

HOUSING ADVISORY COMMITTEE MINUTES

ZOOM MEETING

Wednesday, January 13, 2021 5:00 PM

1) **Call to Order:**

Vice-Chair Araujo called the meeting to order at 5:20 p.m.

2) **Roll Call**

Members Present: Karen Araujo, Raul Calvo, Tyler Williamson

Wes White Joined Meeting at 5:18 p.m.

Members Absent: Ignacio “Mog” Cabatu and Virginia Mendoza

Staff Present: Melanie Beretti, Carl Holm, Mary Israel, Darby Marshall, Anita Nachor, Wendy Strimling, Anastacia Wyatt

Others Present: Larry Bacon, Emily Ham, Rafael Hernandez, Margie Kay, Esther Malkin, Jim Moose, Margaret Robbins, Eric Sand, Asaf Shalev, Pris Walton, Michael Waxer, Alan Williams, Jeff Wood,

3) **Public Comment:**

The Housing Advisory Committee will receive public comment on items not listed on the agenda within the purview of the Housing Advisory Committee. The Chair may limit the length of individual presentations.

No Public Comment

4) **Approval of Meeting Minutes for November 4, 2020**

Action: A motion was made by Mr. Williamson to approve the November 4, 2020 minutes. Mr. Calvo seconded the motion.

VOTES:

AYES: Araujo, Calvo, White, Williamson

NAYS:

ABSENT: Cabatu, Mendoza

ABSTAINED:

5) **Old Business:**

None

6) **New Business:**

- a. Elect members of the Housing Advisory Committee to serve as a. Chair and
- b. Vice-Chair

Action: A motion was made by Mr. Williams to nominate Mr. Williamson for Chair and Karen Araujo for Vice-Chair. Mr. Calvo seconded the motion.

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VOTES:

AYES: Araujo, Calvo, White, Williamson

NAYS:

ABSENT: Cabatu, Mendoza

ABSTAINED:

- b. Receive a report on the Rancho Canada Village Project; and Provide a recommendation on the affordable housing component of the Rancho Canada Village Project, proposed to be 20% moderate income units.
Carl Holm gave a report on the Rancho Canada Village project and a discussion was held. Receive and File.

Wendy Strimling requested Anita Nachor email out the letter from the CVA.

Anita Nachor emailed the letter from the CVA to the Committee Members

Extensive discussion regarding Rancho Canada Village Project

Jim Moose presented information on the Rancho Canada project on behalf of the applicant, Alan Williams.

Alan Williams gave an update on the Rancho Canada project.

Tyller Williamson, stated the he was not able to review the report that was sent. Suggest having another meeting to give folks time to analyze and for the Committee to be able to provide a thoughtful advisory service recommendation to the Board of Supervisors.

Public Comment:

Pris Walter, the Carmel Valley Association (CVA) stated that the CVA was not informed until yesterday about the HAC meeting, nor did they know about the HAC meeting in November, or the CVA would have submitted the letter earlier so that the Committee would have had time to read it.

The CVA believes that it is an attempt to avoid compliance with Monterey County Inclusionary Housing ordinance. Essentially, CVA believes that the reasoning and the unforeseen circumstances are not verifiable and not factual. The CVA also thinks that, when you are in the business of being in real estate, there's certain risks that you take, and the county should not be trying to define and prevent what is unforeseen and it's not unusual.

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Emily Ham, Monterey Bay Economic Partnership (MBEP) stated that MBEP is not here to take any sort of position but wants to ask a couple of questions and make a couple of points. Would like the market analysis to be included in the Minutes of the agenda?

What was the driver behind doing the market analysis? Why was it conducted by the applicant? Ms. Ham stated that she is wary of developers that might have some sort of inclination to look for data that supports what they prefer to build based on their bottom-line numbers. It is not the best practice to have developers do these kinds of analyses and present them as a justification for minimizing the number of units to build the low and very low.

Units are needed in Carmel valley, but would also say that this is a good opportunity for the county, especially because the housing element season is coming upon us. This is a good opportunity for the County to review what is needed.

Esther Malkin/Monterey County Renters stated, which workers, besides firefighters are going to be able to qualify for the moderate units? The city of Carmel and Carmel Valley do not have jobs that would support those expensive lots, even if they are considered moderate.

Where exactly are the low-income workers workforce expected to live? Carmel has a serious traffic issue. The expectation has always been for those workers to commute. It is advisable to take an opportunity to add to the lower income housing when most of the workers happen to be low wage. Ms. Malkin stated that she believed that this is another attempt at kicking the can down the road that has gotten not just our county, but the state in the position of not having enough housing.

In general, and whenever there's an opportunity, it leads to build for the moderate and higher demographic so I urge everybody involved in this project and others that have an opportunity to house some low income workers, which in this case would more than likely be hospitality.

