



A G E N D A

**GONZALES PLANNING COMMISSION
PUBLIC WORKSHOP
CITY COUNCIL CHAMBERS – 117 FOURTH STREET
GONZALES, CA 93926
MONDAY, FEBRUARY 12, 2024
6:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

1. **ROLL CALL** - Chair Gloria Velasquez, Chair Pro Tem Ernesto Mancera, Commissioner Adrian Paco, Commissioner Tencia Vargas

PUBLIC NOTICE

This meeting is being conducted consistent with the State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. The public may participate in person or online via Zoom at <https://us06web.zoom.us/j/86997892947> or call 1-1669-900-6833 and use **Meeting ID: 869 9789 2947**. If you wish to make a general public comment or comment on a specific agenda item, please use the Raise Hand function. You will be allowed three minutes for your comments.

If you choose not to attend the meeting but wish to comment on a specific agenda item, please submit your comment limited to 250 words or less by noon on the day of the meeting to the City Clerk at cityclerk@ci.gonzales.ca.us

BUSINESS FROM THE PUBLIC

2. Business from the Public not on the Agenda; any member of the Public may address the Commission for a period not to exceed three minutes on any subject not on the Agenda. The Commission will listen to all communications but may take no action.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered routine by the City Commission and will be adopted by one action of the Commission unless any Commission Member has a question or wishes to make a statement or discuss an item. In that event, the Chairperson will remove the item from the Consent Calendar for separate consideration.

3. Planning Commission – Public Workshop – January 22, 2024 Minutes

Any writing or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection at City Hall located at 147 Fourth Street, Gonzales, California, during normal business hours.

REGULAR AGENDA

4. **Public Workshop** on the City of Gonzales 6th Cycle Housing Element Update

BUSINESS FROM PLANNING COMMISSION

5. Oral Communications

BUSINESS FROM THE COMMUNITY DEVELOPMENT DIRECTOR

6. Oral Communication

ADJOURNMENT

In compliance with the American Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (831) 675-5000. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (CFR 35.102-35.104 ADA Title II). This is a public meeting and as such, can be seen live by people present or online and is being recorded; therefore, anything you say or do here is public information. The recordings are available online.



MINUTES

**GONZALES PLANNING COMMISSION
PUBLIC WORKSHOP
MONDAY, JANUARY 22, 2024
6:00 P.M.**

CALL TO ORDER

The meeting was called to order at 6:00 PM by Chairperson Gloria Velasquez

PLEDGE OF ALLEGIANCE

All present saluted the flag.

1. ROLL CALL

Attendee Name	Title	Status
Gloria Velasquez	Chairperson	Present
Ernesto Mancera	Chair Pro Tem	Excused
Tencia Vargas	Commissioner	Present
Adrian Paco	Commissioner	Excused

STAFF PRESENT

Community Development Director Taven Kinison Brown, Development Services Technician/Administrative Analyst Alejandra Flores.

PUBLIC NOTICE

This meeting is being conducted consistent with the State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic. The public may participate in person or online via Zoom at <https://us06web.zoom.us/j/85795706913> or call 1-1669-900-6833 and use **Meeting ID: 857 9570 6913**. If you wish to make a general public comment or comment on a specific agenda item, please use the Raise Hand function. You will be allowed three minutes for your comments.

If you choose not to attend the meeting but wish to comment on a specific agenda item, please submit your comment limited to 250 words or less by noon on the day of the meeting to the City Clerk at cityclerk@ci.gonzales.ca.us

BUSINESS FROM THE PUBLIC

2. Business from the Public not on the Agenda; any member of the Public may address the Commission for a period not to exceed three minutes on any subject not on the Agenda. The Commission will listen to all communications but may take no action.

Rosa Rodriguez expressed concerns about traffic, infrastructure, and emergency access in the California Breeze subdivision due to ongoing housing projects. She emphasized the need for adequate planning and addressed issues faced during a previous flooding incident.

Mr. Martinez inquired about the deadline for applying to the Planning Commission. He also raised concerns about rushing into housing projects, citing the example of Salinas and Key City facing financial issues due to rapidly approved projects. He emphasized the importance of dealing with U.S. companies to avoid financial consequences. He suggested thorough research and caution before approving projects involving foreign entities.

Chair Gloria Velasquez thanked Mr. Martinez for his comments, closing the public comments section.

REGULAR AGENDA

3. Public Workshop on the City of Gonzales 6th Cycle Housing Element Update

Staff Report: Community Development Director Taven Kinison Brown initiated the Public Workshop on the City of Gonzales 6th Cycle Housing Element Update. He highlighted the housing element's structure, including an introduction, executive summary, housing goals, policies, programs, and site inventory and analysis. He explained the statutory requirements, mentioning the importance of identifying adequate sites zoned and available within eight years to meet the city's housing goals.

General Discussion took place.

The commission received the report, but no action was required.

