What Realistic Policy Changes Could Improve Housing Affordability?

April 13, 2018

Matt Huerta, Housing Program Manager
MBEP

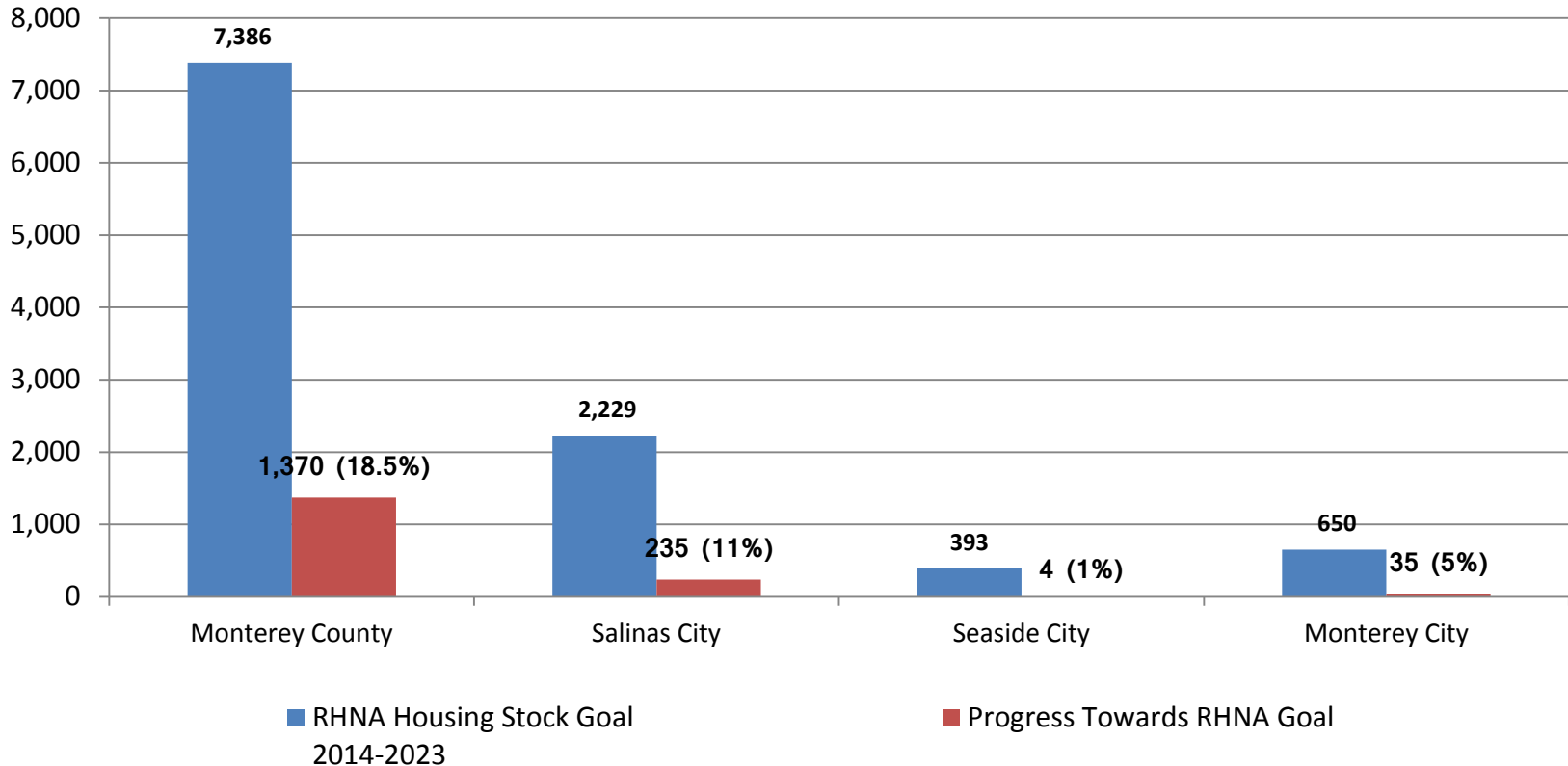**Sibley Simon, Managing Director**
Envision Housing

