

The Boomtown Chronicles: Reflections On a Changing California

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**Transcript: Interview with Gary Patton, Director, Land Watch
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GARY PATTON: This is Gary Patton I'm the executive director of Land Watch Monterey County.

RACHEL GOODMAN: How long?

GARY PATTON: Almost since October 1998.

RACHEL GOODMAN: If you could summarize for me the housing crises on the central coast. What does it look like right now to someone who doesn't live here?

GARY PATTON: The housing crises on the central coast looks worse than the housing crises anywhere else in California and anywhere else in the nation although there's a housing crises everywhere in the United States. The housing crises is this people who are making good incomes working in good jobs can't afford to find a place to live that's adequate and has any descent quality, and that means they can't essentially work near where they live and that's a problem.

RACHEL GOODMAN: How does expensive housing in a county like Santa Cruz, translate into people moving about and causing housing crises elsewhere in the region obviously there's some sort of domino effect but is there a ground zero of that and is it here?

GARY PATTON: The ground zero for the housing crises in the central coast is in the Silicon Valley, because that is the area where they are creating lots of jobs historically and in the future. And what is happening is as jobs are created if housing is not available in immediate area of the new jobs, people spin to the peripheries of the region looking for more affordable housing and the further you go from where the job is the less the house costs. That's actually true historically SC county has had lower cost housing than Santa Clara County Monterey county really this is true today, lots of people move to Monterey county because they can get the same kind of housing for a much cheaper price. That's the ground zero if you have higher housing prices some places people move farther away.

RACHEL GOODMAN: If we were to track that a bunch of jobs were created like Cisco Systems may still happen as a ripple effect, the people there displaced and people here. If you could you kind of chart that for us. If that happened what would the ripple effect be?

GARY PATTON: The housing market is a market. It's a normal market. It's unregulated. Those that have the gold get the goods. The people that have more money outbid the people that have less money. If you look at a wage earner in the Silicon Valley they earn more and can outbid the locals in Santa Cruz. The market is beyond the local area. People are coming from not only Silicon Valley, but they are coming from outside California, and around the world to retire here and live here. That's what we're up against.

RACHEL GOODMAN: How do you intervene in the free market if it's that way? That's really the question and that's a political question isn't it?

GARY PATTON: There are two places where you can intervene successfully in the open market: one of them there is no opportunity really directly for local people to be involved, and that's at the national level. And ultimately that's where these problems have to be solved, because it's a question of who gets the wealth in a society that's extremely productive economically but the rewards are unequally distributed so that for instance ordinary hard working people that work at their jobs don't earn enough to have a quality home, therefore the national government could change housing, wealth distribution policies and taxation policies. To make it possible for ordinary people to own a home. It did happen in a certain way after WWII when the Federal government said, "We need to give them a chance to start in a productive line of work. And make it possible for them to buy a home. And there were all these sorry of GI bills that made it possible for people to buy a home. Locally you can't do anything with what already exists because anybody who owns a piece of property now they've got their private e property right to make the most money they can from it and that's the way it goes, but going forward, new housing developments; the local government can require and some restrictions do, Santa Cruz County does for instance. A certain percentage of all new development to be permanently protected to be purchased and sold for prices that ordinary people can afford. In other words, you don't have the right to build new housing, you have to get permission, and a condition on that can be maintaining permanent affordability over time. That won't solve the problem, because the new development is a very small part of the new housing market, but it helps out.

RACHEL GOODMAN: People who are poor who are moving into places like would say "but I also want the right to wreak the benefits of a society so if I'm going to buy a house I want to be able to sell it for however much as I can. Aren't there some housing trusts that pay the difference or at least help those people to move up?"

GARY PATTON: Affordable housing is always a problem that the ordinary people can't afford the home that they need, and therefore if somebody is willing to put in money and subsidize it. The federal government has the money to do that but local governments don't have that money, but local governments don't have the money to continue their current level of services much less expand housing subsidies. So for a local government that creates through its governmental action and affordable housing opportunity. If they don't permanently protect that for people in the income range they're targeting, whether it's very low income, low income or moderate income people, then what they're really doing is taking government funds and making it a gift for an individual, it doesn't help the problem in the local community. I personally think it's very important not to let these games when we are able to make them, to let them evaporate over the next 20 years so they can remain as a community resource.