BUSINESS FROM PLANNING COMMISSION

4. Oral Communications
No further reports.

BUSINESS FROM COMMUNITY DEVELOPMENT DIRECTOR/BUILDING OFFICIAL

5. Oral Communications
No further reports.

ADJOURNMENT

The meeting adjourned at 7:29 PM

Gloria Velasquez, Chairperson

ATTEST:

Alejandra Flores, Development Services Tech



City of Gonzales

AGENDA
ITEM

4

COMMUNITY DEVELOPMENT DEPARTMENT

STAFF REPORT

TO: Planning Commission

DATE: February 12, 2024

FROM: Taven M. Kinison Brown, Community Development Director

THROUGH: Carmen Gil, City Manager

SUBJECT: Second Workshop Session for the City of Gonzales, 6th Cycle Housing Element.
Prior to submission to HCD California Housing and Community Development
Department

RECOMMENDATION

It is recommended that the Planning Commission:

- Receive a staff presentation of the City of Gonzales, 6th Cycle Housing Element structure.
- Engage each other and staff with questions and queries.
- Invite the public to comment and contribute to the discussion.
- Bring the conversation back to the commission.
- Recommend that staff address public comment and commissioner comment received and transmit the Draft Housing Element to the State HCD (Housing and Community Development).

RECENT BACKGROUND

- On Friday, January 12, 2024, the draft Housing Element was released for 30-day public review.
 - The public review period closes on Monday, February 12, 2024 (this meeting day).
- On Monday, January 22, 2024, the Planning Commission conducted a workshop to discuss the format and composition of the Housing Element.
 - Bilingual translation services were available.
 - The evening meeting was sparsely attended, but the Gonzales Youth Council was represented by Luke Negele as well as concerned citizen, Rosa Rodriguez.
 - Landwatch Monterey County attended by Zoom.
- As of Thursday, February 8, 2024, public comments received include:

- A Landwatch Monterey County Letter dated January 23, 2024
 - Attached.

STRUCTURE OF THE 6TH CYCLE HOUSING ELEMENT. OVERVIEW

Statutory Requirements

- Housing Element law requires that each jurisdiction provide goals, policies, objectives, and programs to preserve, improve, and develop housing; Identify projected housing needs for all economic segments of the community;
- Identify adequate sites zoned and available within the 8-year housing cycle to meet the city’s RHNA;
- Be certified (approved) by the State Department of Housing and Community Development (HCD); and
- Be internally consistent with other parts of the General Plan

The Housing Element is divided into five sections, plus appendices.

- Sections 1 through 3 are the heart of the document and are under separate cover from Sections 4 and 5. Section 1 contains an introduction and summary. Much of the information found in Sections 4 and 5 is summarized in this section.
- Section 2 contains the housing element goals, policies, and implementing programs. This section contains the actions the City will be committing to taking during the 6th cycle planning period (2023-2031).
- Section 3 contains the sites and analysis that are being used to accommodate the City’s Regional Housing Needs Allocation,
- Section 4 is a technical background report that contains background information regarding demographics, income, household size, and other relevant information, and
- Section 5 is the fair housing assessment. It details a comprehensive analysis of housing services and local and regional disparities and includes a description of the guiding policy actions to Affirmatively Further Fair Housing (AFFH)

Housing Goals, Policies, and Programs

There are four goals included in the housing element. Each of the four goals has corresponding policies and programs.

- Goal HE-1: Housing Production states that the City will Facilitate and encourage a broad range of housing types and affordability levels to meet the needs of all residents within the community.
- Goal HE-2: Fair Housing: Preservation, Protection & Equity states that the City will Promote, preserve, and facilitate housing opportunities for all residents, including those in protected classes and those with special needs.
- Goal HE-3: Program Administration & Energy Conservation states that the City will Administer programs and coordinate with regional partners to promote sustainability and affordability.
- Goal HE-4: Community Outreach states that the City will have the goal to Foster a community that is informed and empowered through comprehensive engagement.

RHNA & Sites, which are included in Section 3.

The City’s RHNA is 1,266 housing units, divided amongst various income categories.

Regional Housing Needs Allocation (RHNA)	Very Low Income (VLI) <50% Area Median Income (AMI)	Low Income (LI) (50-80% AMI)	Moderate Income (MI) 80-120% AMI	Above Moderate Income (AMI) >120% AMI	Total
	173	115	321	657	1,266

The public draft accommodates the RHNA through:

- planned and approved projects and

- projections for accessory dwelling unit development, which are commonly referred to as RHNA credits, and
- through adequately zoned sites.

Implementation Schedule for Policies and Programs

Staff has drawn from the 6th Cycle Housing Element and has prepared an Implementation Schedule for Policies and Programs, a 21-page, 11 x 17-inch landscape table of Implementing Actions. These are the details of how the city will be getting things done over the next 8 years.

