202 that would be affordable to households making less than 80 percent of the area median income. Sites are shown on Map 1.

North Fremont
The North Fremont corridor extends from Highway 68 to the eastern City limit north of the Fairgrounds. To the north and south are single-family residential neighborhoods. The airport approach zone extends over the western part of the corridor and higher density housing is prohibited here, which significantly constrains the potential to add housing over the area. The approach zone ends just west of Airport Road, and along the eastern part of the corridor there are several vacant and underutilized properties. Existing development is primarily motels, restaurants, and strip retail center with large surface parking areas which represent opportunities for redevelopment.

High density residential uses (30 du/ac or more) are conditionally permitted on commercial properties along the corridor, although recent development has been approved at 42 du/ac. Parcel size along North Fremont is larger than downtown or along Lighthouse Avenue, on average 0.77 acres or about 33,500 square feet. There are three adjacent larger parcels under common ownership at the east end of the corridor and several pairs of adjacent underutilized properties that could be consolidated to facilitate development. In the recent citywide survey, community members expressed strong support for housing along North Fremont, particularly apartments (low rise and mid-rise) and townhomes. Many respondents expressed support for reimagining the area as a walkable, mixed use corridor that provides attainable housing options together with retail, restaurants, and daily services.

To help facilitate this vision and integrate new housing along the eastern portion of the corridor, the following strategies are proposed:

- Revise City land use and zoning regulations to permit up to 45 du/ac on all properties fronting Fremont Street with no change to permitted building heights.
- Revise City policy and regulations to incorporate a clear statement that 100 percent residential projects are permitted along the eastern segment of the North Fremont corridor.
- To further the community vision for the area, identify incentives that can be offered for mixed use projects with residential, retail, restaurants, or daily services.

On this basis, the preliminary inventory assumes development of 308 new housing units, including 198 that would be affordable to households making less than 80 percent of the area median income. Sites are shown on Map 2.

Lighthouse
This area encompasses Lighthouse Avenue, Foam Street, Wave Street and Cannery Row, roughly from Reeside Avenue to the City limit. Today, the area features a mix of neighborhood and visitor-oriented businesses interspersed with housing, including 2 and 3
story apartment buildings, duplexes, and single-family homes. Portions along the coast near Cannery Row are susceptible to flooding from sea level rise, but overall risk of environmental hazard is lower here than in other areas of Monterey. Particularly along Lighthouse Avenue and Foam Street, underutilized commercial properties with low slung buildings and larger surface parking lots represent opportunities for redevelopment.

There are substantially more underutilized commercial properties with potential for new housing in this area than along the North Fremont and Garden Road corridors, although parcel size tends to be smaller in this area, averaging under 9,500 square feet. High density residential uses (30 du/ac or more) are conditionally permitted on commercial properties along the corridor, and ground floor residential uses involving more than four units are conditionally permitted along Lighthouse Avenue. Clusters of underutilized parcels under common ownership on Lighthouse and Wave represent some of the best opportunities for redevelopment. There are also adjacent underutilized parcels that could be consolidated to facilitate redevelopment.

In the recent citywide survey, community members expressed support for housing in the area overall, but with less enthusiasm than for other areas of Monterey. More than 80 percent of 10-minute survey respondents and apartments and condominiums (mid and low rise) were the most preferred housing typology; however, 5-minute respondents tended to allocate a smaller portion of the total number of new units in the Lighthouse area. Survey respondents emphasized a desire for a walkable, mixed use environment with plazas and public spaces that provide opportunities for socializing and events. Survey respondents also highlighted the need to ensure that traffic, parking, and pollution are adequately addressed as new housing is incorporated over the area.

The following strategies are proposed to respond to community feedback and development opportunities in the Lighthouse area:

- Revise City policy and regulations to permit 100 percent residential projects on Lighthouse Avenue.
- Couple this change with incentives for mixed use projects with a retail/restaurant component in order to promote that desired character of the area while facilitating the development of new housing to support retail vitality.
- Offer municipal shared parking agreements to projects that propose at least 20 new housing units within 1,000 feet of a City-owned parking lot or structure outside the coastal zone to assist with development feasibility and encourage lot consolidation.

