

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
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F7a

Prepared July 10, 2017 for July 14, 2017 Hearing

To: Commissioners and Interested Persons

From: Susan Craig, Central Coast District Manager

Subject: Additional hearing materials for F7a
CDP Number A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability
Amendment

Where checked in the boxes below, this package includes additional materials related to the above-referenced hearing item as follows:

- ☐ Staff report addendum
- ☒ Additional correspondence received in the time since the staff report was distributed
- ☐ Additional ex parte disclosures received in the time since the staff report was distributed
- ☐ Other.

Heather Fletes
1091 Pinto Trail Drive
Galt, CA. 95632

Coastal Commission
Headquarters Office
45 Fremont Street, STE. 2000
San Francisco, CA 94105-2219

RE: Application number A-3-MCO-16-0017

To Whom It May Concern:

My name is Heather Fletes and I am formally requesting the court to remove the resale deed restrictions on the Moro Cojo subdivision. My mom, Marie Keen, was approved and with the help of family was able to build her home along with the other 160+ families. Their "Sweat Equity" was all they had to offer as a down payment. They worked 40 + hours a week to build their homes in addition to working their full time jobs. They sacrificed and suffered those long days to provide their families with a place to call home. Working hard to have something, that would someday, provide a better life.

My mom, a single mother of three, took great pride in her home and through the years did everything she could to maintain it inside and out. If the affordability restrictions in perpetuity is not amended you are forcing low-income families to remain low-income, you are taking away their opportunity, the opportunity they have earned over the last 16 years, to make a better life for themselves and their families. Because of the restriction they are not provided the same opportunities that other homeowners have, whether it is to refinance for remodeling, sending a child to college or to sell to have "Upward Mobility", they should have this right without restrictions. These families are being punished for being low-income. If the restrictions are not removed you are telling them that their hard work was for nothing and they have no other choice but to stay where they are without the opportunity for "Upward Mobility"

I agree Monterey County needs more affordable housing however; it should not be at the expense of those who live in the Moro Cojo subdivision, they have done their part and its time they were able to move up. The information previously submitted shows future development plans for affordable housing. Let those families provide their "Sweat Equity" as my mom and the other 160+ families did and make sure nothing in perpetuity is ever attached to those projects. This will ensure the "homeowners" actually feel like homeowners and not renters that pay taxes, insurance and maintain a home that they will never be able to sell at fair market value.

In closing, I am respectfully asking the California Coastal Commission vote to amend, reduce, or remove the duration of affordability condition in perpetuity on the 161 existing single-family homes from permanent to 20 years or less from the date of first deed conveyance and finally changing these hard working, well deserved families into true homeowners.

Thank you for your time and consideration in this sensitive matter.

Sincerely,

Heather Fletes

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0030
(916) 319-2030
FAX (916) 319-2130

Assembly California Legislature



ANNA M. CABALLERO
ASSEMBLYMEMBER, THIRTIETH DISTRICT

July 7, 2017

Brian O'Neill, Coastal Program Analysts
725 Front Street #300
Santa Cruz, CA 95060

Re: Appeal No. A-3-MCO-16-0017

Dear Mr. O'Neill:

This letter is written in support of the 161 farmworkers and their families from Rancho Moro Cojo, who built their own homes and constructed a neighborhood all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in Monterey County. The NIMBY's who opposed the *Moro Cojo* project filed several lawsuits and caused the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

As you no doubt know, the Coastal Commission does not have jurisdiction over the development of affordable housing. That authority was rescinded years ago. However, to the extent that you take action based on any other authority, the Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey, and I urge you to do so.

I thank you for your time and attention to this matter. Should you have any concerns, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Anna M. Caballero".

ANNA M. CABALLERO
Assembly Member, 30th District



Jason Keen
P.O. Box 3732
Salinas, CA. 93912

California Coastal Commission
Headquarters Office
45 Fremont Street, STE. 2000
San Francisco, CA 94105-2219

RE: Application number A-3-MCO-16-0017

My name is Jason Keen and I am requesting that this letter be read aloud at the California Coastal Commission's meeting related to the decision to amend or reduce the duration of affordability condition (perpetuity) on 161 existing single-family homes from permanent to 20 or less years from the date of first deed conveyance, at Moro Cojo Subdivision near Castroville Blvd. in unincorporated Prunedale, North Monterey County.

My Mother, Ivy Marie Keen passed away on June 29, 2017, after a nearly an 8 year long battle with cancer. She was one of the so-called "Homeowners" in the Moro Cojo community and asked me to write this letter on her behalf right before she passed away.

Approximately 16 years ago, my mother, a single mother providing for a family of three, applied for the CHISPA low-income Moro Cojo Community housing program and was accepted. It was always her dream to have her own home and it was her understanding that this program would provide her that opportunity. Her understanding was that this program was designed and intended to help provide low-income families, like her, an opportunity to purchase their own home by allowing them to trade their labor (sweat equity) for their down payment or lack thereof. My mother, along with the other 160+ families accepted into the program worked tirelessly together, 40+ hours a week, for approximately a year, on top of holding a regular full-time job to make this dream a reality. It is because of their blood, sweat, tears, teamwork and determination that these homes exist and there is a special sense of pride and unity because of it, which is not felt in other communities. At the start of this project, it was reiterated on multiple occasions that this was a "Great Program" that would make them "Homeowners". To my mother's recollection, there was never any mention of any affordability sale restriction, especially in perpetuity, nor was it mentioned that these new "Homeowners" might not be afforded the same opportunities as any other conventional homeowner. Unfortunately, if the affordability restriction in (perpetuity) is not amended, it appears that this CHISPA building project may not have been such a "Great Program" for them after all. It would mean that my mother and the other families were never really "Homeowners" but rather glorified "Renters".

My mother could not comprehend, nor can I, how someone can have all the responsibilities of a "Homeowner," such as paying a mortgage, completing home improvements, conducting

maintenance, paying property taxes, etc., yet be discriminated against by not being allowed to capitalize on the homes full equity potential or the ability to sell at fair market rate, which every other conventional home owner is entitled. A homes equity, though not guaranteed, is what many American homeowners depend on to do things such as, send their children to college, purchase new reliable transportation, conduct major home repairs, assist with purchasing a bigger home to accommodate a bigger family, etc and to prevent this is "Upward Mobility" discrimination. It falls inline with the motto, "Keep the Rich, Rich and the Poor, Poor". In my opinion, it is the equivalent to someone dangling a carrot just out of reach from a donkey's mouth, to keep the donkey working with never intending to reward the donkey with the carrot after all it's hard work.

It saddens me to think that my mother worked so hard to provide a home for her family and in the end, felt as though she had just been a glorified "Renter" of her house for all these years. Although my mother stated she is eternally grateful for the opportunity provided to her by the CHISPA organization and the Moro Cojo community, she felt that she should not have been denied "Upward Mobility" by being forced to sell her home to only another low-income individual. She believed that this restriction permanently attached a stigma to her and her home as being "low-income" with no way of ever removing that stigma. It is not the intention of CHISPA, nor should it be the intention of the California Coastal Commission to deny anyone, especially low-income families, the opportunity for "Upward Mobility".

Since the completion of the Moro Cojo community project, CHISPA has successfully pioneered multiple additional "low-income" housing projects, none of which are classified as "single home dwellings" that have an affordability condition in perpetuity attached.

There is no doubt a need for more affordable housing in Monterey County however; I believe forcing the Moro Cojo Community to stay "low-income" by not amending the duration of affordability condition in perpetuity is not the answer to that problem. These families did not agree to do all of this hard work to be "Renters"; they did it to be a "Homeowners" and as such should be entitled to all of the "upward mobility" potential that homeownership has to offer. In addition, since the completion of the Moro Cojo community project, CHISPA has successfully pioneered multiple additional "low-income" housing projects, none of which are classified as "single home dwellings" that have an affordability condition in perpetuity attached.

I believe that if additional single-family low-income housing projects are planned in the future, it would only be appropriate for those future residence "Homeowners" to provide the same "Sweat Equity" as my mother and the other 160 Moro Cojo families did and that nothing in perpetuity ever be attached to the project as doing so prevents true "Homeownership", attaches a permanent "low-income" stigma to the families and neighborhood and therefore prevents "Upward Mobility".

In closing, on behalf of my mother, I am respectfully asking the California Coastal Commission vote to amend or reduce the duration of affordability condition in perpetuity on the 161 existing single-family homes from permanent to 20 years or less from the date of first deed conveyance and finally change these hard working, well deserved families from glorified "Renters" true "Homeowners".

Thank you for your time and consideration in this sensitive matter.

Sincerely,

Jason Keen
Keen814@sbcglobal.net
831-809-4031

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Thursday, July 06, 2017 3:09 PM
To: O'Neill, Brian@Coastal
Cc: 'margie17k@aol.com'
Subject: FW: F7.a Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)

FYI.

From: Margie Kay [mailto:margie17k@aol.com]
Sent: Thursday, July 06, 2017 3:08 PM
To: Chapman, Diana@Coastal
Subject: F7.a Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)

For: F7.a **Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)**

To Chair Dayna Bochco,

I am out of the state and unable to be at your July meeting on Friday so this will be my comments. I live about equal distance from both Rancho Los Robles in Las Lomas and the Moro Cojo Subdivision in the Castroville area and have attended over 20 years of water management agency meetings for both the Pajaro & Salinas Valleys. I have read the Fugro West report from 1995.

In reading both staff reports for appeals of Rancho Los Robles F.6.a. **Appeal No. A-3-MCO-09-009 (Rancho Los Robles Subdivision, North Monterey Co.)** and the staff report for the Moro Cojo Subdivision affordability item, **water supply is crucial for both!**

The staff report for Rancho Los Robles is excellent for why it must be denied.

It is important for you to read on pages 7 & 8 of the staff report for Moro Cojo Subdivision Affordability Appeal "Project Description and Background" and remember that the Moro Cojo Subdivision was approved by the County of Monterey on a statement of overriding considerations due to water supply. The Oak Hills Homeowners Association litigated the application due to concerns for their well supply to be shared with Moro Cojo Subdivision. North Monterey County has had water supply problems for decades. You have denied 3 other North County subdivisions in just the last year.

The fact is Condition 99 making Moro Cojo Subdivision affordable in perpetuity from the litigation settlement means it was understood the need for affordable housing was important then and, unfortunately, the need still exists.

To allow the affordability factor to be dismissed would remove important affordable housing stock for future buyers.

These houses had substantial public funds to help lower the cost for the first owners. It was not built as an experiment.

I support Jane Haines' appeal and she is most knowledgeable as a signatory to the settlement agreement and understanding the issue today with all the facts of the current owners of Moro Cojo Subdivision houses that want to have Condition 99 erased. **Please support the appeal of Jane Haines.**

Thank you,

Margie Kay, Elkhorn Slough area property owner and resident for 41 years

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Thursday, July 06, 2017 2:38 PM
To: O'Neill, Brian@Coastal
Subject: FW: Project A-3-MCO-16-16-0017

From: Alan Haffa [<mailto:haffa@monterey.org>]
Sent: Thursday, July 06, 2017 2:37 PM
To: Chapman, Diana@Coastal
Subject: Project A-3-MCO-16-16-0017

Dear Coastal Commission Members,

As a Monterey City Councilmember I wholeheartedly oppose a gift of public funds by removing the affordability deed restriction from the homes in the Moro Cojo subdivision.

First, doing so removes the mitigation value of the original deal that permitted construction of those homes.

Second, the list for affordable units in our county is so long that people who need assistance wait years to get into affordable units. Removing units from the affordability pool will worsen this situation. You help 160 families by enriching them but at the expenses of many hundreds more who can't afford homes at market rates.

Third, homelessness in Monterey county is a serious public issue and this will worsen the situation by reducing the supply of affordable homes. People who might have bought these homes will instead compete for the small pool of affordable apartments. People who do not get into those affordable apartments because of increased demand and reduced supply will end up on the streets. Homelessness is the single issue I hear about the most from my constituents.

Fourth, to replace those homes with new affordable homes will cost tens of millions of dollars at a time when the state no longer allows jurisdictions to use Redevelopment money as incentives. These units will not be replaced and the truth is that we need more such affordable homes.

Please do not do this. No doubt people who stand to reap a windfall of a hundred thousand dollars or more based on your decision will show up but think of the thousands more who don't know about this hearing who in the future will not have an affordable home that they can purchase because you allowed these people, who knew what they were buying, a windfall profit.

Sincerely,

Alan Haffa
831-648-1690



July 6, 2017

Dayna Bochco, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Subject: July 14, 2017 Hearing on A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)

Dear Chair Bochco and Members of the California Coastal Commission:

LandWatch Monterey County urges you to:

- Deny the request to amend deed restrictions for 161 existing single-family residences in the Moro Cojo subdivision to reduce the duration of required affordability. Such action would be in direct conflict with Monterey County Local Coastal Plan, including Policy 4.3.6.D.1 for low and moderate income housing in the North County coastal area.
- Direct staff to explore a potential compromise with Monterey County, CHISPA, LandWatch Monterey County, and Jane Haines as further described below in a substitute motion.

To this end, I offer the following substitute motion:

Motion: I move that the Commission defer action on Coastal Development Permit Number A-3-MCO-16-0017 for 90 days, subject to the conditions below, and I recommend a yes vote.

Resolution to Explore Compromise: The Commission hereby directs staff to explore a potential compromise with Monterey County, CHISPA, LandWatch Monterey County, and Jane Haines that is consistent with the requirements of the LCP to protect affordable housing; the Settlement Agreement and Stipulation for Judgment of November 1995; the goals of creating a mixed-income neighborhood, of fairly rewarding Moro Cojo homeowners remuneratively for their sweat equity investments, and of replacing any permanently affordable housing that is lost at Moro Cojo with new affordable housing, with the understanding that if no compromise is reached within 90 days the deed restrictions on Moro Cojo homes will be retained in perpetuity. The Commission further requires CHISPA to fully disclose financing details, including initial purchase prices, refinancing statistics, sales prices, and related factual data, subject to reasonable precautions to prevent disclosure of personal information.

Founded in 1997, LandWatch Monterey County is a nonprofit, land conservation and planning organization representing more than 1000 residents of Monterey County. Providing affordable housing for local working families, located within mixed-income neighborhoods, is one of the five fundamental planning principles that guide our advocacy. Despite strong neighborhood objections, LandWatch was a staunch proponent of Tanimura and Antle's farmworker housing project and Pebble Beach Company's inclusionary workforce housing project. We also opposed two developments in Carmel Valley that did not meet general plan requirements for affordable

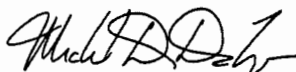
housing. Indeed, our interest in Moro Cojo stems from our commitment to preventing any further loss of an exceedingly small stock of permanently affordable homes throughout Monterey County.

With regard to the affordability requirements for Moro Cojo, the record is clear. The homes were sold with deed restrictions requiring that they remain permanently affordable. The LCP requires replacement of existing affordable housing lost due to conversion, notwithstanding the Coastal Commission staff's tortured logic that conversion somehow doesn't include the sale of the homes to market-rate buyers. Monterey County apparently never took the necessary steps to implement the court Judgment in the case of *Alliance to Enforce Mandates v. County of Monterey, CHISPA* – Monterey County Superior Court Case Number 102344 (see letter of May 24, 2004 from LandWatch executive director Gary Patton to Monterey County Supervisor Lou Calcagno). And, sadly, the families that purchased homes at Moro Cojo were never fully informed of the implications of the court judgment and the long-term financial implications of purchasing deed restricted homes, including the difficulties of refinance.

While we could challenge many of the factual claims in the Coastal Commission staff report, the claim that "Monterey County has taken great steps to address affordable housing needs" seems particularly egregious. According to the data that LandWatch has gathered, which despite repeated requests Monterey County has been unable to corroborate, Monterey County has 608 permanently affordable housing units out of a total housing stock of 38,783. That is, only 1.6% of all housings in unincorporated Monterey County are affordable. Moreover, our research has revealed that Monterey County has taken few if any steps to track, manage, or enhance its affordable housing stock, just as it has taken few steps to implement its 2010 General Plan Update.

LandWatch Monterey County would welcome the opportunity to negotiate a compromise with Monterey County, CHISPA, and Jane Haines to the benefit of current and future generations of low and moderate-income residents.

Regards,



Michael D. DeLapa
Executive Director

cc Jack Ainsworth, Executive Director, California Coastal Commission
Dan Carl, Central Coast District Director
Susan Craig, District Manager
Brian O'Neill, Coastal Program Analyst, Central Coast District Office
Jane Haines
Alfred Diaz-Infante, CHISPA

Jane Haines

601 OCEAN VIEW BOULEVARD, APT. 1 PACIFIC GROVE CA 93950

janchaines80@gmail.com

Tel 831 375 5913

RECEIVED

JUL 06 2017

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

July 5, 2017

California Coastal Commission
% Planner Brian O'Neill
Central Coast District Office
725 Front Street, Ste. 300
Santa Cruz, CA 95060

Re: July 14 Agenda Item No. 7a, Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)

Dear Coastal Commissioners,

At issue before the Commission is whether substantial evidence supports CHISPA's application to amend condition 99 of the CDP for the Moro Cojo project. Commissioners at the August 2016 requested additional information about Moro Cojo financing.¹ However, little if any, new information has been provided. Thus, there is no substantial evidence before you on which to approve the application. Pursuant to the **Plain Meaning Rule**², you must deny. However, LandWatch has proposed a compromise, which I support.

Background

The lack of financial facts in the August 10 Substantial Issue staff report caused me to gather what information I could from available resources and deliver 322 pages of analysis and data on September 30, 2016 to the offices of Brian O'Neill, Alfred Diaz-

¹ Commissioner Bachco commented after hearing Commissioners Turnbull-Sanders, McClure, Kinsey and Cox say they needed more information to make the decision: "... I'm glad to hear that the Commissioners are thinking through more than just what is in front of us today because there is a great deal of information that we're going to need to make this kind of decision and I think in some of the things that we talked about — which are when you say a good percent of people cannot refinance at eight and a half percent — I think we need to know how many. And the forty-one percent that did refinance why were their conditions better than other people? And I think these are the kind of facts we need to know... So let's just get this in front of us as quickly as you can and let's listen to the hard facts...." (Audio of 8/10/16 hearing beginning at 4:07:03.)

² Courts apply what is called the **Plain Meaning Rule**, also known as the literal rule, to interpret statutes using the ordinary meaning of the language of the statute. "In other words, a statute is to be read word for word and is to be interpreted according to the ordinary meaning of the language, unless a statute explicitly defines some of its terms otherwise or unless the result would be cruel or absurd. Ordinary words are given their ordinary meaning, technical terms are given their technical meaning, and local, cultural terms are recognized as applicable."

Infante and David Spaur (Monterey County Economic Development Officer).³ My cover memorandum to them is included in the "Correspondence" for this hearing. The back-up evidence I provided is substantial. Citing verifiable sources, it shows homeowners' profit is approximately \$100,000 when selling their homes under the affordability restriction, and that without the restriction the homes would be grossly unaffordable to the many North County families who can pay no more than \$290,000.

Despite the Commissioners' and my hope for much more information for the De Novo hearing, additional information has not been made available by the applicant.⁴ Footnote 8 of the staff report states "CHISPA has not provided detailed information on how many homeowners pay the full interest rate or receive federal subsidies." Footnote 15 states "CHISPA has not provided detailed information on how many homeowners pay the full interest rate or receive federal subsidies." Page 14 states that CHISPA submitted two declarations from homeowners stating they were unable to refinance their loans, but one of the two declarants subsequently successfully refinanced." A declaration by only one out of 161 homeowners is *not* substantial evidence the homeowners have trouble refinancing. Furthermore, footnote 14 states the "Monterey County Housing Advisory Committee found that 41 homeowners have successfully refinanced their homes."

July 14 Hearing

Moro Cojo homeowners are earnest people. They will testify on July 14 and you will like them. However, the affordability deed restriction was imposed by a stipulated judgment and cannot, by the terms of the judgment, be amended unless substantial evidence supports amendment.

At the July 14 De Novo hearing, testifying homeowners may repeat what they said at County hearings, which is they worked long and hard on their homes. That's certainly true.⁵

³ The 322 pages of analysis and data includes three hundred and ten pages copied from the Zillow and Redfin websites showing purchase prices and estimated market value of 155 of the 161 homes (Brian O'Neill can confirm). That data is entered into a spreadsheet showing resale profit based on subtracting purchase price the maximum allowed resale price consistent with the deed restriction, \$291,750.

⁵ They had to work forty hours per week for eight to ten months. A Sixth District Court of Appeals case adjudicating the Moro Cojo homeowners' unsuccessful attempt to get the affordability restriction removed, Alfaro v. Community Housing Improvement Systems Association, states the home purchasers' labor substituted for their \$16,000 down payment. (Assuming 10 months, compensation was at the equivalent of \$9.30 per hour; assuming 8 months, it was \$11.43 per hour.)

However, emotionally-moving homeowners' testimony does not comprise substantial evidence to support the application to amend CDP Condition no. 99.

Similarly, erroneous claims cannot substitute for evidence, particularly when they're contrary to the court's decision in Alfaro v. Community Housing Improvement Systems Association.⁶

Substantial Evidence

Substantial evidence attached to this letter shows that under the affordability restriction, homeowners profit by approximately \$100,000 when selling their homes. It also shows that removing the affordability deed restriction would make the homes far too high-priced for future low- and moderate-income buyers:

- Exhibit A is a 2015 email from Monterey County's then-Housing Program Manager, Jane Barr, to a member of the County's Housing Advisory Committee, describing the sale of a Moro Cojo home. The seller, who had owned the home for fourteen years, netted \$110k.
- Exhibit B is a spreadsheet applying data taken from my 322-page booklet showing Zillow-estimated market value in September 2016 (Brian O'Neill can confirm) updated by the 12.5% increase in Monterey County home values since then per <https://www.zillow.com/monterey-county-ca/home-values/>. The spreadsheet demonstrates that if the 155 homes were sold at market value today, using Zillow estimates, the average sales price would be \$485,469, which is completely unaffordable to low- and moderate-income families.

