

July 27, 2022

**Via E-mail**

Kate McKenna  
Darren McBain  
LAFCO of Monterey County  
132 W. Gabilan Street # 102  
Salinas, CA 93901

Re: Proposed Miramonte Specific Plan Area Annexation

Dear Ms. McKenna and Mr. McBain:

On behalf of LandWatch Monterey County, I write to comment on the LAFCO Sphere Of Influence And Reorganization Application, Miramonte, Third Submittal, July 14, 2022 (Third Submittal).

LandWatch recognizes that annexation of land into Soledad's city limits is necessary to meet the housing needs of Soledad's working families. However, over 55% of the proposed unit in the Miramonte Specific Plan are single family homes that the developer estimates will sell between \$600,000 and \$700,000 (Attachment 1). Few Soledad families can afford single family homes because the City's median household income is \$66,000.<sup>1</sup>

More problematically, these are the only kinds of units that will be produced in the first four phases of the project, which will build 771 low-density single family units. (Third Submittal, Appendix I.) At the City's historic and projected rates of absorption, this represents 13-15 years of development.

LandWatch supports annexation as required for the provision of timely, integrated affordable housing. However, LAFCO should not approve the annexation of the Miramonte Specific Plan area as currently proposed.

First, the proposed annexation is inconsistent with the Soledad General Plan, its Housing Element, and state law because it does not provide sufficient, integrated, and concurrent affordable housing.

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<sup>1</sup> <https://www.census.gov/quickfacts/soledadcitycalifornia>

**SUFFICIENCY:** General Plan Policy H-3 provides that the “City of Soledad shall require new residential areas to contain a mix of housing types targeted to very-low, low, moderate, and above moderate households in approximately the proportion that each of these income categories represent in the AMBAG Fair Share Housing Allocation.” This does not merely require the Specific Plan to accommodate the number of units required in the current RHNA cycle, but to ensure that its entire housing mix is proportional to the RHNA mix. The purpose of this policy is to ensure that the Specific Plan area, which constitutes the City’s future growth area, can accommodate future RHNA cycles. The Specific Plan fails to provide sufficient sites under this policy because it does not zone enough sites at the densities required by the State Department of Housing and Community Development (HCD) and by the Soledad Housing element for lower and moderate-income housing.

**INTEGRATION:** The Specific Plan is also inconsistent with the Housing Element because it fails to integrate affordable housing units in each neighborhood and in the “majority of blocks” in these neighborhoods and because it fails to provide for a minimum of 30 percent rental units in each neighborhood. Integration of affordable housing is also required under AB 686, which requires all agencies making land use decisions to affirmatively further fair housing. LAFCO must take cognizance of these inconsistencies under its mandate to consider general plan consistency and its mandate to consider environmental justice.

**CONCURRENCY:** The Specific Plan is also inconsistent with the mandates in the General Plan, its Housing Element, and the City’s Inclusionary Ordinance to develop affordable housing concurrently with market rate housing. Even though the Specific Plan contemplates concurrent provision of affordable units, its phasing plan precludes this, because it calls for construction of hundreds of units of low-density single-family homes before any higher density areas are developed. Indeed, it is uncertain whether any of the higher density areas will be developed within the 8-year period of the 6<sup>th</sup> RHNA cycle given that the higher density area is slated for development between phases 5 and 10 of the Specific Plan.

LAFCO should ask the City to revise the Specific Plan to ensure sufficient, concurrent, and integrated provision of affordable housing for Soledad’s working families. This will require the City to revise the site plan to increase and integrate dense development opportunities and to revise the phasing plan to meet the concurrent affordable housing development mandates and to permit fulfillment of 6<sup>th</sup> Cycle RHNA requirements.

Second, the annexation of the entire Specific Plan area in a single LAFCO action, as is proposed, would provide 40 to 48 years of housing sites at the City’s current and projected rate of market absorption. LAFCO policy is to annex at most the area needed for seven years of growth unless annexation of a larger area has been justified. Because no such justification has been provided, LAFCO should require the City to propose a phased annexation.

Finally, the City has not demonstrated the ability to finance infrastructure and services in the near or medium term. The fiscal analysis assumes full buildout, which would not occur for several decades, and this analysis is predicated on the assumption that only 20% of units will be affordable, even though a higher proportion of affordable units are required by the RHNA. Furthermore, it appears that the applicant has not quantified the costs of providing services and infrastructure, has not provided an impact fee study, and has not demonstrated how and when development will be ensured for the commercial area that is acknowledged to be essential to the project's fiscal success. LAFCO should ask the applicant to provide a realistic demonstration of its ability to finance public services and infrastructure so that Soledad's citizens are not required to subsidize a predominately low-density single family housing project that would be unaffordable to most working families.

**A. The proposed annexation is not consistent with the Soledad General Plan, its Housing Element, and state law because it does not provide sufficient, integrated, and concurrent affordable housing.**

A specific plan must be consistent with the general plan, and a development project must be consistent with both the general plan and any applicable specific plan. (Gov. Code, §§ 65860(a), 65450, 65455, 65867.5; *Napa Citizens for Honest Government v. County of Napa* (2001) 91 Cal.App.4<sup>th</sup> 342, 366, 372; *Neighborhood Action Group v. County of Calaveras* (1984) 156 Cal.App.3d 1176, 1183.)

A critical component of a general plan is its housing element, which requires localities to designate and maintain "a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels." (Gov. Code, § 65580(f).) Thus, Soledad must adopt, and update every 8 years, a general plan housing element that identifies sufficient sites to meet its Regional Housing Needs Allocation (RHNA). (Gov. Code, §§ 65583, 65583.2.) The next update must be completed by December 2023.

As explained below, development of the Specific Plan area as currently planned would not be consistent with the General Plan or with requirements for sufficient, timely, and integrated affordable housing. These inconsistencies would leave future project entitlements open to challenge. Furthermore, LAFCO must consider an annexation proposal's consistency with applicable general and specific plans. (Gov. Code, § 5668(h).) LAFCO can and should reject an annexation proposal that is inconsistent with applicable plans.

**1. Background regarding Regional Housing Needs Allocation (RHNA) obligations**

5<sup>TH</sup> CYCLE RHNA OBLIGATIONS: Under its 2019 Housing Element, which implements the 5<sup>th</sup> Cycle RHNA for the 2015-2023 period, Soledad was required to zone for and accommodate 191 housing units, as follows:

- 46 very-low income units
- 30 low income units
- 35 moderate income units
- 80 above moderate income units (market rate units).<sup>2</sup>

Despite the availability of sites, Soledad had neither permitted nor constructed any very-low, low, or moderate income households in the 5<sup>th</sup> Cycle as of year-end 2000.<sup>3</sup> Soledad has, however, permitted 296 market rate units in that 5-year period, i.e., about 60 units per year.