On this basis, the preliminary inventory assumes development of 381 new housing units, including 96 that would be affordable to households making less than 80 percent of the area median income. Sites are shown on Map 3.

**Garden Road**

Garden Road is a 0.7-mile corridor that runs from the Monterey Pines Golf Club to Olmsted Road, between the Airport and Highway 68. The area features a mix of commercial and office development today, with notable uses that include the Monterey Herald, California State parks Monterey District offices, Caltrans District Office, Garden Place Professional Center, Shoreline Church, and the Comfort Inn. Existing development in the area consists of 1- and
MEMORANDUM

2-story buildings with surface parking heavily screened from view with trees and landscaping. Parcel size is relatively large, ranging from 0.9 acres to approximately 6 acres. Parcels on the norther side of the corridor abut the airport to the north and are largely within Airport Safety Zone 3 (Inner Turning Zone), where residential development is generally prohibited.

The Multifamily Residential Overlay District applies to the corridor, allowing the conversion of existing buildings to housing or the development of new housing at up to 30 du/ac. Several development applications along the corridor are currently under review and one project involving 25 units on a 1.86-acre office site was approved in January 2023. Additional underutilized commercial/office properties along the southern side of the corridor present further opportunities for redevelopment with housing. In the recent citywide survey, there was solid (although not unanimous) support for additional high density housing along the corridor, including apartments and townhomes. Survey respondents emphasized the need to provide transit and bicycle connectivity to the rest of the community if housing is added here and to ensure adequate airport noise mitigation strategies are implemented.

The following strategies are proposed to respond to community feedback and development opportunities in the Garden Road area:

1. Increase the maximum permitted density in the Multifamily Residential Overlay District from 30 to 50 du/ac and consider establishing a minimum density for the area when adequate water supply becomes available.
2. To reduce development costs and enhance feasibility, revise the Multifamily Residential Overlay District regulations to remove the requirement for covered parking spaces where they can be adequately screened from view.

On this basis, the preliminary inventory assumes development of 415 new multifamily housing units, which would all be at densities deemed affordable for households making less than 80 percent of the area median income. Sites are shown on Map 4.

Additionally, another option available to increase the number of moderate and affordable income housing units in this area would involve redesignation and development of a large vacant parcel owned by the Monterey City School District. A notable number of survey respondents expressed support for the development of clustered housing on vacant hillside land south of the airport within the City limit. This could be accomplished by designating the 50-acre Monterey City School District parcel east of Tarpey Flats for housing development. The Highway 68 Area Plan envisions a mix of up to 300 low and moderate income housing units on this property if the District declares the property surplus. The Highway 68 Area Plan provides policy direction and design guidelines that could serve as a starting point for planning of the site and surroundings. The City and the School District could also jointly pursue an Enhanced Infrastructure Financing District (EIFD) to help fund the cost of infrastructure to support development of the site. For illustrative purposes, this strategy has been factored into the inventory. This site is shown on Map 8.
MEMORANDUM

Pacific/Munras/Cass
This area features an eclectic mix of hotels, small-scale offices and apartments, and single-family homes. Some underutilized commercial and office properties along Pacific, Cass, Abrego, and Munras offer opportunities for housing within easy walking distance of downtown. The area has relatively low risk of environmental hazards. Current General Plan land use and zoning for the area is Commercial, which allows for development at up to 30 du/ac along Munras Avenue and the Pacific/El Dorado/Cass Street area. Parcel size varies, with larger parcels ranging from 0.25 acres to 0.9 acres on Muras and smaller, odd-shaped parcels on Cass, El Dorado and Davis Lane. Notably, there are several clusters of small, adjacent underutilized parcels under common ownership that may be redeveloped together.

In the recent citywide survey, respondents supported additional smaller scale apartments, condominiums, fourplexes, triplexes, duplexes residential development in this area with building heights and styles that reflect the existing character. The average density of existing housing in the area is 15.9 du/ac. On this basis, the preliminary inventory assumes development of 137 new housing units on underutilized sites in this area. Sites are shown on Map 5.

