

ORDINANCE NO. 3344 C.S.

LOW AND MODERATE-INCOME HOUSING ORDINANCE

THE COUNCIL OF THE CITY OF MONTEREY DOES ORDAIN AS FOLLOWS:

PURPOSE:

The purpose of this Inclusionary Ordinance is to encourage the development and availability of housing affordable to a broad range of households with varying income levels within the City as mandated by State Law, and to promote the City's goal to add affordable housing units to the City's housing stock in proportion to the overall needs and goals reflected in the City's 2003 Housing Element.

Once adopted, this Ordinance will immediately implement a portion of the October 21, 2003 Housing Element Goals relating to Program i.2.1, as it applies to the City's Inclusionary Ordinance.

This Ordinance shall rescind and supercede Ordinance No. 2416, adopted by the Monterey City Council on July 8, 1981, which established the Moderate-Income Housing Program, and all other ordinances and resolutions that amended and implemented said ordinance, as specifically set forth in Section 1.E herein.

FINDINGS:

WHEREAS, on October 21, 2003 the City Council adopted Resolution No. 03-134 which approved the Housing Element of the General Plan.

WHEREAS, the Housing Element contains policies and programs to develop and retain affordable housing. At the City Council's meeting of May 21, 2003, a motion was made and carried that the requirement shall be increased to twenty percent (20%) permanently affordable low and moderate-income housing.

WHEREAS, the Housing Element contains Program i.2.1, that requires a minimum of 20 percent (20%) of the total units of any project with more than six (6) new housing units be dedicated for permanent affordability for the life of the project. This shall include subdivisions and condominium conversions. The units shall be designated for a unit mix of low-and moderate-income households in a manner that does not conflict with Resolution No. 13,356.

SECTION 1. POLICIES

- A. It is a policy of the City of Monterey that all private developers of housing of six (6) or more units, including subdivision of property for residential purposes, and the conversions of existing apartment units to condominium units, shall contribute to the City's housing goal for moderate-income and low-income housing as specified in this Ordinance.
- B. It is a policy of the City of Monterey that moderate-income and low-income housing developed under this Ordinance shall remain affordable to moderate-income and low-income households, or shall be replaced with moderate-income and low-income housing.

- C. It is a policy of the City of Monterey to actively promote voluntary private efforts to develop moderate-income and low-income housing by offering public incentives for this production.
- D. This Ordinance hereby rescinds and supercedes:
Ordinance No. 2416- Established the Moderate-Income Housing Program,
Resolution No. 82-16- Adopts Guidelines to Implement Ordinance No. 2416
Developer Guidelines Text
Ordinance No. 2704-Amends Definition of "Moderate-Income to 80%-100% of
Median Income,
Ordinance No. 2985-Amends definition of "Moderate-income" to 80% -120% of
Median Income,
Ordinance No. 3121 A- Amend Ordinance No. 3121A Which Amended Sections
1A, 3B1, 3B2, and 4 of Ordinance No. 2416 as related to Among other Things
Being Applicable to Subdivisions and "Condominium Conversions"

SECTION 2. DEFINITIONS

- A. City Incentives: Methods for the City to encourage developer participation or to offset the costs of developer participation. As set forth in City resolutions or State Law, these may include non-general fund subsidies, mortgage revenue bonds, waivers or requirements and density increases, or other such incentives.
- B. Developer: A subdivider, builder or other producer of lots, or buildings for residential use. This Program excludes developers of one-to-five units built on a single lot, or subdivision, or condominium conversion of rental units on a site into less than six units where no contiguous lots are owned by the developer.
- C. Developer Housing Program: A form of developer participation whereby a developer provides a report to the City in advance of project approval, describing the specific efforts that the developer will take to promote low to moderate-income construction in the City. This program may be accepted or rejected by the City Council.
- D. Developer Participation: A contribution in the form of new residential units, residential land or financial assistance, or any combination thereof, which will contribute affordable low or moderate-income housing to the community, either directly or indirectly.
- E. Fees: Payment of cash made in lieu of development of units or dedication of land, and this money shall be restricted in use for acquisition of sites, or for subsidy of low-to-moderate-income housing.
- F. Housing Sponsors: Public or private organizations which may use land or funds collected by the City's land banking program to develop housing that would be affordable to low and moderate-income households.
- G. Housing Unit: Program Housing Unit: A housing unit is an individual lot, dwelling, apartment unit, or other similar living accommodation intended for residential purposes.
- H. Landbanking: Purchase or receipt of land by the City, with or without existing structures, for the purpose of making it available to low-to-moderate-income housing sponsors.

