

# Land offer gets builders' support

## Housing 'all begins with land'

By CHELA ZABIN  
STAFF WRITER

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Not everyone will be impressed with Tony Franich's offer to the city of Watsonville — nine acres of land for affordable housing in return for the council's support of his proposed annexation — but two builders of affordable housing are giving it their support.

"It all begins with land," said Ed Moncrief, the executive director of the Salinas-based Community Housing Improvement Systems and Planning Association, "and there is very little land for housing development on the Central Coast generally." CHISPA is now building its first project in Watsonville — 42 low-income rental units on the 100 block of Main Street.

"That's the best way to make housing affordable," said Kathy Bernard, the director of the Pajaro Valley Affordable Housing Corporation.

Franich's offer, made in negotiations with a city subcommittee, was made public earlier this week. In a proposed agreement with the city, Franich will donate the land, plus some additional acres for a community park, in return for the city's support of the annexation of 72 acres along East Lake Boulevard.

Franich has been trying for about 10 years to annex the former apple orchard. His most

recent hurdle is the approval of an environmental impact report by the City Council. To approve the report, the council must find that there are social, economic or other benefits to the annexation that outweigh its potential negative impacts — the loss of agricultural land, exacerbation of the groundwater overdraft, and growth inducement.

City staff had recommended approval on the grounds that the city badly needs housing; but the decision was delayed last month after some council members demanded to know how much of the housing on the property would be affordable to low-income residents. A subcommittee was formed to work with Franich on the matter.

The city requires developers to make 25 percent of new development "affordable" under income guidelines set by the state. Many Watsonville residents aren't able to afford the "affordable" housing. Under Franich's proposal, the nine acres would be in lieu of the affordable housing.

Some housing advocates, notably the local League of United Latin American Citizens, have said they don't think agricultural land should be converted unless all the housing built there is affordable. LULAC representatives could not be reached for comment before

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press time.

But Moncrief said he thought the agreement was a good way for the city to create housing for its low-income residents. "It's certainly a major step forward," he said, explaining that it's very difficult for non-profit affordable housing agencies to find land on which to build.

Moncrief said CHISPA is in the midst of negotiating with the city of Salinas to build housing on seven donated acres in the proposed Williams Ranch Subdivision in East Salinas. The Salinas City Council will be voting on the matter Tuesday, he said.

Land acquisition accounts for about 20 percent of the total cost of CHISPA's projects, Moncrief said.

Bernard said the arrangement would be "extremely" beneficial to organizations like hers, especially since Franich has agreed to pay for many of the improvements. She said land has accounted for about one-third of the cost of her organization's projects.

She said that funding institutions would look favorably on a project to be built on donated land,

because of the display of city support it would represent. And, she said, land would be equity in the project.

Having free land would allow a non-profit to build housing for very low income people — people who wouldn't be able to afford the "affordable" housing that might get built under the city's inclusionary ordinance.

Bernard noted that when she read about Franich's offer, she said, "Go for it."

"To me it's sort of like a dream gift," she said.

Figures vary as to how many low-income housing units would be needed to solve the problem — some say as high as 2,000. When it collected applications for its 42 units, CHISPA received 1,100 applications.

Preliminary plans call for 180 to 270 housing units on the nine acres. Even the higher number wouldn't be enough to eliminate the city's overcrowding situation, although it could make a good dent in it.

The council is scheduled to review the agreement and make a decision on the matter at its Tuesday meeting. If approved, it will go on to the Local Agency Formation Commission, which has the ultimate say in the annexation.