

July 27, 2023

Monterey County 1441 Schilling Place South 2nd Floor Salinas, CA 9390

RE: Monterey County Public Review Draft of Sites Inventory

Monterey County Housing Team:

LandWatch has conducted a preliminary review of the <u>Monterey County Public Review Draft of Sites Inventory</u>. We offer the following feedback in hopes that the site inventory can be refined to meet the needs of Monterey County residents and the requirements of Monterey County's 2010 General Plan.

## The Public Review Draft Sites Inventory lacks key data.

The material circulated by the County includes a map and a spreadsheet identifying sites. This material does not constitute a site inventory because it is missing critical information. A site inventory must include a discussion of infrastructure availability, a determination of consistency with Affirmatively Furthering Fair Housing, a discussion of environmental constraints, an identification and discussion of sites used in prior housing elements, and a capacity analysis, as required. (See HCD, Housing Element Sites Inventory Guidebook (ca.gov), June 10, 2020.) Without this information it is difficult to offer comments on the stand alone list of sites and their purported capacity. The opportunity to comment on an incomplete site inventory clearly does not meet the requirements for a public comment opportunity on a complete housing element.

The omission of information about capacity determination is particularly problematic. We cannot guess what zoning and development standards the County might intend to apply to these sites, many of which are not yet designated for residential use. It is difficult to guess how the County developed the unit counts for each income category for each parcel listed on its spreadsheet. A site inventory must contain sufficient sites with a realistic development capacity to meet the RHNA. HCD will require substantial analysis to determine the realistic capacity of each site, and different analyses for vacant and non-vacant sites.

Without the complete information, it is difficult to offer meaningful comments on particular parcels. Below we can comment on the appropriateness of general locations and types of housing.

## Monterey County residents need multifamily housing, not more single-family homes.

Monterey County has a housing problem: the housing local governments have approved, including Monterey County, is misaligned with the housing needs of local working families and individuals.

According to the <u>U.S. Census</u> Monterey County's median household income is \$82,000. A rule of thumb is that for a home to be affordable it should cost 2.5-3 times your annual income. For the average family in our county, they can afford a \$250,000 home. However, the <u>median home price</u> is almost \$900,000— impossibly expensive for most working families. That's why <u>LandWatch</u> and others have advocated for more multifamily housing, which by its design is far more affordable. Single family homes by and large serve the needs of 2nd homeowners and Bay Area commuters, not local working families and individuals.

Unfortunately, Monterey County and its 12 cities have consistently approved single family rather than multifamily housing. See Monterey County Housing Pipeline, which documents more than 21,000 residential housing units that have been entitled (approved) but not yet been built. Almost all of the approved units are single family homes. There are another 13,000 units for which entitlements are being sought, and most of these are also single-family homes. The data show a dire shortage of multifamily rentals, the costs (rents) of which align much more closely with median incomes in the County than the costs (mortgages) of single-family homes.

Monterey County's 2010 General Plan prioritizes development in Community Areas, Rural Centers and Affordable Housing Overlay districts with adequate infrastructure and proximity to public services. Many sites in the Draft Site Inventory are inconsistent with General Plan priorities.

Per the County's 2010 General Plan policies

LU-1.9 Infill of vacant non-agricultural lands in existing developed areas and new development within designated urban service areas are a priority. Infill development shall be compatible with surrounding land use and development.

LU-1.19 Community Areas, Rural Centers and Affordable Housing Overlay districts are the top priority for development in the unincorporated areas of the County. Outside of those areas, a Development Evaluation System shall be established to provide a systematic, consistent, predictable, and quantitative method for decision-makers to evaluate developments of five or more lots or units and developments of equivalent or greater traffic, water, or wastewater intensity. The system shall be a pass-fail system and shall include a mechanism to quantitatively evaluate development in light of the policies of the General Plan and the implementing regulations, resources and infrastructure, and the overall quality of the development. Evaluation criteria shall include but are not limited to:

