



Board Report

File #: 15-0881, **Version:** 1

- a. Approve an Amendment to the Agreement Imposing Restrictions on Real Property for Inclusionary Housing to allow payment of an In Lieu fee to satisfy the inclusionary housing obligation for Canada de la Paz subdivision (PC 92-212/Tavernetti) in the Pine Canyon area near King City; and
- b. Authorize the Director of Economic Development to execute the Amendment, and to execute and record lien releases on all parcels in the Canada de la Paz subdivision upon payment of the In Lieu fee.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve an Amendment to the Agreement Imposing Restrictions on Real Property for Inclusionary Housing to allow payment of an In Lieu fee to satisfy the inclusionary housing obligation for Canada de la Paz subdivision (PC 92-212/Tavernetti) in the Pine Canyon area near King City; and
- b. Authorize the Director of Economic Development to execute the Amendment, and to execute and record lien releases on all parcels in the Canada de la Paz subdivision upon payment of the In Lieu fee.

SUMMARY:

On May 17, 1994, the Board of Supervisors accepted the Final Map for L.V. Tavernetti, Kay Tavernetti, Vince Tavernetti, and Amy Marie Tavernetti's ("Applicants") subdividing an 825-acre parcel into 20 parcels. The tentative map condition required: "Applicant shall comply with the requirements of the Inclusionary Housing Ordinance in effect at the time of filing of the final map." To comply with the condition, the Applicants entered into an Agreement Imposing Restrictions on Real Property for Inclusionary Housing (the "Agreement") that required that they provide 1.95 or more units or lots for low and moderate income households. The Applicants request that they be allowed to satisfy the Inclusionary Housing obligation by paying an In Lieu fee with accrued interest thereon instead of having to build one unit of inclusionary housing as required by the Agreement and paying a partial In Lieu fee. If approved by the Board of Supervisors, the Inclusionary In Lieu fee due would be \$68,529.49, consisting of \$41,827.50 of principal and \$26,701.99 of accrued interest (calculated through August 25, 2015). The Inclusionary In Lieu fee will continue to accrue interest at the rate of \$3.44 per day until it is paid in full. Staff is recommending that the Applicants' request be granted.

DISCUSSION:

On March 31, 1993, the Planning Commission adopted Resolution Number 93-013 to approve an application to subdivide an 825-acre parcel into 20 parcels ranging in size from 1.4 acres to 766.7 acres. Known as Canada de la Paz, the project is located in the Pine Canyon area of unincorporated Monterey County, west of King City. The Board accepted the final map on May 17, 1994.

Condition of Approval #5 required the developer to comply with the Inclusionary Housing Ordinance that was in effect when the final map was approved. The selected compliance method was for the Applicants to provide 1.95 units of lower and moderate income housing. In order to secure compliance, the Applicants recorded an Agreement Imposing Restrictions on Real Property for Inclusionary Housing on the 20 parcels created by the subdivision. Until such time as the Applicant identified two parcels that would be developed as inclusionary housing, the Agreement applied to all 20 parcels. The Agreement further stipulates that the Board of Supervisors, without review by the Planning Commission, may approve an alternative method of compliance with the Inclusionary Housing Ordinance. The applicable ordinance also allows for payment of an In Lieu fee as a method of compliance.

The Applicants have sold 12 parcels, with the restrictions outlined in the Agreement continuing to run with the land. The Agreement has become an issue as property owners have attempted to resell their homes. The Applicants now seek to remove the restrictions from all of the lots. The basis of their request is that none of the parcels are suitable for development as Inclusionary Housing based upon the high homeowner association/shared maintenance costs, the lot sizes, and the remote location of the development. Staff concurs that these concerns are valid reasons to consider an alternative method to satisfy their obligations under the Inclusionary Housing Ordinance.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Amendment to the Agreement Imposing Restrictions on Real Property for Inclusionary Housing as to form.

FINANCING:

There is no impact on the General Fund. Approving the payment of an In Lieu fee will result in a one-time payment of approximately \$68,529.49 being deposited into the Inclusionary Housing Fund (Fund 009, Organizational Unit 8208). The use of Inclusionary Housing In Lieu fee income is restricted to providing affordable housing.

Prepared by: _____
Jane Royer Barr, Housing Program Manager, 5389

Approved by: _____
David Spaur, CEcD, EDFP, Economic Development Director, 5387

Attachments:

Canada de la Paz Amend to Agrmnt re Restrictions for Incl Hsg rev 8-3-15
Tavernetti Amend to Agmnt re Restrictions for Incl Hsg
(Amendments are on file with the Clerk of the Board)