Del Monte
This commercial corridor runs east of Del Monte Lake to Highway 1, featuring storage and auto-oriented businesses with some large surface parking lots and undeveloped land that could represent opportunities for redevelopment. There is existing single and multifamily housing north of the corridor. Coastal bluffs shield the corridor from the ocean and the risk of environmental hazard in the area is relatively low.

Current General Plan land use and zoning for the area is Commercial, which allows for development at up to 30 du/ac. Parcel size varies, but is typically larger than in the Downtown, Lighthouse, and Pacific/Munras/Cass opportunity areas. Average parcel size is 0.81 acres, with three parcels over 1-acre in size and a 1.94-acre cluster of underutilized sites under common ownership offering some of the best opportunities for redevelopment.

In the recent citywide survey, community members expressed support for housing in the area overall, but with less enthusiasm than for other areas of Monterey. Those who supported housing expressed a preference for apartments, condominiums, and townhomes. On this basis, the preliminary inventory assumes development of 126 new housing units on underutilized sites in this area, all of which would be at densities deemed affordable for households making less than 80 percent of the area median income. Sites are shown on Map 6.

Ryan Ranch and Fort Ord
Located immediately southeast of the airport, the Ryan Ranch Area is home to Montage Health, an office park, and some light industrial businesses. New housing is prohibited in the airport approach zone which extends through the central part of the area, but there are several larger vacant and underutilized properties along Lower Ragsdale Drive which could represent opportunities for redevelopment. Immediately adjacent to the north is the former Fort Ord Military Base, where approximately 130 acres of vacant land is potentially available for development with housing and other uses. The Fort Ord area is largely outside of the airport safety zones and risk of environmental hazard is lower here than in other areas of Monterey.
Monterey. Ford Ord also has water credits sufficient for 240 new homes today, making it one of the more feasible locations for housing development in the near term, although the City has received correspondence from Land Watch about a settlement agreement applicable to the site that may affect development potential.

The General Plan land use designations applicable in this area include Industrial (I) and Parks, Recreation and Open Space (PROS). Current zoning does not permit housing in Ryan Ranch, but two of the six parcels at Fort Ord are zoned Planned Community (PC), which permits residential development subject to a PC Plan or Specific Plan.

In the recent Citywide survey, Fort Ord was the area respondents identified most favorably for new housing, and generally felt it would be appropriate for a mix of housing types, primarily including single-family homes and townhomes with some multifamily housing as well. Ryan Ranch was also ranked highly by survey respondents as a location for new housing, including a mix of apartments and townhomes. Community comments highlighted some of the challenges for development in this area, including the limited capacity of existing infrastructure and lack of access/connectivity to other areas of the community (particularly for transit, bicycles, and pedestrians). Preferences for the future of the area also varied, with many advocating for the creation of a mixed-use village over the area, others preferring to see lower scale development integrated with the natural environment, and some not favorable to development on natural open spaces or biologically sensitive areas.

Integrating new housing into this area would need to be done carefully and in a way that responds to the variety of preferences and concerns that community members expressed through the survey. Therefore, a key implementing strategy for the area would involve the preparation of a specific plan to establish a clear vision for the areas and to guide future development and conservation, identify infrastructure needs and financing mechanisms, and establish measures to ensure sustainable development and adequate resource protection.

On this basis, the preliminary inventory assumes a total of 2,400 new housing units in the Ryan Ranch and Fort Ord area, 480 of which would be affordable to moderate-income and low-income households, consistent with the City's inclusionary ordinance. Sites are shown on Map 7.

**ADDITIONAL HOUSING POTENTIAL**

Outside of the opportunity areas, there are other sites and strategies that can potentially contribute new housing to address community needs and help meet the City's RHNA obligations. These are detailed below.

