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June 2, 2023

Salinas City Council
65 W. Alisal St.
Salinas, CA 93901

Subject: Support and Recommendations for Salinas 6th Cycle HE Draft

Dear Mayor Craig and Salinas City Councilmembers,

On behalf of the Monterey Bay Economic Partnership (MBEP), I write to express our support and recommendations for the 6th Cycle Housing Element Draft made available to the public on May 12th, 2023. Policy recommendations in MBEP's forthcoming white paper, *Practical Housing Policy: Increasing Supply and Affordability for the 6th Regional Housing Needs Cycle*, guide our approach for evaluation. We find that City of Salinas' 6th Cycle Housing Element incorporates policies that are in line with our recommendations, which span the following six policy areas:

- Streamlining permitting
- Increasing allowable densities
- Impact fee reform
- Increasing funding sources for affordable housing
- Comprehensive pro-ADU policies
- Optimizing Inclusionary Housing Ordinances

The City of Salinas 6th Cycle Housing Element includes policies, both currently in practice and planned, that match all of our six recommendations. For example, programs 1, 5, 6, and 7 entail streamlined permitting through both state law and specific plans. Community and policy-makers can collaborate to create objective design guidelines and decide what types of development should be eligible for ministerial approval. MBEP encourages the City of Salinas to enable ministerial approval for development types that most effectively increase housing supply, especially those which create opportunities for lower income households to live close to jobs, public transit, and other critical public services and amenities.

Further, programs 5 and 7 in the Housing Element align with MBEP's policy recommendations by enabling fee reform and incentivizing ADUs and broader housing development types. The Inclusionary Housing Ordinance, updated in 2022, offers flexible options for affordable housing in developments of 10 units or more. Specific Plans, Focused Growth Areas, New Urbanism Districts, and Overlay Districts allow for flexible densities and building types to accommodate needed development in designated areas of the city with common needs and growth patterns.

MBEP applauds the City of Salinas for achieving Prohousing Designation in April of this year, a feat achieved by only 22 jurisdictions in California. Several programs, including implementation of Prohousing Designation Program award funding, entail novel use of external and internal government funding sources for housing development. MBEP recommends that the City ensure adequate staffing and programs to fully leverage the funding granted by the Prohousing Incentive Pilot and other sources.

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The Sites Inventory proposed by the City designates nearly 75% of RHNA sites – 4,960 of them – to the North of Boronda Future Growth Area, namely the West Area Specific Plan (WASP) and Central Area Specific Plan (CASP). The majority of these sites are for above moderate income (market rate) housing units, less than 10% are for very low and low income housing, and roughly 25% are for moderate income. According to the HCD’s Affirmatively Furthering Fair Housing Mapping tool, WASP and CASP are in areas of low and moderate resource and currently well outside the half mile radius of high quality transit. MBEP recommends that the City ensure these planned areas receive high quality service in proportion to demand as they develop, especially in areas developed with lower income housing and lower parking ratios. The City can establish memoranda of understanding (MOUs) with transit authorities well in advance of housing development in these areas to guarantee needed service that will increase public transit access and ensure reduced vehicle miles traveled. Such MOUs could ensure service to any other areas targeted for development, such as the Focused Growth Overlays radiating out from the Downtown Core and Neighborhood Area.

The Focused Growth Overlays, Downtown Core, and Downtown Neighborhood Area contain most of the Mixed-Use Vacant and Pipeline sites in the inventory, which contain or are targeted for roughly half of the lower income RHNA and fall in mostly low to moderate resource areas or areas of high poverty and segregation. These sites generally have access to high quality transit within the half-mile radius recommended for AFFH guidelines. One of the Mixed Use Underutilized sites, which are further from the downtown core and accommodate the rest of the lower income RHNA sites, is not inside the half-mile radius of high-quality transit. MBEP recommends that the City ensure all of the areas targeted for lower income housing have access to high quality transit as they develop, ideally through MOUs for demand-proportional service.

As most of the City of Salinas’ sites inventory falls inside existing low-moderate resource areas – or areas of high poverty and segregation such as the Downtown Core – MBEP would highlight the need for broad investment in attracting and incentivizing businesses and institutions to develop alongside housing for lower and moderate income households in the Mixed Use Vacant and Underutilized Mixed Use areas of the City. Having higher paying jobs in proximity to housing that serves a range of income levels will create a more vibrant community.

Finally, MBEP would recommend finding as many opportunities for streamlined, lower cost permitting as possible. Program 6 entails creating streamlined approval processes in alignment with SB35 and AB2162. Program 7 details reducing fees for housing development, streamlining, and deferral of fees for at least one affordable housing project annually. MBEP recommends even higher goals for deferment and reduction of fees and creating ministerial approval processes for many or all housing projects that integrate affordable housing using objective development and design guidelines to reduce risk and cost for developers. Every new avenue for carefully planned ministerial approval increases the speed at which the supply of housing – especially affordable housing – can be developed to meet RHNA goals and community needs.

MBEP applauds the City of Salinas in composing its draft 6th Cycle Housing Element and achieving Prohousing Designation. The City of Salinas demonstrates commitment to growth and community development that serves the entire city through this document – especially for historically underserved groups – while meeting the steep challenge of 6th Cycle RHNA. Salinas faces the same unprecedented need as much of California to create housing opportunities across income levels, especially for lower income community members. The City’s 6th Cycle Regional Housing Needs Allocation of 6,673 homes – nearly triple that of the 5th Cycle – will require innovation and strong leadership by staff and other local officials. The Draft 6th Cycle Housing Element demonstrates a commitment to meeting this challenge.

Sincerely,



Tahra Goraya, MA, MPA
President & CEO