Regional Housing Needs

RHNA Goals 2014-2023 (inclusive of all cities and unincorporated areas)

RHNA Goals 2014-2023			
	Monterey County	**Santa Cruz County**	**San Benito County**	**Monterey Bay Region**
Very Low Income	1,781	734	520	3,035
Low Income	1,160	480	315	1,955
Moderate Income	1,346	554	430	2,330
Above Moderate Income	3,099	1,276	929	5,304
Total	7,386	3,044	2,194	12,624

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FULL SPECTRUM HOUSING SOLUTIONS
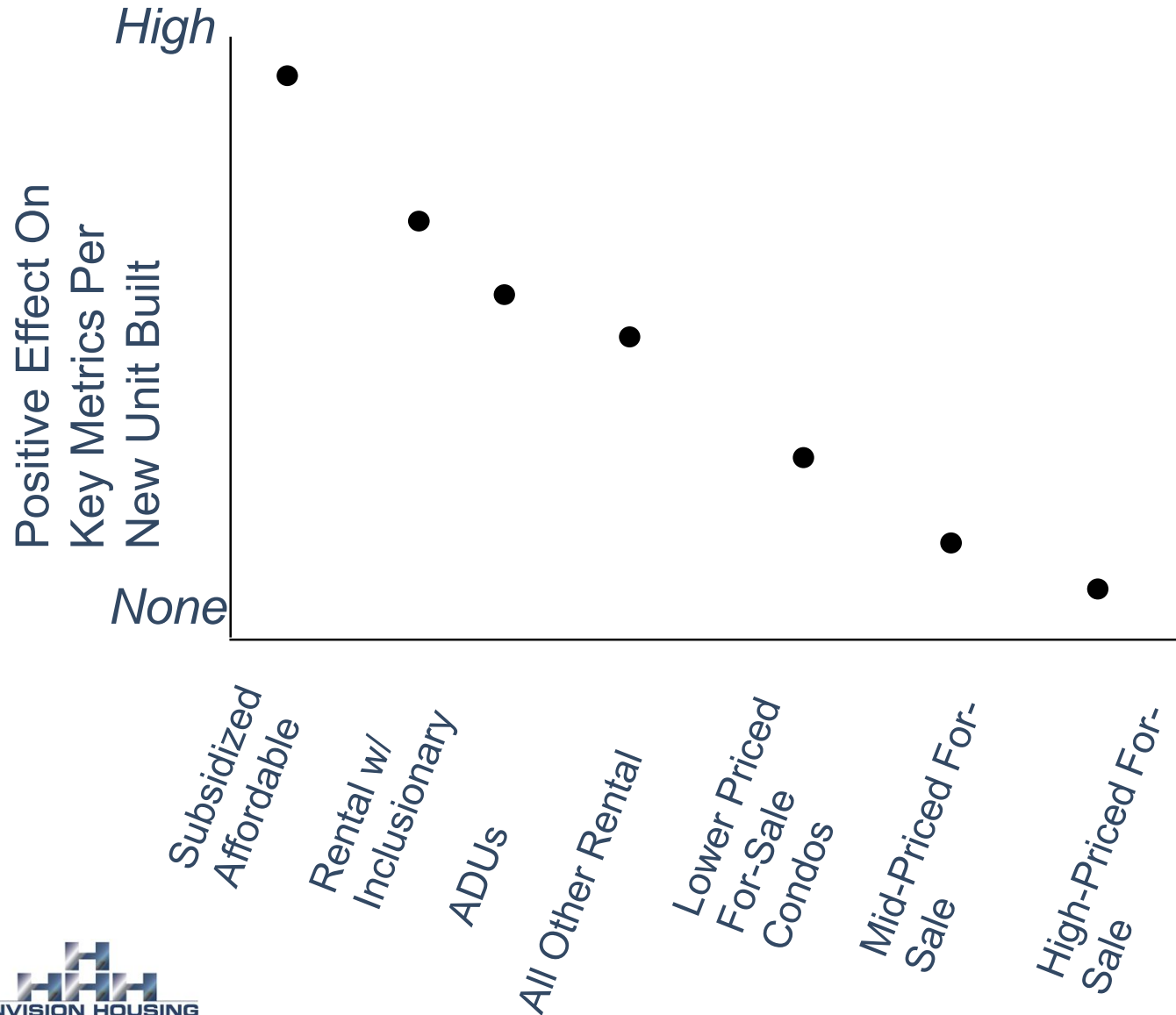
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RHNA outlines housing stock goals (10 year period)