6<sup>TH</sup> CYCLE RHNA OBLIGATIONS: AMBAG has submitted a proposed 6<sup>th</sup> Cycle RHNA to the California Department of Housing and Community Development (HCD), which is expected to approve it. The proposed 6<sup>th</sup> Cycle RHNA would require Soledad to zone for and accommodate 724 total units from 2023 to 2031, as follows:

- 100 very low income units
- 65 low income units
- 183 moderate income units
- 376 market rate units.

Thus, Soledad's obligation to accommodate affordable units (very-low, low, and moderate income units) has more than tripled – from 111 units to 348 units.

Soledad must revise its housing element by December 2023. The revised housing element must identify adequate sites zoned at appropriate densities to meet its 6<sup>th</sup> Cycle RHNA.

In that revision, 165 units, or 23% of the overall RHNA, must be affordable to very-low and low income households. HCD has determined that a zoning density of 20 units per acre is required to support these lower income units.<sup>4</sup>

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<sup>2</sup> AMBAG, Regional Housing Needs Allocation Plan: 2014-2023, available at [https://www.ambag.org/sites/default/files/2019-12/RHNP%202014-2023\\_Final\\_revised\\_PDFA\\_2.pdf](https://www.ambag.org/sites/default/files/2019-12/RHNP%202014-2023_Final_revised_PDFA_2.pdf).

<sup>3</sup> HCD Housing Element Implementation and APR Data Dashboard, available at <https://app.powerbigov.us/view?r=eyJrIjoiMDA2YjBmNTItYzYwNS00ZDdiLThmMGMtYmFhMzc1YTAzMDM4IiwidCI6IjJiODI4NjQ2LWIwMzctNGZINy04NDElLWU5MzVjZDM0Y2Y5NiJ9&pageName=ReportSection3da4504e0949a7b7a0b0>.

<sup>4</sup> HCD, Default Density Standard Option – 2010 Census Update, June 20, 2012, available at [https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/default\\_2010census\\_update.pdf](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/default_2010census_update.pdf).

An additional 183 units, or 25% of the overall RHNA, must be affordable to moderate income households. The 2019 Housing Element Program 2.1.1 determined that this requires densities of at least 12 units per acre.

The revised housing element must also identify governmental and non-governmental constraints on housing development and adopt policies and programs to overcome those constraints. Presumably HCD will not permit Soledad to abandon its existing policies and programs without evidence that it is adopting alternatives that will be equally or more effective in timely and integrated provision of the affordable housing mandated by the City's RHNA.

## **2. Background – additional affordability and affordable housing integration obligations**

### **a. The AB 686 mandate to affirmatively further fair housing by overcoming segregation**

AB 686 requires cities to affirmatively further fair housing in connection with all of its “activities and programs relating to housing and community development.” (Gov. Code, § 8899.50(a).) The duty requires overcoming patterns of segregated housing and ensuring equal access to opportunities:

“Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

(Gov. Code, § 8899.50(a).) The duty to “affirmatively further fair housing” (AFFH) specifically applies to the preparation of housing elements. (Gov. Code, § 65583(c)(5).)

HCD urged AMBAG to heavily weight the AFFH obligation in its proposed 6<sup>th</sup> Cycle RHNA methodology, resulting in higher allocations of units, especially affordable units, to the relatively more affluent jurisdictions within the AMBAG region. HCD will likely continue to weigh the AFFH obligation heavily in deciding whether to approve 6<sup>th</sup> Cycle housing elements. This will require integration of affordable and market rate units within each jurisdiction, not simply among the jurisdictions.

For example, HCD's guidance for implementing AB 686 in housing elements identifies restrictive zoning that as a barrier to affirmatively furthering fair housing:

Lack of zoning for a variety of housing types throughout a jurisdiction such as multifamily, duplexes to fourplexes, group housing, transitional and supportive housing at a variety of need levels, shelters, single room occupancy, residential motels, mobilehomes, and accessory dwelling units.<sup>5</sup>

A housing element must include a program to ensure that lower income RHNA can be accommodated throughout the community:

Where the analysis of the inventory indicates that the community has insufficient sites appropriately zoned and located to accommodate its lower income RHNA in a manner that affirmatively furthers fair housing, the housing element must include a program to address this inconsistency, such as making additional sites available to accommodate its lower income RHNA in a manner that affirmatively furthers fair housing.<sup>6</sup>

A housing element must demonstrate that its site inventory increases integration of lower income units and does not promote their segregation:

The analysis must show how the site inventory decreases the segregation index scores for protected classes and along income within the jurisdiction, as well as the segregation indices at the regional scale. It should provide an estimate of how much the sites identified are expected to decrease the dissimilarity and isolation index scores. Furthermore, the analysis should include an evaluation of current and historical spatial patterns of subsidized housing within and surrounding the jurisdiction, including emergency shelters, subsidized affordable housing, supportive housing, and usage of housing choice vouchers, and how the site inventory decreases patterns of segregation given these trends.<sup>7</sup>

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<sup>5</sup> HCD, Affirmatively Furthering Fair Housing, Guidance for All Public Entities and for Housing Elements, April 2021 Update, p. 26, available at [https://www.hcd.ca.gov/community-development/affh/docs/affh\\_document\\_final\\_4-27-2021.pdf](https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf); see also pp. 30-31 [analysis should also address segregation and integration of households with lower incomes], p. 46 [identifying integration and segregation as a fair housing issue distinct from other fair housing issues such as access to opportunities, racially and ethnically concentrated areas of poverty (R/ECAPs), and disproportionate housing needs, including displacement], p. 46 [analysis of spatial patterns of segregation should be done at a more granular level than tracts and block groups], p. 68 [identifying land use and zoning laws and location and type of affordable housing as examples of contributing factors to segregation].

<sup>6</sup> *Id.* at 45

<sup>7</sup> *Id.* at 46.

Soledad will need to be able to make these findings in its 6<sup>th</sup> Cycle housing element, due December 2023. As discussed below, segregation in the proposed Miramonte annexation may preclude these findings.

**b. LAFCO’s environmental justice requirement**

LAFCO must consider the “extent to which the proposal will promote environmental justice” in its annexation determination. (Gov. Code, § 56668(p).)

As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

(*Id.*) This environmental justice requirement is similar to mandate in AB686 because it proscribes segregating lower income households.

