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August 9, 2016

Michael Simmons, Grand Jury Foreperson
Contra Costa County Grand Jury
725 Court Street
Martinez, CA 94553

RE: Report 1614 – Response from the City of Antioch

Mr. Simmons,

On behalf of the City of Antioch, we appreciate the diligent work put into the creation of Grand Jury Report 1614 – *Where Will We Live? The Affordable Housing Waiting List is Closed*. This letter contains the response from the City of Antioch to the various findings and recommendations contained in the report.

FINDINGS

F1. PDAs recognize the importance of housing near transportation and jobs for developing prosperous communities.

Response: The City of Antioch agrees with this finding.

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 Antioch agrees with this finding.

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 Antioch agrees with this finding.

OFFICE OF THE MAYOR

Mayor Wade Harper • Mayor Pro Tem Lori Ogorchock • Council Members Mary Rocha • Tony Tiscareno • Monica E. Wilson
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F5. 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 Antioch partially disagrees with the finding. Inclusionary zoning programs have been designed and implemented in many ways and do not, necessarily, provide the above-described incentives and regulatory waivers, etc. Some programs are prescriptive, require absolute compliance, and offer no compensatory incentive. Other programs rely heavily on incentives.

F6. The City's Inclusionary Housing ordinance helps to provide AH (Affordable Housing) in that city.

Response: The City of Antioch agrees with this finding.

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 Antioch agrees with this finding.

F9. The City supplements the shortage of funds for AH by requiring buildings to pay impact fees, in lieu fees, or other construction and remodeling fees.

Response: The City of Antioch partially disagrees with this finding. The adoption of any development-based impact fee requires a proper nexus, or connection, between the fee imposed and the impact of the specific development. The above finding is overly-general and fails to explore this important requirement.

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

Response: The City of Antioch agrees with this finding.

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 Antioch agrees with this finding.

F12. 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 Antioch agrees with this finding.

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 Antioch partially disagrees with this finding. The Housing Authority of the County of Contra Costa maintains a website that provides information about housing programs, including Section 8, rental rehabilitation, and others. This website information is not as inclusive as described above, but is valuable nonetheless. The City of Antioch agrees that there could be a better centralized information source for affordable housing.

RECOMMENDATIONS

R1. The City should consider increasing AH (Affordable Housing) in PDAs.

Response: The Rivertown Waterfront Priority Development Area (RWPDA) is located within the City of Antioch along the San Joaquin River within the City's historic downtown. According to the U.S. Census, the majority of the RWPDA is located within Census Tract 3050, which has a median gross rent of \$1,079 and a median household income for renters of \$34,388. Of the 1,721 rental housing units, 48% contain households paying more than 35% of their household income towards rent, which is slightly higher than the countywide figure of 46%. Further, of the 2,128 renting households in the RWPDA, 504 (24%) earn less than \$20,000, which is approximately what one minimum wage worker might earn in one year. By comparison, just 7% of countywide households earn less than \$20,000 each year. The RWPDA is already providing housing for minimum wage-earning households at a per-household rate that is 3.4 times greater than the County as a whole. It would be inappropriate and inconsistent with best housing practices to direct additional affordable housing to this area.

The Hillcrest BART Station Priority Development Area is a planned development area near the anticipated BART Station at Hillcrest Avenue and State Route 4. The Hillcrest Station Specific Plan anticipates the construction of higher density housing near the BART Station, which will increase affordable housing in the immediate area.

The recommendation will not be implemented because it is not warranted and is not reasonable.

R2. The City should consider adopting an Inclusionary Housing Ordinance.

Response: The purpose of an Inclusionary Housing Ordinance is to provide affordable housing within new residential development projects to provide housing opportunities for households that would otherwise be excluded from ownership in the development or community. In Antioch, the median value of a house built between 2000 and 2009 is

\$313,900. A household earning approximately \$82,000 per year could afford one of these houses in the City of Antioch, while spending just 30% of their income on housing. It would take an annual household income of over \$185,000 to afford a similarly-new house in Walnut Creek.

More significantly, the citywide median value for a single-family home is \$240,000, which would be affordable to a household earning just \$62,000. The median citywide household income is \$65,770. As demonstrated, the City of Antioch already provides a diversity of housing options and is accessible to households of all income levels. The City of Antioch recognizes that other areas of Contra Costa County are significantly different in terms of housing costs, employment centers, median incomes, land availability, residential development patterns, and similar factors that contribute to a true shortage of affordable housing.

The recommendation will not be implemented because it is not warranted and is not reasonable.

