



City of Pittsburg
City Manager's Office
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Pittsburg, CA 94565

August 24, 2023

By U.S. Mail and Email

Ms. Cynthia Roberts, Foreperson
Contra Costa County Civil Grand Jury, 2022-2023
P.O. Box 431
725 Court Street
Martinez, CA 94553
ctadmin@contracosta.courts.ca.gov

**RE: City of Pittsburg Response to June 14, 2023, Grand Jury Report No. 2306,
Affordable Housing: "A Plan Without A Home"**

Dear Ms. Roberts,

Thank you for your letter and the accompanying Grand Jury Report No. 2306, Affordable Housing: "A Plan Without a Home". Your letter and report indicate that all findings and recommendations uniformly apply to Contra Costa County and the 19 incorporated towns/cities. We recognize the challenges, and associated solutions, for Contra Costa County are different, based on geography/location, demographics, market conditions, land availability and associated costs, and land use/transportation options. Individual jurisdictions may also face unique constraints, especially environmental constraints, which may compromise a jurisdiction's ability to address housing needs.

However, the City of Pittsburg has an excellent record of affordable housing and has outperformed many of the cities listed in the report. Specifically, and as of most recent on January 31, 2021, the Southern California News Group used RHNA data to create its annual housing permit report card for all 539 cities and counties in the state. Only 33 were doing well enough to earn an 'A', while 96 got an 'F'. The average grade was a 'C-minus', while **Pittsburg earned a 'B+'** which indicates the city is ahead of most jurisdictions in the State when it comes to meeting its housing targets for this cycle. See link below for article and more information on how well Pittsburg is performing and increasing affordable housing options for its residents.

[Report card shows how badly California is failing on affordable housing – Orange County Register \(ocregister.com\)](https://www.ocregister.com)

Housing Needs and Response

The City of Pittsburg understands the housing crisis has become a pressing concern in our jurisdiction and beyond, with far-reaching implications for individuals and communities. Escalating housing costs, coupled with stagnant wages and limited housing supply, have led to an increasing number of individuals and families struggling to secure decent and affordable housing.

The lack of accessible housing options has particularly impacted vulnerable populations, including low-income households, seniors, disabled, and individuals experiencing homelessness. As local jurisdictions endeavor to tackle this crisis, they are confronted with the daunting challenge of vying for limited resources and funding. The competition among jurisdictions with diverse capacities and needs often accentuates the difficulty of implementing comprehensive and equitable housing solutions.

Your report has shed some light on critical aspects of the housing crisis we face today and affirmed that we are not alone as a jurisdiction in facing these challenges. Despite potential areas of partial disagreement, we acknowledge the factual basis of your findings and recognize the interconnectedness of the underlying conditions that have given rise to the current challenges. Please see our attached responses to the findings and recommendations presented in the report.

By working collaboratively and understanding the broader context of the housing crisis, we strive to develop more effective strategies and policies to address this pressing issue and create a more inclusive and sustainable housing landscape for all members of our community.

Should you have any questions or need additional information concerning our responses. Please contact Jordan Davis, Director of Community and Economic Development at (925) 252-4015 or by email at jdavis@pittsburgca.gov or, John Funderburg, Assistant Director of Community and Economic Development at (925) 252-4043 or by email at jfunderburg@pittsburgca.gov.

Sincerely,



Garrett Evans
City Manager

Enc: City of Pittsburg Responses

City of Pittsburg Responses to Civil Grand Jury Report No. 2306, Affordable Housing: “A Plan Without a Home”

Civil Grand Jury Findings

Finding No. 1. Within existing city or County infrastructure, there is no clear owner who is responsible for achieving RHNA permitting targets.

Disagree with the finding. State law does not require that the City create affordable housing. State law requires that a City identify locations where affordable housing could be created and comply with the laws the state legislature intended to facilitate the development of affordable housing. The City has staff in the Planning division whose responsibility is to ensure compliance with state law. California Government Code section 65400(b) requires the City to prepare a General Plan Annual Planning Report for submittal to the California Governor’s Office of Planning and Research and California Department of Housing and Community Development each year. Included in the report are the Regional Fair Share Housing Allocation (RHNA) status for the City of Pittsburg, the City of Pittsburg has outperformed many of the other cities in Contra Costa County.

