

7-14-17 CALIFORNIA COASTAL COMMISSION

7A. APPLICATION NO. A-3-MCO-16-0017 (MORO COJO SUBDIVISION AFFORDABILITY AMENDMENT, NORTH MONTEREY CO.)

Commissioner Padilla (4:29:35) :

SUMMARY: Padilla begins by reiterating the possibility of damage to the integrity of the coastal commission, and brings forth that the topic of interest is highly emotional. He proceeds to disagree with the Staff's conclusions. History of project: many buyers are also developers and Padilla has great respect for them. However he is concerned with future owners of the affordable housing units 10/20 years from now, many families in the future will not have the advantages and subsidies that current buyers have had. The purpose of the standard in the certified LCP is to maintain the supply in the market of affordable homes in the location, regardless of reason, not to run to any individual. It is to run to the product and the availability of that product on site. The end result would be the removal of a stock of affordable housing on site which is not consistent with the LCP standard. Padilla concludes that he will not be supporting the motion.

Thank you very much madame chair, unfortunately I cannot in good conscience support the motion, I'd like to speak to my opposition. Madame chair, members of the staff, first of all I want all of you who have been so patient, and participated, this is one of those, I can tell you from my own experience, this is one of those, those typical, often typical cases despite the circumstances being atypical, where the commission is confronted with a lot of relevant facts and data that appeal to senses of equity and justice in all of us. And it becomes very easy, very tempting to incrementally abandon the fact that we are in fact a quasi judicial body that if we don't maintain the integrity of our findings about standards and consistency with prior findings, that we run the risk of really corrupting and damaging the integrity of the coastal act and what it was designed to do, and sometimes that's very very hard to do in the face of issues that are fundamentally very emotional and present a lot of valid arguments on all sides. I appreciate very much the analysis and the work that the Staff has done, but I have to respectfully disagree with the Staff's conclusion. I appreciate very much the unique history of this particular project and its development. I have great respect particularly the unique circumstances where the initial and first buyers and home-owners were people who were also partly developers and built their own homes and put sweat equity into those homes. But the fact of the matter is that this existing development and inclusionary housing project was approved and designed and then built and further financed as part of a program to provide affordable housing in this location on this site, and to that end people who did spend time helping to build their

homes were given monetary credit and equity in their homes based on that work they further were able to take advantage of favorable lending circumstances, even forgivable loans later in the process. What I'm thinking about are the future occupants of these homes, whether they be related to many of you here, or they may be the yet unborn children of future families who are going to be in the position you are in now or where and when this project was approved 10 or 20 years from now. I am thinking about the family that wants to buy a home in this project, in this location but will not have the advantages of purchasing it with the subsidies and the reduced prices and the advantages that many of you had when you purchase the home. The reality here is that I think the standard in the certified LCP is the appropriate standard, and I think that is clear. I think it's pretty unambiguous both in terms of the standards language itself. Particularly we've had some testimony about that as well as the implementing ordinances. I don't think that the staff or the commission even needs to reach the analysis of whether or not this is a conversion or to apply the statutory standards that are reflected in mellow because the whole purpose of the LCP standard is to maintain, regardless of the reason, the supply of the market of affordable homes in this location. That is the whole point of the reason that that standard was in the certified LCP, because it is related to providing access to Coastal communities at a lower cost for people who can't otherwise afford to either buy, or spend some time in those locations. And the whole purpose of that policy at the local level is to provide market and product on site for very low and low moderate income housing. And that program and that policy does not run to any individual, individual person or homeowner or homebuyer. The policy runs to the product and the availability of that product on site that's the whole purpose of an inclusionary housing policy. The fact that the situation is unique is not the issue. The fact that the deed restrictions that you see here are scarce and are infrequent is not the issue nor is it the standard of review. The standard of review is pretty articulated pretty clearly and the certified LCP, and while many of the other sentiments and concerns that have been expressed are all valid, they are not the standard. And the reality is that the settlement agreement frankly is not the standard of review either even though it's relevant. But what the end result of this application would do would be to remove a stock of affordable housing on site and that I cannot agree is consistent with the LCP standard so I will not be not be supporting the motion.

Commissioner Erik Howell (4:46:07 - 4:48:02) :

Thank you vice chair. I think Commissioner Padilla's experience shows today. I think that the LCP is very clear about the necessity to protect low cost housing and I really appreciate the comments of everyone who came

today and their homes and the fact that they've when they went into this project they did put a great deal of sweat equity into it. But there is also an awful lot of other equity that came from other sources, and you know these these programs are designed to give home ownership to people of limited means who might not otherwise be able to acquire homes. homes are hard, in California we're barely above the 50% of homeowners ownership rate and I hate, I mean, I'm going to vote no based on commissioner Padilla's argument, but even addressing you know the emotional aspect of this and the inequity aspect, you've built a beautiful community, you've built beautiful homes, you raised your kids there. You're successful. We've heard great stories here today, and that's what these programs are designed for. Nobody's saying that you don't own your homes. The argument here is do you get to have a windfall profit on the sale of it, or are you limited in the profit you can get on these homes. That's really what we're talking about here, is a limit on the profit of the sale. They can even be rented out according to our chief counsel, that these things go into effect when there's a change in ownership. This is a difficult, a difficult unique situation, but these things are also precedent-setting statewide, and as the Coastal Commission is asking to have affordable housing brought back under our jurisdiction, I think it's it's a problem as we release 161 affordable housing units into the market rate that, that who knows who purchases them, but I think who can be fairly confident that they will not be low income housing.

Commissioner Padilla (5:00:00 - 5:01:49):

Thank you so very much for a tremendous job madame chair and your eloquence there. And I would generally agree but to the point of the discussion, procedurally my own two cents would be that in a perfect world, now don't throw anything at me anybody but this is my opinion, respectfully to Monterey County, I mean this really should be an LCP evaluation for amendment to deal with this in a fundamental and lasting way, I would agree with commissioner Shallenberger that we don't want to be too often ad-hocking piecemealing controversial CDPs together on the dice on the fly, when we can all avoid it. I will note that I did review the letter from LandWatch and their motion as I understand it is essentially to delay this for 90 days to give the parties a chance to basically reach a compromise. I don't, I don't, I would be interested in staff's take on the impact of that recommendation and how it might apply here. Having said that to scroll briefly I just want people to know that look, I'm a, I'm a you know soy Latino, I'm a Latina LGBT guy that grew up in a poor neighborhood in south Bay in San Diego, and I have relatives that marched le Cesar Chavez okay, so I have a good sense of environmental justice and of equity and, and I don't just theoretically subscribe to those I've lived those issues

and challenges in my life. I just would respectfully disagree that I think that they are necessarily the issue here or the one that is really before us, and I think that while this particular project is very unique in terms of its circumstance and how it came to be, the evaluation of such a project for affordable housing on site in the coastal zone and relying upon a certified LCP whose language is pretty unambiguous is not at all unusual, in fact it's pretty consistent with what, in my opinion, the standard of review should be.