

July 5, 2023

City of Marina 211 Hillcrest Avenue Marina, CA 93933

RE: City of Marina Public Housing Element Review

City of Marina Housing Team:

LandWatch has reviewed the City of Marina Public Review Draft Housing Element. We support the goals to eliminate constraints and make it easier to build housing consistent with Regional Housing Needs Assessment (RHNA). We specifically support the recently adopted Downtown Marina Affordable Housing Overlay (AHO), which will create avenues for potential residential development in the short term.

Set forth below are specific comments on the site inventory and the proposed policies and programs.

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

Monterey County has a housing problem: the housing local governments have approved, including Marina, 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. In <u>Marina</u>, it is \$79,000. 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 price</u> of a home in Monterey County is almost \$900,000 and in Marina \$854,000— 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 <u>Monterey County Housing Pipeline</u>, which documents <u>more than</u> 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, including 3,800 in Marina. There are another 13,000 units for which entitlements are being sought, and most of these are also single-family

homes. <u>The data show a dire shortage of multifamily rentals, the costs (rents) of which align much</u> <u>more closely with median incomes in the County than the costs (mortgages) of single-family</u> <u>homes.</u>

Program 2.1: Accessory Dwelling Units (ADUs)

The City's focus on promoting ADUs as an alternative source of moderately priced housing is commendable. However, it is important for the City to provide clear information and resources to homeowners interested in constructing ADUs. The timeline and objectives are well-defined, including the development of incentives and the promotion of available funding from the CalHFA ADU Grant Program.

Program 2.2: Density Bonus

Updating the Density Bonus provisions to align with recent changes to State law is crucial to incentivize affordable housing production. The City should ensure that its inclusionary housing program complies with the State Density Bonus law. The objective of achieving 200 lower-income affordable units through density bonus and inclusionary housing is a positive goal.

We recommend that the implementing ordinance for the State Density Bonus Law include an <u>additional density bonus that goes beyond the state requirements</u> in order to more effectively promote affordable housing development. For example, the City could provide a local density bonus greater than the state DBL bonus, e.g., a 50% bonus for projects providing 8% very low-income units instead of the state DBL's 27.5% bonus. Such an approach is being taken by Sand City, which is proposing a 250% density bonus as long as 15% of the units are affordable to lower income households. In addition, the City could increase the number of concessions given at specified levels of affordability beyond the number mandated by the State DBL.

Program 2.3: Affordable Housing Development

The City's collaboration with interested developers and nonprofit organizations to identify appropriate sites and pursue affordable housing funds is a proactive approach. The annual meetings with housing developers and the evaluation of tools and incentives demonstrate a commitment to achieving the goal of 200 lower-income affordable housing units.

Program 2.4: Inclusionary Housing Requirements

The City's plan to update the Zoning Ordinance to align the total affordable requirement with the General Plan is essential for consistency. Ensuring compliance with the State density bonus law and expanding the applicability of the inclusionary ordinance for projects with more than five residential units are positive steps. The objective of achieving 200 lower-income affordable units through density bonus and inclusionary housing is reiterated here.

The substance of Program 2.4 appears to be to amend the Zoning ordinance to reduce the affordable housing requirement for Fort Ord sites from 40% to 20%. While it may make sense to align the General Plan and Zoning mandates for inclusionary <u>deed-restricted</u> units at 20%, there is no reason not to maintain the objective to provide at least 40% affordable units by mandating that

<u>at least 40% of the units must be zoned and developed at the Mullen density of at least 20 units</u> <u>per acre</u>. Affordability <u>by design</u> can be an important complement to an inclusionary ordinance.

Program 2.5: Preferential Housing for Marina Workers and Residents

The City's administration of the Below Market Rate (BMR) program to assist lower-income Marina residents and workers is commendable. Ongoing monitoring and reporting to the City Council on the status of BMR units ensure transparency.

Policy 3: Ensure that City site improvement and development standards, development review procedures, and development fees do not form an unduly constraint on the development, conservation, and rehabilitation of housing.

Program 3.1: Zoning Ordinance Amendments

The City's commitment to amending the Zoning Ordinance to address new State laws is commendable. The inclusion of specific provisions related to employee housing and accessory dwelling units (ADUs) demonstrates a proactive approach to housing development. The City's response to recent bills that provide additional clarifications to ADU regulations showcases its commitment to compliance with State law. By amending the Zoning Ordinance accordingly, the City will ensure that housing development is not unduly hindered.

Program 3.2: CUP for Multi-Family Housing Development in Nonresidential Zones

The City's recent amendment to the Zoning Ordinance to simplify the list of permitted uses, allowing all multiple dwellings and dwelling groups in multi-family zones, is a positive step toward encouraging housing development. The City's willingness to follow State legislation to determine if further changes are needed demonstrates a commitment to aligning with the goals of the Housing Element and General Plan. By considering the by-right status for multi-family uses in commercial zones, subject to appropriate limitations, the City is proactively adapting to meet housing needs and maintain compliance with State law.

