



*"Small Town Atmosphere
Outstanding Quality of Life"*

August 17, 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 No. 1614, "Where Will We Live?"

Dear Judge Laettner:

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 Town Council at a duly noticed Town Council meeting on August 16, 2016.

Grand Jury Findings

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

Response: Danville agrees with 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.

Response: Danville agrees with 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.

Response: Danville agrees with Finding #3.

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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: Danville agrees with Finding #5.

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

Response: Danville agrees with Finding #6.

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

Response: Danville agrees with 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.

Response: Danville partially disagrees with Finding #9. Danville's inclusionary zoning program provides an option to pay in lieu fees, which are set aside for the provision of AH. The Town currently does not impose any other impact fees (on new construction or remodels) toward affordable housing.

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

Response: Danville agrees with Finding #10.

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.

Response: Danville 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.

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Response: Danville partially disagrees with Finding #12. Danville typically reviews and validates AH clientele information including determining that prospective low income households meet specified maximum limits (based upon review of information supplied by the builder, owner or property manager). For the Sycamore Place apartments (developed for extremely and very low income seniors) the Town delegates the responsibility for gathering and validating AH clientele information to the property owner, Bridge Housing.

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.

Response: Danville partially disagrees with Finding #13. The Town participates in the Tri-Valley Housing Opportunity Center (representing the Town of Danville and cities of Dublin, Livermore, Pleasanton and San Ramon), which provides listings of affordable housing through brochures and its website. The Town of Danville includes this information on its website.

Grand Jury Recommendations

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

Response: This recommendation will not be implemented because it is not warranted. The Town of Danville does not currently have a Priority Development Area (PDA). However, the goals and policies contained in the Town's General Plan and its Housing Element continue to encourage the development of housing in the downtown area. The recent designation of land within the downtown for high density multifamily use; the Downtown Business District zoning provisions that accommodate residential uses in mixed use projects in the downtown, along with the utilization of Danville's Inclusionary Housing Ordinance and its Density Bonus Ordinance provide appropriate opportunities for the development of affordable housing in the downtown.

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

Response: This recommendation has been implemented. The Town's Inclusionary Housing Ordinance was first adopted in 1994 and was updated in 2014.

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

Response: This recommendation has been implemented. The Town's limited housing stock in need of rehabilitation and high cost of housing limit the Town's ability to purchase housing stock as AH for purchase or rental. However, the Town, as a member agency of the Contra Costa County Consortium that administers the annual HOME funding, continues to support the use of County CDBG funding, nonprofit funding, and federal funding for rehabilitation projects.

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.

Response: This recommendation will not be implemented because it is not warranted. Since 1994, Danville has had an inclusionary housing in lieu fee for housing developments with eight or more units. Because Danville is a net provider of housing, linkage fees applied to commercial development is not warranted.

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 funding to do so.

Response: This recommendation has been implemented. Danville has designated Planning Division staff to serve as a liaison with the Tri-Valley Housing Opportunity Center (TVHOC) and the Tri-Valley Housing Advisory Committee (TVHAC), which provides housing counseling and education as well as a list of affordable rental housing opportunities in the Town of Danville and cities of Dublin, Livermore, Pleasanton and San Ramon. Given the Town of Danville's size, referring individuals to a regional resource such as TVHOC and TVHAC provides greater access to a variety of housing options and needs compared to having individuals track down information on each city's website.

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

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Response: This recommendation has been implemented. The Town of Danville is member agency of the Contra Costa County Consortium that administers the annual HOME funding, thereby helping to maximize the federal funding received in the County for the development and retention of affordable housing.

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.

Response: This recommendation has been implemented. The Town of Danville has worked with for-profit and non-profit builders to secure land and build projects for AH, including BRIDGE Housing and other organizations.

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.

Response: This recommendation has been implemented. In the early phases of affordable planning projects, the Town proactively educates the public about how AH provides critical housing assistance to individuals who work in the community's schools, police stations, fire stations, restaurants, office buildings and retail establishments. These education initiatives take place through workshops, social media and the Town's website.

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.

Response: This recommendation has been implemented. The Town of Danville's Housing Element, Table 32-33-34, identifies every remaining property in Town that has been deemed to have any AH development potential available to for-profit and non-profit developers.

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 has been implemented. The Town of Danville already maintains an inventory of AH and deed-restricted housing units in its central repository that is easily accessible by staff.

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The Town appreciates the time and effort spent by His Honor and the Grand Jury in consideration of these matters.

Sincerely,

TOWN OF DANVILLE


Karen G. Stepper
Mayor