



FINAL MEMORANDUM

To: Lisa Brinton, City of Salinas
From: David Zehnder, Ellen Martin, and Mark Polhemus
Subject: Alisal Housing Target Market Analysis
Date: July 3, 2018

The City of Salinas (City) engaged Economic & Planning Systems, Inc. (EPS) to perform a housing target market assessment, evaluating housing opportunities and challenges for the Alisal community, located in the eastern portion of the City.

The City is embarking on the Alisal Vibrancy Plan, a comprehensive community strategy to address issues and opportunities specific to the Alisal neighborhood. With substantial community participation, the Vibrancy Plan will develop and use strategies related to land use, urban design, circulation, infrastructure, parks, open space, public facilities, and safety to develop a plan to revitalize the community and generate sustained economic opportunities.

Alisal originated in the early 20th century as an outgrowth of the City, occupied mostly by foreign and domestic migrant laborers. Alisal has a storied history of political neglect and lack of physical and social investment. The Alisal remained an unincorporated Monterey County (County) growth area until 1963 when it was finally annexed by the City. Consequently, socio-economic limitations confronting the Alisal, including high levels of poverty, low levels of educational attainment, overcrowded housing, and crime, have constrained revitalization and planning efforts. To remediate the impacts created by decades of piecemeal planning and development, the City has undergone an ongoing 25-year effort to revitalize the community through local planning efforts, using federal US Department of Housing and Urban Development (HUD) funds to supplement community-based planning initiatives to improve safety, economic, and housing conditions.

At the same time, however, a housing crisis has taken shape across the State of California (State) that has particularly affected the Salinas Valley. At this time, more than ever, Alisal residents are forced to live in substandard and overcrowded housing conditions, often living in makeshift and illegal units or rooms. Like many communities

throughout the State, the City is seeking avenues to respond to severe housing shortages and to incentivize construction of housing products that meet the needs of the community, most particularly, vulnerable segments of the population. The City has completed several planning and related documents addressing housing production needs for the City generally and the Alisal specifically. The City's 2015-2023 Housing Element (Housing Element) and FY 2015-2019 Consolidated Plan (Consolidated Plan) specify issues, goals, and strategies related to housing needs, production, and assistance. Most recently, the City, along with several regional partners, has undertaken a comprehensive study of farmworker housing needs via the Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley (Farmworker Housing Study). Given the concentration of farmworkers living in the Alisal, the outcomes of the Farmworker Housing Study are highly relevant to this undertaking.

Making reference to and drawing policy recommendations from these and other City documents, this analysis looks at specific barriers, issues, and housing targets unique to the Alisal. This report builds on and in some cases tempers recommendations and strategies set forth elsewhere to identify specific strategies and target market segments appropriate for the Alisal and develops specific recommendations to improve housing outcomes for the Alisal community.

This Housing Target Market Analysis (HTMA) memorandum, therefore, seeks to understand the housing market conditions in the Alisal, evaluating socio-economic and real estate market conditions that define the product types and price points needed to serve the community, giving consideration to the availability of vacant and underutilized land to construct new housing. This analysis provides technical guidance for the Vibrancy Plan process, offering insight regarding socio-economic and demographic characteristics that influence housing circumstances and choices, underserved housing market segments, future housing demand, and the capacity of identified opportunity sites to accommodate efforts to increase housing supply in the Alisal. With this analysis as background, this memorandum concludes with a series of recommendations that may be considered and studied as part of the Vibrancy Plan process.

Key Findings

- 1. Existing conditions in the Alisal are crowded, substandard, and blighted.** The Alisal community demonstrates high levels of divestment, and little to no new housing product has been constructed over the last decade. Population densities are triple that of other communities in the region, and housing is vastly undersupplied.
- 2. Depressed socio-economic conditions contribute to cost-burdened households.** The vast majority of households in the Alisal are low income, and many households combine resources to afford housing. Alisal has high concentrations of low paid farmworker laborers, educational attainment is low, and crime and public safety are major issues.
- 3. The single-family home market has exhibited substantial turbulence over the past decade, but recovery over the last several years is leading to upward pressure on resale home prices.** Those residents that might seek home ownership opportunities in the Alisal often are priced out of the market by investors making all cash offers with the intent of offering the unit for rent. The lack of new supply of single-family residential product throughout the City contributes to low inventories and rising prices.

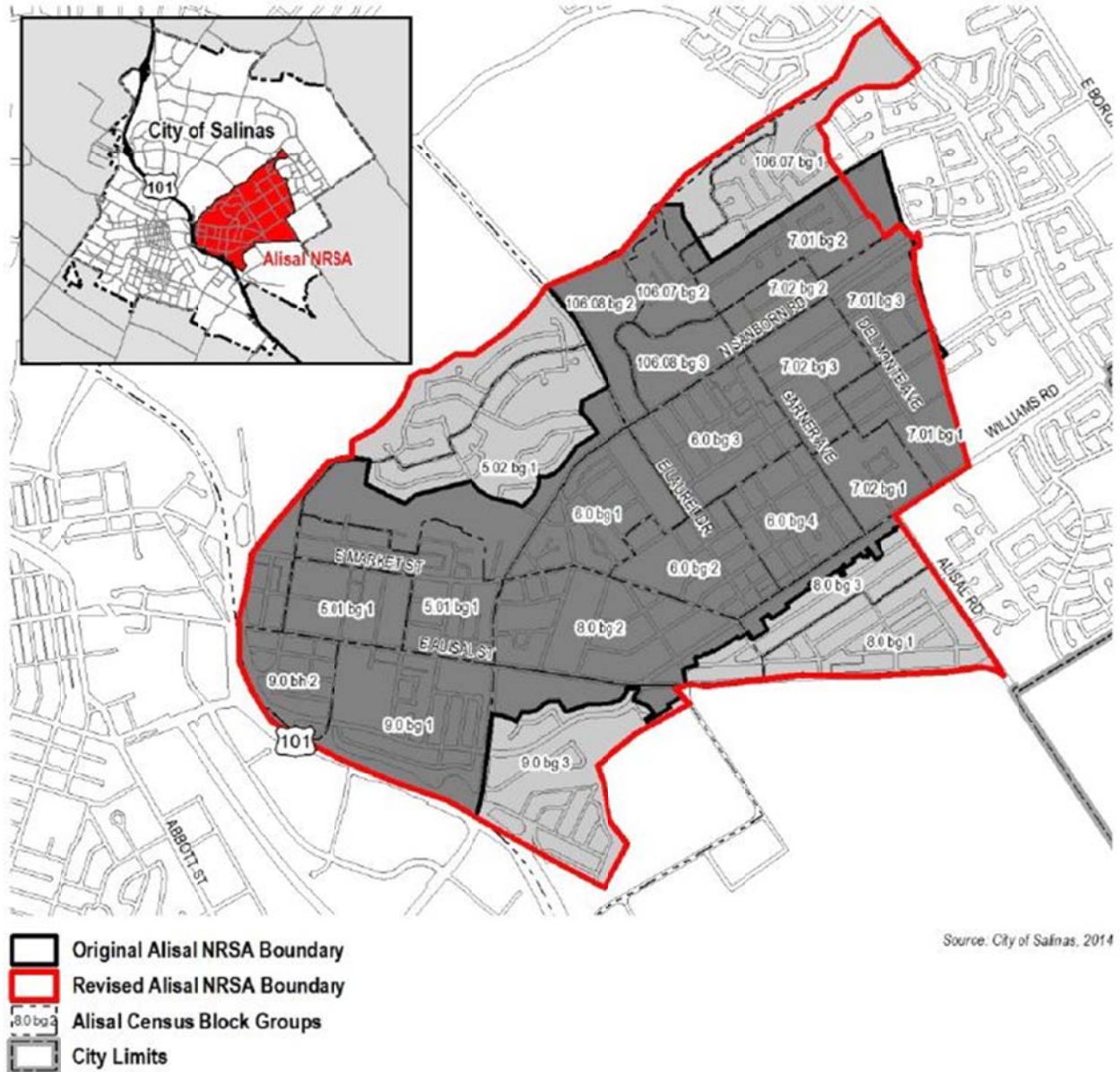
4. **Multifamily properties are characterized by extremely low vacancies and high lease rates, but inventory remains stagnant.** A risky investment climate and tight market offering guaranteed cash flows on existing rental properties discourage property owners from investing in their property, contributing to blighted conditions and revitalization challenges.
5. **There is a critical need for an increase in high-quality housing affordable to the prevailing income segments in the Alisal.** Assuming no major changes to the economic composition of Alisal residents, future population growth, as well as the existing resident base, is in dire need of improved housing opportunities, primarily in the form of affordable rental products and multigenerational offerings. Continued provision of workforce and market-rate units will be needed to ensure mixed-income housing opportunities. A major initiative to improve housing for the migrant farmworker community will be an important element of addressing housing supply.
6. **Efforts to increase access to housing will be constrained by the limited availability of land.** An analysis of opportunity sites identified in the Housing Element, windshield surveys, and interviews with real estate development professionals indicate a paucity of appropriately sized parcels adequate to accommodate the levels of new housing needed to serve existing and future residents.
7. **Existing land use patterns and inadequate public transportation systems will present challenges to intensification of land uses and increased housing production.** Congested roadway conditions in the Alisal are brought about by overcrowding, inadequate, infrequent, and inefficient bus routes, and suburban, automobile-oriented land use patterns. Increased housing production will rely on intensification of land use patterns, but those efforts must be supported by improvements to the public transit system such that currently congested and overcrowded conditions are not further exacerbated.
8. **Vibrancy Plan efforts should consider these housing market conditions and characteristics to develop land use and social strategies to improve housing outcomes.** This memorandum offers a series of recommendations for consideration as the Vibrancy Plan process moves forward. These recommendations will be refined as the community engages in the Vibrancy Plan process and City staff offer insight regarding implementable actions consistent with available staffing and financial resources.

Demographic and Socio-Economic Overview

The Alisal includes some of the most distressed residential neighborhoods in the City. The area has been designated as a HUD Neighborhood Revitalization Strategy Area (NRSA), which is a HUD mechanism that offers enhanced flexibility in undertaking economic development, housing, and public service activities with Community Development Block Grant (CDBG) funds. The Alisal NRSA was first established in 1993 and has been updated periodically to reflect its existing boundary, as shown in **Map 1**.

The City completed an update to the Alisal NRSA in 2015 (2015 NRSA Update) under requirements by HUD to reconfirm NRSA eligibility, to reflect the changing needs of the neighborhood, and to update the community's strategy and priorities for the area. The 2015 NRSA Update highlights the socio-economic challenges facing Alisal residents, including inadequate public infrastructure, high levels of unemployment, high levels of poverty, and violent

Map 1
Comparison of Existing and Proposed NRSA Boundaries



criminal activity. Data included in the 2015 NRSA Update highlight the socio-economic disparity between the Alisal NRSA and the City as a whole. A summary of challenges and issues contributing to challenged housing market conditions is provided below, drawing from the 2015 NRSA Update, in addition to recent EPS research. Supporting tables with figures are provided in **Appendix A** of this memorandum:

- **Low Income.** Alisal comprises a higher concentration of households that earn below the City’s median household income of approximately \$49,300. The 2015 NRSA Update indicates approximately 67 percent of households in Alisal earn below the City’s median household income; the median household income for Alisal is approximately \$35,600. In addition, data from the 2015 NRSA Update demonstrate that more than half of resident workers in Alisal

are employed in lower earning agriculture and retail industries; much greater than the City's resident workers as a whole (32 percent). This is significant because these two industries provide little to no benefits for its employees, further straining household budgets.