RACHEL GOODMAN: Let's talk about the tensions of preserving Ag land, preserving the environment and creating housing for low-income people. There seems to be this intractable battle going on between people who say they have a common interest in

providing housing for low income people and yet they all are coming about this in such a different way that it looks like an intractable fight like everybody's staked out territory and won't budge an inch because they distrust other parties. I don't want to get too much into the general plan of Monterey in this conversation but how do you see that impasse and how do you see it opening up. When will people lie down there particular arms? I know it surrounds Ag preservation Vs. Housing that you can get huge amounts more for and that's where the money divide is, that's where the fractures are.

GARY PATTON: Really the problem isn't between Ag preservation and affordable housing. That's a false dichotomy. What the real difference is, is about whether agricultural land is made for new development whether that new development will be restricted to people who are in the low-income categories. The people who suggest if we just made more land available for housing the supply of new housing thus produced will lower the price under the sort of the rubric of the law of supply and demand if we build a lot more houses of course the price is going to go down take into account the market that they're putting these new houses into. If the market for instance in Monterey county for just the people in Monterey county, and you produce some new units, the people who could buy them would be living there. But the fact is the market is the Silicon Valley, the state of Ca, the world, and that's such a huge market there's no way you can have paved over the Salinas valley to lower the price to the degree that a low income person or below average income person could get a house. So the people who are arguing for :you need to let us develop our Ag land so we can provide affordable housing are really saying you need to let us make a lot of money." When you say to them "Hey there's a way to say we can come together on this. We will allow some Ag land to be developed but it will have to be for truly affordable housing and the prices will be restricted and all of a sudden the people who said they wanted to develop there Ag land say "that's bad, that's interference in the free market, and they want the land without the restrictions. So they want the full profits of development rather than sharing the benefits of development with essentially those people in the community who can't afford the so-called market price. You have to understand that Ag land in Monterey County that is used for Ag costs on the private about 20 thousand dollars an acre. As soon as the government says we're going to let you develop that for some sort of urban use the price goes up to something like 100 thousand dollars per acre. That's ten times the increase in the value of your land. And the person that owns the land did nothing to create that increase in value. That increase in value is created by 3 votes on the Board of Supervisors or the four votes on the city council or 5 on Laughco, whatever it is, that says hey this can be developed now, therefore the value changes it's perfectly appropriate in my opinion for the society or the community to say, hey we will increase the value of your land but your going to have to take a large share of that increased value and plow it back in to making the housing built on the land affordable to folks who have just average or below average incomes. And the landowners in Monterey County haven't been ready yet to make that deal.

RACHEL GOODMAN: It seems like there's too an irony because the people that would be buying those houses are the ones employed by the Ag industry or have come here because of it and now we are lessening the number of farms they can work on by building houses for them. There seems to be some story of weird irony there to me that

the more we build we are taking away the what's the last manufacturing industry. If you want to call Ag that, it's the last thing we are creating here anymore. And not that those are high paying manufacturing jobs, but it is a productive thing that we're doing here: we're actually creating something of use to people. Have people who are into land preservation softened on this that they see that there's such a need for low income housing they're willing to say "well maybe we can give up some Ag land, maybe that's a tradeoff we need to make everyone's lives easier?"

GARY PATTON: Land watch Monterey County I am the executive director of that group. That is exactly our position: our position is we're willing to trade a certain amount, the amount that is needed to provide for the housing needs of the people. We're willing to trade off Ag-land protection for affordable housing but we need to make a deal that's a real deal not just say let's develop Ag-land and say the markets going to produce affordable housing because it doesn't. People have to understand that the so-called Ag community is really two groups of people. The people that own the land are not really in the farming business. They're in the investment business and their investment is in the land. They're trying to get a turn on their investment and frankly Ag land used for Ag is a production is a business, it is an industry and it is a very important part of the economic system, so they're making a good return but they can make a lot more if they convert the land and so the land owners have a built in interest having what they asked for is flexibility to develop their land so that if anyone wants to put a used car lot out there, a new shopping center, a new residential subdivision they'll be able to realize that increase value and get bigger return on their investment. The actual farmers don't own the land they lease land and they have a vested interest keeping that land protected for Ag because otherwise it goes out of sight, they can't afford it and they're driven out of business. It really is a community decision. The elected officials in the community have to make a decision and if they don't decide to protect Ag land and make certain it stays protected for Ag use only if they give the kind of flexibility to allow land owners to decide what to do with their land to make the most profit for them individually then Ag will be driven even out of places economically productive for Ag as the Salinas Valley because the land owners can make more by turning over the Salinas valley into a pale version of the silicon valley.

