

From Congress Member Sam Farr

Recommended Policies for Adoption by FORA

1. Affordable Housing Is A Policy Priority For FORA

It is the policy of the Fort Ord Reuse Authority that the redevelopment and conversion of the lands of the former Fort Ord shall be carried out so as to provide significant and permanent affordable housing opportunities for those persons who live and work in Monterey County. By insuring that significant and permanent affordable housing opportunities are provided on the former Fort Ord, the Fort Ord Reuse Authority is acting to carry out its statutory responsibilities, to support the local economy, to balance new housing opportunities with new job creation, to provide increased individual opportunities and social stability, and to minimize the adverse environmental impacts associated with housing supply patterns that lead to long distance commuting.

It is completely appropriate for the FORA Board of Directors to establish the “policies” that will guide FORA’s efforts with respect to affordable and workforce housing. In fact, the basic job of any Board of Directors is to establish the policies that will guide the organization for which they have responsibility.

It is absolutely clear from state law that it is FORA’s responsibility to give direction to the local governments on the key issues affecting the redevelopment and reuse of the former Fort Ord. FORA is *not* supposed to let each local government do whatever it wants. FORA was created for the exact opposite reason. FORA is required to set the standards to which each local government must adhere.

The policy statement I recommend is straightforward. It commits FORA to ensure that its actions “provide significant and permanent affordable housing opportunities for those persons who live and work in Monterey County.” I hope that all members of the FORA Board agree with me that this is totally appropriate, that it is our obligation as public stewards to do so, and that the public demands no less.

2. Affordable Housing Defined

For the purpose of implementing the FORA Affordable Housing Policy (contained in recommendation #1) “affordable housing” means housing that can be rented or purchased by persons in the following income ranges, utilizing not more than 30% of their total income for housing:

Very Low Income – Individuals or families who earn up to 50% of the median income of individuals or families living in Monterey County.

Low Income – Individuals or families who earn more than 50% and up to 80% of the median income of individuals or families living in Monterey County.

Moderate Income – Individuals or families who earn more than 80% and up to 120% of the median income of individuals or families living in Monterey County.

To make any policy on affordable housing effective, it is imperative that we “define our terms.” FORA needs to have an official definition of “affordable” housing, and the definitions I recommend are consistent with what the members of FORA have been talking about, and are also consistent with the definitions used in federal and state housing programs.

By defining affordable housing in terms of “income ranges,” the actual “price” of housing will be allowed to fluctuate, as the economy changes, but housing built for “low income” persons, for example, will always be available to persons who earn more than 50% or up to 80% of the median income in Monterey County, as that median income may change from time to time. If the median income goes up, so does the associated income level of persons in the various income categories. Housing prices will also change, accordingly.

Currently, the median income of a family of four, in Monterey County, is \$57,100 per year. That means that the following figures apply under the definition I recommend:

Income Level	Percentage of Median	Actual Income Levels	Estimated Affordable Sales Price
Very Low	Up to 50%	Up to \$28,550	\$70,000 - \$80,000
Low	>50% up to 80%	>\$28,550 to \$45,680	\$120,000 - \$130,000
Moderate	>80% up to 120%	>\$45,680 to \$68,520	\$160,000 - \$175,000
Workforce	>120% up to 150%	>\$68,520 to \$85,650	\$240,000 - \$275,000

3. An Additional Commitment To Workforce Housing

In addition to its commitment to affordable housing, as set out in the FORA Affordable Housing Policy, it is the policy of the Fort Ord Reuse Authority to ensure that the redevelopment and conversion of the lands of the former Fort Ord provide significant and permanent “workforce housing,” which is housing that can be afforded by individuals or families who earn more than 120% and up to 150% of the median income of individuals or families living in Monterey County.