Regional Housing Needs Allocation (RHNA) 2014-2023

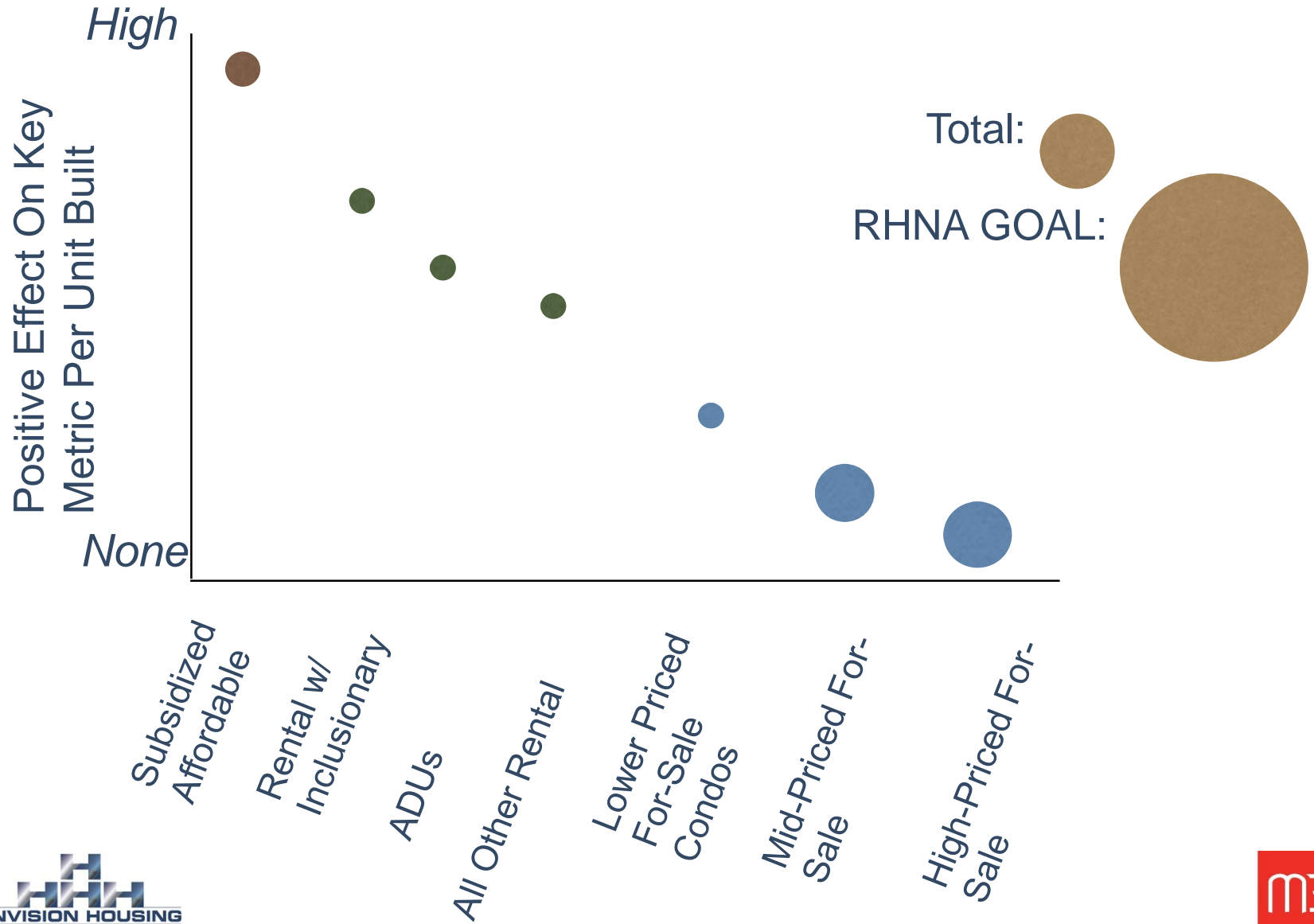40% of the time has elapsed, but Monterey County is only produced 18.5% of the target.