**c. Soledad’s General Plan proportionality mandate**

Policy H-3 of the Soledad General plan provides

The City of Soledad shall require new residential areas to contain a mix of housing types targeted to very low, low, moderate, and above moderate households in approximately the proportion that each of these income categories represent in the AMBAG Fair Share Housing Allocation.<sup>8</sup>

As noted above, under the current RHNA, 23% of the overall RHNA must be affordable to very-low and low income households and 25% must be available to moderate income households.

Policy H-3 requires that an overall proportion of the housing mix in a new residential area be affordable, not merely that a specified number of units be affordable. The obvious purpose of this mandate is to plan for new residential areas that can support future RHNA cycles, not just the current cycle. As discussed below, the Specific Plan fails to require that its proportion of very-low, low, and moderate income units approximately match the RHNA housing mix proportions.

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<sup>8</sup> Soledad General Plan, 2005, p. IV-4, available at <https://www.cityofsoledad.com/download/general-plan/>.

#### **d. Soledad's Housing Element mandates**

**INTEGRATION:** The 2019 Housing Element's Policy 2.1 requires new development in Specific Plan areas to provide an "integrated mix" of housing types and affordability levels that closely approximates the City's 2007-2014 fair share housing allocation.<sup>9</sup> It defines that "integrated mix" based on the 5<sup>th</sup> Cycle RHNA, which requires 39 percent of units be affordable to very-low and low income households and 19 percent of units be affordable to moderate income households. Since these percentages are different than the proposed 6<sup>th</sup> Cycle RHNA, the City may choose to revise the specific mix of affordably unit percentages in its 2023 Housing Element. However, it is unlikely that HCD would approve a decision simply to abandon this policy to integrate affordable and market rate housing, especially in light of the AB 686 mandate to adopt a program in the housing element to affirmatively further fair housing. (Gov. Code, § 65583(c)(5).)

The 2019 Housing Element's Program 2.1.2 requires that "an integrated mix of complementary but varied housing types be provided within the majority of blocks."

As discussed below, the Miramonte land use plan does not provide an integrated mix of housing types that approximates the mix and affordability levels in the current RHNA and does not integrate the majority of blocks.

**DENSITY:** Consistent with the HCD default density mandate for lower income units,<sup>10</sup> the 2019 Housing Element's Program 2.1.1 requires that sites designated for very-low and low-income development must be zoned for at least 20 units per acre and must permit multi-family, mixed use, and single room occupancy units. The Program 2.1.1 mandate for moderate income units requires densities of at least 12 units per acre and requires that units "be limited to small-lot single-family dwellings, attached single-family dwellings, detached second units, and multi-family dwellings such as townhouses."

As discussed below, the Miramonte Specific Plan would not permit these densities supporting moderate or lower-income units in the majority of the neighborhoods because only 3 of the 11 residential subareas or neighborhoods would permit densities over 10 units per acre.<sup>11</sup>

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<sup>9</sup> Soledad, 2019 Housing Element, available at <https://www.cityofsoledad.com/download/city-of-soledad-adopted-housing-element-2015-2023/>

<sup>10</sup> HCD, Default Density Standard Option – 2010 Census Update, June 20, 2012, available at [https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/default\\_2010census\\_update.pdf](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/default_2010census_update.pdf).

<sup>11</sup> Each "subarea" is identified as a "neighborhood." (Third Submittal, Figure 3-2.)



RENTAL UNITS: Program 2.1.2 also requires that areas that are annexed must provide “a minimum of 30 percent of all units in each neighborhood that are designed to accommodate rental households, including medium and higher density housing and second dwelling units” according to certain guidelines. The 2019 Housing Element states that program 2.1.2 is in effect in the Miramonte Specific Plan area. As discussed below, the Miramonte land use plan does not permit densities sufficient to support affordable or moderate-income multi-family rental units in most neighborhoods, much less the majority of blocks.

Again, HCD would presumably not permit the City to abandon its existing mandates to integrate affordable and market rate housing at the neighborhood and block level in Soledad’s forthcoming 6<sup>th</sup> Cycle Housing Element.

#### **e. Soledad’s Inclusionary Housing ordinance**

Soledad’s Inclusionary Housing ordinance requires that “a minimum of twenty percent of new housing units be affordable to moderate, low and very low income households (eight percent moderate income, six percent low income and six percent very low income).” (SMC, § 17.41.020.) Compliance is possible by constructing units, dedicating property for affordable housing, payment of in lieu fees, or a combination of these methods. (17.41.050(A).)

The ordinance emphasizes equity, integration, and concurrent provision of the affordable units.

- “Inclusionary units should be similar in size and design to market rate units within the development.” (17.41.050(A).)
- Inclusionary units must be dispersed “to the maximum extent feasible” and inclusionary development may not be located “in the immediate vicinity of another inclusionary housing development.” (17.41.140.)
- Construction must be concurrent with market rate units unless an exception is made by the Council. (17.41.050(C).)

To meet these requirements, the Council must approve an affordable housing agreement as part of the development approval process. (17.41.060(C), 17.41.120.)

#### **f. Miramonte Specific Plan**

LAND USE PLAN: In January 2019, Soledad adopted the Miramonte Specific Plan to pre-zone 647 acres for eventual annexation to the City. The Specific Plan provides for the following population, units, and densities:

- Low Density Residential 1,318 units x 4.2 persons per unit = 5,536 people

- Medium Density Residential 626 units x 4.2 persons per unit = 2,629 people
- Senior Housing 134 units x 1.7 persons per unit = 228 people
- Residential Study Area 314 units x 4.2 persons per unit = 1,319 people
- total 2,392 units -- 9,712 people

(Miramonte Specific Plan (SP), p. 1-23, Table 1-2, Population.)

The Miramonte Specific Plan land uses are segregated into 16 subareas or neighborhoods, each consisting of multiple blocks of designated land uses, including single-family, multi-family, village commercial, public facilities, park/drainage facilities, and open space. (SP, Figure 1-4, Land Use Diagram; see also Third Submittal, Figure 3-2.)

As discussed below, because the residential units are segregated into subareas or neighborhoods by maximum densities, this land use plan cannot meet the requirements to integrate affordable and market rate housing in Soledad's Housing Element policies and programs, its inclusionary housing ordinance, and state law.

Also as discussed below, because the Miramonte Specific Plan phasing plan provides for the initial development of over 500 units of low density, single-family housing in four subareas that do not permit densities that would support moderate or lower-income units, the land use and phasing plans cannot meet the requirements for concurrent development of affordable housing. The phasing plan described in the most recent annexation submittal calls for 771 units of units of low density, single-family housing before subareas or neighborhoods with densities that could support affordable housing are developed. (Third Submittal, Figure 5-1 and Appendix I.)