I firmly believe that we need to provide for “workforce” housing opportunities, as well as for “affordable” housing opportunities. This commitment to workforce housing should not *substitute* for our commitment to genuinely affordable housing, but we do need to make a solid commitment to housing for persons who may have above-average incomes, but who are still not able to obtain adequate housing in the extremely difficult Monterey County housing market. Policy #3 addresses that need.

4. Percentage Commitment To Affordable and Workforce Housing

It is the policy of the Fort Ord Reuse Authority that the percentages of affordable and workforce housing specified herein shall be the minimum percentages provided and included in every new residential or mixed-use development constructed on the former Fort Ord, for development projects receiving approval on or after August 1, 2003. In addition, it is the policy of the Fort Ord Reuse authority that all of the affordable and workforce housing units constructed according to this policy shall be permanently protected for subsequent resale or rental to persons or families within the specified income ranges, by deed restrictions or other equivalent and effective methods. The required minimum percentages are:

Very Low Income (Up To 50% Median Income) – 10%

Low Income (More Than 50% and Up To 80% Median Income) – 10%

Moderate Income (More than 80% and Up To 120% Median Income) – 20%

Workforce Housing (More Than 120% and Up To 150% Median Income) – 10%

Policy #4 will not be easy to achieve, but we can achieve it, if we make affordable and workforce housing the kind of priorities they ought to be. We need to establish the policy we want, and then make it work, instead of constantly telling ourselves how hard it is, and why we can't do it. The public wants performance, not excuses.

The lack of adequate water supplies is sometimes listed as one of the major problems in providing affordable housing. In fact, *the lack of adequate water supplies affects all development*. Policy #4 sets aside a share of whatever housing we can produce. If we are not able to solve water supply problems, and if housing development is curtailed on Fort Ord as a consequence, then that will obviously affect the provision of affordable and workforce housing, but no more than it will affect the provision of so-called "market rate" housing. The point of policy #4 is to ensure that affordable and workforce housing is a significant percentage of whatever new housing is produced on the former Fort Ord. Again, this is what the public is looking for, in term of policy leadership.

As you'll note, these recommended policies only apply only to development projects approved after August 1, 2003. We are not trying to go back and "rewrite" history. This is a policy that looks forward, and puts FORA on record about what's going to happen from here on out.

As you'll also note, Policy #4 ensures that when affordable and workforce housing is produced, it will continue to be available at the affordable and workforce income levels. It's important that later resales don't put such housing out of the reach of individuals and families in the affordable and workforce categories.

5. Housing For Local Workers and Residents First

It is the policy of the Fort Ord Reuse Authority that all residential units constructed on the lands of the former Fort Ord, in any development project approved on or after August 1, 2003, shall first be offered for rental or sale to individuals who currently live in or work in Monterey County, and that if any such residential unit is resold or rented subsequently, such residential unit shall again be offered first to individuals who then currently live in or work in Monterey County.

Policy #5, like that recently adopted by the City of Marina, is not "exclusionary." It says that the "first opportunity" for new housing ought to go to local residents, and to local workers. If local residents and workers want to rent or purchase housing on Fort Ord, they'll get the first chance to do so, but if such local residents and workers don't come forward, then developers will have every right to look for renters and purchasers from anywhere else. The point of policy #5 is to help support our local economy and meet the jobs housing balance on the former Fort Ord by making sure that local workers have the best possible chance to find housing opportunities near to the place they work.

6. Community Housing Trust Fund

It is the policy of the Fort Ord Reuse Authority that a Community Housing Trust Fund shall be created, and that this Community Housing Trust Fund will utilize its financial resources to support and assist first time homebuyers who live in or work in Monterey County.

The key issue in the creation of a housing trust fund is to specify how it will be administered, and how it will be funded. Policy #6 doesn't attempt to answer those key questions, because it is framed as a genuine "policy." As with most of the other policies, the details on "how to do it" will be part of the implementation program called for in recommendation #8.