**Vacant Residential Land**

Map 8 shows the location of vacant residential parcels within the City limit. In total, there are 109 parcels designated Low Density Residential (LDR) in the General Plan and zoned R-1, as well as 20 vacant parcels designated Medium Density Residential (MDR) in the General Plan and zoned either R-2 or R-3. These sites are available for development and their capacity can be counted toward RHNA.
**Pipeline Projects**

According to HCD Guidance, projects that have been approved, permitted, or received a Certificate of Occupancy during the projection period (June 30, 2023 – December 15, 2031) can be counted toward the 2023-31 cycle RHNA. Table 1 details these pipeline projects and they are also shown on Map 9. In total there are projects that involve construction of 388 units, including 65 lower income units and 323 above moderate-income units.

**Table 1: Pipeline Projects**

<table>
<thead>
<tr>
<th>Address</th>
<th>APN(s)</th>
<th>Project Description</th>
<th>Project Status</th>
<th>Site Size (acres)</th>
<th>Very Low, Low, and Moderate Income</th>
<th>Above Moderate Income</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1230 Sixth St</td>
<td>001-844-002</td>
<td>New 1,600 sf single-family dwelling</td>
<td>Under Construction</td>
<td>0.09</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>11 Portola Ave</td>
<td>013-025-025</td>
<td>New 1,578 sf single-family dwelling</td>
<td>Under Construction</td>
<td>0.10</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>810 McClellan Ave</td>
<td>001-112-011</td>
<td>New 2,336 sf single-family dwelling</td>
<td>Under Construction</td>
<td>0.14</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>200 Glenwood</td>
<td>001-771-013</td>
<td>Four-story, 40-unit senior independent living apartment building</td>
<td>Under Construction</td>
<td>10.1</td>
<td>0</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>601 Lighthouse Ave</td>
<td>001-066-007</td>
<td>Conversion of existing building to create four new apartment units, 3,345 square feet of retail space and one 914 office space</td>
<td>Under Construction</td>
<td>0.14</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>537 Anthony St</td>
<td>001-712-010</td>
<td>Remodel-convert 611 sf of existing warehouse into residential apartment</td>
<td>Under Construction</td>
<td>0.09</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>457 Wave Street</td>
<td>001-026-003</td>
<td>Construct two new three-story buildings, totaling four residential condominium units</td>
<td>Under Construction</td>
<td>0.13</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2000 Garden Road</td>
<td>013-312-008</td>
<td>Convert existing commercial building to multi-family building with 34 apartment units</td>
<td>Architectural Review Committee (ARC) preliminary review</td>
<td>1.77</td>
<td>7</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Address</td>
<td>APN(s)</td>
<td>Project Description</td>
<td>Project Status</td>
<td>Site Size (acres)</td>
<td>Very Low, Low, and Moderate Income</td>
<td>Above Moderate Income</td>
<td>Total Units</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------</td>
<td>-------------------</td>
<td>------------------------------------</td>
<td>-----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>1015 Cass Street</td>
<td>001-671-034</td>
<td>Convert existing commercial office space to seven apartment units</td>
<td>Planning permits underway; Has not received Building Permits</td>
<td>0.41</td>
<td>2</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>600 Irving Avenue</td>
<td>001-085-005</td>
<td>Planning permits approved; Water allocation pending</td>
<td></td>
<td></td>
<td>0.27</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>480 Cannery Row</td>
<td>001-021-011, 001-021-020, 001-021-019, 001-021-018, 001-021-017, 001-021-015, 001-021-014, 001-021-013, 001-021-012, 001-021-010, 001-022-023, 001-022-024, 001-022-025, 001-022-026, 001-022-027, 001-022-028, 001-022-029, 001-022-030, 001-022-031, 001-022-032, 001-022-033, 001-022-035</td>
<td>Construct a combination of buildings to include 51 residential units, 87,362 square feet of commercial use, 30,000 square feet of restaurant space, and 8,408 square feet of coastal/community use</td>
<td>Has not received Planning permits; Coastal permit for small-scale desal denied</td>
<td>0.15</td>
<td>11</td>
<td>40</td>
<td>51</td>
</tr>
<tr>
<td>857 Cass Street</td>
<td>001-681-19</td>
<td>Convert existing commercial space to two apartment units. The result would be a mixed-use building.</td>
<td>Planning permit underway</td>
<td></td>
<td>0.16</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2600 Garden Road</td>
<td>013-322-013</td>
<td>Demolish existing structure; ARC preliminary</td>
<td></td>
<td></td>
<td>3.35</td>
<td>12</td>
<td>45</td>
</tr>
<tr>
<td>Address</td>
<td>APN(s)</td>
<td>Project Description</td>
<td>Project Status</td>
<td>Site Size (acres)</td>
<td>Very Low, Low, and Moderate Income</td>
<td>Above Moderate Income</td>
<td>Total Units</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------------------------</td>
<td>-----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>2560 Garden Road</td>
<td>013-322-014</td>
<td>Proposed remodel of an existing industrial-zoned office building; remodel to include 25 apartment units</td>
<td>Planning review approved; ARC final review pending</td>
<td>1.86</td>
<td>5</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2200 North Fremont</td>
<td>013-171-014</td>
<td>Construct a three-story mixed-use building with 40 apartment units and 6,000 square feet of commercial space</td>
<td>Building permit in review</td>
<td>0.67</td>
<td>8</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>704 Foam Street</td>
<td>001-016-006</td>
<td>Demolish existing structure; Construct four new stand-alone residential units with detached garages</td>
<td>Planning permits in review; Environmental review pending</td>
<td>0.13</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1000 Eight Street</td>
<td>001-851-005</td>
<td>Convert existing commercial space to two apartment units. The result would be a mixed-use building.</td>
<td>Planning permit approved; Building permit in review</td>
<td>0.08</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>300 Cannery Row</td>
<td>001-031-003</td>
<td>Conversion of existing building to create eight new residential condominium units and 8,500 square feet of retail &amp; Coastal Commercial with parking offsite.</td>
<td>Planning permit approved; Currently in review with Coastal Commission</td>
<td>0.05</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2300 Garden Road</td>
<td>013-312-004</td>
<td>Convert existing office building into 64 apartment units</td>
<td>ARC preliminary review approved; ARC final review pending</td>
<td>6.79</td>
<td>13</td>
<td>51</td>
<td>64</td>
</tr>
</tbody>
</table>
## Accessory Dwelling Units

