



LandWatch
monterey county

Post Office Box 1876, Salinas, CA 93902

Email: LandWatch@mcclw.org

Website: www.landwatch.org

Telephone: 831-759-2824

FAX: 831-759-2825

July 5, 2003

Chairman Jerry Smith and Members
Board of Directors, Fort Ord Reuse Authority
100 12th Street, Building 2880
Marina, CA 93933

RE: FORA Action on July 11, 2003 to Create And Maintain Affordable Housing

Dear Chairman Smith and Board Members:

I am writing on behalf of the Board of Directors and members of LandWatch Monterey County. LandWatch has about 1,000 members, countywide. Our mission is to promote and inspire sound land use policy at the local level, through grassroots community action. LandWatch is specifically concerned that local land use policies advance the local economy, promote social equity, and protect our natural environment.

LandWatch strongly urges your “yes” vote for the set of affordable housing recommendations submitted to you by Congress Member Sam Farr. We believe that the adoption of these policies will, in fact, have a major positive impact on our local economy, help ensure that the development of the former Fort Ord contributes to increased social equity, and improves our natural environment.

As you know, Congress Member Farr has recommended a set of seven affordable housing policies, and an implementation program, which is contained in his recommendation #8. This letter outlines our reasons for supporting the entire package of recommendations that Congress Member Farr has proposed. We note, however, that six out of the seven recommendations are largely non-controversial. The “tough” recommendation is recommendation #4, which would require that 50% of the new housing constructed on the former Fort Ord be “affordable” to persons at the very low, low, moderate, and “workforce” income levels. We encourage your support for all seven of the policy recommendations made by Congress Member Farr, including taking on the “tough” challenge posed by recommendation #4.

I personally attended the FORA Executive Committee meeting held on July 3rd, and listened attentively to the concerns raised by Executive Committee members at that meeting. Here are LandWatch’s arguments in favor of the recommendations that you will consider on July 11th, with particular attention to the concerns expressed at the Executive Committee meeting:

1. **It Is Appropriate For FORA To Set A Policy “Standard”** – The law establishing FORA makes clear that FORA is supposed to set the standards for the reuse of the former Fort Ord. It is not true that FORA is simply supposed to accommodate whatever the

various local governments decide. FORA is specifically charged with telling the local governments what they need to do. The primary vehicle for FORA to do that is the “Fort Ord Reuse Plan.” Government Code Section 67675 specifically charges FORA with the responsibility not only to “prepare” but to “revise from time to time” a plan for the future use and development of Fort Ord. Government Code Section 67675.2 makes clear that the local governments must follow the FORA Plan, as it may be “revised from time to time.” Therefore, it is certainly “appropriate” for FORA to consider whether it should now set a standard for affordable housing, as part of the plan for the reuse of the former Fort Ord.

2. **The Fort Ord Reuse Authority Is a Separate “Level of Government”** – At the Executive Committee meeting, some FORA Board Members said that if FORA adopted an affordable housing standard, applicable to the reuse of the former Fort Ord, that this would be inappropriate because FORA “cannot set policy,” or because that would “make FORA into a separate level of government.” The Government Code makes clear that FORA not only “can” set policy, but that setting policy is its most important responsibility. Furthermore, Government Code Section 67657 specifically says that “the powers and duties granted to the authority...shall prevail over those of any local entity, including any city or county...” Section 67659 makes clear that FORA is considered to be a “special district” for the purpose of the initiative and referendum law, so FORA, in fact, is a “separate level of government” already. The voters of the authority can legislate directly, if the FORA Board of Directors does not do what they want.
3. **Housing Issues Are Definitely Within The Scope of FORA’s Authority** – Government Code Section 67675 (c)1 says that the Fort Ord Reuse Plan shall include a “land use” plan that sets the “criteria and standards” for the uses of land on the former Fort Ord. This section of the law specifically says that the land use plan “shall” designate areas of the base for residential...and other uses, and “may specify maximum development intensities and other standards and criteria.” Government Code Section 67675(d) specifically allows FORA to include a “housing element” in the Fort Ord Reuse Plan. Again, the question is not whether FORA has the authority to set a housing standard. They clearly have that authority. The question is whether the Board of Directors is willing to do that, and if so, what standard they should set.
4. **It’s Right To Demand That FORA Establish A Policy On Affordable Housing** – What Congress Member Farr is asking FORA to do, procedurally, is exactly what FORA ought to do – set an appropriate standard for the future reuse of Fort Ord, where affordable housing is concerned. It may well be that affordable housing issues were not at a crisis point when the Fort Ord Reuse Plan was initially adopted. They are now! Under the current Reuse Plan, approximately 6,000 new residential units will be constructed on the former Fort Ord. It’s only right and proper for FORA to set a standard, so the public will be given certainty about how many of those units will be affordable to the ordinary income families of Monterey County.
5. **FORA Should Do Better Than The “Minimum”** - FORA Board Members at the Executive Committee repeatedly pointed out that the current redevelopment law requires local governments to build at least 15% affordable housing. LandWatch thinks that FORA should do better than the “minimum.” Whatever FORA thinks the standard ought to be, however, FORA should set that standard. Unless FORA establishes a standard itself, there will be no guarantee whatsoever that any affordable housing will ever be built on the former Fort Ord. Redevelopment requirements may well be “suspended,” as they

have been in the past, because of severe budget cutbacks at the state level, and “good intentions” from the local governments is not the same as a requirement.