This schedule draws from each of the ***Housing Goals, Policies, and Programs*** introduced above and presents a table that is organized as follows:

- Implementation Action (name and number),
- Program (description),
- Actions (to be taken by a responsible party),
- Geography (of where the program is expected in the City),
- Responsible Party,
- Funding Source,
- Time Frame, and
- Objective.

These Programs and Actions are how the City will be implementing the 6th Cycle Housing Element. It will be important to learn and discuss these and see that they are realistic and achievable and will result in meeting the City’s Objectives. Staff looks forward to discussing these with the commission and public

Next Steps

Following the public comment period, ending February 12, 2024, staff will take at least 10 business days to incorporate comments received and then send an initial draft to HCD which will initiate their 90-day review period.

- Once comments are received back from HCD (in 90 days):
 - Staff will revise the 6th Cycle Housing Element, and
 - The draft will be scheduled for public hearings with the Planning Commission and City Council for adoption.
- The adopted Housing Element will then be sent back to HCD and staff will work with HCD until certification is achieved.

A draft of the Housing Element changes will be uploaded to the City’s website in tracked changes to ensure transparency with the public.

OBSERVATIONS

While the City has reached out through public events, and through the City Website and have had over 100 surveys returned to the City, staff feels that we are not quite reaching the public where they can and will be receptive. Sometimes a government policy effort may feel very disconnected from the day-to-day needs of shelter, safety and affordability. ***But that is exactly why*** we need the Commission’s and community’s engagement and suggestions on this document, because we, here, are shaping the City’s direction and assistance for the day-to-day needs of shelter, safety and affordability for the next eight (8) years. We need to get it right.

COMMENTS RECEIVED TO DATE

As the City has only received comments on the draft Housing Element from a single entity, so far (February 8, 2024), staff has attached the letter for your public review. At the workshop and upon close of the Commission’s discussion and public review period, the city will address all comments received.

RECOMMENDATION

It is recommended that the Planning Commission:

- Receive a staff presentation of the City of Gonzales, 6th Cycle Housing Element structure.
- Engage each other and staff with questions and queries.
- Invite the public to comment and contribute to the discussion.
- Bring the conversation back to the commission.
- Recommend that staff address public comment and commissioner comment received and transmit the Draft Housing Element to the State HCD (Housing and Community Development).

ATTACHMENTS

- Links for the 6th Cycle Housing Documents
 - City's Website:
<https://gonzalesca.gov/services/community-development/city-gonzales-6th-cycle-housing-element-update>
 - English Summary:
<https://shorturl.at/hkrsW>
 - Spanish Summary:
<https://shorturl.at/zCFJR>
 - Implementation Schedule for Policies and Programs:
<https://shorturl.at/ekG46>
- PowerPoint slide deck for introducing the City of Gonzales's 6th Cycle Housing Element.
- Landwatch Letter dated January 23, 2024.

City of Gonzales

Housing Element Workshop

6th Cycle Housing Element Update

February 12, 2024



OVERVIEW

Structure
Goals, Policies & Programs
RHNA & Sites
Next Steps
Discussion



Structure of the Housing Element



Statutory Requirements of the Housing Element

Provide goals, policies, objectives and programs to **preserve, improve and develop** housing;

Identify projected housing needs for **all economic segments of the community**;

Identify **adequate sites** zoned and available within the 8-year housing cycle to meet the city's **RHNA**;

Be certified (approved) by the State Department of Housing and Community Development (**HCD**); and

Be internally consistent with other parts of the **General Plan**



Section 1:	Introduction & Executive Summary
Section 2:	Housing Goals, Policies & Programs
Section 3:	Sites Inventory Analysis
Section 4:	Technical Background Report
Section 5:	Fair Housing Assessment



Housing Goals, Policies & Programs (Section 2)



Housing Element Goals

Goal HE-1: Housing Production

**Goal HE-2: Fair Housing: Preservation, Protection
& Equity**

**Goal HE-3: Program Administration & Energy
Conservation**

Goal HE-4: Community Outreach



RHNA & Housing Sites (Section 3)



Regional Housing Needs Allocation (RHNA)





Local Zoning Obligation

Gonzales' RHNA for the 6th Cycle (2023-2031)

Regional Housing Needs Allocation (RHNA)	Very Low Income (VLI) <50% Area Median Income (AMI)	Low Income (LI) (50-80% AMI)	Moderate Income (MI) 80-120% AMI	Above Moderate Income (AMI) >120% AMI	Total
	173	115	321	657	1,266



Fulfilling RHNA Requirements: Site Inventory & Development Capacity

Planned &
Approved
Projects

Adequately
Zoned Sites

Accessory
Dwelling
Units (ADUs)



Public Comment

Public Review Draft

<https://gonzalesca.gov/services/community-development/city-gonzales-6th-cycle-housing-element-update>