- I. Low-income Housing: Housing affordable to households which earn zero to eighty percent (80%) of the Monterey County Median Income, as specified by the current State of California Department of Housing and Community Development (HCD) data, or similarly recognized current year data. It is assumed that low-income housing can be rented for twenty-five percent (25%) or less of a household's monthly gross income; or alternatively, purchased with payments of thirty-three percent (33%) or less of a household's monthly gross income.
- J. Market Value: The value that a willing, unconstrained buyer or seller would agree upon as an exchange price.
- K. Moderate-Income Housing: 1). Housing that is affordable for purchase by moderate-income households that earn eighty percent (80%) to one hundred twenty percent (120%) of the Monterey County Median Income, adjusted for household size, as specified in current HCD data or similarly recognized current year data. 2). Housing that is affordable for rental by moderate-income households who earn eighty percent (80%) to one hundred percent (100%) of the Monterey County Median Income, adjusted for household size, as specified in current HCD data or similarly recognized current year data.
- L. It is assumed that moderate-income housing can be rented for twenty-five percent (25%) or less of a household's monthly gross income; or alternatively, purchased with payments of thirty-three percent (33%) or less of a household's monthly gross income. These may be affordable units in any of these general categories: single-family homes, condominiums, apartments, planned unit developments, or other housing types, which meet relevant City standards for dwelling units.
- M. Off-Site Construction: Erection of low or moderate-income housing units on land other than that upon which the developer intends to place units. Off-site units must be placed within the City of Monterey.
- N. Upper and Middle-Income Housing: Housing that sells or rents at levels above those of housing affordable to moderate-income households.

SECTION 3. DEVELOPER PARTICIPATION

- A. Developers of less than six housing units are exempt from mandatory compliance with this Ordinance.
- B. Developers of six (6) or more housing units shall:
 - 1. Provide at least twenty percent (20%) of their project for moderate-income and low-income households. The units supplied shall be a proportionate mix of units to the number of units in the entire project, and similar in size and type, excluding amenities; or
 - 2. Provide an approved Developer Housing Program to the City promoting the City's goal that at least twenty percent (20%) of all new housing be affordable to low and moderate-income households. Designation of levels of affordability shall be subject to Council approval of the Developer Housing Program. The units supplied shall be a proportionate mix of units to the number of units in the entire project, and similar in size and type, excluding amenities. That program shall contain the developer proposed technique or combination of techniques meeting the equivalent of the City's moderate and low-income housing goal. Affordable units must be developed

on-site unless they meet the criteria of Section 2M above. No development shall occur until the City Council approves the Developer Housing Program. Such approval shall be discretionary by the City Council.

- C. The developer may choose to produce twenty percent (20%) low-income housing instead of moderate-income housing. In such a case, the City may choose to increase the level of incentives. If a Developer provides land or funds in lieu of producing housing, the City or other housing sponsor may choose to use these resources to produce low or moderate-income housing.
- D. In consideration of Developer participation, the City may offer incentives as it deems appropriate to Developers of low or moderate-income housing in the City, including those provided by State law. These may be adopted by Council Resolution and suited to the particular circumstances of such developments.

SECTION 4. OPERATION OF LOW OR MODERATE-INCOME HOUSING PROGRAM

- A. The Developer shall provide the City with assurance to the satisfaction of the City Attorney prior to the issuance of building permits that:
 - 1. All program housing units in a project shall be sold or rented to low or moderate-income households who are certified as eligible by the City or its authorized agent;
 - 2. All low or moderate-income units in a project and in phases of a project shall be constructed concurrently with, or prior to the corresponding upper and middle income units unless waived by the City Council;
 - a. It should be noted that these units need not have the same level of amenities or market value as the upper and middle income units of the project unless specifically required by the City.
 - 3. Preference shall be given for low or moderate-income units to persons who live or work within the City of Monterey. However, the Developer shall not discriminate in the sale of low or moderate units on the basis of race, creed, national origin, color sex, age, income source, or marital status. The City or a designated agent will administer this facet of the project.
 - 4. In meeting this inclusionary requirement, the developer may use such devices as deed restrictions, wrap-around financing, land sales contracts, and first right of refusal vested in the City and other similar devices which will ensure the perpetration of low or moderate-income housing. These devices are set forth as guidelines only, with the developer free to meet the goals and of this ordinance utilizing other similar guarantee methods, as approved by the City.

SECTION 5.

All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

SECTION 6.

This Ordinance shall be in full force and effect 30 days after its final passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 21st day of
September 2004, by the following votes:

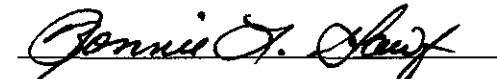
AYES:	3	COUNCILMEMBERS:	ALBERT, DELLA SALA, ROBERSON
NOES:	0	COUNCILMEMBERS:	
ABSENT:	2	COUNCILMEMBERS:	CANEPA, VREELAND

APPROVED:



Mayor of said City

ATTEST:


City Clerk thereof

STATE OF CALIFORNIA)
COUNTY OF MONTEREY)
CITY OF MONTEREY)

PUBLICATION DATE: Sept 12, 2004

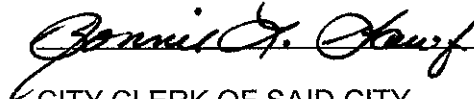
I, Bonnie L. Gawf, CITY CLERK OF THE CITY OF MONTEREY, AND EX-OFFICIO CLERK OF THE COUNCIL THEREOF, HEREBY CERTIFY THAT THE FOREGOING ORDINANCE WAS DULY PASSED TO PRINT IN THE OFFICIAL NEWSPAPER OF SAID CITY BY THE COUNCIL THEREOF ON THE 7th day of September 2004, BY THE FOLLOWING VOTE:

AYES: 5 COUNCILMEMBERS: ALBERT, CANEPA, DELLA SALA, ROBERSON,
VREELAND

NOES: 0 COUNCILMEMBERS: NONE

ABSENT: 0 COUNCILMEMBERS: NONE

DATED: September 8, 2004


CITY CLERK OF SAID CITY