

CITY OF
ARROYO GRANDE
CALIFORNIA

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AUG 22 2019

San Luis Obispo
Grand Jury

August 15, 2019

Henry Rible, Foreperson
San Luis Obispo County Grand Jury
PO Box 4910
San Luis Obispo, CA 93403

Subject: Response to June 18, 2019 Grand Jury Report

Foreperson Rible,

Please find enclosed the City of Arroyo Grande's response to the June 18, 2019 Grand Jury Report, "Affordable Housing, An Urgent Problem For Our Community."

Sincerely,

Jim Bergman
City Manager

c: Teresa McClish, Community Development Director

Enclosure

RESPONSE TO GRAND JURY REPORT

Report Title: “Affordable Housing, An Urgent Problem For Our Community”

Report Date: June 18, 2019

Response by: James Bergman Title: City Manager

FINDINGS

1. I (we) agree with the findings numbered: _____
2. I (we) disagree wholly or partially with the findings numbered: F6, F7
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons.)

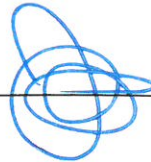
RECOMMENDATIONS

1. Recommendations numbered R2, R5 have been implemented.
(Attach a summary describing the implementation actions.)
2. Recommendations numbered R6 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
3. Recommendations numbered R1, R4 require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report.)
4. Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 8/15/19

Signed: _____

Number of pages attached: 3



RESPONSE TO FINDING F6:

Based upon the wording of the finding, the City makes the assumption that “Most of the required annual housing element updates are difficult to access by the public,” is referring to the General Plan Annual Reports required to be submitted to the Governor’s Office of Planning and Research and the Department of Housing and Community Development pursuant to Government Code Section 65400. If this assumption is correct, the City disagrees partly with this conclusion. As a result of the Grand Jury’s request for information, the City’s Community Development Department created a new webpage accessible through the Planning Division’s webpage that provides the General Plan Annual Reports for each year, starting with 2016. Additionally, the public is always encouraged to contact the Community Development Department to request a copy of a General Plan Annual Report. Further, part of the difficulty associated with accessing the General Plan Annual Report data is a result of State-mandated formatting requirements for housing related data. The General Plan, including the Housing Element, is posted on the Planning Division page of the City website as well. The City is committed to doing what can be accomplished within its control to ensure these reports are accessible to the public.

RESPONSE TO FINDING F7:

The City disagrees partly with this conclusion. There are many different components of the development process that can act as major barriers to the construction of housing, especially low income housing. These items include things that are important to different communities, including neighborhood density, water resource availability, infrastructure capacity, etc. In many communities, it takes time to work through these issues given State regulations on aspects of development, such as stormwater regulations administered by the Regional Water Quality Control Board. Additionally, cities continue to be impacted financially due to forces outside of their control. Housing, while vitally important to our community, remains out of balance with the cost of City services. Services such as pavement management, public safety, etc., are not fully financed by the addition of housing, although dense, more compact housing can reduce these impacts to City services. Other factors, such as construction materials costs, labor costs, and land prices are the priciest items associated with housing construction. Building fees remain at levels to address impacts to City services and infrastructure. It should be noted that even State legislation meant to help streamline approvals for affordable housing projects are not being sought here on the Central Coast due to requirements for prevailing wages that further drive up development costs.

RESPONSE TO RECOMMENDATION R1:

The City’s Community Development Department makes every effort possible with its current financial and personnel resources to streamline the building and planning permit approvals. The City is committed to prioritizing affordable housing projects and has recently revised internal processes to reduce plan times timelines for all projects and prioritize processing for affordable housing. Further process improvements are needed that would ensure projects move through the planning and building permit progression to within one-year from the time a planning application is deemed complete to building permit approval, not including the time these projects are in the hands of the developer for revision or additional information.

RESPONSE TO RECOMMENDATION R2:

Since 2016, the City’s Community Development Department has been preparing and submitting required General Plan Annual Reports to the City Council and the State to inform about progress toward implementing the General Plan. As a result of the Grand Jury’s inquiry regarding housing data, the City’s Planning Division created a webpage that has all the currently available annual

reports presented for easy access now and in the future. The City appreciates the Grand Jury's inquiry for highlighting this opportunity for continued transparency.

RESPONSE TO RECOMMENDATION R4:

The City has been diligent in implementing its inclusionary housing program as a means of obtaining affordable housing in the City. The City Council recently authorized the increase of affordable housing in-lieu fees from 1% of construction valuation to 5% of construction valuation. Due to on-going financial realities, the City remains interested in partnering with organizations that specialize in affordable housing administration to partner with the City in developing and managing affordable units. Additionally, further study is necessary to ensure that increasing the amount of rentals to families below the moderate income level does not come at the expense of moderate income families who cannot support the increased costs per unit passed on by developers of housing projects.

RESPONSE TO RECOMMENDATION R5:

Arroyo Grande Municipal Code Section 16.48.100 allows for mobile and manufactured homes to be permitted on property in one of the City's six (6) single-family residential zoning districts so long as basic health, safety, and welfare standards are met. The City also allows for these units to be utilized as accessory dwelling units in applicable zoning districts so long as the primary and accessory units are architecturally compatible. Due to these regulations, additional re-zoning is not necessary as there is currently underutilized land. The City also has four (4) areas zoned for mobile home parks and have not received any interest for additional parks. The City will review this need through public input in the current Housing Element Update.

RESPONSE TO RECOMMENDATION R6:

The City released a Request for Proposals to solicit consultant services for the 2020-2028 Housing Element Update, which will close on August 22, 2019. The scope of work for this project outlines tasks necessary from the consultant regarding public engagement. Additionally, the Community Development Department has and will continue to utilize the Planning Commission to provide opportunities for public engagement throughout the Housing Element Update process.