The key thing, here, is for the FORA Board to give “policy” level direction on what it wants done, and then to direct its staff to recommend implementation actions that will achieve the policy direction specified. We can’t go directly from discussion about what we want to do to an effective implementation program. We need to make the policy decisions first. This set of recommendations (including the recommendation that we implement a housing trust fund) is intended to establish a policy for staff for staff to implement, with the implementation program to be provided to the Board within the next couple of months.

7. Affordable Housing Administrative Oversight

It is the policy of the Fort Ord Reuse Authority that a publicly accountable administrative agency shall be designated or created to supervise and oversee the equitable and efficient implementation of the FORA Affordable Housing Policy, and all programs created to implement the FORA Affordable Housing Policy.

As in the case of Policy #6, this policy statement doesn’t attempt to outline exactly how to establish the necessary administrative oversight. As with most of the other policies, the details on “how to do it” will be part of the implementation program called for in recommendation #8.

8. Implementation Actions

The Board of Directors of the Fort Ord Reuse Authority hereby directs the FORA staff to return to the FORA Board of Directors on or before September 15, 2003 with any and all actions necessary to implement and carry out the policies established in recommendations #1- #7. The future staffing, budgetary, and other actions of the Fort Ord Reuse Authority shall be consistent with, and shall implement, these policies.

Recommendation #8 tells the staff to provide the FORA Board with an implementation program to achieve the policy directions that the Board will give by adopting recommendations #1 through #7. That means, specifically, implementation actions that will:

- Properly place the policy statements into the governing documents that guide FORA’s official actions, to make sure that the policies are effectively implemented over the long term.
- Cause the staff to recommend whatever budgetary changes may be necessary (if any) to implement the Board’s policy directions.
- Establish an administrative mechanism to implement the policy that local workers and residents will get the “first opportunity” to rent or purchase housing on the former Fort Ord.
- Establish an administrative mechanism to implement the “permanent protection” policy, to ensure the long term availability of affordable and workforce housing built on the former Fort Ord.
- Establish a mechanism to administer the Housing Trust Fund (which could be a fund that is operated by FORA independently, or a joint fund, in which all the local jurisdictions are involved).
- Establish one or more funding streams to fund the activities of the Housing Trust Fund.

It is clear, from the legal authorities cited below, that the recommended policies can be implemented through an amendment to the FORA Plan. There may be other ways to implement them, as well. When a Board of Directors sets “policies,” it gives its staff direction on *what* the Board of Directors wants to accomplish. Recommendation #8 allows staff to provide the FORA Board with the staff’s recommendation on how best to *carry out* the policy directives given by the Board. The basic idea is simple: give staff clear policy direction on what the Board wants to do, and then let the professional staff recommend how best to do it.

It is worth noting, if an amendment to the FORA Plan is needed, that this can probably be accomplished with a minimum of procedural difficulty. In particular, since no change of land uses is called for, nor any change in the number or location of houses to be constructed on the former Fort Ord, a Negative Declaration, rather than a full EIR, will probably be sufficient to comply with the California Environmental Policy Act.

It is also worth noting that the policies I recommend are consistent with the settlement in the Sierra Club lawsuit. Again, no new amount of housing is called for, simply a commitment to ensure that the housing specified in the Plan will have a significant share of truly “affordable” housing.

Legal Authority

There is no question that FORA has the legal authority to adopt and implement the recommended policies. The basic authority for all of FORA’s land use powers is Government Code Section 67675, which I have highlighted and annotated below:

67675. (a) The board shall prepare, adopt, review, revise from time to time, and maintain a plan for the future use and development of the territory occupied by Fort Ord as of January 1, 1993. The adopted plan shall be the official local plan for the reuse of the base for all public purposes, including all discussions with the Army and other federal agencies, and for purposes of planning, design, and funding by all state agencies.

