



CITY OF PINOLE

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September 13, 2023

Contra Costa County Grand Jury
Attention: Cynthia Roberts, Foreperson
PO Box 431
Martinez, CA 94553
ctadmin@contracosta.courts.ca.gov

Transmitted via electronic mail and regular mail

Subject: City of Pinole's Response to the Grand Jury's Report on Affordable Housing: "A Plan Without a Home"

Dear Ms. Roberts:

Below, please find the City of Pinole's response to the Grand Jury Report No. 2306, Affordable Housing: "A Plan Without a Home."

Grand Jury Findings:

F1: Within existing city or County infrastructure there is no clear owner who is responsible for achieving RHNA permitting targets.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 1 because while a single entity is responsible for planning to accommodate RHNA permitting targets, jurisdictions do not undertake the development of housing projects themselves. Instead the Housing Element Update process requires jurisdictions to plan for how to remove governmental and non-governmental barriers to development and accommodate all types of housing based on RHNA allocations. Each jurisdiction's Housing Element specifies which departments are responsible for carrying out the Housing Element's Plans and Programs. In Pinole, the Community Development Department prepares the Annual Progress Report (APR), which is presented before the City Council annually prior to submission to HCD. The APR provides a status update on the jurisdiction's progress in implementing its housing element on a yearly basis.

F2. City and County officials see no direct path to meet state-mandated regional housing (RHNA) targets.

Response: Respectfully, the City of Pinole **disagrees** with Finding 2 because there are multiple paths to meet the state-mandated regional housing needs allocation RHNA targets. First, at a policy level, cities and the County must identify adequate sites to meet the RHNA targets through their Housing Elements. For example, the City of Pinole's adopted and certified Housing Element for the 2023-2031 Cycle identifies capacity to accommodate 152% (759 units) of the required RHNA (500 units). In addition, Housing Elements include strategies and programs to encourage housing development in accordance with State Law. The State will not certify a Housing Element that does not accommodate RHNA targets. Second, at an implementation or production level, cities and the County create pathways for others to construct housing but do not construct housing themselves. Cities and the County primarily rely on applicants and the development community, including affordable housing developers, to propose and construct units.

F3. There are currently no measurable penalties if a city or a County does not achieve RHNA targets in an approved housing element plan.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 3 because while there are generally no legal or financial penalties if the cities and County do not achieve their RHNA targets, qualifying housing projects may take advantage of the streamlined, ministerial process created by SB 35 only if a city or the County has not achieved its RHNA targets.

In addition, jurisdictions are subject to penalties if they do not adopt a Housing Element that is certified by the State, including designating adequate sites to accommodate the RHNA targets. For example, jurisdictions may be subject to litigation from individuals, housing rights' organizations, developers, and/or the State of California Department of Housing and Community Development (HCD). Depending on court decisions, local control may further diminish, beyond that prescribed in State law, including, for example, suspending the jurisdiction's authority to issue building permits or approve certain land use permits. Cities and the County may also be subject to court-issued fines, court receivership, and streamlined approval processes that remove local discretion.

Regardless of the reasons for lack of building permit activities, if jurisdictions do not issue building permits that meet the RHNA targets, developers may choose to use a ministerial process for housing projects that meet specified criteria (i.e., SB 35). In addition, a developer could choose to construct housing on sites that the jurisdiction has not designated for housing.

F4. 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).

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 4. While it is true that many cities and the County as a whole missed their RHNA targets for very low and low-income housing, and that RHNA Allocation for very low- and low-income housing has continued to increase, the increase in RHNA allocation is not to the extent mentioned in this report. RHNA numbers from the past 3 cycles indicate that the current (6th) cycle has had the largest increase of 2.5x from the previous cycle in very low- and low-income housing requirements.