Plain Meaning

The Plain Meaning Rule, when applied to LUP Policy 4.3.6.D.1 and the stipulated judgment, requires you not to accept staff's recommendation:

1. The plain meaning of Policy 4.3.6.D.1 requires protection of existing affordable homes and replacement units if they're lost.

⁶ I've heard Moro Cojo homeowners testify several times. They testify their children can't inherit their homes unless the children are also low- or moderate-income. The court in Alfaro v. Community Housing Improvement Systems Association disagrees. It said "*We see nothing in the deed restriction attached to the complaint that prohibits inheritance.*"

I also heard them testify they are being denied the American dream. The Alfaro court cites another case, Dieckmeyer, to address that, stating: "*Dieckmeyer claims that holding her to the equity share denies lower income earners the opportunity to improve their financial condition, stifles housing opportunity because she cannot buy a better home, and would force her to 'forfeit the American dream of home ownership if she relocates.'* Hyperbole aside, what Dieckmeyer is trying to do is get out of a contract in order to make more money. As we have said, if Dieckmeyer did not like the deal, she should not have taken it. Having enjoyed the benefits of owning a home through the affordable housing program, she cannot now reject its obligations."

2. The plain meaning of the stipulated judgment requires the applicant to produce substantial evidence showing the need to modify a CDP condition.

As Commissioner Kinsey said at the August substantial issue hearing:

(Audio tape 4:02:42) "So my thoughts on this are we are a commission that works by rule of law but we're also a commission that looks at the needs of communities and what I'm hearing is that this commission wants to find a way to support the community but we want to do it in a way that works within the laws that we have that guide our actions. . . . Over a ten year period you were relieved of your initial loans, and so you have built some equity, much more equity than anyone who lived in exclusively rental housing would ever have been able to achieve, and what we're trying to do here, and perhaps if this commission goes forward either way, we're trying to find a path that you can do better than that, but I don't think we want to do it at the expense of the rules under which we operate ."

Conclusion

Because no substantial evidence supports the application, I believe it must be denied. However, I support the compromise proposed by LandWatch. It would deny the application but provide for an agreement to be worked out with CHISPA, LandWatch, me and the County to achieve a mixed-income neighborhood, ensuring Moro Cojo homeowners are fairly compensated and that any lost permanently affordable housing would be replaced, I think that would be ideal. However, as a condition for that, I would want the order to state CHISPA must disclose financial information about profitability, the extent of failed refinancing efforts, and other financial information that CHISPA has thus far not disclosed. Identities of specific homeowners could be redacted so personal information is not compromised. However, like the Commissioners during the Substantial Issue hearing, I believe the decision must be based on actual and complete facts.

I request you to deny the application and make your motion consistent with the LandWatch proposal.

Sincerely,



Attachments: Exhibits A and B

From : Jane x5389 Barr <BarrJ@co.monterey.ca.us>

Fri, Jul 17, 2015 10:32 AM

Subject: FW: Moro Cojo sale information

To : 'mm_robbins@comcast.net' <mm_robbins@comcast.net>

Margaret -

Hope this helps.

Length of ownership: 14 years

Difference in price between purchase and sale: \$87k

Average annual increase in price: 2.75%

Cash realized at sale after payoff of 1st and 2nd loans, remaining balance on forgivable loans: \$128k

Net cash after closing costs and real estate brokerage fees: \$110k (60% of purchase price)

Jane

From: Barr, Jane x5389

Sent: Wednesday, July 15, 2015 5:14 PM

To: 'mm_robbins@comcast.net'

Subject: FW: Moro Cojo sale information

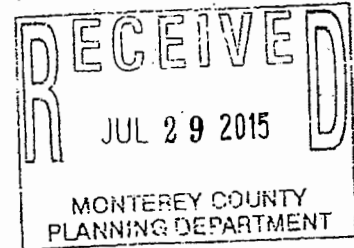
Margaret --

You requested information on a Moro Cojo sale that I have referenced in the past. In providing information, I am trying to provide you with public information but not personal information. Therefore, no personal information is included such as address, owner name, etc. and I have used rounded numbers below.

The sale that I have mentioned before was of a Moro Cojo home that was purchased in 2000. The purchase price of about \$190k included:

- a small down payment of about \$4k;
- a first mortgage of about \$120k;
- a second mortgage of about \$6k;
- a forgivable loan of about \$37k;
- a forgivable loan of about \$6k;
- and sweat equity of about \$15k.

The sale price exceeded the purchase price by about \$87,000. The first and second mortgages both were due and payable. About 60% of the larger forgivable loan was due and the smaller one had already been forgiven. The sale price was close to what it would have been if it were in the inclusionary program. However, I do not know what the basis was for determining the price. So, largely due to the incredible financing, the sellers realized cash at sale of about \$110k ~~net after closing costs and real estate~~

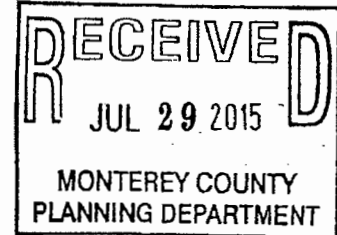


~~brokerage fees. This is greater than the difference between the sale and purchase prices~~
~~largely because of the forgivable loans write off of \$21k and the first pay down of \$4k.~~

Let me know if you need any more information or if you need clarification.

Jane

Jane Royer Barr
Housing Program Manager
Monterey County Economic Development
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901



(831)-755-5389
(831)-755-5398 (fax)
(831)-840-3500 (cell)

Out of the office on Thursdays

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
1	\$481000	\$541125
2	\$457000	\$514125
3	\$459000	\$516375
4	\$479000	\$538875
6	\$465000	\$523125
7	\$494000	\$555750
8	\$494000	\$555750
9	\$493000	\$554625
10	\$457000	\$514125
11	\$493000	\$554625
12	\$450000	\$506250
13	\$463000	\$520875
14	\$448000	\$504000
15	\$448000	\$504000
16	\$476000	\$535500
17	\$463000	\$520875
18	\$448000	\$504000
19	\$463000	\$520875
20	\$502000	\$564750
21	\$476000	\$535500
22	\$476000	\$535500
23	\$463000	\$520875
24	\$463000	\$520875
25	\$448000	\$504000
26	\$448000	\$504000
27	\$448000	\$504000
28	\$464000	\$522000
29	\$476000	\$535500
30	\$448000	\$504000
31	\$476000	\$535500

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
32	\$589630	\$663334
33	\$464000	\$522000
34	\$464000	\$522000
35	\$448000	\$504000
36	\$476000	\$535500
37	\$448000	\$504000
38	\$476000	\$535500
39	\$464000	\$522000
40	\$476000	\$535500
41	\$473000	\$532125
42	\$561944	\$632187
43	\$462000	\$519750
44	\$490000	\$551250
45	\$487000	\$547875
46	\$462000	\$519750
47	\$563894	\$634381
48	\$457000	\$514125
49	\$457000	\$514125
50	\$493000	\$554625
51	\$480000	\$540000
52	\$494000	\$555750
53	\$451000	\$507375
54	\$495000	\$556875
55	\$480000	\$540000
56	\$448000	\$504000
57	\$475000	\$534375
58	\$476000	\$535500
59	\$476000	\$535500
60	\$486000	\$546750
61	\$486000	\$546750

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
62	\$476000	\$535500
63	\$448000	\$504000
64	\$464000	\$522000
65	\$448000	\$504000
66	\$448000	\$504000
67	\$487000	\$547875
68	\$448000	\$504000
69	\$476000	\$535500
70	\$418000	\$470250
71	\$464000	\$522000
72	\$489000	\$550125
73	\$464000	\$522000
74	\$600931	\$676047
75	\$448000	\$504000
76	\$464000	\$522000
77	\$448000	\$504000
78	\$217575	\$244772
79	\$448000	\$504000
80	\$464000	\$522000
81	\$486000	\$546750
82	\$567090	\$637976
83	\$502000	\$564750
84	\$450000	\$506250
85	\$490000	\$551250
86	\$486000	\$546750
87	\$447000	\$502875
88	\$476000	\$535500
89	\$476000	\$535500
90	\$490000	\$551250
91	\$480000	\$540000

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
92	\$493000	\$554625
93	\$480000	\$540000
94	\$640517	\$720582
95	\$447000	\$502875
96	\$507000	\$570375
97	\$457000	\$514125
98	\$625581	\$703779
99	\$493000	\$554625
100	\$493000	\$554625
101	\$476000	\$535500
102	\$430000	\$483750
103	\$448000	\$504000
104	\$490000	\$551250
105	\$502000	\$564750
107	\$229130	\$257771
108	\$480000	\$540000
109	\$453000	\$509625
110	\$490000	\$551250
111	\$487000	\$547875
112	\$490000	\$551250
113	\$490000	\$551250
114	\$324000	\$364500
115	\$486000	\$546750
116	\$486000	\$546750
117	\$490000	\$551250
118	\$486000	\$546750
119	\$208825	\$234928
120	\$215987	\$242985
122	\$224013	\$252015
123	\$222084	\$249845

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
124	\$216727	\$243818
125	\$224014	\$252016
126	\$221970	\$249716
127	\$222822	\$250675
128	\$223398	\$251323
129	\$349000	\$392625
130	\$214548	\$241367
131	\$218346	\$245639
132	\$212865	\$239473
134	\$213400	\$240075
136	\$503000	\$565875
137	\$231074	\$259958
138	\$436000	\$490500
139	\$481000	\$541125
140	\$481000	\$541125
141	\$424000	\$477000
142	\$231998	\$260998
143	\$481000	\$541125
144	\$193066	\$217199
145	\$663865	\$746848
146	\$232752	\$261846
147	\$227373	\$255795
148	\$227503	\$255941
149	\$476000	\$535500
150	\$388000	\$436500
151	\$589999	\$663749
152	\$379000	\$426375
153	\$381000	\$428625
154	\$218218	\$245495
155	\$221629	\$249333

Home Numbers from CHISPA List	Zillow/Redfin Estimated Market Value as of Sept. 2016	2017 Estimated Home Value Derived by Adding 12.5%
156	\$219728	\$247194
157	\$388000	\$436500
158	\$218848	\$246204
159	\$227823	\$256301
160	\$227226	\$255629
161	\$559018	\$628895
Average	\$431528	\$485469

Martha Rau
9350 Canyon Oak Road
Salinas, CA 93907

RECEIVED

JUL 06 2017

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST REGION

California Coastal Commission, % Brian O'Neill
Central Coast Office
725 Front Street, Ste. 300
Santa Cruz, CA 95060

Dear Coastal Commission,

I am commenting on Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey County), and asking you to deny the application.

After reading the staff report you sent me, I cannot imagine a policy more clearly-written than the North County Local Coastal Plan Policy 4.3.6.D.1, which I hope will guide your body to deny the above application. The policy clearly requires ongoing protection of existing affordable housing and prevents conversion without one-for-one replacement (page 13 of staff report).

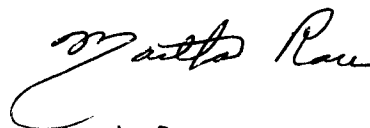
The staff report engages in some amazing gymnastics to conclude the Policy doesn't mean what it says. The policy says:

"Policy 4.3.6.D.1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

- a) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons."

North Monterey County badly needs affordable housing. Please enforce the plain meaning of Policy 4.3.6.D.1 and don't allow 161 affordable homes in the North County coastal area to be converted to homes that will be unaffordable for low- and moderate-income purchasers.

Sincerely,



Martha Rau

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JUL 06 2017

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Dayna Bochco,
Chair, CA Coastal Commission
45 Fremont Street,
Suite 2000
San Francisco, CA 94105
(415) 904-5202

3 July 2017

Dear Dayna Bochco, chair, and fellow members of the California Coastal Commission,

I write regarding the upcoming matter before the Coastal Commission--appeal number A-3-MCO-16-0017, concerning the ~~Mejo~~ ^{More} Cojo affordability restriction.

The restriction is a needed one, as there are many people living on the Central Coast, especially the Castroville-Pajaro area that need and deserve low and moderately priced housing. The homes' selling prices were designated to be capped at prices affordable to future qualified low- and moderate-income buyers for a very good reason.

My father, Sam Karas, was on the Monterey County Board of Supervisors from 1984 to 1996, and he worked with individuals and organizations in the county to provide affordable housing, knowing well how housing prices had climbed over the years and home ownership been denied to many working people, families, retired individuals. Were he still living, he would be disappointed to know of the actions of the Board of Supervisors in January, and he'd also be writing a letter to you.

The Coastal Commission's duty at the hearing is to decide whether granting the application to terminate affordability on the 161 homes is consistent with North County Coastal Plan policies. Here is the straightforward policy:

"LUP Policy 4.3.6.D.1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

a.) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons."

People who purchased the properties knew that there was a deed limitation regarding the selling price, and they shouldn't be able to capitalize on the sale of their homes. ~~Mejo~~ ^{More} Cojo was created to stem the tide of speculation and rising home ownership prices, to offer affordable housing that wouldn't be subject to profit-seeking motivation. It's not complicated. I ask that the affordability restricted NOT be terminated, that it be retained to keep the 161 homes affordable for future would-be-buyers--those for whom the project was put in place.

Thank you for considering my comments,

Judy Karas

Judy Karas
60 Boronda Lane, #7, Monterey, CA 93940
831-372-5762 jkaras@sonic.net

*Please note - Copies sent separately
via email or snail mail to the
other commissioners.*

Brian O'Neill
California Coastal Commission Central Coast District Office,
725 Front Street, Suite 300
Santa Cruz CA 95060.

RECEIVED

JUL 06 2017

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST DISTRICT

3 July 2017

Dear Brian O'Neill, Dayna Bochco, chair, and fellow members of the California Coastal Commission,

I write regarding the upcoming matter before the Coastal Commission--appeal number A-3-MCO-16-0017, concerning the Mojo Cojo affordability restriction.

The restriction is a needed one, as there are many people living on the Central Coast, especially the Castroville-Pajaro area that need and deserve low and moderately priced housing. The homes' selling prices were designated to be capped at prices affordable to future qualified low- and moderate-income buyers for a very good reason.

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People who purchased the properties knew that there was a deed limitation regarding the selling price, and they shouldn't be able to capitalize on the sale of their homes. ^(Mojo Cojo) Mojo Cojo was created to stem the tide of speculation and rising home ownership prices, to offer affordable housing that wouldn't be subject to profit-seeking motivation. It's not complicated. I ask that the affordability restricted NOT be terminated, that it be retained to keep the 161 homes affordable for future would-be-buyers--those for whom the project was put in place.

Thank you for considering my comments,

Judy Karas

Judy Karas
60 Boronda Lane, #7, Monterey, CA 93940
831-372-5762 jkaras@sonic.net

June 15, 2017

California Coastal Commission
c/o Santa Cruz District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

RECEIVED

JUL 06 2017

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

RE: Moro Cojo: Appeal # A-3-MCO-16-0017

Dear Commissioners:

As the Latino Mayors of Cities that lie within Monterey County, we write this letter in support of 161 farmworker families who have the Moro Cojo matter pending before the Coastal Commission. We believe this matter represents a social justice issue. We urge the Commission to come down on the side of the farmworkers, as the County of Monterey--the entity with primary jurisdiction over this matter-- has already done.

As you may be aware, the farmworkers who reside at Moro Cojo built their homes under a federal program, commonly known as self-help housing. This means that except for concrete, plumbing and electrical work, the farmworkers built their own homes. As part of this program, they were required to work on their homes a minimum of 40 hours each week until all homes in a neighborhood were finished. This meant that after spending all day toiling in the agricultural fields, they worked on average of at least another eight hours daily on each other's homes. CHISPA, our area's premier affordable housing developer, served as the developer and supervised the work.

Unfortunately, and as routinely happens with farmworker housing projects, the neighbors surrounding the housing site fiercely opposed the Moro Cojo Project. They testified at hearings branding farmworkers as an undesirable class of people. When that failed, they filed numerous lawsuits aimed at stopping the Moro Cojo Project.

In the last of the lawsuits, CHISPA, in a desperate attempt to move the project forward before jeopardizing project financing, agreed to an onerous and unjust deed restriction--the perpetuity restriction currently under review. Fortunately, the settlement agreement provided for a review of the restriction, and outlined a process for modifying the restriction if circumstances so warranted.

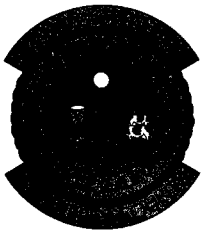
Fast forward several years later, the farmworkers asked CHISPA to file a petition to modify the perpetuity deed restriction to a 20-year restriction, the term that CHISPA normally imposes on its homeownership developments. After numerous hearings and after detailed findings, the County of Monterey agreed to allow the modification. As is typical in these types of proceedings, the plaintiffs of the underlying law suit received notice of the proceedings, as it went both before the Monterey County Planning Commission and then the Monterey County Board of Supervisors. None of the plaintiffs made an appearance to oppose the proposed modification.

Unfortunately, now that this matter is before you, one resident from the Monterey Peninsula has filed an appeal to the Coastal Commission.

There is no grounds for the appeal and as such, we join 161 farmworkers appear before the Coastal Commission, Monterey County; our area's premier affordable housing developer, CHISPA; numerous social justice organizations in Monterey County; and numerous elected officials in urging you to support 161 farmworkers appearing before you in denying the appeal. We urge you to side with the farmworkers in this social justice issue.

Sincerely,

Maria Orozco
The Honorable Mayor
City of Gonzales



Sincerely,

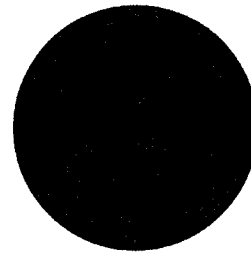
A handwritten signature in black ink, appearing to read "Fred Ledesma", written over the word "Sincerely,".

Fred Ledesma
The Honorable Mayor
City of Soledad



Sincerely,

Jesus Olvera-Garcia
The Honorable Mayor
City of Greenfield



cc: Joel Hernandez, Lead Organizer, Center for Community Advocacy (CCA)

May 24, 2004

Supervisor Lou Calcagno, Chair [Sent By FAX and Email – 831-755-5888]
Monterey County Board of Supervisors
240 Church Street
Salinas, CA 93901

Re: Moro Cojo Affordability Requirements

Dear Chairperson Calcagno and Members of the Board of Supervisors:

This letter is to follow up on a meeting held on May 18, 2004, to discuss the housing affordability requirements imposed on the Moro Cojo subdivision by the Judgment in the case of *Alliance to Enforce Mandates v. County of Monterey, CHISPA* – Monterey County Superior Court Case Number 102344. LandWatch very much appreciates having had the opportunity to attend the May 18th meeting, and to discuss the difficulties now faced by the County, as it considers how best to respond to the requirements of the Judgment. We urge the Board promptly to take whatever steps may be necessary to implement that Judgment.

As Board Members know, the Board's approval of the Moro Cojo subdivision was challenged by a lawsuit brought by the "Alliance to Enforce Mandates," and by individual petitioner David H. Green. That lawsuit was settled in late 1995, and the Judgment incorporated a Settlement Agreement and Stipulation for Judgment that provided in its second paragraph that the County "shall interpret the conditions of approval to provide that the projects have been approved for 175 single family homes for low income (80% of median income) families, 90 multi-family rentals for very low income (average of 50% of median income) families and a maximum of 100 affordable rental units for seniors." Additionally, the Settlement Agreement and Stipulation for Judgment said that "...the conditions of approval, as interpreted by Paragraph 2 of this Settlement Agreement, shall be *a permanent deed restriction on the project parcels...* [Emphasis added]."

In fact, no "permanent deed restriction" was ever recorded against "the project parcels," to achieve the requirements outlined in Paragraph 2 of the Settlement Agreement and Stipulation for Judgment. Instead, a "general" deed restriction was recorded on October 13, 1997. This deed restriction not only did not mention that the "175 single family homes" and "90 multi-family rental units" would be restricted as specified in Paragraph 2, it also did not specifically reference any of the new parcels created by the approved subdivision. Instead it only referenced "all of Tract No. 1284 of Moro Cojo, filed 9-30-97 in Volume 19, Cities and Towns, at Page 48, Monterey County Records." Its language was also significantly different from the language of Paragraph 2 of the Settlement Agreement and Stipulation for Judgment, specifying only that "all the units in the Moro Cojo Inclusionary Housing Development Projects (SH 93001

and SH 93002) be affordable to very low, low, and moderate income households as defined in Section 50093 of the California Health and Safety Code.”

The way that the court Judgment was implemented has caused serious problems.

First, because the condition does not specifically reference each of the new parcels created by the subdivision, the owner or prospective purchaser of any specific parcel may not receive adequate notice, by a title report or otherwise, that there is an “affordability restriction” on the property. That problem has already surfaced.

Second, and much more serious, the language of the “general” restriction actually recorded is significantly at variance with the requirement of the Judgment, and the effect of the difference is extremely detrimental to the public interest. While there is significant uncertainty in the language of the actually recorded restriction, it appears that a property owner or prospective purchaser could argue that the only “affordability restriction” imposed is one that requires that the sale be at a price “affordable to ... moderate income households.” This is apparently the interpretation that County representatives propose, as I understood the discussion in the May 18th meeting.

