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January 14, 2002

Mayor Jerry Smith and Council Members [Sent by FAX: 831-899-6227] Seaside City Council Seaside City Hall 440 Harcourt Avenue Seaside, CA 93955-0810

RE: Policy On Affordable Housing on the Former Fort Ord Agenda Item #15, Meeting of January 16, 2003

Dear Mayor Smith and Council Members:

LandWatch Monterey County is a nonprofit, nonpartisan public benefit organization working throughout Monterey County on the important land use policy issues that will affect the future of our communities. We are specifically committed to policies that will make sure that new residential developments provide affordable housing opportunities for working families.

LandWatch urges the Seaside City Council to strengthen the proposed "Policy Regarding Affordable Housing Development on the Former Fort Ord (North Seaside)," as described in its agenda for the January 16, 2003 meeting. The proposed affordable housing policy states, "Not less than 20% of total new or substantially rehabilitated residential units constructed within the North Seaside area shall be affordable to households of very low, low, and moderate income status." We think that the specified percentage could (and should) be higher, and that the policy should specifically commit the city to maintaining the permanent affordability of all such units, as a key part of its policy. Other policy statements would also assist in providing more affordable housing.

<u>Under current market conditions, Seaside no longer provides any affordable "for sale" housing</u>. In the past, this was not true, and many working families were able to buy homes in Seaside. As existing Seaside homes are sold at market prices (which are significantly more than an average or below average income person can afford) the composition of the community will change— and working families will no longer be able to afford a home in Seaside.

The Fort Ord lands to be transferred to local jurisdictions like Seaside are an important resource that should be used for community benefit. Properly used, they can help offset the economic and social impacts that escalating market prices are causing.

In the City of Marina, which faces the same kind of market conditions that are affecting the housing market in Seaside, the City Council decided to adopt a more ambitious policy on affordable housing on the former Fort Ord. The Marina approach includes a number of General

Plan policies, and an affordable housing "Framework." Marina is different from Seaside, and not everything that Marina did is relevant in the Seaside context. A number of the policies that Marina established, however, may well be relevant to Seaside, and we believe that they are worthy of consideration. The Marina approach includes all of the elements outlined below:

Housing Policies in the General Plan:

- "In order to promote the social and fiscal well being of the community, new housing shall be phased and shall provide for the needs of all economic groups, particularly with respect to matching the needs of the City's current and future workforce."
- "All housing developments of 20 or more units shall include and maintain an appropriate percentage of below-market-rate housing need based upon the 2000 & 2010 censuses. In no case however, shall the amount of affordable housing provided be less than 20% of the total units."

Affordable Housing Framework For Fort Ord:

- "All housing projects shall have available at least 25% associated affordable housing."
- "The distribution of affordable housing subcategories of affordability shall be approximately:

Purchase Price	Project Specific
Up to \$75,000	6%
\$75,000 to \$151,000	9%
\$151,000 to \$226,000	4-5%
\$226,000 to \$301,000	4-5%
	23-25%

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- "The City will participate in efforts evaluating the creation of a housing trust. The trust is envisioned to: Assist home buyers in underwriting mortgage costs; serve to limit appreciation of homes in order to maintain their affordability when they go to resale; benefit first those persons working in Monterey County; be substantially funded through federal assistance"

"The City will utilize the FORA established Community Facilities District, or City established financing mechanisms, to distribute fees and assessments in part to facilitate affordable housing."

As indicated earlier, LandWatch also believes that all new or substantially rehabilitated homes constructed in the North Seaside area should be permanently maintained as affordable, so that

escalating housing prices in the future don't eliminate any new affordable housing opportunities that the community is able to create. A policy to accomplish that could be phrased as follows:

• "Housing for very low, low, and moderate income persons constructed in Seaside shall be permanently protected for sale or rental to persons and families with very low, low, or moderate incomes, through deed restrictions or other equivalent and effective methods."

Conclusion

LandWatch believes that the City Council should take more time to consider the options, before adopting the proposed affordable housing policy outlined in its January 16, 2003 meeting agenda, to see if it can strengthen that policy.

We urge the Council to ask its staff to consult with the Housing Authority of Monterey County, nonprofit housing developers, and other interested and knowledgeable organizations and individuals, and then to bring back to the Council a report indicating how the City of Seaside can maximize affordable housing opportunities in the North Seaside area.

We truly believe that current and future residents of Seaside will be grateful if the Council does the most it possibly can, at this time, to create and then permanently maintain the maximum possible amount of affordable housing on the former Fort Ord.

Thank you for taking our views into consideration.

Very truly yours,

Gary A Patton, Executive Director LandWatch Monterey County