



September 13, 2017

By U.S. Mail and email (ctadmin@contracosta.courts.ca.gov)

Mr. Jim Mellander, Foreperson
Contra Costa County Civil Grand Jury
P. O. Box 431
Martinez, CA 94553

RE: City of Concord Response to June 2017 Grand Jury Report No. 1707,
"Homelessness in Cities"

Dear Mr. Mellander:

This letter serves as the City of Concord's response to the Contra Costa Grand Jury's findings and recommendations set forth in Report No. 1707, entitled "Homelessness in Cities." This letter was reviewed by the Concord City Council at its September 12, 2017, City Council Meeting, and I was directed to submit the response for the City of Concord.

I. FINDINGS

Finding No. 1: "CORE teams are most likely to be the first point of entry for the homeless into the County's Coordinated Entry System."

Response: The City of Concord agrees with this finding.

Finding No. 2: "CORE teams can successfully identify a homeless individual in need of physical or mental health services."

Response: The City of Concord agrees with this finding.

Finding No. 3: "CORE teams have the resources to identify if there are vacant shelter beds available in the County."

Response: The City of Concord agrees with this finding.

Finding No. 4: "CORE teams are equipped and have the authorization to transport homeless individuals to a medical facility or a homeless shelter."

Response: The City of Concord agrees with this finding.

Finding No. 5: "CORE teams build trust between the homeless and police departments."

Response: The City of Concord agrees with this finding.

Finding No. 9: "The cities of Antioch, Concord, Pittsburg, and Walnut Creek, which are the CDBG Entitlement Cities, are the only cities in Contra Costa County that have an approved written homeless plan to end or reduce homelessness in their respective jurisdictions."

Response: The City of Concord can only comment on this finding as it relates to Concord. As the finding relates to Concord, the City agrees with this finding.

Finding No. 10: "The City appears to be in compliance with the California Housing Accountability Act."

Response: The City of Concord agrees with this finding.

II. RECOMMENDATIONS

Recommendation No. 1: "The City should consider establishing CORE teams either by partnering with one or more cities in the region or by funding its own team."

Response: The recommendation has been implemented. Concord has partnered with the City of Walnut Creek to establish a dedicated CORE team which will provide outreach services to homeless individuals 20 hours/week in each city, for a total of 40 hours a week between the two cities.

Recommendation No. 2: "The City should consider providing incentives for developers to construct housing for the extremely low income, very low income, and homeless populations."

Response: The recommendation has been implemented. The City Development (Zoning) Code provides for incentives to developers to construct affordable housing through three programs:

1. **Affordable Housing Incentive Program:** The 2012 Development Code includes an Affordable Housing Incentive Program (AHIP.) The AHIP applies universally to all sites in zoning districts where multifamily housing is allowed. The AHIP is essentially a modified version of the state density bonus program, with two important additions: (a) the density bonuses are higher; and (b) rather than giving the City the discretion to identify which concessions are appropriate, the AHIP specifies relaxed standards for height, setbacks, lot size, parking, and other provisions for projects which include 40 percent or more affordable units, 20 percent of which are affordable to very low, and 20 percent to low.

One of the most important incentives available through the AHIP program is the waiver of the use permit requirement. Projects that would otherwise require a use permit in the CMX, DMX, and DP zoning districts can be approved with a zoning clearance only (i.e., ministerially) if they are AHIP eligible. Design Review would still be required. Given the current market, only a project receiving affordable housing subsidy from the City would be able to provide 40 percent affordability and take advantage of the AHIP. But if a new project for a mixed-income housing development or 100 percent affordable housing were funded by the City, the developer could take advantage of this program for a streamlined review process and development concessions.

2. **Density Bonus Provisions:** Consistent with State law, for new construction Concord's Density Bonus provisions grant the appropriate density bonuses in each of the following cases, which allows developers to increase the number of units permitted by zoning in exchange for a percentage of units restricted as affordable:
 - **Lower Income Units.** A density bonus of 20 percent if 10 percent of the total units of a housing development are affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code. For each additional 1 percent increase above 10 percent units, the density bonus is increased by 1.5 percent up to a maximum density bonus of 35 percent of the maximum allowable residential density for the site.
 - **Very Low Income Units.** A density bonus of 20 percent if 5 percent of the total units of a housing development are affordable to very low income households, as defined in Section 50105 of the Health and Safety Code. For each additional 1 percent increase above 5 percent in the proportion of units affordable to very low income households, the density bonus shall be increased by 2.5 percent, up to a maximum of 35 percent of the maximum allowable residential density for the site.
 - **Senior Citizen Housing Development.** A density bonus of 20 percent if 100 percent of the units are designated for senior citizens, as defined in Section 51.3 of the Civil Code.
 - **Moderate Income Units in Condominium and Planned Developments.** A density bonus of 5 percent if 10 percent of the total dwelling units in a condominium project, as defined in Subdivision (f) of, or in a Planned Development, as defined in Subdivision (k) of Section 1351 of the Civil Code, are affordable to persons and families of moderate income. For each additional one percent increase above the 10 percent units affordable to moderate income households, the density bonus shall be increased by 1 percent, up to a maximum of 35 percent of the maximum allowable residential density for the site.