Public Review Period

Open until Monday, February 12, 2024

Email comments to tkinisonbrown@ci.gonzales.ca.us

Mail / deliver comments to City Hall



Next Steps

NEXT STEPS

Initial Draft Sent to HCD – 90 Days
PC/CC Adoption

Adopted Draft HCD Review – 60 Days
Subsequent HCD Review(s) – 60 Days
Certification



Questions & Discussion

January 23, 2023

Taven Kinison Brown
Community Development Director
City of Gonzales
Gonzales City Hall
147 Fourth St
Gonzales, CA 93926
TKinisonBrown@ci.gonzales.ca.us

Re: Draft Housing Element Update, 6th Housing Element Cycle, 2023-2031

Dear Mr. Kinison Brown:

LandWatch Monterey County submits the following comments on the City of Gonzales' draft 6th Cycle Housing Element Update ("HE").

LandWatch supports the draft Housing Element's proposals for objective development standards, ministerial permitting, and local density bonuses. We suggest that the City consider expanding these programs to include objective design review standards and additional ministerial permitting and local density bonuses.

LandWatch opposes the City's over-reliance on the proposed Vista Lucia Specific Plan and its failure to identify other available vacant sites that are already within the City as the sites for needed higher density affordable housing.

Gonzales needs to plan over the long term for housing that will actually meet the needs of those who live and work in the City. Half of Gonzales' population are lower income, earning less than 80% of the area median income. Yet only 22% of the site inventory in the draft Housing Element would be affordable to these lower income households.

According to the [U.S. Census](#), Gonzales' median household income is \$74,000. As a rule of thumb, for a home to be affordable it should cost 2.5-3 times the homeowners' annual income. Based on this, the average Gonzales family can afford a \$200,000 home. However, the [median Gonzales home price](#) is \$600,000—impossibly expensive for most working families.

As LandWatch has observed in its comments on other housing element updates, **Monterey County residents need multifamily housing, not more single-family homes.** The housing local governments have approved is misaligned with the needs of local working families and individuals, especially those who work in Gonzales. By design, multifamily housing is far more affordable than single-family housing. It is environmentally preferable because it provides local housing for local workers. Single-family homes by and large serve the needs of investors, second home owners, and commuters, not local working families and individuals.

Unfortunately, Monterey County and its 12 cities, including Gonzales, have consistently approved single-family rather than multifamily housing. LandWatch's [Monterey County Housing Pipeline](#) documents more than 21,000 residential housing units that have been entitled (approved) but not yet been built. Almost all of the approved units are single-family homes. There are another 13,000 units for which entitlements are being sought, and most of these are also single-family homes. The data show a dire shortage of affordable multifamily rentals.

The City has had a long-standing program to require that new development in specific plan areas, such as the proposed Vista Lucia Specific Plan, be provided in the proportion set out in the City's RHNA. The proportionality requirement for new development is intended to ensure that planning commitments meet the City's long-term needs. The proportionality requirement would, for example, ensure that Vista Lucia design half of its units to be affordable to lower and moderate income households. But the draft housing Element simply abandons the proportionality program, setting as its goal instead merely having enough units to meet the 6th Cycle RHNA, not requiring that Specific Plans design all of their units in proportion to the RHNA affordability mix. One consequence is that the City may not be able to meet its 7th, 8th, and 9th Cycle RHNAs without completely redesigning the Vista Lucia Specific Plan to add more high density units. This is bad long-range planning.

Furthermore, the draft Housing element should not treat the Vista Lucia Specific Plan as a pending or pipeline project. Neither the Specific Plan nor its annexation has been approved and there are certainly no approved or pending development projects to implement a specific plan. By treating the Vista Lucia Specific plan as a pipeline project, the draft Housing Element ignores the statutory requirement to address the lack of any mandatory program or plan to provide infrastructure.

Despite the lack of any approved or even currently proposed Vista Lucia Specific Plan, the draft Housing Element assumes Vista Lucia will provide the majority of the RHNA for lower income households. But there are other sites available for lower and moderate income units that do not require annexation. For example, the 20-acre Gloria Road site 7 and the 135-acre D'Arrigo site 8B, could accommodate hundreds more units if they were zoned for higher density housing.

A. Gonzales needs half of its future units to be affordable to lower income families.

Household median income in Gonzales is only \$73,906. (HE, Section 1, Table 2.) These households cannot realistically expect to purchase housing and they could not likely afford rental housing without vouchers or overcrowding – if, that is, the rental housing were even available.

The failure to provide housing affordable to lower and moderate income households has in fact resulted in overcrowding and caused households to be housing cost burdened. In Gonzales, 45% of renters are cost burdened and 18% of households are overcrowded. (HE, Section 5, pp. 82, 84.)

In Gonzales, 8.2% of households are Extremely Low-Income; 12.9% are Very Low-Income, and 28.1% are Low-Income. (HE, Section 5, Figure 16.) Thus, 49.2% of Gonzales' households are classified as lower income, earning less than 80% of the area median income.