Accessory Dwelling Units can be built either as detached units on residential lots or incorporated into the primary structure. As such there is potential for ADUs in established neighborhoods throughout Monterey. Since they are typically smaller than a single-family home, ADUs and Junior ADUs can be “affordable by design,” meaning they cost less to build, buy, or rent. As such they can offer affordable opportunities for older adults living on fixed incomes, students, retail employees, and those working in the tourism sector, as well as for lower income households.

Safe harbors in State Housing Element law allow for the use of local trends since 2018 to project the future rate of ADU production. On average since 2018, the City has issued construction permits for 11 ADUs each year. By this measure, Monterey can project at least 11 ADUs annually throughout the planning period; however, as noted in HCD’s Housing Element Site Inventory Guidebook, this methodology represents “a conservative option [that] only account[s] for the effect of the new laws without local promotional efforts or incentives.” In Monterey, past production trends have been constrained by water supply availability. With a suite of programs to incentivize and facilitate ADU production incorporated into the Draft Housing Element, the City could project more than 11 per year.

---

### MEMORANDUM

<table>
<thead>
<tr>
<th>Address</th>
<th>APN(s)</th>
<th>Project Description</th>
<th>Project Status</th>
<th>Site Size (acres)</th>
<th>Very Low, Low, and Moderate Income</th>
<th>Above Moderate Income</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>449 Alvarado Street</td>
<td>001-574-028</td>
<td>Demolish existing structure; Construct a four-story mixed-use building with 34 new apartment units and 2,376 square feet of retail space</td>
<td>EIR preparation in process; has not received Planning permits</td>
<td>0.30</td>
<td>7</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>476 Tyler Street</td>
<td>001-574-029</td>
<td>Converting existing ground floor commercial space within an existing mixed-use building into three studio apartments</td>
<td>Planning permits approved; Has not applied for Building permits</td>
<td>0.54</td>
<td>3</td>
<td>3</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: City of Monterey, June 2023
MEMORANDUM