Cycle	Very Low	% permitted	Low	% permitted	Source
1999 - 2006	6,481	44%	3,741	48%	link
2007 - 2014	6,512	21%	4,325	24%	link
2015 - 2020	5,264	16%	3,086	55%	link
2023 - 2031	13,346	n/a	7,685	n/a	link

F5. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 5. Despite the challenges listed above that may impede the creation of affordable housing, the City has taken steps to address each issue through our Housing Element programs, policies, and actions, to the best of our ability and in compliance with HCD standards.

F6. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 6. Most jurisdictions consider changing zoning during the review of the Housing Element and/or updating the General Plan, rather than solely in response to a proposed development project. The following provides specific responses to items a-c, above:

a) Housing Element plans are required by law to provide an inventory of land that addresses the unique conditions of each jurisdiction. Pursuant to Government Code Section 65583.2(b), Housing Element sites must include information on the number of dwelling units that a site can realistically accommodate, the RHNA income category the parcel is anticipated to accommodate, whether the parcel has available or planned and accessible infrastructure, and the existing use of the site, amongst other details. When selecting sites to accommodate the lower income RHNA, HCD provides jurisdictions with best practices to consider factors such as:

1. Proximity to transit
2. Access to high performing schools and jobs
3. Access to amenities, such as parks and services
4. Access to health care facilities and grocery stores
5. Locational scoring criteria for Low-Income Housing Tax Credit (TCAC) Program funding
6. Proximity to available infrastructure and utilities
7. Sites that do not require environmental mitigation
8. Presence of development streamlining processes, environmental exemptions, and other development incentives.

However, sites that meet these locational criteria do not always meet the other existing use criteria required by HCD to demonstrate substantial evidence for existing uses to discontinue within the planning period. These include high vacancies, deteriorating conditions, marginally operating businesses, underutilization of sites, etc. These conditions are often directly contrary to access to high performing schools and jobs, amenities, adequate infrastructure, and clear of environmental hazards.

In addition to the above requirements and pursuant to AB 686 (Government Code Section 65583(c)(10)), for Housing Elements due on or after January 1, 2021, sites must be identified throughout the community in a manner that affirmatively furthers fair housing (AFFH). AFFH means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

Very often the approach to sites selection is to target declining areas for redevelopment. Without tax increment financing as a reinvestment tool, jurisdictions must rely on private investments as catalyst to induce redevelopment in declining neighborhoods. Housing is the best catalyst. For jurisdictions that take a neighborhood revitalization approach to accommodating the RHNA, place-based strategies that focus on public improvements, economic development, prioritization of funding, and targeted outreach are used to complement the sites inventory strategies. For example, the City of

Pinole's adopted and certified 6th Cycle Housing Element contains Program 19, which commits the City to pursuing programs to increase environmental health and quality of life across Pinole.

- b) Recent projects in Pinole demonstrate that the existing development standards (including setbacks and height requirements) do not constrain development from meeting, and in many cases exceeding, the maximum allowable density in each zone. According to State Density Bonus Law (SDBL), local agencies are required to allow increased density, reduced standards, and development incentives based on the number and type of affordable housing units proposed in a project. The SDBL applies to housing projects, including mixed-use developments, new subdivisions, or common-interest development. Developers may request incentives and concessions from the jurisdiction's regulatory or development standards that result in actual and identifiable cost reductions to provide for affordable housing costs or rents. The number of required incentives is based on the percentage of affordable units provided in the qualifying project. For example, developers may ask for increased height above that allowed by the zoning regulations. As such, height and density do not represent a restriction to development. Furthermore, many sites are located in transit-oriented neighborhoods where recent State laws have preempted restrictions on height and density.
- c) 16 jurisdictions in Contra Costa County have implemented inclusionary housing ordinances. The City of Pinole has an inclusionary housing ordinance that was adopted in 2010. The inclusionary housing ordinance stipulates that, for all rental or ownership developments of four or more units, at least 15 percent of the total units must be constructed and offered for sale or rent as affordable housing units. Of those units, no less than 40 percent (or 6 percent of the total) must be made available to very low-income households.