- **High Levels of Low-Wage Agricultural Employment.** As mentioned above, many Alisal workers are employed in the agricultural industry, characterized by low-wage seasonal jobs. While many Alisal residents are single, young men working as temporary farm labor and moving from community to community, most are married, year-round residents with minor children. In many cases, these laborers are living in substandard living conditions. Community linkages and transportation needs (i.e., carpooling) have contributed to a concentration of farm laborers housed in the Alisal.
- **Low Educational Attainment.** Nearly 65 percent of the Alisal population over the age of 25 lacks a high school diploma, compared to 39 percent citywide. The proportion of residents in Alisal with some college education or a college degree is less than half that at the citywide level (16 percent v. 38 percent).
- **High Population Density and Overcrowding.** According to the 2010 US Census, the Alisal has a household population density of 16,572 residents per square mile, which is far greater than that of the City as a whole (6,257 residents per square mile), and much greater density compared to other incorporated cities in Monterey and San Benito Counties. The average population density for all incorporated cities in the County is 3,906 per square mile. The Cities of Hollister and San Juan Bautista in San Benito County have a total household population density of 4,584 residents per square mile.¹ The Farmworker Housing Study reports that farmworker households consistently report severely crowded housing conditions, averaging 7 persons per dwelling unit, more than 2 persons per bedroom, and 5 persons per bathroom.
- **Primarily Non-English Speaking.** The 2015 NRSA Update indicates 62 percent of Alisal residents speak English "less than very well," and close to 90 percent of residents aged 5 years or older primarily speak Spanish at home. In addition, approximately 95 percent of the population in Alisal is Hispanic or Latino, compared to 75 percent for the City as a whole. Research from the State Office of Environmental Health Hazard Assessment demonstrates household and community linguistic isolation is a barrier to accessing or communicating with social service, educational, and medical care providers.
- **Substandard Housing Conditions.** Families and individuals in Alisal are living in crowded conditions to afford escalating housing expenses, and recent local news articles reveal there is an increasing number of residents living in structures that violate building codes and that are a danger to the health and welfare of the occupants. City Code Enforcement data suggest a majority of housing code violations for illegal occupancy, substandard housing, and work without a permit (e.g., illegal room conversions) are issued in ZIP Code 93905, composed mostly by the Alisal. As available housing becomes scarce in the City and

¹ This analysis is provided for household population because the County communities, including the City of Monterey, the City of Soledad, and the City have significant group quarter populations housed in university dorms, the County jail, or State prison facilities.

especially in the Alisal, individuals and families are forced to rent rooms or makeshift, illegal units.

For multiple reasons, including large family formation, high housing costs, and limited housing availability, the average household size in Alisal is high—4.99 persons per household as compared to 3.66 persons per household citywide. Despite the ability for large households to pool incomes, more than half of all Alisal households are considered cost burdened or severely cost burdened.² This is a severe issue that distresses more than half of Alisal residents because the excessive financial burden of high housing costs leaves little to no opportunity to save or invest money and advance economically.

- **Temporary Housing.** Several H-2A employers meet their employee housing requirements by leasing out motels to house workers, severely constraining the supply of motel units and providing a disincentive to revitalize and redevelop aging motel properties. In addition, efforts to confront substandard housing conditions are limited by the absence of readily available temporary housing, increasing the potential for displacement of current residents.
- **Farmworker Housing Needs.** The Farmworker Housing Study indicates that the Salinas and Pajaro Valley region needs more than 33,000 farmworker housing units to alleviate severe overcrowding, with a minimum of 4,300 units provided on a permanent affordable basis. Because most farmworkers are year-round residents supporting families, an overwhelming need for permanent farmworker family housing exists throughout the region.
- **Crime and Public Safety.** Crime in Salinas and especially in Alisal is a chronic issue that has been a source of continued concern for Alisal residents, the City, and the County. Problems relating to gangs are perpetuated by the City's proximity to the Salinas Valley State Prison and the Correctional Training Facility, both located in the County. The 2015 NRSA Update mentions gang associates and family members often move to cities like Salinas to be close to incarcerated gang members.

When coupled with social and economic disadvantages that characterize the community, this circumstance contributes to the growing issues of crime and violence. The 2015 NRSA Update included crime statistics for Alisal from 2010 to 2014, and EPS compared those statistics on a per-1,000-population basis to that of the City. Crime data for Alisal and the City indicate violent crimes (e.g., homicide, aggravated assault) and economic crimes (e.g., robbery, burglary, stolen vehicle) occurred at significantly higher rates in Alisal compared to the City. In 2010, 2012, 2013, and 2014, homicide rates per 1,000 population were between 95-percent and 194-percent greater in Alisal compared to the City as a whole.

Based on the information provided above, there are critical issues that cannot be mitigated by planning and housing strategies. Nevertheless, housing strategies for Alisal can be coordinated with socio-economic initiatives that address Alisal residents' access to basic services and amenities to alleviate household financial strain. For example, overarching efforts might include

² According to the federal government, when a household spends more than 30 percent of its income on housing, that household is considered cost burdened. A cost burden of between 30 percent and 50 percent is considered moderate; and payment in excess of 50 percent of income is considered severe cost burden.

access to affordable public transportation that links residents to employers and services and educational outreach and retraining efforts to help improve technical occupation and wages.

Within this context, however, it is important to consider the manner in which targeted housing strategies can contribute to creating economic opportunities, both through wealth creation and the mitigation of economic and environmental stressors brought on by poverty and housing insecurity. The remainder of this memorandum characterizes the existing housing market within these socio-economic realities; offers projections regarding housing needs, targeted income segments, and opportunity site considerations; and suggests avenues for further study as part of the Vibrancy Plan process.

Housing Market Assessment

Existing Housing Stock

The Alisal is an area of Salinas annexed from the County in 1963. More than 75 percent of the existing housing stock was constructed before 1979—in many cases, age and disinvestment have contributed to blighted and “semi-blighted” conditions. The real estate landscape is fairly mixed—well-tended neighborhoods transition quickly into more deteriorated conditions, and some neighborhoods exhibit severe blight and disrepair, with visibly crude and makeshift construction elements, abandoned vehicles, trash, and debris.

Overall land use patterns demonstrate characteristics often seen in unincorporated communities—the Alisal is sprawling and auto-oriented in nature; building heights generally are low but development intensity is high, parking is inadequate to accommodate the number of vehicles, and pedestrian- and bicycle-friendly facilities are substandard. Alisal lacks access to normal urban levels of infrastructure and public facilities—residents have limited access to open and green spaces, and a lack of viable public transit (i.e., inadequate frequencies, inefficient routes) shifts even more residents to automobile travel on already congested roadways.

According to the 2015 NRSA Update, a majority of the housing stock in Alisal comprises single-family detached units, followed by multifamily developments with 5 or more units. As shown in **Table 1**, Alisal’s housing is composed of a greater proportion of multifamily units compared to the City. In addition, there are a greater proportion of renter-occupied households in Alisal compared to the City. Approximately 68 percent of households in Alisal are renter-occupied and 32 percent are owner-occupied, whereas there are 45 percent renter-occupied households and 55 percent owner-occupied households citywide.

Revitalization Efforts to Date

The City and other organizations have committed substantial resources to Alisal revitalization. Examples include The Community Housing Improvement Systems and Planning Association, Inc. (CHISPA), which is a nonprofit community-based housing development organization that has been very active in the Alisal community. In an era when development activity has been stagnant in Alisal, CHISPA is responsible for a majority of the rehabilitation of existing units in Alisal, offering high-quality, affordable housing stock and significant contributions to the urban fabric of Alisal. The County Housing Authority Development Corporation (HADC) also operates projects in Alisal and is active in Alisal revitalization efforts. Together, CHISPA, the County HADC, and other operators manage 592 affordable and public housing units in Alisal, as referenced in the 2015 NRSA Update.

Table 1
Salinas Housing Target Market Analysis
East Alisal
Distribution of Housing Units by Type

Area	Single-Family	Single-Family	Multifamily 2-4 Units	Multifamily 5+ Units	Mobile Homes
	Detached Unit	Attached Unit			
East Alisal	46.4%	7.5%	14.6%	27.7%	3.7%
City of Salinas	54.8%	6.4%	9.5%	25.9%	3.5%

unit type

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

The City participates in and administers several programs to help residents rehabilitate their homes and stimulate the production of affordable housing:

- The City's **Housing Services Program** offers technical and financial assistance to qualified owners to correct home deficiencies and improve the livability of their residential property.
- **Housing Accessibility Assistance Grants** provide financial assistance to qualified disabled property owners to improve mobility and accessibility in their home.
- The City-administered HUD **Community Development Block Grant (CDBG)** funds activities to acquire and construct public and private properties, improve infrastructure, or rehabilitate housing to benefit low- and moderate-income persons, eliminate slums and blight, and to meet an urgent need.
- The **HOME Investment Partnerships Program (HOME)** provides funding for building, acquiring, or rehabilitating affordable housing for rent or ownership or providing direct rental assistance to low-income people.
- The Department of Housing and Community (HCD) **Emergency Solutions Grant (ESG)** provides funding to address homelessness, including activities needed to rapidly rehouse homeless individuals and families, help operate or provide services in emergency shelters for homeless individuals and families, and prevent at-risk individuals and families from becoming homeless.

Ongoing revitalization and rehabilitation efforts are extremely valuable and will remain a critical element to achieving the desired outcomes of the Alisal Vibrancy Plan. Critical housing needs, however, suggest these efforts need to be augmented by other social and market interventions to improve access to quality housing.

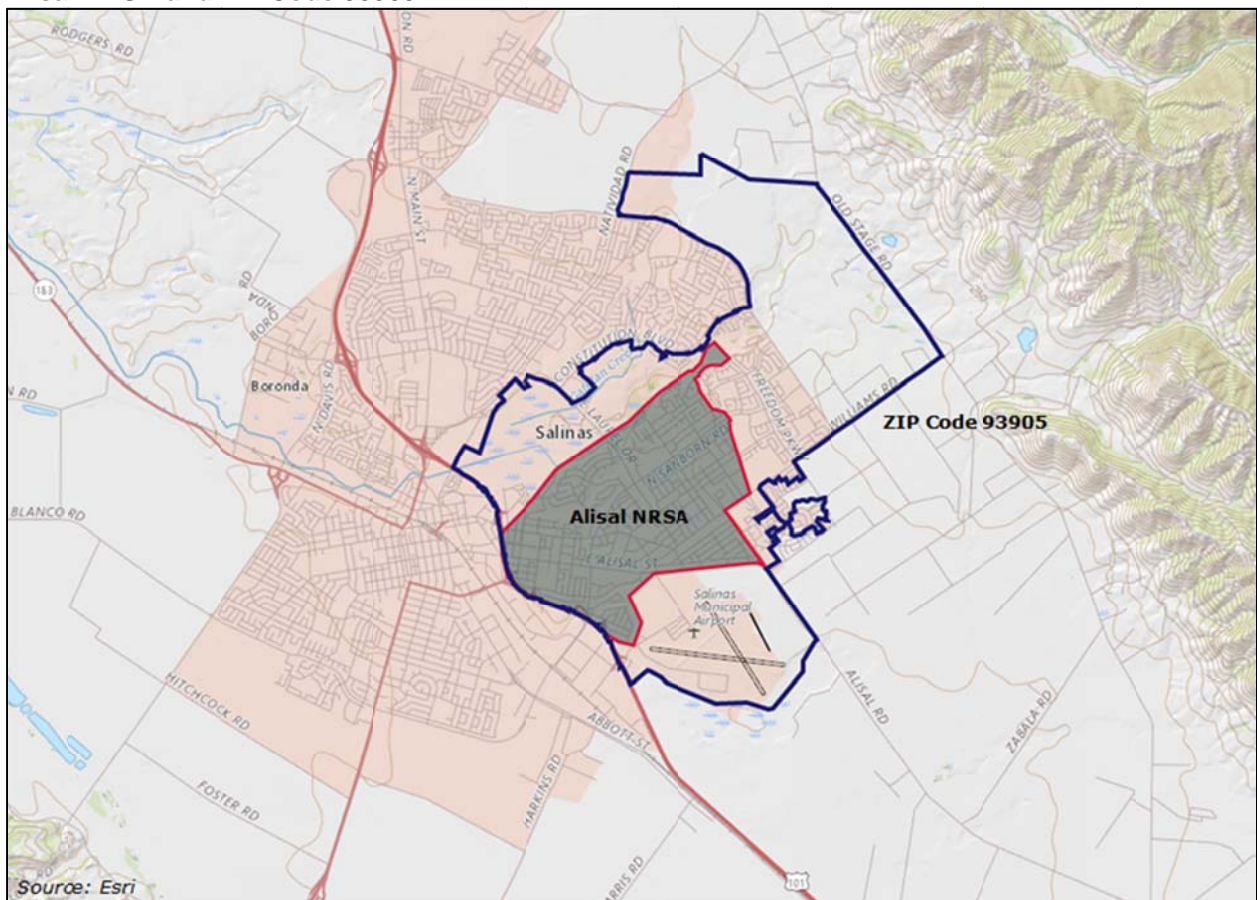
Residential Performance Indicators

The following sections offer an evaluation of the dynamics of the residential housing market to inform an understanding of the area's ability to respond to future demand and revitalization objectives.