There are two problems with this proposed interpretation. The first problem is caused by the specific language of the recorded restriction. The restriction as recorded says that “*all of the units*” must be “affordable to very low, low, *and* moderate income households...” In order for “all” of the units to be affordable to “very low income” households (which is what the sentence literally says, because of the use of the word “and,” instead of the word “or”) the units would all need to be sold at a price that a “very low income” family could afford. If that interpretation prevailed, many of the current owners would lose significant value, and the future of the development would become entirely “very low income,” as to the 175 single family homes in the development. This would undermine the mixed-income character of the project.

On the other hand, if the condition as recorded were interpreted to allow “all of the units” to be sold at prices that “moderate income households” can afford, which is the interpretation that seemed to be favored by County representatives at the May 18th meeting, the long term effect would be to eliminate any low income purchasers for the single family units. This, again, would significantly disrupt the “mixed income” character of the development. It would also mean that the 175 single-family homes that should be sold (in today’s market) for something like \$160,000 (the price that a low income family can afford) would be sold for about \$260,000 (the price that a moderate income family can afford), with the net effect being to transfer approximately \$17.5 million dollars in value from potential future “low income” families, who might be able to purchase a unit in Moro Cojo if sold at the \$160,000 price, to the current owners.

LandWatch strongly urges the Board of Supervisors to direct the CAO and County Counsel to return to the Board with a recommendation for whatever action is needed promptly to implement the actual terms of the Settlement Agreement and Stipulation for Judgment. Only this is fair to the public – and to the current owners of units within the Moro Cojo subdivision.

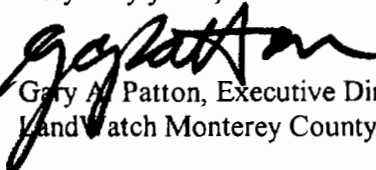
While there may be an "easier way," and if there is, we certainly urge the County to employ it, one way that the County can achieve the correct result is to initiate an action to "reform the deeds" governing the restricted units (as specified in Paragraph 2 of the Settlement Agreement and Stipulation for Judgment"), properly to incorporate the restriction that the court in fact ordered. It seems hard to believe that a court, upon request, would not reform the deeds in this way, to achieve what the court itself ordered.

Attempting to modify the existing court order, to transform the 175 single family units from "low income" units to "moderate income" units, which is the "solution" advanced by County staff at the May 18th meeting, would greatly disadvantage low income families in Monterey County. To be clear, if the provisions of the current court Judgment are enforced, low income families will have real opportunities to buy a home in Moro Cojo, as the resale of the units in Moro Cojo occur over time. If the "solution" advanced in the May 18th meeting were implemented, then low income families would lose those opportunities. I think it is clear, because of this very significant impact on their housing opportunities, that low income families would have the right to appear in court, and to argue the issue, were the County to go to Court with an effort to modify and "water down" the court's Judgment, based on the 1995 Settlement Agreement and Stipulation for Judgment.

We strongly believe that the County should not focus on the past, and who may have made the mistake in this case. Instead, the County should promptly take action to do (now) what the 1995 Settlement Agreement and Stipulation for Judgment said they would do. That's the only fair thing!

Thank you for taking these very serious concerns into account.

Very truly yours,


Gary A. Patton, Executive Director
LandWatch Monterey County

cc: Sally Reed, CAO
Charles McKee, County Counsel
David Green
CHISPA
Anthony Lombardo
Líderes Comunitarios de Salinas
Mexican American Political Association (MAPA)
Other Interested Persons

Jessica Alfaro
314 Kelton Avenue,
Los Angeles, CA 90024

Brian O'Neill, Coastal Program Analysts
725 Front Street #300
Santa Cruz, CA 95060

Dear Coastal Commission,

5 July 2017

In the name of what is equitable and just, I am writing in support of the Moro Cojo community in their battle against structural discrimination. First off, I'd like to introduce myself. I am a soon to be graduate of the University of California, Los Angeles best known as UCLA. My areas of expertise include Anthropology, Urban and Regional Studies, as well as Chicana/o Studies. I am the proud daughter of two hard working individuals, Roberto and Araceli Alfaro, two of the Moro Cojo homeowners partaking in given demand to remove the permanence of the perpetuity clause and set an expiration date of 20 years. With that said, both my personal and academic backgrounds enable me to offer a well-rounded evaluation of the issue at hand, and propose how to adequately proceed as far as the Moro Cojo Case goes, and why it is so important to do so.

Without further ado, let me explain how it is my areas of study relate to the topic at hand. Regarding my primary field, Anthropology, the methodology involved is purposed to understand human experiences at multiple levels (individualistic, communal, local, national, etc.), through multiple perspectives (sociocultural, linguistic, biological, historical, etc.), and in varying contexts. As anthropologists, we aim to become part of a community to understand the everyday struggles and achievements of a focal community via the perspective of an insider while simultaneously analyzing the forces that shape such human experiences via the outlook of an outsider. As far as the Moro Cojo case, I have been fortunate enough to have grown among given community to understand its complexities as an insider, and to have moved away for college to view such intricacies from the perspective of an outsider. Correspondingly, I can offer a holistic and a thorough description of the Moro Cojo Community.

As an insider, I can attest to the fact that the repercussions tied to being a low-income Latino/a fieldworker are detrimental. Economic worries plague our community. In my home these have led to the diabetes of both of my parents as well as my mother's brain tumor. Health complications like such typically result from the stress that in low-income communities is most often associated to the lack of economic means. Similarly, the lack of resources has a set of consequences of its own. After my mother's first tumor removal surgery, she was left paralyzed upon a bed. As a low-income family we didn't have the means for a private nurse, so days after being discharged from the hospital she caught an infection. This infection led to the insertion of a tube down her spine that called for even more anesthesia, and a paralysis of over two months. During this time food stamps just didn't cut it. My father's income was insufficient even for primary necessities. And, staying focused in class seemed impossible. The emotional distress was unbearable, and compiled on top of everything that was already going on. Besides my parents' suffering, a lot of the distress fell upon my brothers and I. As if adverse circumstances like the previous were not enough, the lack of resources in our community brought about further challenges in the academic sphere.

As an outsider and as a scholar, I know that the shortage of local education funds (mostly from property taxes) is partly to blame for the inefficiencies of our local schools. These inefficiencies include crowded classes, lack of textbooks, poor academic instruction, lack of accommodations for students with special needs, among many others, that I, myself experienced first hand. In fact, my recollection of both my middle school and high school experiences are marked by cuts of funds. In middle school, the Moss Landing Middle School was closed, so all the students in the area were jammed into North Monterey County Middle School, which back then was known as Joseph Gambetta Middle School. Housing twice its capacity, the school lacked textbooks, had overflowing classrooms, and cut multiple after school programs. In High School things did not change much. Inclusive, we had various walk-out protests to protest further cuts, the elimination of certain bus stops, and the dismissal of the few good teachers. As one of the most underpaid districts, our schools typically get the last pick of teachers. Meaning, the quality of our local education is beyond poor.

On top of health complications and academic struggles, are the discriminatory practices present in Latino communities. In fact, one of them took place during the previous hearing. Knowing that various Spanish speaking Moro Cojo homeowners would attend the hearing, the staff neglected to provide Spanish translation, and justified it with "a lack of funds." But as a government funded organization, the Commission is obligated to provide translation under the Executive Order 13166 signed on August 11, 2000 and the guidelines for the carrying out of the order, Enforcement of Title VI of the Civil Rights Act of 1964 - National Origin Discrimination Against Persons With Limited English Proficiency, which was generated by the Department of Justice, failure on behalf of federally funded recipients to provide translation services to limited English proficient (LEP) individuals is illegal. And truthfully speaking, Spanish speaking translators are not difficult to come across, for Spanish is the second most frequently spoken language in the United States. In addition, when the homeowners and I arrived to the hotel where the last hearing was held, there were no Spanish agendas what so ever. After demanding Spanish agendas, I finally got a hold of fifty. This was still insufficient to make up for the language barrier English represented at the hearing, but it was seemingly a step in the right direction.

On a similar note, the stigma that comes with being a fieldworker brings about even further challenges. My professor Nina Flores, an interdisciplinary researcher concerned with political science, education, urban planning, and community development, with whom I discussed the case with suggested I visit My Next Door Neighbor, which is a website that operates on the basis of proximity in which people that live close to one another post and share their usually bluntest commentary about the occurrences in given residential area. When I searched up "fieldworker" and "migrant workers" using the 95012 postal code, posts expressing disgust and intolerance came up. Lots of them expressing their desire to keep them as far away as possible. This is best known as the not in my backyard sentiment (NIMBY), which is the sentiment under which the Moro Cojo community was built in the first place. In brief, Anthropology gives me the background to thoroughly understand the extent to which the economic, academic, and personal strains placed on the Moro Cojo community under the permanent perpetuity clause go, and although the sixteen years that this clause has been in place for does not seem like much in legal terms, two homeowners' lives have already been lost facing these day to day challenges. To further put this into perspective, when I first moved into our Moro Cojo home I was only four, and now i'm twenty and prepared to advocate for my community. Sixteen years is a long time, especially when you're dealing with adversity on a daily basis.

That being said, another of my studies, Urban and Regional studies has given me an additional tool set to examine planning issues critically. This tool set encompasses mainly analytical skills to detect a planning issue, its origins, and implications, and the creativity necessary to develop a solution. Accordingly, "what we are looking at here is indeed structural discrimination," as my professor Osman Taner, who's areas of speciality are; regional development, economic development policy, urban spatial structures, and the impact of congestion on the economic performance of metropolitan regions, put it. Evident via the permanence of the clause that is unprecedented, thus has only produced burdens for the Moro Cojo community (a primarily Latino community) to deal with, this issue is a micro-level occurrence intertwined with racial injustice. Established under NIMBY threats, the intent behind the clause, which has recently come into social awareness as discriminatory, has been discriminatory since it's establishment. Given clause that places selling, refinancing, as well as inheritance limitations and leads to a wide range of economic stressors, which are tied to the detrimental consequences I previously discussed, is without a doubt discriminatory.

Moving onto the housing policy, homes augment value in three different ways; 1) Payments towards the mortgage, 2) Equity accumulated over the years, and 3) The Maintenance and Upgrades made. Placing a cap at or under the market value is denying the homeowners their rights as property holders. Besides this, denying them the right to pass their property onto their children unless they too are low-income is in-humanitarian in the way that they have dedicated their whole lives to the maintenance of these homes in order to provide their children with a place to call home. They've done so, to give their children a security net in hope that they focus on formulating a better future than the one they had. Meaning, our parents, mine as well as the other homeowners' children, have not placed their lives on the line working exhausting work hours, so that these homes could potentially be taken away from us. Likewise, proposed affordable housing solutions do not just entail the acquisition of an affordable home. They must also help families like my very own keep their houses, and help them move up the social stratification ladder. Realistically speaking, this cannot be done with given clause, for the clause imposes various challenges. For instance, if the homeowners sell their home, the under-market payment will be insufficient to afford another home. This will be like pushing the issue away or throwing dirt over it, but the issue will still exist, only it will be in a different location. If they don't sell, and decide to pass their home down to their children they will sentence their children to the low-income nightmare. Becoming an intergenerational cycle of poverty, this unjust clause is a form of oppression.

As far as refinancing, the unfamiliar intricacies of the clause that banks do not want to deal with, is the reason why many homeowners like my parents are paying high interest rates. Such high interest rates make it difficult to afford a home that by label is suppose to be affordable. Inclusively, the denial of refinancing services is a direct result of the intricacies of the clause, which has only been permanently imposed upon this group of Latino homeowners. Otherwise known as redlining, given practice is indeed illegal. Whether done in covert or overt ways, the denial of services that can be traced to motives related to ethnic background is unlawful.

Moving along, Jane Haines, the opposing attorney, asks, why only help one wave of homeowners when subsequent waves can be helped. But, can they, really? If the first wave cannot be helped adequately, what can possibly make her think that subsequent waves can be helped? And these, subsequent hypothetical waves, are these the children we are talking about? Or in her mind, have the homes been taken away from the children already? And she claims she understands what needing an affordable home is like, but does she understand

being in need of a home coupled with the stigma and discrimination that come along with being Latino/a and a fieldworker or child of fieldworkers, does she? Probably not. It's called, White privilege. Further along, Haines states, "We acknowledge that it would be a more beneficial program to this first wave if they were able to sell their properties for whatever price they could command. However, plaintiffs do not discuss how avoiding the affordable housing deed restriction will benefit the second wave and later waves of low income buyers." Well, to answer this, the homeowners are not avoiding the restriction. They've dealt with it for over 16 years, and are willing to deal with it for four more years, similar to all other homeowners that live in homes with perpetuity clauses, which all have an expiration date. There is a reason that no other perpetuity clause has been established permanently. And as for selling value, selling a house is not as simple as "commanding" a price. However, due to the logistics of how home value augments (as I discussed previously) homeowners are rightful to command a price at or above market value. As for the second part of the question, the second wave of owners, the children of the current Moro Cojo homeowners will benefit from the removal of the clause because they'll be able to inherit the house their parents put their lives on the line for, despite their socio-economic status. As for other prospect owners, if the project is successful in helping the first wave acquire and maintain an affordable residential unit as well as improving the lives of the low-income plaintiffs, which can only be done by removing the permanence of the clause, this project can serve as an example for the founding of more projects of similar nature, especially those purposed to build more affordable housing. Our country thrives on the middle class, so by helping low-income individuals move into the middle class category the removal of such clause can be economically beneficial to all. Another of her arguments is that affordable housing was a priority even over the protection of natural habitats, but I ask you, how is this still relevant when the homes have already been built and the habitat manipulated? How is dwelling in the past, or on past decisions helping us move forward? It's not. Right? So instead of focusing on what was or could've been, let's think about how we can move forward in the most reasonable and educated way possible. As it has been proposed the permanence of the clause must be removed, and an expiration date must be set. The sooner it expires the better, but the Moro Cojo community is willing to compromise and make the period of the clause a 20 year period. Your staff, the Latino as well as Chicano community, CHISPA, my professors at UCLA, and I, urge you to promptly rule on our side and do what is just and called for.

Rest assured knowing that this case and the well-being of my family and community is my priority, and please feel free to contact me if you have any further questions or would like any clarification. Thank you for taking the time to read and address my letter. I hope it helped make your decision much easier.

Best,

Jessica Alfaro

Tel: (831)794-7375

E-mail: jalfaro7@ucla.edu

jalfaro4611@gmail.com

Mahlon & Karen Buck
834 Grove Acre
Pacific Grove, CA 93950
(831)920-2224
mkbuck@lightspeed.net

July 5, 2017

California Coastal Commission
Via email to brian.oneill@coastal.ca.gov
% Planner Brian O'Neill
Central Coast District Office
725 Front Street, Ste. 300
Santa Cruz, CA 95060

Re: July 14 Agenda Item No. 7a, (Moro Cojo Subdivision Affordability
Amendment - N. Monterey Co.)

Dear Coastal Commission:

For the sake of future Monterey County low and moderate-income families, I implore you to deny CHISPA's application to modify Condition #99 of the Coastal Development Permit for the Moro Cojo Inclusionary Housing subdivision.

I understand that the issue before you is whether substantial evidence exists that supports CHISPA's application to amend Condition #99 which would remove the affordability deed restriction. The removal of the deed restriction would allow the owners to sell their homes at market price.

As anyone who lives on the Monterey Peninsula knows, affordable homes for middle class people are rare and decent affordable homes for lower and moderate income people are almost non-existent. The Moro Cojo development was intentionally created so that low and moderate income people could purchase a decent home on the Peninsula. These people purchased their home which contained the deed restriction.¹ Now, they want it removed so that they can sell their homes and reap a substantial profit. The problem with this is that it will remove 161 available homes from other people who are low and moderate income. That is patently unfair and should not be

¹ I am aware that the homeowners later claimed in a lawsuit that they were unaware of the deed restriction at the time they purchased their homes. However, this claim was flatly rejected by the Court of Appeal in Alfaro v. Community Housing Improvement Systems Association, (2009) 171 Cal.App.4th 1356, which found that the appropriately filed documents of the subdivision gave sufficient notice to the homeowners that such a deed restriction existed.

allowed.

The whole purpose of this subdivision was to permit low and moderate income people the dream of home ownership. To remove these homes from the small inventory that exists in our community for low and moderate income people would be a travesty.

Nobody is denying the current homeowners a profit if they wish to sell today. Based on other submissions made to the Commission by interested members of the public, current owners can still realize a profit of approximately \$100,000 on resale under the current restrictions in place. Even with that profit, substantial evidence has demonstrated that the homes in question can still remain affordable for future low and moderate income buyers even with the current owners realizing approximately \$100,000 on resale.

Some of the residents have cited to claims that the deed restriction has caused them not to be eligible for refinancing. However, your own staff report contradicts these claims. Commission staff found that more than 40 homeowners have successfully refinanced their homes and only one declaration was submitted by a homeowner stating they could not. *See page 15-16 and footnote 18 of July 22, 2016 Staff Report.*

Anyone who lives on the Peninsula and drives daily between 4 and 6 p.m. on weekdays on Highway 1 between Carmel and Castroville can attest to the fact that there is lack of affordable housing in our area. Daily you see the same people who are commuting back to their residences in other areas after working in our area because they cannot find affordable homes on the Peninsula. In three of the Pacific Grove restaurants my husband and I frequently visit, there are a total of 4 wait staff (that we know of) that commute in from Hollister, Watsonville and Gilroy because they cannot find affordable housing in our area and yet this is where they can find decent paying jobs. One waitress from Watsonville whose husband is a plumber lives in Hollister so they can own a home even though both she and her husband work on the Peninsula. A few weeks ago we had problems with our house alarm and the technician that came out lives in San Jose and commutes daily. When questioned why he commutes so far he stated he cannot afford to live here.

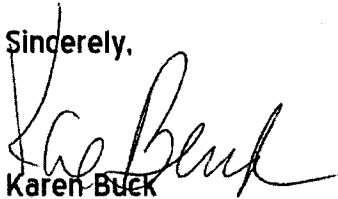
The affordability restriction was imposed by a stipulated judgment. As a retired attorney, I understand that it cannot be amended except under limited circumstances. The Moro Cojo homeowners already tried to get the affordability restriction removed and were unsuccessful. *See Alfaro v. Community Housing Improvement Systems Association, (2009) 171 Cal.App.4th 1356.* Now they are trying to get a second bite at the apple.

CHISPA has presented no substantial evidence that warrants removing this deed

restriction. Therefore, CHISPA's application should be denied and the stipulated judgment that CHISPA agreed to as a party should be enforced.

The California Coastal Commission's Mission is the commitment to protect and enhance California's coast and ocean for present and future generations. *See* <https://www.coastal.ca.gov/whoweare.html>. I sincerely hope that the Commission believes and acts in a way whereby it protects and enhances our coast for not only the affluent of our society but also for the lower income of our society who deserve equal access by being able to live in proximity to the beauty of the California Coastal area.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Buck", written over the printed name.

Karen Buck



THE LEAGUE
OF WOMEN VOTERS
of Monterey County

July 6, 2017

Dayna Bochco, Chair
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Subject: July 14, 2017 Hearing on A-3-MCO-16-0017

Dear Chair Bochco and Members of the California Coastal Commission:

The League of Women Voters of Monterey County urges the Commission to deny the request to amend deed restrictions for 161 existing single-family residences in the Moro Cojo subdivision to reduce the duration of required affordability. The proposed amendment means that in most cases, Moro Cojo homes which are currently affordable to low income families will become unaffordable when they change to market rate in 2020. Further, there is no proposal to replace the 161 affordable Moro Cojo homes, notwithstanding North County Local Coastal LUP Policy 4.3.6.D.1.a, which mandates replacement for lost North County affordable housing units.

Public Resources Code §30614, subdivision (a), provides the legislature's guidance to the Coastal Commission regarding when a coastal development permit protecting existing affordable housing gets amended. Subdivision (a) of Section 30614 states:

(a)The commission shall take appropriate steps to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit. (Public Resources Code §30614,(a).)

Condition no. 99 of the Moro Cojo coastal development permit relates to affordable housing and existed prior to 2002.

Contrary to the assertion by some community leaders, the League of Women Voters of Monterey County has been active in the affordable housing community. The League supports measures which would ensure an adequate supply of affordable housing. In 2016 the League was among several land use and environmental organizations supporting the Pebble Beach affordable housing project in face of significant neighborhood opposition.

We recognize that the scarcity of affordable housing constitutes a crisis. According to the Monterey County Economic Development Department's report, "Analysis of Impediments to Fair Housing Choice" (May 2013), a single person earning \$14,550 a year is considered "very low income" and would not be able to rent or buy anywhere in Monterey County. A single person earning \$24,250 a year (or slightly above minimum wage) is considered "low income" and would have difficulty finding housing. A single person earning \$38,750 is considered "moderate income" and would also have difficulty finding housing. A single person earning \$48,100 a year is considered "median income" in Monterey County, and could possibly afford to buy a lower priced house in unincorporated areas of the County, or rent in most of Monterey County. As of 2010, the median income of households in Monterey County was \$59,271 (which includes single persons and families of all sizes). While 70 percent of households are middle to upper income, 7.8 percent are very low income, 8.7 percent are low income, and 13.5 percent are moderate income

Amending the coastal development permit will result in excluding the much needed 161 Monterey County low-income households and the opportunity for families and singles to own a decent home in the future.