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Larry Bacon, CVA stated that he contributed the letter that was sent to the county. He has a background in Finance. He worked as a Financial Officer for 25 years at Wells Fargo Bank and Chase Bank and has observed the financial projections that Alan and his group have provided. Mr. Bacon also stated that there is a difference of opinion as to what is in the best interest of the community of Carmel Valley. CVA has consistently been pushing for a

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higher number higher percentage of affordable housing as an element on this this project, 20% will not work.

The major part of the \$16 million projected cost for the site. Seems that there should be some room for negotiation within those figures. Also, Mr. Williams pointed out that some of the 16 million is past cost. It will cost, there's not some of them are at his Risk in fault. There are other numbers to be challenged, but the numbers have not been discussed.

Mr. Williams suggested possibly using a nonprofit and tax credits to assist in structuring the affordable housing project. Possibly could take the finance burden off and allow him to lower the cost of the lot that is he is offering to the County workforce.

Erick Sand, CVA, stated that he has been deeply involved in Rancho Canada Village project for several years and has observed comings and goings. Mr. Sand also stated that he did an in-depth analysis of the 2016 EIR and at the time we discovered that the flood control aspects of Rancho Canada Village project were only for one boundary, a very intricate on a village project and the rest of the surrounding community. Would the county or the homeowners be responsible for the cost of the additional flood controls that will be needed to connect to the Rancho Canada flood control area? There are many hidden areas of costs that are being off cited to other entities, besides the Central Rancho Canada Village endeavor.

The cost of the community would be heavy in terms of traffic and it has a ripple effect on the concentration of residents in that area would greatly affect people's ability to function and to feel that they live in a rural area. The whole premise of the Carmel Valley master plan is to maintain a rural area and we are fighting very heavily very in depth and keep it that way

Alan Williams, Applicant, stated that his partner Mr. Eastwood is in the hospitality industry of Mission Ranch and Pebble Beach. His employees do not qualify for low or very low. They are predominantly moderate and above. I have been in the construction industry almost 50 years and my employees are moderate income.

Mr. Williams also stated is he is trying get 25 income housing units for his employees that work here. If able to get the housing units, it would ease traffic and take his employee off the roads. Additionally, Mr. Williams is trying to get 105 market rate units that are affordable by all standards

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Mr. Williams stated that he is willing to talk with the CVA but cannot change numbers when he is not able to pay for it. Regarding Mr. Bacon's comment, look at the financial report, if I go to 30%, I lose \$6 million and it would be difficult to finance that amount. Mr. Williams stated that he would appreciate action tonight. Trying to do the right thing and the support of the HAC Committee would be appreciated. But if you must recommend low and very low, I understand it is ultimately a policy decision by the Board of Supervisors and he can take that argument at that level.

Tyler Williamson, HAC Committee Member stated that he would suggest having an ad hoc or a special meeting in order to give everybody a chance to review the report before making our final decision.

Karen Araujo, HAC Committee Member, stated that she would like time to read over the report. Agrees with Mr. Williams that an AD Hoc or Special meeting should be scheduled.

Raul Calvo, HAC Committee Member, stated that he agrees with Karen Araujo. In order to be fair to Mr. Alan, Mr. Calvo requested a couple of days to review the report.

Carl Holm stated that the County is working on the, response to comments for the EIR. Staff can post the letters and reports to the website for the public.

Action: A motion was made by Ms. Araujo to approve a HAC Special Meeting for February to have additional time to read the report. Mr. Calvo seconded the motion.

VOTES:

AYES: Araujo, Calvo, White, Williamson

NAYS:

ABSENT: Cabatu, Mendoza

ABSTAINED:

- c. Receive a report on the Monterey County Emergency Rent and Utility Relief Program (MCERURP)

Action: A motion was made by Mr. Williams to approve to table 6c to the next meeting. Mr. White seconded the motion.

VOTES:

AYES: Araujo, Calvo, White, Williamson

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NAYS:

ABSENT: Cabatu, Mendoza

ABSTAINED:

7). Committee Member Reports

Committee members will report on matters, events, and activities related to HAC goals and housing advocacy matters. Committee members may give direction regarding future agenda items.

None

8). Updates from Staff:

None

9). Schedule of Upcoming Meetings

March 10, 2021

May 12, 2021

July 14, 2021

September 8, 2021

November 10, 2021

10) Adjournment:

Action: Chair Williams moved to adjourn. The meeting was adjourned at 7:10 PM.

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ZOOM SPECIAL MEETING Wednesday, February 17, 2021 5:00 PM

1) **Call to Order:**

Chair Williamson called the meeting to order at 5:00 p.m.