Single-Family Residential

EPS evaluated single-family residential sales metrics based on information provided by the research divisions for Zillow. Zillow provides their most granular sales data down to the ZIP-Code level. Therefore, EPS assessed single-family sales metrics for ZIP Code 93905, which comprises all of Alisal, the Salinas Municipal Airport, and adjacent neighborhoods to the northeast. **Map 2** illustrates the boundaries of Alisal and ZIP Code 93905.

Map 2
Alisal NRSA and ZIP Code 93905



Single-family residential sales data indicate the single-family housing market in ZIP Code 93905 has experienced turbulent patterns from the peak of the housing bubble, through the Great Recession, and now during the State housing crisis. Zillow data show sales prices for ZIP Code 93905 peaked in 2007 at approximately \$522,000 per home.

During the Great Recession, single-family home sales prices plummeted to lows around \$170,000 between 2009 and 2011. In just 3 years, from the peak of the housing bubble in 2007 to the bottom in 2010, housing prices in ZIP Code 93905 lost two-thirds of their value.

An alarming indication of the volatility of the housing market during this time is reflected in the percentage of home sales on which the home was foreclosed. **Table 2** indicates the average resale foreclosure rates in ZIP Code 93905 ranged from approximately 37 percent to 80 percent between 2008 and 2012.

Finally, in 2013, the single-family residential market showed signs of recovery as average annual sales prices experienced a year-to-year increase of 48 percent, and average annual foreclosure resale rates continued to significantly lower, a trend that started in 2010. As shown in **Table 2**, home prices continue to increase, indicated by an average sales price of approximately \$442,000 in 2018 (through April), and both turnover and foreclosures continue to decrease. These data reflect an improving market in terms of sales prices; however, annual turnover is low, which reflects a market with low inventory, thus, allowing fewer new homebuyers to enter the market.

Because these data sets include newer subdivisions in the northeast portion of the 93905 ZIP Code, selling prices reported above may be overstated for Alisal. Conversations with local real estate professionals, however, confirm that low resale inventories and the nonexistent new home market are generating substantial upward pressure on home prices.³ Many homes are being purchased by investors, further pushing up prices with all cash offers. Real estate professionals suggest the home buying market in Alisal is largely priced out, with the market for median-wage earners (i.e., housing in the \$300,000s) severely underrepresented.

Multifamily Residential

EPS evaluated the multifamily residential market in Alisal using CoStar, a commercial real estate information and marketing provider, which allowed EPS to narrow a search using the boundaries of the Alisal NRSA in CoStar's search platform. According to CoStar, there has been little change in multifamily residential market metrics over the past 10 years, besides a gradual increase in average asking rent per unit, as shown in **Table 3**. Vacancy rates have been low to very low, measuring between 2.3 percent and 4.6 percent from 2007 to 2018. Inventory has remained essentially stagnant, with only 1 new building and 23 new units constructed since 2007.

Discussions with City staff and review of local newsprint, the 2015 NRSA Update, and other City documents suggest the multifamily rental market conditions are more extreme than CoStar data, gathered by real estate research aggregate sources, suggest.

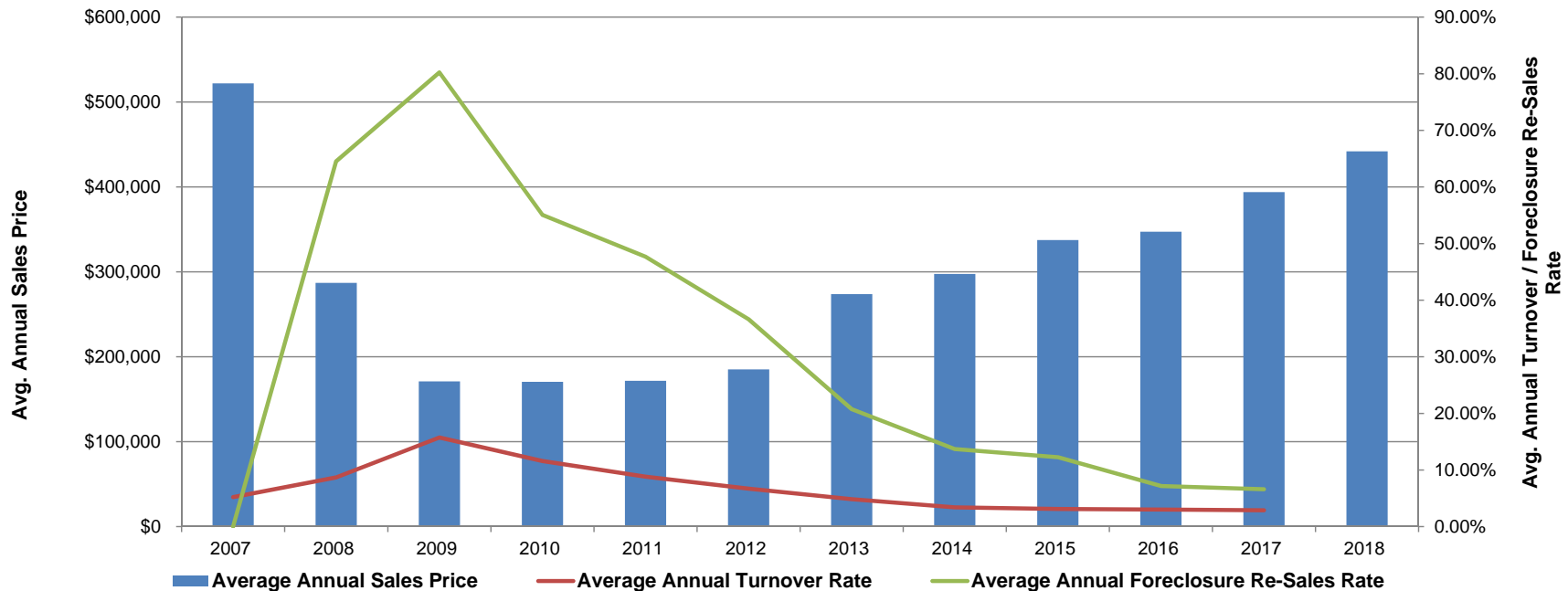
Recent news articles and anecdotal evidence portray a dire rental housing shortage, with families forced to rent garages, sheds, and other makeshift units or rooms. The City's code enforcement (now fully staffed for the first time since the Recession by leveraging funds from a 2014 sales tax increase measure) has experienced a significant increase in code violation calls related to substandard housing conditions, homeless encampments, and vehicle abandonment.⁴

³ A City report of new residential building permits issued since 2013 indicates only 12 out of 168 (7 percent) total permits for new residential construction—including units in mixed-use buildings, duplexes, second units, apartment units, ADUs, and single-family residential units—were located in the Alisal.

⁴ Amy Wu, "Salinas Code Complaints Skyrocket," *The Californian*, January 10, 2017.

Table 2
Salinas Housing Target Market Analysis
East Alisal
Single-Family Residential Profile - ZIP Code 93905 [1]

Item	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 [2]
Average Annual Sales Price [3] [4]	\$521,985	\$287,114	\$171,018	\$170,501	\$171,692	\$185,175	\$273,753	\$297,493	\$337,415	\$347,265	\$394,000	\$442,000
Year-to-Year Sales Price Change	N/A	(45.0%)	(40.4%)	(0.3%)	0.7%	7.9%	47.8%	8.7%	13.4%	2.9%	13.5%	12.2%
Average Annual Turnover [5]	5.22%	8.69%	15.73%	11.59%	8.81%	6.70%	4.84%	3.40%	3.12%	3.02%	2.88%	N/A
Average Annual Foreclosure Re-Sales [6]	N/A	64.55%	80.24%	55.06%	47.69%	36.64%	20.76%	13.71%	12.27%	7.17%	6.60%	N/A



Source: Zillow; EPS.

home sales

[1] Zillow Research provides its most granular aggregate sales data down to the zip code level. Please refer to Map 2 for the areas covered by ZIP Code 93905 and the Alisal NRSA.
 [2] Zillow's data source does not provide turnover rates or foreclosure re-sale rates at the ZIP Code level for 2018.
 [3] In the previous iteration of this Memorandum, Zillow's data was available only through June 2016 and used sales data reported by Redfin to populate the balance of 2016 and 2017. This iteration of the Memorandum includes Zillow sales price data through April 2018, therefore, replacing Redfin sales data used in the last analysis.
 [4] Analysis reflects the average of the monthly median sales prices as reported by Zillow Research.
 [5] Provides the estimated percentage of all homes in a given area that sold in a 12-month period.
 [6] Reflects the percentage of home sales in which the home was foreclosed upon within the previous year.

Table 3
Salinas Housing Target Market Analysis
East Alisal
Multifamily Residential Performance Indicators [1]

Item	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Quarter to Date - 2018	Difference (2007-2018)	Average Annual % Change (2007-2017)
Inventory (Buildings) [2]	228	228	228	228	229	229	229	229	229	229	229	229	1	0.0%
Inventory (No. of Units) [2]	3,351	3,351	3,351	3,351	3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	23	0.1%
Vacancy (No. of Units)	114	113	148	144	152	154	140	117	110	107	81	77	(37)	(3.4%)
Vacancy (Percent)	3.4%	3.4%	4.4%	4.3%	4.5%	4.6%	4.1%	3.5%	3.3%	3.2%	2.4%	2.3%	(1.1%)	(3.4%)
Average Asking Rent (Per Unit)	\$942	\$976	\$933	\$927	\$917	\$934	\$965	\$1,005	\$1,078	\$1,109	\$1,167	\$1,198	\$256	2.2%
Average Asking Rent (Per Sq. Ft.)	\$1.28	\$1.33	\$1.27	\$1.27	\$1.25	\$1.27	\$1.32	\$1.37	\$1.47	\$1.52	\$1.60	\$1.64	\$0.36	2.3%

mfr indicator

Source: CoStar data retrieved June 20, 2018

[1] Unless otherwise noted, data reflects Q2 of each year.

[2] Inventory may not be precisely consistent with the previous iteration of this Memorandum. This data is derived from a unique polygon that reflects the boundaries of the Alisal NRSA, therefore, the boundaries drawn for this Memorandum update may not precisely match the boundary used before.

Numerous local news articles and survey responses from the City's Summary of Housing and Community Needs Survey repeat the critical issue in Alisal and throughout the City as a whole; there is a dire lack of affordable housing to serve the City's growing population. The Housing Element identifies approximately 75 affordable housing units in the Alisal that are at risk of converting to market-rate housing upon the expiration of rent subsidies, which will further exacerbate this shortage. As mentioned above, there has been only 1 multifamily residential project delivery in Alisal in the last 10 years: a 23-unit affordable senior apartment project that was completed in 2011. As mentioned earlier in this memorandum, the lack of new housing has pushed the size of households to nearly 5 persons per household, greater than the City's average of 3.66 persons per household, and far exceeding the County average of 3.15 persons per household.⁶

Economic and Revitalization Implications

Low vacancy rates, high rental rates, lack of new investment, and the low quality of housing in the multifamily sector highlight the City's chief challenge in revitalizing the Alisal housing stock. The lack of new multifamily unit construction illustrates both the absence of appropriate sites for new investment opportunities, as well as developer aversion to risks associated with developing in the Alisal, given current socio-economic and public safety circumstances. Private-sector developers report that City policies requiring the construction of mixed-use products are a disincentive to investment. It is unclear at this time if mixed-use zoning requirements are an actual or perceived limitation on the market viability of new development, but it is clear that in certain circumstances, private investors perceive ground-floor retail uses will not be successful.

Moreover, property owners operating underutilized and downtrodden properties are still realizing a substantially positive cash flow and thus do not have economic incentives to invest in revitalization or improvements to their property. In a risky development and entitlement environment, property owners are incentivized to continue to operate their properties at current, and at times substandard, levels.

One potential solution to this circumstance is a drastic increase and investment in Code Enforcement to weed out and shut down rental properties offering substandard (in many cases squalid) living conditions. Actions such as these, however, will have the immediate effect of further constraining housing supply, displacing tenants that have nowhere else to go, with no replacement housing anticipated in the short and medium term. A programmatic approach to blight and substandard housing conditions must take into consideration robust emergency housing for displaced tenants.

Estimated Residential Demand

This section offers a synopsis of projected population and housing unit growth in Alisal and provides estimates of the demand for income-restricted affordable housing and market-rate housing. This analysis can help determine the degree to which currently identified opportunity sites will be sufficient and appropriate to provide housing units needed to serve population growth levels anticipated in Alisal.

