

June 19, 2023

City of Salinas  
200 Lincoln Ave.  
Salinas, CA 93901

RE: [Salinas Public Review Draft Housing Element](#)

City of Salinas Housing Team:

LandWatch has reviewed [Salinas Public Review Draft Housing Element](#). We support the goal to eliminate constraints and make it easier to build housing to meet the Regional Housing Needs Assessment (RHNA). In particular we look forward to the implementation of Program 6, in which the City will implement Objective Design Standards to reduce approval time for housing projects.

LandWatch recommends the City add two additional policies to the Housing Element:

- Parking: The Housing Element should include a policy to minimize parking requirements and a program to review and reduce or eliminate parking requirements for development proximate to transit facilities. An implementing program should also review and require separate pricing for parking in rental units as an inducement to minimize car ownership and parking requirements.
- Local Density Bonus: The Housing Element should include a policy and implementing program to adopt a local density bonus that goes beyond the mandates of the State DB law. For example, the percentage bonuses could be increased at all levels of affordability and the number of concessions could be increased.

LandWatch opposes making the East Area Specific Plan a priority in the Housing Element because it is not needed to meet the 6<sup>th</sup> Cycle RHNA, and the housing element acknowledges that it is not likely to produce units during the 8-year planning period.

Set forth below are specific comments.

#### **A. Housing constraints**

Current by-right permitting unclear: Tables 44 and 45 indicate that by-right permitting only occurs for single family detached uses in low and medium density areas and that site plan review (SPR) is required for uses such as multiple detached, multifamily, and duplex units. However, the housing element states that site plan review is ministerial, implying that it is based on objective standards and does not involve discretionary determinations. (HE, p. 109.) If so, approval of uses such as multiple detached, multifamily, and duplex units would seem to be ministerial and therefore in

effect also “by-right.” This conclusion is supported by the housing element’s explanation that MFR is by right in higher density areas and SFR is by right in lower density areas. (HE, p. 111.)

However, the Housing Element also states that, in the approval process, staff determine whether MFR units are exempt from CEQA after completing the site plan review. (HE, p. 81.) This implies that there is some discretionary decision making for MFR approvals, because CEQA review is only required for discretionary decisions. If SPR is ministerial and it is the only review required for MFR, it is not clear how CEQA could be required. If there is some additional discretionary review required for MFR in the areas in which Table 45 identifies only SPR, e.g., a discretionary design review or a subdivision approval, this should be clarified in the section 4.1.7 discussing local processing and permit procedure, which does not mention design review. If not, the Housing Element should explain why any MFR in these areas that does not require subdivision would be subject to CEQA.

As discussed below, we encourage the City to provide ministerial approval for both development and design reviews for infill MFR projects based on objective development and design review standards.

## **B. Housing resources – site inventory**

Over-reliance on Focused Growth and Underutilized Mixed Use sites for lower income units: Tables 58, 61, and 62 indicate that about 80% of the sites identified for very low and low income units are in Focused Growth Areas 2, 3, 4, and 5 (956 units) and only about 20% are in the Future Growth Area (410 units in the Central Area Specific Plan). Conversely, a disproportionate share of the sites for moderate and market rate units are identified in the Future Growth Area. Developing high density infill units in the Focused Growth Areas is a good idea. However, we suggest that the mix of affordable and market rate units should be roughly equal among all of the sites for several reasons.

First, concentration of affordable units in the Focused Growth Areas in the infill sites and market rate units in the more peripheral Future Growth Area sites is a recipe for segregation by income level and may not be consistent with affirmatively furthering fair housing. For example, the site inventory indicates that there are no moderate or market rate units planned in FG-2 and FG-5 where 469 units of affordable housing sites are planned. And there are only 226 moderate and market rate unit sites in the high density underutilized mixed use sites where 487 lower income units are sited. Conversely, only 410 lower income units are planned in the West and Central Area Specific Plans where 3,380 units of moderate income and market rate housing are sited.

Second, the prospects for actual development of the infill area Focused Growth Areas may be weaker than the prospects for development of the Future Growth Areas. For example, the test for “realistic capacity” for the lower income sites on the vacant mixed-use parcels (469 units) is based only on development standards (density, setbacks, etc.) and does not reflect any analysis of the likelihood that these vacant sites will in fact be developed over the next eight years.

## **C. Comments on implementing programs**

Program 1, Provision of Adequate Sites for RHNA: As discussed above, the mix of affordable and market rate units should more nearly reflect the mix of income levels in the City's RHNA in the infill and Future Growth Area sites to reflect the AFFH commitment and to ensure that development of affordable units is not tied to the success of the Focused Growth Areas program.

The large majority ( 74.33%) of total RHNA units are being planned for the North of Boronda Future Growth Area. Resources should be allocated towards infill redevelopment to reduce sprawl.