### **3. The Miramonte Specific Plan does not designate enough sites at sufficient densities to meet the affordability level mix in the forthcoming 6<sup>th</sup> Cycle RHNA.**

The 6th Cycle RHNA requires the City to provide sites for a mix of housing affordability levels. At least 23% of the RHNA inventory sites must be for very-low and low income units and an additional 25% must be for moderate income units. The 6th Cycle RHNA applies to development in the eight years from 2024-2031, but it is both legally mandated and reasonable to plan a similar affordability mix in order to support future RHNA cycles.

First, it is legally mandated because General Plan Policy H-3 requires that “new residential areas ... contain a mix of housing types targeted to very-low, low, moderate, and above moderate households in approximately the proportion that each of these income categories represent in the AMBAG Fair Share Housing Allocation.” This does not merely require the Specific Plan to accommodate the number of units required in the current RHNA cycle, but to ensure that its entire housing mix is proportional to the RHNA mix.

The General Plan consistency analysis in Exhibit D claims consistency with Policy H-3 as follows:

Approximately 218 very low, 106 low, 235 moderate and 400 farm worker housing units are within the Plan Area. The City Council shall review project's consistency with the city's affordable housing requirements per the housing element and inclusionary housing ordinance in its consideration of the required development agreement. Subject to City Council approval of the development agreement, the project is consistent with this policy.

This consistency analysis confuses the provision of sufficient number of units to meet the 5<sup>th</sup> Cycle RHNA with the obligation to provide affordable units "in proportion" to the RHNA. Merely providing the number of units to meet the 5<sup>th</sup> Cycle RHNA (or 6<sup>th</sup> Cycle RHNA) does not ensure that affordable units are "in proportion" to the affordability mix in the RHNA.

As explained above, 23% of the 6<sup>th</sup> Cycle RHNA consists of very-low and low income units 25% consists of moderate income units. Accordingly, ensuring proportionality with the 6<sup>th</sup> Cycle RHNA as mandated by General Plan Policy H-3 requires that 23% of the Specific Plan's 2,392 units be affordable to very-low and low income households and 25% be affordable to moderate income households. That is, 550 units must be affordable to very-low and low-income households and 598 units must be affordable to moderate income households. This requires zoning at appropriate densities to support these affordable units.

Second, meeting General Plan Policy H-3 is a reasonable policy goal for the Miramonte project because, at the current rate of market absorption, the Specific Plan will not be built out for decades, during which the City must comply with many RHNA cycles. There is no reason to suppose that the percentage of affordable units in future RHNA cycles will decrease below the levels in the 6<sup>th</sup> Cycle RHNA. Because the Specific Plan area represents a substantial portion of Soledad's future available housing sites, failure to provide a housing mix proportional to the RHNA affordability mix may preclude meeting future RHNA requirements without rezoning.

Despite the legal mandate and the reasonable policy goal, the Specific Plan fails to provide enough sites zoned at appropriate densities to support affordable housing in proportion to the RHNA allocation. Both HCD and the 2019 Housing Element establish a minimum density of 20 units per acre for very-low and low income units. The 2019 Housing Element Program 2.1.1 also requires 20 units per acre for low and very-low income units, and it requires 12 units per acre for moderate income units.

Accordingly, to meet its RHNA obligations over the long term, the City should require that at least 23% of the Specific Plan units be designated for sites zoned at 20 units per acre and that 25% of its units be designated for sites zoned for at least 12 units per acre.

That is, at least 48% of the units should be zoned at densities for at least 12 units per acre, and 23% of the units should be zoned for at least 20 units per acre.

The maximum densities allowed in the neighborhoods zoned for single-family units (the MMSP-R-1 zoning) is 10 units per acre. (SP, p. 2-29.) These single-family zoned neighborhoods represent 8 of the 11 residential subareas in the Miramonte land use plan. The only residential sites planned and zoned at densities greater than 10 units per acre are subareas 6, 8, and 9.<sup>12</sup> (SP, p. 2-19, Figure 2-3, Land Use Diagram and Conceptual Lotting Program.) These three subareas are zoned at a maximum of 30 units per acre (the MMSP-R-V zoning). (SP, p. 2-35.) However, the Specific Plan lot plan effectively zones them at 20 units per acre because they are intended to accommodate 760 units on 38 acres, i.e., the sites for “Medium Density Residential and Affordable Housing” and “Senior Housing.” (SP, pp. 2-17, Table 2-1, Land Use Data.)

Thus, subareas 6, 8, and 9 are the only areas planned to accommodate moderate income units at 12 units per acre or lower income units at 20 units per acre. However, the planned 760 units in these three subareas represent only 31.8% of the Specific Plan total of 2,392 units. As noted, to meet the existing RHNA percentages for lower and moderate-income units, 48% of the units should be zoned at densities at or above 12 units per acre, and 23% of the units should be zoned at or above 20 units per acre.

In short, the Specific Plan is inconsistent with General Plan Policy H-3 because it does not designate sufficient sites at high enough densities to meet the density mix in the forthcoming 6<sup>th</sup> Cycle RHNA, much less the current 5<sup>th</sup> Cycle density mix. LAFCO should not permit the City to annex territory to increase its population by 9,712 residents without providing sufficient sites for the long-term provision of affordable housing.

**4. The Miramonte Specific Plan phasing plan would not concurrently develop the areas zoned for high density development, which are the only sites available to meet the RHNA requirements for affordable units.**

The Specific Plan does not require that the subareas it designates for affordable housing be developed concurrently. Nor does it require that 23% of the concurrently developed units be affordable to lower income households and 25% be affordable to moderate

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<sup>12</sup> A Residential Study Area in the northwest corner of the Specific Plan is also zoned MMSP-R-V, but it is planned for 314 low to medium density residential units at only 8.74 units per acre. (SP, p. 2-17, Table 2-1.) The Specific Plan states that this land might alternatively be developed at higher densities “in a tradeoff for fewer and large lots elsewhere.” (SP, p. 1-6.) However, this land would likely be among the last areas to be developed if development is required to remain contiguous and proceeds from the urbanized southern edge of the Specific Plan area toward the north. (SP, p. 6-7 [phasing plan].)

income households. Instead, the phasing plan requires that only 15% of the units must be designated at 20 units per acre or as otherwise affordable units:

An overall ratio of 15 percent high density (20 units per acre or greater), senior, or deed restricted affordable housing units shall be maintained within the plan area. Developments that do not include high density, senior, or deed restricted affordable housing shall contribute a fair share payment to a fund for development of such housing.