Chart data:

Location	RHNA Housing Stock Goal 2014-2023	Progress Towards RHNA Goal
Monterey County	7,386	1,370 (18.5%)
Salinas City	2,229	235 (11%)
Seaside City	393	4 (1%)
Monterey City	650	35 (5%)

■ RHNA Housing Stock Goal 2014-2023   ■ Progress Towards RHNA Goal

Source: AMBAG (2014). Regional Housing Needs Allocation Plan, 2014-2023. CA Dept. of Finance: E-5 Population and Housing Estimates (2017)
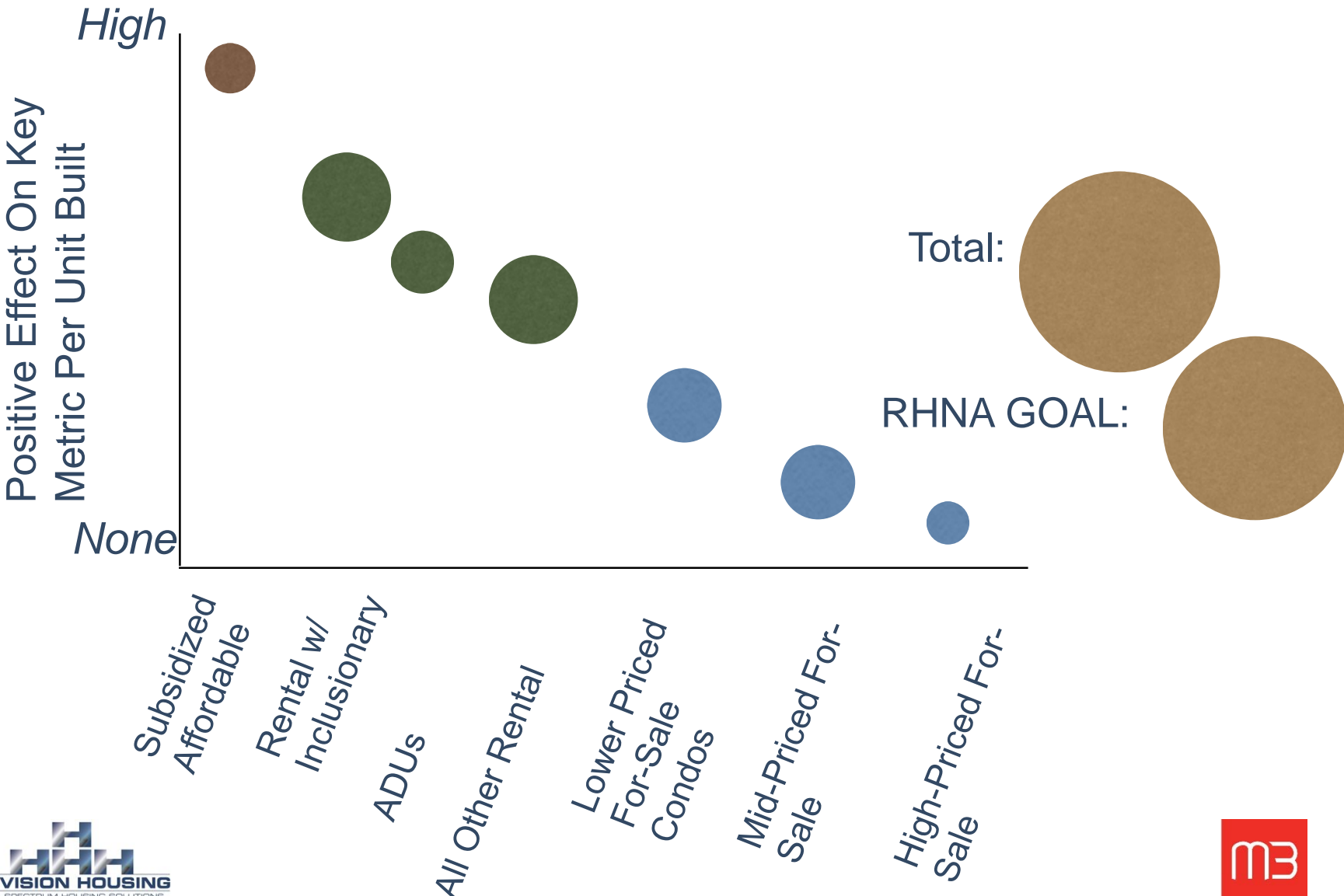
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Housing Affordability Effect By Type

