

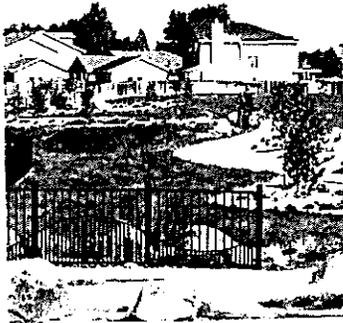
DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Division of Housing Policy Development
P.O. Box 952053
Sacramento, California 94252-2053



City of Monterey Park
Attn: Adolfo Reta, Dir., Dev. Svcs.
320 W. Newmark Ave.
Monterey Park, CA 91754



DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Division of Housing Policy Development
P.O. Box 952053
Sacramento, California 94252-2053



Thank you for submitting the annual progress report on
your jurisdiction's housing element for the period of

FY 2005-2006

The report was received by the department on

December 28, 2006

Submission of the annual progress report satisfies one of
the eligibility requirements for the Department's Workforce
Housing Reward Program.

If you have any questions or would like additional
information on the Workforce Housing Reward Program,
please contact us at (916) 445-4728 or visit our website at
www.hcd.ca.gov/fa/whrp.

ready

**ELIGIBILITY THRESHOLD REQUIREMENTS
SECTION 1**

1. HOUSING ELEMENT STATUS

Has the applicant submitted an adopted housing element to the Department on or before December 31, 2006?

Yes Date Adopted: July 2001

No

HOUSING POLICY
DEVELOPMENT, HCD

JAN 3 2007

2. ANNUAL PROGRESS REPORT SUBMITTAL

Has the applicant submitted to the Department the Annual Progress Report for either calendar year 2005 or fiscal year 2005/2006, pursuant to Government Code Section 65400, on the jurisdiction's progress in implementing the housing element prior to December 31, 2006?

Note: Charter cities are not exempt from the Annual Progress Report requirement for purposes of eligibility for the WFH Program.

Yes Date Submitted: December 28, 2006 No

3. AFFORDABLE HOUSING PRODUCTION

Has the applicant issued Building Permits for newly constructed rental or ownership housing units affordable to lower-income households during calendar year 2006?

Yes

No

4. FINAL LAND USE APPROVAL

Has the applicant issued the Final Land Use Approval for newly constructed housing units affordable to lower-income households on or after January 1, 2004?

Yes

No

Note: If the Applicant has answered NO to any of the questions above, the application will not be reviewed further and the applicant is ineligible for funding.

WORKFORCE HOUSING REWARD PROGRAM

**Annual Progress Report
On the Implementation of the Housing Element**

**General Plan Report Requirement Pursuant to
Section 65400 of the Government Code**

Jurisdiction City of Monterey Park

Address 320 W Newmark Ave

Contact Adolfo Reta Title Director of Development Services

Phone 626-307-1315 E-mail areta@montereypark.ca.gov

Address same as above

Report Period: CY 2005 FY 2005/2006

The following must be included in the report:

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate).

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program.
2. Assess effectiveness of actions and outcomes.

C. Progress toward mitigating governmental constraints identified in the housing element

1. Include information on actions taken to mitigate identified constraints.
2. The annual progress report should indicate if no constraints were identified in the housing elements.

WORKFORCE HOUSING REWARD PROGRAM

Annual Progress Report

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued.

The total number of permits issued between 2005-2006 is 61 single-family and 89 multi-family housing units.

2. Describe the affordability by income level of new units including the number of deed restricted affordable housing.

The City entitled a mixed-use senior housing project adjacent to the City’s public library, within easy walking distance of the City Hall, Community Center, and downtown retail and medical services area. This project is comprised of 88 units with a retail/office component. The developer has received interest from a medical use for the adjacent retail/office building within the project site. The residential component of the project is comprised of 88 units—37 restricted for low-income family and 51 restricted for moderate-income family occupancy. The restriction is reflected in a covenant, which is being developed. The covenant will be recorded on the property and will have force and effect over a 55-year period.

3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate).

**TABLE H-2
COMPARISON OF RHNA WITH UNITS BUILT SINCE 1998**

Income Level	RHNA	Units Under Construction or Built Since 1998	Remaining RHNA
Very Low	94	175	0
Low	53	41+ 37	0
Moderate	59	1+ 51	58-51=7
Upper	107	38	49
Total	313	255	107-51=56

Sources: Community Development Department, SCAG, 2000.