If half of Gonzales' residents need housing affordable to lower income households, then the Housing Element should ensure that half of new development is affordable to such households. Despite this, only 22% of the sites - 549 of the 2,532 sites – are designated as affordable to lower income households. (HE, Section 3, Table 11.)

B. The Housing Element Update abandons the City's existing policy and program to require that new development in specific plan areas be provided in the proportion set out in the City's RHNA.

The General Plan and its 5th Cycle Housing element currently mandates not just that there be enough *units* planned to meet the RHNA affordability levels for a particular 8-year housing cycle, but that the City plan new development to accommodate the expected *proportion* of lower and moderate income units, which will ensure that there are sufficient lower and moderate income sites available for future RHNA cycles as well. Thus, the current 5th Cycle Housing Element requires that specific plans be designed to support the expected *proportions* of lower, moderate, and above moderate income units:

Implementing Action HE-1.1.1 – Housing for All Income Levels within 2010 General Plan Growth Area. Using the minimum standards for the mix of housing to be achieved in new neighborhoods (set forth in Table II-3 of the Land Use Element), *require Specific Plans to design each new neighborhood to contain housing suited for all income levels in roughly the proportion set forth in the AMBAG Regional Housing Needs Allocation of 293 units for the 2014-2023 planning period.* Responsibility: Planning Department, Planning Commission, City Council Timing: Prior to or at the adoption of each new Specific Plan.

(Gonzales General Plan, pp. IV-53, IV-82 [Policy HE-1.1, Implementing Action HE-1.1.1], available at <https://gonzalesca.gov/sites/default/files/2018-08/General-Plan-Housing-Element.pdf>.)

Implementing Action HE-1.1.1 is intended to support Policy HE 1.1, which calls for maintaining “a sufficient amount of vacant, residentially zoned land within the Gonzales Planning Area to support the Regional Housing Needs Allocation and reduce overcrowding in Gonzales.”

In effect, this meant that, during the 5th Cycle, the City committed future specific plans to design at least 58% of their units to be affordable to lower and moderate income households because 58% of the 2014-23 RHNA was for lower and moderate income units. (170 of 293 total units were required to be for moderate, low, or very-low income households. See page 15 of Fifth Cycle RHNA at https://www.ambag.org/sites/default/files/2019-12/RHNP%202014-2023_Final_revised_PDFA_2.pdf.)

The City’s 6th Cycle RHNA is 1,266 units, of which 173 are Very-Low Income, 115 are Low-Income, 321 are Moderate Income, and 657 are Above Moderate Income. (HE, Section 3, Table 5.) Thus, the proportion of the 6th Cycle RHNA that is supposed to be affordable to lower and moderate income households is 48%. If the City is not to abandon its previous commitment that specific plans be designed in *proportion* to the City’s RHNA, the proposed Vista Lucia Specific Plan must be designed so that about half of the units are affordable to lower and moderate income households. This requires, for example, that about half of the units be located on sites zoned at medium to high density.

The obvious rationale for mandating that the specific plans be designed to provide housing in *proportion* to the RHNA affordability levels, and not just mandating enough *units* to meet one 8-year RHNA Cycle, is that the specific plan areas represent the majority of the sites available for future housing. The AMBAG Regional Growth Forecast projects that Gonzales will absorb 2,227 units from 2025-2045, a rate of 111.35 units per year. (AMBAG, Regional Growth Forecast, available at https://www.ambag.org/sites/default/files/2022-12/REVISED_PDFAAppendix%20A_2022%20RGF.pdf.)

Thus, the 3,498 units proposed for the Vista Lucia Specific Plan represents 31 years of housing absorption – almost four RHNA cycles. The City’s purported rationale for annexation of this large area has been the claim that the annexed land is needed for future growth. (HE, Section 2, p. 21 [“The City must rely on annexation to accommodate its RHNA, therefore the City will complete the annexation of the Vista Lucia area within the first three years of the planning period”].) As the growth area for the City, the Specific Plan area is the primary available land to meet future RHNA targets. **As the growth area, the Vista Lucia Specific Plan should be designed to support the expected proportions of lower, moderate, and above moderate income units over multiple RHNA cycles.** If the Specific Plan area is not designed to support these proportions, the City will either have to redesign it or to annex additional land when it prepares future housing elements.

Despite this, the Housing Element proposes to abandon the prior mandate that specific plans be designed to provide housing in proportion to the RHNA affordability levels. The language of the revised Implementation Action HE-1.1.1 drops the references to proportionality and makes no reference to specific plan designs. It merely requires that the city plan “to accommodate the 2023-2031 RHNA.”