2) **Roll Call**

Members Present: Karen Araujo, Virginia Mendoza, Tyler Williamson

Raul Calvo, Virginia Mendoza, and Wes White Joined Meeting at 5:08 p.m.

Members Absent: Ignacio “Mog” Cabatu

Staff Present: Coleen Courtney, Darby Marshall, Melissa McDougal, Mary Israel, Erik Lundquist, Anita Nachor, Wendy Strimling, Anastacia Wyatt

Others Present: Larry Bacon, Janet Wallace Brennan, Chris, Deb Evans, Leigh Fitz, Deborah Greenberg, Jeff Greenberg, Emily Ham, Ann Hanham, Scott Hanham, John Heyl, Janis, , Margie Kay, Karin Strasser Kauffman, Jennifer, Judy Layman, Esther Malkin, Marcia, Mike, Jim Moose, Noel, Margaret Robbins, Eric Sand, Tim Sanders, Asaf Shalev, Richard Scott, Pris Walton, Michael Waxer, Alan Williams, Jeff Wood,

3) **Public Comment:**

The Housing Advisory Committee will receive public comment on items not listed on the agenda within the purview of the Housing Advisory Committee. The Chair may limit the length of individual presentations.

No public comment.

4) **Approval of Meeting Minutes for January 13, 2021**

Action: A motion was made by Mr. Calvo to approve the January 13, 2021 minutes. Ms. Mendoza seconded the motion.

VOTES:

AYES: Araujo, Calvo, Mendoza, White, Williamson

NAYS:

ABSENT: Cabatu

ABSTAINED:

5) **Scheduled Matters**

- a. Continue discussion from HAC meeting of January 13, 2021 on the Rancho Cañada Village Project; and,
- b. Provide a recommendation on the affordable housing component of the Rancho Cañada village Project, proposed to be 20% moderate income units.

Mary Israel gave a presentation. Discussion Held. Receive and File.

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Extensive discussion regarding the market study.

Public Comment was given as follows:

Pris Walton stated that affordable housing is a critical need in Monterey County, specifically in the Carmel Valley. There is a cap of 190 units in the Carmel Valley. This project would take up the lion's share of 68% of them without providing housing that is needed in the valley for people who can't buy or rent here. It would be the largest development in an area of Carmel Valley that is uniquely located next to transportation shopping services schools. In December, CVA indicated that we would be very pleased to see five acres dedicated for affordable housing. There are several individuals who would be willing to work on setting up a nonprofit governmental agency, since monies are available to build and we have not received a reply from Mr. Williams.

Esther Malkin, Monterey County Renters United Group stated that encouraged the Committee to force the RCV Project to stick to the original plan or at least 30%.

Scott HanHam stated that the existing general plan and master plan should be respected. Mr. Hanham also stated that he agrees with what has been said so far about the importance of affordable housing or Carmel Valley. Moderate income is not adequate and is too high for the demand.

Judy Layman stated she supports all the previous speakers and that she believes that 50% is necessary, moderate is too high. Development of affordable housing for the working people.

Janet Wallace Brennan, Chair of the Carmel Valley Land Use Advisory Committee, relayed that the committee heard the RCV project yesterday evening and voted four to one that the project be amended to require affordable housing consistent with the 2010 General Plan.

Noel, from CVA and the Chair of the CVA Natural Resources Committee, stated she agrees with the many points that have been brought up about the importance of adhering the Carmel Valley Master Plan.

Margaret Robbins stated that there is a need for moderate income units, which will be provided by the RCV.; additionally, it will also provide flood control. One of the first things they will do is build a dike and keep the floodwaters from coming down Rio road.

Tim Sanders stated that he supported the previous speakers.

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Karin Strasser Kaufman, former County Supervisor, stated that 35% would be the appropriate number of minimum affordable units on this property on this piece of land. That is the requirement of the county. Ms. Kaufman also stated that there is a need to have affordable housing for younger workers for the younger workforce

Jeff Greenberg stated that he would like to have the Committee consider the size of the project. The project is 70% of the remaining available housing in the Carmel Valley. Housing in Carmel Valley will be clustered in that one zone.

Jeff Wood stated that he noticed in the general plan, it speaks about affordable housing being started after the 85th plot is sold. Mr. Wood is concerned about how long it will take to build the affordable units. Wood also stated the need for affordable housing for people who are currently working and not just seniors or the disabled

John Heyl, Carmel Valley resident, stated that he encouraged the committee to take more time to consider the RCV project but preferably not to approve it, as recommended or proposed.

Larry Bacon, Carmel Valley resident and CVA members, stated that he requests the Committee protect the 50% affordable housing and take it back to the drawing board and be reconsidered.