Thank you for your consideration.

Sincerely,

Judi Lehman
President

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Monday, July 03, 2017 2:15 PM
To: O'Neill, Brian@Coastal
Subject: FW: Project A-3-MCO-16-17

-----Original Message-----

From: Natalie Gray [<mailto:natalieugray@gmail.com>]
Sent: Monday, July 03, 2017 2:13 PM
To: Chapman, Diana@Coastal
Subject: Project A-3-MCO-16-17

Hello,

I just read about the effort to make the low income housing available to be sold at market value. This is not the intention of this housing and is an attempt by people who benefitted from the program now trying to take advantage. They knew when they were buying that there were cap rules.

I know this because I was considering buying a place through Monterey city's plan, and they have a cap.

If we give in and allow these once poor homeowners to profit greatly, illegally, and against the ideas of this program, we are giving in to greed and inequality.

Please maintain the cap. If they want to sell their house, they can...to someone else who wouldn't be able to afford on otherwise.

Thank you,

Natalie Gray

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Monday, July 03, 2017 1:53 PM
To: O'Neill, Brian@Coastal
Subject: FW: Corrected email: re Moro Cojo deed limits--A-3-MCO-16-0017

FYI (I deleted the email she referenced with the incorrect spelling.)

From: Judy Karas [mailto:jkaras@sonic.net]
Sent: Monday, July 03, 2017 12:44 PM
To: Chapman, Diana@Coastal
Subject: Corrected email: re Moro Cojo deed limits--A-3-MCO-16-0017

Hello--Please note--I sent a previous email with incorrect name for Moro Cojo. Please destroy the previous email and keep this email for your records. Thank you, J. Karas

----- Original Message -----

Dear Dayna Bochco, chair, and fellow members of the California Coastal Commission,

I write regarding the upcoming matter before the Coastal Commission--appeal number A-3-MCO-16-0017, concerning the Moro Cojo affordability restriction.

The restriction is a needed one, as there are many people living on the Central Coast, especially the Castroville-Pajaro area that need and deserve low and moderately priced housing. The homes' selling prices were designated to be capped at prices affordable to future qualified low- and moderate-income buyers for a very good reason.

My father, Sam Karas, was on the Monterey County Board of Supervisors from 1984 to 1996, and he worked with individuals and organizations in the county to provide affordable housing, knowing well how housing prices had climbed over the years and home ownership been denied to many working people, families, retired individuals. Were he still living, he would be disappointed to know of the actions of the Board of Supervisors in January, and he'd also be writing a letter to you.

The Coastal Commission's duty at the hearing is to decide whether granting the application to terminate affordability on the 161 homes is consistent with North County Coastal Plan policies. Here is the straightforward policy:

"LUP Policy 4.3.6.D.1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

a.) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons."

People who purchased the properties knew that there was a deed limitation regarding the selling price, and they shouldn't be able to capitalize on the sale of their homes. Moro Cojo was created to stem the tide of speculation and rising home ownership prices, to offer affordable housing that wouldn't be subject to profit-seeking

motivation. It's not complicated. I ask that the affordability restricted NOT be terminated, that it be retained to keep the 161 homes affordable for future would-be-buyers--those for whom the project was put in place.

Thank you for considering my comments,

Judy Karas

60 Boronda Lane, #7, Monterey, CA 93940

831-372-5762 jkaras@sonic.net

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Monday, July 03, 2017 8:18 AM
To: O'Neill, Brian@Coastal
Subject: FW: Project A-3-MCO-16-16-0017

For the record.

-----Original Message-----

From: Marc Cusenza [<mailto:marccusenza@yahoo.com>]
Sent: Monday, July 03, 2017 8:16 AM
To: Chapman, Diana@Coastal
Subject: Project A-3-MCO-16-16-0017

Attn: Diana Chapman,

In regards to the issue of the Moro Cojo subdivision, I believe these designated units should remain as affordable housing. In terminating the affordability restrictions on these homes you are granting profits to families, who knew the agreement, at the expense of future families. The intent will be lost and future projects will now have a precedent to look back on. Please keep your commitment to protect affordable housing for future generations

Thank you,
Marc Cusenza
148 Seafoam Ave
Monterey, CA 93940

Sent from my iPhone

29 June 2017

To Members of the Coastal Commission:

RE: Application No. A-3-MCO-16-0017 (Moro Cojo Subdivision Affordability Amendment, North Monterey Co.)

The applicants for a permit amendment have not provided substantial evidence that would justify modifying Condition 99 of the Moro Cojo project, and I therefore request that you deny their request and keep the homes affordable.

The proffered "evidence" for the modification is that Moro Cojo homeowners are – due to the provisions of the deed restrictions – unable to refinance their homes. This is patently untrue since 41 homeowners have successfully refinanced, as reported in Footnote 14 of the Staff Report. Multiple support letters repeating false information do not change the facts – refinancing is possible for homeowners, and the deed restriction itself is not the product of ill-willed people but a guarantee of continued affordability.

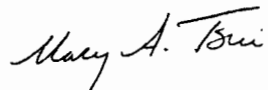
Further, CHISPA presented a clearly insufficient amount of evidence – statements of two homeowners who reported difficulty in refinancing. As Page 14 of the Staff Report notes, one of those two homeowners subsequently refinanced her mortgage.

One homeowner being unable to refinance – for whatever reason – does not constitute substantial evidence of a pervasive problem for Moro Cojo homeowners and does not justify modifying the condition that requires homes in that subdivision to remain affordable. As you know, substantial evidence is required, by the Agreement and Stipulation for judgment of 1995, to support modification of the deed restriction (see Exhibit 6, Item 6-B on Agreement's Page 4); substantial evidence simply doesn't exist. Please deny this application.

As a member of the group who agreed to settle the 1995 litigation for permanent affordability, I have continued to support the affordability principle behind the project as it was approved, and I continue to marvel that those who allegedly seek to develop affordable housing are the primary movers in turning these homes over to the market.

Thank you.

Sincerely,



Mary Tsui
mtsui@montereybay.com

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Wednesday, June 28, 2017 1:24 PM
To: O'Neill, Brian@Coastal
Subject: FW: A-3-MCO-16-0017 comment

From: Paul Karrer [<mailto:pkarrer123@yahoo.com>]
Sent: Wednesday, June 28, 2017 12:06 PM
To: Chapman, Diana@Coastal
Subject: A-3-MCO-16-0017 comment

Dear Ma;am/Sir:

Regarding the Moro Cojo deed limit (A-3-MCO-16-0017)
My name is Paul Karrer I taught at Castroville Elem school (North Monterey County) for 27 years. I'm an advocate for all kids but have a particular interest/love for my Latino kids and their family/community. I spent 3 years going to Salinas Valley State prison (Level 4 max security) to visit a former student, etc. I still advocate for former students.

Anyway, it is my firm belief that the original provision and ideal of the Mojo Cojo Affordable subdivision was to allow families of limited financial means access to home ownership. They would not otherwise be able to do this. They are currently allowed to make \$100,000 profit if they sell.

I do NOT believe the families should be able to make windfall profits on this community project. The deed restrictions allow a continuance of low priced homes. Housing is a major issue in all of USA but Monterey Co in particular. To allow a private individual to benefit on a community project is basely wrong, selfish and short sighted. The owners merely want to profit. The community has paid for this development directly and indirectly. Also it sets a precedence. Those opposed to future housing developments can show the change in deed restrictions as a reason to not support such opportunities in the future.

Paul Karrer
8312412 4082 - cell
pkarrer123@yahoo.com

I give anyone permission to read this (in its entirety) at any public/private meetings if you desire to do so.

Thanks,
Paul Karrer
NO to changing deed restrictions

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Wednesday, June 28, 2017 1:24 PM
To: O'Neill, Brian@Coastal
Subject: FW: Project #A-3-MCO-16-0017

From: carmelcellogal@comcast.net [<mailto:carmelcellogal@comcast.net>]
Sent: Wednesday, June 28, 2017 10:42 AM
To: Chapman, Diana@Coastal
Cc: Amy Anderson
Subject: Project #A-3-MCO-16-0017

The people who originally purchased the Mojo Cojo properties understood the conditions of the sale. That property should be maintained as low income, for the same reasons as the original buyers were able to buy there. Affordable housing is hugely needed in Mry County.

Amy Anderson
Carmel, CA

Sent from XFINITY Connect Mobile App

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Wednesday, June 28, 2017 1:23 PM
To: O'Neill, Brian@Coastal
Subject: FW: A-3-MCO-16-0017

From: Patricia Phoebus [<mailto:pphoebus@yahoo.com>]
Sent: Tuesday, June 27, 2017 8:02 PM
To: Chapman, Diana@Coastal
Subject: A-3-MCO-16-0017

In my opinion, the Moro Cojo homeowners should be required to abide by the original affordability deed restriction that limits their sales price and profit, thus preserving affordable housing for future waves of low-incomes buyers.

It is human nature to want to make more profit, once the homeowners realize this possibility is indeed a reality. Greed sets in. Nonetheless, they are allowed what would be considered a very nice profit in many areas of the country, should they decide to sell--even a very decent return on their money for the time they have owned these homes in California. I don't believe the PURPOSE of the program is to maximize the financial well being of these families for the long term. It is to provide HOUSING, and it has apparently done that well. If the recipients no longer wNt that benefit, it should not be viewed as a "cash cow" in the alternative. Someone else would be happy to take advantage of the housing benefit.

I urge theCoastal Commission to leave the affordability restriction in place.

Patricia Phoebus
Registered voter, MONTEREY County
9505 York Rd, MONTEREY, CA

Sent from my iPad



City of Salinas

OFFICE OF THE MAYOR • 200 Lincoln Avenue • Salinas California 93901 • (831) 758-7201 • Fax (831) 758-7368

June 27, 2017

Brian O'Neill
Coastal Program Analysts
725 Front Street #300
Santa Cruz, CA 95060

RE: Appeal No. A-3-MCO-16-0017

Dear Mr. O'Neill:

I am writing to support the 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard). The NIMBYs who opposed the *Moro Cojo* project filed several lawsuits and caused the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to **modify** the restriction from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

The County of Monterey voted to modify the subject deed restriction, in part because it has an aggressive policy that produces affordable housing on an ongoing basis for low-income families. The policies include inclusionary housing ordinances that require private, for profit developers to set aside a percentage of houses for purchase or rent by low-income families, as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families. Over the last ten years, these policies and similar policies adopted by the cities in Monterey County have resulted in the construction of many affordable homes in Monterey County.

Brian O'Neill
June 27, 2017
Page 2

Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission need not worry—indeed, there is no evidence—that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. Ask the Sierra Club how many farmworkers are members; ask the Sierra Club how many farmworkers are Board Members; ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, of LandWatch, and of the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers, and so should it be for the Coastal Commission. Farmworkers are as much a customer of the Coastal Commission as are the other sectors of the California population.

Sincerely,



Joe Gunter
Mayor
City of Salinas

June 26, 2017

**Brian O'Neill, Coastal Program Analysts
725 Front Street #300
Santa Cruz, CA 95060**

Re: Appeal No. A-3-MCO-16-0017

Dear Mr. O'Neill

Attached you will find 9 letter in support of elected officials in Monterey County, Housing consultants, Reverend Richard J. Garcia (Bishop of the Diocese of Monterey), Agriculture Growers and others. Please Include these letter of support of farm-worker families to the agenda packet given to coastal commissioners.

**Joel Hernandez Laguna
Lead Organizer
Center for Community Advocacy
22 W Gabilan St
Salinas CA 93901
831-753-2324 ext 15 Office
831-710-5198 Mobile
jhernandez@cca-viva.org
www.cca-viva.org**

June 15, 2017

California Coastal Commission
c/o Santa Cruz District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

RE: Moro Cojo: Appeal # A-3-MCO-16-0017

Dear Commissioners:

As the Latino Mayors of Cities that lie within Monterey County, we write this letter in support of 161 farmworker families who have the Moro Cojo matter pending before the Coastal Commission. We believe this matter represents a social justice issue. We urge the Commission to come down on the side of the farmworkers, as the County of Monterey--the entity with primary jurisdiction over this matter-- has already done.

As you may be aware, the farmworkers who reside at Moro Cojo built their homes under a federal program, commonly known as self-help housing. This means that except for concrete, plumbing and electrical work, the farmworkers built their own homes. As part of this program, they were required to work on their homes a minimum of 40 hours each week until all homes in a neighborhood were finished. This meant that after spending all day toiling in the agricultural fields, they worked on average of at least another eight hours daily on each other's homes. CHISPA, our area's premier affordable housing developer, served as the developer and supervised the work.

Unfortunately, and as routinely happens with farmworker housing projects, the neighbors surrounding the housing site fiercely opposed the Moro Cojo Project. They testified at hearings branding farmworkers as an undesirable class of people. When that failed, they filed numerous lawsuits aimed at stopping the Moro Cojo Project.

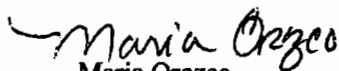
In the last of the lawsuits, CHISPA, in a desperate attempt to move the project forward before jeopardizing project financing, agreed to an onerous and unjust deed restriction--the perpetuity restriction currently under review. Fortunately, the settlement agreement provided for a review of the restriction, and outlined a process for modifying the restriction if circumstances so warranted.

Fast forward several years later, the farmworkers asked CHISPA to file a petition to modify the perpetuity deed restriction to a 20-year restriction, the term that CHISPA normally imposes on its homeownership developments. After numerous hearings and after detailed findings, the County of Monterey agreed to allow the modification. As is typical in these types of proceedings, the plaintiffs of the underlying law suit received notice of the proceedings, as it went both before the Monterey County Planning Commission and then the Monterey County Board of Supervisors. None of the plaintiffs made an appearance to oppose the proposed modification.

Unfortunately, now that this matter is before you, one resident from the Monterey Peninsula has filed an appeal to the Coastal Commission.

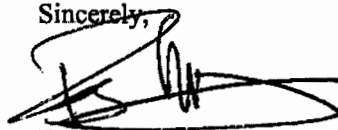
There is no grounds for the appeal and as such, we join 161 farmworkers appear before the Coastal Commission, Monterey County; our area's premier affordable housing developer, CHISPA; numerous social justice organizations in Monterey County; and numerous elected officials in urging you to support 161 farmworkers appearing before you in denying the appeal. We urge you to side with the farmworkers in this social justice issue.

Sincerely,



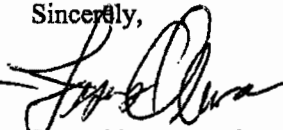
Maria Orozco
The Honorable Mayor
City of Gonzales

Sincerely,

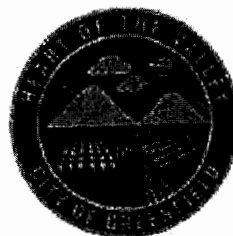
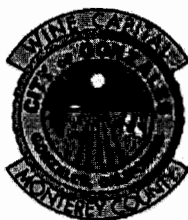


Fred Ledesma
The Honorable Mayor
City of Soledad

Sincerely,

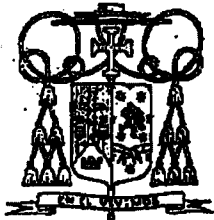


Jesus Olvera-Garcia
The Honorable Mayor
City of Greenfield



cc: Joel Hernandez, Lead Organizer, Center for Community Advocacy (CCA)

Carta de Apoyo Episcop. Garcia Re. Moro Cojo



MOST REVEREND RICHARD J. GARCIA, D.D.
Bishop of the Diocese of Monterey

(831) 373-4345
FAX: (831) 373-1175

RJGB@dioceseofmonterey.org
www.dioceseofmonterey.org

December 7, 2016

Dan Carl, Central Coast District Deputy Director
California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, California 95060-4508

Re: Appeal No. A-3-MCO-16-0017

Dear Mr. Carl,

I am writing to support farmworkers who built their homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard). The NIMBYs who opposed the *Moro Cojo* project created trouble enough to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

The County of Monterey voted to modify the subject deed restriction, in part, because it has an aggressive policy that produces affordable housing, on an ongoing basis, for low-income families. The policies include inclusionary housing ordinances that require private, for profit developers to set aside a percentage of houses for purchase or rent by low-income families as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families.

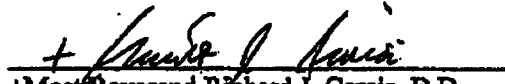
Over the last ten years, these policies, and similar policies adopted by the cities in Monterey County, have resulted in the construction of some affordable homes in Monterey County.

Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission need not worry – indeed, there is no evidence – that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. Ask the Sierra Club how many farmworkers are members; ask the Sierra Club how many farmworkers are Board Members; ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, of LandWatch and of the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers. And so should it be for the Coastal Commission. Farmworkers are as much a customer of the Coastal Commission as are the other sectors of the California population.

Most sincerely,


+Most Reverend Richard J. Garcia, D.D.
Bishop of the Diocese of Monterey

c.c. Mr. Brian O'Neill, Coastal Planner

SEAL OF THE DIOCESE OF MONTEREY

Karen Victorino

From: Bernardine Johnson <bjohnson@dioceseofmonterey.org>
Sent: Wednesday, December 07, 2016 2:22 PM
To: Karen Victorino
Subject: Copy of letter for Letty
Attachments: Bishop Garcia - Coastal Commission letter 12-07-16.pdf

Hi Karen,

A copy of the letter that Bishop Garcia sent in support of Letty's cause is attached. The original was mailed to Dan Carl, Director of the Coastal Commission for the Central Coast, a copy was sent to Brian O'Neill, Coastal Planner for the Central Coast, and a scanned copy was sent to Mr. O'Neill as well.

Hope that helps!
Blessings,

Bernardine Johnson
Executive Assistant to Bishop Richard Garcia
Diocese of Monterey
425 Church Street
Monterey, CA 93940
Phone: (831) 373-4345, ext. 226
Email: bjohnson@dioceseofmonterey.org



MONTEREY COUNTY



BOARD OF SUPERVISORS ■ 168 West Alisal Street, 3rd Floor, Salinas, CA 93901
SIMÓN SALINAS, SUPERVISOR ■ District Three ■ Chief of Staff, Christopher M. Lopez
Telephone (831) 755-5033 ■ Fax (831) 796-3022 ■ District3@co.monterey.ca.us

December 6, 2016

Brian O'Neill
725 Front St., #300
Santa Cruz, CA 95060

Dear Mr. O'Neill,

I am writing in support of 161 farmworkers and their families who built their own homes and created a community *Rancho Moro Cojo*, while battling opposition from neighboring residents. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard). The County of Monterey imposed onerous conditions on the deeds of the houses within this development. After years of study and countless hearings, they decided that the deed conditions were indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity, all other similar developments have terms of 20 years.

The Coastal Commission should assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey determined that a condition, previously imposed, inequitably impacted a group of farmworkers, all of them Latino. The Coastal Commission should be careful to make certain that its actions do not condone or further underlying inequities. I request that the Commission uphold the recent action of the Monterey County Board of Supervisors.

The County of Monterey voted to modify the subject deed restriction, in part, because it has an aggressive policy that produces affordable housing, on an on-going basis, for low-income families. The policies include inclusionary housing ordinances that require private for profit developers to set aside a percentage of houses for purchase or rent by low-income families, as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families. Over the last ten years, these policies, and similar policies adopted by the cities in Monterey County, have resulted in the construction of many affordable homes in Monterey County.

Affordable homes will continue to be built at an equal or higher rate. There is no evidence that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in Monterey County's affordable housing community. Ask the Sierra Club how many farmworkers are

members; ask the Sierra Club how many farmworkers are Board Members; ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, of the LandWatch and of the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice is a primary concern for those of us who support the *Moro Cojo* farmworkers. Farmworkers are important constituents of the Coastal Commission as are the other sectors of the California population and their request should be given the utmost consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Salinas', with a stylized, flowing script.

Simón Salinas
Monterey County Supervisor
District 3

MONTEREY COUNTY



THE BOARD OF SUPERVISORS

168 W. ALISAL STREET 2ND FLOOR • SALINAS, CA 93901-2680
(831) 755-5011 • (831) 674-7991 • Fax (831) 755-5876 • e-mail: district1@co.monterey.ca.us

FERNANDO ARMENTA
SUPERVISOR - DISTRICT 1

AIDE TO THE SUPERVISOR, ALEJANDRO CHAVEZ
ADMINISTRATIVE ASSISTANT, ROCIO MENDOZA

December 8, 2016

Brian O'Neill, California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

Re: Appeal NO. A-3-MCO-16-0017
Moro Cojo

Dear Mr. O'Neill:

I am writing to support 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo* for their families to enjoy the "American Dream". From beginning to end they battled opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is very common in California; and in particular, near the coast so common in fact that it spawned a special term to describe it, NIMBY (Not In My Backyard.). Those same folks who opposed the *Moro Cojo* projected created enough issues to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should not continue to support actions that condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

The County of Monterey voted to modify the subject deed restriction, in part, because it has an aggressive policy that produces affordable housing, on an ongoing basis, for low-income families. The policies include inclusionary housing ordinances that require private, for profit developers to set aside a percentage of houses for purchase or rent by low-income families as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate

income families. In fact, Monterey County has already reached 77% of its current Regional Housing Needs Allocation for low, very low and moderate income housing. Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission should clearly see that there is no evidence—that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. When we look at farmworkers and look at an organization such as the Sierra Club, we do not see any farmworkers on their Board of Directors and for that matter we do not see any members in their organization. If an analysis were to be done of the amount of affordable housing units that the Sierra Club has assisted in being built I would be hard pressed to find any. If we were to do an analysis of affordable housing developments that have been supported in the Central Coast by the Sierra Club, it would not look too favorable towards this organization. Ask the same of the League of Women Voters, of Land Watch and of the others who have submitted letters opposing the farmworkers at Moro Cojo. Affordable housing is simply not their primary agenda and neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers. I believe this should be a primary concern for the Coastal Commission. Farmworkers are as much a constituent of the Coastal Commission as are the other sectors of the California population.