Program 2, Financial Assistance and Gap Financing: Although the City is not in position to guarantee financing, the action proposed does not provide measurable objectives for success of the program. Almost all of the actions only call for the City to “explore” or “promote” or “discuss” something, and to do so without any timeline for completion. The program would benefit from identification of specific actions to be completed in a specific timeline. For example, the actions in this program could benefit by defining specific targets for leveraging funds, allocating federal pass-through funds, and exploring the development of a commercial/industrial linkage fee.

Program 4, ADUs: The third and fourth bullets in the action items conclude with the question, “Timeline?” Presumably this reflects incomplete drafting. At any rate, specific deadlines for these actions should be identified.

Program 5, East Area Specific Plan: The EASP is not needed to meet the RHNA, and the housing element acknowledges that it is not likely to produce units during the 8-year planning period. Accordingly, adoption of the EASP should not be a priority in the 6<sup>th</sup> Cycle. If the City chooses to pursue it, the EASP should equally balance affordable and market rate units and should not perpetuate the imbalance reflected in the WASP and CASP.

Program 6, GP, Zoning Code, and Approval Process Updates: The proposal to adopt Place Types and Objective Design Standards sounds like a beneficial movement toward streamlined development approvals. The Housing Element should clarify what is meant by “Objective Design Standards.” Some jurisdictions and some statutory mandates distinguish objective development standards (e.g., height, setbacks, FAR, density) from objective design review standards (e.g., criteria for colors, facades, etc.). (See, e.g., SB 2295.) Both objective development and objective design review standards are essential to ministerial by-right permitting, which should be a key goal of Program 6 for qualifying sites.

Accordingly, Program 6 should be revised to call for revision of the GP and Zoning code to provide for ministerial permitting of residential units on infill sites that are not on environmentally sensitive lands. Infill could be defined “in an implementing ordinance using the language from Government Code Section 65913.4(a)(2) [SB 35] or Public Resources Code Section 21094.5(e)(1)(B) [CEQA infill exemption].

Ministerial permitting of residential projects in infill areas in Salinas 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.

Environmentally sensitive sites, sites subject to gentrification, and historic sites should be excepted from ministerial permitting. These sites could be defined in an implementing ordinance using the language from Government Code Section 65913.4(a)(6), (a)(7), (a)(10) [SB35]. The City should continue to require discretionary review of development approvals at such sites.

Program 7, Reduce Fees and Housing Production Constraints: We support the intent behind this policy, particularly if it includes a focus on reducing fees for affordable units. To strengthen this policy, it would be beneficial to provide more objective and measurable standards to enable tracking progress. We suggest the following

- Annually review the City's planning and development fees to ensure they are appropriate and do not unduly constrain affordable housing development.
  - Objective and measurable standard: Conduct a comparative analysis of the City's planning and development fees with similar jurisdictions to determine if they are within an acceptable range. Use specific metrics such as percentage of total development costs or affordable housing project budgets to assess affordability impact.
- Update the impact fee schedule to reduce minimum net land area per unit requirements.
  - Objective and measurable standard: Evaluate the minimum net land area per unit requirements by considering factors such as average unit sizes, local market conditions, and density targets. Set a specific percentage reduction goal (e.g., 10% reduction) and track the progress toward achieving it.
- As funding permits, assist in gap financing affordable development by nonprofit developers to help offset the cost of development through deferred impact fees.
  - Objective and measurable standard: Allocate a specific amount of funding each year to support gap financing for nonprofit developers. Set a target for the number of affordable housing units to be created through this assistance program annually, and regularly evaluate the program's effectiveness in achieving this target.
- Periodically review the effectiveness of the Inclusionary Housing Ordinance and Density Bonus Program to implement revisions as appropriate to incentivize additional housing development.
  - Objective and measurable standard: Establish a review cycle (e.g., every three years) to assess the impact and effectiveness of the Inclusionary Housing Ordinance and Density Bonus Program. Use metrics such as the number of affordable units produced, the percentage of affordable units in new developments, and feedback from developers and housing advocacy groups to inform potential revisions. Estimate empirically the optimal percent of inclusionary units, i.e., the percent that maximizes the production of affordable units considering potential loss of

“filtering” units produced by market rate units.

- Continue efforts on streamlining and enhancing the efficiency of the planning and permit approval process as well as building inspection services. Additionally, continue supporting affordable housing developers through the entitlement and development process.
  - Objective and measurable standard: Track the average processing time for planning and permit approvals and set a target for reducing it by a specific percentage (e.g., 20%). Regularly survey developers to assess their satisfaction with the process and identify areas for improvement. Measure the number of affordable housing projects that receive support through the entitlement and development process. Implement a ministerial approval process using objective development and design review standards applicable to all infill residential projects not on environmentally sensitive lands and not requiring subdivision.

Thank you for this opportunity to comment.

Regards,

A handwritten signature in black ink, appearing to read "Michael DeLapa", with a stylized flourish at the end.

Michael DeLapa  
Executive Director