

June 20, 2025

Supervisor Chris Lopez, Chair Monterey County Board of Supervisors 168 W. Alisal St. Salinas, CA 93901

State Department of Housing and Community Development c/o Land Use and Planning Unit 651 Bannon Street, Suite 400 Sacramento, CA 95811 HousingElements@hcd.ca.gov

Subject: County Housing Element Draft June 2025

Dear Chair Lopez and Members of the Board of Supervisors:

I write on behalf of LandWatch Monterey County ("LandWatch") with regard to the recently released updated Draft Housing Element ("Draft"). Once again, in offering comments, LandWatch's goals are twofold. First, we support Monterey County complying with state housing law as quickly as possible in order to meet the County's Regional Housing Needs Allocations obligations and avoid haphazard Builder's Remedy projects. Second, we advocate a housing element that is consistent with Monterey County's General Plan policies for equitable, climate-friendly urban infill that prioritizes the needs of local working families. Specifically, we request that the County remove sites 1 and 24.

First, we commend the County for adding the Olmsted Road site as Site 52. In doing so, the County has redirected a low density Builder's Remedy project that would have resulted in market rate homes for out of town investors and owners toward a high density, smaller footprint development that will serve the needs of the local community. The smaller footprint will also protect the wildlife corridor and substantially reduce ecosystem impacts. We also acknowledge the County's decision to remove site 7 and replace it with site 53 instead.

While the draft contains improvements, it continues to include an excessive conversion of Prime Farmland. This is not necessary to achieve the state-required number of units. For this reason, as

well as others outlined below, we request that the County remove sites 1 and 24. We also recommend retaining agricultural mitigation protections on opportunity sites zoned farmland.

Site 1 Should Be Removed

Site 1 is located north of Salinas and is denoted on the Department of Conservation website as Prime Farmland. This is the most valuable of the farmland classifications. Site 1 is clearly sprawl and removes a huge section of farmland from that region north of Russell Road, literally "paving the way" for surrounding lands to claim that development adjacent to the site is more akin to infill, and so on until the farmlands north of Salinas are eliminated. And with the redesignation of unit counts on the Site from the previous draft, Site 1 no longer has over 50% affordable units and contributes very little to the overall need for affordable units. Additionally, the City of Salinas is planning several major subdivisions on the north side of town, approved in the West Area and Central Area Specific Plans, which will add over 8,000 housing units, rendering additional nearby development superfluous. Finally, Site 1 does not have adequate infrastructure to accommodate potential development, nor is there a plan in place to provide such infrastructure.

Specifically, Gov. Code Section 65583.2(b)(5)(B) requires that "parcels included in the inventory, including any parcels identified for rezoning, have sufficient water, sewer, and dry utilities available and accessible to support housing development." Alternatively, the sites may be "included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity to secure sufficient water, sewer, and dry utilities supply to support housing development on the site in time to make housing development realistic during the planning period."

The County commits to providing services to unincorporated areas under the County Service Area Law, Government Code Sections 25210 et seq. However, Site 1 is located outside of any of the County Service Areas ("CSAs").

Furthermore, proposed Program H-2.Q. "Ensure Adequate Water and Sewer Resources for New Housing Development," is not a "mandatory program or plan" that would ensure adequate water or sewerage to Site 1. The water supply provisions in Program H-2.Q do not guarantee water for development of Site 1. The first provision, disseminating the Housing Element to water suppliers does not mandate that they supply water to any particular site. The second provision, prioritizing available water for affordable units does not ensure water is actually available, and it does nothing to supply water to the 80% of the units that are not affordable. The third provision, providing unspecified "support" for water supply expansion does not mandate provision of water

infrastructure to Site 1; and indeed, the San Lucas and Pajaro agencies to be supported under this provision do not even operate in the vicinity of Site 1.

The sewer provisions in Program H-2.Q also fail to provide a mandatory program or plan to ensure adequate sewer service. Again, prioritizing available sewerage for affordable units does not ensure that sewerage will actually be available, and it does not address the needs of the 80% of the units that are not affordable. A program to "work with" LAFCO and sewer providers is neither specific nor enforceable and cannot be called a mandatory program or plan. And the proposal to develop the Community Area Plans that are supposed to provide the infrastructure plans required for development in Community Areas simply has no bearing on Site 1 because Site 1 is not located in a Community Area.