⁶ 2010 US Census.

Population and Housing Unit Growth Projections

Shown in **Table 4**, EPS estimated the population and housing unit growth that can be expected in Alisal based on Esri forecasts of the 2010 US Census for Alisal.⁷ This analysis projects conservative growth rates for Alisal:

- Population growth is projected to total approximately 4,100 residents from 2017 to 2035, reflecting an average annual increase of 0.41 percent.
- Housing units are projected to increase by nearly 1,000 housing units, reflecting an average annual increase of 0.54 percent.

Housing Affordability Analysis

A firm understanding of the demand for income-restricted affordable and market-rate housing, based on projected Alisal housing unit growth and estimated household income, is critical to the understanding of the types of housing and price points needed to serve future households in Alisal.

The HCD produces an annual State Income Limits (HCD Income Limits) Memorandum that establishes the income limits for income-restricted affordable housing for each county in the State. The HCD Income Limits apply to specific government subsidized housing programs and are used to determine applicant eligibility based on the level of household income (e.g., extremely low, very low, low, median).

HCD Income Limits are based on an adjusted median income for a 4-person household in the County equal to \$68,700. HCD Income Limits for different levels of income and household size are adjusted on a percentage basis. Furthermore, the HCD uses the HCD Income Limits to determine monthly housing expense limits for renter-occupied and owner-occupied income-restricted affordable housing. The monthly housing expense limit is equal to 30 percent of a household's monthly income. **Table 5** provides the HCD Income Limits and monthly housing expense limits for the County. As shown, the HCD Income Limits for a 5-person household⁸ in the County ranges from approximately \$27,900 for extremely low-income households and approximately \$89,000 for moderate-income households.

Based on the projected number of new housing units from 2017 to 2035, the estimated percentage of households by size distribution, and the estimated percentage of households by income distribution, EPS estimated the projected income distribution of new housing units in Alisal by 2035 (see **Table 6**).

This analysis provides a cursory projection of new household characteristics, particularly household income and household size, of new households based on existing household characteristics data. Actual outcomes may vary if socio-economic circumstances shift substantially.

⁷ Esri provides estimates/projections for 2017 and 2022 based on 2010 US Census data. This analysis projects future population and housing units based on an extrapolation of data using the average annual change rates between 2017 and 2022, as shown in **Table 4**.

⁸ Approximately the average household size in Alisal, according to the 2010 US Census.

Table 4
Salinas Housing Target Market Analysis
East Alisal
Population and Housing Unit Projection [1]

Item	2000	2010	2015 [2]	2017	2020 [3]	2022	2025 [3]	2030 [3]	2035 [3]	Average Annual Change Rates		Absolute Change	
										2010 - 2017	2017 - 2022	2017 - 2022	2017 - 2035
Population	48,174	44,743	45,825	46,265	46,927	47,374	48,052	49,204	50,383	0.48%	0.47%	1,109	4,118
Housing Units	9,347	9,295	9,555	9,669	9,826	9,932	10,093	10,368	10,650	0.55%	0.54%	263	981

alisal forecast

Source: US Census Bureau, Census 2010 Summary File. Esri forecasts for 2017 and 2022.

[1] Additional analysis comparing growth data of Alisal between the City, County, and AMBAG region is provided in Table A-11.

[2] Esri Business Analyst Online provides estimates for 2010 based 2010 Census data, and projections for 2017 and 2022. The 2015 estimate shown for population and housing units is based on a straight line interpolation using the average annual change rates between 2010 and 2017.

[3] Population and housing unit projections are based on an extrapolation of data using the average annual change rates between 2017 and 2022.

Table 5
Salinas Housing Target Market Analysis
East Alisal
HCD Housing Income Limits: FY 2017-2018

Item	Assumption	Household Size							
		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Monterey County Income Levels									
Median Family Income (MFI)	\$68,700								
Extremely Low Income	30% MFI	\$17,100	\$19,550	\$22,000	\$24,600	\$27,880	\$32,960	\$37,140	\$41,320
Very Low Income	50% MFI	\$28,500	\$32,600	\$36,650	\$40,700	\$44,000	\$47,250	\$50,500	\$53,750
Low Income	80% MFI	\$45,600	\$52,100	\$58,600	\$65,100	\$70,350	\$75,550	\$80,750	\$85,950
Median Income	100% MFI	\$48,100	\$54,950	\$61,850	\$68,700	\$74,200	\$79,700	\$85,200	\$90,700
Moderate Income	120% MFI	\$57,700	\$65,950	\$74,200	\$82,450	\$89,050	\$95,650	\$102,250	\$108,850
Monthly Housing Expense Limit									
	30% of income								
Extremely Low Income		\$428	\$489	\$550	\$615	\$697	\$824	\$929	\$1,033
Very Low Income		\$713	\$815	\$916	\$1,018	\$1,100	\$1,181	\$1,263	\$1,344
Low Income		\$1,140	\$1,303	\$1,465	\$1,628	\$1,759	\$1,889	\$2,019	\$2,149
Median Income		\$1,203	\$1,374	\$1,546	\$1,718	\$1,855	\$1,993	\$2,130	\$2,268
Moderate Income		\$1,443	\$1,649	\$1,855	\$2,061	\$2,226	\$2,391	\$2,556	\$2,721

income limit

Source: State Income Limits for 2017, California Dept. of Housing and Community Development (June 9, 2017).

Table 6
Salinas Housing Target Market Analysis
East Alisal
Projected Income Distribution of 2017-2035 Housing Unit Growth (2017\$)

Item	Percent Household Income Distribution [1]	Household by Size							Total
		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	
Percent Household by Size Distribution [2]		7%	10%	12%	18%	18%	13%	22%	100%
Income Range [3]									
Less than \$15,000	10%	6	10	11	18	17	12	21	95
\$15,000 - \$24,999	18%	12	18	22	32	32	23	40	179
\$25,000 - \$34,999	19%	12	19	22	34	33	24	41	185
\$35,000 - \$49,999	20%	13	20	23	36	36	26	45	199
\$50,000 - \$74,999	18%	12	18	21	33	32	24	40	180
\$75,000 - \$99,999	7%	5	7	9	13	13	9	16	72
\$100,000 - \$149,999	6%	4	5	6	10	10	7	12	54
More than \$150,000	2%	1	2	2	3	3	2	4	17
Total	100%	65	99	116	179	176	127	219	981
Monterey Co. Low Income Limit (80% MFI) [4]		\$45,600	\$52,100	\$58,600	\$65,100	\$70,350	\$75,550	\$80,750	
Approximate Number of HH Below Low Income Limit [5]		39	69	85	140	144	109	191	777
<i>Percent of Future Households</i>		60%	70%	73%	78%	82%	86%	87%	79%

future income

Source: US Census Bureau; EPS.

[1] Based on the household income distribution provided in Table A-5.

[2] Based on 2010 US Census.

[3] Projected number of households for each income range and household size based on the distribution of total projected households in the East Alisal NRSA, as provided in Table 4.

[4] Based on California HCD Income Limits for 2017 provided in Table 5.

[5] To the extent that the Low Income Limit falls within a specified income range, EPS estimated the number of households at or below the Low Income Limit based on the likely distribution of incomes within the specific Income Range.

As shown in **Table 6**, approximately 80 percent of new Alisal housing units (nearly 800 units) produced from 2017 to 2035 will need to be targeted toward households below the low-income HCD Income Limit. Roughly 200 units would be anticipated to house low-, median-, and moderate-income earners. Note that this analysis reflects units needed to accommodate new households only, not increased supply needed to ameliorate existing high housing costs and overcrowded conditions.

Substantial levels of public subsidies will be required for new affordable home development in Alisal to meet the needs of the future population and to offer improved conditions for current residents. Recent legislative interventions at the State level should be monitored to determine if the City can access new funding resources to support the provision of affordable housing. A smaller proportion of workforce and market-rate units should also be pursued, in keeping with the City's commitment to and long-term goal of providing mixed-income housing opportunities.

Target Housing Categories

One of the overarching goals of the Alisal Vibrancy Plan is to avoid gentrification and displacement as the community embarks on its resident-led revitalization process. Improvements to the housing stock should therefore be calibrated towards improving economic outcomes for existing residents, not purely focused on attracting new residents. It is critical to note that revitalization and housing needs will not be satisfied by a singular focus on increased housing production and intensified land use patterns. Efforts to increase housing supply must be coupled with attention to Alisal's overall urban form, with a particular focus on improving transportation and transit systems, without which, increased housing production will only lead to further congestion and community decline.

With this caveat in mind, and based on the analysis and evaluation offered in prior sections, targeted housing sectors in the Alisal should include the following product types:

- **Farmworker Housing.** Much of the overcrowding and substandard living conditions evident in the Alisal can be attributed to the concentration of low-wage-earning agriculture-sector workers. Workers seeking agricultural employment are often housed in severely overcrowded conditions—as reflected by anecdotal accounts of barracks-style cots in attics or garages without sufficient access to hygienic facilities. It is clear the City needs to seek a permanent solution to housing farmworkers, particularly farmworker families, a topic addressed in full by the currently underway Farmworker Housing Study, led by the California Rural Housing Coalition.
- **Affordable Rental Units.** Barring substantial changes in the socio-economic composition of the district, the vast majority of new housing opportunities will need to target low-income and below-income segments. This matches the needs identified by the Alisal community and is consistent with market indicators and income characteristics. Affordable rental units may take the form of traditional subsidized units, but other “affordable-by-design” products such as microunits, coliving/cohousing models, and unique construction methods (e.g., converted shipping containers) should be evaluated as part of an overall strategy to meet affordable housing needs.
- **Multigenerational Housing Products.** Additional consideration should be given to providing multigenerational housing products, supporting City policies established in the

Housing Element that encourage communities to facilitate “aging in place.” Community and family ties are important to the Alisal community, and real estate professionals report strong interest in housing products that allow family members to live with or near their loved ones. Family- and community-oriented living arrangements have ancillary benefits in terms of social resources—low-income workers often depend on family and friends for child care and other needs and housing catering to those that help to establish and maintain a cohesive social fabric.

- **Accessory Dwelling Units.** Also referred to as second dwelling units, an accessory dwelling unit (ADU) is an attached or detached dwelling unit that provides complete independent living facilities for 1 or more persons, including permanent provisions for living, sleeping, cooking, and sanitation. ADUs are permitted by right in most of the City’s zoning districts, provided certain requirements are met.⁹ City staff estimate that roughly 3,500 parcels in the Alisal could theoretically add an ADU without having to incorporate additional parking, but actual ADU construction is likely to be viable on only a fraction of those parcels. To the extent ADUs are physically viable and financially feasible for the property owner, they offer some promise for bolstering housing supply in the Alisal, with particular potential to fill multigenerational housing needs.
- **Workforce and Market-Rate—Rental and Ownership Products.** A limited number of workforce and market-rate housing may be supportable in the Alisal. If substantial strides are made in developing farmworker housing, income characteristics of Alisal residents may shift somewhat, thereby increasing capacity for housing serving higher income segments. The market viability of these units may, however, be challenged by the addition of substantial numbers of new units in the future growth areas (FGA). Ownership housing products should therefore target home prices in the low- to mid-\$300,000 range, which is substantially lower than that anticipated in the FGA and specifically targets the Alisal market.
- **Live-Work.** “Live-work” is a flexible term, encompassing predominantly residential units used for telecommuting and home offices, as well as more traditionally split mixed-use spaces with a retail or office component and a separate but attached living space. With low commercial vacancy rates and an active entrepreneur community, stakeholders in Alisal have indicated that live-work units may fill a needed niche and also offer the opportunity to improve transitions between residential and commercial areas in the Alisal.
- **Rehabilitation of Existing Units.** Ongoing efforts to improve the existing housing stock through rehabilitation and other means should continue to be a primary objective. Improvements to the existing built environment through the provision of quality housing products serving the income segments prevalent in the Alisal will be a critical element of achieving revitalization goals. If substantial strides are made to increase farmworker housing inventories, opportunities may develop to revitalize and reposition motel properties currently housing H-2A workers on a long-term basis.

⁹ City of Salinas, 2015-2023 Housing Element (Public Review Draft-June 2015).