What We Build Today

Realistic Local Policy/Process Change Could Achieve …

High

Positive Effect On Key Metric Per Unit Built

None

Subsidized Affordable

Rental w/ Inclusionary

ADUs

All Other Rental

Lower Priced For-Sale Condos

Mid-Priced For-Sale

High-Priced For-Sale

Total:

RHNA GOAL:

Example: San Diego Housing Commission

Analyzed Problem &
Policy Opportunity

Set Specific
Goals

Measured Progress
on Policy,
Production,
Affordability

Changed Policy to Increase
Production & Decrease
Cost
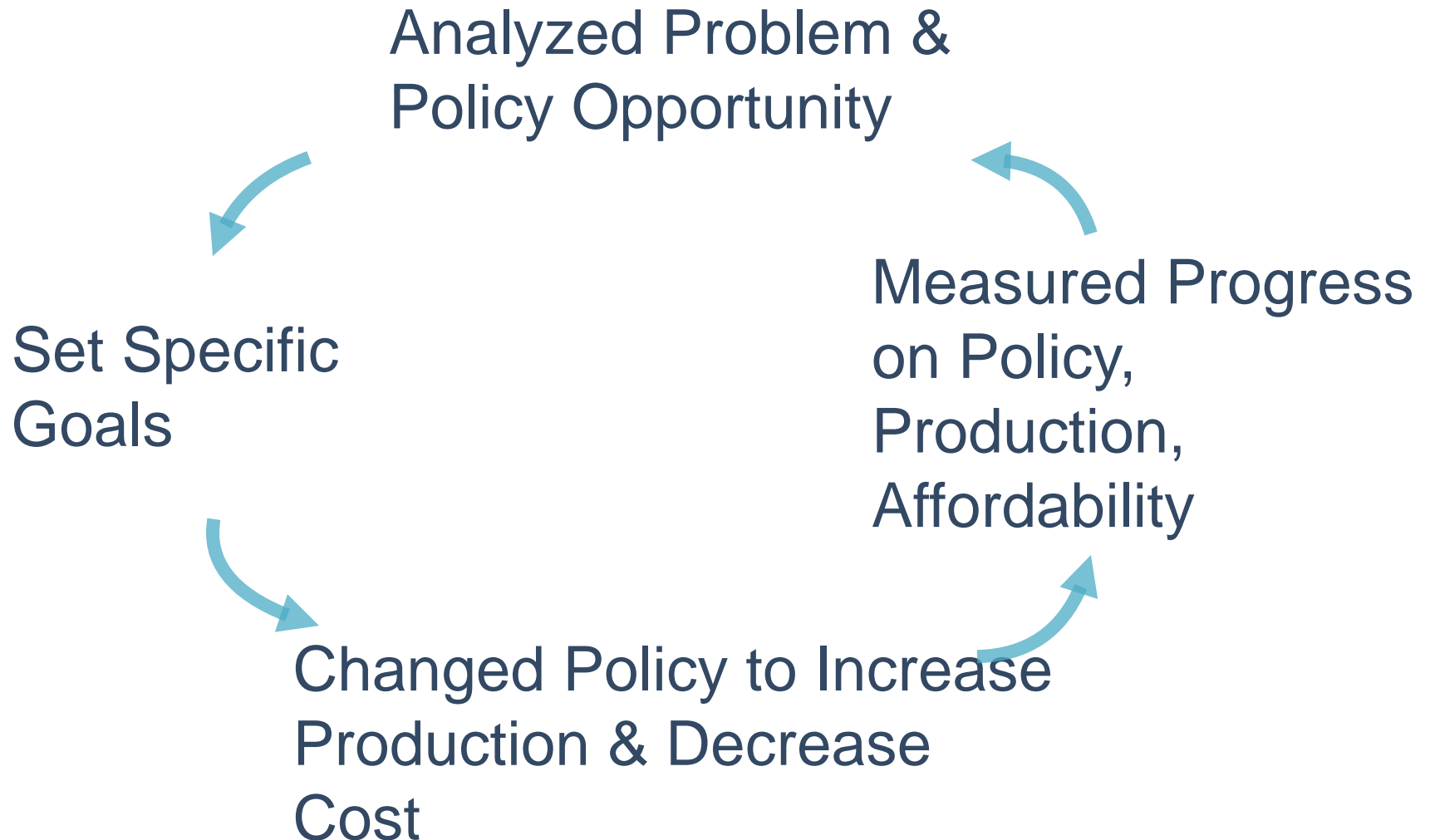
Effective Policy #1