The City has seen recent development not only complying with these standards, but exceeding them. In the last two and a half years the City has entitled development of over 615 new units in Pinole, with 274 of the units being affordable. Two recent projects are one hundred percent affordable projects. The recently approved Pinole Vista project includes inclusionary units which exceeded the required percentage of very low-income units by the inclusionary housing ordinance to take advantage of state density bonus laws. Another recent development includes a subdivision of four units that increased from three to four units to provide one moderate income for-sale unit. This and other recently approved market and affordable housing projects demonstrate that the cumulative regulations have been able to facilitate a variety of new housing development, such that 80% of the City's RHNA could be met with currently approved projects. Recent development trends demonstrate that the City's inclusionary housing requirements do not constraint development.

The City currently utilizes an incentive-based approach to achieving affordable housing on-site and does not collect in-lieu fees through the City's inclusionary requirement. Program 7 in the City's Housing Element aims to address the constraints faced by smaller development projects, which often end up providing a higher proportion of affordable units due to their size. One such constraint is the lack of an in-lieu fee option. To create more flexibility for smaller projects and a new funding source for affordable housing initiatives, the City is pursuing the creation of an in-lieu fee alternative for the inclusionary housing requirement. The inclusionary fee will help ensure that the inclusionary requirements do not constrain smaller projects and that smaller projects are providing an equal proportion of affordable units as larger projects.

F7. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 7. We agree that there are penalties that are directly related to not meeting the statutory deadline of the Housing Element. Builder's Remedy, where individuals may apply for a building permit on land that is not designated for housing, is one such penalty that is directly linked to meeting state deadlines for Housing Elements.

We partially disagree with Finding 7 because there are other penalties that are not directly tied to the statutory deadline. There are penalties associated with lawsuits, which are rarely brought forward for simply missing the statutory deadline, but more due to a perception of continued inactions. Penalties also include eligibility for funding.

As stated in the response to Finding 3, jurisdictions may be subject to litigation from individuals, housing rights' organizations, developers, and/or HCD. Depending on court decisions, jurisdictions may lose additional local control, such as suspension of authority to issue building permits or approve certain land use permits; and/or cities and the County may be subject to court-issued fines, court receivership, and streamlined approval processes that remove local discretion.

In addition, depending on specific programs, eligibility for some state funds requires a certified Housing Element (such as PLHA and State HOME funds). Finally, loss of local control is not limited to jurisdictions that do not meet specified timeframes for a certified housing element. For example, SB 35, the Housing Accountability Act, the No Net Loss Act, Density Bonus Law, and AB 2011/SB 6 specify what types of projects local jurisdictions must approve and where such projects must be approved, regardless of whether jurisdictions meet state deadlines for Housing Elements.

F8. Builder's Remedy and SB35 projects do not address ingrained local obstacles identified in this report that prevent the completion of approved AH projects.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 8 because while Builder's Remedy and SB35 projects are valuable tools that can expedite affordable housing development, they may not comprehensively address all the ingrained local obstacles identified in this report that hinder the completion of approved AH projects. The effectiveness of these streamlined processes can vary from jurisdiction to jurisdiction, and while they can help overcome certain barriers like restrictive zoning policies and prolonged approval timelines, other challenges mentioned in the report, such as limited available funding, community support, and NIMBY opposition, may continue to persist in diverse degrees in different locations. To achieve the successful completion of approved AH projects and effectively address these obstacles, a multifaceted and jurisdiction-specific approach is required, taking into account the unique circumstances and complexities faced by each locality.

F9. When local Redevelopment Agencies (RDA's) 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 9 because while the County and cities did not create or find new sources of funds for affordable housing after the State discontinued local RDAs, State law limits local jurisdictions' ability to create new funding sources. Voters need to approve virtually all new funding or financing mechanisms to generate the revenues or funds needed to preserve existing affordable housing and construct or finance new affordable housing. The Board of Supervisors and Town/City Councils cannot, for example, float bonds any longer without voter approval.