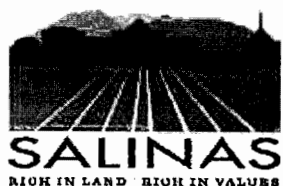
Sincerely,



Fernando Armenta

Supervisor-District 1

County of Monterey Board of Supervisors



City of Salinas

OFFICE OF THE CITY COUNCIL • 200 Lincoln Ave • Salinas, California 93901

(831) 758-7201 • (831) 758-7368 (Fax) • www.cityofsalinas.org



December 16, 2016

Brian O'Neill
California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

RE: Appeal NO. A-3-MCO-16-0017 – Moro Cojo

Dear Mr. O'Neill:

I am writing to support 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard). The NIMBY supporters who opposed the *Moro Cojo* project created trouble enough to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were indeed unfair and inequitable and voted to **modify** the restriction from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

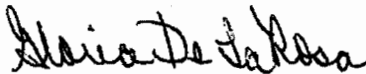
The County of Monterey voted to modify the subject deed restriction, in part because it has an aggressive policy that produces affordable housing on an ongoing basis for low-income families. The policies include inclusionary housing ordinances that require private, for profit developers to set aside a percentage of houses for purchase or rent by low-income families, as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families. In fact, Monterey County has already reached 77% of its current Regional Housing Needs Allocation for low, very low, and moderate income housing. Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission need not worry; indeed, there is no evidence that more affordable housing homes will not be built in the future.

December 16, 2016
Brian O'Neill
Page 2

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. Ask the Sierra Club how many farmworkers are members; ask the Sierra Club how many farmworkers are Board Members; and ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, Land Watch, and the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers and it should also be for the Coastal Commission. Farmworkers are as much a customer of the Coastal Commission as are the other sectors of the California population.

Sincerely,

A handwritten signature in cursive script that reads "Gloria De La Rosa".

Gloria De La Rosa
Councilmember
District 4

December 7, 2016

Brian O'Neill, California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

Re: Appeal NO. A-3-MCO-16-0017
Moro Cojo

Dear Mr. O'Neill:

I am writing to support 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard.). The NIMBY's who opposed the *Moro Cojo* projected created trouble enough to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

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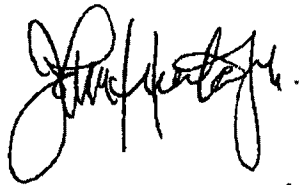
The County of Monterey voted to modify the subject deed restriction, in part, because it has an aggressive policy that produces affordable housing, on an ongoing basis, for low-income families. The policies include inclusionary housing ordinances that require private, for-profit developers to set aside a percentage of houses for purchase or rent by low-income families as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families. In fact, Monterey County has already reached 77% of its current Regional Housing Needs Allocation for low, very low and moderate income housing. Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission need not worry—indeed, there is no evidence—that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. Ask the Sierra Club how many farmworkers are members; ask the Sierra Club how many farmworkers are Board Members; ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, of Land Watch and

of the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers. And so should it be for the Coastal Commission. Farmworkers are as much a customer of the Coastal Commission as are the other sectors of the California population.

Sincerely,

A handwritten signature in black ink, appearing to read "John Huerta Jr.", written in a cursive style.

John Huerta Jr.
Mayor of Greenfield



November 1, 2016

Mr. Steve Kinsey, Chair
California Coastal Commission
3501 Civic Drive, Suite 329
San Rafael, CA 94903

Re: Letter of Support for Moro Cojo/ Appeal A-3 MCO 16-0017

Dear Mr. Kinsey:

I support the Coastal Commission Staff's Recommendation that this matter poses no substantial issue.

In January 2015, after several years of careful evaluation and broad community engagement, the Board of Supervisors of Monterey County approved (4-1) the lessening of deed restrictions at the Moro Cojo affordable housing development in Castroville from "permanent" to 20 years. The Board took into consideration the social and environmental impacts of their decision.

Over the past 15 years I have developed hundreds of affordable rental and for sale homes working with non profit developers in the Sacramento Valley, Central Coast and South Bay Area. I currently serve on the Boards of the Non Profit Housing Association of Northern California (NPH) and the California Coalition for Rural Housing (CCRH). Since 2006, I have served as a Salinas Planning Commissioner. While deed restrictions requiring permanent affordability, or at least 55 years for rental developments, is a best practice in affordable housing development, requiring permanent affordability on for sale below market homes is not common and is not considered a best practice. All homeowners, even when purchasing homes that are below market or using down payment assistance programs should share in a reasonable portion of their sweat equity contributed to maintaining their homes during their tenure. This provides an incentive to maintain and make improvements and can create pathways for wealth building.

In the case of Moro Cojo, 165 homes were built by low income farm workers and their families who qualified for first mortgage financing through the United States Department of Agriculture Mutual Self-Help Program. They earned their down payment for their homes by contributing at least 1200 family hours per house. These families have a unique sense of pride in their homes and their neighborhoods. CHISPA representatives who have helped hundreds of self help owners build their homes report that over 90% of owners continue to live in their homes even decades after completion versus the average 5-7 years for most homeowners. A 20-year affordability restriction for these homes is reasonable. Our region has been well served by Moro Cojo which has provided stable, high quality housing for our low income farm laborers and it will continue to provide benefits as the children living in these homes become college graduates and enter our workforce thereby not only breaking the cycle of poverty but also making even larger contributions to our regional economy.

Thank you for your time and consideration.

Regards,

Matt Huerta
Salinas Resident

December 7, 2016

Brian O'Neill, California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

Re: Appeal NO. A-3-MCO-16-0017
Moro Cojo

Dear Mr. O'Neill:

I am writing to support 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard.). The NIMBY's who opposed the *Moro Cojo* projected created trouble enough to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to modify the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

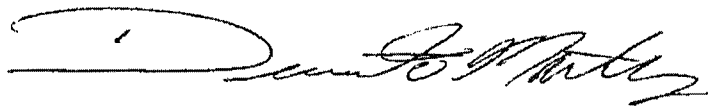
The County of Monterey voted to modify the subject deed restriction, in part, because it has an aggressive policy that produces affordable housing, on an ongoing basis, for low-income families. The policies include inclusionary housing ordinances that require private, for profit developers to set aside a percentage of houses for purchase or rent by low-income families as well as the provision of substantial sums of money to subsidize non-profit affordable housing developers who build projects that are 100% available to low and moderate income families. In fact, Monterey County has already reached 77% of its current Regional Housing Needs Allocation for low, very low and moderate income housing. Affordable homes will continue to be built at an equal or higher rate. The Coastal Commission need not worry—indeed, there is no evidence—that more affordable housing homes will not be built in the future.

None of the persons or entities who seek to overturn the decision of the County of Monterey are active in the affordable housing community. Ask the Sierra Club how many farmworkers are members; ask the Sierra Club how many farmworkers are Board Members; ask the Sierra Club how many affordable housing units it has helped to build. Ask the same of the League of Women Voters, of Land Watch and

of the others who have submitted letters opposing the farmworkers. Affordable housing is simply not their primary agenda. Neither is the impact of policy on social justice issues.

Protecting the rights of farmworkers and helping the movement towards social justice, on the other hand, is a primary concern for those of us who support the *Moro Cojo* farmworkers. And so should it be for the Coastal Commission. Farmworkers are as much a customer of the Coastal Commission as are the other sectors of the California population.

Sincerely,



RESESTAR BROS
FARMING COMPANY

Growers of California Apples

DEMETRIO MARTINEZ
Field Manager

267 Amesti Road, Watsonville, CA 95076
p. 831.722.4938 f. 831.722.3810 dm.resetarbros@att.net

December 7, 2016

Brian O'Neill, California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

Re: Appeal NO. A-3-MCO-16-0017
Moro Cojo

Dear Mr. O'Neill:

I am writing to support 161 farmworkers who built their own homes and constructed a farmworker neighborhood, *Rancho Moro Cojo*, all while battling opposition from neighboring residents who did not want farmworkers living next to them. Such opposition is common in California; common enough to have spawned a special term to describe it, NIMBY (Not In My Backyard.). The NIMBY's who opposed the *Moro Cojo* projected created trouble enough to cause the County of Monterey to impose an onerous and discriminatory condition on the deeds to the homes that the farmworkers built and bought. The County of Monterey, after years of study and countless hearings, decided that the deed conditions were, indeed, unfair and inequitable and voted to **modify** the restriction, from a term of perpetuity to a term of 20 years. Significantly, *Moro Cojo* is the only development of its kind in Monterey County to have a deed restriction that exists in perpetuity. All other similar developments have a term of 20 years.

The Coastal Commission must assure that its actions do not discriminate, directly or indirectly, against any class of California residents. In the *Moro Cojo* case, the County of Monterey has determined that a condition that it previously imposed inequitably impacts a group of farmworkers, all of them Latino, who were NIMBY victims. No other similar affordable housing project is subject to the same condition; a condition made necessary by NIMBY attitudes. The Coastal Commission should be careful that its actions do not condone or further the underlying inequity. The Commission should uphold the action of the County of Monterey.

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Sincerely,

A handwritten signature in black ink, appearing to be 'AJC' with a stylized flourish at the end.

ANDREW J. COLEMAN

CHIEF COMMERCIAL OFFICER

GE AVIATION DIGITAL

December 7, 2016

Brian O'Neill, California Coastal Commission
725 Front St #300
Santa Cruz, CA 95060

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Sincerely,

A handwritten signature in black ink, appearing to be 'Angela Coleman', written in a cursive style.

Angela Coleman
Sr. Healthcare Consultant
The Shealy Group

O'Neill, Brian@Coastal

From: Chapman, Diana@Coastal
Sent: Tuesday, June 27, 2017 8:11 AM
To: O'Neill, Brian@Coastal
Subject: FW: Moro Cojo

I did not make a copy of this.

Diana

-----Original Message-----

From: Denyse [<mailto:denyse.f@att.net>]
Sent: Monday, June 26, 2017 8:29 PM
To: Chapman, Diana@Coastal
Subject: Moro Cojo

I want to add my name to the opposition of the termination of the affordability deed restriction for Moro Cojo homeowners. They knew the contract they were entering in when they took advantage of the program that enabled affordable home ownership. The lack of affordable homes in our area is at a crisis level and it is unconscionable to deprive other people of the same benefit. I understand that people would love to sell their house for \$500K instead of \$290,000, we all like to make more money, but the deal was spelled out at the time the contract was signed and there is no justification to revoke the restriction on the deed.

This would be at the expense of home affordability for other people in need.

Sincerely

Denyse Frischmuth

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
FAX: (831) 427-4877
WEB: WWW.COASTAL.CA.GOV



F7a

A-3-MCO-16-0017 (MORO COJO AFFORDABLE HOUSING MODIFICATION)

JULY 14, 2017

CORRESPONDENCE



June 16, 2017

Brian O'Neill, Coastal Program Analyst
Central Coast District Office
Coastal Commission
725 Front Street, Suite 300
Santa Cruz, CA 95060

Re: ***Moro Cojo Financial Information***

Dear Brian:

Pursuant to your request, the following is CHISPA's response to Jane Haines's memorandum dated September 30, 2016.

There were 9 groups (approximately 14 families per group) of families that participated in CHISPA's mutual self-help program and built their homes with technical assistance from CHISPA. The earliest group finished the construction of their homes in December 2000 and the latest group in September 2001. A total of 125 homes were built through CHISPA's housing program. CHISPA sold 50 lots to South County Housing (SCH). SCH also used the mutual self-help program to build its 50 homes.

The "Purchase Price" reflected in the spreadsheet provided by Jane Haines is the price of the lot that was sold by CHISPA to each family. The price of the lot differs based on the appraisal that was done at the time of the sale of the lot to the family. The mutual self-help program is funded by USDA, which includes a loan to the families for the purchase of the lot, construction materials and some of the work that is done by contractors (concreted, electrical, plumbing, and sheetrock). USDA requires an appraisal of the lot prior to the sale. The lots were sold to families at different periods during the approximately 2 years of construction of the 125 homes, which is why the lot price is different for some families.

USDA also requires that we obtain an appraisal of the homes once they are completed. The average appraised price of the 125 homes was \$171,912, which reflects the local real estate market for homes of this type from December 2000 – September 2001. The average cost of the finished home was \$125,330. USDA provides a sweat equity value of the families' contribution toward the construction of the home in the amount of \$16,000; even though we believe that the families' contribution should have been valued higher. It is the families' sweat equity that contributes to making the homes affordable.

CHISPA imposed an excess equity note of an average amount of \$30,582, which reflects the difference between the appraised value and the cost of the home, plus the sweat equity ($\$171,912 - \$125,330 - \$16,000 = \$30,582$). The excess equity note accrues interest at 3% over a 10-year term, after ten years 10% of the principal and interest is forgiven. At the end of 20 years, the excess equity note is completely forgiven. CHISPA utilizes the excess equity note system to prevent homeowners from flipping the property soon after completion, plus it serves as an incentive to keep the families in the home for a long term.

The homes built through South County Housing (SCH) were the last ones that were built in the Moro Cojo subdivision. It is our understanding that the average appraised values of these homes was \$213,560. The sweat equity value was the same at \$16,000. However, the excess equity loan was higher and SCH secured down payment assistance for some of the families in addition to the USDA loan.

The USDA loans to the families had an interest rate in the range of 1% - 7.5%, depending on the families' income. USDA has a provision that recaptures the interest subsidy. USDA monitors the families' income during the 33-year term of the loan and will adjust the interest upwards if the families' income goes up. Furthermore, USDA will require the homeowner to obtain a conventional loan (refinance) if the families' income is high enough to qualify for a conventional loan. This has been a problem for the Moro Cojo homeowners because some banks have not been willing to refinance due to the resale deed restriction in perpetuity. In addition, in the past few years, interest rates have been at historic lows and families with higher interest rates have tried to refinance in order to take advantage of a lower interest rate.

Jane Haines points out that Habitat for Humanity utilizes a sweat equity model to build single-family homes and that they impose resale deed restrictions. There is a huge difference between Habitat for Humanity and USDA's mutual self-help program. The Moro Cojo families contributed anywhere from 1,600 – 1,900 hours of sweat (earned) equity compared to 300 – 500 hours under the Habitat for Humanity model. Habitat for Humanity relies heavily on volunteers to contribute most of the work. Under the mutual self-help program, the families contribute the majority of the work and pay for the cost of work that they do not do through their loan. The California Coalition for Rural Housing (CCRH) confirmed that they do not know of any other subdivision that has a resale deed restriction in perpetuity. CCRH's members include the largest self-help housing producers in the United States.

Brian O'Neill, Coastal Program Analyst

June 16, 2017

Page 3

CHISPA has been operating the mutual self-help program since 1991 and has built 633 single-family homes to date under this program. Our research shows that 90% of the original homeowners still live in their homes. This research consists of homes that did not have any resale deed restrictions. In summary, families are not interested in selling their homes for a profit as Jane Haines alleges in her memorandum. Families build their homes to live in and raise their families.

It is important to acknowledge that the Moro Cojo homeowners are not requesting an exception to the norm. The Moro Cojo homeowners simply want to be treated like other homeowners, including homeowners that participated in CHISPA's mutual self-help program in other subdivisions such as in Gonzales, Greenfield and King City. Another important factor is that the resale deed restriction was not put in place because it was a County policy. The deed restriction was a result of several lawsuits filed by Jane Haines's former clients that did not want affordable housing in their neighborhood, in particular housing for farm workers.

Sincerely,



Alfred Diaz-Infante, Pres./CEO

Cc: Juan Uranga, Center for Community Advocacy
Sabino Lopez, Center for Community Advocacy

MEMORANDUM

DATE: September 30, 2016

TO: Brian O'Neil

CC: Alfred Diaz-Infante, David Spaur

FROM: Jane Haines (375-5913; janehaines80@gmail.com)

SUBJECT: 161 Moro Cojo Affordable Homes: Spreadsheet and Analysis

The pending application by 161 Moro Cojo homeowners, contending that the permanent affordability restriction causes them unfair financial burdens, raises significant issues that require additional fact-gathering and analysis. Information related to the County's as well the homeowners' investments and complaints are included here for your review; it should have been made available by the applicants.

I will request an appointment with you, as well as with Messrs Diaz-Infante and Spaur, after you have a chance to look at the attached spreadsheet, background and analysis. Fairness to Moro Cojo homeowners as well as to the public, which pays for Moro Cojo subsidies, including forgivable loans, requires rigorous factual analysis; the decision at issue is valued at \$48 million.

ITEMS INCLUDED: Spreadsheet, spreadsheet summary, discussion of 'unfair financial burdens', factors for consideration and a list of sources.

SPREADSHEET. This presents financial data about Moro Cojo Housing; it is intended to provide factual information missing from staff reports addressing the recent application by Moro Cojo homeowners requesting that Combined Development Permit Condition #99 be modified to allow home sales at market rate rather than at prices affordable to low, very low and moderate income purchasers.

The spreadsheet is divided into two groups since there is a significant difference (increase) in purchase price for 39 of the homes, most of which were sold by South County Housing Corporation. Photos of the homes show no apparent difference in their quality; it appears that identical homes were sold for disparate prices; e.g., the same home might be sold for either \$53,000 or \$245,000.

The spreadsheet shows purchase prices of the homes, dates of deed conveyance, street addresses, number of bedrooms, and the difference between purchase price and \$291,750, the maximum price that could be charged for resale of a home under the existing deed restriction limitation on resale price.¹

SPREADSHEET SUMMARY

The average profit (the difference between initial purchase price and resale price) under the existing Condition 99 and using the assumed resale price of \$291,750, would be \$233,076 for Group 1, the bulk

¹ This analysis adopts \$291,750 as the assumed resale price based on the 8/10/16 Coastal Commission appeal report, page 9, which states: "The resale prices of the homes are capped under the deed restriction and are individually calculated using a number of factors explained in the Monterey County Inclusionary Housing Program Administrative Manual. The current maximum resale value of a three-bedroom house in the subdivision is \$291,750."

of owners; it would be \$73,878 for Group 2, as shown in the shaded column. The data comes from the attached sources and is discussed below.

In addition, several homes have been sold since the first purchase. These transactions are noted along with the resale price and the profit experienced. The spreadsheet shows that even Group 2 homeowners have considerable equity in their homes.

DISCUSSION OF 'UNFAIR FINANCIAL BURDENS TO HOMEOWNERS' (the numbering refers to the attached spreadsheet)

1. **REFINANCING.** Applicants claim an inability to refinance their homes due to the affordability restriction. In the absence of pertinent financial information,

The County and Coastal staff relied on two declarations to reach conclusions on this issue:

- The first declaration was by Leticia Enriquez who owns a home (#142) at 9835 Los Arboles Circle, purchased from South County Housing Corporation on March 15, 2001 for \$240,000. Ms. Enriquez states a finance company reneged on its earlier agreement to "consolidate" her debts "once the company discovered the perpetuity restriction on [her] deed."

The attached USRealtyRecords.com print-out for home #142, however, shows it received a conventional deed of trust for \$82,500 on July 13, 2016. Thus, home #142 is now refinanced.

- The second declaration was by J. Manuel Resendiz, who owns a 3-bedroom home (#134) at 9485 Comunidad Way, purchased in 2000 from South County Housing Corporation for \$188,000. The attached USRealtyRecords.com print-out shows home #134 has two mortgages for a total of \$163,470: one for \$54,470 and the other for \$109,000. One is a 32-year USDA mortgage. His initial debt on home #134 was substantially less than that for home #142 (see above), yet home #142 managed to get refinanced whereas home #134 has not. Additional factual information is needed to understand why.

As stated by several Commissioners at the August 10 hearing, the Commission's final decision should be based on more evidence than has heretofore been available. Prior to next Coastal Commission hearing, CHISPA should submit information pertaining to homeowner refinancing difficulty in sufficient time for staff to critically examine their specific circumstances; this would be to prevent an unsupported assumption that a few homes are representative of refinancing challenges faced by Moro Cojo homeowners.

Clarification is needed regarding the statement on page 9 of the Appeal Report: "The USDA loans were typically 33-year fixed-rate loans. Interest rates were based on income levels. Interest rates could be as low as 1% for qualifying individuals and homeowners never paid more than 24% of their monthly income on mortgage payments."

Does that mean only USDA loans were capped at 24% or total home payments were capped at 24%? Do government subsidies pay the difference between 24% and the amount owed? The Monterey Herald reported of the August 10 hearing: "Currently, most residents are bound to a roughly 8 percent rate, due to the permanent limitations." Is that true? If so, why was it said that some pay only 1%?

2. **HOME REPAIRS.** A third declaration was submitted by Yolanda Raya, the owner of the home (#127) at 9441 Comunidad Way. Ms. Raya states she's reluctant to repair her home because she may not get her 'investment' back." This home was purchased from South County Housing in 2000 for \$170,000, a 3-bedroom home which, if sold for \$291,750, is \$121,750 more than the purchase price.