Set Goals with Measurement

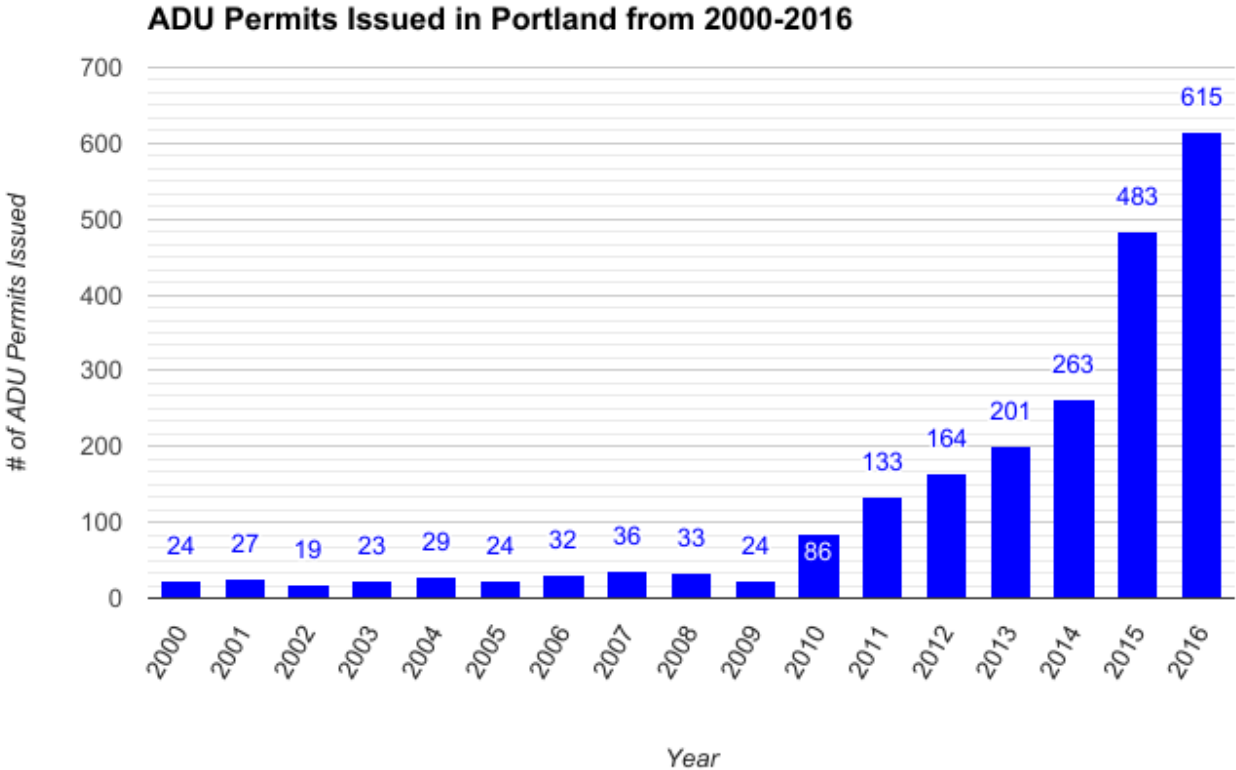And Reporting

Effective Policy #2

Remove Disincentives to Building Less Expensive Housing

◉ Scale All Fees Per Square Foot (HCD Recommendation)

◉ Measure Density in FAR, Bedrooms, or Height , not Units/Acre
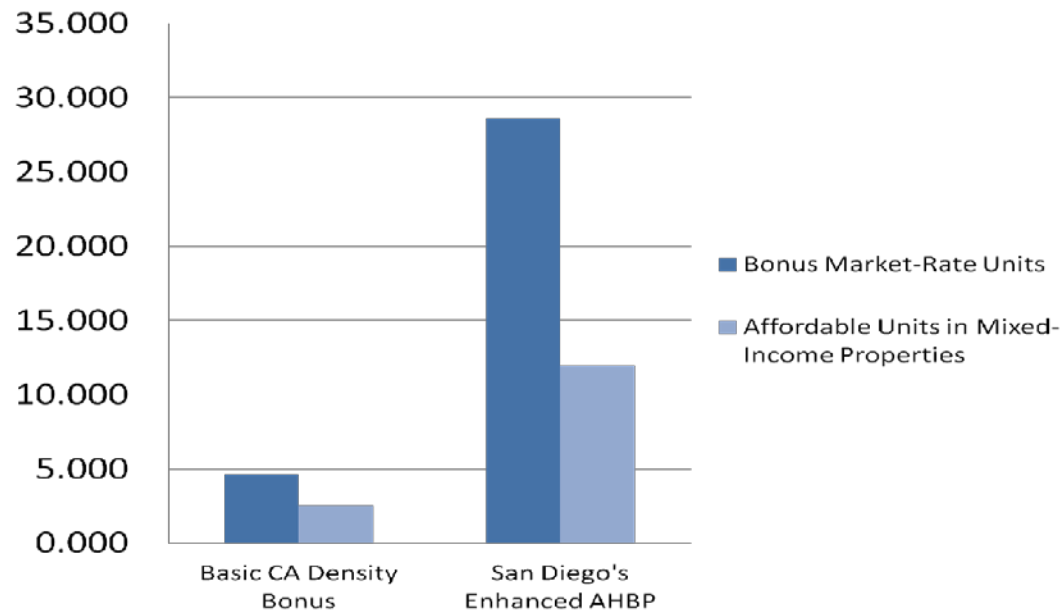
Effective Policy #6

ADU Policies and processes:
Best Practice Policies Can Multiply Production x3-10

ADU Permits Issued in Portland from 2000-2016

Year	# of ADU Permits Issued
2000	24
2001	27
2002	19
2003	23
2004	29
2005	24
2006	32
2007	36
2008	33
2009	24
2010	86
2011	133
2012	164
2013	201
2014	263
2015	483
2016	615