Table 2: Recent ADU Approvals

<table>
<thead>
<tr>
<th>Year</th>
<th>ADU Building Permits Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7</td>
</tr>
<tr>
<td>2019</td>
<td>7</td>
</tr>
<tr>
<td>2020</td>
<td>13</td>
</tr>
<tr>
<td>2021</td>
<td>9</td>
</tr>
<tr>
<td>2022</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
</tr>
<tr>
<td>Annual Average</td>
<td>11</td>
</tr>
<tr>
<td>Projected 8-Year Development</td>
<td>88</td>
</tr>
</tbody>
</table>

Source: City of Monterey, Annual Progress Reports, 2018-2022

County Courthouse Site
The County has decided to relocate the courthouse and this 4.4-acre site, located on Aguajito Road, east of Highway 1, is potentially available to redevelopment with housing. Currently, the site is designated LDR in the General Plan and zoned R-1; but if the site is declared surplus, it could accommodate higher density housing to help meet the needs of moderate, low and very low-income households. Assuming it is rezoned to R-3, the site could accommodate 130 new units affordable to moderate, low, and very low income households.

Monterey Museum of Art Perry Lane Site
Located at 590 Perry Lane just a short walk from El Estero Park and downtown Monterey, this 1.82-acre site is potentially available for housing. The site is currently for sale. It contains some small single-story structures and is partially located within an area of high liquefaction risk, construction techniques are available to mitigate this risk. The site is currently zoned Commercial, which allows for residential development at up to 30 du/ac. On this basis, the preliminary inventory assumes development of 50 new housing units, 10 of which would be moderate and lower income households.

Elks Lodge Site
Monterey Elks Lodge is located at 150 Mar Vista Drive. The 3.75-acre site contains approximately 22,000 square feet of existing buildings constructed in 1963 and has large areas of surface parking lot that could be redeveloped with housing. The site is surrounded by existing multifamily developments including the 3-story Palo Verde Apartments immediately adjacent to the west. The site itself is generally outside of mapped areas of environmental hazard, although the Very High Fire Hazard Severity Zone extends to the opposite site of Mar Vista Drive, uphill from the graded and developed portion of the site. The General Plan Land Use designation applicable to the site is Residential - Medium Density (MDR), which allows for 8 to 30 du/ac. Assuming the existing building and structures remain on the property and new housing is integrated onsite, the Elks Lodge property could accommodate 94 new units at a density deemed affordable to low and very low income households by the State.
SUMMARY OF RHNA CAPACITY

Table 3, below, summarizes the realistic capacity projected for the inventory with implementation of the proposed strategies. It accounts for development of vacant residential land, pipeline projects, ADU production, and development on individual sites in opportunity areas. Per State guidance, ADUs are not assigned to individual sites, but rather projected on a citywide basis. It has been assumed that they will be affordable to Moderate Income Households based on their smaller size that tends to make them affordable by design. Low and Very Low RHNA capacity has been attributed to sites that meet the suitability criteria outlined in State law, including parcel size, location, and zoning. Infill sites that do not meet the established suitability criteria are assumed to develop with market rate housing and that capacity has been assigned to above moderate income households. However, the City has adopted an Inclusionary Ordinance which requires that 20 percent of new units in projects of six or more units be affordable to moderate and low income households. Therefore, 20 percent of the total above moderate infill development capacity has been reallocated to moderate, low, and very low income households.

Overall, the preliminary draft inventory demonstrates capacity meet RHNA obligations at all income levels with a buffer. The buffer is required to ensure that there is sufficient capacity to meet RHNA obligations at all times during the planning period, in the event that some sites on the inventory actually develop at lower densities than envisioned. As a rule of thumb, communities typically plan for a buffer of 10 percent for their RHNA at all income levels. By this metric, the buffer for above moderate housing is robust, but the buffer for moderate, low, and very low income RHNA is extremely thin.