(b) Notwithstanding any other provision of this section, the board may adopt the "Final Base Reuse Plan" prepared by the Fort Ord Reuse Group as the Fort Ord Reuse Plan for purposes of this title. The plan adopted pursuant to this subdivision may serve as the Fort Ord Reuse Plan until July 1, 1996. The board may prepare elements described in subdivision (c) that are generally consistent with the adopted plan. After July 1, 1996, only a plan containing the required elements and fully satisfying the requirements of this title shall serve as the Fort Ord Reuse Plan.

(c) The Fort Ord Reuse Plan shall include all of the following elements:

(1) A land use plan for the integrated arrangement and general location and extent of, and the criteria and standards for, the uses of land, water, air, space, and other natural resources within the area of the base. The land use plan shall designate areas of the base for residential, commercial, industrial, and other uses, and may specify maximum development intensities and other standards and criteria. The land use plan shall provide for public safety.

(2) A transportation plan for the integrated development of a system of roadways, transit facilities, air transportation facilities, and appurtenant terminals and other facilities for the movement of people and goods to, from, and within the area of the base.

(3) A conservation plan for the preservation, development, use, and management of natural resources within the area of the base, including, but not limited to, soils, shoreline, scenic corridors along transportation routes, open spaces, wetlands, recreational facilities, historical facilities, and habitat of, or for, exceptional flora and fauna.

(4) A recreation plan for the development, use, and management of the recreational resources within the area of the base.

(5) A five-year capital improvement program that complies with the requirements of Section 65403. The program shall include an allocation of the available water supply, sewage treatment capacity, solid waste disposal capability, and other limited public service capabilities among the potential developments within the area of the base. The program shall also identify both of the following:

(A) Base-wide facilities identified pursuant to Section 67679.

(B) Local facilities that are in the county or a city with territory occupied by Fort Ord and that primarily serve residents of the county or that city.

(d) In addition to the plan elements required pursuant to subdivision (c), the plan may also include any element or subject specified in Section 65302. [Section 65302 specifically references the “housing element” of a local general plan, which can specify housing affordability requirements.]

(e) The Fort Ord Reuse Plan may provide for development to occur in phases, with criteria concerning public facility development and other factors that must be satisfied within each time phase.

(f) In preparing, adopting, reviewing, and revising the reuse plan, the board shall be consistent with approved coastal plans, air quality plans, water quality plans, spheres of influence, and other county-wide or regional plans required by federal or state law, other than local general plans, including any amendments subsequent to the enactment of this title, and shall consider all of the following:

(1) Monterey Bay regional plans.

(2) County and city plans and proposed projects covering the territory occupied by Fort Ord or otherwise likely to be affected by the future uses of the base.

(3) Other public and nongovernmental entity plans and proposed projects affecting the planning and development of the territory occupied by Fort Ord.

Conclusion

FORA has a great opportunity to do something truly meaningful and significant about the most important public policy problem confronting our local communities today.

The way a business or governmental organization acts, to achieve any specific objective, is by first establishing a set of “policies” that state, clearly, what those objectives are. The “Board of Directors” sets those policies. The next step is to direct the staff of the organization to develop a set of recommended actions to implement the policies adopted by the Board.

My letter recommends both a set of policies on affordable and workforce housing, and a direction to the FORA staff to bring back the implementation program that will achieve them.

Now is the time for the FORA Board of Directors to set a policy direction for FORA, to ensure that “the redevelopment and conversion of the lands of the former Fort Ord shall be carried out so as to provide significant and permanent affordable housing opportunities for those persons who live and work in Monterey County.”

The public wants our local governments to do something, now, to make a real difference for affordable and workforce housing, and FORA has the ability to do that, if it chooses to do so. I believe, in fact, that FORA *must* take these actions to be true to its mission to help stimulate economic recovery and economic growth through the redevelopment and reuse of the former Fort Ord.

Our economy cannot survive, in the long run, without an effective and strengthened commitment to affordable and workforce housing.

I hope members of the FORA Board of Directors will adopt the recommendations presented in this memo, to respond to the need for affordable and workforce housing in Monterey County.