(SP, p. 6-7.) This provision of the phasing plan does not specify the time frame for attaining and maintaining even this 15% mandate.<sup>13</sup> Thus, as written, the 15% high density/affordable unit development ratio might not be attained in any definite time period, and perhaps not until final buildout.<sup>14</sup>

Furthermore, neither the phasing plan in the Specific Plan document nor the phasing plan in the most recent annexation submittal would ensure that a 15% high density buildout rate could be attained in any reasonable period, because the initial phase of development does not include any areas zoned at 12 or 20 units per acre. The phasing plan in the Specific Plan document provides that the “first phases of development are expected to occur adjacent to the existing city limit and along San Vicente Road in sub-areas 1, 2, 4, and 10.” (SP, p. 6-7.) These four subareas are designated exclusively for low density residential uses, zoned MMSP-R-1 for a maximum density of 10 units per acre and an intended density of 7-8 units per acre. (SP, pp. 2-27, 2-29.) These four subareas contain 636 lots, enough to meet Soledad’s needs for 8.9 years at the current absorption rate of 60 units per year. (Third Submittal, Figure 3-2.) Accordingly, the Specific Plan buildout of its first four subareas, focused exclusively on low density residential uses, would take longer than the entire 8-year 6th RHNA Cycle. Thus, as now planned, the first development phase of the Specific Plan would provide no sites to assist in meeting the low and very-low income unit requirement of the 6th Cycle RHNA, i.e., no sites zoned at 12 or 20 units per acre density.

The phasing plan provided in the most recent annexation submittal is even more problematic. It fails to provide any sites zoned at 12 or 20 units per acre until even more

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<sup>13</sup> The August 16, 2017 draft Specific Plan required maintenance of the 15% affordable unit rate after the 250th housing unit is occupied. (Draft SP, p. 6-7.) The reference to the 250th housing unit was dropped from the adopted Specific Plan. (SP, p. 6-7.)

<sup>14</sup> The disjunctive language of the 15% mandate (“high density, senior, or deed restricted affordable housing) would permit any “high density” or designated “senior” housing units to count toward the 15% mandate, even if they are not deed restricted. Units that rely on “affordability by design” based on high density zoning or senior use designation may not be consistent with the provisions of the Inclusionary Ordinance, which requires deed restrictions.

lots of MMSP-R-1 zoning have been developed. (Third Submittal, Figure 5-1.) This most recent phasing plan would develop residential subareas 1, 2, 4, 10, and 11 in five initial phases, i.e., 829 lots zoned MMSP-R-1 with a maximum density of 10 units per acre and an intended density of 7-8 units per acre.<sup>15</sup> (SP, Figure 2-3; Third Submittal, Figure 5-1)

The Specific Plan claims that it will meet the RHNA, arguing that this requirement is only 28 affordable units per year. (SP, pp. 2-22 to 2-23.) This claim is based on the much lower affordable unit requirements of the 5th Cycle RHNA and on the expectation that the entire Specific Plan area would be built out in 10 to 20 years and thus would only incorporate two or three RHNA cycles. However, the 6th Cycle RHNA requires five times as many very-low and low-income units as the 5th Cycle (391 instead of 76 units). Furthermore, based on the actual market absorption of 60 units per year over the past five years, buildout of the Specific Plan's 2,392 units would take 40 years, during which time there would be five eight-year RHNA cycles, nor merely two or three cycles. Assuming that Soledad is assigned similar levels of affordable units in future RHNA cycles, the Specific Plan would need to support concurrent development of at least 23% of its units on sites zoned at 20 units per acre and 25% of its units on sites zoned at 12 units per acre from year to year. This is of course precisely what the proportionality mandate in General Plan Policy H-3 is intended to accomplish.

In sum, it is not reasonable to assume that the Specific Plan's mandate to maintain only a 15% share of high density, affordable units would suffice to meet RHNA obligations. The 15% mandate is too little to cover the 23% requirement for lower income units and it does not even address moderate income units. And the 15% mandate lacks an enforceable timing mandate.

Furthermore, the Specific Plan is not consistent with the requirements for concurrent development of affordable and market rate housing in the General Plan, its 2019 Housing Element, the Inclusionary Ordinance, or the Specific Plan itself:

- General Plan Policy L-20 requires that the “approval of new residential subdivisions shall incorporate provisions to ensure that an appropriate amount of new multifamily development is constructed concurrently, or in advance of, new single-family residences.”

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<sup>15</sup> The phasing plan implicit in Appendix I of the Third Submittal, Miramonte Anticipated Infrastructure Phasing, provides that 771 units would be developed in the first 4 phases, which would include 134 Senior Living units in subarea 6 and 637 units in subareas 1, 2, 4, and 10, which are zoned for low density residential units. (Third Submittal, App. I.) It is unclear how the Appendix I can be consistent with the Figure 5-1 Master Phasing Plan. Regardless, both Appendix I and the Master Phasing Plan would develop hundreds of single family low density units before developing any affordable units.

- Soledad’s Inclusionary Ordinance requires that affordable unit construction must be concurrent with market rate units unless an exception is made by the Council. (SMC, § 17.41.050(C).)
- Specific Plan Land Use Policy LU-C expressly mandates that there be no such exception for Miramonte: the affordable housing units required by the City’s Inclusionary Ordinance “shall be constructed concurrently with the market rate housing units.” (SP, p. 2-2.)
- The 2019 Housing Element Program 1.2.1 requires developers to “[e]nter into development agreements that prescribe the proportion of very low-, low-, and moderate-income housing to be built in a project consistent with the city’s Inclusionary Ordinance and Housing Element. Units shall be constructed concurrently with any above moderate-income housing.”
- The Specific Plan’s provisions for development agreements expressly require that the provision of multi-family and affordable housing “shall apply to each residential development phase:”

“The developer shall enter into a Development Agreement with the City that shall require that at least 12 percent of the total project units are available to very low and low income households; 8 percent of the total units are available to moderate income residents; and 30 percent of medium density housing units are available as rentals. These ratios shall apply to each residential development phase, and affordable housing units shall be constructed concurrently with the market rate housing units consistent with specific plan Policy LU – C, and the terms of the Development Agreement.

(Exhibit B, City Council Resolution # 5436, Miramonte Vesting Tentative Map, Condition 25.)