A strategy to bolster the moderate, low, and very low income could involve developing a congregational overlay that would facilitate moderate and low income housing on properties owned by faith-based groups in Monterey should they be interested in pursuing that option. Faith-based organizations could be natural partners for affordable housing. There are over 40 church sites in Monterey with vacant land or large surface parking lots that could accommodate new housing. Staff and the consultants are working to set up a focus group discussion with representatives of the faith-based community to gauge their interest in housing and understand from their perspective what the challenges might be and how the City could support them in developing housing on their properties should they wish to do so in the future.
Table 3: Summary of RHNA Capacity

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Very Low, Low, and Moderate</th>
<th>Above Moderate</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vacant</td>
<td>Non-vacant</td>
<td>Vacant</td>
<td>Non-vacant</td>
<td>Subtotal</td>
</tr>
<tr>
<td>Downtown</td>
<td>0</td>
<td>202</td>
<td>245</td>
<td>447</td>
<td></td>
</tr>
<tr>
<td>North Fremont</td>
<td>0</td>
<td>198</td>
<td>24</td>
<td>86</td>
<td>308</td>
</tr>
<tr>
<td>Garden Road</td>
<td>0</td>
<td>415</td>
<td>0</td>
<td>415</td>
<td></td>
</tr>
<tr>
<td>Lighthouse</td>
<td>0</td>
<td>96</td>
<td>12</td>
<td>447</td>
<td></td>
</tr>
<tr>
<td>Pacific/Munras/Cass</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>137</td>
<td>137</td>
</tr>
<tr>
<td>Del Monte</td>
<td>0</td>
<td>126</td>
<td>0</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>Fort Ord/Ryan Ranch</td>
<td>480</td>
<td>1,920</td>
<td></td>
<td>2,400</td>
<td></td>
</tr>
<tr>
<td>Vacant Low Density Residential</td>
<td></td>
<td></td>
<td>113</td>
<td>113</td>
<td></td>
</tr>
<tr>
<td>Vacant High Density Residential</td>
<td>33</td>
<td></td>
<td></td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>ADUs</td>
<td></td>
<td>88</td>
<td></td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Pipeline projects</td>
<td>65</td>
<td>323</td>
<td></td>
<td>388</td>
<td></td>
</tr>
<tr>
<td>County Courthouse Site</td>
<td></td>
<td></td>
<td>130</td>
<td></td>
<td>130</td>
</tr>
<tr>
<td>50-acre MCSD Site</td>
<td></td>
<td></td>
<td>300</td>
<td></td>
<td>300</td>
</tr>
<tr>
<td>590 Perry Lane Site</td>
<td></td>
<td></td>
<td>50</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Elk’s Lodge Site</td>
<td></td>
<td></td>
<td>94</td>
<td></td>
<td>94</td>
</tr>
<tr>
<td>Subtotal</td>
<td>98</td>
<td>2,129</td>
<td>472</td>
<td>5,316</td>
<td></td>
</tr>
<tr>
<td>Total by RHNA Category</td>
<td></td>
<td></td>
<td>2,227</td>
<td>5,410</td>
<td></td>
</tr>
<tr>
<td>Inclusionary Requirement (20%)</td>
<td></td>
<td></td>
<td>188</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Total RHNA</td>
<td></td>
<td></td>
<td>2,415</td>
<td>2,995</td>
<td>5,410</td>
</tr>
<tr>
<td>RHNA</td>
<td></td>
<td></td>
<td>2,408</td>
<td>1,246</td>
<td>3,654</td>
</tr>
<tr>
<td>Buffer</td>
<td></td>
<td></td>
<td>7</td>
<td>1,498</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.29%</td>
<td>140.37%</td>
</tr>
</tbody>
</table>
DISCUSSION

The preliminary inventory and key strategies are an important first step in the preparation of the Draft Housing Element. They build on an analysis of site suitability and reflect the extensive community input received to date through the Monterey 2031 process. The purpose of the June 13 Planning Commission meeting is to review preliminary inventory and key strategies and received feedback with a view to refining them. With direction on the sites and strategies, a full public review Draft Housing Element can then be prepared and released for community comment. Community feedback will then be presented to decision-makers in August and the Draft Housing Element may be revised accordingly at that time.