While Measure X, the countywide 20-year ½ cent sales tax was approved in November 2020, Measure X is projected to provide *up to* \$12 million annually for "housing and related services" for the entire County (emphasis added). Measure X Affordable Housing funds will be distributed through a Notice of Funding Availability (NOFA) process, a competitive process.

The City of Pinole has maintained former RDA assets, and revenues generated from those assets, in a Low- and Moderate-Income Housing Asset Fund that continues to be used to administer and monitor compliance with affordable housing and loan agreements and provide for affordable housing development. For example, the Satellite Affordable Housing Associates (SAHA) development at 811 San Pablo is 33 units on a 0.61 acre previously vacant infill parcel. The development is all lower-income housing units. The project is on city-owned land and the City is contributing over three million dollars in Housing Asset Funds towards the project's construction in addition to providing the land. The project was entitled in under five months from application submittal and in one hearing with the Planning Commission. A grading permit

was submitted on July 5, 2022 and building permit was submitted on December 12, 2022. Construction began in June 2023.

As a part of Program 7 in the City of Pinole's adopted and certified Housing Element, the City is developing a Housing Successor's Low and Moderate Income Housing Asset Fund Policy. The policy will set priorities and goals for the use of affordable housing funds in the City as well as investigate the creation of an in-lieu fee as an additional alternative to the inclusionary housing requirement.

F10. Measure X housing funds are not fully dedicated to building AH for very low- and low-income residents.

Response: The City of Pinole **agrees** with Finding 10.

F11. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 11 because while local funding provided by bonds like Measure X Housing Fund in Contra Costa County are a beneficial component to help fund affordable housing construction, the amount of funding available from Measure X is not high enough to be a critical factor in a developer's overall ability to raise funds for an affordable housing (AH) development. Bond funding requires voters' approval. Depending on the timing (economic conditions and bond measures for other competing interests), bond financing has not been the most significant source of affordable housing financing. Under the Measure X Program Allocation Summary, only \$10 million dollars (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 dollars were allocated. 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. While a contributing factor, Measure X dollars allocated to housing production is not critical to the overall ability of the jurisdictions to meet their RHNA requirements for affordable housing.

F12. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 12 as the City of Pinole agrees that proactive strategies can help attract affordable housing developers and mitigate the barriers to housing production; however, proactive strategies alone do not result in affordable housing projects being constructed. For example, while City of Pinole engages in all of the above, a variety of other obstacles towards affordable housing development exist beyond a local jurisdiction's control. This includes the gap in financing between constructing

market-rate versus affordable housing, land costs, the land-to-building ratio when a property contains an underutilized building, the cost to upgrade or renovate an existing nonresidential building to accommodate housing, infrastructure costs (on- and off-site), fees for public utilities (particularly for non-municipal utilities), among others.

F13. 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.

Response: Respectfully, the City of Pinole **partially disagrees** with Finding 13 as it is true that RHNA Allocation for very low- and low-income housing has continued to increase, however, the increase in RHNA allocation is not to the extent mentioned in the report. The overall number of RHNA targets has increased significantly over the last four cycles. The most dramatic increase was from Cycle 5 to Cycle 6, where the overall number of RHNA targets increased over twofold—from 20,630 to 49,043.

However, proportionally, there has not been a significant increase in the percentage of very-low and low-income RHNA targets. For example, the proportion of very low-income targets increased by only one percent – from 26% to 27% between Cycles 5 and 6; likewise, the proportion of low-income RHNA targets increased from 26% to 27% during the same period of time.

