



May 1, 2017

Mayor Gunter and City Council
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

Re: City of Salinas Inclusionary Housing Ordinance

Dear Honorable Mayor Gunter and Councilmembers:

LandWatch Monterey County is a nonprofit, land conservation and planning organization representing more than 1000 Monterey County residents, including a significant number of Salinas residents. As an organization, we have a strong interest in affordable housing, in keeping with our mission to promote sound land use policies that better our community – its long-term economic vitality, high agricultural productivity, environmental health, and social equity.

I write in strong support of your efforts to update the City's Inclusionary Housing Ordinance with the aim of creating more housing opportunities for residents at all income levels. LandWatch is pleased to add its voice to that of Monterey Bay Economic Partnership (MBEP), who note in their comment letter, April 11, 2017, the need of more housing for low income households, such as farmworkers, seniors and the developmentally disabled. We urge the City Council to approve the updated Inclusionary Housing Ordinance and take into consideration the principles elucidated by MBEP:

1. Defer to City Staff recommendations concerning the impact fee levels.
2. Include an annual adjustment mechanism for the impact fees so that they respond to market conditions on an ongoing basis.
3. Whenever possible, the City should provide robust offsets to compensate for the affordable housing requirements contained in the Ordinance.
4. Support all exemptions that further the development of more housing production. All exemptions should be reviewed for appropriateness on an ongoing basis but no longer than 5 years.

In addition, we ask that you consider several other important principles:

1. Whenever possible, error on the side of simplicity. It improves compliance and effectiveness.
2. Nonprofit housing organizations seem better positioned to be in the business of providing and guaranteeing affordable housing over the long-run than local governments, which are constantly strapped for resources.
3. Rent-controlled and inclusionary (appreciation-controlled) homes are essentially equivalent. You should give preference to whichever is easiest for the City to administer.

LandWatch's research reveals that many cities have a very difficult time tracking and enforcing inclusionary housing policies. The more complex those policies are, the lower the probability of long-

term compliance. For example, the City's current policy offers a 20% mixed ownership/rental option or a 15% option for median, moderate and workforce housing, with a complex mix of different rents and rent increases. It seems quite difficult to understand how rents change over time, and we think it will be costly and difficult to implement because of this complexity.

We would also like to applaud the City for the following policies:

- Salinas' policy on payment of in-lieu fees is much better than other jurisdictions where the fees often go to support administrative costs for implementing the ordinance. Fees in Salinas would go into a housing trust fund.
- Units must be dispersed throughout the project with exceptions.
- There is an option for not building on-site housing: off-site if built in future growth area with affordability continuing.

LandWatch appreciates the opportunity to comment. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael DeLapa". The signature is stylized and cursive.

Michael DeLapa
Executive Director