Opportunity Sites

State law requires that jurisdictions provide an adequate number of properly zoned sites to facilitate production of their regional share of housing. HCD allocates a numeric regional housing goal to the Association of Monterey Bay Area Governments (AMBAG). AMBAG is mandated to distribute the housing goal among the cities and counties in the region, known as the Regional Housing Needs Allocation (RHNA). For RHNA purposes, AMBAG distributes housing goals for Monterey and Santa Cruz Counties only. The goal of the RHNA is to assure a fair distribution of housing among cities and counties in the AMBAG region so that communities provide a mix of housing for all economic segments (i.e., extremely/very low-income, low-income, moderate-income, above moderate-income households).

State law requires jurisdictions to demonstrate in their Housing Element that the land inventory is adequate to accommodate that jurisdiction's share of the region's projected housing growth. EPS reviewed the City's Housing Element to identify the amount of vacant or underutilized land in Alisal, and to assess the potential number of units that may be developed, based on the allowable densities for the identified parcels.

HCD guidelines require that jurisdictions estimate the realistic capacity for projected units based on the minimum allowed densities of the properties; however, EPS calculated both the minimum and maximum allowable densities for each property to provide a range of units that may be developed on the properties in Alisal identified in the Housing Element.

Based on the available opportunity sites and allowable densities identified in the Housing Element, EPS estimates there is potential for between approximately 310 and 440 new residential units in Alisal, as shown in **Table 7**.¹⁰ Further examination of the Housing Element Opportunity Sites shows that a majority of the sites may accommodate only 1 or few new units, and there are only 7 parcels that may accommodate a minimum of 10 new units, as shown in **Table B-1** in **Appendix B**. These findings are consistent with windshield surveys and discussions with real estate professionals and City staff indicating a paucity of viable housing sites in the Alisal.

This information indicates that it may be difficult to formulate a strategy to significantly increase the housing supply in Alisal based on the Opportunity Sites as currently identified because there are limited vacant or underutilized sites in Alisal that can accommodate a sizable housing development under existing zoning codes. A critical component of developing the overall housing strategy will be to identify alternative opportunities (e.g., more opportunity sites or intensified use of opportunity sites) that can facilitate the provision of housing at levels needed to address the housing shortage.

The Vibrancy Plan is evaluating 4 subareas in or adjacent to the Alisal in which the City intends to invest and improve to accommodate mixed-use development or community amenities, such as green space, recreation centers, or community gardens. In the early stages of the Vibrancy

¹⁰ Note this estimate does not include the potential for new accessory dwelling units (ADUs), which may be credited towards RHNA requirements for moderate-income housing units, per the City's Housing Element.

Table 7
Salinas Housing Target Market Analysis
East Alisal
Vacant Land Inventory

General Plan Designation	Acres		Unit Capacity Range		Average Density Range (DU/Acre)		No. of Parcels	Median Parcel Area (Acres)
	Amount	Percent of Total	Low	High	Low	High		
Vacant Residentially Zoned Land	12.8	57.2%	112	154	8.8	12.1	22	0.16
Vacant Mixed Use Land	4.2	18.9%	84	122	20.0	29.0	10	0.36
Underutilized Mixed Use Land	5.3	23.9%	116	166	21.7	31.1	6	0.62
Total	22.3	100.0%	312	442	14.0	19.8	38	0.20

capacity

Source: City of Salinas Municipal Code; City of Salinas 2015-2023 Housing Element; EPS.

Plan, the City has held land use visioning workshops with Alisal community members for the 4 sites. The Vibrancy Plan identifies the following 4 areas or sites that are supplemental to the findings of the above vacant lands analysis:

- Alisal Marketplace
- North Wood and North Pearl Streets
- Division Street
- East Laurel Drive

The following sections summarize the opportunities sought by community members and detail potential constraints to future improvement of each location.

Alisal Marketplace

The Alisal Marketplace is a grouping of parcels located just outside of the Alisal, positioned just west of US Highway 101, bordered to the north by East Market Street, to the west by the Amtrak rail lines, and to the south by East Alisal Street. The approximately 52-acre area consisting mostly of industrial and auto-serving uses is planned to be redeveloped into a mixed-use community, including residential, retail, office, and municipal uses. Past proposals for redevelopment envisioned the creation of a cultural district with medical facilities, vocational training centers, a market hall, opportunities for pop-up retail spaces, and affordable and workforce housing. The City plans to locate a new police headquarters in the Alisal Marketplace, which should open in 2019. Though Alisal Marketplace will be connected to the Alisal via 2 major corridors (Market and Alisal Streets), US Highway 101 bisects the 2 areas, which may inhibit connections to the Alisal.

North Wood and North Pearl Streets

Unused portions of 5 separate parcels stretched between North Wood and North Pearl Streets comprise an opportunity to add a community amenity to the Alisal. The site is located midblock between the 2 streets and would have direct connection to La Paz Park, an existing City park with playgrounds, ball courts, and lawn areas. Alisal community members envision improving the site to be open space, a community garden, plaza, recreation center, clinic, or neighborhood multifamily.

Obstacles, physical and legal, limit development opportunities. First, the portions of each of the 5 parcels comprising the site would need to be purchased and a new parcel would need to be created. Also, the site is on a steep slope, and a sewer main exists under the site, limiting vertical development potential.

Division Street

Several properties totaling approximately 9.5 acres, including vacant City-owned land, the County Youth Center, the Teamsters Union, and the Monterey Bay Central Labor Council, have attracted interest for a variety of new uses. Plans have called for a connection to the nearby Cesar Chavez Community Park, mixed-use housing, and transit-oriented development uses. Community partners including the Teamsters Union and Clinica de Salud de la Valle are interested in partnering on redevelopment of the site. Substantial reconfiguring and development potential is predicated on the prospect of the County relocating the Youth Center.

East Laurel Drive

Community respondents express a desire for senior housing, a recreation or community center with senior-focused activities, mobile home parking, or connections to the nearby Cesar Chavez Park on this approximately 7.5-acre site. Past attempts to develop a 53-unit senior housing development did not move forward after being approved in 2003. City correspondence indicates the project did not move forward because of topographical site constraints, especially related to grade changes and drainage. Further considerations for vertical development may be constrained by these issues.

Recommendations

Urban transformation of the Alisal district will require incremental strategic actions and a long view. The purpose of the Alisal HTMA is to provide information to support Vibrancy Plan efforts and to focus those efforts on land use planning, public service, and other considerations that will facilitate the construction of more, higher quality housing in the Alisal. Finalizing these recommendations will be an iterative process based on critical community engagement and staff evaluation of the viability of various implementation strategies.

Based on the analysis conducted to date, EPS offers the following set of recommendations to focus Vibrancy Plan efforts related to housing:

- 1. Improvements in public safety are of utmost import.** An immediate and ongoing improvement in real and perceived public safety should be prioritized. Myriad approaches to improving public safety through enforcement and diversion exist and should be evaluated as part of the Vibrancy Plan process. The City and community should evaluate opportunities to reinstate community-based policing, a proven public safety model with demonstrated success in the Salinas community.
- 2. A reduction in population density is likely needed as part of a comprehensive approach to reducing overcrowding and substandard living conditions.** Alisal desperately needs a "relief valve" in the form of a viable farmworker housing strategy. If these efforts are successful, Alisal population densities may see a decline, and overcrowding issues may be partially ameliorated. This may carry with it opportunities to "de-densify" strategic sections of the community to provide critical parks, open space, and other amenities that are lacking, as well as housing.
- 3. Housing production will require targeted and strategic approaches to intensification, which must be coupled with congestion-relieving improvements to transportation and transit system.** Recommendations established in the Farmworker Housing Study and elsewhere focus on re-evaluating allowable densities, heights, floor area ratios, and setbacks as an approach to remove restrictions on housing and other development. In Alisal, this approach must take into consideration the suburban patterns of development and the attendant need to improve transportation, transit, and facilities accommodating other alternative modes of travel. These types of improvements are critical to support the recommended types of higher intensity, transit-oriented development. The City should engage with transportation providers and employers to improve transit facilities, routes, frequency, and headways, specifically identifying and providing routes serving farmworker employment destinations or nodes.

- 4. Review zoning and other regulatory requirements to determine if barriers to private investment can be remedied through zoning and other regulatory reform while improving the urban fabric and transitions between neighborhoods.** Private investors perceive that certain requirements of the zoning code limit the market viability of development opportunities in the Alisal—namely mixed-use zoning requiring ground-floor retail uses in otherwise saturated retail corridors. The City should evaluate mixed-use and commercial corridor zoning requirements to ensure maximum flexibility to respond to market conditions, as well as opportunities to improve transitions between residential neighborhoods and commercial corridors. This may take the form of zoning revisions that deepen commercial corridors, offering transitional uses (such as live-work units and more flexible commercial space) accompanied by private-sector education regarding the range of permissible uses.
- 5. Carefully consider parking ratios.** Trends in high-density, mixed-use urban development are moving towards reduced parking requirements and an overall shift from automobile ownership to multi-modal travel. While desirable in many cases, the City should also consider the levels of automobiles currently housed in the Alisal and the likelihood that this trend may continue for a certain period of time. Reduced parking requirements should be linked to the provision of adequate transit facilities or other measures reducing reliance on automobile travel.
- 6. Evaluate opportunities to invest in bicycle- and pedestrian-friendly amenities.** Access to bike share programs and safe biking facilities is often overlooked in disadvantaged communities. The Vibrancy Plan should evaluate the degree to which these types of facilities and amenities can mitigate the need for automobile travel and reduce parking and traffic congestion.
- 7. Partner with agricultural producers and processors employing significant numbers of Alisal residents to augment mass transportation options through vanpools, shuttles, and other transit options.** Employers relying on workers residing in the Alisal benefit from ensuring that their crews have safe and reliable transportation, as well as the ability to deploy those crews to different sites as needed. Options to build on and expand rideshare programs such as the highly successful CalVans should be explored as an approach to mitigating automobile congestion and parking issues.
- 8. Other approaches to increasing opportunity site capacity should be evaluated.** The City should, as part of the Vibrancy Plan process and on an ongoing basis, re-evaluate the availability of Opportunity Sites sufficiently sized and appropriately located to accommodate housing. Strategic rezoning of underutilized and blighted sites to accommodate higher density residential uses should be considered to increase capacity, keeping in mind existing issues relating to traffic congestion and other circumstances generated by the lack of urban levels of infrastructure and high-density development.
- 9. Evaluate opportunities to partner with community and faith-based organizations to increase housing supply.** Related to point #3 above, other communities have partnered with community and faith-based organizations that often have surplus land to develop housing and other community amenities on the site. The City should reach out to these groups to identify potential opportunities in this regard and may wish to consider overlay

zoning approaches for public and institutional land to facilitate the construction of affordable housing projects on those parcels.

- 10. Offer amenities and public safety improvements to attract more mixed-income development.** As home prices in the Bay Area and Silicon Valley make home purchases out of sight for even successful millennials, there is a movement of many educated workers that grew up in Salinas but now work elsewhere to return home. Those efforts are, however, hampered by lack of high-quality employment and housing opportunities. Efforts to attract more mixed-income housing and residents through critical public safety improvements and provision of desirable housing products should be considered as an approach to improve economic outcomes for all residents of the Alisal and are consistent with Housing Element strategies to maintain diversity in housing choice.
- 11. Examine opportunities to implement and expand down payment assistance programs.** Constrained access to financing and home ownership in disadvantaged communities contributes to a cycle of poverty as families are unable to generate wealth that can be passed on to future generations. Equitable development strategies for the Alisal should include programs that seek to expand access to home ownership opportunities, which could take the form of augmenting existing down payment programs or public-private partnerships where the City participates in rehabilitation efforts led by a private entity.
- 12. Consider implementation of a residential rental inspection program to improve the condition of rental product offerings.** The City of Fresno recently implemented a residential rental inspection program geared toward ensuring that landlords are addressing property maintenance needs and ensuring livable conditions. These programs can be coupled with tenants' rights education programs designed to inform tenants of avenues to address housing problems. Implementation of such residential rental inspection programs must use care to avoid exacerbating housing issues by increasing costs and displacing tenants but can prove effective in terms of holding landlords accountable for providing code-compliant rental properties.

EPS looks forward to working with the City to complete the HTMA for the Alisal community and to refine these recommendations to reflect a set of implementable action items. Please contact David Zehnder or Ellen Martin at (916) 649-8010 with questions regarding this memorandum.