Implementation Action HE-1.1.1: Maintain Sites Inventory

The City will maintain a current sites inventory of Housing Element sites throughout the planning period to accommodate the 2023-2031 RHNA. When rezoning or approving development projects that differ from the assumed number of units and/or affordability levels in the inventory, the City will evaluate the impact on its ability to meet the 2023-2031 RHNA. The City shall comply with the no net loss provisions stipulated in Government Code § 65863. When identifying sites, the City will focus on finding replacement sites in moderate resource areas, the highest designation in Gonzales, to affirmatively further fair housing. [Source: 2015- 2023 Gonzales Housing Element HE-1.1.1, *modified*]

☒ Action (A): Maintain a site inventory of adequate densities and appropriate development standards to facilitate a range of housing opportunities.

☒ Action (B): Establish a formal procedure to review sites and ensure no net loss of sites to accommodate remaining RHNA and to identify additional sites or rezone within 180 days when net loss would occur.

Merely accommodating the 6th Cycle RHNA units during this 8-year planning period is not sufficient to ensure that new development areas, including the Vista Lucia Specific Plan growth area, will support future RHNA cycles.

And indeed, the Vista Lucia Specific Plan has not been designed so that half of the units would be affordable to lower and moderate income households. An April 17, 2023 presentation regarding plans for affordable units in the Specific Plan area identifies only 211 Very-Low Income units, 211 Low Income Units, and 281 Moderate Income units. These would comprise only 20% of the 3,498 Specific Plan units that have been assumed to be the scope of the Vista Lucia Specific Plan. (Vista Lucia Master Plan: Comprehensive Housing and Lifestyles for Gonzales, April 17, 2023, attached.) And a previously circulated description of the Vista Lucia Specific Plan showed that only 15.5% of the total units would be on land zoned at 20 units per acre, the applicable Mullen density for lower income units. (Vista Lucia Project Description, Table 2.2: Vista Lucia/Villages One and Two: Residential Land Use and Zoning Summary, attached.)

In sum, the Housing Element should retain the requirement from the 5th Cycle Housing element that mandates specific plans be designed to provide housing in proportion to the RHNA affordability levels.

C. The Vista Lucia Specific Plan site should not be treated as a pipeline or pending project.

The Housing Element discusses the Vista Lucia Specific Plan under its heading for “Planned, Approved and Pending Projects” and it takes credit for 429 lower income units on 20 acres. However, a Vista Lucia Specific Plan has not even been released to the public, much less approved.

HCD’s Site Inventory guidance requires that an agency demonstrate that a project is “expected to be built within the planning period” to take credit for it toward the RHNA obligation. (HCD, Housing Element Site Inventory Guidebook, June 2020, p. 5.) It is not clear that a specific plan, even if it had been approved, is qualified to be treated as a pending or approved “project” within the meaning of the Site Inventory Guidebook.

There is no specific development project under consideration. There is no subdivision map, nor even a proposed map. There is no approved infrastructure plan. There is no infrastructure financing plan. There has been no environmental review. The land has not been annexed to the City. There has been no public disclosure of a *committed* plan to dedicate 20 acres to building 429 lower income units. And as discussed above, it is clear that the Vista Lucia plan does not conform to the current General Plan mandates to design specific plans in proportion to the RHNA affordability levels.

Again, even if a specific plan had been approved and the land had been annexed, there are no actual development proposals pending. There are no project-level entitlements under review.

The City’s lower income RHNA obligation is 288 units. Only 120 units will be provided by sites other than the Vista Lucia Specific Plan – ADUs, vacant sites, non-vacant sites, and the pending CHISPA project. (HE, Section 3, pp. 44, 54, Tables 6, 11.) Thus, the Housing Element critically depends on a single, speculative specific plan – the Vista Lucia Specific Plan – to provide the other 168 lower income units. i.e., the majority of its lower income requirement. But the Housing Element fails to establish any actual likelihood that the Vista Lucia Specific Plan will be built within the 6th Cycle.

By treating the Vista Lucia Specific Plan as a “pending” project, the City has abdicated its obligation to demonstrate what must be demonstrated for other vacant sites. In particular, there is no discussion of a committed plan or program to build out new infrastructure for the Vista Lucia greenfield space now in agricultural use, and there is no discussion of the need to provide agricultural mitigation funding. The Housing Element provides only a generalized and cursory infrastructure discussion with no reference to the Vista Lucia Specific Plan area. (HE, Section 3, pp 55-56.) It references a “Technical Background Report,” but that report was not appended or circulated for public review.

HCD requires that a site must demonstrably “have sufficient water, sewer, and dry utilities available and accessible to support housing development or whether they are included in an **existing general plan program or other mandatory program or plan**, including a program or plan of a public

or private entity to secure sufficient water, sewer, and dry utilities supply to support housing development on the site in time to make housing development realistic during the planning period.” (HCD, Site Inventory Handbook, p. 7.) There is no **existing or mandatory** program or plan to supply infrastructure to the Vista Lucia Specific Plan area within the plan period.

