



CITY OF PINOLE

2131 Pear Street
Pinole, CA 94564

Tel: (510) 724-9000
Fax: (510) 724-9826

September 21, 2016

Honorable John T. Laettner
Judge of the Superior Court
Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Re: **Contra Costa County Grand Jury Report:** "Where Will We Live? The Affordable Housing Waiting List is Closed." (Report 1614)

Dear Judge Laettner:

On behalf of the Pinole City Council, this letter responds to Contra Costa County Grand Jury Report: "Where Will We Live? The Affordable Housing Waiting List is Closed." The City Council authorized this response at its meeting on September 20, 2016.

We appreciate the time and effort that you and the Grand Jury spent considering Affordable Housing. We trust that the Grand Jury also appreciates the City time spent responding to the Grand Jury Survey on this topic and reviewing and responding to Grand Jury reports. Pursuant to California Penal Code section 933.05, the City will respond to each finding and to each recommendation individually requiring a response from us.

Findings

Finding #1: "PDAs recognize the importance of housing near transportation and jobs for developing prosperous communities."

The City agrees with this finding #1.

Finding #2: "Plan Bay Area 2040 seeks to combine transportation, jobs and housing as a solution to the needs of our growing population."

The City agrees with this finding #2.

Finding #3: “While State law mandates that ABAG conduct the 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.”

The City agrees with the finding #3.

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 site.

The City agrees with this finding #5.

Finding #6: “The city’s Inclusionary Housing ordinance helps to provide AH in that city.”

The City agrees with the finding #5

Finding #8: “Inclusionary Housing Ordinances sometimes include the option for the developer to pay in lieu fees instead of constructing AH units.”

The City agrees with this finding #8.

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.”

The City disagrees with this finding. The City of Pinole does not require builders to pay development impact fees for affordable housing (AH). Construction or remodeling does not trigger payment of AH fees in Pinole.

Finding #10: “Infill costs less to service than new development because it takes advantage of the existing infrastructure.”

The City disagrees with this finding #10. Infill development may cost less or more than new non-infill development depending on the type of service provided, the current condition of the infrastructure, and the funding mechanisms in place to pay for ongoing service delivery or infrastructure maintenance.

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.”

The City agrees with this finding #11.

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.”

The City partially disagrees with this finding. The City delegates to property owner or management company the responsibility for gathering and tracking AH clientele information and lists of potentially interested buyers. However, the City contracts with a third party to verify the validity of the information and help the City monitor affordable housing covenant compliance.

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.”

The City agrees with this finding #13.

Recommendations

Recommendation #1: “The city should consider increasing AH in PDAs.”

The recommendation has been implemented.

Recommendation #2: “The city should consider adopting an Inclusionary Housing Ordinance.”

The recommendation has been implemented. The City adopted the current Inclusionary Housing Ordinance in November 2010.

Recommendation #3: “The city should explore rehabilitating existing housing stock as AH for purchase or rental, an identify funding to do so.”

The recommendation is will not be implemented because it is not reasonable as sufficient housing funds are presently unavailable to implement this AH 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.

The recommendation requires further analysis. It should be noted that impact fees can generate revenues however; a nexus study must be prepared to provide the legal basis for any impact fee.

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 the funding to do so.”

The recommendation will not be implemented because it is not reasonable. The City of Pinole planning and housing personnel was severely reduced as a result of the great recession and then further reduced with the elimination of the City’s Redevelopment Agency. As such, the City does not have sufficient staff to implement this recommendation.

Recommendation #7: “The City should consider seeking federal, state, and local funding sources for AH.”

The recommendation has been implemented. The City regularly considers seeking available funding for AH. Available funding is very limited and highly competitive.

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

The recommendation has been implemented. The City regularly considers these partnerships and meets with interested builders upon request.

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.”

The recommendation has been implemented. The City has received no development applications for new AH development projects. Development requests for rehabilitation of existing AH in Pinole have all been approved. The City regularly shares information about AH needs during updates to the General Plan Housing Element to help explain the various AH levels and alleviate community concerns.

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.”

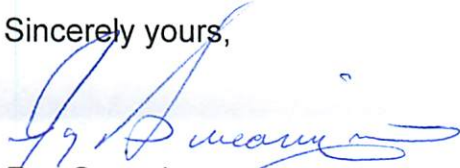
The recommendation has been implemented. The City has identified vacant residential sites both within and outside PDAs in its General Plan Housing Element which was approved in 2015. State density bonus law and the City’s Municipal Code currently provide for development incentives including density bonuses for developers interested in building AH housing.

Recommendation #15: “The city should consider creating an easily accessible, online 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.”

The recommendation will not be implemented because it is not reasonable. The City of Pinole planning and housing personnel was severely reduced as a result of the great recession and then further reduced with the elimination of the City's Redevelopment Agency. As such, the City does not have sufficient staff to implement this recommendation.

We hope that the Grand Jury will find these responses helpful.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Roy Swearingen", with a large, sweeping flourish extending to the right.

Roy Swearingen
Mayor, City of Pinole

cc: Michael Simmons, Contra Costa County Grand Jury Foreperson,
725 Court Street, Martinez, CA 94553
Michelle Fitzer, City Manager
Ben Reyes, City Attorney