USREALTYRECORDS.COM shows two mortgages, one for \$37,280 and one for \$105,000, one of which is a USDA mortgage with a 30 year term. Ms. Raya states the 'perpetuity' limitation in her deed makes it difficult to invest in her home because she may not get her 'investment' back. She states: "...In the end, with homeowners not willing to invest to make substantial repairs, our neighborhood will become run down. This is sad but it is one of the unintended consequences of the 'perpetuity' restriction." Factual analysis, specific to home #127, is needed, but not provided, and the sale value would indicate a different outcome.

3. **GROUP 2 HOMES.** All three declarants own Group 2 homes, as do 39 of the 161 applicants for modification of Condition #99. With four exceptions², Group 2 homes cost *more* than the median home value of a market rate Castroville home in 2000 (\$170,100).³

Alfaro v. CHISPA et al describes the South County homes as market rate made affordable by generous loans from the County of Monterey. Alfaro states:

"South County distributed a document dated May 3, 2001 explaining the financing in English and Spanish as follows. The home prices were set at fair market value. However, the owners could pay on the following terms. The homeowner made a promissory note to the County of Monterey on which no monthly payments are due so long as the owner is not in default under the terms of the note. The homeowner is to make a one time payment equal to the amount of a first time homebuyer program mortgage subsidy within 30 days of the completion of the home. The amount of the note and accrued interest is due on sale or transfer of the home. The County has a first option to purchase the property at fair market value if the owner wishes to sell. If the County declines, the homeowner may sell the home to any person. The owner is guaranteed a return on a "sweat equity" down payment valued at \$16,000 PLUS SPECIFIED interest, effected, if necessary, by a forgiveness of principal and interest."

The May 27, 2015 Monterey County Housing Advisory Committee agenda report elaborates on the County-provided generous terms. It states:

"Fifty of the 175 single family homes were developed by South County Housing. The County assisted with the financing of these homes by providing two types of loans: HOME Self Help and First Time Homebuyer loans. The HOME Self Help loans ranging from \$37,190 to \$106,470 were provided by the County to all 50 homeowners. The terms of the loans are 3% interest with a 20 year term. Starting at the end of the 10th year of the loan, 10% of the principal is forgiven every year with the last 10% forgiven at the end of the 20 year loan term. The note is assumable as long as the new Buyer's income does not exceed 80% of the AMI. The houses were originally sold between 1999 and 2001, so they are now in the 13th to 15th year of their loan term. First Time Homebuyer (FTHB) loans were also made to 37 homeowners ranging from \$3,500 to

² The four exceptions are homes at 9429 Comunidad Way - \$165,000 (#124), 9441 Comunidad Way - \$170,000 (#127), 9461 Comunidad Way - \$65,000 (#128), and 9457 Comunidad Way - \$170,000 (#155).

³ The U.S. Census Bureau Profile of Selected Housing Characteristics for the Castroville area shows 1,445 housing units in Castroville CDP in 2000, 963 were 1-unit detached, and the homes' median value was \$170,100.

\$17,000. The term is for 30 years with 3% simple interest, and due upon sale. The loan can be assumed as above. To our knowledge, only one house has sold to date, and it was sold to a qualified household. There have been two refinances to date and two more are currently in process. In summary, there are currently 49 Self Help loans and 36 FTHB loans outstanding. Of the 42 households who own homes developed by South County Housing participating in the CHISPA request, the County currently holds 42 Self Help loans and 34 FTHB loans.”

The terms of the HOME and FTHB loans are 3% interest with a 20 year term and the possibility the entire principal will be forgiven. How much has this cost Monterey County so far, and how much more is it likely to cost? The above-described terms are inconsistent with the proposition that Moro Cojo homeowners are unfairly burdened.

4. **SWEAT EQUITY.** The down payment for all Moro Cojo self-help homes, including Group 2, was earned through sweat equity, a method also used by Habitat for Humanity. According to *Alfaro v. CHISPA*, those who purchased from South County spent “40 hours a week per family for eight to ten months “ and are guaranteed a return on a “sweat equity” down payment valued at \$16,000 PLUS SPECIFIED interest, effected, if necessary, by a forgiveness of principal and interest.” (Emphasis in original.) Assuming the \$16,000 down payment was acquired through 1,720 hours of labor, that equates to \$9.20 per hour. (Ten months is 43 weeks. Forty hours times 43 weeks is 1720 hours. Divided into \$16,000, 1720 hours equals \$9.30 per hour.)

CHISPA states it knows of no other sweat equity housing provider that has a permanent affordability requirement, completely overlooking Habitat for Humanity. As many know, it is an international organization that has helped 6.8 million people own affordable housing. Habitat utilizes sweat equity and has affordability restrictions on all Habitat homes. Some habitat affordability restrictions have limited terms, and some are permanent. The Habitat for Humanity fact sheet at <http://www.habitatbsv.org/About/Our-Services> says of all Habitat homes:

“[They] have resale restrictions in place, although specifics vary by city and for renovated homes. Many restrictions expire after a prescribed time period, while others are enforced in perpetuity — that is forever. Homeowners may sell their homes during the restricted time period, but they must offer to sell the property back to [HfH] prior to attempting to sell the property to an eligible third party. If [HfH does] not elect to purchase the property, then the homeowner may attempt to sell the property to an eligible first time homebuyer who meets income requirements. The sales price during this period will be restricted to an affordable price, based on the original sale price.”

5. **DEED RESTRICTION.** The duration of the Moro Cojo deed restriction has been litigated and decided under *Alfaro v. CHISPA*. Under this circumstance, what legal authority would allow the Coastal Commission to alter the duration of a properly recorded permanent deed restriction whose legality has been contested in a court of law and upheld?

Alfaro v. CHISPA involved a challenge to the Moro Cojo “permanent” deed restriction alleging the permanent restriction is an unreasonable restraint of alienation. The *Alfaro* court denied relief and quoted language in the deed restriction to show the affordability restriction is not permanent, because it will no longer be effective when there is no longer a need for affordable housing:

“We do not see a perpetual restriction in the deed either. It remains effective while the ‘development authorized by said permit or any modification of said development, remains in existence in or upon any part of, and thereby

*confers benefit upon, the subject property described herein.’ We understand this to say that it remains effective while it is beneficial. Presumably **when there is no further need for affordable housing for low income households, the restriction will lose effect.** Our interpretation of this restriction is not influenced by its characterization as perpetual in a letter by attorneys for CHISPA dated September 8, 2005, which is incorporated by reference into the first amended complaint. What is of concern to us is the actual wording of the deed restriction, not its characterization by plaintiffs or defendants.” (Emphasis added.)*

6. **PUBLIC RESOURCES CODE §30614.** Public Resources Code §30614 unambiguously requires the Coastal Commission to take appropriate steps to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit. Subdivision (a) states:

(a) The commission shall take appropriate steps to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit.

Condition #99 of the Coastal Development Permit for Moro Cojo is such a condition. The Appeal Report states the grounds for appeal are under Coastal Act Section 30614. True, but the upcoming hearing will not be an appeal hearing. Under what legal authority could the Coastal Commission decide not to comply with Public Resources Code §30614?

FACTORS FOR CONSIDERATION

FORGIVABLE LOANS. Many, if not all, of the homes have forgivable loans. Forgivable loans can increase the amount of cash the owner receives at closing to an amount greater than the difference between purchase price and resale price.

EFFECT OF FORGIVABLE LOANS. Coastal Commissioners and the public deserve to be informed what effect the forgivable loans have on the amount of net cash homeowners will realize at time of resale. Attachment 7 to my 12/4/15 letter to the Monterey County Bd. of Supervisors contains the following 7/15/15 and 7/17/15 emails from Jane Barr, now retired but until recently Monterey County Housing Officer, responding to a member of the Housing Advisory Committee regarding \$110,000 net cash at closing from sale of a Moro Cojo home. Her 7/15/15 email states:

“The sale that I have mentioned before was of a Moro Cojo home that was purchased in 2000. The purchase price of about \$190k included:

- a small down payment of about \$4k;*
- a first mortgage of about \$120k;*
- a second mortgage of about a\$6k;*
- a forgivable loan of about \$37k;*
- a forgivable loan of about \$6k;*
- and sweat equity of about \$15k.*

The sale price exceeded the purchase price by about \$87,000. The first and second mortgages were due and payable. About 60% of the larger forgivable loan was due and the smaller one had already been forgiven. The sale price was close to what it would have been if it were in the inclusionary program. However, I do not know what the basis was for determine the price. So, largely due to the incredible financing, the sellers realized cash at sale of about \$11k net

after closing costs and real estate brokerage fees. This is greater than the difference between the sale and purchase prices largely because of the forgivable loans write off of \$21k and the first pay down of \$4k.”

Her 7/17/15 email states:

“Hope this helps:

Length of ownership: 14 years

Difference in price between purchase and sale: \$87k

Average annual increase in price: 2.75%

Cash realized at sale after payoff of 1st and 2nd loans, remaining balance on forgivable loans: \$128k

Net cash after closing costs and real estate brokerage fees: \$110k (60% of purchase price)”

REPLACEMENT UNITS. Loss of 161 affordable housing units represents the loss of \$48 million in affordable housing, assuming the replacement units cost \$300k each (\$300k is the estimated replacement value per unit stated on page 39 of the 2015-2023 Monterey County Housing Element.) Furthermore, Policy 4.3.6.D.1 of the North Monterey County Coastal Land Use Plan requires the County to require replacement on a one by one basis of all converted affordable housing units. Both the Monterey County Coastal Program and the Coastal Act mandate protection of affordable housing. Thus, consistency with applicable policies requires replacement units for loss of the affordable Moro Cojo housing units.

Only homes that truly replace Moro Cojo homes should count toward the replacement requirements, which does not include affordable units CHISPA develops in the ordinary course of business.

CHISPA has developed 2,300 affordable units since 1980; that averages 64 yearly. Since a unit developed in the ordinary course of business would not “replace” a Moro Cojo unit, only units over and above the 64 that CHISPA averages annually should be counted. Also, affordable units in CHISPA’s currently-proposed affordable senior housing project should not count as replacement units because those same units were included in approval of the same CDP applicable to the 161 single family Moro Cojo units. Therefore, their development was part of the reason why the Coastal Commission decided to uphold approval of the 1994 CDP in recognition that providing affordable housing outweighs the importance of protecting coastal wetlands and coastal aquifers.

SOURCES OF BACKGROUND INFORMATION

1. **DATA SOURCES:** TRULIA.COM, ZILLOW.COM and USREALTYRECORDS.COM. I conclude that USREALTYRECORDS.COM is the most accurate because it has the most complete records; however, USREALTYRECORDS.COM lacks original purchase prices when there has been a resale; it shows only the most recent sales price.

Thus, whenever possible, I checked TRULIA.COM and ZILLOW.COM sales prices to ensure they matched USREALTYRECORDS.COM and deferred to USREALTYRECORDS.COM in the event of discrepancy, which occurred with Group 2 homes, and in several minor discrepancies with Group 1 homes.

2. **EXCLUSIONS:** I ignored estimated market values because they are irrelevant to homes deed-restricted for affordability. Potential resale value assumes \$291,750, while perhaps not all homes would be sold for that amount, those with 4 bedrooms could potentially be sold for more.

Note: Several homes, including #159 (9539 Viva Lane) and #131 (9473 Comunidad Way) were sold in 2000 or 2001 and resold only a few days or months thereafter. I do not include those as resales because they appear more like price adjustments than resales.

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
FAX: (831) 427-4877
WEB: WWW.COASTAL.CA.GOV



April 6, 2015

Luis Osorio
Senior Planner
Monterey County Resource Management Agency – Planning Department
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

Subject: *Negative Declaration for the Moro Cojo Subdivision Amendment (PLN120650)*

Dear Mr. Osorio:

Thank you for sending the Negative Declaration for the Moro Cojo Subdivision Amendment (PLN120650) for our review. The proposed amendment would change Condition No. 99 of the Combined Development Permit for the Moro Cojo Subdivision Project (SH93001 and SH93002), approved by the County on December 20, 1994. The proposed amendment would change the affordability requirement for 161 of the 175 units from perpetuity to a limited term of 15 years from the date of first sale. The original Combined Development Permit was appealable to the Coastal Commission because the subdivision was a conditional use in the high density residential zoning district, and as such, any amendment to the permit is also appealable to the Coastal Commission. We would like to provide the following comments on the proposed change and the Negative Declaration.

The proposed change would eliminate the requirement that 161 of the 175 units be affordable in perpetuity and would turn these 161 into market rate units. North County Land Use Plan (LUP) Policy 4.3.6.D.1 (for low and moderate income housing) requires the County to “protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason.” The LUP requires replacement of affordable housing units on a one-to-one basis should existing units be eliminated (4.3.6.D.1.a). Removal of the affordability requirement for 161 existing affordable units would be inconsistent with the LCP requirement to protect such units. And to our knowledge, neither the applicant nor the County has proposed or identified any replacement affordable housing units to replace the loss of these 161 units. We also note that the Negative Declaration does not analyze the proposed change against these applicable LUP policies.

In addition to the LCP requirements, the Coastal Act requires the Commission “to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit.” (PRC §30614) Commission staff believes that 161 units is a significant amount of housing for lower-income residents of North Monterey County and the loss of these units would be clearly inconsistent with the LCP and Coastal Act requirements to protect them.

Luis Osorio
Monterey County RMA – Planning Department
April 6, 2015
Page 2

Thank you for the opportunity to provide comments on this proposed change and Negative Declaration. If you have any questions or would like to discuss, please feel free to contact me at (831) 427-4863 or katie.butler@coastal.ca.gov.

Regards,

A handwritten signature in black ink, appearing to read "Katie Butler". The signature is fluid and cursive, with the first name "Katie" being more prominent than the last name "Butler".

Katie Butler
Coastal Planner
Central Coast District Office

DECLARATION OF MARC J. DEL PIERO IN SUPPORT OF COASTAL COMMISSION

APPEAL NO. A-3-MCO-16-0017

1. I am Marc J. Del Piero. I declare under penalty of perjury, pursuant to the laws of the State of California, that I have personal knowledge of the facts stated herein, that they are true and correct, and, if called upon, I will testify to the same. I am licensed to practice law in California (CA Bar #91644).

2. From 1981 until 1992, I served for three consecutive four year terms on the Monterey County Board of Supervisors as the elected county supervisor for North Monterey County. I was Chair of the Board when the North County Land Use Plan Local Coastal Program was adopted. Prior to my election to the Board of Supervisors, I served as a member of the Monterey County Planning Commission from 1978 until 1981. From 1979-1981, in my capacity as the Monterey County Planning Commissioner for North Monterey County, I was actively involved in drafting the North County LCP and its policies, both mandatory and discretionary policies. I served on the Planning Commission when we adopted the draft LCP and forwarded it to the Board of Supervisors. After my election to the Board of Supervisors, I personally continued to work directly on every policy and provision of the LCP, including drafting additional language to satisfy the requirements of the Coastal Act with lead Coastal Commission staff Les Strnad, until its' adoption by the Board of Supervisors. I participated in every public vote taken upon the LCP by a county agency.

3. I am very familiar with the LCP policies, including Policy 4.3.6.D.1 for low and moderate income housing. Policies in the LCP that incorporate the words "shall" or "will" are mandates and were intended by both the Planning Commission and the County Supervisors to be mandatory. Policy 4.3.6.D.1 states and mandates:

"1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

a) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.

b) Promote housing improvement and rehabilitation programs for low and moderate income persons in both owner-occupied and renter-occupied units.

c) Study relaxation of building code requirements and if appropriate adopt minimum building code regulations for the rehabilitation of older housing units.

d) Replacement affordable housing units shall be retained as low and moderate income units through deed restrictions or other enforceable mechanisms." (underlining added).

Marc Del Piero
15 July 2016

4. Based on my personal knowledge and deep involvement with the actual drafting, the legislative intent, and ultimate adoption of the North County LCP, and based on the facts stated herein, I conclude that Monterey County Resolution 16-009, adopted on January 26, 2016, is inconsistent with Policy 4.3.6.D. 1 and that Appeal No. A-3-MCO-16-0017 should therefore be granted to protect 161 units of existing affordable single family housing opportunities in the North County coastal area from loss. Pursuant to the mandates in Policy 4.3.6.D.1(a), no replacement units were provided by the County to replace the "affordable" unit that the Supervisors voluntarily converted to market rate units by their uncompensated (gifting) extinguishment to private parties of the public's deed restrictions mandating affordability limits on the subject units.

5. On January 26, 2016, the current Monterey Board of Supervisors voted 4-1 to approve an application by CHISPA, an affordable housing provider, to amend Condition #99 of the Combined Development Permit for the Moro Cojo affordable housing project in North Monterey County so that the permanent affordability restrictions on 161 of 175 single-family residences will terminate 20 years from the date of the first deed of conveyance of each property from the developers to the original owners of the units. Since most of the deeds were conveyed in 2000, that means most of the homes could be sold at market rate beginning in 2020.

6. The rationale used by the current Board of Supervisors for allowing conversion to market rate is stated in Finding #5 of Monterey County Resolution 16-009. It states that the definition of "conversion" in the language of Policy 4.3.6.D.1 is "open to interpretation" because, it states, Policy 4.3.6.D.1 contains no definition of "conversion" as applied to affordable housing. The finding then interprets Policy 4.3.6.D.1 according to the definition of "conversion" in California Government Code Article 10.7, Section 86690(g)(1), to mean "a change of a residential dwelling..., to a condominium, cooperative, or similar form of ownership; or a change of a residential dwelling ... to a nonresidential use" and concludes that since the 161 homes are not being converted to condominiums, cooperatives or similar forms of ownership, conversion to market rate would be consistent with Policy 4.3.6.D.1. Finding #5 states in relevant part: "...Therefore, being guided by the definition of conversion in Article 10.7, 'Low and Moderate-Income Housing in the Coastal Zone,' the requested amendment by CHISPA on behalf of the 161 single-family homeowners to replace the in-perpetuity affordability requirement with a 20-year term would not constitute a conversion and affordable replacement units are not required."

7. Pursuant to the applicable zoning classifications in the North County LCP area, which I also voted upon in my capacity as the County Supervisor for North Monterey County, the North County LCP and its' zoning does not allow condominiums in the applicable land use classifications for the subject single family units.. Further, the property was already subdivided into separate single family lots pursuant to the zoning ordinance. Thus, the "creative, but tortured" definition of "conversion" that the County wrongfully relied upon to violate the clear and unambiguous mandates of the North County LCP is clearly inapplicable, and directly contradicts the express language and legislative intent of the Planning Commission and Board of Supervisors that adopted the LCP. Moreover, the County did not address the additional mandatory requirement of Policy 4.3.6.D.1 which mandates that the County shall protect existing affordable housing from loss from **"any other reason". This would include the voluntary, and**

*Approved by
15 July 2016*

without compensation, gifting of the public's deeded interest in the affordable units to private parties who would be significantly and monetarily benefited by the gift of the public's assets.

8. None of the current members of the Monterey County Board of Supervisors belonged to either the 1981 Board of Supervisors or the 1980 Planning Commission which approved the North County Land Use Plan Local Coastal Program. I belonged to both, and voted respectively on both for the North Monterey County LCP and its policies and its implementing zoning ordinances.

9. Resolution No. 16-009 amends Condition #99 from a permanent to a 20-year affordability term applicable to 161 of the 175 units and it requires no replacement for the loss of the 161 affordable homes. Such an action is clearly inconsistent with and in direct violation of the legislative intent and the mandates of the North Monterey County Local Coastal Plan Policy 4.3.6.D.1.

Dated: 15 July 2016 Signed: Marc Del Piero Marc J. Del Piero

DECLARATION OF MARC J. DEL PIERO IN SUPPORT OF APPEAL NO A-3-MCO-16-0017 - PAGE 2 OF 2

DATE: July 21, 2016
TO: California Coastal Commission
FROM: Appellant Jane Haines
SUBJECT: **Substantial issue** in Appeal No. A-3-MCO-16-0017

Appeal No. A-3-MCO-16-0017 raises **substantial issues** because:

1. Degree of legal support - the appeal is based on substantial evidence and law, unlike the challenged decision which is based on an erroneous interpretation of the North Monterey County Local Coastal Program, as shown by attached Exhibits A, B and C:
 - Attached Exhibit A (pgs. 2-4) is a 7/15/16 declaration by the Chair of the 1982 Monterey County Board of Supervisors. The declarant was an *author of the LCP*. He states under penalty of perjury that the rationale used on 1/26/16 to approve amendment of Combined Development Permit condition no. 99 violates “the clear and unambiguous mandates of the North County LCP.” (Exh. A, pg. 3.).
 - Attached Exhibit B (pgs. 5-6) is a 4/6/15 letter from Coastal planner Katie Butler to Monterey County stating that a decision to amend condition no. 99 of the CDP would “be *clearly inconsistent with the LCP and Coastal Act.*” (Emphasis added.)
 - Attached Exhibit C (pg. 7) contains LCP Policy 4.3.6.D.1 on which the appeal is based. The policy unambiguously states: “Monterey County *shall* protect existing affordable housing opportunities” and require replacement units. (Emphasis added.)
2. Scope of the challenged decision - amendment of CDP condition no. 99 for 161 affordable homes without requiring replacement units represents a ***\$48 million*** loss of affordable housing within the North Monterey County coastal zone. Attached Exhibit D (pg. 8.).
3. Significance of coastal resources - permanent loss of 161 affordable homes in the North Monterey County coastal zone violates the mandate of LCP Policy 4.3.6.D.1 (Exh. C pg. 7). Attached Exhibit E (pg. 9) describes the area’s acute need for affordable housing.
4. Precedent value of decision for future interpretations of the LCP - precedent set by impunity for egregious violation of mandatory LCP policy, as explained in Exhibits A, B and C.
5. Whether appeal raises statewide issues - *State law* requires the Coastal Commission to take “appropriate action” to ensure that CDP condition no. 99 (1994) does not expire during term of the Moro Cojo project. See Public Resources Code §30614 at Exhibit F (pg. 10).