Richard Scott stated that he lives on Rio road and within the Floodplain. The County has constructed a berm, along Bellerby drive and should protect Carmel

Eric Sand, Carmel Valley resident, stated CVA is behind affordable housing and believes that the RCV project should retain the original mandate of 50%.

Alan Williams, Developer stated that he would ask the Committee to review Alternate Six from the DEIR. That is 105 market rate units, 25 moderate income units, and 30 accessory dwelling units (ADUs). By definition of the governor and the end the legislature, those are affordable units that would get us 55 afford affordable housing units. It is in the mouth of Carmel valley near all the transportation; there is water and sewer.

Jim Moose, Mr. Williams/developer attorney, stated that he wanted to offer a different perspective, as a land use lawyer who practices all over California. People are advocating for the perfect project from their standpoint 50% affordable housing, in the sense they are advocating for something that is financially not viable. Mr. Moose stated that he has seen around the State that a 50% requirement is extraordinarily high. He stated that he sees percentages such as 10% , 15% in other communities. It is a very high-minded thing to advocate 50% affordability

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and to want to have low and very low income. That cannot happen in the real world, that cannot happen in the marketplace based on basic economics because the subsidies would be so extraordinary. Mr. Williams is trying to build affordable housing, 20% is a high requirement by state standards and Mr. Williams is trying to offer housing to a market segment, that is not poor by statewide standards, but by Monterey County standards is relatively less affluent than a lot of the people there.

Mr. Moose stated that the developer has hired Economic Planning Systems (EPS) to review the economics of three different scenarios. One was a 30% affordability and it lost millions of dollars. If a 30% affordability requirement would lose millions, then obviously a 50% requirement would lose many, many millions. EPS studies showed that the rate of return that Mr. Williams is seeking is very low compared to normal standards return that developers seek due to the risk. If your business is to propose housing in a world with CEQA and CEQA lawsuits and years long litigation, that is a risky business and a very low rate of return. Mr. Williams is trying to bring this proposal to a close and accept a very modest profit.

Virginia Mendoza stated as a member of this Committee her duties are to assist with affordable housing. Ms. Mendoza also stated that she does not understand why the original proposal was 50% on affordable housing and now she is hearing 20% or 30% affordable housing. Can staff please answer the question?

Mary Israel stated that in 2010 the Board of Supervisors approved a general plan that included the Carmel Valley master plan, and in policy CV 1.27 established that RCV would have a special treatment area that would allow up to 10 units per acre on 40 acres and in exchange would require a minimum of 50% affordable/workforce housing. The CVMP was amended in 2013 because of a settlement agreement with Carmel Valley Association, which amendment specifically included reducing the unit cap for Carmel Valley from 266 units to 190 units; that's policy CV 1.6. In response, the applicant proposes a reduced project alternative of 130 units, and that was way back when it went to the Board of Supervisors in 2016. They had to reduce the number of units, because de facto it was forced basically by the cap being lowered, so it was like a secondary effect and that is why they are not offering this 50% now because they are not doing the 281 unit project.

Ms. Araujo stated that Ms. Walton spoke about five acres to build out affordable units. That would be a wonderful thing. Also, it would be a win, win, removing something that is burdensome for Mr. Williams.

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Action: A motion was made by Ms. Araujo to recommend 35% affordable housing requirement at the various income thresholds and allowing flexibility to work with the county staff to increase the total number of units, where it will work for the developer. Mr. White seconded the motion.

Action: A substitute motion was made by Ms. Mendoza to recommend 40% affordable housing requirement at the various income thresholds and allowing flexibility to work with the county staff to increase the number of units, where it will make it work for the developer.

No second, so the substitute motion died for lack of a second.

VOTES ON THE MAIN MOTION:

AYES: Araujo, Calvo, White, Williamson

NAYS: Mendoza

ABSENT: Cabatu

ABSTAINED:

Motion passes 4-1.

Action: A second motion was made by Mr. White to define the 35% affordable housing requirement set forth in the first motion. Identified in Policy LU 2.13 is 6% very low, 6% low, 8% moderate, 5% Workforce I, and 10% Workforce I or II. Mr. Calvo seconded the motion.

VOTES:

AYES: Araujo, Calvo, White, Williamson

NAYS: Mendoza

ABSENT: Cabatu

ABSTAINED:

Motion passes 4-1

6) Committee Member Reports

Committee members will report on matters, events, and activities related to HAC goals and housing advocacy matters. Committee members may give direction regarding future agenda items.

7) Updates from Staff:

None

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8) **Schedule of Upcoming Meetings**

March 10, 2021

May 12, 2021

July 14, 2021

September 8, 2021

November 10, 2021

9) **Adjournment:**

Action: Chair Williamson moved to adjourn. The meeting was adjourned at 6:55 PM.