



September 29, 2016

Michael Simmons, Foreperson
Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Email: epant@contracosta.courts.ca.gov
Via U.S. Mail and Email

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

Dear Mr. Simmons:

On behalf of the City of El Cerrito, this letter serves as a response to Grand Jury Report No. 1614, "Where Will We Live?," by the Contra Costa Grand Jury.

In accordance with your request and Section 933.05 of the California Government Code, the City is responding as required to Findings F1 – F3, F5, F6, and F8 –F13 and Recommendations R1 – R3, R5 – R8, R11, R13, and R15 as outlined in the Grand Jury Report.

FINDINGS

F1: "Priority Development Areas (PDAs) recognize the importance of housing near transportation and jobs for developing prosperous communities."

Response: The City of El Cerrito agrees with Finding #1.

F2: "Plan Bay Area 2040 seeks to combine transportation, jobs and housing as a solution to the needs of our growing population."

Response: The City of El Cerrito agrees with Finding #2.

F3: "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."

Response: The City of El Cerrito agrees with Finding #3.

F5: "Inclusionary zoning programs provide incentives and regulatory waivers to builders and developers who produce both affordable market rate homes within the same project."

Response: The city of El Cerrito partially disagrees with Finding #5. It depends upon how the inclusionary housing (IH) ordinance is written as some programs actually encourage in-lieu fees to be paid for off-site affordable housing (AH) to be developed.

F6: "The city's Inclusionary Housing ordinance helps to provide AH in that city."

Response: The City of El Cerrito partially disagrees with Finding #6. While El Cerrito

agrees that IH ordinances can help to provide AH in cities that have adopted such ordinances, El Cerrito has not adopted an IH ordinance. The Grand Jury Report 1614 incorrectly calls out El Cerrito as having adopted an IH ordinance.

F8: "Inclusionary Housing Ordinances sometimes include the option for the developer to pay in-lieu fees instead of constructing AH units."

Response: The City of El Cerrito agrees with Finding #8.

F9: "The city supplements the shortage of funds for AH by requiring builders to pay impact fees, in-lieu fees, or other construction remodeling fees."

Response: The City of El Cerrito disagrees with Finding #9 and does not currently have such a requirement.

F10: "Infill costs less to service than new development because it takes advantage of the existing infrastructure."

Response: The City of El Cerrito agrees with Finding #10.

F11: "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."

Response: The City of El Cerrito agrees with 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."

Response: The City of El Cerrito agrees with Finding #12.

F13: "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."

Response: The City of El Cerrito partially disagrees with Finding #13. El Cerrito publishes a list of AH located within the City boundaries. A County-wide information source could be another tool for low-income households to locate AH. It should be noted that most of the existing AH projects have extremely low vacancy rates and long waiting lists. By the time an AH unit is vacated, there is typically a new tenant already qualified for the unit.

RECOMMENDATIONS

R1: "The city should consider increasing AH in PDAs."

Response: The recommendation is being implemented through recent, current and upcoming construction of affordable housing units within the PDA, including the 57-unit Ohlone Gardens affordable housing project opened last year, 19 BMR restricted units currently under construction as a part of a 128-unit residential development, a 63-unit affordable senior housing project (Hana Gardens) about to go under construction and a project consisting of 68-units in the entitlement phase. The City will continue to investigate other means to further this recommendation.



R2: "The city should consider adopting an Inclusionary Housing Ordinance."

Response: The recommendation requires further analysis. The City will be undertaking preparation of an Affordable Housing Strategy, which among other actions, will evaluate the feasibility of adopting an Inclusionary Housing Ordinance.

R3: "The city should explore rehabilitating existing housing stock as AH for purchase or rental, and identify funding to do so."

Response: This recommendation will not be implemented. The City does not have access to funding to be involved in rehabilitating existing housing stock as AH. However, the City will explore the feasibility of partnering with other agencies or non-profit organizations to consider this recommendation in the upcoming Affordable Housing Strategy.

R5: "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."

Response: The recommendation requires further analysis. It will be considered and incorporated through the City's upcoming Fee Study and Affordable Housing Strategy.

R6: "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."

Response: This recommendation will not be implemented. The City does not have the staff or funding to provide this time-consuming activity. El Cerrito does provide a list of AH projects within the City boundaries on the City's website, and individual projects in El Cerrito also maintain waiting lists. As units become vacant, property managers typically have already identified another eligible renter which means that any waiting/interest lists that the City maintains would likely be out of date on an ongoing basis. It should be noted that the City does keep an interest list for new projects and forwards the information to the property managers as new projects begin the leasing process.

R7: "The city should consider seeking federal, state and local funding sources for AH."

Response: The recommendation is being partially implemented, as El Cerrito partners with its development community to seek funding for affordable housing. The upcoming Affordable Housing Strategy will further explore opportunities for furthering this recommendation.

R8: "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."

Response: The recommendation requires further analysis. The City does not currently have access to funding to be involved in purchasing land with for-profit and not-for-profit builders, however, this strategy will be further evaluated in the upcoming Affordable Housing Strategy.

R11: "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.”

Response: This recommendation will not be implemented. AH developers, in partnership with the City, usually take on this responsibility through meetings with the community through the development process. El Cerrito does not have funding to allocate resources to such an initiative.

R13: “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.”

Response: The recommendation has been partially implemented. El Cerrito currently has an incentives program which encourages affordable housing outside of the PDA and will explore this recommendation further in the upcoming Affordable Housing Strategy.

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.”

Response: This recommendation will not be implemented. El Cerrito already provides a list of AH projects within the City boundaries on the City’s website. This list is updated as new projects are completed. The individual projects also have individual waiting lists.

Please do not hesitate to let me know if you have any questions or require additional information concerning the above responses. You can reach me directly at (510) 215-4302 or by email at kpinkos@ci.el-cerrito.ca.us.

Sincerely,

Karen E. Pinkos
Assistant City Manager
City of El Cerrito

cc: El Cerrito City Council
Scott Hanin, City Manager