

**From:** [Linda Tang](#)  
**To:** [MPClerk](#)  
**Cc:** [Yiu, Yvonne](#); [Liang, Hans](#); [Chan, Peter](#); [Lo, Henry](#)  
**Subject:** Re: Comments on Proposed Inclusionary Housing Ordinance  
**Date:** Monday, October 31, 2022 5:28:44 PM  
**Attachments:** [Ltr Inclusionary CC 10.31.22.pdf](#)

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[EXTERNAL EMAIL]

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Dear City Clerk's Office,

Please find attached my comment letter and attachment regarding Wednesday's City Council Meeting Agenda Item 4-A: A Public Hearing to Consider Introduction and First Reading of an Ordinance (Zoning Code No. 22-01) Adding Chapter 21.19 (Inclusionary Housing) to Title 21 (Zoning) of the Monterey Park Municipal Code to Implement the Monterey Park Housing Element; And Adoption of a Resolution Establishing an In-Lieu Inclusionary Housing Fee Calculation.

Thank you and **please confirm receipt of this email.**

Sincerely,

Linda

October 31, 2022

Mayor Henry Lo and City Council Members  
City of Monterey Park  
320 W. Newmark Avenue  
Monterey Park, CA 91754

**RE: Comments on Monterey Park’s Proposed Inclusionary Housing Ordinance**

Dear Mayor Lo and City Council Members:

Thank you for allowing the community an opportunity to provide comments on this item. I am writing in strong support for the development and implementation of an inclusionary housing ordinance in the City of Monterey Park; however, as it is currently being presented, I have several concerns. As the City moves forward in creating an inclusionary housing ordinance, the **City should ensure that it creates a strong inclusionary housing ordinance that will be effective in facilitating the construction of affordable housing for lower income households.** The City Council should consider the following recommendations:

- 1. Remove the moderate- and low-income affordability level requirement. Instead, create an inclusionary housing ordinance that will require at least 10% of new rental units to be affordable to very low-income households.** For rental projects, the current draft ordinance proposes a set-aside for 9% low-income and 6% moderate-income.<sup>1</sup> Recently, the City’s Planning Commission recommended a “lower percentage of required affordable units to 10%-12%.”<sup>2</sup> For inclusionary to be effective in our City, we need to target deeper affordability considering our City’s current unmet housing needs fall in the lower income categories. Setting the affordability level at moderate-income would be comparable to market-rate unit rents.
- 2. Require that the rental units are deed-restricted to remain affordable in perpetuity versus the proposed 55 years.**
- 3. In addition to a creating an Affordable Housing Trust Fund, the City should also create an Affordable Housing Land Trust and donate city-owned land to the trust for the development of housing that will be affordable to lower income households.**

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<sup>1</sup> 4-A: A Public Hearing to Consider Introduction and First Reading of an Ordinance (Zoning Code No. 22-01) Adding Chapter 21.19 (Inclusionary Housing) to Title 21 (Zoning) of the Monterey Park Municipal Code to Implement the Monterey Park Housing Element; And Adoption of a Resolution Establishing an In-Lieu Inclusionary Housing Fee Calculation, City Council of Monterey Park Agenda, p. 252, November 2, 2022.

<sup>2</sup> 4-A: A Public Hearing to Consider Introduction and First Reading of an Ordinance (Zoning Code No. 22-01) Adding Chapter 21.19 (Inclusionary Housing) to Title 21 (Zoning) of the Monterey Park Municipal Code to Implement the Monterey Park Housing Element; And Adoption of a Resolution Establishing an In-Lieu Inclusionary Housing Fee Calculation, City Council of Monterey Park Agenda, p. 244, November 2, 2022.

- 4. Ensure that the setting of in-lieu fees will be effective in producing new affordable units.** While in-lieu fees do not guarantee a potential site is readily available for the construction of affordable units, it is important that in-lieu fees are not set so low that a developer finds that it's cheaper and in their best interest to pay the in-lieu fees rather than constructing the unit. If this is the case, the inclusionary housing ordinance would be ineffective in generating enough funds to produce new affordable units.