6. **Sure, It Will Be “Hard” To Reach The 50% Standard** – Most discussions about affordable housing on the former Fort Ord quickly diverge into a rehearsal of all the “problems.” These problems are real, but they’re problems facing the development of any housing on the former Fort Ord. While there are definitely “cleanup” and “infrastructure” costs on Fort Ord, the land is essentially “free.” This is some of the most valuable real estate in the world, and if FORA tells developers that they have to meet a higher “affordable housing” standard than they do elsewhere, they will meet it (or not develop).
7. **The Argument That “50% of Zero is Zero” Is Not Persuasive** – There is absolutely no reason to believe that establishing a 50% affordable housing requirement, as recommended by Congress Member Farr, will result in “zero” development. In fact, both the “moderate” and “workforce” levels of housing he urges are “profitable” for a market rate developer. Nonprofit developers have been known to achieve 60% affordability in a mixed-income development (Los Arroyos, in Gilroy, as an example). The recent affordable housing study commissioned by the City of Salinas makes clear that a 40% requirement for very low, low, and moderate income housing is attainable. That is exactly what Congress Member Farr recommends. Finally, even supposing that the 50% requirement delayed development, the community might still be better off. If 85% of the homes constructed on the former Fort Ord cost more than \$525,000 (the “lowest” price of a KB Home in Seaside), then it might well be better to wait until later, so that genuine community needs can be met.
8. **“Water” Is Not An Issue With Respect To The Affordable Housing Policy**– There is only a limited amount of water available on Fort Ord. However, there is expected to be enough water for approximately 6,000 new units, which is what is the Sierra Club settlement would allow. The question is how many of these homes will be affordable to ordinary income families in Monterey County? While developing more water might provide more opportunities for more affordable housing, there will be water for 6,000 new housing units on Fort Ord, and Congress Member Farr’s recommended policy would guarantee that about 3,000 of those would be affordable. Scarcity of water is simply not an issue, with respect to Congress Member Farr’s proposed policy. It’s a larger issue, and an important one, but should not influence the vote on the Farr policies at all.
9. **Affordable Housing Is A “Regional Problem”** – Affordable Housing is definitely a “regional” problem. That’s one reason that FORA should adopt a strong affordable housing policy. FORA is, in fact, a kind of “regional” agency, which encompasses the territory of a number of local governments. FORA has both the power and the responsibility to set an appropriate standard for affordable housing on the former Fort Ord. The failure of some other agency or government to act is no excuse for FORA to do the same.
10. **Implementation Can Be Accomplished Without Undue Delay** – Congress Member Farr makes seven specific policy recommendations, and then provides, in his recommendation #8, for the FORA staff to return with a specific implementation program for each of them. This seems eminently workable. The basic job of the Board of Directors is to provide “policy” direction for the authority, outlining the objectives they want FORA to achieve. The staff can bring back an implementation program without significant delay, once the appropriate policy direction is given. If (and this is certainly a

possibility) the implementation of the policy recommendations will require an amendment of the Fort Ord Reuse Plan, that can also be accomplished with relative dispatch. While environmental review is certainly required, it seems unlikely that any of the policy recommendations made by Congress Member Farr would result in the need for a new EIR, since they make no changes whatsoever in either the number or location of housing units provided for in the current plan.

11. **The Affordable Housing Policies Advance The Basic Mission of FORA** – The main task of base conversion and “reuse” was to replace the lost economic support provided by the Army with a new set of economic opportunities. As FORA Board Members know, in order for new and existing businesses to grow and survive in Monterey County, affordable and workforce housing is an absolute requirement. Teachers and staff at CSUMB, for instance, cannot afford homes that “begin” at \$525,000. They need a guarantee that at least some new housing will be provided at the “moderate” and “workforce” income levels. Adoption of Congress Member Farr’s recommendations will play a key role in helping FORA to achieve its economic development mandate.

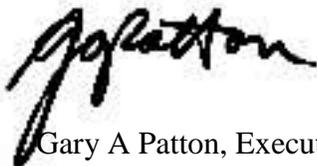
Conclusion

LandWatch strongly supports the integrated set of recommendations made to you by Congress Member Farr.

- Recommendation #1 should be “easy.” It simply says that it will be the policy of FORA to “provide significant and permanent affordable housing opportunities for those persons who live and work in Monterey County.”
- Recommendation #2 should also be “easy.” We do believe that FORA needs officially to “define” what they mean by “affordable” housing, and we believe that this recommendation is clear, and consistent with state and federal law.
- Recommendation #3 says that FORA needs to go beyond the traditional categories of “affordable” housing for very low, low, and moderate income persons. LandWatch agrees. Again, we think that this recommendation is “easy,” and should be part of the package of recommendations adopted by the FORA Board of Directors.
- Recommendation #4 is the “tough” policy, because it sets an ambitious, but we believe achievable standard for the construction of affordable and workforce housing on the former Fort Ord. Again, we urge its adoption by the FORA Board.
- Recommendation #5 is vital. We agree with Congress Member Farr that this policy for “local workers and residents first” is legally sustainable, and the right thing to do to meet FORA’s economic development mandate.
- Recommendation #6 has been generally “accepted” in various discussions held at the public, staff, and board level. It will require a specific implementation program, and a funding mechanism that we hope will allow cities like Carmel, Pacific Grove, and Monterey to participate in affordable housing development on the former Fort Ord.
- Recommendation #7 is very important, and this is a policy that will need to be implemented well. Without a competent system of administrative oversight, the benefits of the other policy recommendations will probably be lost.

- Recommendation #8 is an appropriate direction to staff. Once the Board has established what it wants to do, as a matter of policy, we are confident that the FORA staff can prepare an appropriate and effective implementation program on a prompt basis. Thank you for your consideration of our very strongly held views. We urge each Board Member to vote “yes” on the policy recommendations submitted to FORA for their consideration on July 11th

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Patton". The signature is written in a cursive, somewhat stylized font.

Gary A Patton, Executive Director
LandWatch Monterey County

cc: Members, LandWatch Board of Directors
Congress Member Sam Farr
Interested Persons