- a. Site Suitability
- b. Infrastructure
- c. Resource Management

- d. Proximity to a City, Community Area, or Rural Center
- e. Mix/Balance of uses including Affordable Housing consistent with the
- f. County Affordable/Workforce Housing Incentive Program adopted pursuant to the Monterey County Housing Element
- g. Environmental Impacts and Potential Mitigation
- h. Proximity to multiple modes of transportation
- i. Jobs-Housing balance within the community and between the community and surrounding areas
- j. Minimum passing score

Many of the sites identified in the Monterey County Public Review Draft of Sites Inventory are inconsistent with these General Plan requirements, including at least sites #5, #7, #8, #10, #11, #15, #16 and various sites in Carmel Valley. We have not yet completed our evaluation of all the sites in the County's draft inventory.

LandWatch prepared a housing site suitability analysis, using criteria in the Monterey County General Plan to evaluate 10 main anchor sites throughout the County. Our analysis measured several factors related to resource capacity (Distance in miles from area to public amenities: Public Elementary School, Public Middle School, Public High School, Grocery Store, and Pharmacy). These inputs resulted in a score out of 100, for three categories; Economic, Education and Environment. These three scores were averaged to get the Resource Score. If we set a passing score at 70, out of the 56 parcels currently being examined in the County's preliminary site inventory list, only 13 would meet the passing criteria. Clearly, the County has more work to do.

Specific sites in Carmel Valley sites offer the best option for "affirmatively furthering fair housing." The proposed site inventory in the Valley should be focused on housing for very low, low and moderate-income residents.

The proposed site inventory in the Carmel Valley area should be focused on housing for lower and moderate-income households for several reasons. First, there is already substantial numbers of market rate housing units and substantial numbers of undeveloped lots of record that can support additional market rate units. Second, there is an enormous need for affordable housing for those who work on the Monterey Peninsula and Carmel Valley but are unable to afford to live there. This includes teachers, public servants, service workers, and others who support the local economy but must drive long distances to do so. Third, provision of local affordable housing for local workers will help redress the jobs/housing imbalance that now leads to excessive vehicle miles travelled and greenhouse gas emissions. Fourth, the County can only meet its obligation to affirmatively further fair housing by focusing on the provision of affordable housing in this services-rich area. Thus. the proposed site inventory should focus its identification of new sites, e.g., sites for which additional subdivision and increased density may be permitted, on housing for very low, low, and moderate-income housing.

The proposed site inventory should not locate new housing in areas without adequate services and infrastructure and at densities that would not support provision of services and infrastructure. For example, sites #33, #34 and #35 are inconsistent with the County's General Plan Policies.

LandWatch supports General Plan Policies LU-1.19 and 2.11, which call for prioritizing future development in the mid-Valley affordable housing overlay (AHO). Policy LU-2.11 permits affordable housing development and mixed-use development in the AHO to take advantage of and expand the existing services and infrastructure. Housing permitted in an AHO is to include a range from very-low-income housing to workforce housing; up to 25% market rate units are only permitted if certain criteria are met, such as very high land costs. While we appreciate that some adjustments may need to be made to General Plan policies to accommodate the RHNA, those adjustments should honor the General Plan's limitation of new subdivision and increased density to sites for provision of affordable units, not market rate units.

LandWatch supports siting the balance of the RHNA allocation for the Carmel Valley at the mouth of the Valley. We recommend that the County treat this area as an AHO subject to the provisions of General Plan Policy LU-2.11, which would limit new residential units primarily to affordable and work force housing and to housing that is part of a mixed-use development. The mouth of the Carmel Valley provides infrastructure and services that are not provided elsewhere in the Valley, including, for example, sewer hookups.

LandWatch also recommends that the AHO minimum density in Policy LU-2.11 be increased from 6 per acre to 20 per acre and that the maximum density be increased to 50 per acre, before application of the density bonuses that Policy LU-2.11 requires that the County provide. Increased density for the mid-Valley AHO and for the mouth of the Valley is needed to attain that portion of the RHNA the County has allocated to Carmel Valley on the limited sites for which services and infrastructure are available; and increased density is necessary to provide walkable urbanized areas supported by mixed use commercial areas. Furthermore, increased density for the mid-Valley AHO may enable extension of sewer facilities to the area.