DECLARATION OF MARC J. DEL PIERO IN SUPPORT OF COASTAL COMMISSION

APPEAL NO. A-3-MCO-16-0017

1. I am Marc J. Del Piero. I declare under penalty of perjury, pursuant to the laws of the State of California, that I have personal knowledge of the facts stated herein, that they are true and correct, and, if called upon, I will testify to the same. I am licensed to practice law in California (CA Bar #91644).

2. From 1981 until 1992, I served for three consecutive four year terms on the Monterey County Board of Supervisors as the elected county supervisor for North Monterey County. I was Chair of the Board when the North County Land Use Plan Local Coastal Program was adopted. Prior to my election to the Board of Supervisors, I served as a member of the Monterey County Planning Commission from 1978 until 1981. From 1979-1981, in my capacity as the Monterey County Planning Commissioner for North Monterey County, I was actively involved in drafting the North County LCP and its policies, both mandatory and discretionary policies. I served on the Planning Commission when we adopted the draft LCP and forwarded it to the Board of Supervisors. After my election to the Board of Supervisors, I personally continued to work directly on every policy and provision of the LCP, including drafting additional language to satisfy the requirements of the Coastal Act with lead Coastal Commission staff Les Strnad, until its' adoption by the Board of Supervisors. I participated in every public vote taken upon the LCP by a county agency.

3. I am very familiar with the LCP policies, including Policy 4.3.6.D.1 for low and moderate income housing. Policies in the LCP that incorporate the words "shall" or "will" are mandates and were intended by both the Planning Commission and the County Supervisors to be mandatory. Policy 4.3.6.D.1 states and mandates:

"1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

a) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.

b) Promote housing improvement and rehabilitation programs for low and moderate income persons in both owner-occupied and renter-occupied units.

c) Study relaxation of building code requirements and if appropriate adopt minimum building code regulations for the rehabilitation of older housing units.

d) Replacement affordable housing units shall be retained as low and moderate income units through deed restrictions or other enforceable mechanisms." (underlining added).

4. Based on my personal knowledge and deep involvement with the actual drafting, the legislative intent, and ultimate adoption of the North County LCP, and based on the facts stated herein, I conclude that Monterey County Resolution 16-009, adopted on January 26, 2016, is inconsistent with Policy 4.3.6.D. 1 and that Appeal No. A-3-MCO-16-0017 should therefore be granted to protect 161 units of existing affordable single family housing opportunities in the North County coastal area from loss. Pursuant to the mandates in Policy 4.3.6.D.1(a), no replacement units were provided by the County to replace the "affordable" unit that the Supervisors voluntarily converted to market rate units by their uncompensated (gifting) extinguishment to private parties of the public's deed restrictions mandating affordability limits on the subject units.

5. On January 26, 2016, the current Monterey Board of Supervisors voted 4-1 to approve an application by CHISPA, an affordable housing provider, to amend Condition #99 of the Combined Development Permit for the Moro Cojo affordable housing project in North Monterey County so that the permanent affordability restrictions on 161 of 175 single-family residences will terminate 20 years from the date of the first deed of conveyance of each property from the developers to the original owners of the units. Since most of the deeds were conveyed in 2000, that means most of the homes could be sold at market rate beginning in 2020.

6. The rationale used by the current Board of Supervisors for allowing conversion to market rate is stated in Finding #5 of Monterey County Resolution 16-009. It states that the definition of "conversion" in the language of Policy 4.3.6.D.1 is "open to interpretation" because, it states, Policy 4.3.6.D.1 contains no definition of "conversion" as applied to affordable housing. The finding then interprets Policy 4.3.6.D.1 according to the definition of "conversion" in California Government Code Article 10.7, Section 86690(g)(1), to mean "a change of a residential dwelling..., to a condominium, cooperative, or similar form of ownership; or a change of a residential dwelling ... to a nonresidential use" and concludes that since the 161 homes are not being converted to condominiums, cooperatives or similar forms of ownership, conversion to market rate would be consistent with Policy 4.3.6.D.1. Finding #5 states in relevant part: "...Therefore, being guided by the definition of conversion in Article 10.7, 'Low and Moderate-Income Housing in the Coastal Zone,' the requested amendment by CHISPA on behalf of the 161 single-family homeowners to replace the in-perpetuity affordability requirement with a 20-year term would not constitute a conversion and affordable replacement units are not required."

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without compensation, gifting of the public's deeded interest in the affordable units to private parties who would be significantly and monetarily benefited by the gift of the public's assets.

8. None of the current members of the Monterey County Board of Supervisors belonged to either the 1981 Board of Supervisors or the 1980 Planning Commission which approved the North County Land Use Plan Local Coastal Program. I belonged to both, and voted respectively on both for the North Monterey County LCP and its policies and its implementing zoning ordinances.

9. Resolution No. 16-009 amends Condition #99 from a permanent to a 20-year affordability term applicable to 161 of the 175 units and it requires no replacement for the loss of the 161 affordable homes. Such an action is clearly inconsistent with and in direct violation of the legislative intent and the mandates of the North Monterey County Local Coastal Plan Policy 4.3.6.D.1.

Dated: 15 July 2016 Signed: Marc Del Piero Marc J. Del Piero

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
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April 6, 2015

Luis Osorio
Senior Planner
Monterey County Resource Management Agency – Planning Department
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

Subject: *Negative Declaration for the Moro Cojo Subdivision Amendment (PLN120650)*

Dear Mr. Osorio:

Thank you for sending the Negative Declaration for the Moro Cojo Subdivision Amendment (PLN120650) for our review. The proposed amendment would change Condition No. 99 of the Combined Development Permit for the Moro Cojo Subdivision Project (SH93001 and SH93002), approved by the County on December 20, 1994. The proposed amendment would change the affordability requirement for 161 of the 175 units from perpetuity to a limited term of 15 years from the date of first sale. The original Combined Development Permit was appealable to the Coastal Commission because the subdivision was a conditional use in the high density residential zoning district, and as such, any amendment to the permit is also appealable to the Coastal Commission. We would like to provide the following comments on the proposed change and the Negative Declaration.

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In addition to the LCP requirements, the Coastal Act requires the Commission “to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit.” (PRC §30614) Commission staff believes that 161 units is a significant amount of housing for lower-income residents of North Monterey County and the loss of these units would be clearly inconsistent with the LCP and Coastal Act requirements to protect them.

}

B

Luis Osorio
Monterey County RMA – Planning Department
April 6, 2015
Page 2

Thank you for the opportunity to provide comments on this proposed change and Negative Declaration. If you have any questions or would like to discuss, please feel free to contact me at (831) 427-4863 or katie.butler@coastal.ca.gov.

Regards,



Katie Butler
Coastal Planner
Central Coast District Office

LOCAL COASTAL PROGRAM CERTIFIED JUNE 1982
MONTEREY COUNTY, CALIFORNIA

1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:
 - a) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.
 - b) Promote housing improvement and rehabilitation programs for low and moderate income persons in both owner-occupied and renter-occupied units.
 - c) Study relaxation of building code requirements and if appropriate adopt minimum building code regulations for the rehabilitation of older housing units.
 - d) Replacement affordable housing units shall be retained as low and moderate income units through deed restrictions or other enforceable mechanisms.
2. The County shall encourage the expansion of housing opportunities for low and moderate income households.
 - a) Re-evaluate ordinances and policies which impose constraints to low and moderate income housing opportunities.
 - b) Require employee housing as a condition of all permits related to additions to existing visitor facilities or the construction of new facilities. Such housing must be provided prior to or concurrent with the proposed development, and must be permanently linked to the visitor-serving use through appropriate binding guarantees.
3. The County shall provide where feasible, affordable housing through the continuing good faith and the diligent efforts by the public sector. The County will:
 - a) Establish a fund, from in-lieu fees, sales of land, and transfer payments, for direct assistance to low and moderate income proposals.
 - b) Protect the rights of both tenants and landlords with regard to housing issues.
 - c) Provide means to expedite projects which demonstrate innovative ways to implement housing policy.
4. Consider adopting comprehensive guidelines for farm labor housing in Monterey County including the North County coastal zone as a separate entity. This should include an analysis of existing conditions, i.e., social, economic, cumulative impacts, public health concerns, environmental impacts, etc., and programs for alleviating these problems and establishing acceptable housing. Annual inspections should be required by Health and Building Departments of all units approved, by the Planning Commission and Building Departments, as farm labor housing.
5. Development of farmworker and non-farmworker cooperatives should be encouraged at appropriate locations and at site densities designated in the plan for residential use of an area.
6. The trailer and mobile home exclusion districts in the County Zoning Ordinance should be repealed to increase affordable housing opportunities and increase access to the Coastal Area for low and moderate income families.

E. Commercial and Visitor-Serving Facilities

risk units is estimated at \$8,807 per month or \$105,684 annually. Providing this level of subsidies for at least 55 years would require approximately \$12,106,000.¹⁷ The feasibility of this alternative is highly dependent upon the availability of reliable funding sources necessary to make rent subsidies and the willingness of property owners to participate in the program.

Table 26: Rental Subsidies Required

Total Units	Fair Market Rent ¹	Household Size	Very Low Income (50% AMI) ²	Affordable Cost – Utilities ³	Monthly per Unit Subsidy	Total Monthly Subsidy
5	\$1,814	4	\$35,950	\$899	\$915	\$4,575
4	\$2,029	5	\$38,850	\$971	\$1,058	\$4,232
9						\$8,807

Notes:

1. Fair Market Rent (FMR) is determined by HUD, 2015.
2. Monterey County 2014 Area Median Household Income (AMI) limits set by the California Department of Housing and Community Development (HCD) – see Table 22.
3. Affordable cost = 30 percent of the AMI, minus utilities for rentals– see Table 22.

Purchase of Affordability Covenants

Another option to preserve the affordability of the at-risk project is to provide an incentive package to the owner to maintain the project as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, providing a lump-sum payment, and/or supplementing the rents to market levels. The feasibility of this option depends on whether the complex is too highly leveraged. By providing lump sum financial incentives or ongoing subsidies in rents or reduced mortgage interest rates to the owner, the County can ensure that some or all of the units remain affordable.

Construction of Replacement Units

The construction of new low income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends upon a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, land costs, and type of construction. Based on historical developments trends, the estimated total cost to develop replacement units would be approximately \$300,000 to \$350,000 per unit.¹⁸ This estimate represents only a general estimate. Actual cost would depend on many factors, including existing site conditions, zoning, number of units to be constructed, unit size, and amenities, among others.

¹⁷ Estimated based on an annual inflation rate of 2.5 percent over 55 years.

¹⁸ This estimate is similar to the per-unit development cost for a recent affordable housing project by the HACM. The development of the 171-unit Tynan Village in Salinas by the HACM required over \$51 million from various funding sources, averaging to over \$300,000 per unit.

$$\begin{array}{rcl}
 300,000 & \times & \\
 161 & = & \\
 \hline
 48,300,000 & * &
 \end{array}$$

From: Spaur, David x5387
Sent: Wednesday, September 09, 2016 1:08 PM
To: Novo, Mike x5192; Connolly, Luke T. x5173; Osorio, Luis x5177
Subject: Planning Commission- In Summary

Sorry I can't make it.

I have an Econ Committee meeting at 1:30 pm

A couple of points of clarification should be shared with the PC members.

1. We do have affordable housing units in perpetuity (apartments) restricted in perpetuity as affordable rental housing.
2. We typically don't restrict single family housing past the 30 year mortgage period and if paid off then released from all restrictions.
3. We have a high demand for affordable single family housing units right now and not enough units available. We have 172 families on the wait list and 114 on our lottery list.
4. We just purchased and sold a deed restricted single family home and had too many qualified buyers with a capped sale price of \$329,000. Demand is high.
5. We need to encourage more affordable units and not reduce the number of units (Moro Cojo) we should require a replacement with an equal number of units (apartments or single family).
6. We would agree with removing the "in perpetuity requirement" and adding a reasonable period of time, typically 30 years. If CHISPA will take 10 years to build more units plus the 15 years requested by CHISPA that would equal the 25 year "affordability restriction."

Best Regards,

David L. Spaur, CECD, EDFP
Economic Development Director
County of Monterey
168 W. Alisal St. Salinas, CA
o: (831) 755-5387
c: (916) 990-5789



Section 30614. (Added by Stats. 2002, Ch. 297, Sec. 1.)

Cite as: Cal. Pub. Res. Code §30614.

(a) The commission shall take appropriate steps to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit.

(b) Nothing in this section is intended to retroactively authorize the release of any housing unit for persons and families of low or moderate income from coastal development permit requirements except as provided in Section 30607.2.

Recipient Information

To: Brian O'Neill
Company: California Coastal Commission
Fax #: 8314274877

W/6c
faxZERO.com
send a fax for free

Sender Information

From: Andrew Allison
Email address: allison.aa@gmail.com (from 99.162.78.104)
Phone #: 8316264361
Sent on: Monday, August 1 2016 at 9:27 PM EDT

Re: Appeal No. A-3-MCO-16-0017 The Jan. 26, 2016, decision by the Monterey County Board of Supervisors (Parker dissenting) to amend the affordability requirement that keeps 161 homes in the Castroville area coastal zone permanently was clearly illegal. By law, their affordability status may not change unless the Board of Supervisors acts consistently with the 1982 North Monterey County Local Coastal Program. It states that Monterey County shall protect affordable housing in the North County coastal zone and, if for any reason the affordable housing must be converted, replacement units shall be required. Despite that mandate, the supervisors voted to amend the permanent affordability restriction at the Moro Cojo project so it will terminate in 2020, and they required no replacement units. As a Monterey County resident, I respectfully request you to read important information at pages 78-90 of the staff report in connection with the criteria for finding "substantial issue." That information, which demonstrates why the Coastal Commission should reject staff's recommendation for the Aug. 10 hearing and instead vote to find "substantial Issue" was omitted from the body the staff report. There is a critical shortage of affordable housing in Monterey County, and there should be no question of removing any of what little stock there is. cc'd to Staff Andrew Allison 25420 Via Cicindela Carmel, CA 93923

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COASTAL COMMISSION

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W16c

From: Brian Ackerman [info@whispercharters.com]

Sent: Sunday, July 31, 2016 11:40 AM

To: Turnbull-Sanders, Effie@Coastal; Bochco, Dayna@Coastal; Luevano, Mary@Coastal; Mitchell, Wendy@Coastal; Shallenberger, Mary@Coastal; Vargas, Mark@Coastal; McClure, Martha@Coastal; Kinsey, Steve@Coastal; Groom, Carole@Coastal; Howell, Erik@Coastal; Uranga, Roberto@Coastal; Cox, Greg@Coastal

Cc: brian.oneill@coastal.ca.gov

Subject: Appeal No. A-3-MCO-16-0017

Dear Commissioner,

I'm a Monterey County resident. I respectfully request you to read important information at pages 78-90 of the staff report in connection with the criteria for finding "substantial issue." That information is not mentioned elsewhere in the staff report but is important. It will show you why the Coastal Commission should reject staff's recommendation for the Aug. 10 hearing and instead vote to find "substantial Issue."

Sincerely,
Brian Ackerman

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CLERK OF SUPERIOR COURT
MONTEREY COUNTY

W16c

Chapman, Diana@Coastal

From: Michael Smith <cwo4smith@gmail.com>
Sent: Wednesday, August 03, 2016 7:20 PM
To: Kinsey, Steve@Coastal
Cc: Chapman, Diana@Coastal
Subject: Fwd: Appeal No. A-3-MCO-16-0017

**Representative identical email
letter sent to each
Commissioner.**

Dear Mr. Kinsey,

I'm a Monterey County resident.

I respectfully request you to read important information at pages 78-90 of the staff report in connection with the criteria for finding "substantial issue."

That information is not mentioned elsewhere in the staff report but is important.

It will show you why the Coastal Commission should reject staff's recommendation for the Aug. 10 hearing and instead vote to find "substantial Issue."

Very respectfully,

Michael J. Smith, CWO4, USNR(Ret.)
691 Jessie Street
Monterey, CA 93940
831 324 4782

Chapman, Diana@Coastal

W16c

From: MARGIE17K@aol.com
Sent: Wednesday, August 03, 2016 5:26 PM
To: Chapman, Diana@Coastal
Subject: Fwd: W16c - Appeal No. A-3-MCO-16-0017

RESPRESENTATIVE FORM
LETTER RECEIVED FROM
SEPARATE INDIVIDUALS 4

Diana,
Resending to you since the "v" was dropped off in first sending this morning.
Apologies.
AOL does not allow me to send to Brian so his instructions were to send to you.
Margie Kay

From: MARGIE17K@aol.com
To: Steve.Kinsey@coastal.ca.gov
CC: Effie.Turnbull-Sanders@coastal.ca.gov, Dayna.Bochco@coastal.ca.gov, Mary.Luevano@coastal.ca.gov, Wendy.Mitchell@coastal.ca.gov, Mary.Shallenberger@coastal.ca.gov, Mark.Vargas@coastal.ca.gov, Martha.McClure@coastal.ca.gov, Carole.Groom@coastal.ca.gov, Erik.Howell@coastal.ca.gov, Greg.Cox@coastal.ca.gov, Diana.Chapman@coastal.ca.gov
Sent: 8/3/2016 10:19:10 A.M. Pacific Daylight Time
Subj: W16c - Appeal No. A-3-MCO-16-0017

A-3-MCO-16-0017 (Moro Cojo Affordable Housing CDP Amendment)

California Coastal Commissioners,
Please find **"Substantial Issue"** and **uphold the certified land use plan.**
I live in the North Monterey County coastal zone 5 miles from the Moro Cojo subdivision homes that received a statement of overriding considerations for approval due to the acute need for affordable housing that still exists and **respectfully request you read pages 78-90 of the staff report** in connection with the criteria for finding "substantial issue." That information is not mentioned elsewhere in the staff report but is important and will show you why the Coastal Commission should reject staff's recommendation at the Aug. 10 hearing and instead **vote to find "Substantial Issue."**
Margie Kay

W16c ✓
JEAN RASCH

ATTORNEY AT LAW

3855 VIA NONA MARIE, SUITE 204B
CARMEL, CALIFORNIA 93923

Telephone: 831-625-3200
E-Facsimile: 1-650-324-2764
jean@jeanrasch.com

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COASTAL COMMISSION

August 5, 2016

Coastal Commission

Re: Moro Cojo Revision of Affordability Restrictions

Dear Coastal Commission:

I support the appeal of Jane Haines against the lessening of affordability restrictions of the Moro Cojo neighborhood as currently proposed.

Maintaining affordable housing is a crucial need in our county. Awarding a winfall to a few homeowners, while not replacing the stock of affordable housing in Monterey County, makes no sense at all at this time when we have homeless people in every community camped out in our parks and highway on-ramps. We need MORE affordable housing, not less.

Monterey County has a land use policy seeking to provide affordable housing. The Coastal Commission should uphold this policy and at a minimum require replacement of the housing stock one for one. Without replacement housing absolutely insured, the proposed revisions should be rejected.

The proposed revisions, if allowed, may set an unfortunate precedent for conversion of other low income housing, at a time, again, when we need more affordable housing, not law suits over allowing participants to benefit at the expense of the broader community, a community which is struggling with the intense need to expand the low income housing stock.

Sincerely,



Jean Rasch
Attorney at Law

JR/



CCA

CENTER FOR COMMUNITY ADVOCACY
CENTRO DE ABOGACÍA DE LA COMUNIDAD

Main Office: 22 West Gabilan Street
Salinas, CA 93901

Phone: (831) 753-2324 • Fax: (831) 753-0141

W16c

DEDICATED TO IMPROVING FARMWORKER HEALTH & HOUSING BY
TRAINING FARMWORKERS TO HELP THEMSELVES

August 5, 2016

Steve Kinsey, Chair
California Coastal Commission
3501 Civic Center Drive, Suite 329
San Rafael, CA 94903

VIA EMAIL

RE: Appeal A-3 MCO 16-0012
Moro Cojo

Dear Mr. Kinsey:

The Center for Community Advocacy (CCA) supports the Coastal Commission staff's recommendation that this matter poses no substantial issue.

CCA has, for several years, energetically supported the efforts of 165 home owner, farmworker families who seek the removal of an onerous "perpetuity" restriction from their deeds; a restriction which was imposed 15 years ago under threats from people who did not want farmworkers living close to them (NIMBYs) and a restriction which has proven to be inequitable and unfair in its application. The restriction has saddled the farmworkers, all of whom reside in a community known as "Moro Cojo", with high interest rates (sometimes double the market rate) on their mortgages and has made it difficult to access home equity to finance repairs to their homes and to finance their children's education.

CCA is a farmworker housing advocacy group. CCA organizes farmworkers at housing sites and trains them to engage in concerted activity aimed at improving the quality of housing available to farmworkers and other low-income working families in the Salinas and Pajaro valleys. We strive to both improve the existing stock of housing (by training tenants to engage in escalating actions against their landlord, including rent strikes) and to increase the stock of farmworker housing (by partnering with housing developers to help them build new, affordable units). In both endeavors, we seek to uphold one true value: that farmworkers and other low-income working families must be treated respectfully and equitably.

