**Date:** May 12, 2024

**To:** Glenn Church, Chair, and Monterey County Supervisors

**CC:** Planning Commission

**From:** Priscilla Walton, Carmel Valley Association, President

**Subject:** Carmel Valley Response to 2023-2031 6th Cycle Housing Element, Draft May 2024.

Dear Supervisor Church,

The Carmel Valley Association has reviewed the County’s recently released 6th Cycle Housing Element. The draft, as presented, raises a number of issues that would seriously impact the Carmel Valley Master Plan. Our major areas of concern are detailed below.

**1. Over- concentration of single family units in the Carmel Valley without consideration of realistic constraints on development**

The CVMP area needs primarily rental units in the medium, low, very low, or extremely low units in the Affordable Home Overlay (AHO) areas at the mouth of the Valley and Mid-Valley to serve the CVMP areas needs.

\*In this draft site analysis, County Planning Staff has proposed to locate the majority of its RHNA units in the Carmel Valley, where wildfire risks, a water shortage, and two-lane road ingress and egress are real constraints on development. There appears to be little consideration of those factors.

* The current draft site inventory concentrates 75% of unincorporated AMBAG-allotted 3,326 units for the entire unincorporated Monterey County in the Carmel Valley Master Plan (CVMP) area.  At the most, the CVMP should add no more than 800 units (40%). Those units should focus on affordable housing units.
* There is no attempt in the Element to anticipate the traffic impacts or LOS standards degradation related to 2500+- new units in the CVMP area. The CVTIP (CV-2.18) and Carmel Valley Road Advisory Committee have not been consulted and included in the dialogue and decisions.
* A constraint because of available water resources available is not introduced. Most currently entitled lots of record—mostly for individual single family homes—have not been built because of the moratorium on any new meters due to lack of water.
* No consideration has been given to the fact that Sites 24 through 29 are all located in the flood plain. Climate change is a reality. Forward- looking planning should avoid planning housing in the flood plains. Continuing this practice comes at a potentially high cost in the future.

**2. Lack of inclusion of pipeline projects**

According to an email CVA received from Anthony Errichetto of the CA State HCD in June of 2023, pipeline projects can be included in the Housing Element: "To summarize, jurisdictions may choose to credit sites with pending projects since the beginning of the RHNA projection period towards their RHNA based on affordability and unit count within the proposed project but must demonstrate the units can be built within the remaining planning period."

* Already approved projects (the so-called pipeline projects) are not adequately analyzed for eligibility, especially in the single-family home, i.e., above-market, on existing approved developments, e.g.,Rancho Canada Village, One Carmel, Santa Lucia Preserve, Tehama, Quintana, and previously entitled lots of record, etc. It **is essential** to analyze all single- family market rate units for eligibility as pipeline projects which could feasibly be built out during the 6th Cycle. This is a standard practice in many counties and a practice approved by State HCD. For unexplained reasons the County Staff has not reduced numbers based on their eligibility. This analysis and inclusion is essential to an understanding of cumulative impacts of the draft site analysis and to reduce the number of new sites needed.
* A Monterey County HCD staff report to the Planning Commission determined that the already entitled and approved pipeline projects carried over from the 5th Cycle for single-family homes **exceed** the needed allotment county-wide by 209 units. There is no need to provide sites for additional market rate housing. The **need** is for affordable housing in the AHO areas at the mouth of the Carmel Valley and at the Mid-Valley.
* There is no analysis component for projects. Each pipeline project development must be analyzed by County Staff for qualification of units as per state HCD specifications.

**3. Affordability, [Incentivizing and Subsidizing Programs, and Increased Density]**

As previously stated, the CVMP area needs more affordable housing units sited in multi- use upzoned and multifamily upzoned AHO areas, not more single family homes beyond those already sited on entitled individual lots in the CVMP. Developments in the unincorporated county lack subsidizing and incentivising programs and policies, and hence tend to use up open space inefficiently in developments that only apply the Inclusionary Housing Ordinance (IHO) where only 20% of the project units are affordable.