RACHEL GOODMAN: Finally, I know you have to go, what is this rubric between the big growers and the local governments I know they've had power there for a pretty long time. You know they are the old time power sway there, built then you have this new influxes of Latino young voters and who really want housing, they're not so interested really in what the growers want, they have their own issues, labor issues and wage issues, and I'm wondering if you're seeing a change or if we're still the old California still controlling things?

GARY PATTON: The Monterey county general update process if you look at it from sort of a political furry perspective. You see the kind of transition you're talking about. There is kind of a debate and a discussion now in Monterey County who is going to have these fertile fields of the Salinas valley, which are so economically productive. Historically the large growers of the area have been around town and they've influenced

the local governments and local growers very much and they're still trying to do that. Their interest now is to allow them to convert their Ag land to non-Ag uses. At the same time there are residential people, there are essentially all the workers who have a little bit different interest and the general plan debate over Monterey County over the last five years has been which group is the board of supervisors going to pay attention to and how are they going to reconcile these different ideas each which has some validity, but they serve different groups. If you convert the land you protect the land owners if you protect the land you tend to serve the people in the existing community that won't have to pay the service costs for the new development and who will possibly continue to have some jobs. The board has been unwilling to make a choice. That's really what happened. Just to synopsise 5 years of work on the general plan. The planning commission delivered its final recommendation to the board, and the board said in these many words "you get a lot of debate and concession, and there isn't a lot of debate about this, and that must mean this whole thing is flawed because there are different ideas so we're just going to start over and they just said we were not going to make a decision where we're going to have to choose between these different interests and try to reconcile them ourselves and we're just going to start the whole process over because we're being faced with a difficult political choice that really is an abdication of their responsibility, a terrific waste of money and time, 5 ears and 5 million dollars but which comes out of this tension that you mentioned, the tension between which way Monterey county; do we convert it and make a lot of money for the land owners and ultimately pave over the valley with urban developments of various kinds, or do we try to protect those Ag lands and try to protect Ag as the main industry. Ag is an industry; it needs to be protected as an industry and in the Silicon Valley you couldn't knock down the factories to put in subdivisions and Walmarts. If you pave over the Industrial lands of Monterey Counties Agricultural areas and put in subdivisions and Walmarts, you have lost the industry.

RACHEL GOODMAN: Finally, just sitting on a park bench at the Santa Cruz Beach Boardwalk, you're a controversial figure wherever you go. To some it seems you saved Santa Cruz from a horrible fate of being a big sub division, having nuclear power plants subdivisions and tract homes everywhere; or your impeding progress and you have this communistic tendency of wanting to interfere with the landowners right to sell. How do you walk around and not get in conversations with people where they blame you for everything. You must have a lot of power and influence and have some really radical ideas for people to react so strongly from you.

GARY PATTON: Well I have been involved in local public life in SC County for 20 years plus. I am a controversial figure because I voted on various policy changes that our community made, and our community really made the choices. We in SC County, as you probably know, adopted a 1978 a growth management measure which I actually wrote, but which the voters approved and which has been subsequently approved, both by the courts and essentially the voters themselves as they staved off a tax on this growth management measure. What happened and what always happens, the community makes the choices, individuals maybe involved in leadership positions, or in positions of official representation, as the community make decisions. SC COUNTY made a different position than many, many different areas, and it said, "We are going to protect Ag land.

You're not going to develop it. You're not going to divide it. It's going to be agriculture. We did that and we're going to stop subdivisions in rural areas essentially in their tracks which we did and we're going to focus growth in the urban areas which means growth is going to slow down, and we're going to try to provide affordable housing, which we did, not enough, but some, and all those choices made by the voters benefit the community at large, which is why I think the voters voted for them, but they do disadvantage people that own land that is now agricultural land, but you can't make anything like the money you could make if you developed it for subdivisions and supermarkets. All I can say is people who focus on me and say I'm the problem should look at their neighbors in the vicinity, and say, "don't we all make these decisions through the democratic process and I'm very proud SC county has made the choices its made." It has got some real difficult choices coming up about affordable housing. At this conference recently that I spoke at I really urged our local citizenry to start using the power of local government to do more on affordable housing. That's the challenge for today.

RACHEL GOODMAN: It seems like it because once you decide you're not growing as fast the price of houses go up and what we're seeing now in the fabric of our community, is the firefighters, the nurses, even the doctors and professionals, and university people. People can't afford to live here anymore so are we going to become a Kitchen Idaho and Sun Valley Idaho, where the entire workforce commutes in or are we going to try and do something different and that seems like affordable housing is the only way out. Thank you.