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Effective Policy #9

Strengthen Bonus Density
Best Practice Policies Can Multiply Production x2-10
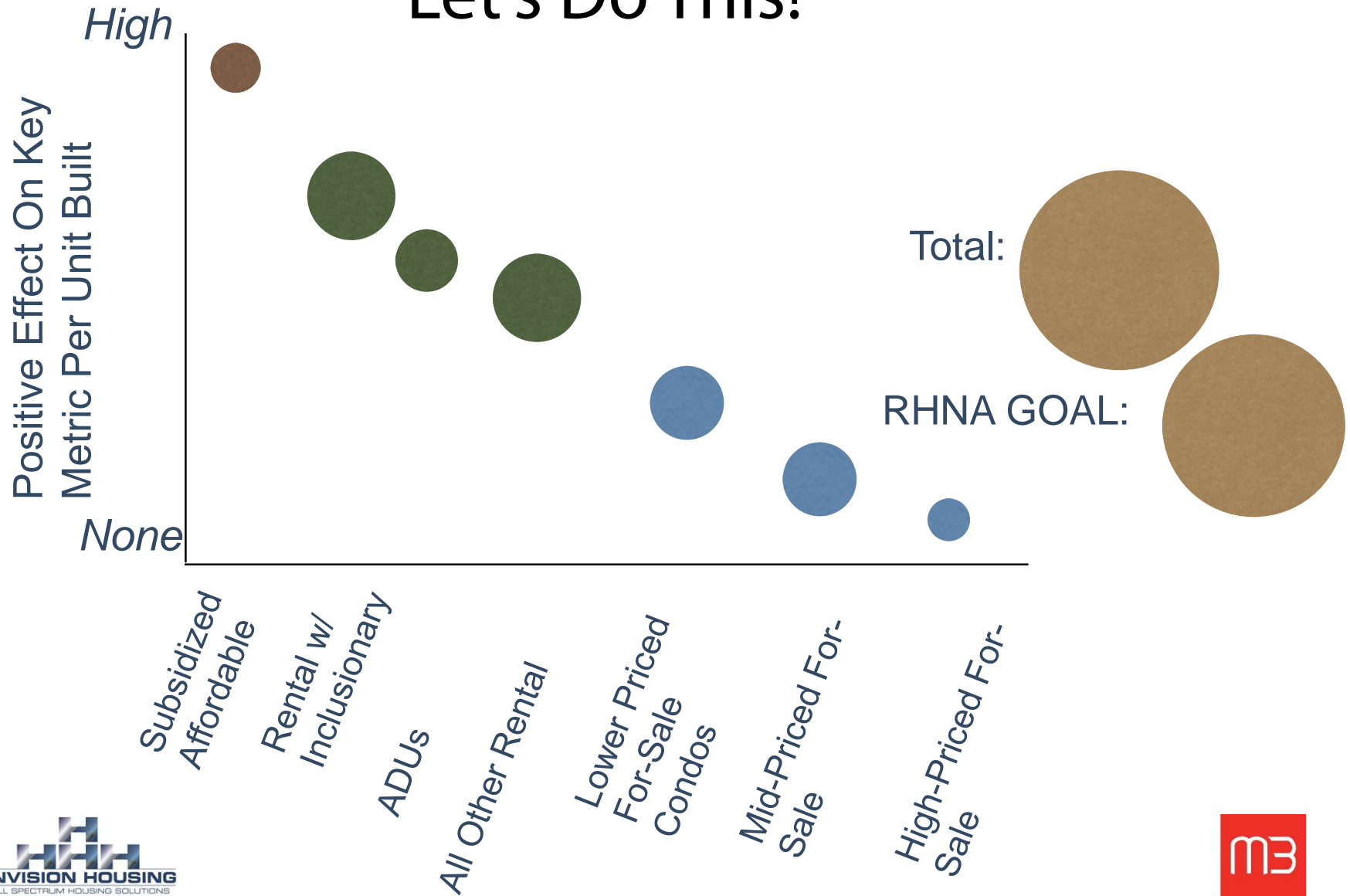

- Larger Bonus for Rental, i.e. Non-Mapped Projects
- Allow Inclusionary Units and Subsidy-Voucher Use to count
- Higher Bonus/More Zoning Concessions for Higher #'s of Affordable Units

Impact of Effective Policies

	Applies to	Estimated Savings for Small Units
#3 Defer Impact Fees	100%	$2-6,000
#4 Reduce Commercial Space Requirement	30%	$11-19,000
#5 Improve Entitlement Process	100%	$5-9,000
#6 ADU Policy & Process Improvements	10%	$2-10,000
#7 Optimize Height Limits	10%	$5-20,000
#8 VMT Traffic Analysis	100%	$0-14,000

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FULL SPECTRUM HOUSING SOLUTIONS

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Realistic Local Policy/Process Change Could Achieve …

Let's Do This!

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Total:

RHNA GOAL:

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Thank You

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