Note: The bold numbers are updated information to include the 88-unit senior housing project that is currently under construction for the fiscal year 2005-2006.

SCAG determined that the City’s housing needs for the period 1998-2005 was 313 new housing units. According to this assigned number, the City of Monterey Park was required to provide an average of 40 new housing units per year within the past 8 years. The City of Monterey Park has met this number each year.

In Program 13 of the Housing Element, completed senior housing including the 61-unit Abajo Del Sol and 114-unit Monterey Park Senior Village projects fulfill the majority of Monterey Park's 313 units RHNA allocation for the 1998-2005 period. Between 2005-2006 building permits have been obtained for two mixed-use projects including the 210-unit mixed-used Atlantic Time Square and the 89-unit mixed-use senior housing Villa Garfield, which provided 37-units of low income housing.

B. The effectiveness of the housing element in attachment of the community's housing goals and objectives.

1. Include a program-by-program status report relative to implementation of schedule from each program in the housing element; describe actions taken to implement each program.

The Housing Element for the City of Monterey Park was prepared to comply with the 2000-2005 update cycle for cities in the Southern California Association of Governments (SCAG) region. It covers a period extending from July 1, 2000 to June 30, 2005 and is to be updated every 5 years, consistent with State Housing Element laws. The City of Monterey Park was granted an extension for the next cycle update.

The Housing Element identified strategies and programs that focus on 5 issues.

- 1) Maintaining and preserving existing housing;
- 2) Removing barriers to housing development;
- 3) Encouraging new development of diverse housing types;
- 4) Providing housing for special needs populations; and
- 5) Promoting fair housing practices.

In addressing **Item Number 1 Maintaining and Preserving Existing Housing**, the Housing Element identifies current conditions, review of past accomplishments, and existing housing programs.

Current Conditions

Between 2000-2005 and up to 2006, 245 housing units had Section 8 rental assistance contracts with HUD, 120 assisted senior housing units (Golden Age Village) were granted an extension of Section 8 subsidies by HUD, and 125 assisted senior housing units (Lions Manor) have subsidies until to 2018.

Existing Programs and Review of Past Accomplishments

The City of Monterey Park administers programs for both single-family critical maintenance and rental rehabilitation. These programs provide grants, rebates and low-interest loans to improve and repair existing housing units. The programs have been very

successful and well received by the residents. The Program contributed to the improvement of 487 housing units in the last 10 years.

Programs

Program 1. Single-Family Residential Rehabilitation Programs

The program provides grants, rebates, and low-interest loans to very low and low-income (less than 80 percent medium family income) homeowners through Critical Maintenance Loan (CML) and Rebate Programs.

Beginning in fiscal year 2006, the City provides up to \$13,000 as a grant and \$11,000 as a loan at a low interest rate (typically 2 points below the 6 month average LIBOR rate) to eligible applicants. Most interest is deferred until time of sale or transfer of title.

Objective.

The objective is to provide 10 rehabilitation grants and loans on an annual basis for up to 40 households over 5 years, \$168,000 has been allocated for the current year to provide assistance to the public. It is anticipated that the ensuing years will be funded at this minimum level if not greater.

Program 2. Rental Rehabilitation Program

The program offers loans to existing owners, Community Housing Development Organizations (CHDOs) or private developers to rehabilitate existing rental properties in order to maintain affordable housing for very low and low-income residents.

Objective.

The objective is to rehabilitate 20 households over the next 5 years and \$475,000 has been allocated for the current year. It is anticipated that a comparable amount will be funded annually for the next 5 years.

Program 3. Conservation of At-Risk Housing

In order to meet the housing needs of persons of all economic groups, the City must guard against the loss of housing units available to lower income households.

The contract held by **Golden Age Village** expired in November 2000. The property owner was provided another 5-year contract of Section 8 assistance, which expired in November 2005.

Objectives.

Due the uncertain future of the project-based Section 8 program, HUD and HCD consider projects with expiring Section 8 contracts at risk.

The City will monitor the Section 8 legislation and provide technical assistance to Golden Age Village as necessary.

