



City of Salinas

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November 9, 2021

AMBAG Board of Directors
24580 Silver Cloud Ct
Monterey, CA 93940

RE: 6TH CYCLE REGIONAL HOUSING NEEDS ALLOCATION METHODOLOGY

Dear Members of the AMBAG Board of Directors,

The City of Salinas (City) requests that the AMBAG Board delay adoption of the Regional Housing Needs Allocation (RHNA) Methodology until it directly considers equity in its total unit allocation. The City of Salinas always has recognized that it would receive the largest share of units. With the planned Future Growth Area and recent developments such as Moon Gate Plaza and Project Homekey conversion of the Good Nite Inn, Salinas is demonstrating its commitment to increasing housing opportunities across all income levels. Throughout the process, we have asked that the allocation be equitable and that jurisdictions with high resources have a larger role in providing future housing. AMBAG staff have done a commendable job of meeting deadlines while breaking down a very complicated process in the creation of a fair base methodology. We thank them and the Board of Directors for their hard work and diligence in this project.

Unfortunately, because something is fair, does not necessarily mean that it is equitable. The City feels the results of this methodology places an unequitable emphasis on Salinas and Salinas Valley jurisdictions to shoulder future housing production, failing to further RHNA Plan Objectives (Government Code 65584(d)) of affirmatively furthering fair housing (AFFH) and promoting an intraregional jobs-housing balance. The City of Salinas has the following specific concerns:

- a) While Salinas is the largest community in the region, according to AMBAG's 2022 Subregional Growth Forecast, as of 2020 it has 22.7% of the region's (Monterey and Santa Cruz counties) population but is being given 28% (9,353 units) of the region's housing allocation. For comparison, the next highest allocation goes to unincorporated Monterey County, which receives just over nine percent (3,083 units), but has almost 15% of the region's population.
- b) According to 2020 US Census data compiled by California YIMBY (see letter in AMBAG Memorandum to Planning Directors Forum November 1, 2021, pages 18-25), this allocation would represent a 21% growth in housing stock. Salinas Valley communities are being asked to accommodate growth of 22% (Soledad), 26% (Greenfield), 29% (King City), and 108% (Gonzales). The only Monterey Peninsula communities being allocated growth over 20% are Del Rey Oaks and Sand City, which amounts to just over 500 units. Carmel and Pacific Grove would each only have to accommodate about a five percent change to existing housing stock.

AMBAG Board of Directors

- c) The City appreciates the inclusion of Racially-Concentrated Areas of Affluence (RCAAs) as a step toward a more equitable allocation. However, by just shifting allocation among income groups within a jurisdiction, rather than re-allocating any total units based on affluence, there is a missed opportunity to require jurisdictions with significant resources, including those in unincorporated areas, to contribute more to solving the housing crisis and address regional patterns in inequity.
- d) AMBAG states that it did not shift total units based on equity because it “would have resulted in lower unit total allocations to areas with high overcrowding and high need for farmworker housing” (AMBAG Memorandum to Planning Directors Forum November 1, 2021, page 6). There is room to consider equity directly in total allocation numbers while holding such communities accountable for addressing these needs. For example, even a methodology shift that simply brings the City’s RHNA share in line with its population share would still allocate over 7,500 units to Salinas, which is still more than double the next highest allocation.
- e) By allocating so much growth inland, this methodology also risks exacerbating regional traffic and commute struggles. Morning commutes to the Monterey Peninsula on US 101 and Route 68 are already grueling because people cannot afford housing where they work.
- f) Under SB 35 (Wiener, 2017) in communities that fail to meet RHNA production targets, developers may elect to use a ministerial process to get project approval for certain residential projects. Building 9,353 units over the course of eight years means building over 1,000 per year. From 2015-2020 there were 708 total units developed in Salinas. The City is not a housing developer, and while it can plan to accommodate many units, it has much less control over the actual pace of development. Such a high unit allocation could result in loss of local control and poor-quality housing development as the City currently allows housing in certain areas via conditional use to mitigate adverse environmental factors. The current allocation risks punishing one of the region’s most pro-housing communities.

Salinas is pursuing every opportunity possible to develop new housing. In addition to the aforementioned projects, it is in the process of upzoning parking lots and underutilized commercial properties through SB 2, updating its general plan to facilitate more kinds of housing throughout the city, and is constantly pursuing funding to close financing gaps. To make a true difference in the housing crisis, and to affirmatively further fair housing, however, requires efforts from every community in the region, including those with significant resources. The City of Salinas asks that the Board delay approval of the draft methodology until written concerns have been addressed and has the following recommendations:

1. Directly consider equity when determining total RHNA units a jurisdictions receives and use RCAAs and AFFH as a significant factor in allocating housing totals as well as shifting income level determinations.
2. Consider a jurisdiction’s connectedness to the regional job market and commute times to jobs, in addition to job locations.
3. If the Board feels strongly about making a final decision on 11/10/21, the City of Salinas urges the selection of Option B as the more equitable of the two.

Once again, we thank AMBAG staff and the Board of directors for your efforts on the RHNA process for the 6th Cycle Housing Elements. We hope we can fully support the final methodology and continue working together to address regional housing needs.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Carrigan', with a long horizontal flourish extending to the right.

Steven S. Carrigan
City Manager

CC: Salinas City Council
Megan Hunter, Community Development Director
Heather Adamson, AMBAG
Maura Twomey, AMBAG