Concurrent provision of sufficient affordable units would not be possible if the phasing plan proceeds initially with single-family residential development in Subareas 1, 2, 4, 10, and 11, because these neighborhoods do not provide densities suitable for lower and moderate income units or permit multi-family apartments.

Although developers might seek to pay in lieu fees or build off-site affordable units instead of providing on-site affordable units concurrently, this compliance strategy would not be consistent with the obligation to integrate affordable and market rate units, as discussed in the next section.

Nor would it be feasible for development to leapfrog subareas 1, 2, or 4, which are contiguous with the existing developed area of the City, in order to reach and develop the subareas 6, 8, and 9 zoned for affordable densities. LAFCO policies and Soledad policies

both require development to remain contiguous with existing developed areas. (SP, pp. 2-11, 6-6; Soledad General Plan Conservation/Open Space Policy C/OS-1; LAFCO, Policies And Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization. Feb. 24, 2020, pp. 23-27.)

As discussed below, the Specific Plan land use and phasing plan should be revised to require that 23% of the units actually constructed from year to year be affordable to very-low and low-income households and that 25% be affordable to moderate income households. This will require changes to the proposed zoning and land use plan to increase and integrate higher density zoning and to ensure that high density zoning is contiguous to the existing City limits.

**5. The Miramonte Specific Plan fails to integrate affordable and market rate housing.**

As noted above, integration of affordable and market rate housing at the block and neighborhood level is mandated by local and state requirements, including

- The AB 686 requirement that a housing element and any other land use decisions affirmatively further fair housing
- The Government Code Section 56668(p) requirement that LAFCO consider environmental justice
- The 2019 Housing Element's Program 2.1.2 requirement that "an integrated mix of complementary but varied housing types be provided within the majority of blocks"
- The requirement in the Specific Plan Land Use Policy LU-C<sup>16</sup> to "incorporate affordable housing within the plan area"

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<sup>16</sup> Specific Plan Policy LU-C requires that development shall

Incorporate affordable housing within the plan area, including housing for senior citizens, workforce, and low and very low income households. Consistent with the Inclusionary Ordinance, provide at least six percent of units for very low income households, six percent for low income households, and eight percent for moderate income households. At least 30 percent of medium density housing units should be available as rentals. The affordable housing units shall be constructed concurrently with the market rate housing units.

(SP, App. A, p. 2.)



- The requirement in Specific Plan Land Use Policy LU-C and in the 2019 Housing Element's Program 2.1.2 that 30% of medium density units be available as rentals, constructed concurrently with market rate units

Thus, it would be both unreasonable and contrary to law to exclude affordable housing from any portion of the Miramonte Specific Plan area.

The Specific Plan claims that affordable housing would be integrated:

Affordable Housing Integration. The specific plan ensures integration of affordable housing both through design and location. The designated affordable housing is integrated throughout the specific plan area and also located in the specific plan core area adjacent to a park, elementary schools, senior housing, and commercial uses. The housing that meets the minimum 20 unit per acre standard is located in the specific plan core area. The Residential Study Area may alternatively be developed with a higher density of residential lots in a tradeoff for fewer and larger lots elsewhere in the plan area, provided that the total number of allowed residential lots in the plan area is not exceeded. The design guidelines ensure that affordable housing will blend visually with market rate housing. Locating duets or duplexes on corner lots with building massing consistent within the neighborhood and one garage accessed off each street will give the appearance of low density family homes.

(SP, p. 2-23.) However, this claim is not true. As noted, the Specific Plan segregates all of the high-density development into subareas 6, 8, and 9.<sup>17</sup> It is neither intended nor possible to provide any lower or moderate income units at densities of 12 or 20 units per acre except in these three subareas. The zoning density in the other residential subareas will not support lower and moderate income units. In effect, none of the affordable housing would be integrated into the single-family residential neighborhoods that comprise the bulk of the Specific Plan.

Furthermore, as the Specific Plan acknowledges “all of the very low and low income housing would be rental units since ownership is typically out of reach of those income groups.” There are no lots big enough to support the kinds of apartment buildings that Program 2.1.2 requires to be permitted “in each neighborhood” in any of the subareas zoned for single-family housing. (SP, p. 2-19, Figure 2-3.)

In addition, the development of a few moderate income “duets or duplexes on corner lots” (SP, p. 2-23) would not fulfill the requirement of the 2019 Housing Element's

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<sup>17</sup> Although under an alternative development scenario, the Residential Study Area, subarea 10, might have high density lots, this subarea is also segregated in the northwest corner of the Specific Plan area, and there is no proposal to integrate very-low and low income units with market rate units as part of this alternative scenario.

Program 2.1.2 to integrate affordable units, including rental units, into each neighborhood and the “majority of blocks:”

Program 2.1.2: The City will ensure that new residential developments provide for adequate housing diversity and affordability by requiring that an integrated mix of complementary but varied housing types be provided within the majority of blocks. Accordingly, specific plans and/or subdivisions prepared for areas to be annexed to the City pursuant to the 2005 General Plan shall be required to provide a minimum of 30 percent of all units in each neighborhood that are designed to accommodate rental households, including medium and higher density housing and second dwelling units, according to the following guidelines: A minimum average density of seven (7) dwelling units per gross residential acre shall be provided within new neighborhoods. Second dwelling units (aka ‘granny’ units) are not included in density calculations pursuant to state housing law. In neighborhoods consisting primarily of detached single-family homes, up to 10 percent of all units may consist of second dwelling units, ancillary to a primary residence (with both contained on a single parcel), and duplex units with both contained on a single parcel). In addition, at least 20 percent of all units in new residential neighborhoods should be comprised of a mix of duplexes, tri-plexes, four-plexes and smaller multi-family housing (townhomes, apartments, etc.) of approximately 20 or fewer units at the minimum densities established by Program 2.1.1 and which are integrated within Specific Plan neighborhoods(s). Pursuant to General Plan Policy L-3, multi-family housing shall be integrated with single family residential development in form, scale and architectural character. To promote rental availability rather than private ownership, units designed for rental use shall generally be multiple units on single parcels rather than individually parceled.

Program 2.1.1, which is referenced in Program 2.1.2, requires 20 units per acre for low and very-low income units and 12 units per acre for moderate income units. However, as noted, the maximum densities allowed in the single-family (MMSP-R-1) zoned neighborhoods is 10 units per acre. (SP, p. 2-29.) Thus, the obligation to provide 20% of the units in new neighborhoods at the densities required by Program 2.1.1 could not be met in the subareas reserved for single-family units zoned MMSP-R-1, i.e., the neighborhoods containing more than half of the residential units, and which are intended to be developed first.