Focusing the provision of new sites for future residential development in the Carmel Valley exclusively on the mid-Valley AHO and the mouth of the Valley is the most effective way to create synergy for walkable urbanized areas and mixed-use development and to discourage sprawl. Because there are adequate existing lots of record to support development of future market rate units outside of these areas, there is no need to permit additional subdivisions or increased density outside the mouth of the Valley and the mid-Valley AHO.

Thank you for the opportunity to offer our preliminary comments on the County's Public Review Draft of Sites Inventory.

Regards,

Michael DeLapa
Executive Director

## **Housing Site Suitability Analysis**

Access Type

Infrastructure Comparison per County General Plan (Note 1 below) U – meets urban standards for infrastructure

S – meets suburban standards for infrastructure R – meets suburban standards for infrastructure

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AHO1: Mid-Valley					Community Area 2: 0		Community Area 3: Chualar	Community Area 4: Fort Ord/East Garrison	Community Area 5: Pajaro
MPWMD									
U	U	S	U	U	l	J	R	U	U
S	U	S	U	U	l	J	R	U	U
U	U	U	U	U	U		R	U	U
S	U	S	U	U	U		S	U	U
Anchor point: Mid-Valley Shopping Center	Anchor point: Olmsted Road and Via Malpaso	Anchor point: Creekside Terr. and Portola Dr.			Castroville Blvd. and	Anchor Point: Oak St. Terminus	Anchor Point: Lincoln St. and Main St.	Anchor Point: Inter-Garrison Rd. and Sherman Blvd.	Anchor Point: Salinas Rd. and Railroad Ave.
1.3	0.5	2.4	1.2	0.5	0.7	0.9	0.05	3.4	1.5
5.5	3.8	4.5	1.3	2.7	1.2	1.6	15.2	4.2	0.3
1.6	5	3.6	1.2	1.8	0.9	2.4	11.6	4.5	1.5
0.1	2.8	2.9	0.2	2.2	1.2	1.5	6.5	4	2
0.1	2.8	2.9	0.1	3.3	5.8	6.2	11.8	4	2
6053016024	6053013200	6053010606	60530116021	6053010606	60530147004	60530104002	60530148002	6053014107	60530101011
Highest Resource	Highest Resource	Low Resource	Highest Resource	Low Resource	High Resource	Insufficient Data	Moderate Resource	Moderate Resource	Low Resource
Rural Areas	Central Coast Region	Central Coast Region	Rural Areas	Central Coast Region	Rural Areas	Rural Areas	Rural Areas	Central Coast Region	Rural Areas
99	86	16	91	16	69	0	39	57	21
84	46	18	97	18	45	0	75	39	13
85	67	5	85	5	33	0	18	32	3
89.33	66.33	13.00	91.00	13.00	49.00	0.00	44.00	42.67	12.33
	AHO1: Mid-Valley MPWMD U S U S Anchor point: Mid-Valley Shopping Center 1.3 5.5 1.6 0.1 0.1 6053016024 Highest Resource Rural Areas 99 84 85	Peninsula Airport	AHO1: Mid-Valley Peninsula Airport Land Vicinity AHO3: Highway 68/Reservation Road  MPWMD  U U S S U S U S U S S U S S U S S U S S U S S U S S U S S U S S U S S U S S U S U S S U S S U S U S S U S S U S U S S U S U S S U S U S U S S U S S U S S U S S U S S U S S U S S U S U S U S S U	AHO1: Mid-Valley	AHO1: Mid-Valley	AHO1: Mid-Valley	AHO1: Mid-Valley	AHO2: Monterey   Peninsula Airport   Land Vicinity   AHO3: Highway   68/Reservation Road   Valley   Community Area 1: Boronda   Community Area 2: Castroville   Community Area 3: Community Ar	AHO1: Mid-Valley   AHO3: Highway   Eninsula Airport   Land Vicinity   AHO3: Highway   Eninsula Airport   Land Vicinity   AHO3: Highway   Eninsula Airport   Land Vicinity   AHO3: Highway   Eninsula Airport   Environment   Env