



## City of Martinez

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November 22, 2016

Michael Simmons, Foreperson  
2015-2016 Contra Costa County Grand Jury  
725 Court Street  
P.O. Box 431  
Martinez, CA 94553

RE: Grand Jury Report No. 1614, "Where Will We Live?"

Dear Mr. Simmons:

On behalf of the Martinez City Council, this letter responds to Contra Costa County Grand Jury Report "Where Will We Live?" (Report 1614). The City Council authorized this response at its meeting on

### **CITY'S RESPONSES TO GRAND JURY FINDINGS**

#### **GRAND JURY FINDING #1**

Priority Development Areas (PDA) recognizes the importance of housing near transportation and jobs for developing prosperous communities.

*City Response: Agree with findings.*

#### **GRAND JURY FINDING #2**

Plan Bay Area 2040 seeks to combine transportation, jobs and housing as a solution to the needs of our growing population.

*City Response: Agree with findings.*

#### **GRAND JURY FINDING #3**

While State law mandates that ABAG conduct the Regional Housing Needs Analysis (RHNA) process, a city is not required to subsidize and/or build the units; it is only required to demonstrate that local zoning will not impede development.

*City Response: Agree with findings.*

#### **GRAND JURY FINDING #5**

Inclusionary zoning programs provide incentives and regulatory waivers to builders and developers who produce both affordable and market rate homes within the same project.

*City Response: Disagree. Inclusionary zoning/housing provisions do not necessarily include any incentives or regulatory waivers to builders or developers.*

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ROB SCHRODER, MAYOR

**GRAND JURY FINDING #6**

The city's Inclusionary Housing ordinance helps to provide Affordable Housing (AH) in that city.

*City Response: Not applicable. The City does not have an inclusionary housing ordinance.*

**GRAND JURY FINDING #8**

Inclusionary Housing Ordinances sometime include the option for the developer to pay in lieu fees instead of constructing AH units.

*City Response: Agree with findings.*

**GRAND JURY FINDING #9**

The city supplements the shortage of funds for AH by requiring builders to pay impact fees, in lieu fees, or other construction and remodeling fees.

*City Response: Not applicable. The City does not have an inclusionary housing ordinance or a housing in lieu or impact fee. The finding may be true as to some Cities.*

**GRAND JURY FINDING #10**

Infill costs less to service than new development because it takes advantage of the existing infrastructure.

*City Response: Partially disagree. Depending on the specifics of a site, infill development might or might not cost less to construct and service compared to new development.*

**GRAND JURY FINDING #11**

The elimination of redevelopment agencies resulted in a reduction of the number of AH units constructed in the city by eliminating a major source of funding for affordable development projects.

*City Response: Not Applicable. Martinez did not have a redevelopment agency. The city agrees that in general the elimination of redevelopment monies eliminated a major source of funding for affordable housing.*

**GRAND JURY FINDING #12**

The city delegates to the builder, owner, or management company of AH properties the responsibility for gathering and validating AH clientele information, as well as maintaining lists of potentially interested buyers.

*City Response: Partially agree. While in general the City leaves tenancing and management duties to the owners of the affordable housing properties, the owner is obligated to provide reporting and monitoring information to the City. This information includes validating information regarding clientele, waiting lists, etc.*

### **GRAND JURY FINDING #13**

There is no accessible centralized information source for available AH, which compounds the problems created by the AH shortage for those who are searching for affordable housing.

*City Response: The city lacks sufficient information to agree or disagree with this finding. The Housing Authority of Contra Costa County does maintain a list of properties on its website. The City does not know if this listing is complete or how often it is updated.*

### **CITY'S RESPONSES TO GRAND JURY RECOMMENDATIONS**

#### **RECOMMENDATION #1**

The city should consider increasing AH in PDAs.