In the instant matter, the "perpetuity" deed restriction imposed on 165 farmworker homeowners in "Moro Cojo" has the consequence of treating those farmworkers inequitably and unfairly when compared to other homeowners in Monterey County, including other low-income homeowners who, like the 165 farmworkers, built their own homes under a "self-help" program funded by the United States Department of Agriculture (it is this self-help nature, where farmworkers, themselves, build their own homes after working all day in the agricultural fields that makes the homes affordable). No other such housing project has the same restriction as "Moro Cojo". The County of Monterey, realized this inequity and took action to modify the perpetuity

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restriction and replace it with the customary 20 year restriction that attaches to all similar projects. The Monterey County Board of Supervisors did so on a 4 to 1 vote after years of study, conferences, research and hearings. Moreover, the Board of Supervisors came to its conclusion based upon the recommendation of County staff, including housing development staff and staff from County Counsel.

CCA contends that the County of Monterey acted well within its authority to modify the subject deed restriction. The Coastal Commission staff agrees.

When all is said and done, the Commission is faced, on one side, with a community of 165 farmworker families who reside in the Salinas Valley and who have the support of the region's premier affordable housing developer (CHISPA), the region's premier farmworker housing advocate (CCA) and the nation's premier Latino, social justice organization (LULAC). On the other side are a handful of folk and organizations whom all reside on the Monterey Peninsula, who have never worked in the agricultural fields and who have tenuous connections, if any, to the farmworker community and to the affordable housing sector.

CCA believes that both legal authority and the equities underlying this case support the Coastal Commission staff's recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Juan Uranga', with a stylized, cursive script.

Juan Uranga
Executive Director and Attorney at Law

W16c

North Monterey County LULAC

LEAGUE OF UNITED LATIN AMERICAN CITIZENS

P.O. Box 1359, Castroville, CA 95012



*President
Diana Jimenez*

*1st Vice
President
Martha
Chavarria*

*2nd Vice
President
Adriana
Mendoza*

*Secretary
Stephanie Ortiz*

*Treasurer
Elsa Jimenez*

*Scholarship
Chair
Valerie Bigham*

*Scholarship
Vice Chair
Sally Childs*

April 23, 2014

The Honorable Louis Calcagno, Chair
Monterey County Board Of Supervisors
The Honorable Jose Mendez, Chair
Monterey County Planning Commission
168 W. Alisal Street,
Salinas, CA 93901

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SUBJECT: Moro Cojo Subdivision- Deed Restrictions

Dear Supervisor Calcagno, Members of the Board of Supervisors, and Planning Commissioners:

The NMC LULAC Council strongly supports CHISPA's application to modify Rancho Moro Cojo's resale deed restrictions from a term of perpetuity to a term of 15 years, and that these changes apply to all the 175 single-family home owners.

In 2004, we wrote a letter urging the Board to not approve deed restriction policies that have a lifetime affect on low-income homeowners and their children, and that the County establish a policy that resale deed restriction affecting inclusionary housing units should not exceed a reasonable time period such as ten years; we continue to support these policy changes.

We believe implementing lifetime deed restrictions whereby low-income homeowners like Moro Cojo residents are permanently limited to the amount of money they can sell their property for are discriminatory in practice. The lifetime deed restrictions does not afford a low-income minority group the same economic growth privileges and opportunities associated with homeownership that their neighbors have, marginalizes forever an already economically disadvantaged community, and creates a casting system for the current homeowners and their children.

All of Moro Cojo homeowners deserve the same privileges and opportunities afforded to all of us who are home owners. This includes: refinancing to take advantage of low interest rates; helping to pay for our children's education, assisting our children buy their own home, and gaining economic growth and power as the economy improves.

Thank you for the opportunity to express our concerns and recommendations, and for your consideration of this important public issue.

Respectfully,

Diana Jimenez
NMC LULAC President



THE LEAGUE
OF WOMEN VOTERS
of Monterey County

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W16c

August 3, 2016

Steve Kinsey, Chair of the California Coastal Commission
3501 Civic Center Drive, Suite 329
San Rafael, CA 94903-4193

Subject: August 10, 2016 California Coastal Commission Hearing Appeal A-3-MCO-16-0012
(Moro Cojo Affordable Housing CDP Amendment)

Dear Mr. Kinsey:

The League of Women Voters of Monterey County requests the California Coastal Commission find "substantial issue" in the above-referenced appeal of the January 26, 2016 Board of Supervisors decision (Parker dissenting) to terminate permanent affordability on 161 Moro Cojo homes. The decision amends existing condition no. 99 of the Moro Cojo Coastal Development Permit, so that instead of the homes being permanently affordable, they may be sold at market rate 20 years from date of purchase. Since most of the homes were purchased in 1999-2000, it means that in most cases, Moro Cojo homes which are currently affordable to low income families will become unaffordable when they change to market rate four years from now, in 2020.

Coastal Commission staff has recommended the Commission find NO substantial issue. The staff report (p. 17, paragraph 5) characterizes the appeal as raising only a fact-specific situation involving financing of affordable home ownership through sweat equity and long-term ramifications relating to the structuring of that financing which is unlikely to be a recurrent issue in other parts of the region or State. An examination of the appeal belies staff's characterization.

The appeal challenges the impending loss of affordable housing at the Moro Cojo project in North Monterey County. Public Resources Code §30614, subdivision (a), provides the legislature's guidance to the Coastal Commission regarding when a coastal development permit protecting existing affordable housing gets amended. Subdivision (a) of Section 30614 states:

(a)The commission shall take appropriate steps to ensure that coastal development permit conditions existing as of January 1, 2002, relating to affordable housing are enforced and do not expire during the term of the permit. (Public Resources Code §30614,(a).)

P.O. BOX 1995, MONTEREY, CALIFORNIA 93942 831•648•VOTE

Condition no. 99 of the Moro Cojo coastal development permit relates to affordable housing and existed prior to 2002. On January 26, 2016, Monterey County amended condition no. 99 to end permanent affordability restrictions on 161 Moro Cojo homes. Commission staff takes the position that Public Resources Code §30614 is inapplicable to the appeal because it is not one of the grounds for appeal under Public Resources Code §30603. Nonetheless, §30614 demonstrates that preservation of existing affordable housing is of statewide concern because the legislature wants the Commission to take appropriate steps when amendment of a coastal development permit condition will affect such housing. Thus, Appeal A-3-MCO-16-0017 raises an issue of statewide concern.

The appeal alleges blatant violation of North Monterey County Land Use Plan policy 4.3.6.D.1, which states:

1. The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

- a) Discourage demolitions, but, require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.*
- b) Promote housing improvement and rehabilitation programs for low and moderate income persons in both owner-occupied and renter-occupied units.*
- c) Study relaxation of building code requirements and if appropriate adopt minimum building code regulations for the rehabilitation of older housing units.*
- d) Replacement affordable housing units shall be retained as low and moderate income units through deed restrictions or other enforceable mechanisms.*

The appeal rests on three bases: (1) inconsistency with North County Land Use Policy 4.3.6.D.1, (2) failure to meet criteria for amendment a final subdivision map set forth in Monterey County Coastal Subdivision Ordinance Section 19.08.015, and (3) the requirement of Public Resources Code §30614. Those bases go far beyond a "fact-specific situation involving financing of affordable home ownership." Those three bases address the same issues which the California Legislature and courts consider to be of statewide concern.

The League of Women Voters supports measures which would ensure an adequate supply of affordable housing. We recognize that the scarcity of affordable housing constitutes a crisis. Appeal A-3-MCO-16-0017 challenges amendment of a coastal development permit that will result in excluding 161 Monterey County low-income households from future opportunity to own a decent home.

Thank you for your consideration.

Sincerely,

s/ Janet Brennan
Janet Brennan
President

c: brian.o'neill@coastal.ca.gov

W16c



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VENTANA
CHAPTER

FOUNDED 1963

July 31, 2016

Steve Kinsey, Chair, and California Coastal Commission
3501 Civic Center Drive, Suite 329
San Rafael, CA 94903-4193

Re: Coastal resource protection in Appeal No. A-3-MCO-16-0017

Dear Chair Kinsey and Coastal Commission,

The Ventana Chapter of the Sierra Club respectfully disagrees with staff's analysis that the above-referenced appeal raises NO substantial issue pertaining to the significance of coastal resources affected by the appealed decision (Appeal Report, pgs. 16-17.)

Pages 7-8 of the Appeal Report explain that protection of coastal resources was the basis for Sierra Club's 1995 appeal of the Moro Cojo project. The 1995 Commission recognized the project caused significant impacts to coastal resources (groundwater and environmentally sensitive habitat), yet found NO substantial issue anyway, in order that the project could provide badly needed affordable housing in North Monterey County. Pages 7-8 of the Appeal Report state:

Following the County's approval of CDP SH93001, the Sierra Club and David Green appealed that approval to the Commission on a variety of issues. Staff recommended that the Commission find that a substantial issue existed with regard to the project's conformance with LCP policies related to the protection of groundwater and environmentally sensitive habitat areas (ESHA). During the substantial issue hearing on February 9, 1995, the Commission's discussion was focused almost entirely on the public benefit of affordable housing, despite the recognized environmental concerns. Chair Williams noted the "tension between environmental community and those of us who support low-income housing." Commissioner Stevens recognized that the environmental concerns were "not insignificant," but ultimately supported the project "with some reluctance." Commissioner Giacomini stated that the environmental impacts were "undeniably a substantial issue," but supported the project due to "social public policy." Commissioner Karas (who was also a Monterey County supervisor at the time) urged a finding of No Substantial Issue because "[t]here's never been one affordable housing unit in North Monterey County in the 11 years I have sat on the board and by God we now have the opportunity to do it, so let's do it." Consequently, the Commission determined that the

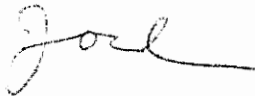
To explore, enjoy, preserve and protect the nation's forests, waters, wildlife and wilderness

appeal did not raise a substantial issue of conformance with the LCP by an 8-2 vote and the local approval became effective.

Yet the current Appeal Report recommends NO substantial issue when that same badly needed affordable housing is terminated at the very same Moro Cojo project that harmed coastal resources in the first place.

The Ventana Chapter of the Sierra Club requests the Commission to reject the Appeal Report's recommendation to find NO significant issue, and instead **find substantial issue** in order that this appeal may proceed to hearing.

Sincerely,



Joel Weinstein, Chair
Ventana Chapter, Sierra Club

Copy: Brian O'Neil
California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95016

W16c

I respectfully request that the Addendum present my 8/4 letter and the 8/2 letter from LandWatch, the 7/31 letter from Sierra Club, and the 8/3 letter from League of Women Voters in adjoining order as follows:

1. Jane Haines 8/4 letter
2. LandWatch 8/2 letter
3. Sierra Club 7/31 letter
4. League of Women Voters 8/3 letter

My 8/4 letter refers to the 8/2, 7/31, and 8/3 letters in that order, so to make sense of my letter, Commissioners will need to access the three referenced letters.

I also request these letters be placed in the Addendum before letters supporting the finding of no substantial issue, to balance the effect of presenting my correspondence last (Exhibit 9) in the Appeal Staff Report.

Sincerely,
Jane Haines, Appellant

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AUG 08 2016

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COASTAL COMMISSION

Jane Haines

601 Ocean View Boulevard, Apt. 1 PACIFIC GROVE CA 93950

janehaines80@gmail.com
Tel (831) 375-5913

August 4, 2016

Steve Kinsey, Chair, and the California Coastal Commission
3501 Civic Center Drive, Suite 329
San Rafael, CA 94903-4193

Re: August 10 Hearing Agenda Item 16c - Appeal No. A-3-MCO-16-0017 (Moro Cojo Affordable Housing Monterey County) - Precedent for Future Interpretations of LUP Policy 4.3.6.D.1

Dear Chair Kinsey and the California Coastal Commission:

I respectfully request the Coastal Commission to find substantial issue in my appeal of Monterey County granting an amendment of the CDP for the Moro Cojo affordable housing project to reduce the term of affordability for 161 single-family homes from permanent to 20 years from date of purchase on the grounds that the precedent set by the amendment will allow additional affordable homes at the Moro Cojo project¹ (as well as other North Monterey County coastal affordable homes) to be converted to market rate homes without replacement, contrary to LUP Policy 4.3.6.d.1, and on the additional grounds explained in the below-listed letters to the Commission which address issues not mentioned in the Appeal Staff Report:

- **LandWatch Monterey County, 8/2/16 letter.** Factor: the **extent and scope** of the appealed decision. LandWatch shows the decision has financial consequences of \$48 million and will substantially worsen Monterey County's affordable housing crisis.
- **Sierra Club, 8/1/16 letter.** Factor: the Moro Cojo project's substantially harmful **effect on coastal resources** which the 1994 Commission felt should be sacrificed in order to provide affordable housing.
- **League of Women Voters, 8/2/16 letter.** Factor: **local vs. statewide public policy.** The LWV shows that protection of affordable housing is not only a local issue, but is a statewide issue which the legislature addressed in Public Resources Code § 30614.

The precedent set by the County's interpretation of "converted units" is a substantial issue because other North County affordable housing projects could follow this decision and seek conversion, without replacement units, contrary to LUP Policy 4.3.6.d.1 which states:

¹ The Appeal Staff Report mistakenly states that the Moro Cojo subdivision includes 161 single-family residences and 14 multi-family units (Pg. 6.) That's incorrect. The Moro Cojo subdivision includes 175 single-family residences, even though the application to terminate affordability pertained to only 161 single-family residences. (Appeal Staff Report Exhibit. 5, finding no. 1.) Thus, the Moro Cojo subdivision contains 14 single-family units and 14 multi-family units *in addition to* the 161 affected by Monterey County's 1/26/16 decision.

1.The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:

- 1.Discourage demolitions, but, ***require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.***
- 2.Promote housing improvement and rehabilitation programs for low and moderate income persons in both owner-occupied and renter-occupied units.
- 3.Study relaxation of building code requirements and if appropriate adopt minimum building code regulations for the rehabilitation of older housing units.
- 4.Replacement affordable housing units shall be retained as low and moderate income units through deed restrictions or other enforceable mechanisms. (Emphasis added.)

The precedent set by the County's interpretation of "converted units" to refer ***not*** to conversion from affordable to market rate ***but rather*** to refer to converting from a residential use to a nonresidential use or change in the form of ownership, such as a residential dwelling to a condominium or cooperative, is an interpretation the County used to avoid requiring replacement units. It ***is*** a substantial issue because it sets a precedent that other North Monterey County affordable housing projects can use to avoid the requirement for replacement units.

For example, the Moro Cojo project contains 28 affordable units excluded from the subject application for CDP amendment. The precedent set in this case will allow those 28 units also to be converted from affordable to market rate without the County requiring replacement on a one by one basis, as Policy 4.3.6.d.1 requires.

The County allowed the applicant to use the Mello Act definition of "conversion," defined as units that undergo a change from a residential use to a nonresidential use or change in the form of ownership, such as a residential dwelling to a condominium or cooperative. Using this definition, rather than conversion referring to changing from affordable to market rate, eliminated the requirement for replacement units.

The use of the Mello Act definition is unreasonable because:

1. The Mello Act was enacted ***after*** the County submitted the LUP to the Commission for certification of the North County LUP; the County thus could not have intended the Mello Act definition of "converted units,"
2. The ***plain meaning*** of Policy 4.3.6.D.a is that when affordable units are lost ***for any reason***, replacements are required on a one by one basis.
3. The 7/15/16 Declaration of Marc Del Piero, Chair of the Monterey County Board of Supervisors when the North County LCP was adopted, and who is acknowledged on page iii of the LCP as one of its authors, states the ***"applicable zoning classifications in the North County LCP area, which I also voted upon in my capacity as the County Supervisor for North Monterey County, the North County LCP and its' zoning does not allow condominiums in the applicable land use classifications for the subject single family units. Further, the property was already subdivided into separate single family lots***

pursuant to the zoning ordinance. Thus, the 'creative, but tortured' definition of 'conversion' that the County wrongfully relied upon to violate the clear and unambiguous mandates of the North County LCP is clearly inapplicable, and directly contradicts the express language and legislative intent of the Planning Commission and Board of Supervisors that adopted the LCP. Moreover, the County did not address the additional mandatory requirement of Policy 4.3.6.D.1 which mandates that the County shall protect existing affordable housing from loss from 'any other reason.' This would include the voluntary, and without compensation, gifting of the public's deeded interest in the affordable units to private parties who would be significantly and monetarily benefited by the gift of the public's assets.' (Appeal Staff Report, Exh. 9, pgs. 3-5 of 15, emphasis in original.)

Accordingly, the County's interpretation sets a precedent that clearly raises a substantial issue.

On that basis, and also for reasons explained in the referenced letters, I respectfully request the Commission to find that Appeal No. A-3-MCO-16-0017 raises substantial issue.

Sincerely,

Jane Haines, Appellant

copy: brian.o'neill@coastal.ca.gov

W/6c



Post Office Box 1876
Salinas, CA 93902
www.landwatch.org
831-759-2824

August 2, 2016

Steve Kinsey, Chair, and the California Coastal Commission
3501 Civic Center Drive, Suite 329
San Rafael, CA 94903-4193

Re: August 10 hearing for substantial issue determination in Appeal No. A-3-MCO-16-0017

Dear Chair Kinsey and the California Coastal Commission:

On behalf of LandWatch, a community-based nonprofit organization with members from throughout Monterey County, this letter requests the Coastal Commission to find 'substantial issue' in Appeal No. A-3-MCO-16-0017. Providing affordable housing for local working families is one of LandWatch's *Five Basic Principles of Sound Land Use Policy*.

LandWatch policy supporting affordable housing for local working families guided our successful participation in the May, 2004 Monterey County Board of Supervisors hearing to interpret the Moro Cojo affordability requirements to include affordability for very low, low as well as moderate income households. Additionally, we submitted comments during the 2015 County hearings in opposition to the application to amend Condition No. 99 of the Coastal Development Permit for the Moro Cojo project. LandWatch believes the extent and scope of County's 1/26/16 decision has substantial financial and societal consequences.

Appeal Report Analysis of the 'Extent and Scope' of the 1/26/16 decision

The Appeal Report analyzes the "extent and scope" of the 1/26/16 decision solely in terms of environmental consequence. It states on page 17:

Second, in terms of the extent and scope of the amendment, the housing units for which the affordability condition will be amended are already fully built out; therefore, the amendment will not change the intensity of use of the site or otherwise result in any environmental impacts, but rather only affects to whom the current homeowners may sell. This factor tends to support a finding of no substantial issue with respect to the appeal.

Environmental consequences are of course important, but so are financial and societal consequences. The loss of a \$48 million asset and conversion of badly needed affordable homes are substantial financial and societal consequences of the 1/26/16 decision.

Substantial Financial Consequences

North Monterey County Coastal Land Use Policy 4.3.6.D.1.a requires replacement on a one by one basis when affordable units are lost. It states:

1. *The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. The County will:*

- a) *Discourage demolitions, but, **require replacement on a one by one basis of all demolished or converted units which were affordable to or occupied by low and moderate income persons.*** (Emphasis added.)

However, the 1/26/16 decision requires no replacement for the conversion of 161 affordable houses to market rate. Allowing the houses to convert to market rate without requiring replacement units represents loss of an asset valued at more than \$ 48 million dollars based on the estimated replacement cost of \$300,000 to \$350,000 per single replacement unit, stated in the 2015-2023 Monterey County Housing Element, page 39. (Multiplying 161 units times \$300,000 exceeds \$48 million dollars.)

Substantial Societal Consequence

The below 9/6/15 memorandum from Monterey County Economic Director David Spaur to the Monterey County Planning Commission explains the current need for affordable single family housing units in Monterey County: "high demand for affordable single family housing units right now and not enough units available. We have 172 families on the wait list and 114 on our lottery list...We just purchased and sold a deed restricted single family home and had too many qualified buyers with a capped sale price of \$329,000. Demand is high."

From:	Spaur, David x5387
Sent:	Wednesday, September 09, 2015 1:06 PM
To:	Novo, Mike x5182; Connolly, Luke T. x5173; Osorio, Luis x5177
Subject:	Planning Commission- In Summary

Sorry I can't make it.
I have an Econ Committee meeting at 1:30 pm

A couple of points of clarification should be shared with the PC members.

1. We do have affordable housing units in perpetuity (apartments) restricted in perpetuity as affordable rental housing.
2. We typically don't restrict single family housing past the 30 year mortgage period and if paid off then released from all restrictions.
3. We have a high demand for affordable single family housing units right now and not enough units available. We have 172 families on the wait list and 114 on our lottery list.
4. We just purchased and sold a deed restricted single family home and had too many qualified buyers with a capped sale price of \$329,000. Demand is high.
5. We need to encourage more affordable units and not reduce the number of units (Moro Cojo) we should require a replacement with an equal number of units (apartments or single family).
6. We would agree with removing the "in perpetuity requirement" and adding a reasonable period of time, typically 30 years. If CHSPA will take 10 years to build more units plus the 15 years requested by CHSPA that would equal the 25 year "affordability restriction."

Best Regards,
David L. Spaur, CECD, EDFP
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Terminating affordability of 161 single-family homes in the above-described situation has substantial human costs.

Conclusion

The extent and scope of the 1/26/16 decision to amend Condition No. 99 of the Coastal Development Permit for the Moro Cojo project results in substantial financial and societal consequences. LandWatch respectfully requests the Coastal Commission to find 'substantial issue' in Appeal No. A-3 MCO-16-0017 so consequences of the appealed decision may be examined in greater depth at a de novo hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. DeLapa". The signature is stylized with large, looped letters.

Michael D. DeLapa
Interim Executive Director
LandWatch, Monterey County

cc: Brian O'Neill, California Coastal Commission, Central Coast District Office