* The County must enforce the DES mandate for 35% affordable housing in its existing general plan and require that percentage of affordable units for all development projects, e.g., expected projects at sites 25-29, 44, 48, 47, and any other opportunity sites within established Affordable Housing Overlay (Policy LU.2.12) areas. CVMP (CV-1.6 [a]) actually calls for 50% affordable housing units and also caps development (CV 1.6).
* The County HCD's draft 6th Cycle Housing Element does not adequately address programs besides Inclusionary Housing to provide incentives, subsidies, and creative permitting pricing and codified policies that could promote affordability in the low, very low, and extremely low, let alone moderate income levels. Housing programs that encourage the provision of dense, affordable infill rental units at the mouth of the Valley **must be found and funded to ensure that these typs of projects receive priority.**
* Planning commissioners and the supervisors should direct county staff to be aggressive in promoting codification of increased zoning densities, particularly at the mouth of the Valley and Mid-Valley AHO areas of the CVMP area where some taller development standards may be indicated.

1. Minimum densities and clustered development need to be required for some sites in the CVMP, like 44, 48, and 47 as mentioned above.

1. All building projects in the unincorporated county should be incentivized with streamlined permitting in reward for affordability by design, multifamily and mixed-use units, rental units, and densities over 20 units / acre.
2. Planning commissioners and supervisors could direct county staff to develop a local SB 35 (aka CA Government Code section 65913.4) application into county code, designed to simplify the approval process for housing projects, particularly in areas struggling to meet the Regional Housing Need Allocation affordable housing goals.

**4. Issues with specific CVMP area proposed site locations**

* The proposed site Number 49 is **unacceptable**. Not only is it proposed on land of primarily 20% grade and above, but it is an approximately 500 -acre site with 1,020 units allotted, which averages to 2 units per acre. Open land in the CVMP is too valuable to waste it in this way**.** This site was added to previously designated sites without any public input. This violates CVMP's (CV-3.22) prohibition against development on slopes greater than 25% or with erodible soils (see also County Land Use Policy OS 3.5)
* Sites 44 and 48 should have zoning work to provide deeded restrictions that require higher densities and clustering of development in order to prevent sprawl. Specific incentives should be provided for projects that encourage dense, affordable housing with a mix of unit types (for sale, for rent, etc.) and levels (moderate, low, very low) where single family homes are reduced to the minimum possible. (See 5 below).

**5. Currently ineffective design and permitting policies do not and will not meet critical housing needs**

* The current policies and practices of County HCD in support of development is to rely on having developers design 80% above-market rate housing units to provide opportunities to "pencil out" the building of 20% affordable housing. **This policy** **is ineffective in the goal of providing affordable housing in multi-use projects designed for affordability and sited near existing infrastructure and transportation.** In the CVMP area, time and again we've seen the market rate housing getting built but affordable housing lagging far behind. New approaches need to be considered.
* The draft 6th Cycle Housing Element proposal lacks consideration and integration of smart growth principles in opportunity site choices in the CVMP area, particularly at site 49.

**6. Lack of inclusion of public input in the planning process**

* Monterey County Staff needs better guidance and directives on both the Housing Element site selection policy and on working with organized community residents. Public input is not reflected in policy-making decisions and staff’s prioritizing of workflow could be improved. Housing and Community Development is part of a public institution funded by taxpayers. It must be more responsive and inclusive of community input in the planning process. Stronger guidance could flow from Supervisors and Planning Commissioners through GAO to County Staff.

Thank you for considering these comments. The Carmel Valley Association appreciates this opportunity to share our concerns with you. Our goal is to contribute to a better and more effective 6th Cycle Housing Element that incorporates the goals and principles of the Carmel Valley Master Plan.

Sincerely,

Priscilla Walton, President, Carmel Valley Association

*[*