While Site 1 may be within the service area in the Urban Water Management Plan for California Water Service, development of this site for housing was not assumed in that urban water management plan, which was based on the location and intensity of development consistent with the then current general plans of local land use agencies. Accordingly, provision of water to Site 1 cannot be considered to be part of the Cal Water UWMP because development of Site 1 for housing was inconsistent with the County's General Plan when Cal Water prepared its UWMP in 2020.

In sum, the County has no program or plan to provide a water supply or sewer infrastructure to Site 1.

Finally, the removal of Site 1 from the list of Opportunity Sites does not impede the County's ability to meet its RHNA plus buffer as required by state law.

Site 24 Should Be Removed

LandWatch originally opposed the inclusion of Site 24 (on Reservation Road near Highway 68) as prime farmland outside urban service areas. County staff asserted the importance of keeping Site 24 since it has an Affordable Housing Overlay per the 2010 General Plan and had a developer ready to go, creating a high likelihood of achieving those important affordable units. Accordingly, LandWatch dropped its objections. But LandWatch must renew its objections now because the latest version of the Housing Element no longer proposes development consistent with the Affordable Housing Overlay and instead proposes a standard subdivision with only 12% very-low and low-income units.

The General Plan committed to increasing affordable housing through the establishment of Affordable Housing Overlays in various parts of the County. General Plan Land Use Element Section

2.11 establishes that housing developments in the Overlay zones must have 10% very-low, 15% low, and 15% moderate income housing units, with the remaining 60% being workforce I and II housing, with some allowance for market rate. In effect, the redesignation of Site 24 to permit market rate units subject only to the Inclusionary Housing Ordinance vitiates the Affordable Housing Overlay designation of this site.

If the time is not right for developing Site 24 within the parameters of the Affordable Housing Overlay, the solution is to remove it from the current Housing Element and wait for another cycle, or a mid-cycle adjustment.

There Are Adequate Sites Without Sites 1 and 24

As discussed above, the County can meet its obligations without sites 1 and 24. In addition, there are Builder's Remedy sites that could be included in the Housing Element, which could increase the buffer even more. For example, there is a proposal, consisting of 16 townhomes on .34 acres in San Ardo (PLN250103), which may qualify as affordable by design. There may be additional appropriate sites with motivated developers who have established certain legal rights through the Builder's Remedy laws, creating a high likelihood that these sites will be developed in this RHNA cycle.

Mitigation for Agricultural Land Loss

Regarding Chapter 8 of the Housing Element, which identifies the policies and programs necessary to implement the Housing Element, LandWatch is concerned about mitigation of agricultural properties on the Opportunity Site list.

The Housing Element's proposed Program H-3.G. Agricultural Land Preservation and Mitigation Program will not be effective unless the County itself adopts and implements a farmland mitigation program for the acreage it is now proposing to redesignate from agriculture to residential.

Mitigation under Chapter 21.92 is required for any land that is redesignated from agricultural to residential, which would include redesignation by the County to implement its Housing Element. That is because the Chapter applies to "Redesignation of land from an agricultural designation, pursuant to the 2010 County of Monterey General Plan (e.g., Farmland, Permanent Grazing, and Rural Grazing) to any designation other than an agricultural designation (e.g., Commercial, Industrial, Residential, or Public/Quasi-Public)" MCC 21.92.030(B)(1). This means that the County itself should be required to adopt the required farmland mitigation plan under Chapter 21.92 and to do so within 24 months of the rezoning per Section 21.92.080.

If the County takes the position that it can redesignate the land as residential without complying with the Chapter 21.92 mitigation process, then there will <u>be</u> no mitigation under Chapter 21.92, because Chapter 21.92 cannot later be applied to land that has <u>already</u> been redesignated for residential use.

Furthermore, the County's EIR for the Housing Element cannot rely on applying Chapter 21.92 to subsequent residential projects since Chapter 21.92 by its own terms does not apply to land that has <u>already</u> been designated for residential use. Chapter 21.92 only applies when the applicant seeks that the land be "redesignated" for residential use.

The County should explicitly state in the Housing Element whether it plans to mitigate for the loss of agricultural land upon rezoning those sites, which puts the burden on the taxpayers to subsidize that development, or whether it will modify Chapter 21.92 or chose some other method to require the owners to mitigate the loss of that agricultural land consistent with the process required by Chapter 21.92.

Conclusion

LandWatch seeks to balance many factors: state mandates requiring provisions for new housing, the County's General Plan policies, infrastructure limitations, and protection of natural resources, among others. LandWatch understands the challenge presented to County staff and the Board of Supervisors in crafting a satisfactory Housing Element, and we appreciate the opportunity to comment.

Regards,

Michael D. DeLapa Executive Director