APPENDICES:

- Appendix A: Demographic and Socio-Economic Analysis
- Appendix B: Supporting Vacant Land and Home Affordability Analysis



APPENDIX A:

Demographic and Socio-Economic Analysis

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Table A-1
Salinas Housing Target Market Analysis
East Alisal
Alisal NRSA Income Characteristics

Item	Total Population	Low and Moderate Income (LMI) Population [1]	Percent LMI of Total Population	Median Household Income [2]	Median Per Capita Income [2]
Census Tract, Block Group [3]					
5.01, BG 1	2,065	1,920	93.0%	\$28,750	\$7,726
5.01, BG 2	1,895	1,625	85.8%	\$26,211	\$8,972
5.02, BG 1	2,685	1,520	56.6%	\$54,602	\$15,290
5.02, BG 2	1,550	1,075	69.4%	\$36,480	\$12,305
6, BG 1	2,325	1,810	77.8%	\$41,362	\$14,449
6, BG 2	1,925	1,505	78.2%	\$42,237	\$12,094
6, BG 3	1,485	1,190	80.1%	\$34,506	\$9,631
6, BG 4	1,345	765	56.9%	\$46,250	\$14,201
7.01, BG 1	1,710	1,540	90.1%	\$23,250	\$8,018
7.01, BG 2	2,415	1,970	81.6%	\$42,417	\$9,131
7.01, BG 3	1,870	1,635	87.4%	\$26,771	\$7,157
7.02, BG 1	1,940	1,470	75.8%	\$42,520	\$10,028
7.02, BG 2	1,775	1,665	93.8%	\$26,785	\$5,897
7.02, BG 3	2,545	2,120	83.3%	\$33,244	\$9,638
8, BG 1	1,140	410	36.0%	\$50,703	\$16,094
8, BG 2	1,645	1,015	61.7%	\$55,521	\$13,748
8, BG 3	1,880	1,280	68.1%	\$33,938	\$12,610
9, BG 1	1,750	1,185	67.7%	\$34,492	\$11,698
9, BG 2	1,345	1,320	98.1%	\$43,226	\$10,078
9, BG 3	2,790	1,580	56.6%	\$36,953	\$14,450
106.07, BG 1	2,205	685	31.1%	\$47,212	\$12,945
106.07, BG 2	2,495	1,940	77.8%	\$37,143	\$7,863
106.08, BG 2	1,540	900	58.4%	\$38,625	\$7,788
106.08, BG 3	905	705	77.9%	\$57,277	\$9,594
Total Alisal NRSA [2]	45,225	32,830	72.6%	\$35,579	\$10,484
Total City of Salinas	150,835	80,310	53.2%	\$49,264	\$17,396
Alisal NRSA as a % of Total City	30.0%	40.9%			

income

Source: Alisal Neighborhood Revitalization Strategy Area (NRSA) 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014; U.S. Department of Housing and Urban Development (HUD) CDBG Program Overview; ESRI Business Analyst Online (BAO), US Census Bureau, ACS, 2010-2014 retrieved in March 2017.

- [1] HUD definitions for Low Income and Moderate Income provided below.
Low-Income Household/Family: A household/family having an income equal to or less than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD.
Moderate-Income Household-Family: A household/family having an income equal to or less than Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD.
- [2] Median Household Income and Median Per Capita Income not provided in the Alisal NRSA 2015 Report. Median Household Income information based on US Census Bureau 2010 Summary File, ESRI 2016 forecast, retrieved in March 2017. Median Per Capita Income estimated with data provided in this table.
- [3] Some Census Block Groups may extend beyond the boundaries of the Alisal NRSA.

Table A-2
Salinas Housing Target Market Analysis
East Alisal
Comparison of Age Distribution - Alisal NRSA and City

Item	Alisal NRSA	City of Salinas
Age Group		
0-4 Years	11.9%	9.5%
5-17 Years	23.9%	21.8%
18-24 Years	13.8%	12.0%
25-44 Years	31.8%	29.9%
45-54 Years	8.7%	11.5%
55-64 Years	5.4%	7.8%
65+	4.5%	7.5%
Total	100%	100%
Median Age	25.1	28.8

age

Source: Alisal Neighborhood Revitalization Strategy
 Area 2015 Report, based on data from Census Bureau, 2010.

Table A-3
Salinas Housing Target Market Analysis
East Alisal
Comparison of Race/Ethnicity Composition - Alisal NRSA and City

Item	Alisal NRSA	City of Salinas
Race/Ethnicity		
Non-Hispanic White	3.0%	15.5%
Black or African American	0.3%	1.6%
Hispanic or Latino	95.1%	75.0%
American Indian or Alaska Native	0.1%	0.3%
Asian/Pacific Islander	0.9%	6.0%
Other	0.2%	0.1%
Two or More Races	0.3%	1.5%
Total Population [1]	100%	100%

ethnicity

Source: Alisal Neighborhood Revitalization Strategy
 Area 2015 Report, based on data from Census Bureau, 2010.

[1] Total may not sum because of rounding.

Table A-4
Salinas Housing Target Market Analysis
East Alisal
Comparison of Household Size - Alisal NRSA and City

Item	Alisal NRSA			City of Salinas		
	Owner-Occupied Households	Renter-Occupied Households	All Households	Owner-Occupied Households	Renter-Occupied Households	All Households
Household Size						
1-2 Person Households	26.7%	13.6%	17.8%	40.7%	35.0%	37.6%
3-4 Person Households	26.1%	31.7%	29.9%	31.5%	32.4%	32.0%
5+ Person Households	47.2%	54.7%	52.3%	27.8%	32.6%	30.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Persons per Household			4.99			3.66

hh size

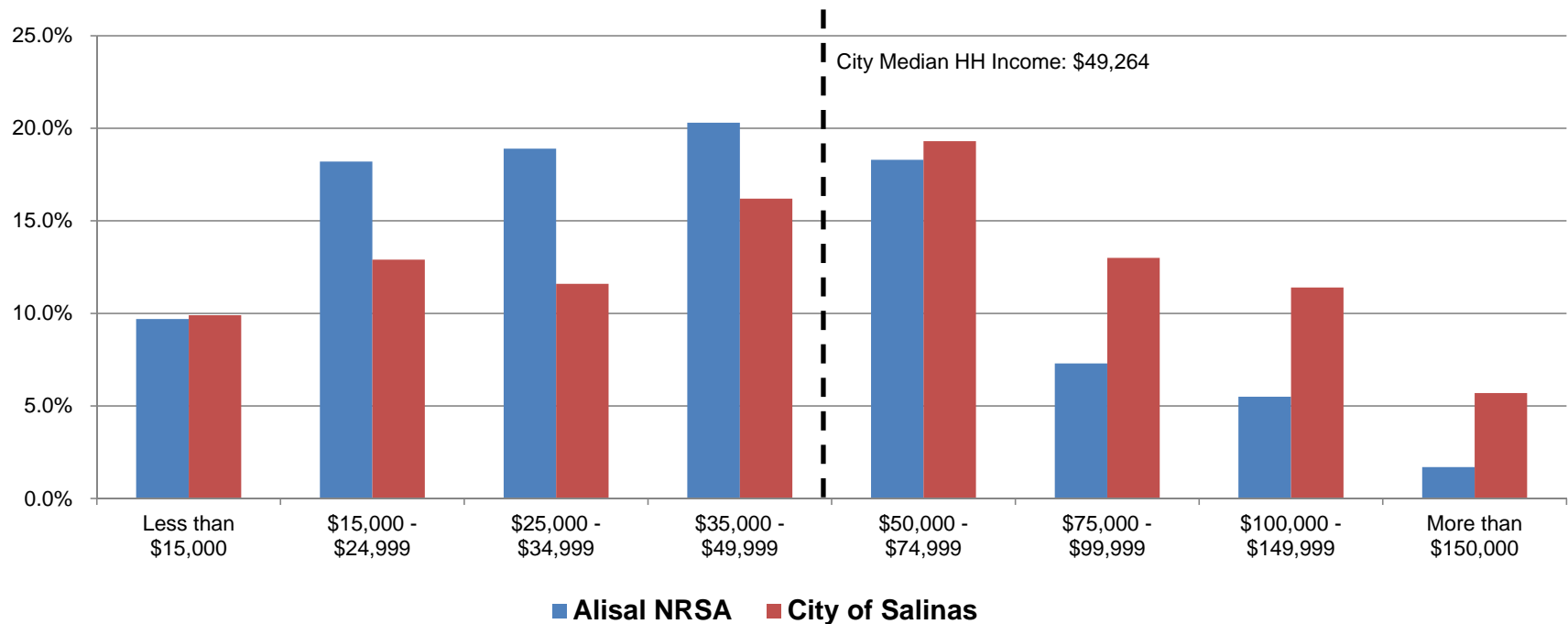
Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from Census Bureau, 2010.

A-4

Table A-5
Salinas Housing Target Market Analysis
East Alisal
Comparison of Income Distribution - Alisal NRSA and City

Item	Household Income Range							
	Less than \$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	More than \$150,000
Alisal NRSA	9.7%	18.2%	18.9%	20.3%	18.3%	7.3%	5.5%	1.7%
Percent Earning < \$50,000	67.1%							
Percent Earning ≥ \$50,000	32.8%							
City of Salinas	9.9%	12.9%	11.6%	16.2%	19.3%	13.0%	11.4%	5.7%
Percent Earning < \$50,000	50.6%							
Percent Earning ≥ \$50,000	49.4%							

A-5

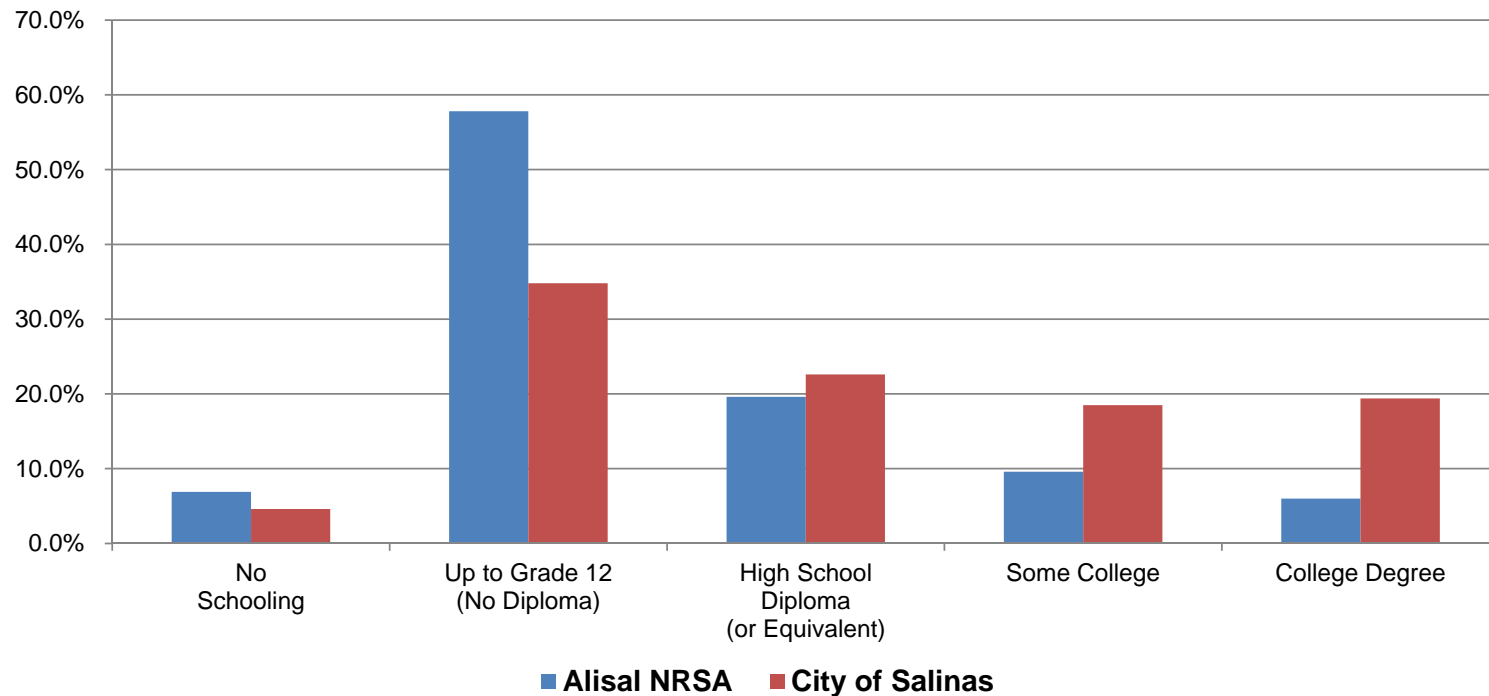


Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

income dist

Table A-6
Salinas Housing Target Market Analysis
East Alisal
Comparison of Educational Attainment - Alisal NRSA and City