Consistent with State law, additional bonuses are granted to projects that include childcare facilities. The Code also provides for concessions and incentives to facilitate the achievement of the density bonus. The number of incentives varies based on the level of affordability, as defined by State law. Concessions could include reduced setbacks,

increased height, reduced lot sizes, increased lot coverage, reduced street widths, reduced parking, expedited permitting, reduced fees, and similar provisions.

The Argent is a 181-unit rental project that was recently approved with a density bonus by including 20 Very Low Income housing units.

3. New construction of affordable rental housing (not public housing): typically built by nonprofit housing developers who receive long-term loans to help fund projects in exchange for deed restrictions that require 55 year affordability covenants. The City utilizes its funds to create housing affordable to primarily Very Low Income residents. Currently the City has \$14 million that it may provide to one or two new affordable or mixed-income projects. These units are then counted toward the City's Regional Housing Needs Assessment (RHNA) goals. These projects may be entirely affordable, meaning all units are affordable within the project, or a certain percentage of the units, such as 40 percent are affordable. Projects that receive a City subsidy can then apply for State resources such as the 9 or 4 percent tax credit programs, to complete the project subsidy needs. Typically, the per unit City subsidy needed to create a permanent affordable housing unit is from \$75,000 to \$100,000.

Recommendation No. 3: "The City should consider using Successor Agency funds, CDBG, and other federal housing funds, impact fees, and city general funds to assist in funding housing for the extremely low income, very low income, and homeless populations."

Response: The recommendation has been implemented. The City uses Successor Agency funds to fund rental rehabilitation as well as new construction of affordable rental housing. The City also uses housing in-lieu fees, and housing impact fees to provide new affordable rental housing—be it through rehabilitation or new construction. The city currently has approximately \$9 million from affordable housing fees and Successor Agency loan repayments for facilitating affordable housing. CDBG funds are used for homebuyer down payment assistance, home rehabilitation loans and grants, and homeless services.

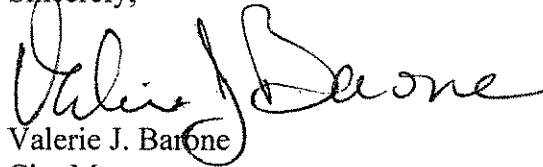
Recommendation No. 4: "The City should consider adopting a five-year comprehensive homeless plan as soon as possible with a target date of January 1, 2019, to reduce the homeless population in the City.

Response: The recommendation has been implemented. The Contra Costa Consortium (which includes the Contra Costa Urban County along with the four CDBG entitlement cities - Antioch, Concord, Pittsburg, and Walnut Creek) have developed the FY 2015 - 2020 Consolidated Plan (Con Plan) for the use of CDBG, HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds. During the development of the Con Plan, the Consortium collaborated with the Contra Costa Council on Homelessness to align efforts to collect public feedback around the need to address homelessness and provide homeless housing and services. The information collected through hundreds of public surveys informed the development of both the Con Plan and the Council on Homelessness 2014 Strategic Plan Update, *Forging Ahead*.

Concord's Community Services Program Manager serves as an appointee on the Council on Homelessness, further aligning efforts around the Con Plan Homelessness Priority and the goals and strategies outlined in *Forging Ahead*. *Forging Ahead* outlines goals around permanent housing and prevention, supported by strategies related to coordinated assessment, performance standards, and communication.

Brenda Kain, Housing/Community Services Manager, is available to answer any questions or provide any additional information concerning the above responses. You can reach her at (925) 671-3088 or by email at brenda.kain@cityofconcord.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Valerie J. Barone', written over a printed name and title.

Valerie J. Barone
City Manager

C: Concord City Council
Kathleen Tropa, Assistant City Manager, City of Concord
Joelle Fockler, City Clerk, City of Concord
Brenda Kain, City of Concord

