



June 25, 2020

Anastacia Wyatt  
Housing Program Manager  
Monterey County Administrative Office  
168 W. Alisal St., Salinas, CA 93901

RE: **Letter of Support for Monterey County's LHTF Application**

Dear Ms. Wyatt:

Thank you for reaching out to MidPen Housing regarding your upcoming application to the Local Housing Trust Fund. MidPen Housing has a long and productive history with the County of Monterey, including our work together to entitle, permit and construct Manzanita Place (in the East Garrison subdivision of the former Fort Ord) as well as Cynara Court in Castroville. Additional state and local resources would allow us to grow and expand our partnership, resulting in the ability to provide even more Monterey County families with high-quality homes at a time of urgent need for affordable housing in our communities.

Below is a list of pipeline and potential pipeline projects that may be feasible with additional local funding:

1. **Monterey Peninsula Unified School District:** In June 2019, in partnership with Habitat for Humanity, MidPen responded to an RFQ to develop teacher/staff housing on excess land owned by the Monterey Peninsula Unified School District (MPUSD). After a survey of available district land, MPUSD identified several sites that would be suitable for multifamily residential, and MidPen applied for a small grant from the United Way of Monterey County to conduct a Teacher Housing Feasibility Study. The feasibility study concluded that due to Monterey County's low Area Median Income (AMI), teacher salaries are outside the AMI range allowable for most state and federal tax credit programs; MidPen is therefore pursuing a 60-unit development with the intention of serving the district's lower-wage classified staff. MPUSD still sees a need for teacher housing; additional LHTF could support innovative solutions to serve the "missing middle" in Monterey County and/or support the current pipeline project targeting classified staff.
2. **City of Monterey:** Monterey recently identified four potential sites for affordable housing, with the goal to release an RFP for these sites in April 2020. While the global pandemic and subsequent City of Monterey lay-offs has effected the timing of the RFP release, we are confident that building affordable housing is a top priority of the City's and that these RFP's will be released as soon as the Planning Department is able to rehire the staff to manage this process. Our analysis of the largest of these sites—a former parking garage on Calle Principal—suggests that it would be an ideal location for a



family project of up to 68 units, with excellent access to transportation, schools, and other amenities. However, a preliminary financing plan—even with potential state funding, such as IIG—reveals a gap greater than the City of Monterey would be able to fill, and suggests that additional money from other local sources, such as the LHTF, would be necessary to make this project work.

3. **Farmworker Housing:** In 2018 the California Institute for Rural Studies released a comprehensive Farmworker Housing Study and Action Plan for the Salinas Valley and Pajaro Valley. The study brought to light a dire shortage of housing for farmworkers, both individuals and families, and MidPen Housing, along with other local affordable housing developers, are committed to actively acquiring and developing sites suitable for this population. Additionally, the state has made funds available through SB2 and the Joe Serna Jr. Farmworker Housing Grant Program. In order to be competitive for state financing, however, projects need to show local sources as well—sources that are often out of reach for Monterey County Cities. The availability of Local Housing Trust Fund dollars would support the effort across our industry to address the shortage of farmworker housing and serve the families and that work in the essential agricultural industry in Monterey County.
4. **Post-COVID Housing Production:** The global pandemic will have lasting consequences for communities that are not yet known. State legislatures are currently working to pass legislation that will create opportunity in the face of economic downturn, including a Monterey County democrat, Anna Caballero, who is authoring Senate Bill SB-1385, which would make more land zoned for office parks or retail outlets (which may go out of business if there is a prolonged recession) eligible for housing development through a streamlined process. While these bills will make the entitlement process easier, housing production will only be possible on new projects with local money. Given that an economic downturn will hurt local governments, LHTF dollars will be essential in order for developers to rise to this challenge and opportunity.

Again, thank you for reaching out to MidPen Housing. We look forward to our continued work together to provide safe, affordable housing of high quality to those in need.

Sincerely,

MidPen Housing Corporation

DocuSigned by:  
*Joanna Carman*  
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Joanna Carman  
Director of Housing Development  
Coastal Region