Item		No Schooling	Up to Grade 12 (No Diploma)	High School Diploma (or Equivalent)	Some College	College Degree
Alisal NRSA		6.9%	57.8%	19.6%	9.6%	6.0%
<i>Percent Without HS Diploma</i>	<i>64.7%</i>					
City of Salinas		4.6%	34.8%	22.6%	18.5%	19.4%
<i>Percent Without HS Diploma</i>	<i>39.4%</i>					



A-6

education

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

Table A-7
Salinas Housing Target Market Analysis
East Alisal
Comparison of Resident Worker Industry - Alisal NRSA and City

Item	Percent of Total Employment		City Median Earnings
	Alisal NRSA	City of Salinas	
Industry			
Agriculture, Forestry, Fishing/Hunting, and Mining	41.5%	21.1%	\$16,612
Construction	3.8%	5.4%	\$32,019
Manufacturing	5.3%	5.6%	\$29,978
Wholesale Trade	4.4%	3.5%	\$23,438
Retail Trade	9.0%	11.1%	\$20,545
Transportation and Warehousing, and Utilities	4.0%	4.1%	\$37,986
Information	0.4%	1.2%	\$45,592
Finance and Insurance, and Real Estate/Leasing	1.6%	3.2%	\$44,156
Professional, Scientific, and Management, and Administrative and Waste Management Services	7.2%	7.8%	\$25,462
Educational Services, and Health Care/Social Assistance	8.8%	18.4%	\$32,326
Arts, Entertainment, Recreation, and Accommodation and Food Services	7.7%	7.9%	\$15,122
Other Services, Except Public Administration	4.1%	5.3%	\$22,263
Public Administration	2.1%	5.4%	\$55,869
Total [1]	100%	100%	\$24,433

industry

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

[1] Total may not sum because of rounding.

A-7

Table A-8
Salinas Housing Target Market Analysis
East Alisal
Comparison of Housing Cost Burden - Alisal NRSA and City

Item	Cost Burden (30%-50%) [1]	Severe Cost Burden (50%+) [1]
Alisal NRSA Households		
Owner-Occupied	22.0%	19.1%
Renter-Occupied	33.5%	29.8%
All Households	30.0%	26.6%
City of Salinas Households		
Owner-Occupied	25.1%	18.4%
Renter-Occupied	30.9%	27.8%
All Households	28.4%	23.7%

burden

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

[1] According to the federal government, when a household spends more than 30 percent of its income on housing, that household is considered cost burdened. A cost burden of 30 to 50 percent is considered moderate; payment in excess of 50 percent of income is considered a severe cost burden.

Table A-9
Salinas Housing Target Market Analysis
East Alisal
Comparison of Housing Overcrowding - Alisal NRSA and City

Item	Overcrowded			Severely Overcrowded		
	Renter	Owner	Total	Renter	Owner	Total
Area						
Alisal NRSA	44.8%	17.9%	36.6%	14.6%	6.8%	12.2%
City of Salinas	23.5%	9.6%	17.5%	7.2%	2.4%	5.1%

overcrowding

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report, based on data from the ACS, 2009-2013 retrieved in 2014.

Table A-10
Salinas Housing Target Market Analysis
East Alisal
Crime Statistics (2010-2014)

Item	2010			2011			2012			2013			2014		
	E. Alisal	Citywide	Percent	E. Alisal	Citywide	Percent	E. Alisal	Citywide	Percent	E. Alisal	Citywide	Percent	E. Alisal	Citywide	Percent
Reported Number of Incidents			<i>percent of total</i>			<i>percent of total</i>			<i>percent of total</i>			<i>percent of total</i>			<i>percent of total</i>
Homicide	11	19	57.9%	4	15	26.7%	15	21	71.4%	20	23	87.0%	11	15	73.3%
Discharge Firearm	15	n/a	n/a	7	n/a	n/a	15	n/a	n/a	13	n/a	n/a	14	n/a	n/a
Robbery	145	365	39.7%	169	374	45.2%	199	488	40.8%	197	451	43.7%	192	449	42.8%
Aggravated Assault	343	755	45.4%	276	694	39.8%	219	477	45.9%	201	490	41.0%	251	501	50.1%
Burglary	374	1,358	27.5%	450	1,140	39.5%	425	1,218	34.9%	418	1,148	36.4%	527	1,281	41.1%
Stolen Vehicle	424	853	49.7%	661	1,163	56.8%	513	1,077	47.6%	666	1,488	44.8%	701	1,616	43.4%
Estimated Population	44,743	150,498	29.7%	44,957	151,414	29.7%	45,173	152,336	29.7%	45,389	153,264	29.6%	45,606	154,197	29.6%
Incidents Per 1,000 Population			<i>percent difference</i>			<i>percent difference</i>			<i>percent difference</i>			<i>percent difference</i>			<i>percent difference</i>
Homicide	0.25	0.13	94.7%	0.09	0.10	(10.2%)	0.33	0.14	140.9%	0.44	0.15	193.6%	0.24	0.10	147.9%
Discharge Firearm	0.34	n/a	n/a	0.16	n/a	n/a	0.33	n/a	n/a	0.29	n/a	n/a	0.31	n/a	n/a
Robbery	3.24	2.43	33.6%	3.76	2.47	52.2%	4.41	3.20	37.5%	4.34	2.94	47.5%	4.21	2.91	44.6%
Aggravated Assault	7.67	5.02	52.8%	6.14	4.58	33.9%	4.85	3.13	54.8%	4.43	3.20	38.5%	5.50	3.25	69.4%
Burglary	8.36	9.02	(7.4%)	10.01	7.53	32.9%	9.41	8.00	17.7%	9.21	7.49	22.9%	11.56	8.31	39.1%
Stolen Vehicle	9.48	5.67	67.2%	14.70	7.68	91.4%	11.36	7.07	60.6%	14.67	9.71	51.1%	15.37	10.48	46.7%

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report; City of Salinas Crime Report 2010-2014; US Census Bureau.

crime

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Table A-11
Salinas Housing Target Market Analysis
East Alisal
Population and Household Projections

Item	2015 [1]	2020	2025	2030	2035	Increase (2015-2035)		
						Amount	Percent	Avg. Annual Percent
POPULATION								
AMBAG Estimate/Forecast								
Salinas	159,486	166,303	170,824	175,442	180,072	20,586	12.9%	0.61%
Monterey County	431,810	448,211	462,678	476,588	489,451	57,641	13.3%	0.63%
AMBAG Region [2]	762,676	791,600	816,900	840,100	862,200	99,524	13.0%	0.62%
Alisal NRSA [1]	45,825	46,927	48,052	49,204	50,383	4,558	9.9%	0.48%
HOUSING UNITS								
AMBAG Estimate/Forecast								
Salinas	43,001	44,797	46,683	48,805	50,505	7,504	17.5%	0.81%
Monterey County	139,177	144,491	149,032	153,708	158,151	18,974	13.6%	0.64%
AMBAG Region [2]	262,660	273,606	282,368	290,225	297,851	35,191	13.4%	0.63%
Alisal NRSA [1]	9,555	9,826	10,093	10,368	10,650	1,095	11.5%	0.54%

projections

Source: AMBAG Final Draft 2018 Regional Growth Forecast, September 26, 2016; Esri Business Analyst Online (BAO), US Census Bureau, Census 2010 Summary File, Esri forecasts for 2017 and 2022.

[1] Alisal NRSA 2015 data based on Census 2010 Profile data retrieved August 2017. Estimate differs from total population provided in Table A-1 because that estimate includes areas of Census Block Groups that are beyond the boundary of the Alisal NRSA.

[2] Includes countywide data for Monterey County, San Benito County, and Santa Cruz County.

Table A-12
Salinas Housing Target Market Analysis
East Alisal
Affordable and Public Housing in Alisal

Property Name	Address	No. of Units
Non-Public Housing Affordable Development		
Jardines Del Monte	1253 Del Monte Avenue	11
La Gloria Apartments	539 E Market Street	22
Las Casas de Madera	510 E Market Street	75
Loma El Paraiso	541 Roosevelt Street	43
Los Abuelitos Apartments	528 E Market Street	25
Roosevelt Street Townhomes II	504 Roosevelt Street	22
Roosevelt Townhomes	522 Roosevelt Street	22
Salinas Point Apartments	1260 John Street	164
Wesley Oaks	138 Carr Avenue	6
Subtotal		390
Public Housing Development (Housing Authority of Monterey County)		
Del Monte Manor	1415 Del Monte Avenue	44
Del Monte Townhomes	1259 Del Monte Avenue	17
N/A	1011 E Laurel Drive	15
N/A	1029 Rider Avenue	4
N/A	1111 Alamo Way	2
N/A	1112 Alamo Way	4
N/A	1062 N Sanborn Road	10
N/A	540 Williams Road	3
N/A	312 Williams Road	3
N/A	737 Mae Avenue	4
N/A	1113 D Street	6
N/A	24 N Wood Street	4
N/A	775 Elkington Avenue	6
N/A	780 Elkington Avenue	7
N/A	1012 N Sanborn Road	11
Rider Manor	1030 Rider Avenue	18
Sanborn Arms	1058 N Sanborn Road	16
Sanborn Estates	1025 N Sanborn Road	14
Sanborn Plaza	1039 N Sanborn Road	14
Subtotal		202
Total		592

affordable units

Source: Alisal Neighborhood Revitalization Strategy Area 2015 Report.

Table A-13
Salinas Housing Target Market Analysis
East Alisal
City and Zip Code 93905 Code Violation Data

Item	2014	2015	2016	2017	2018 YTD	Total
Illegal Occupancy						
ZIP Code 93905	61	43	84	85	36	309
Total City	94	76	138	155	75	538
<i>ZIP Code 93905 as a % of Total City</i>	65%	57%	61%	55%	48%	57%
Substandard Housing						
ZIP Code 93905	7	19	28	30	13	97
Total City	19	34	52	58	34	197
<i>ZIP Code 93905 as a % of Total City</i>	37%	56%	54%	52%	38%	49%
Work Without a Permit						
ZIP Code 93905	7	36	27	37	24	131
Total City	19	60	59	70	44	252
<i>ZIP Code 93905 as a % of Total City</i>	37%	60%	46%	53%	55%	52%
TOTAL						
ZIP Code 93905	75	98	139	152	73	537
Total City	132	170	249	283	153	987
<i>ZIP Code 93905 as a % of Total City</i>	57%	58%	56%	54%	48%	54%

code violation

Source: City of Salinas Code Enforcement Division.