R3. The City should explore rehabilitating existing housing stock as AH (Affordable Housing) for purchase or rental, and identify funding to do so.

Response: The City of Antioch does not actively engage in the acquisition and rehabilitation of housing units and does not operate its own affordable housing program. Rather, the City uses its limited resources to assist independent developers of affordable housing in gaining access to critical county, State and federal resources. More so, the City of Antioch supports the Housing Authority of the County of Contra Costa in its efforts to provide high quality affordable housing solutions and promote self-sufficiency for low-income people of Contra Costa County.

The recommendation will not be implemented because it is not warranted and is not reasonable.

R5. The City should explore increasing "impact fees" or "linkage fees" or enacting such fees in order to generate revenue with which to assist funding of AH (Affordable Housing).

Response: As described above, the City of Antioch recognizes the countywide concern for additional affordable housing units, but believes that within the City of Antioch, adequate affordable housing is already being provided without additional regulatory intervention.

The recommendation will not be implemented because it is not warranted.

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 AF and ensure information is posted on the city website, and identify funding to do so.

Response: The City maintains a part-time contract employee that is fully dedicated to coordinating Community Development Block Grant (CDBG), housing, homeless services, and similar programs. This position already provides direction to parties interested in acquiring designated affordable housing and also seeks/coordinates funding sources for a variety of purposes related to housing, homeless services, and independent affordable housing ventures. The City website contains similar information and direction.

The recommendation has been implemented by existing staff.

R7. The City should consider seeking federal, state, and local funding sources for AH (Affordable Housing).

Response: Please see response to R6. The recommendation has been implemented by existing staff.

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: In 2011, the Governor eliminated Redevelopment Agencies statewide, which historically served and were funded by the State to undertake efforts similar to those described above. To date, there has not been a replacement funding source identified and the City of Antioch does not have the means to replace this substantial budget. That said, the City of Antioch owns properties throughout its boundaries and routinely works with organizations and developers regarding potential development projects using these sites. The City is open to any such future partnerships that can be accomplished in a fair and responsible manner.

The recommendation will not be implemented because it is not warranted.

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: The existing Planning Processes for multi-family housing generally require a public hearing, whereby the community is notified and invited to attend a public meeting to express any concerns regarding the project. In addition, project applicants are encouraged to independently reach out to their surrounding neighborhood to provide such education.

The recommendation will not be implemented because it is not warranted.

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 City already identifies opportunity sites throughout various planning documents, including the General Plan, the Housing Element, and Specific Plans. The City of Antioch, like nearly all cities in California, does not control the taxation of any land-based development and, as such, cannot create City-specific tax incentives. The City of Antioch already uses a Density Bonus process, which is described in detail in its Municipal Code.

The recommendation will not be implemented because it is not warranted.

R15. 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: As the City of Antioch does not operate its own Affordable Housing program and as the Housing Authority of the County of Contra Costa already provides much of this information on its website, the City has not found it helpful to duplicate this information on its own website. Rather, the City refers all interested parties directly to the Housing Authority for this information.

The recommendation will not be implemented because it is not warranted.

* The source of all statistics and figures is the United State Census Bureau, American Community Survey, 2010-2014.

In summary, the City of Antioch recognizes that the Cities and communities of Contra Costa County have each developed according to the natural and economic resources afforded them and, as a result, today's communities each face unique issues related to housing, employment, affordability, and quality of life. In regards to affordable housing, the City of Antioch has long prided itself as a destination for hard-working families, where the aspiration to live affordably and own a home continues to be realized. To that end, the City of Antioch has long held to policies that promote new housing opportunities and has consistently responded to the demands of a growing regional population, while still providing top-notch parks, recreational opportunities, and other lifestyle amenities. As the second largest city in Contra Costa County, Antioch remains one of the most affordable communities for households of all income levels.

While the City of Antioch does not disagree with the findings of the Grand Jury Report, we do believe that some of the conclusions drawn by it represent an overly-simplistic vision of the housing conditions in Contra Costa County and fail to reflect the unique conditions that occur in each city. Further, the report does not recognize the unique contributions to affordable housing that are currently made by each City, beyond regulatory measures.

Because of the diversity throughout the County, a one-size-fits-all solution may not be adequate or effective. Rather, we suggest that each City should examine its own unique conditions and offer solutions appropriate for their own community.

In closing, we greatly appreciate your efforts on this report and our opportunity to respond.

Sincerely,



Wade Harper, Mayor
City of Antioch

Michael Simmons, Contra Costa County Grand Jury Foreperson
725 Court Street, Martinez, CA 94553
Steve Duran, City Manager
Michael Vigilia, City Attorney