The Housing Element should look elsewhere to ensure that the City has sufficient sites for lower and moderate income units.

D. Additional sites are available for affordable and market rate housing.

The proposed site inventory unaccountably fails to consider as available for affordable housing the substantial areas of vacant land that are already within the existing City limits.

Preliminarily, it is difficult to discern for each affordability level just where the site inventory proposes the units may be sited, because the draft Housing Element fails to identify units by affordability level for each vacant and non-vacant site. This should be corrected.

However, some of this can be pieced together. Table 11, showing aggregate units by affordability levels for vacant, non-vacant, pipeline, and ADU sites, lists only 70 lower income units on vacant sites. Presumably these are the 70 multi-family residential (MFR) units in the Rincon project, i.e., site 8B, which were discussed in the 5th Cycle Housing Element but which have not yet been built. (City of Gonzales 2015-2023 Housing Element, pages IV-32 to 33.) The 2011 Vesting Tentative Map discussed in 5th Cycle Housing Element has now expired. Thus, this vacant 135-acre site, long-planned and currently zoned for residential use, is no longer constrained by previous entitlements. Presumably, it should now be able to accommodate more lower income and moderate income units than were previously proposed – simply through higher density zoning consistent with smart growth development planning.

There appears to be no reason that affordable units could not also be located on site 7, the 20-acre Gloria Road site. The site inventory identifies none of this site as available for lower income housing even though it proposes other affordability levels on this site. No explanation is given for this limitation. The City is in position to create substantial real estate value by granting entitlements for highway commercial uses on a portion of this site. It would not be difficult or unreasonable to ask in exchange that part of the site be designed at densities suitable to support lower income units.

Indeed, the speculative 1,269 units from the Vista Lucia Specific Plan would not be necessary at all to meet the RHNA obligations if the City were to identify more higher density units on sites 7 and 8b. With the sites identified in the Housing Element *other than* Vista Lucia, the City would be only 3 units short of its 1,266 RHNA target. The City could easily propose sites for these missing units, and sites for a substantial surplus over the RHNA target, on Sites 7 and 8B, which together represent 155 vacant acres of land already annexed into the City..

E. Inadequate provision for concurrent, integrated housing for lower income households.

The Housing Element apparently proposes only two large sites for any significant number of lower income housing units. Even that proposal is confused.

It proposes 429 units on 20 acres within the Vista Lucia Specific Plan, but, as noted, it does not actually identify a particular site because there *is no* specific plan. (HE, Section 2, p. 21.)

It also proposes 70 units on three acres of a 138-acre parcel it states is zoned R-2, Medium Density Residential. (HE, Section 2, p. 21; see also HE, Section 3, Table 7, Parcel 8b.) (Id.) This 138-acre parcel appears to be the same site as site 8B identified as a 135-acre parcel that is zoned R-1-PUD, Low Density Residential, in Table 8 in HE, Section 3. This site should be consistently and accurately described with regard to its size and zoning.¹

In addition to the inadequate identification of these sites, the required provisions to ensure that lower income units can actually be built on large sites are inadequate.

First, it is not clear that the low or medium density zoning, which are both inconsistently identified for site 8B, the 135 or 138-acre parcel, would meet the 20-unit per acre Mullen density required for a safe-harbor determination of suitability for lower income units in Monterey County. As noted above, the vesting tentative map has now expired. Thus, development on the site is now subject only to the existing zoning. However, the medium density residential zoning of the 138-acre parcel permits only 16 units per acre. Thus, this parcel is not on its face suitable for lower income housing without rezoning.

Second, the Implementation Action HE-1.1.2, purporting to facilitate development of sites greater than ten acres for lower income units, is insufficient. Implementation Action HE-1.1.2 proposes that the City “encourage the development of large sites through an allowance of phasing of development and off-site improvements and, where applicable, through a Master Plan or Specific Plan process.” There is no reasons to assume that a Specific Plan will ensure provision of affordable units; as noted above, the presentation on affordable housing for the Vista Lucia Specific Plan does not actually meet the City’s needs for lower income units over the long haul. In addition, merely permitting phasing of infrastructure will not by itself support provision of lower income housing without some other mandate or incentive to develop lower income units.

Indeed, permitting phasing of infrastructure would likely permit developers to provide only the necessary infrastructure for the more profitable market rate units without providing the infrastructure for lower income units. Phased infrastructure plans will normally tie in to existing urban infrastructure; and LAFCO typically requires that urban development be phased so that it

¹ Furthermore, the Table at the end of Implementation Action HE-1.1.2 fails to include this 135-acre or 138-acre parcel, referencing only the Vista Lucia parcel.

remains contiguous with existing urbanization. Thus, for example, in the previously proposed Vista Lucia site plans, a phasing plan that would first develop areas contiguous with the existing City of Gonzales roadway, water, and sewer infrastructure, would result in developing only the areas designated for low density residential use. The only areas proposed for high density residential use, i.e., areas that could support lower income units, are proposed well within the proposed Vista Lucia “Village One” and relatively distant from the areas contiguous to the existing City infrastructure. In short, merely calling for phased infrastructure does not ensure provision of lower income units and may in fact enable a developer to *avoid* providing infrastructure for lower income units.