*City Response: The recommendation has been implemented. The City has already identified affordable housing opportunities in its PDA. In 2015, a very low income 49-unit affordable housing project, Berrellesa Palms, was opened in the PDA.*

#### **RECOMMENDATION #2**

The city should consider adopting an Inclusionary Housing Ordinance.

*City Response: The City Council considered an inclusionary housing ordinance in 2008, but the ordinance was not adopted and the Council instead voted to return the item to staff and the Housing Element/Affordable Housing Subcommittee for development of alternatives to the ordinance as it was proposed. Staff has investigated alternatives and found that alternatives are difficult without a reliable funding source, such as redevelopment. The use of a development impact fee for affordable housing, zoning for inclusionary housing, setting up an Infrastructure Financing District and Housing Trust Funds, do appear to be viable methods for creating and promoting the development of affordable housing, however, the consequences and costs of these programs must be evaluated against their effectiveness. City staff will investigate alternative methods to create opportunities and funding for affordable housing. While no fee is currently charged to new development, a Housing In-Lieu Fund does exist, capitalized with voluntary contributions from developers. The balance in that fund is roughly \$351,000.*

#### **RECOMMENDATION #3**

The city should explore rehabilitating existing housing stock as AH for purchase or rental, and identify funding to do so.

*City Response: This recommendation has been partially implemented. The City will continue to participate in the Contra Costa County Neighborhood Preservation Program and the County Rental Rehabilitation Program.*

**RECOMMENDATION #5**

The city should explore increasing existing “impact fees” or “linkage fees” or enacting such fees in order to generate revenue with which to assist funding of AH.

*City Response:* This recommendation has not been implemented. The staff will evaluate the impact fee schedule during the next two year budget cycle.

**RECOMMENDATION #6**

The city should consider designating an employee within the city’s planning or housing department to coordinate with property management to maintain current waiting and interest lists of available AH and ensure information is posted on the city website, and identifying funding to do so.

*City Response:* This recommendation requires further analysis. It might be more efficient to create a single countywide interest and waiting list.

**RECOMMENDATION #7**

The city should consider seeking federal, state, and local funding sources for AH.

*City Response:* The recommendation has been implemented, as staffing has allowed. The City is continually looking for federal, state and local funding sources for affordable housing.

**RECOMMENDATION #8**

The city should consider partnering with for-profit and not-for-profit builders to secure land suitable for AH, and identify funding to do so.

*City Response:* The recommendation has been implemented, as staffing has allowed. The City is continually open to partnership opportunities with nonprofits and other organizations to create additional affordable housing.

**RECOMMENDATION #11**

The city should consider undertaking an education initiative in the earliest phase of affordable planning projects in order to alleviate community concerns regarding AH, and identify funding to do so.

*City Response:* This recommendation has not yet been implemented. The City believes that it would be more efficient for the County or a collaboration of cities to develop boilerplate affordable housing project education materials for cities to use with individual projects.

**RECOMMENDATION #13**

The city should consider identifying all infill and vacant land not in PDAs and encourage use of it for AH through tax incentives, density bonuses, etc.

*City Response:* The recommendation has been partially implemented. The City’s Housing Element, adopted in 2015, identifies vacant and underutilized sites for housing. The density bonus provision of the Martinez Municipal Code provides incentives for development of AH.

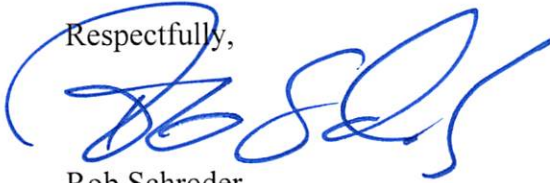
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**RECOMMENDATION #15**

The city should consider creating an easily accessible, on line central repository with all relevant information on deed-restricted housing units to assure that inventory of AH is maintained, and identify funding to do so.

*City Response: The recommendation has been partially implemented. The City will continue to provide linkages to the County and State websites that provide detailed information on affordable housing opportunities.*

Respectfully,



Rob Schroder  
Mayor