

League of Women Voters

January 12, 2006

Marti Noel, Senior Analyst Monterey County Housing & Redevelopment Office 168 West Alisal St.,
3rd Floor Salinas CA 93901 SUBJECT:

Potential Changes to the Term of Affordability

Requirements for the Inclusionary Housing Program The Leagues of Women Voters of the Salinas Valley and the Monterey Peninsula have previously submitted a letter to the Planning Commission on this subject. A copy is attached for reference. We still recommend maintaining permanent restrictions on ownership homes which are required to be built as part of the County's Inclusionary Housing Program, **as well as on rental units**.

For almost a year, the County's Housing Advisory Committee and staff have held hearings, meetings, and workshops in various locations to receive **public comments** regarding the operation of the Program. The meetings have provided the opportunity for inclusionary homeowners to express concerns from their individual perspectives. We commend the HAC and staff for their efforts to resolve homeowners' issues, and to determine which of them may warrant policy or procedural changes that would improve the Program.

The findings and recommendations of staff and the HAC have been carefully documented and submitted to the Planning Commission. The staff report prepared for the August 31, 2005 meeting gave an overview and history of the Inclusionary Housing Program, a summary of the issues identified by the HAC in its public hearings and workshops, and the major considerations for policy-makers. We urge the Subcommittee to rely on this valuable work and not repeat what has already been done.

Housing staff has also presented information to the HAC and the Planning Commission about the financial implications of various alternatives to permanent restrictions, showing possible gains in equity over time for homeowners and recapture of the public/private subsidies invested in inclusionary units. Projected returns on the sale of homes at market rate were for demonstration purposes and are not assured, however, nor is the replacement of units as they are lost to the Program.

The decision on the term of affordability for this Program has to be considered together with **other options** that may be available to developers and prospective homeowners. Only the Inclusionary homes and others with restrictions imposed by the funding sources are likely to protect the interests of very low to moderate-income families for more than one generation. It is important to preserve the Inclusionary mixed-income concept in as many communities as possible, not just Redevelopment Areas, so that people have choices among neighborhoods **near schools and jobs**.

While some units may be maintained as long as 45 years under Redevelopment law, an increasing number may have shorter terms and may revert to market-rate. Developers are opting to build Workforce level, with fewer restrictions on resale and more opportunity for upward mobility for buyers who qualify.

The comprehensive Affordable Housing Developer Incentive Program that was endorsed by the Planning Commission on January 11 will soon be presented to the Board of Supervisors, together with a pilot project, The Commons at Rogge Road in Salinas. It is to be 100% affordable, but of a total 171 units, only the **rental** component, **48 apartments**, will be part of the County Inclusionary Program and subject to its long-term restrictions. For the moderate and workforce ownership units, the developer will establish a shared appreciation sales plan, including affordability terms and resale prices. It will be administered and monitored by Monterey County Work Force Housing, Inc. **To make this project financially feasible for the developer**, the County will have to make a significant contribution of public funds.

The Developer Incentive Program is proposing a minimum 30-year restriction on very low and low-income units. Moderate-income units could be sold at market rate provided the County recaptures its proportionate share of appreciation. Recaptured funds are to be used within three years to promote lower and/or moderate-income level homeownership. It is not clear how this will be accomplished.

Staff and the HAC are in process of developing a Workforce Housing Program for the creation and administration of Workforce Housing units, **similar to the Inclusionary Program**. Workforce ownership units would have less restrictive requirements, and include subsidy recapture and equity-sharing.

We hope that these programs will be successful in developing the kinds of affordable housing needed in Monterey County. New projects will still require considerable time to complete. There is still a long waiting list for inclusionary units, and we need to preserve the supply for the next generation of **very low, low and moderate-income families. This can best be done by maintaining the permanent restriction**. We appreciate the opportunity to participate in the meetings of the Planning Commission Inclusionary Housing Subcommittee later this month. Further notification should be sent to: Jean Esary, 4078 El Bosque, Pebble Beach CA 93953 (Phone: 624-5822).
Sincerely,

Original Signed by

Original Signed by

Marilyn Maxner

Anne Herendeen, President
LWV Salinas Valley
P.O. Box 1995
Monterey CA 93942
831-648-8863

Arlene Guest

Arlene Guest, Interim President
LWV Salinas Valley
P.O. Box 1302
Salinas CA 93902
831-648-8683 422-2429

CURRENT POSITON: Revised 10/19/13

The League of Women Voters supports measures which would ensure an adequate supply of affordable housing. We recognize that the scarcity of affordable housing constitutes a crisis. We also realize that the need for increasing housing must be balanced with the need for open space. We give attention to the stresses involved the impact on transportation and services of all sorts and the fact that there is a limit to the supply of land, water, wastewater treatment, and parking. We also take into account that the County and city general plans limit the amount of development. While recognizing these constraints, we support the following objectives:

1. To stress that priority be given to development of housing for low and moderate income persons.
2. To support both public and private programs aimed at providing affordable housing.
3. To encourage governmental officials to keep abreast of the most recent and innovative ways to promote increased affordable housing, i.e., innovative financing, land availability, streamlining the permit process, and assignment of a staff person to housing.
4. To encourage private and public entities to make increased land available for affordable housing.
5. To press for the dispersal of affordable housing throughout the community. This includes support for **on-site** inclusionary housing policies.
6. To encourage the State to employ sanctions to enforce Housing Elements of General Plans.
7. All available means of providing low-moderate income housing should be pursued by the city and county.
8. A more aggressive effort to obtain funding for housing programs should be made. Efforts should also include strong lobbying for maintenance of existing federal and state programs and expansion of such programs.
9. Emphasis of housing programs should be in the low-income sector. Programs should include provision of **rental** units as well as home ownership.

We support **reasonable flexibility in zoning laws** and development standards to keep building costs down. This could include cluster development, decreased height restrictions, smaller units, decreased setbacks, second units on existing family property, manufactured homes, and well-designed mobile home parks.

The League supports educating and motivating the community about affordable housing issues. This includes writing and **distributing factual pamphlets, meeting with neighborhood associations, and sponsoring housing forums.**

Revised 10/19/13