Finding No. 2. City and County officials see no direct path to meet state-mandated regional housing (RHNA) targets.

Disagree with the finding. The City of Pittsburg has identified sites in the Housing Element to meet the RHNA numbers. Housing element law requires an inventory of land suitable for residential development (Government Code Section 65583(a)(3)). An important purpose of this inventory is to determine whether a jurisdiction has allocated sufficient land for the development of housing to meet the jurisdiction’s share of the regional housing need, including housing to accommodate the needs of all household income levels. There are 17 pending private residential developer projects that will have occupancy in the City of Pittsburg after July 1, 2023.

Finding No. 3. There are currently no measurable penalties if a city or a County does not achieve RHNA targets in an approved housing element plan.

Partially disagree with the finding. The City of Pittsburg partially disagrees because a public agency faces potential litigation from individuals, housing rights’ organizations, developers, or the state. Possible consequences include suspending the authority to issue building permits or approve certain land use permits. A public agency may also be subject to court-issued fines, court receivership, and streamlined approval processes that remove local discretion.

Finding No. 4. Data published by ABAG shows that Contra Costa County and most of its cities have missed their current RHNA targets for very low- and low-income housing allocations. The allocation requirements continue to increase (16x for very low-income and 4x for low-income residents).

Agree with the finding.

Finding No. 5. Many obstacles hinder the development of AH at the local level, specifically for very low and low-income housing, including:

- a. Limited availability of land;
- b. Restrictive zoning policies specific to AH development;
- c. Limited developer interest to bring projects forward;
- d. Limited available funding;
- e. Lack of community support;
- f. NIMBY opposition & city council response to NIMBY opposition.

Partially disagree with the finding. Although the list of obstacles can hinder the development of affordable housing, the City of Pittsburg has an excellent track record, and has addressed each item in its Housing Element programs, policies, and actions to the extent feasible.

Finding No. 6. Zoning changes are generally addressed only when a project is presented for development.

Zoning obstacles include:

- a. Housing element plans that offer poor land choices for AH development;
- b. Restrictive height and high-density zoning policies;
- c. Lack of inclusionary housing ordinance(s) in many cities.

Disagree with the finding. The City of Pittsburg's Housing Element plan provides for an inventory of land and the information on the number of dwelling units that it can accommodate for parcels, which meets the RHNA for Pittsburg. In addition, the City of Pittsburg has an inclusionary housing ordinance. See Pittsburg Municipal Code Chapter 18.86, which can be found at the following link: <https://www.codepublishing.com/CA/Pittsburg/#!/Pittsburg18/Pittsburg1886.html#18.86>

Finding No. 7. Penalties directed at cities and the County (financial, loss of control over local planning) are tied to not meeting state deadlines for Housing Element plan approval.

Agree with the finding.

Finding No. 8. Builder's Remedy and SB35 projects do not address ingrained local obstacles identified in this report that prevent the completion of approved AH projects.

Agree with the finding.

Finding No. 9. When local Redevelopment Agencies (RDAs) were discontinued by the state in 2012, the County and cities did not address the loss of funding for affordable housing or find alternative funding to support affordable housing projects until voters passed Measure X in November 2020. Projects that target very low- and low-income residents were particularly impacted.

Partially disagree with the finding. While the Successor Agency can no longer generate the 20% set-aside funds from tax increment; any former set-aside funds that are for the repayment of housing-related loans are placed in an account for future affordable housing efforts. For example, these funds were used to fund Veterans Square, an affordable housing development with supportive service for people who are Veterans and unhoused. The funds were

also used to assist in the development of Gonzalves Village, a six-unit affordable housing project that houses moderate to very low-income individuals, some of whom were homeless.

The City also applies for grants such as the Permanent Local Housing Allocation grant funding to fund homeless efforts and increase the affordable rental stock. Finally, the City of Pittsburg is the only city in Contra Costa County that also has a Housing Authority, which provides assistance to approximately 1,100 Housing Choice Voucher (also known as Section 8) low-income participants.

Finding No. 10. Measure X housing funds are not fully dedicated to building AH for very low- and low-income residents.

Agree with the finding.