Cycle	Total Contra Costa RHNA	Very Low		Low	
		Allocation	Percentage of Total RHNA	Allocation	Percentage of Total RHNA
3 rd : 1999 - 2006	34,710	6,481	19%	3,741	11%
4 th : 2007 - 2014	27,072	6,512	24%	4,325	16%
5 th : 2015 - 2020	20,630	5,264	26%	3,086	15%
6 th : 2023 - 2031	49043	13,346	27%	7,685	16%

Grand Jury Recommendations:

R1. 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 goals set forth in the housing element plan.

Response: The recommendation (R1) has been implemented. California’s Housing Element Law acknowledges that, in order for the private market to adequately address the housing needs and demands of Californians, local governments must adopt plans and regulatory systems that provide opportunities for (and do not unduly constrain) housing development. Cities and Counties are not responsible for the development and construction of housing to achieve the allocated RHNA targets. Instead, they are responsible for the effective implementation of their housing elements and associated programs to address any existing constraints to housing and for tracking and reporting the jurisdiction’s progress toward achieving their RHNA. In the City of Pinole, the Community Development Department is assigned with the responsibility of the above tasks.

R2. 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 biannually, against RHNA targets at council and supervisor Meetings.

Response: The recommendation (R2) has been implemented. State Law (§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 (HE) using forms and definitions adopted by the California Department of Housing and Community Development (HCD).

The HE APR allows HCD to track the progress of the implementation of a jurisdiction’s Housing Element and requires its submission as a threshold requirement for several State housing funding programs¹.

Through the forms and tables provided by HCD², jurisdictions must report annual data on housing in the APR, including the following:

- Housing development applications received (including proposed number of units, types of tenancy, and affordability levels)
- Building/construction activity
- Progress towards the RHNA
- Sites identified or rezoned to accommodate a shortfall in housing need
- Program implementation status
- Local efforts to remove governmental constraints to the development of housing
- Projects with a commercial development bonus
- Units rehabilitated or preserved
- Locally owned lands included in the sites inventory that have been sold

¹ https://opr.ca.gov/docs/20220120-APR_Memo_2022.pdf

² <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/housing-element-annual-progress-report.xlsx>

- Locally owned surplus sites

Government Code §65400 requires the planning agency to provide this report, which covers the previous calendar year) to the legislative body (i.e., local Council or Board), HCD, and OPR by April 1 of each year. APRs must be presented to the local legislative body for its review and acceptance on a meeting agenda. The statute does not specify in which order they be provided, and HCD does not require the report to be submitted to the legislative body prior to submitting it to HCD. However, HCD recommends that planning departments provide the report to the local legislative body prior to sending it to HCD and OPR³. Biannual reporting would divert staff time from other housing programs.

R3. 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.

Response: The recommendation (R3) will respectfully 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 we acknowledge the potential benefits of such a commission, after careful consideration, we have decided not to pursue its implementation due to the following reasons:

- Existing Planning Mechanisms: Our city and County already have established planning mechanisms and committees responsible for addressing affordable housing issues. These existing structures provide platforms for community engagement and collaboration, making the formation of a separate commission redundant and potentially duplicative of efforts. Pinole’s Planning Commission is comprised of a variety of citizens that provides recommendation on policy changes, reviews development projects, provides a community voice, and makes recommendations on changing zoning regulations, which can lead to a reduced number of obstacles to development.
- Resource Constraints: Establishing and maintaining a dedicated AH commission would require additional financial and administrative resources. At present, our city and County are already allocating resources to multiple initiatives aimed at addressing affordable housing needs. Adding another commission might spread resources too thin and hinder the efficiency of current efforts. For example, the City of Pinole has a Planning Commission, Community Services Commission and Transportation and Traffic and Pedestrian Safety Commission. In the City of Pinole’s experience, each commission requires a designated staff member to manage the meeting, minutes, calendar, noticing,

³ <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/housing-element-annual-progress-report-faq.pdf>

among other tasks. Given the limited number of staff in the city, the City does not have staffing or staff capacity to create additional commissions.