APPENDIX B:
**Supporting Vacant Land and
Home Affordability Analysis**

Table B-1 Vacant Residential Land Inventory Detail (2 pages)B-1
Table B-2 Affordable For-Sale Housing Prices (2 pages)B-3

Table B-1
Salinas Housing Target Market Analysis
East Alisal
Vacant Residential Land Inventory Detail

Address	General Plan Designation	Zoning [1]	Allowable Density Range (DU/Ac.)		Acres	Unit Capacity Range		
			Low	High		Low	High	
VACANT RESIDENTIAL LAND INVENTORY								
Commercial Office								
930 Circle Drive	Commercial Office	CO	15	20	0.3	4	5	
16 N Wood Street	Commercial Office	CR	15	20	0.4	6	8	
Subtotal Commercial Office					0.7	10	13	
Residential Medium Density								
27 N Pearl Street	Residential Medium Density	CR	15	20	0.3	4	6	
17 N Pearl Street	Residential Medium Density	CR	15	20	0.1	1	2	
12 N Pearl Street	Residential Medium Density	CR	15	20	0.1	2	3	
Subtotal Residential Medium Density					0.5	7	11	
Commercial Retail								
245 Williams Road	Commercial Retail	CR	15	20	0.1	2	2	
243 Williams Road	Commercial Retail	CR	15	20	0.1	2	2	
163 Williams Road	Commercial Retail	CR	15	20	0.5	8	11	
710 E Alisal Street	Commercial Retail	CR	15	20	0.2	2	3	
Subtotal Commercial Retail					0.9	14	18	
Residential High Density								
1182 E Alisal Street	Residential High Density	R-H-2.1	15	20	1.7	25	33	
643 Terrace Street	Residential High Density	R-H-2.1	15	20	0.2	2	3	
Subtotal Residential High Density					1.8	27	36	
Residential Low Density								
731 Meyers Court	Residential Low Density	R-L-5.5	6	8	0.0	0	0	
738 Meyers Court	Residential Low Density	R-L-5.5	6	8	0.0	0	0	
738 Burke Street	Residential Low Density	R-L-5.5	6	8	0.2	1	1	
1009 Alma Avenue	Residential Low Density	R-L-5.5	6	8	0.1	1	1	
11 Hill Circle	Residential Low Density	R-L-5.5	6	8	7.6	46	61	
Subtotal Residential Low Density					8.0	48	63	
Residential Medium Density								
79 Ragsdale Court	Residential Medium Density	R-M-2.9	8	15	0.0	0	0	
546 Santa Maria Street	Residential Medium Density	R-M-2.9	8	15	0.2	1	2	
556 San Benito Street	Residential Medium Density	R-M-2.9	8	15	0.2	1	2	
910 Acosta Plaza	Residential Medium Density	R-M-2.9	8	15	0.2	1	3	
501 James Street	Residential Medium Density	R-M-2.9	8	15	0.2	1	3	
709 Gee Street	Residential Medium Density	R-M-2.9	8	15	0.2	2	3	
Subtotal Residential Medium Density					0.9	6	13	
TOTAL VACANT RESIDENTIAL LAND INVENTORY			9	12	12.8	112	154	

**Table B-1
Salinas Housing Target Market Analysis
East Alisal
Vacant Residential Land Inventory Detail**

Address	General Plan Designation	Zoning [1]	Allowable Density Range (DU/Ac.)		Acres	Unit Capacity Range		
			Low	High		Low	High	
VACANT MIXED USE LAND INVENTORY								
Arterial Frontage								
4074038000	Arterial Frontage	MAF	15	24	0.1	2	3	
4093020000	Arterial Frontage	MAF	15	24	0.1	2	3	
4011031000	Arterial Frontage	MAF	30	40	1.3	40	53	
Subtotal Arterial Frontage					1.6	44	59	
Mixed Use								
4091032000	Mixed Use	CO	15	24	0.0	0	0	
4091031000	Mixed Use	CO	15	24	0.1	1	1	
4091028000	Mixed Use	CO	15	24	0.3	5	8	
4091027000	Mixed Use	CO	15	24	0.4	6	9	
4091029000	Mixed Use	CO	15	24	0.4	6	9	
4091030000	Mixed Use	CO	15	24	0.7	10	17	
4131001000	Mixed Use	CR	15	24	0.8	12	19	
Subtotal Mixed Use					2.6	40	63	
TOTAL VACANT MIXED USE LAND INVENTORY			20	29	4.2	84	122	
UNDERUTILIZED MIXED USE LAND INVENTORY								
Arterial Frontage								
4101044000	Arterial Frontage	MAF	15	24	0.5	8	13	
4074034000	Arterial Frontage	MAF	15	24	0.6	9	15	
4031048000	Arterial Frontage	RH	30	40	2.4	71	94	
Subtotal Arterial Frontage					3.5	88	122	
Mixed Use								
4131003000	Mixed Use	CR	15	24	0.5	8	12	
4131004000	Mixed Use	CR	15	24	0.6	9	15	
4091054000	Mixed Use	MAF	15	24	0.7	11	17	
Subtotal Mixed Use					1.8	28	44	
TOTAL UNDERUTILIZED MIXED USE LAND INVENTORY					5.3	116	166	
TOTAL					22.3	312	442	

land inventory

Source: City of Salinas Municipal Code; City of Salinas 2015-2023 Housing Element; EPS.

[1] Per the City of Salinas Municipal Code, the zoning codes indicated above are defined below.

- CO: Commercial Office
- CR: Commercial Retail
- MAF: Mixed Arterial Frontage District
- RL: Residential Low Density
- RM: Residential Medium Density
- RH: Residential High Density

**Table B-2
Salinas Housing Target Market Analysis
East Alisal
Affordable For-Sale Housing Prices**

Item	CA HCD 2017 Annual Salary Limit	Monthly Housing Expense Limit [1]	Monthly Housing Expenses by Category [2]					Upfront Mortgage Insurance & Down Payment	Loan Value	For-Sale House Price Limit
			Principal & Interest	Property Insurance	Property Taxes	Mortgage Insurance	Total			
1-Person Household										
Extremely Low Income (30% MFI)	\$17,100	\$428	\$293	\$19	\$69	\$46	\$428	\$3,497	\$64,281	\$66,612
Very Low Income (50% MFI)	\$28,500	\$713	\$489	\$32	\$116	\$76	\$713	\$5,829	\$107,134	\$111,020
Low Income (80% MFI)	\$45,600	\$1,140	\$782	\$52	\$185	\$121	\$1,140	\$9,326	\$171,415	\$177,632
Median Income (100% MFI)	\$48,100	\$1,203	\$825	\$55	\$195	\$128	\$1,203	\$9,837	\$180,812	\$187,370
Moderate Income (120% MFI)	\$57,700	\$1,443	\$989	\$66	\$234	\$154	\$1,443	\$11,800	\$216,900	\$224,767
2-Person Household										
Extremely Low Income (30% MFI)	\$19,550	\$489	\$335	\$22	\$79	\$52	\$489	\$3,998	\$73,490	\$76,156
Very Low Income (50% MFI)	\$32,600	\$815	\$559	\$37	\$132	\$87	\$815	\$6,667	\$122,546	\$126,991
Low Income (80% MFI)	\$52,100	\$1,303	\$893	\$59	\$211	\$139	\$1,303	\$10,655	\$195,849	\$202,952
Median Income (100% MFI)	\$54,950	\$1,374	\$942	\$62	\$223	\$146	\$1,374	\$11,238	\$206,562	\$214,054
Moderate Income (120% MFI)	\$65,950	\$1,649	\$1,131	\$75	\$268	\$176	\$1,649	\$13,487	\$247,912	\$256,904
3-Person Household										
Extremely Low Income (30% MFI)	\$22,000	\$550	\$377	\$25	\$89	\$59	\$550	\$4,499	\$82,700	\$85,700
Very Low Income (50% MFI)	\$36,650	\$916	\$628	\$42	\$149	\$98	\$916	\$7,495	\$137,771	\$142,768
Low Income (80% MFI)	\$58,600	\$1,465	\$1,005	\$67	\$238	\$156	\$1,465	\$11,984	\$220,283	\$228,272
Median Income (100% MFI)	\$61,850	\$1,546	\$1,060	\$70	\$251	\$165	\$1,546	\$12,649	\$232,500	\$240,933
Moderate Income (120% MFI)	\$74,200	\$1,855	\$1,272	\$84	\$301	\$198	\$1,855	\$15,175	\$278,925	\$289,041
4-Person Household										
Extremely Low Income (30% MFI)	\$24,600	\$615	\$422	\$28	\$100	\$66	\$615	\$5,031	\$92,474	\$95,828
Very Low Income (50% MFI)	\$40,700	\$1,018	\$698	\$46	\$165	\$108	\$1,018	\$8,324	\$152,995	\$158,544
Low Income (80% MFI)	\$65,100	\$1,628	\$1,116	\$74	\$264	\$173	\$1,628	\$13,314	\$244,717	\$253,593
Median Income (100% MFI)	\$68,700	\$1,718	\$1,178	\$78	\$279	\$183	\$1,718	\$14,050	\$258,250	\$267,616
Moderate Income (120% MFI)	\$82,450	\$2,061	\$1,413	\$94	\$335	\$220	\$2,061	\$16,862	\$309,937	\$321,179

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Table B-2
Salinas Housing Target Market Analysis
East Alisal
Affordable For-Sale Housing Prices

Item	CA HCD 2017 Annual Salary Limit	Monthly Housing Expense Limit [1]	Monthly Housing Expenses by Category [2]					Upfront Mortgage Insurance & Down Payment	Loan Value	For-Sale House Price Limit
			Principal & Interest	Property Insurance	Property Taxes	Mortgage Insurance	Total			
5-Person Household										
Extremely Low Income (30% MFI)	\$27,880	\$697	\$478	\$32	\$113	\$74	\$697	\$5,702	\$104,804	\$108,605
Very Low Income (50% MFI)	\$44,000	\$1,100	\$754	\$50	\$179	\$117	\$1,100	\$8,998	\$165,400	\$171,399
Low Income (80% MFI)	\$70,350	\$1,759	\$1,206	\$80	\$285	\$187	\$1,759	\$14,387	\$264,452	\$274,044
Median Income (100% MFI)	\$74,200	\$1,855	\$1,272	\$84	\$301	\$198	\$1,855	\$15,175	\$278,925	\$289,041
Moderate Income (120% MFI)	\$89,050	\$2,226	\$1,527	\$101	\$361	\$237	\$2,226	\$18,212	\$334,747	\$346,888
6-Person Household										
Extremely Low Income (30% MFI)	\$32,960	\$824	\$565	\$37	\$134	\$88	\$824	\$6,741	\$123,900	\$128,394
Very Low Income (50% MFI)	\$47,250	\$1,181	\$810	\$54	\$192	\$126	\$1,181	\$9,663	\$177,617	\$184,059
Low Income (80% MFI)	\$75,550	\$1,889	\$1,295	\$86	\$307	\$201	\$1,889	\$15,451	\$284,000	\$294,300
Median Income (100% MFI)	\$79,700	\$1,993	\$1,366	\$91	\$323	\$212	\$1,993	\$16,299	\$299,600	\$310,466
Moderate Income (120% MFI)	\$95,650	\$2,391	\$1,640	\$109	\$388	\$255	\$2,391	\$19,561	\$359,557	\$372,598
7-Person Household										
Extremely Low Income (30% MFI)	\$37,140	\$929	\$637	\$42	\$151	\$99	\$929	\$7,596	\$139,613	\$144,676
Very Low Income (50% MFI)	\$50,500	\$1,263	\$866	\$57	\$205	\$134	\$1,263	\$10,328	\$189,834	\$196,719
Low Income (80% MFI)	\$80,750	\$2,019	\$1,384	\$92	\$328	\$215	\$2,019	\$16,514	\$303,547	\$314,556
Median Income (100% MFI)	\$85,200	\$2,130	\$1,461	\$97	\$346	\$227	\$2,130	\$17,424	\$320,275	\$331,891
Moderate Income (120% MFI)	\$102,250	\$2,556	\$1,753	\$116	\$415	\$272	\$2,556	\$20,911	\$384,367	\$398,308
8-Person Household										
Extremely Low Income (30% MFI)	\$41,320	\$1,033	\$708	\$47	\$168	\$110	\$1,033	\$8,450	\$155,326	\$160,959
Very Low Income (50% MFI)	\$53,750	\$1,344	\$921	\$61	\$218	\$143	\$1,344	\$10,992	\$202,051	\$209,380
Low Income (80% MFI)	\$85,950	\$2,149	\$1,473	\$98	\$349	\$229	\$2,149	\$17,578	\$323,094	\$334,813
Median Income (100% MFI)	\$90,700	\$2,268	\$1,555	\$103	\$368	\$242	\$2,268	\$18,549	\$340,950	\$353,316
Moderate Income (120% MFI)	\$108,850	\$2,721	\$1,866	\$124	\$442	\$290	\$2,721	\$22,261	\$409,177	\$424,018

sales price

Source: State Income Limits for 2017, California Department of Housing and Community Development; www.fha.com; Federal Reserve Board; Various residential real estate websites; EPS.

[1] Equal to 30 percent of annual salary limit.

[2] Analysis is based on the requirements for first-time homebuyers purchasing a home with a FHA loan. Analysis includes the following assumptions for a FHA mortgage loan and required taxes and insurances.

	Amount	Source - Note
Mortgage Loan Interest:	3.625%	Realtor.com; US Bank - As of September 2017 rates are 3.5%, analysis assumes 3.625%.
Mortgage Term (Years):	30	EPS
Down Payment as a % of Home Value:	3.50%	www.fha.com - Minimum requirement for FHA loan.
Property Insurance as a % of Home Value:	0.35%	Federal Reserve Board - Survey of average across United States.
Property Taxes as a % of Home Value:	1.25%	EPS
Mortgage Insurance as a % of Loan Value:	0.85%	www.fha.com
Upfront Mortgage Insurance as a % of Home Value:	1.75%	www.fha.com