And indeed, the Vista Lucia developer proposes that the first two phases of development be low density residential units and that the next two phases be medium density residential units. (Vista Lucia Master Plan: Comprehensive Housing and Lifestyles for Gonzales, April 17, 2023, attached.) No phasing is indicated for the area designated for high density residential use.

In sum, if the Housing Element is going to rely on infrastructure phasing as a means to ensure lower income units actually get built on large sites, it must require that the initial phases of the infrastructure plan actually include high density parcels.

F. Objective development standards

LandWatch supports increased use of objective development standards, e.g., the incorporation of objective development standards in Action B of Implementing action HE-1.3.1.

We suggest that this program be amended to provide for both objective development standards *and objective design review standards* to provide the certainty and streamlining that reduce housing production costs.

G. The City should implement additional ministerial permitting.

LandWatch applauds the proposed ministerial permitting in Implementing Actions HE-1.2.1 (SB 35), HE-1.3.1 (SB 10), and HE-1.3.2 (permanent supportive housing, low barrier navigation centers), and HE-2.1.1 (affordable and workforce housing overlay zones).

We suggest that ministerial permitting be extended to cover most multi-family infill development in all zones that permit any residential uses. Qualifying developments that meet the objective zoning, design review, and use standards should be permitted through ministerial review and without any requirement for a conditional use or other discretionary permit.

Regardless whether the proposed ministerial permitting is extended to cover additional MFR housing, we offer the following suggestions for implementing ministerial permitting, largely based on SB 35.

Qualifying projects should be limited to infill sites, e.g., as defined by Government Code Section 65913.4(a)(2) [SB 35] or Public Resources Code Section 21094.5(e)(1)(B) [CEQA infill exemption]. Limiting the program to infill sites should simplify CEQA review for the adoption of the program itself.

The City should continue to require discretionary review of projects on specified sites that are environmentally sensitive, e.g., habitat for endangered, rare or threatened species; farmland of statewide and local importance; wetlands; earthquake/seismic hazard zones; federal, state, and local preserved lands, NCCP and HCP plan areas, and conservation easements; riparian areas; Department of Toxic Substances Control (DTSC) facilities and sites; landslide hazard, flood plains and, floodways; and wildfire hazard as determined by the Department of Forestry and Fire Protection. (See, e.g., Gov. Code § 65913.4(a)(6)(B) through (K) [sites excluded from ministerial permitting in SB 35].)

The City could address concerns for gentrification and historic resources by continuing to require discretionary review for projects on existing affordable housing, mobile home sites, or historic resources. (See, e.g., Gov. Code § 65913.4(a)(7), (10) [SB 35].)

Application, design review, and expiration terms could be based on the language used to implement SB 35. (Gov. Code § 65913.4(b), (c), (e).)

Ministerial permitting of residential projects in infill areas is appropriate because CEQA review should be accomplished at the program rather than the project level. That is, CEQA review should take place when the City amends its General Plan or zoning code, not when a developer comes to the City with a conforming project.

H. The city should consider additional local density bonuses.

LandWatch applauds the proposed density bonuses that would be in addition to those mandated by the State Density Bonus (“DBL”) law in Implementing Actions HE-1.2.4 (urban agriculture, universal design, large family).

We suggest that the City offer an additional density bonus for affordable units that goes beyond the state requirements in order to more effectively promote affordable housing development. For example, the City could provide a local density bonus greater than the state DBL bonus, e.g., a 50% bonus for projects providing 8% very low-income units instead of the state DBL’s 27.5% bonus. Such an approach is being taken by Sand City, which is proposing a 250% density bonus as long as 15% of the units are affordable to lower income households. In addition, the City could increase the number of concessions given at specified levels of affordability beyond the number mandated by the State DBL.

I. The City should consider waiver or reduction of both permitting and impact fees for affordable housing.

LandWatch supports the proposal in Implementing Action 2.1.1 to defer fees for affordable housing. The proposal should be clarified so that it would defer both permitting and impact fees. In addition, the City should exercise its discretion to waive or reduce some fees for affordable units, not just to defer them. Finally, when undertaking nexus studies, the City should apportion fees based on a per square footage rather than a per unit basis wherever this tends to reduce fees for affordable units.

Sincerely,



Michael D. DeLapa
Executive Director

Attachments

- Vista Lucia Master Plan: Comprehensive Housing and Lifestyles for Gonzales, April 17, 2023, attached
- Vista Lucia Project Description, Table 2.2: Vista Lucia/Villages One and Two: Residential Land Use and Zoning Summary