

# Jane Haines

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FORA Board of Directors  
920 Second Avenue  
Marina, CA 93933

Re: 2/12/16 Agenda item 8a

Dear FORA Board members:

I can't attend tomorrow's meeting, so instead I'm sending this letter to explain why I find two statements in the item 8a board report misleading, and how a fourth option could address Monterey County's serious unaffordable housing situation.

## **First Misleading Statement**

The first implies that private works projects on the former Fort Ord qualify as public works projects. The staff report states:

*"It is staff's interpretation that, since FORA and the jurisdictions accept reduced land sales revenue from nearly every historical Fort Ord private sector project (based on the economic analyses performed by the jurisdictions that assess the cost of FORA mitigation fees, building removal, prevailing wage, and other costs) individual development projects may qualify as a public work."*

The court and Department of Industrial Relations (DIR) conclude otherwise. Monterey/Santa Cruz County Bldg. and Const. Trades Council v. Cypress Marina Heights LP (2011) 191 Cai.App.4th 1500 held that "The Master Resolution is the originating source of any prevailing wage requirement that applies to CMH's project." (See pg. 13 at <http://blog.aklandlaw.com/uploads/file/Monterey%20Santa%20Cruz.pdf>) In other words, Marina Dunes is not a public work but it must nonetheless pay prevailing wages because the Master Resolution requires that.

Similarly, DIR investigated labor union complaints at the Promontory Project and found that the Promontory is not a public work project. (See AMCAL 10/23/15 letter to Mayor Delgado at pages 30-31 at <http://fora.org/Board/2015/emails/comments10-2015.pdf>)

## Second Misleading Statement

The second misleading statement limits the Board to three options, omitting a fourth:

*“FORA staff researched options for a FORA prevailing wage compliance program. **Attachment A** compares three (3) options for a FORA prevailing wage compliance support program. FORA staff's assumption of two full-time staff positions or equivalent consultant hours to monitor, respond to inquiries, and prepare reports is based on FORA Capital Improvement Program development forecasts.”*

The fourth option would be for the FORA Board to replace the current prevailing wage requirement in the Master Resolution with a different requirement.

### If FORA Eliminated the Master Resolution's Prevailing Wage Requirement

If FORA eliminated the Master Resolution's current prevailing wage requirement and replaced it with a living wage requirement, homes at the former Ft. Ord could be constructed at roughly half current labor costs. For example, hourly prevailing wages for carpenters in Monterey County range from \$70 to \$63 (see <http://www.dir.ca.gov/oprl/PWD/Determinations/Northern/NC-023-31-1.pdf>) whereas hourly living wages in Monterey County range from \$12 to \$35 (see <http://livingwage.mit.edu/counties/06053>).

Instead, the Master Resolution could provide developers with two options:

Option 1: build private homes with no selling price limitations and pay prevailing wages, or

Option 2: build private homes with selling price limitations and pay living wages rather than prevailing wages.

Developers who chose the latter would be able to build homes much closer to the \$298,120 selling price which the California Association of Realtors says is affordable to median income households in Monterey County.

### Don't be fooled

FORA's Master Resolution, **not** State law, is why developers of private housing projects at the former Ft. Ord must pay prevailing wages. FORA's Master Resolution could be amended to allow developers a choice. The result could be housing affordable housing to a far greater proportion of Monterey County households.

Sincerely,

P.S. Click on the links (underlined references) and they will take you to online documents which support the corresponding assertion.