Furthermore, the Specific Plan permits developments to pay in lieu fees instead of integrating affordable housing: developments “that do not include high density, farmworker, senior, or deed restricted affordable housing” may instead simply “contribute a fair share payment to a fund for development of such housing.” (SP, p. 6-7.) This provision to allow off-site provision of affordable units instead of integrating them into the Specific Plan is inconsistent with the Housing Element Programs 2.1.1 and 2.1.2 that require affordable housing integration and inconsistent with AB 686’s

requirement to affirmatively further fair housing by avoiding segregation of lower income housing.

In sum, the Specific Plan's segregation of land uses into multi-block neighborhoods of homogenous housing types of different affordability levels (e.g., low density single-family vs. affordable and multi-family units) is inconsistent with the mandates to integrate affordable and market rate housing.

**6. The City should amend the Specific Plan to provide a complete mix of affordable units in the majority of blocks in each neighborhood and to require concurrent development of affordable units.**

As proposed, the Specific Plan cannot meet the requirements for concurrent development of a sufficient number of affordable housing units that are integrated into the majority of blocks in each neighborhood as required by Housing Element Program 2.1.2 and General Plan Policy H-3. To meet this requirement, the Specific Plan's land use diagram and lot layouts should be amended. The vesting tentative map proposed in Resolution # 5436 should also be amended as necessary to indicate changes to the lot layouts.

Amendments should be made based on the assumption that the Specific Plan will have a continuing need to support the same percentage mix of very-low, low, and moderate income units as in the 6th Cycle RHNA, as required by General Plan Policy H-3.<sup>18</sup> Thus, each of the residential subareas (1, 2, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15) should contain sufficient numbers of parcels zoned high density (20 units per acre) to allow 23% of the units in that subarea to be very-low and low income rental units, e.g., apartment buildings. These very-low and low income unit sites should be included in the majority of the blocks in each subarea. The lot layouts should include large lots to accommodate a sufficient numbers of the planned apartment buildings to meet the 23% unit count.

Each subarea should also contain sufficient numbers of sites zoned for at least 12 units per acre to allow 25% of the units in that subarea to be moderate income units. These moderate income sites should be included in the majority of the blocks in each subarea.

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<sup>18</sup> The proposed 6<sup>th</sup> Cycle RHNA assigns a much lower percent of affordable housing units (very-low, low, and moderate income units) to Soledad and other Salinas Valley communities than it does to more affluent communities and a much lower percentage than was assigned to Soledad in the 5<sup>th</sup> Cycle. The Salinas Valley communities must provide only 48% of their RHNA units for lower and moderate income households, whereas the Peninsula communities must provide 65% of their RHNA units to lower and moderate income households. However, these RHNA assignments address only the legal obligation to zone for a certain number of affordable units. The practical need to develop many more affordable units in the Salinas Valley cities, based on local incomes, is not altered by this assignment.

Lot layouts should be adjusted if necessary to ensure that there are sufficient lots to support moderate income attached housing.

Alternatively, the Specific Plan should simply zone all of the residential subareas to at least 20 units per acre and provide that all residential uses shall be allowed in each residential area. The larger lots needed to accommodate apartment buildings and attached housing must be provided in the majority of blocks in each subarea.

The Specific Plan's phasing plan provision, which now requires only attainment of a 15% high density, senior, or affordable unit level at some unspecified time in the future, should be amended to mandate that concurrent provision of 23% lower income units and 25% moderate income units be required from year to year. Developers should be required to make enforceable commitments to this concurrency requirement in the development agreements and affordable housing plans they are required to submit.

Furthermore, the applicant's phased development plan cannot meet affordable housing mandates because the subareas contiguous to the existing City limits, which are to be developed in the initial phases, do not include any areas zoned at densities over 10 units per acre. Instead, the residential units in the first phases include only lots zoned for single-family units at a maximum density of 10 units per acre (the MMSP-R-1 zoning). (Third Submittal, Figure 3-2.) Because it may take 8.9 years to build out these 636 lots at the current market absorption rate, the Specific Plan effectively precludes affordable development for the next decade. Accordingly, the subareas contiguous to the City limits should be rezoned to permit all of the housing types that are needed to meet the RHNA mix, including high and medium density units and apartment buildings.

These Specific Plan amendments should be made before LAFCO considers the application further.

**B. Annexation should be phased because the Specific Plan provides over six times as many units as would be absorbed in the next seven years and buildout would take from 40 to 48 years.**

LAFCO policies require phased annexation for "an expected build-out extending beyond a five- to seven-year period" or a justification for "why phasing is not appropriate," which must include a demonstration of "the jurisdiction's ability to provide necessary public services." (LAFCO, Policies And Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization. Feb. 24, 2020, pp. 31-32.) Based on the recent market absorption of about 60 units per year and the AMBAG projection of about 50 units per years, buildout of the 2,392 units would take from 40 to 48 years. We are aware of no other publicly submitted information that would support a more rapid buildout assumption. (See LAFCO, letter to Brent Slama, March 31, 2020, item 3a [noting lack of data or analysis to support Specific Plan's buildout assumptions].) Despite this, the most recent submittal continues to assume buildout would be completed

over a ten to twenty-year period, simply citing the 2018 Specific Plan document. (Third Submittal, Appendix E, p. 2-5.)

LAFCO staff have advised the applicant that phased annexation would be appropriate. (LAFCO, letter to Brent Slama, March 31, 2020, item 3a.) Despite LAFCO’s request, the recent application does not propose a phased annexation or explain why it would not be appropriate.

The Specific Plan document contends that the annexation of the entire specific plan area in one LAFCO action is consistent with LAFCO’s policy because the specific plan includes “a set of phasing parameters that are designed to facilitate efficient provision of services, provide for adequate circulation, and prevent premature conversion of agricultural land.” (SP, p. 2-11.) However, the “phasing parameters” in section 6.4 of the Specific Plan are merely aspirational and fail to justify departure from the LAFCO policy to annex only an area required for at most 7 years of expected growth. (SP, pp. 6-7 to 6-8.) These phasing parameters simply state the obvious – that additional infrastructure in the form of roadways, parks, and storm drainage would be required to build out later phases – but nothing in the discussion demonstrates that annexation of the entire specific plan area in a single annexation action is either necessary or justified.

The phasing parameters also purport to except the Specific Plan from the obligation to develop contiguously, with no stated justification, provided only that public services are provided.<sup>19</sup> Since annexation always requires provision of public services, it is unclear why an exception to the contiguous development requirement should be made for this Specific Plan if it merely meets this minimum requirement.

