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New Housing Need Report for the Monterey Bay Region Highlights Housing Affordability Challenges for Low-Income Families: What Can Local Leaders Do to Help?

May 10, 2022 (MARINA) – Newly released today, the [California Housing Partnership's 2022 Affordable Housing Needs Report](#) shows that increases in the cost of living continue to push housing affordability out of reach for many low-income families in the Monterey Bay region.

Key Findings for [Santa Cruz County](#):

- In Santa Cruz County, renters need to earn \$48.08 per hour — 3.2 times the state minimum wage — to afford the average monthly asking rent of \$2,500.
- Asking rents in Santa Cruz County increased by 15% between Q4 2020 and Q4 2021.
- State and federal funding for housing production and preservation in Santa Cruz County is \$19 million, a 48% decrease from the year prior.

Key Findings for [Santa Benito County](#):

- Renters in San Benito County need to earn \$27.77 per hour — 1.9 times the state minimum wage — to afford the average monthly asking rent of \$1,192.
- Asking rents in San Benito County increased by 1.1% between Q4 2020 and Q4 2021.
- State and federal funding for housing production and preservation in San Benito County is \$2 million, a 33% decrease from the year prior.

Key Findings for [Monterey County](#):

- Renters in Monterey County need to earn \$36.5 per hour — 2.4 times the state minimum wage — to afford the average monthly asking rent of \$1,899.
- Asking rents in Monterey County increased by 8.6 percent between Q4 2020 and Q4 2021.
- State and federal funding for housing production and preservation in Monterey County is \$103 million, a 17% increase from the year prior.

“The lack of housing affordability is the leading issue in the Monterey Bay and Central Coast region,” said MBEP President and CEO Tahra Goraya. “Our housing team is working collaboratively across sectors to address Monterey Bay’s 6th Cycle Regional Housing Needs Allocation (RHNA) goals through leveraging [regional Housing Element workshops](#) and other efforts. The Housing Element process is a once-in-a-decade opportunity to engage the community as we work to ensure plans adequately address the dramatic increase of **the over 33,000 additional units that our region is charged with accommodating by 2030 across income levels** throughout Monterey, San Benito, and Santa Cruz counties.”

More

In 2018, MBEP published a [Housing White Paper](#) that is cited widely in crafting policies to advocate for increased housing production across all income levels. These nine policy recommendations are in line with MBEP's overall Housing Initiative strategy advocating to reduce barriers to housing production by supporting infill development to optimize land use and housing outcomes, reduce urban sprawl, and meet climate action goals. MBEP's recommendations:

- Scale All Fees by Square Foot, Not Per Unit
- Defer Development Impact Fees
- Enhanced Bonus Density Ordinance
- Reduce Parking Requirements
- Reduce Commercial Space Requirements
- Local Funding Sources Available for Affordable Housing
- Comprehensive Pro-ADU Production Policies
- Update Traffic Analysis
- Zoning for Density

While much remains to be done to meet the demand for affordable housing, **progress is being made:** In **Santa Cruz County**, [ground is breaking](#) this year on several projects, including Pacific Station South and 525 Cedar Street, which will bring a combined total of more than 400 affordable units. **Monterey County** is seeing growing momentum around employer-sponsored housing efforts across sectors. From Soledad Unified School District's November 2020 bond measure to various farmworker and H2A housing projects like Harvest Moon, to the City of Salinas moving to make [zoning code amendments for educator housing](#), employers are actively looking at ways to combat the housing affordability crisis. In **San Benito County**, [the Epicenter](#) mixed-use project in downtown Hollister is well underway, with its space housing local nonprofit organizations now open and a neighboring affordable housing component under construction.

[Housing Santa Cruz County](#) (HSCC), a broadly based coalition working to increase affordability, advocates for the following **policy recommendations** to address the county's housing crisis:

- Create new local funding streams dedicated to affordable homes for lower-income residents, with special attention to filling gaps in pre-development funds to initiate new projects.
- Support Housing Elements in each jurisdiction that get serious about designating specific viable sites and workable policies to expedite the creation of new affordable housing.
- Encourage each jurisdiction to participate in the state of California [Prohousing Designation Program](#) to improve the chances of receiving additional affordable housing funds from the state.
- Support specific affordable projects in key opportunity areas, including Downtown Santa Cruz, Downtown Watsonville, the Capitola Mall, the Scotts Valley Town Center, and major transportation corridors in the unincorporated county area.

"Despite receiving federal and state funds provided as part of larger fire and COVID relief efforts, Santa Cruz County remains an unaffordable community for its essential workers," said Diana Alfaro, project manager with MidPen Housing Corp. and Vice Chair of Housing Santa Cruz County. "We look forward to breaking ground on nearly 400 new affordable homes throughout the county in 2022, but it's crucial that we continue to advocate in coalition for expanded local, state and federal resources to meet the need for critical affordable housing infrastructure in the region."

View the reports for [Monterey County](#), [Santa Cruz County](#), and San [Benito County](#).

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Monterey Bay Economic Partnership (MBEP) is a regional member-supported nonprofit organization consisting of public, private, and civic entities located throughout the counties of Monterey, San Benito, and Santa Cruz. Founded in 2015, our mission is to improve the economic health and quality of life in the region. | [mbep.biz](#)

The **California Housing Partnership** creates and preserves affordable and sustainable homes for Californians with low incomes by providing expert financial and policy solutions to nonprofit and public partners. Since 1988, the Partnership's on-the-ground technical assistance, applied research, and legislative leadership has leveraged \$30 billion in private and public financing to preserve and create more than 85,000 affordable homes. In addition, the Partnership provides statewide publications and data tools for housing research and outcomes tracking. | [chpc.net](#)