However, there is no reason to limit permit streamlining to the state mandates; Marina can go beyond them. We recommend that the City provide by-right ministerial permitting for multi-family infill development in all zones that permit any residential uses. Qualifying developments that meet the objective zoning, design review, and use standards should be permitted through ministerial review and without any requirement for a conditional use or other discretionary permit. Qualifying projects should be limited to infill sites, e.g., as defined by Government Code Section 65913.4(a)(2) [SB 35] or Public Resources Code Section 21094.5(e)(1)(B) [CEQA infill exemption].

The City should continue to require discretionary review of projects on specified sites that are environmentally sensitive, e.g., habitat for endangered, rare or threatened species; farmland of statewide and local importance; wetlands; earthquake/seismic hazard zones; federal, state, and local preserved lands, NCCP and HCP plan areas, and conservation easements; riparian areas; Department of Toxic Substances Control (DTSC) facilities and sites; landslide hazard, flood plains and, floodways; and wildfire hazard as determined by the Department of Forestry and Fire Protection. (See Gov. Code § 65913.4(6)(B) through (K) [sites excluded from ministerial permitting

in SB 35].) Concerns for gentrification and historic resources could be addressed by continuing to require discretionary review for projects on existing affordable housing, mobile home sites, or historic resources. (See Gov. Code § 65913.4(a)(7), (10) [SB 35].)

Application, design review, and expiration terms could be based on the language used to implement SB 35. (See Gov. Code § 65913.4(b), (c), (e).)

Ministerial permitting of residential projects in infill areas of Marina is appropriate because CEQA review should be accomplished at the program rather than the project level. That is, CEQA review should take place when the City amends its General Plan or zoning code, not when a developer comes to the City with a conforming project.

Program 3.3: Design Review Process and Requirements

The City's response to recent changes in State law by revising the Design Review Commission's purview and implementing objective design standards through an Administrative Design Review process is commendable.

Policy 4 and Program 4.1

We commend the City's commitment to pursuing funding sources for affordable housing development. However, we suggest providing more specific information about the types of funding sources being pursued and the anticipated timeline for securing them. Additionally, while the focus on special housing needs and the inclusion of child care facilities in affordable family housing is important, the program could benefit from more details on the strategies and resources allocated to achieve these goals.

Program 4.2

The City's support for rental assistance programs is crucial for very low-income and extremely lowincome households. The goal of increasing the use of project-based and tenant-based rental assistance in Marina is commendable. However, we recommend outlining the strategies or actions the City plans to implement to achieve this goal within the specified timeline. Furthermore, the inclusion of a Fair Housing Factsheet in ADU and SB 9 application packets is a positive step towards expanding acceptance of Housing Choice Vouchers (HCVs) throughout the City.

Policy 5 and Program 5.1

The City's commitment to the conservation of existing dwelling units is important for maintaining the housing stock. The Property Inspection Program and code enforcement authority can play a vital role in identifying nuisance structures and ensuring proper abatement. However, we suggest providing more clarity on how income-eligible households will be referred to available resources for rehabilitation and what specific resources are available.

Program 5.2

The City's focus on monitoring and conserving existing affordable housing units is commendable. The goal of preserving 616 affordable units is significant, and the City's proactive approach to working with property owners to maintain affordability is crucial. However, we recommend outlining the specific strategies or actions that will be employed to pursue funding and preserve and improve existing affordable housing.

Program 9.1

We commend the City's commitment to affirmatively further fair housing. The outlined actions to collaborate with organizations dedicated to eliminating housing discrimination, facilitate the development of various housing types, pursue actions to mitigate economic displacement, and distribute affordable housing opportunities throughout the City are all important steps. We suggest providing more specific details on the strategies or initiatives that will be undertaken to achieve these objectives.

Review of Site Inventory

We commend the City on identifying site inventory well in excess of the RHNA and for its site selection process for the Downtown Marina Affordable Housing Overlay (AHO), which takes into consideration various constraints, such as environmental concerns and infrastructure access. The focus on the downtown area aligns with the community's goals for redevelopment.

We support AHO development standards, including; Minimum required density, Affordable housing requirement, Reduced parking standards, Additional development standards, and Objective design standards.

The focus on the downtown area will also avoid conflicts over water supply. Properties on the former Fort Ord proposed for residential service by MCWD can only be served by non-groundwater sources due to the 6,160-unit cap on new residential units served by groundwater, a limitation that does not apply to land within the already urbanized areas of the city. The rationale for this limitation is the well-known condition of overdraft and seawater intrusion caused by excessive coastal area groundwater pumping. As the City of Seaside acknowledged in its approval of the Campus Town project, after approval of the Campus Town project itself, there were only 10 units remaining in the 6,160 unit-cap. (Campus Town FEIR, pp. 3-169 to 3-170.) That unit cap remains in force despite the termination of the Fort Ord Reuse Agency by virtue of a settlement agreement between MCWD, LandWatch, and Keep Fort Ord Wild. Thus, although the Campus Town accounting indicates that the Sea Haven, Dunes, and Cypress Knolls projects were approved within the 6,160-unit cap, the City of Marina should not propose additional residential units in the former Fort Ord because there is no available non-groundwater source of water supply for this area.

Thank you for this opportunity to comment.

Regards,

Michael DeLapa Executive Director