The phasing parameters also apparently except the Specific Plan from the requirement to maintain prime farmland intact until it must be developed, limiting this requirement with an unspecified “feasibility” qualification: “To the extent feasible, large and contiguous tracts of farmland shall be kept intact while development occurs elsewhere in the plan area.” (SP, p. 6-7, emphasis added.) Again, no justification is provided for relaxing the usual requirement. The Specific Plan provides no explanation of how “feasibility” would be determined or by whom.

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<sup>19</sup> The Specific plan provides the following non-sequitur:

The need for adequate infrastructure and services will drive the development phasing more so than the location of development within the plan area. The need for these facilities and the cost of improvement implementation will greatly affect the extent, location, and timing of new development. As a result, the development of non-contiguous property may be permitted if the appropriate public facilities are installed.

(SP, p. 6-7.)

LAFCO should insist on a phased annexation that begins with the land needed to support seven years of expected market absorption, unless the applicant can provide a specific justification for annexing a larger area. LAFCO should also require contiguous development that keeps existing farm land intact unless and until the applicant can demonstrate a specific justification to relax these requirements.

**C. The applicant has not demonstrated the ability to finance services in the near or medium term because the fiscal analysis assumes full buildout, which would not occur for several decades.**

In 2020, LAFCO advised the applicant that it would need to determine whether the City's revenues would support necessary public improvements. (LAFCO, letter to Brent Slama, March 31, 2020, item 3b.) The most recent submission purports to provide an updated fiscal analysis of the Specific Plan. (Third Submittal, Appendix H.) However, that analysis considers only the fiscal effect of the Specific Plan at full buildout. At the current absorption rate of 60 units per year, buildout of the 2,392 units would take 40 years. LAFCO should determine whether there would be sufficient revenues to support the needed public services before full buildout, and that analysis should be based on a reasonable development phasing plan that meets the mandates to provide affordable housing.

The fiscal analysis is also flawed because it assumes that only 479 units, just 20% of 2,392 residential units, will be affordable. (Appendix H, Table 1.) As discussed above, General Plan Policy H-3, the Housing Element law, AB 686, and Soledad's existing Housing Element require that the City plan to accommodate its RHNA allocation. As of the 6<sup>th</sup> Cycle, at least 48% of the housing should be affordable – 23% to very-low and low-income households and 25% to moderate income households. Thus, the fiscal analysis appears to be crucially dependent on a large proportion of high-priced, low-density, single family homes, not the mix of homes required to support local working families.

It is not clear that the applicant has responded to LAFCO's 2020 concerns about the financial feasibility of providing public improvements. LAFCO explained:

Based on information in the application, the feasibility of this project appears to rely on establishment of a community facilities district that has not yet been quantified, and/or the success of the project's neighborhood-serving commercial component. Feasibility will also depend on the costs of providing major infrastructure upgrades. It is unclear whether the costs of the necessary public improvements have been quantified.

(LAFCO, letter to Brent Slama, March 31, 2020, item 3b.) The recently submitted Plan for Providing Services does not quantify the costs of providing public improvements. (See, e.g., Third Submittal, Appendix E, Plan for Providing Services - Miramonte Specific Plan.) Neither the Plan for Providing Services nor the Infrastructure Phasing

plan contain any provision for the needed freeway interchange. (*Id.*; Third Submittal, Appendix I, Infrastructure Phasing, Public Facility Financing and Responsibilities.)

The most recent submission acknowledges that services and infrastructure are dependent on “development impact fees, a site-specific traffic impact fee paid for by new development, and ongoing assessments collected through the formation of a CFD covering the project site.” (Third Submittal, p. 12-1.) However, the feasibility of this approach cannot be determined because there is no impact fee analysis for development outside the existing city limits. (Third Submittal, p. 5-9.)

The most recent submission admits that the fiscal impact of the project would be negative unless the commercial component is “fully developed and viable.” (Third Submittal, pp. 12-1, 5-2.) However, neither the Master Phasing Plan nor the Infrastructure Phasing plan indicates when the commercial component would be developed. (Third Submittal, Figure 5-1 and Appendix I). The Master Phasing Plan and the Infrastructure Phasing plans would apparently permit development of hundreds of units of low density, single family homes before any commercial development. Furthermore, nothing actually requires development of the commercial component of the project on any particular schedule, or ever.

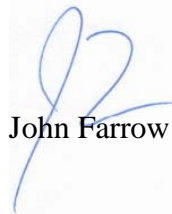
Finally, a comprehensive financing plan is not due until the City accepts a final map. (Third Submittal, p. 1-4.) In sum, there is still no evidence that provision of infrastructure and services is feasible without negative fiscal effects on the rest of the City.

## CONCLUSION

LandWatch has repeatedly raised its concerns about the failure of the Miramonte project to provide sufficient, timely, and integrated housing that is affordable to Soledad’s working families. LandWatch remains willing to work with the City and the Specific Plan proponents to revise the Specific Plan as necessary to correct these failures and to ensure the Specific Plan is consistent with the City’s General Plan, its Housing Element, and state law. In the meantime, LandWatch asks that LAFCO postpone acting on the annexation request until these issues are resolved.

Most sincerely,

M. R. WOLFE & ASSOCIATES, P.C.



John Farrow

JHF:hs

cc: Michael DeLapa

Figure 1 from Third Submittal, Appendix H, Updated Fiscal Analysis and City Peer Review

**Figure 1**  
**Development Data**

<b>Anticipated Project Build-Out</b>	
	<b>Units/ Square Feet</b>
<b><u>Single Family Residential</u></b>	
50x100	375
55x100	247
60x100	455
70x100	241
<b><u>Multi Family Residential</u></b>	
Market Rate	147
Market Rate (For Rent)	314
Senior	134
Affordable	479
<b>Total Residential Land Uses</b>	<b>2,392</b>
<b>Nonresidential</b>	
Commercial	120,000
<b>Total Nonresidential</b>	<b>120,000</b>

<b>Initial Market Values</b>	
	<b>Value Per Unit/SF</b>
<b><u>Single Family Residential</u></b>	
50x100	\$ 600,000
55x100	\$ 625,000
60x100	\$ 650,000
70x100	\$ 695,000
<b><u>Multi Family Residential</u></b>	
Market Rate	\$ 425,000
Market Rate (For Rent)	\$ 375,000
Senior	\$ 340,000
Affordable (Assumes \$0 for assessed value)	\$ 150,000
<b>Nonresidential</b>	
Commercial	\$ 250