- **Efficient Decision-Making:** By involving a diverse range of citizens and experts in our existing 7-member Planning Commission, we maintain a balanced and inclusive approach. This integration ensures streamlined decision-making processes and comprehensive representation of community interests without creating an additional layer of bureaucracy.
- **Alternative Approaches:** Instead of forming a separate AH commission, we are committed to strengthening the involvement of community members and experts in our existing Planning Commission. Enhancing public outreach, conducting regular town hall meetings, and encouraging community feedback will remain focal points in our efforts to address obstacles hindering affordable housing development. In addition, our adopted and certified Housing Element includes Goals, Policies and Actions that identify and promote collaborations with the community, other agencies, and the development community.

While we do not intend to pursue the recommended dedicated AH commission, we value the underlying principle of community engagement and recognize the importance of community input in the decision-making process. We will continue to explore alternative strategies that promote transparency, inclusivity, and community-driven solutions for affordable housing development in our city and County and we remain committed to finding the most effective and sustainable approaches to address affordable housing challenges, working in collaboration with stakeholders and community members to achieve our shared goals.

R4. 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.

Response: The recommendation (R4) has been implemented. As required by State Law, jurisdictions have reviewed existing processes and identified programs to address any potential constraints to development through the Housing Element's Constraints and Zoning Analysis Section. Pinole's adopted and certified Housing Element includes a number of zoning amendments as identified in the constraints section to ensure compliance with state law and remove constraints to development (Program 12). Additionally, the City will review and amend the Zoning Ordinance and Design Review Guidelines to ensure that all development standards, design guidelines, and findings are objective, and promote certainty in the planning and approval process (Program 13). Furthermore, the City has included multiple efforts to expedite the permitting and review process through reducing the necessary levels of approval (Program 15).

It is important to mention the following additional components:

- **Stakeholder Engagement:** To ensure a comprehensive and inclusive approach, stakeholders, including community members, developers, housing advocates, and relevant government agencies, were actively engaged throughout the process. Feedback and input from these stakeholders played a pivotal role in shaping the subsequent actions.
- **Identifying Key Obstacles:** Based on the review and stakeholder input, specific constraints hindering the achievement of RHNA allocation targets were identified. These included issues related to zoning restrictions, lengthy permitting processes, funding constraints, and limited community support.
- **Development of a Housing Plan:** With a clear understanding of the obstacles, each city and the County developed tailored action plans to address the identified challenges. These action plans outlined concrete steps, timelines, and responsible parties for implementation that have been or are in the process of being deemed appropriate by the State Department of Housing and Community Development.
- **Policy and Regulatory Reforms:** To streamline affordable housing development, policy and regulatory reforms were introduced to the broader community at both the Planning Commission and City Council levels and noticed public hearings. These reforms aimed to remove unnecessary barriers, expedite permitting processes, and incentivize the construction of affordable housing.
- **Community Outreach and Education:** Recognizing the importance of community support, extensive outreach and education efforts were undertaken to inform residents about the benefits of affordable housing and dispel common misconceptions.

As a result of these actions, tangible progress can be made towards meeting RHNA allocation targets for very low- and low-income housing in each community. The review and reforms will lead to a more efficient and supportive environment for affordable housing development.

In the two years prior to the January 31, 2023 deadline, the City of Pinole entitled over 615 new units in Pinole, with 274 of the units being affordable. Two affordable housing projects have broken ground, with more building permits currently in plan check, which will increase the overall housing stock for low-income residents. The engagement of stakeholders has fostered a collaborative approach to address housing challenges, and community support for affordable housing initiatives has grown significantly.

While challenges persist, the ongoing commitment of the City of Pinole to address the obstacles identified in the report demonstrates significant strides in advancing affordable housing goals.

Continued efforts and collaboration will be crucial in achieving sustained progress and ensuring housing accessibility for all members of our communities.

R5. Each city and the County should consider developing a public dashboard to report progress against RHNA targets.

