



May 3, 2021

Chair Ana Ambriz  
Monterey County Planning Commission  
1441 Schilling Place, South 2<sup>nd</sup> Floor  
Salinas, CA 93901

Subject: Rancho Cañada Village Subdivision

Dear Chair Abriz and Members of the Planning Commission:

LandWatch Monterey County has reviewed the revised draft of the second EIR for the proposed project. The project would, among other things, amend the text of Carmel Valley Master Plan Policy CV-1.27 to provide that notwithstanding any other General Plan policies, residential development may be allowed with a density of up to 10 units/acre with a minimum of 20% affordable housing. Twenty-five units would be moderate-income inclusionary units, and the other units would be market rate.

### **Recommendation**

Because of the dearth of affordable housing in Carmel Valley and the tremendous demand for housing that is affordable to hospitality and other workers, LandWatch supports requiring as much affordable housing in the Rancho Cañada Village Subdivision as possible. At a minimum the developer should provide 35% affordable/workforce housing, as required by the County's Development Evaluation System.

The same 35% requirement was supported by the Carmel Valley Land Use Advisory Committee and the Monterey County Housing Advisory Committee. Additionally, the Planning Commission recently supported the 35% requirement for the McIntosh Project in Monterey. Rancho Cañada Village should not become the exception to the requirement. We further recommend that the units be apartments meeting the income levels identified in the General Plan Inclusionary Housing policy.

Under no circumstance should the County adopt the proposed revisions to Policy CV-1.27, the establishment of 20% minimum affordable housing and the elimination of low, very low and workforce housing.

### **Background**

With the elimination the reduction of affordable housing from the required 50%, Rancho Cañada Village project will perpetuate the unjust status quo of wealthy people living in Carmel Valley and average working people commuting daily to support them. There are very few areas in Monterey County where inclusionary housing makes economic sense because it requires high value homes (i.e., homes for high income families) in a

subdivision to subsidize lower value ones (i.e., homes for low income families). Carmel Valley is one of the few areas where the economics pencil out.

Consider these scenarios:

Home Category	Average Sales Price
Market Rate	\$2 million
Workforce	\$750,000
Inclusionary	\$375,000

As Required by General Plan	Gross Profit	As Proposed by Developer	Gross Profit
65 market rate	\$130 million	105 market rate	\$ 210 million
40 workforce	\$ 30 million	0 workforce	\$ 0 million
25 inclusionary	\$ 9 million	25 inclusionary	\$ 9 million
	<b>\$169 million</b>		<b>\$209 million</b>

In essence, the developer is proposing that he gross \$40 million at the expense of working families. When workforce and affordable housing are so critical in Monterey County and calls for social justice shout daily throughout the county, this transfer of wealth is unconscionable.

To put Rancho Cañada Village development in perspective:

- It is among the last possible subdivisions in Carmel Valley because of the mandatory road trigger on Carmel Valley Road and the residential housing cap.
- The median listing price of a home in Carmel Valley is ~ \$1.5 million as compared with ~\$500,000 in Castroville.
- The developer for this project also developed Tehama, Clint Eastwood's exclusive gated 2000 acre community, where undeveloped lots alone list for more than \$2 million and homes for \$5 million and more.

Here are LandWatch's additional comments:

### **Proposed Project**

The proposed 130-unit project includes 25 moderate-income inclusionary units (20%). The project also includes amendments to the Special Treatment Area for Rancho Cañada Village. The amendments reduce the 50% requirement for affordable/workforce housing to 20% affordable housing and eliminate the requirement for workforce housing.

Neither the proposed project nor any of the six alternatives meet the 2010 Monterey County General Plan inclusionary and affordable housing requirements.

### **General Plan Inclusionary Housing Requirements**

LU2.13 of the 2010 Monterey County General Plan requires 25% inclusionary housing: The County shall assure consistent application of an Affordable Housing Ordinance that requires 25% of new housing units be affordable to very low, low, moderate, and

workforce income households. The Affordable Housing Ordinance shall include the following minimum requirements:

1. 6% of the units affordable to very low-income households
2. 6% of the units affordable to low-income households
3. 8% of the units affordable to moderate-income households
4. 5% of the units affordable Workforce I income house

The project not only fails to meet the General Plan affordable housing criteria, it fails to provide for very low-income, low-income and workforce income housing.

We concur with Monterey Bay Economic Partnership that a project which includes more affordable housing would further the County's goals in meeting regional housing needs both countywide and in Carmel Valley. The project would also help meet the County's climate reduction goals by reducing travel because of its location adjacent to schools, shopping and employment.

Thank you for the opportunity to comment on the document.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. DeLapa". The signature is fluid and cursive, with the first name "Michael" and last name "DeLapa" clearly visible.

Michael D. DeLapa  
Executive Director