Finding No. 11. Local funding provided by bonds like Measure X Housing Fund is a critical component of a developer's overall ability to raise funds for an AH development.

Partially disagree with the finding. While local funding provided by bonds like Measure X Housing Fund in Contra Costa County can be a beneficial component, it is not a critical factor in a developer's overall ability to raise funds for an affordable housing development. As we understand it, developers often require multiple sources of funding, including federal and state grants, tax credits, private investments, and partnerships with nonprofit organizations. While local funding can certainly enhance a project's financial viability and facilitate its development, affordable housing projects cannot move forward successfully without a combination of various funding sources and partnerships that fill the funding gap between market rate and affordable housing rate. The critical aspect lies in the ability of developers to strategically leverage and combine these funding options to meet the financial requirements of the project and ensure its economic feasibility.

Finding No. 12. Cities that proactively engage citizens, address zoning obstacles, make reasonable zoning concessions, work collaboratively with developers, provide local funding support, and are united in addressing NIMBY opposition, have been successful in attracting AH projects.

Agree with the finding.

Finding No. 13. The latest RHNA targets for cities and unincorporated Contra Costa County show a significant increase in the number of units that are expected to be permitted for very low and low-income housing.

Agree with the finding.

Civil Grand Jury Recommendations

Recommendation No. 1. Each city and the County should consider assigning a staff position with clear leadership, ownership and accountability to achieve allocated RHNA targets. The individual in this position would be responsible for establishing and promoting an operational plan to achieve the RHNA set forth in the housing element plan.

The recommendation has been implemented. The City of Pittsburg has dedicated staff in the Community Development Department and Community Services Department that report annually to HCD on the progress of achieving RHNA targets. The City of Pittsburg has achieved success in achieving the allocated number of units required under its RHNA. Because of the City of Pittsburg's dedication and hard work towards achieving the allocated number of units required under its RHNA it has received an overall grade of B+ for the 5th Cycle RHNA.

Recommendation No. 2. Each city and the County should report AH progress and lack of progress using data across all four measured income groups. Special attention should be paid to tracking the housing needs of residents categorized as very low- and low-income. Cities and the County should communicate their progress, bi-annually, against RHNA targets at council and supervisor meetings.

The recommendation has been implemented. Government Code Section 65400 requires each jurisdiction (city council or board of supervisors) to prepare an annual progress report (APR) on the jurisdiction's status and progress in implementing its housing element. State law further requires the planning agency to provide this report to the legislative body (i.e., local Council or Board), as well as HCD and OPR, by April 1 of each year (covering the previous calendar year). APRs must be presented to the local legislative body for its review and acceptance. The City of Pittsburg has complied with the requirements.

Recommendation No. 3. Each city and the County should consider creating a dedicated AH commission comprised of a multi-disciplinary team of diverse citizens and led by a current, nonelected, city expert in planning. Each commission would be charged with providing a community voice in the process and helping to identify and address obstacles that hinder the development of affordable housing projects in their community.

The recommendation will not be implemented. We appreciate the thoughtful recommendation to create a dedicated Affordable Housing (AH) commission comprised of a multi-disciplinary team of diverse citizens, led by a current, non-elected, city expert in planning.

While the City of Pittsburg acknowledges the potential benefits of such a commission, after careful consideration this will not be implemented because it is not warranted. The City of Pittsburg has its own Housing Authority, with a governing board comprised of councilmembers plus tenants. The Board provides policy direction on addressing the needs of low-income residents, and hears public comments. The City also has a Community Advisory Commission that may address affordable housing.

Recommendation No. 4. Each city and the County should consider reviewing existing processes and identifying changes that would address or resolve the specific obstacles identified in this report that hinder achieving RHNA allocation targets for very low- and low-income housing in their community.

The recommendation has been implemented. The City of Pittsburg has processes in place and programs to address any potential constraints to development through our Housing Element's Constraints and Zoning Analysis Section. The City conducted a thorough review of existing processes related to affordable housing development, permitting, and zoning regulations during our recent Housing Element update. This review aimed to identify any inefficiencies or barriers, or in other words, constraints, that may have posed challenges in meeting RHNA numbers.

Recommendation No. 5. Each city and the County should consider developing a public dashboard to report progress against RHNA targets.