In particular, staff and the consultant would like to hear from the Planning Commission on the following questions on June 13:

- Are the sites and strategies proposed appropriate to include in the Draft Housing Element?
- Are there other sites that should be added?
- Should the City develop programs to incentivize and facilitate ADU production beyond the annual rate of 11 ADUs per year that has been seen since 2018.
Map 1: Downtown

Potential Opportunity Sites

- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5

Pipeline Projects

Downtown Opportunity Area

National Historic Landmark District

Density Cap Overlay

City of Monterey

Water

ATTACHMENT 2
Map 2: North Fremont

Potential Opportunity Sites
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5

Pipeline Projects
- North Fremont Opportunity Area
- Airport Safety Zones
- City of Monterey
- Water

ATTACHMENT 2
Map 3: Garden Road Airport Highway 68

Potential Opportunity Sites
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5
- Pipeline Projects
- Garden Road/Airport/Hwy 68 Opportunity Area
- Airport Safety Zones
- City of Monterey
- Sphere of Influence
- Water

Map 3: Garden Road Airport Highway 68

Scale: 0, 500, 1,000, 2,000 Feet
Map 5: Pacific/Munras/Cass

Potential Opportunity Sites
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5

Pipeline Projects
- Pacific/Munras/Cass Opportunity Area
- City of Monterey
- Water

Map 5: Pacific/Munras/Cass Opportunity Area

ATTACHMENT 2
Map 6: Del Monte

Potential Opportunity Sites
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Tier 5

Del Monte Opportunity Area
City of Monterey
Water

Monterey State Beach
Del Monte Beach
Pacific Ocean
US Navy Beachfront
Laguna Grande Regional Park
US Navy

Map showing potential opportunity sites in Del Monte area, with different tiers indicated by color coding. Map includes streets such as Del Monte Ave, Casa Verde Way, Del Robles Ave, and others. Scale is provided in feet, ranging from 0 to 1,000 feet.
Map 8: Sites Outside Opportunity Areas

Citywide Vacant Sites
Other Opportunity Sites
Opportunity Areas
City of Monterey
Sphere of Influence
Parks and Recreation
Water

ATTACHMENT 2
Map 9: Pipeline Projects

Pipeline Projects (Residential or Mixed Use)
Opportunity Areas
City of Monterey
Sphere of Influence
Parks and Recreation
Water

--------------

ATTACHMENT 2

--------------

J:\GISData\584 Monterey GP\GIS\Projects\Zoom Ins\Map 9_Pipeline Projects.mxd

--------------

Monterey City Hall
W Franklin St
Tyler St
Prescott Ave
Fairground Rd
Ragsdale Dr
Abrego St
Aguajito
CasaVerdeWay
N Fremont St
Montecito Ave
Garden Rd
Lighthouse Ave
Aguajito Rd
Munras Ave
PacificSt
MarVista Dr
Del Monte Ave
SBoundaryRd
SkylineDr
Naval Postgraduate School
Naval Postgraduate School
Naval Postgraduate School
Presidio of Monterey
Presidio of Monterey
0 ½ 1¼ Miles

--------------

Monterey Regional Airport
San Carlos Beach Park
Soldier Field
Veterans Memorial Park
Huckleberry Hill Nature Preserve
Don Dahvee Park
Iris Canyon Park
Via Paraiso Park
Via Paraiso
Pacific Grove
Seaside
Sand City
Carmel By-The-Sea
Map 10: Preliminary Housing Sites Inventory

Sites available for Housing
- Above Moderate Income
- Very Low/Low/Moderate Income
- Mixed Income
- Opportunity Areas

City of Monterey
- Sphere of Influence
- Parks and Recreation
- Water

Map 10: Preliminary Housing Sites Inventory ATTACHMENT 2

Sites available for Housing
- Above Moderate Income
- Very Low/Low/Moderate Income
- Mixed Income
- Opportunity Areas

City of Monterey
- Sphere of Influence
- Parks and Recreation
- Water