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September 27, 2016

Mr. Michael Simmons, Foreperson
Contra Costa County Civil Grand Jury
725 Court Street
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Martinez, CA 94553-0091
epant@contracosta.courts.ca.us

Re: Responses to Contra Costa County Grand Jury Report No. 1614, "Where Will We Live?"

Mr. Simmons:

Pursuant to California Penal Code Section 933.05, this letter responds to Contra Costa County Grand Jury Report No. 1614, "Where Will We Live?" This response was reviewed and authorized by the City Council at the September 27, 2016 City Council Meeting.

GRAND JURY FINDINGS

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

Response: The City of Oakley agrees with this finding.

Finding #2: "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 Oakley agrees with this finding.

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."

Response: The City of Oakley agrees with this finding.

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."

Response: The City of Oakley partially disagrees with this finding. Inclusionary Zoning requires the inclusion of affordable housing (or payment of a fee in lieu of units) in market rate developments. Separately, Density Bonus (both State law and local ordinance) provide incentives and regulatory waivers that may be afforded to the developer of affordable units. Inclusionary zoning units may be double-counted toward density bonus units which may lead to those incentives and waivers.

Finding #6: “The city’s Inclusionary Housing ordinance helps to provide affordable housing in the City.”

Response: The City of Oakley does not have an Inclusionary Housing ordinance and disagrees with this finding.

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

Response: The City of Oakley agrees with this finding.

Finding #9: “The city supplements the shortage of funds for affordable housing by requiring builders to pay impact fees, in lieu fees, or other construction and remodeling fees.”

Response: The City of Oakley agrees with this finding.

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

Response: The City of Oakley only partially agrees with this finding. It is true that infrastructure for new development on the fringe is more expensive to develop. It is also the case that, in contrast, urbanized areas of the city are within the service boundaries of utility and other service providers and adequate infrastructure components generally are in place. Although new development provides incremental improvements to the local utility services and pays fees for larger scale improvements, older undersized infrastructure can also be overloaded by new development even in urban areas which can lead to major infrastructure projects that include high costs for right of way, disruption to existing development, and other costs. Services such as police and fire services, parks, and schools also incur costs from new development that are not always adequately covered by infill, while “greenfield” development in Oakley includes special taxes for these purposes.

Finding #11: “The elimination of redevelopment agencies resulted in a reduction of the number of affordable housing units constructed in the city by eliminating a major source of funding for affordable development projects.”

Response: The City of Oakley agrees with this finding.

Finding #12: “The city delegates to the builder, owner, or management company of affordable housing properties the responsibility for gathering and validating affordable housing clientele information, as well as maintaining lists of potentially interested buyers.”

Response: The City of Oakley agrees with this finding.

Finding #13: “There is no accessible centralized information source for available affordable housing, which compounds the problems created by the affordable housing shortage for those who are searching for affordable housing.”

Response: The City of Oakley partially agrees with this finding as there appears to be no County-wide centralized source; however, the City does include a listing of affordable housing locations on its website.

CIVIL GRAND JURY RECOMMENDATIONS

Recommendation #1: The city should consider increasing affordable housing in PDAs.

Response: This recommendation will not be implemented. The City Council designated affordable housing sites in the current Housing Element cycle and no affordable housing was increased in these areas. Within the Downtown PDA, the Downtown Specific Plan does encourage mixed-use development, though not specifically designated as “affordable.”

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

Response: This recommendation will be implemented and at a future date the City will consider once again an Inclusionary Housing Ordinance as part of a future Housing Element update.

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

Response: This recommendation has partially been implemented. Currently, the City has temporarily reduced development impact fees for residential

development which can assist in the rehabilitation of the existing housing stock. The City does not intend on purchasing any residential units.

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 affordable housing.

Response: This recommendation will not be implemented and is not considered a priority for these fees by the City Council.

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 affordable housing and ensure information is posted in the city website, and identifying funding to do so.

Response: This recommendation has partially been implemented. The City’s Planning Manager is in frequent communication with the affordable housing complexes location in the City. Information is also included on the City’s website; however, we do not maintain data there such as waiting lists.

Recommendation #7: The city should consider seeking federal, state, and local funding sources for affordable housing.

Response: This recommendation has partially been implemented. The City does assist and coordinate with those interested in building affordable units by preparing letters of reference and recommendation for these types of grants.

Recommendation #8. The city should consider partnering with for-profit and not-for-profit builders to secure land suitable for affordable housing, and identify funding to do so.

Response: This recommendation has partially been implemented. As previously stated, the City does assist and coordinate with those interested in building affordable units by preparing letters of reference and recommendation for grants that may assist with these components of the projects.

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 affordable housing, and identifying funding to do so.

Response: This recommendation has been implemented. The City works closely with affordable

housing developers to notify and educate surrounding neighborhoods when developments are proposed and going through the entitlement process.

Recommendation #13: The city should consider identifying all infill and vacant land not in PDAs and encourage use of it for affordable housing through tax incentives, density bonuses, etc.

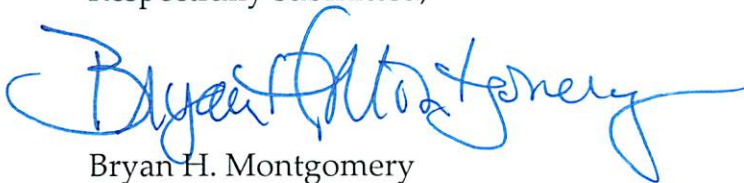
Response: This recommendation will not be implemented because it is not warranted or is not reasonable, based on the following explanation. The City of Oakley has an adopted and State –certified Housing Element that identifies opportunity sites which are vacant or underdeveloped and already designated in the General Plan and zoning for appropriately scaled development that is sufficient to meet the RHNA allocation for the eight-year planning period.

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 affordable housing is maintained, and identify funding to do so.

Response: This recommendation has been partially implemented. The City includes a listing on its website of affordable housing complexes located in the City.

Again, we thank you for the opportunity to respond to the Grand Jury's recent Report No. 1614. If you have any questions or need any assistance, please contact me directly at (925) 625-7025 or at montgomery@ci.oakley.ca.us.

Respectfully submitted,



Bryan H. Montgomery
City Manager

cc: City Council