In the unlikely event that HUD terminates the Section 8 contract for Golden Age Village, the City will assist the tenants in obtaining Section 8 vouchers through the Los Angeles County Housing Authority or in identifying other affordable housing opportunities in the City.

The City will explore funding available through the Los Angeles County Community Development Commission (LACCDC), State Department of Housing and Community Development (HCD), and HUD at least once a year.

Program 4. Code Enforcement

Code Enforcement is an important component of housing conservation and rehabilitation. The City's current code enforcement approach is both reactive and proactive.

Most code enforcement violations in the City are associated with property maintenance, including debris, deteriorating rental homes/apartment, deteriorated fencing and roofs, damaged exterior building materials, and inoperable vehicles.

Objectives.

Monterey Park will continue to perform code enforcement throughout the City. In fiscal year 2004-2005, the City's Code Enforcement Division conducted 4,960 residential inspections and in the first 5 months of fiscal year 2006, the Division conducted 1,157 residential properties. The majority of these inspections result in an overall improvement of the properties.

In addressing **Item Number 2 Removing Barriers to Affordable Housing**, the Housing Element identifies current conditions, existing programs and review of past accomplishments, and existing housing programs.

Current Conditions

Market and governmental factors pose constraints to the provision of adequate and affordable housing including the cost of developing both ownership and rental housing, which are ultimately passed onto consumers; the availability and cost of mortgage and rehabilitation financing; and restrictive zoning or other development regulations.

Currently, 276 households receive tenant-based Section 8 rental assistance through the Los Angeles County Community Development Commission, and another 656 households are on the waiting list for assistance.

Monterey Park residents have approved several initiatives in past years that have a direct effect on residential land uses within the City.

Measure L requires any change or amendment to the General Plan Land Use Element, Zoning Map or Zoning Ordinance that effectively changes the permitted uses of land defined therein to be approved by a simple majority of voters. Very low and low income and senior housing assisted with public funds is formally exempted from the voter approval requirements of Measure L.

Measure S established a residential development limitation system, based on a build-out of vacant and under-utilized R-2 and R-3 lots. The Measure authorized a certain number of Development Allotments each year, up to a maximum number based on the remaining R-2 and R-3 land. Measure S expired on December 31, 2000.

Existing Programs and Review of Past Accomplishments

The City of Monterey Park provides financial assistance to residents looking to purchase housing in the City through a **first-time homebuyer program**. In the last 10 years, the program has assisted 36 very low, low, moderate-income households to purchase their first home.

The City further addresses existing housing subsidy needs through a **Mortgage Credit Certificate (MCC) Program** and **Section 8** rental assistance administered by the Los Angeles County Community Development Commission.

The City also provides regulatory incentives, such as density bonuses, second units, a Senior Citizen Housing overlay zone, and efficient permit processing to encourage the development of affordable housing. Very low and low income and senior housing assisted with public funds is formally exempted from the voter approval requirements of Measure L.

Programs

Program 5. First-Time Homebuyer Program

The City's First-Time Homebuyer Program provides loans of up to \$20,000 for qualified first-time homebuyers. The program is limited to very low-, low-, and moderate-income households. Loans are provided in the form of second mortgages that serve to fill the gap between the conventional loans a household can qualify for based on income and the cost of a home. This program is under review and is being analyzed for increased program optimization and effectiveness. In response to rising housing costs, the City is considering leveraging and combining other funding sources to augment this Program.

Objective.

The City will assist approximately 8 renters per year in purchasing their first homes, for a total of 40 households to be assisted over the next 5 years. The Redevelopment Agency has set aside \$750,000 for the First-Time Homebuyer Program.

Program 6. Mortgage Credit Certificate Program

An MCC allows the qualified homebuyer to take an annual credit against federal taxes, up to 20 percent of the annual interest paid on the applicant's mortgage. The MCC also allows more available income to be counted when qualifying for a mortgage. The value of the MCC must be taken into consideration by the mortgage lender in underwriting the loan and may be used to adjust the borrower's federal income tax withholding.

Objective.

The City will continue to participate in the County's MCC Program to provide Mortgage Credit Certificates to qualified first-time homebuyers.