### **The Need For Inclusionary to Target Very Low- and Extremely Low-Income Households**

Currently, the City does not have any effective programs or policies that facilitates and encourages the development of homes affordable to lower income working families. With the implementation of an inclusionary housing ordinance, the City will have an effective tool in helping address the unmet housing needs for lower income households. In addition, the ordinance will help the City meet it's steep 2021-2029 Regional Housing Needs Assessment (RHNA) allocation. Of the total RHNA allocation of 5,257 units, 653 units are extremely low-income, 671 units are very low-income and 822 units are low-income. **Given the City's high 2021-2029 RHNA for lower income units and the city's persistent failure to produce any significant amount of lower income units through the last Housing Element planning period, the City's inclusionary zoning ordinance should contain provisions for setting aside a minimum of 10% of units for very-low income households.**

As discussed in the City's adopted 2021-2029 Housing Element, the following highlights the dire need for affordable housing in the City:

- 75% of the City's renters are lower income households.<sup>3</sup>
- 91% of extremely low-income large family renters overpay for housing.<sup>4</sup>
- 75% of the City's renter households experience overcrowding. "The rate of overcrowding for very low-income households is generally nearly three times greater than households over 95 percent of the area median income."<sup>5</sup>
- 21% of the City's population are seniors and the City has the "highest percentage of seniors compared to Southwest San Gabriel Valley and the Los Angeles County average."<sup>6</sup> Approximately 68% seniors are lower income.<sup>7</sup>

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<sup>3</sup> City of Monterey Park Housing Element Adopted, p. 2-11, January 19, 2022.

<sup>4</sup> City of Monterey Park Housing Element Adopted, p. 2-32, January 19, 2022.

<sup>5</sup> City of Monterey Park Housing Element Adopted, p. 2-27, January 19, 2022.

<sup>6</sup> City of Monterey Park Housing Element Adopted, p. 2-14, January 19, 2022.

<sup>7</sup> City of Monterey Park Housing Element Adopted, p. 2-15, January 19, 2022.

**Los Angeles County Income Limits for 2022**

Income Definitions	% of Median	Income Limits for Two Person Household	Affordable Monthly Rent for Two Person Household*	Income Limits for Four Person Household	Affordable Monthly Rent for Four Person Household*
Extremely Low	30%	\$28,600	\$715	\$35,750	\$894
Very Low Income	50%	\$47,650	\$1,191	\$59,550	\$1,489
Low Income	80%	\$76,250	\$1,906	\$95,300	\$2,383
Median Income	100%	\$72,900	\$1,823	\$91,100	\$2,278
Moderate Income	120%	\$87,450	\$2,186	\$109,300	\$2,733

Los Angeles County Area Median Income: \$91,100

Source: California Department of Housing and Community Development, 2022.

\* Calculated based on affordability standard that no more than 30% of a household's income should be spent on housing & utilities

The need to increase quality affordable rental homes remains a high priority in the City. According to the California Department of Housing and Community Development, households that earn less than \$95,300 fall under the lower income categories.<sup>8</sup> For the City, the average median income is \$61,819<sup>9</sup>, which falls between the very low- and low-income categories. It's actually closer to the very low-income category. For these very-low and low-income households, it also "equates to approximately \$1,700 a month for rent or mortgage payment for a \$300,000 home. According to SCAG, over half of the rental community in Monterey Park spend more than 30 percent of their gross monthly income on housing and 51 percent of the owner community spend more than 30 percent of their monthly income on mortgage costs."<sup>10</sup> This translates to half of our City's renters are overpaying for housing.

It is evident that the majority of our residents are lower income households. To address the unmet housing needs of lower income households, **the proposed inclusionary housing ordinance for our City should not target moderate-income households but instead focus on low, very low and extremely low-income households.** For Los Angeles County, the fair market rent (FMR) for a 2-bedroom is \$2,044 a month.<sup>11</sup> As indicated in the table above, a FMR 2-bedroom is simply out-of-reach for extremely low- and very low-income households. The hourly wage needed to afford a FMR 2-bedroom is \$39.31 an hour or the annual income needed is \$81,760 per year.<sup>12</sup> For moderate- and even low-income households, it is clear that these households will be able to afford a FMR 2-bedroom. Therefore, it's important to note that **if we set-aside inclusionary units, especially for moderate-income households, the inclusionary rents will be set at or very close to market rents. Setting aside inclusionary units for moderate-income households will not help address the City's affordability crisis for lower income households. The construction of moderate-income units will also not help count towards our lower income RHNA goals.**

<sup>8</sup> State Income Limits for 2022. California Department of Housing and Community Development, p. 8, May 13, 2022.

<sup>9</sup> City of Monterey Park Housing Element Adopted, p. 2-31, January 19, 2022.

<sup>10</sup> City of Monterey Park Housing Element Adopted, p. 2-31, January 19, 2022.

<sup>11</sup> 2022 Out of Reach The High Cost of Housing, National Low Income Housing Coalition, p. 50, 2022.

<sup>12</sup> 2022 Out of Reach The High Cost of Housing, National Low Income Housing Coalition, p. 50, 2022.

Thank you for considering these recommendations for further revisions and clarifications to the draft inclusionary housing ordinance. I look forward to continuing this discussion in creating and implementing a successful inclusionary housing ordinance that will help increase affordable housing units for lower income households in the City. Please feel free to contact me if you have any questions.

Sincerely,

*Linda Tang*

Linda Tang