Response: The recommendation (R5) 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). (Government Code Section 65400.) Each jurisdiction's APR must be submitted to HCD and the Governor's Office of Planning and Research (OPR) by April 1 of each year (covering the previous calendar year (CY)). HCD compiles and showcases all APRs through their interactive digital data dashboard with downloadable data sets⁴.

In addition, all jurisdictions are subject to Government Code Section 65863 (No Net Loss Law), which was amended in 2017 with 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 the County 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 decision-makers for approval and are exploring a No Net Loss Tool to help monitor RHNA progress. Additionally, new to the most recently adopted Housing Element, the City of Pinole maintains a list of additional development opportunity sites to be used in the case of a net loss situation (Program 1).

R6. 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.

Response: The recommendation (R6) has been implemented. As required by State Law, jurisdictions are required to prepare a site inventory identifying land suitable and available for residential development to meet the locality's regional housing needs by income level. Please see the response to Finding 6(a) for details. Further, in addressing HCD's Affirmatively Furthering Fair Housing (AFFH) requirements there is a thorough review of the site selection via the Tax Credit Allocation's Committee (TCAC) Resource Map that designates areas of low-, moderate-, high-, and highest-resource within a jurisdiction and requires specific justification for placing affordable housing projects within low-resources areas (see Figure 37 in Pinole's adopted and certified Housing Element).

⁴ <https://www.hcd.ca.gov/planning-and-community-development/annual-progress-reports>

R7. 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.

Response: The recommendation (R7) has been implemented. Through the Housing Element process, jurisdictions have reviewed their zoning policies and identified potential affordable housing development constraints unique to their jurisdiction. The Housing Element Goals, Policies and Programs section outlines forthcoming changes to zoning policies with specified timeframes to address the identified constraints.

R8. 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).

Response: The recommendation (R8) has been implemented. The City of Pinole has adopted a local inclusionary housing ordinance as of 2010. See the discussion in the response to Finding 6(c) for details on the success of the ordinance.

R9. 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.

Response: The recommendation (R9) has been implemented. Due to permit streamlining requirements, it is critical for cities and counties to assess all development projects in the sequence they are received. Nevertheless, jurisdictions have implemented incentives and expedited permitting processes for certain categories of housing type or tenure. As a part of the City of Pinole's adopted and certified housing element, the City will be developing permit streamlining, priority permitting process and a fast-track process for eligible applications (Program 15). Additionally, Program 6 commits the City to preparing, updating, or revising the General Plan Environmental Impact Report (EIR) as appropriate to provide CEQA clearances for projects that comply with existing zoning. By reviewing and updating the EIR individual projects can utilize opportunities for tiering from environmental documentation and streamlining provided under CEQA, where applicable, which can reduce duplicative analyses, streamline environmental review and ultimately save time and money for the applicant.

Further, the preservation and promotion of naturally occurring affordable housing (NOAH), is also part of our affordable housing strategy. While developing housing that is affordable to lower income households is important and a key strategy, preservation of affordable units is equally important and requires additional resources. It may, in some cases, be more cost effective to preserve existing units. Additionally, the promotion and fast-tracking of Accessory Dwelling Units, as NOAH, is a key strategy identified in our Housing Element.

R10. 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.

Response: The recommendation (R10) will respectfully not be implemented. Measure X is a countywide 20-year, ½ cent sales tax approved by Contra Costa County voters on November 3, 2020 “to keep Contra Costa’s regional hospital open and staffed; fund community health centers, emergency response; support crucial safety-net services; invest in early childhood services; protect vulnerable populations; and for other essential county services.” Under the Measure X Program Allocation Summary, only \$10 million dollars (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 dollars were allocated. 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>

The jurisdictions have identified local funding sources for each of their Program Actions in their Housing Element to support affordable housing projects that address RHNA targets for very low- and low-income residents.

In Conclusion

In closing, your letter 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.

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.

Very Sincerely,



Devin Murphy
Mayor, City of Pinole

CC: Pinole City Councilmembers