Program 7. Section 8 Rental Assistance

The Section 8 rental assistance program extends rental subsidies to very low-income (50 percent medium family income) families, as well as elderly and disabled persons. The subsidy represents the difference between 30 percent of the monthly income and the allowable rent determined by the Section 8 Program. The Section 8 subsidies are issued in the form of vouchers that permit tenants to locate their own housing and rent units beyond the federally determined fair market rent in an area, provided the tenants pay the extra rent increment.

Objective.

The City will support the County's efforts to maintain, and possibly to increase, the level of Section 8 rental assistance, and will direct eligible households to the program.

Program 8. Density Bonuses

Pursuant to State density bonus law, if a developer allocates at least 20 percent of the units in a housing project to low income household, 10 percent to very low income households, or at least 50 percent to "qualifying residents" (e.g. seniors and disabled), the City must either grant a density bonus of 25 percent, along with one additional regulatory concession (such as modified development standards) to ensure that the housing development will be produced at a reduced cost; or provide other incentives of equivalent financial value based upon the land cost per dwelling unit.

Objective.

The City will continue to comply with State law provisions for density bonuses as a means to facilitate affordable housing development.

Program 9. Second Units

Second units offer an additional source of affordable housing to homeowners and the community. The existing Zoning Ordinance permits second dwelling units as a conditional use in the R-1, R-2, and R-3 zones on parcels that contain an existing single-family dwelling.

Objective.

The City will continue to allow second units as a conditional use in all residential land use categories on parcels with existing single-family houses.

Program 10. Efficient Permit Processing

Streamlining the development process, particularly for affordable housing projects, reduces the costs associated with holding on to land until it can be developed. The City provides development review services associated with new development.

Objective.

The City will continue to offer a streamlined development process and will periodically review departmental processing procedures to ensure efficient project processing.

Program 11. Development Incentives

The City provides financial assistance to developers to complete both ownership and rental housing for very low and low-income households. On a case-by-case basis, the Agency will assess the financial incentives needed in order to facilitate the development of affordable housing.

Objectives.

The City will assist in the development of 40 new affordable multi-family housing units over the next 5 years.

From the City's redevelopment set-aside fund, the following monies will be allocated over the next 5 years for the following housing targets:

- Multi-family construction: \$3.5 million
- First-time Homebuyer: \$0.75 million
- Rental Unit Rehabilitation: \$0.5 million
- Other Rehabilitation: \$2.0 million
- Senior Housing: \$1.606 million

(Need to confirm these figures with Economic Development)

To encourage development of affordable housing, the City will pursue amendments to the zoning regulations that can provide incentives to developers. In exchange for construction of affordable housing, a developer may receive a density bonus, a height bonus, a reduction in the number of required covered parking spaces, and/or an allowance for tandem or shared parking. Consideration may also be given to reducing minimum parking stall dimensions.

In addressing **Item Number 3 Encouraging New Development**, the Housing Element identifies current conditions, existing programs and review of past accomplishments, and existing housing programs.

Current Conditions

Based on RHNA, the City of Monterey Park is expected to accommodate 313 new housing units within the 4 HCD income levels between 1998 and 2005. Monterey Park has constructed 141 units since January 1, 1998, another 114 units was constructed since July 2001, and 150 units between 2005-2006.

As an older, established community, very little vacant land remains in the City.

Existing Programs and Review of Past Accomplishments

Conversion of older, poorly maintained rapid pace, particularly in the northeast section of the City. These activities, combined with new policies in the Land Use Element that encourage housing in the mixed-use commercial districts, establish a basis for continued development of affordable housing in Monterey Park.

Program 12. Land Use Element

The updated General Plan Land Use Element continues to provide residential development opportunities consistent with those allowed under the City's existing R-1, R-2, and R-3 zones. Land use policy also introduces 2 new mixed-use development categories to promote consolidation of existing lots and development of mixed-use commercial, office, and residential uses.

Objective.

The land use changes to allow for mixed-use will largely eliminate the need for subsequent voter referendums pursuant to Measure L since either residential or commercial development will be permitted in the mixed-use districts. This action will facilitate the construction of housing.

Program 13. Ensure Adequate Sites to Accommodate Regional Fair Share Housing Growth

Completed senior housing including the 61-unit Abajo Del Sol and 114-unit Monterey Park Senior Village projects fulfill the majority of Monterey Park's 313-unit RHNA allocation for the 1998-2005 period. Between 2005-2006 four mixed-use projects have been approved including Villa Garfield an 88-unit mixed-use senior housing project that provided 37-units of low income housing.