The recommendation has been implemented. Each jurisdiction (City Council or Board of Supervisors) must prepare an annual progress report (APR) on the jurisdiction's status and progress in implementing its housing element using forms and definitions adopted by the California Department of Housing and Community Development (HCD), pursuant to state law at Government Code Section 65400. Each jurisdiction's APR must be submitted to HCD and the OPR by April 1 of each year covering the previous calendar year.

In addition, all jurisdictions are subject to Government Code Section 65863 (also known as the No Net Loss Law), which was amended in 2017 by SB 166, and requires jurisdictions to maintain adequate sites to accommodate remaining unmet RHNA at each income level throughout the life of an adopted Housing Element. The No Net Loss Law restricts cities and counties from approving a housing project at a lower density, or with fewer units than identified in the Housing Element unless a corresponding number of units are accommodated and identified elsewhere in the cities or county. To assist with the monitoring, cities and the County are developing standard language to include in staff reports when housing projects come forward to decisionmakers for approval and are exploring a No Net Loss tool to help monitor RHNA progress.

Recommendation No. 6. Each city and the County should consider, in their individual Housing Element plans, putting forth land zoned suitable for residential use, without development obstacles, and located strategically close to existing services, for AH purposes.

The recommendation has been implemented. The City of Pittsburg has fulfilled all the requirements under state law to prepare a site inventory list identifying land suitable and available for residential development to meet the regional housing needs by income level. Further, in addressing HCD's Affirmatively Furthering Fair Housing (AFFH) requirements there has been a thorough review of the site selection in the City's Housing Element, and a resources map that designated these areas has been provided.

Recommendation No. 7. Each city and the County should consider reviewing their zoning policies to identify restrictive zoning policies unique to their jurisdiction that impede AH projects and consider making zoning changes in light of that review that will support AH in their community.

The recommendation has been implemented. The recent update to the City of Pittsburg Housing Element, included a review of Pittsburg zoning policies to identify potential affordable housing development constraints. The Housing Element includes a program that requires periodic review of the Development Title in the Pittsburg Municipal Code to ensure consistency with state laws. The City of Pittsburg zoning requirements facilitate the development of very low- and low-income housing projects. The City of Pittsburg requires nearly all residential development projects to provide affordable housing or fund affordable housing and offers density bonuses or reduced fees for qualifying projects.

Recommendation No. 8. Cities should consider adopting an inclusionary housing ordinance as part of their standard development policy by the end of 2023 (if not already in place).

The recommendation has been implemented. The City of Pittsburg has an adopted ordinance. See Pittsburg Municipal Code Chapter 18.86 at the following link:

<https://www.codepublishing.com/CA/Pittsburg/#!/Pittsburg18/Pittsburg1886.html#18.86>

Recommendation No. 9. Each city and the County should consider how to prioritize the implementation of housing projects that promote development of very low- and low-income housing.

The recommendation has been implemented. The City of Pittsburg complies with the California Permit Streamlining Act, which requires cities and counties to process all development projects in the sequence they are received. The City of Pittsburg has implemented incentives and expedited permitting processes for certain categories of housing type or tenure, including affordable housing projects. The Atchison a 202-unit multi-family apartment complex is a 100 percent affordable housing residential development project for low and very low-income residents, which was recently completed and is slated for occupancy this year.

Recommendation No. 10. Each city and the County should consider prioritizing Measure X funding requests that support projects that address RHNA targets for very low- and low-income residents. Each city and County should consider reporting regularly to their residents on the use of Measure X funds for such purposes.

The recommendation will not be implemented. Measure X is a County initiative, and is a countywide 20-year, ½ cent sales tax approved by Contra Costa County voters. Under the Measure X Program Allocation Summary, only \$10 million (about 13% of FY 2022-23 funding and about 4.5% of total funding) were allocated to a Local Housing Trust Fund; for FY 2023-24, \$12 million were allocated. The recommendation will not be implemented because it is not reasonable.

The Measure X Housing Funds are to be dispersed by the Department of Conservation and Development (DCD) and the Health Services' Health, Housing and Homeless (HSD-H3) Services and the Housing Authority of the County of Contra Costa. The use of Measure X funds for housing are reported by the County here: <https://www.contracosta.ca.gov/8530/Measure-X>