Objective.

The Redevelopment Agency will oversee completion of the Monterey Park Senior Village project. In addition, the City will encourage development at appropriate densities on identified vacant sites to accommodate its share of regional housing growth.

In addressing **Item Number 4 Providing Housing for Special Needs Population**, the Housing Element identifies current conditions, existing programs and review of past accomplishments, and existing housing programs.

Current Conditions

The City of Monterey Park has a sizable special needs population that typically has difficulty finding decent, suitable, and affordable housing due to special circumstances. Elderly persons, persons with disabilities, large families, and single parents with children compose nearly one-third of the population. Other special needs groups exist, including a substantial number of college students and a small number of homeless persons. A shortage of affordable rental units persists for special needs persons throughout the City, and the waiting list for the Section 8 rental assistance program is substantial. Special needs households typically require special accommodations such as disabled access, larger and more affordable units, additional supportive services, or access to rental housing subsidies.

Existing Programs and Review of Past Accomplishments

Large senior housing projects such as TELACU Monterey Park, Abajo Del Sol, Lions Manor, Golden Age Village, and Monterey Park Senior Village provide affordable housing opportunities and required amenities for Monterey Park senior. Nine additional licensed community care facilities provide inpatient services to persons with special needs in Monterey Park

Program 14. Senior Citizen Housing

The City of Monterey Park continues to support the development and administration of senior housing projects by non-profit and for-profit developers. The City leverages federal HOME funds, redevelopment set-aside funds and other resources to assist agencies seeking to develop senior housing projects. In addition, the City uses CDBG funds to assist organizations that manage senior projects with services and activities for senior citizens.

Objectives.

The City will continue to provide regulatory incentives to developers of senior housing through Senior Citizen Housing overlay zoning. The City will monitor the Section 8 legislation and provide technical assistance to nonprofit organizations as necessary. At least once a year, the City will also explore the funding available through the Los Angeles County Community Development Commission (LACCDC), the State Department of Housing and Community Development (HCD), and HUD for the preservation of at risk housing.

Program 15. Site for Homeless Shelters and Transitional Housing Facilities

The existing zoning ordinance does not specially address the siting of homeless shelters and transitional living facilities. The Monterey Park City Council revised zoning regulations in 2000 to allow for siting of Community Care Facilities as conditional uses throughout the City.

Objective.

The City will revise the zoning to include homeless shelters and transitional housing facilities as Community Care Facilities. The City will also evaluate CUP applications for these uses against standardized, objective criteria.

In addressing **Item Number 5 Promoting Fair Housing Practices**, the Housing Element identifies current conditions, existing programs and review of past accomplishments, and existing housing programs.

Current Conditions

A recent analysis of conventional and government-backed lending practices showed no significant difference in originated loans on the basis of race or ethnicity.

Existing Programs and Review of Past Accomplishment

The City is committed to providing continued housing opportunities to all households, regardless of race or income status. Fair housing services in Monterey Park are provided by the San Gabriel Valley Fair Housing Council.

Program 16. Fair Housing and Tenant/Landlord Counseling

To achieve fair housing goals, the City works with the San Gabriel Valley Fair Housing Council to provide a variety of fair housing and tenant/landlord services, including mediation, information, investigation, counseling and referral services.

Objectives.

The City will continue to assist households through the San Gabriel Valley Fair Housing Council, and will update its Analysis of Impacts to Fair Housing every 5 years, consistent with HUD regulations.

2. Assess effectiveness of actions and outcomes.

C. Progress toward mitigating governmental constraints identified in the Housing Element.

1. Include information on actions taken to mitigate identified constraints.

Monterey Park provides financial assistance to residents looking to purchase housing in the City through a first-time homebuyer program. In the last 10 years, this popular program has assisted 36 very low, low, and moderate-income households to purchase their first home.

The City also provides regulatory incentives, such as density bonuses, second units, and Senior Citizen Housing overlay zone.

The City will also continue to allow second units and residential units within mixed-use developments.

2. The annual progress report should indicate if no constraints were identified in the housing element.