



CITY OF EL PASO DE ROBLES
"The Pass of the Oaks"

August 20, 2019

Presiding Judge Ginger Garrett
Superior Court of California
1035 Palm Street Room 355
San Luis Obispo, CA 93408

San Luis Obispo County Grand Jury
P.O. Box 4910
San Luis Obispo, CA 93403

**RE: City of Paso Robles Response to the 2019 Grand Jury Report:
"Affordable Housing" An Urgent Problem for Our Community**

Dear Honorable Judge Garrett:

The City of Paso Robles is pleased to submit the attached response the 2019 Grand Jury Report: "Affordable Housing" An Urgent Problem for Our Community. The City Council has reviewed and supports the response and is very committed to providing more affordable housing for the community.

If you have any questions or concerns, please contact the undersigned by phone at 805-237-3970 or via email at wfrace@prcity.com.

Respectfully,

Warren Frace
Community Development Director

Enclosures: City of Paso Robles Response to the 2019 Grand Jury Report:
"Affordable Housing" An Urgent Problem for Our Community

cc: Tom Frutchey
Sarah Johnson-Rios
Darren Nash
Brian Cowen

Attachment 1

City of Paso Robles Response

RESPONSE TO GRAND JURY REPORT

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

Report Date: June 18, 2019

Response by: Thomas Frutchey Title: City Manager

FINDINGS

1. I (we) agree with the findings numbered: F6 and F7

F6. Most of the required annual housing element updates are difficult to access by the public.

F7. The length and cost of the building permitting process is a major barrier to the construction of all housing, especially low income housing.

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

RECOMMENDATIONS

1. Recommendations numbered R1 have been implemented.
(Attach a summary describing the implementation actions.)

R1. Reassess and improve processes to fast-track building and planning permit approvals within 12 months from date of application. This should be implemented within FY 2019-2020.

2. Recommendations numbered R2, R6 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)

R2. Create, file, and publish the required housing element documents and reports on time and in a form easily accessible to the public. This should be done by the next report cycle.

R6. The cities and County should detail their specific plans to engage the public in the formulation of the 2020-2028 Housing Plan Update.

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3. Recommendations numbered R4, R5 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.)

R4. The cities and County should concentrate on promoting rentals for families earning below moderate incomes by increasing the percentage of required inclusionary housing units.

R5. Increase the opportunities through re-zoning for non-traditional housing options, such as modular homes, pre-fabricated homes, and mobile home parks. This should be accomplished within FY 2020-2021.

4. Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 8-20-19

Signed: THOMAS FRENCH

Number of pages attached: 5

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Response to Finding 7.

The City of Paso Robles agrees that the time and cost of building permits is a key factor that affects all housing production. Because the City understands the importance of this issue, the City Council taken a number of proactive steps over the past few years to actively address these concerns, including the following:

1. Establish a Housing Constraints and Opportunities Committee comprised of public members including housing developers, real estate professionals, and affordable housing experts to advise the City Council on improving housing production.
2. Establish a Building Liaison Group including local architects, engineers, and builders to work with the Building Division to improve the plan check and inspection processes.
3. Created an expedited plan check process including plan check on digital plan sets.
4. Reduced Development Impact Fees for studio apartments and ADU's.
5. Reduced Transportation Impact Fee for all types of development City wide.
6. Reduced water meter connections fees for all development.
7. Reduced sewer connection fees of all development.
8. Provided deferred fees for the Oak Park redevelopment project.

Response to Recommendation 1

The City's planning and building plan check process have a 30 day 1st review and 14 day recheck process. Planning and building approval of housing permits typically occur well within the 12-month time period.

Response to Recommendation 2

Prior to the next annual report, City's will update its website to make General Plan Housing Element information easier for the public to find.

Response to Recommendation 4

While the City has led the County in the production of affordable apartments of the past RHNA cycle, the City does not have an inclusionary housing requirement. Inclusionary housing has a number of pros and cons that will be reviewed during the 2019 Housing Element update process.

Response to Recommendation 5

The 2019 Housing Element update process will look at a full range of "non-traditional" options to improve affordable housing production. The Grand Jury's recommendation to consider

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modular homes, pre-fabricated homes, and mobile home parks will be incorporated in the Housing Element review process.

Response to Recommendation 6

The City will include a robust public participation and information process in the 2019 Housing Element update process. The process will start in Fall 2019.

Attachments:

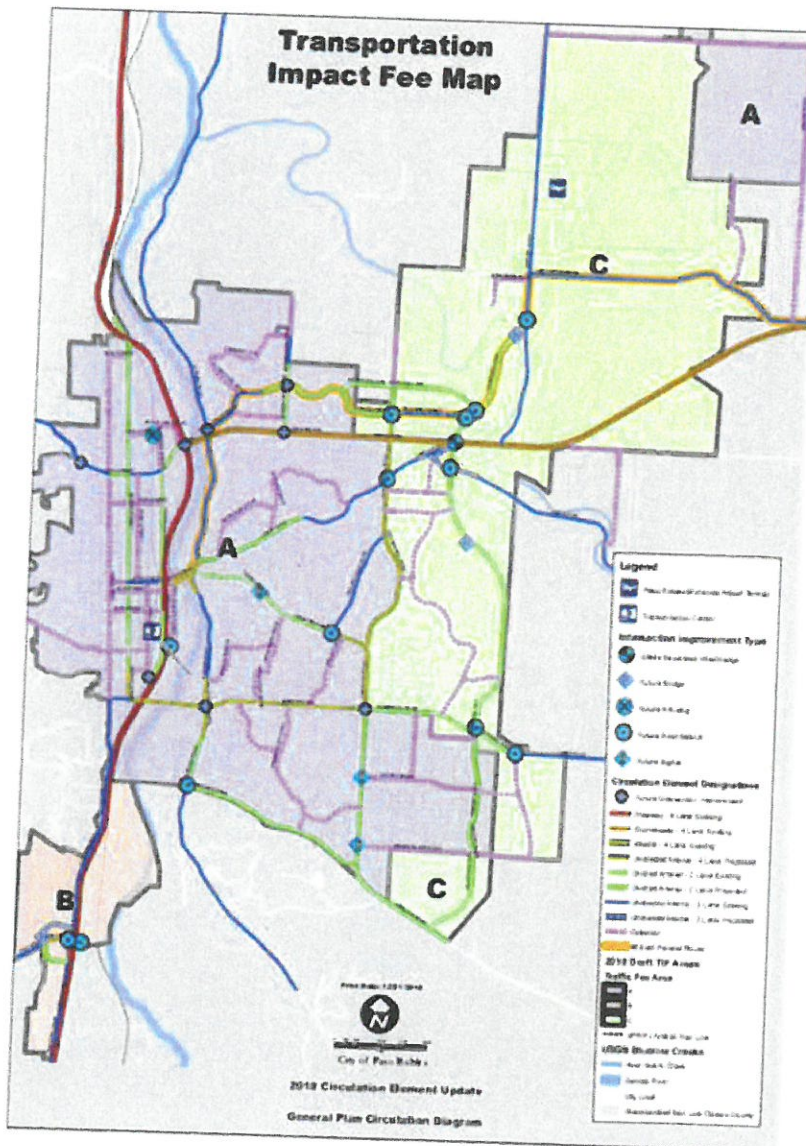
1. Exhibit 1 - Reduced Development Impact Fees
2. Exhibit 2 - Reduced Utility Connection Fees
3. Exhibit 3- Oak Park Fee Deferrals

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City of Paso Robles Response

Exhibit 1 - Reduced Development Impact Fees

Construction Type	Old Fee	Total Area "A"	Difference	Percent Reduction	Total Area "B"	Difference	Percent Reduction	Total Area "C"	Difference	Percent Reduction
Single Family - Residential	\$ 21,771	\$ 11,578	-\$10,193	-46.83%	\$ 12,908	-\$9,263	-42.55%	\$ 16,501	-\$3,270	-19.62%
Multiple Family - Residential	\$ 17,731	\$ 19,708	+\$1,977	11.15%	\$ 11,347	-\$6,384	-35.48%	\$ 15,477	-\$2,254	-12.71%
One Bedroom units	\$ 10,002	\$ 8,040	-\$1,962	-19.61%	\$ 8,402	-\$1,598	-15.98%	\$ 8,731	-\$1,271	-12.71%
Studio Units	\$ 8,665	\$ 4,024	-\$4,641	-53.57%	\$ 4,285	-\$4,380	-50.55%	\$ 5,818	-\$2,847	-33.07%
Commercial Lodging Motel/Hotel	\$ 3,551	\$ 1,839	-\$1,712	-48.21%	\$ 3,021	-\$530	-14.93%	\$ 3,110	-\$441	-12.42%
RV Parks & Campgrounds	\$ 3,071	\$ 1,839	-\$1,232	-40.12%	\$ 3,021	-\$50	-1.63%	\$ 3,110	\$30	1.27%
Commercial per sq. ft.	\$ 13.51	\$ 9.98	-\$3.53	-26.05%	\$ 12.89	-\$0.62	-4.59%	\$ 13.11	-\$0.40	-2.96%
Fuel Stations w/ Convenience Market per sq.	\$ 13.51	\$ 13.51	\$0.00	0.00%	\$ 13.51	\$0.00	0.00%	\$ 13.51	\$0.00	0.00%
Drive-Thru Food / Beverage Outlets per sq. ft.	\$ 13.51	\$ 13.51	\$0.00	0.00%	\$ 13.51	\$0.00	0.00%	\$ 13.51	\$0.00	0.00%
Assisted Living Facilities per sq. ft.	\$ 7.33	\$ 3.96	-\$3.37	-45.98%	\$ 4.27	-\$3.08	-41.75%	\$ 4.32	-\$3.01	-41.05%
Light Industrial per sq. ft.	\$ 4.21	\$ 2.55	-\$1.66	-39.43%	\$ 3.09	-\$1.12	-26.60%	\$ 3.18	-\$1.03	-24.47%
Heavy Industrial per sq. ft.	\$ 4.21	\$ 1.96	-\$2.25	-53.44%	\$ 1.77	-\$2.44	-57.96%	\$ 1.80	-\$2.41	-57.24%
Average Reduction				-33.70%			-24.86%			-15.84%



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Exhibit 2 - Reduced Utility Connection Fees

Water Connection Fees

Meter Size	Old Rate	New Rate	Reduction	Percent Decrease
3/4	\$ 23,500	\$ 19,066	\$ 4,434	19%
1	\$ 39,250	\$ 31,840	\$ 7,410	19%
1 1/2	\$ 78,260	\$ 63,490	\$ 14,770	19%
2	\$ 125,260	\$ 101,622	\$ 23,638	19%
3	\$ 235,000	\$ 190,660	\$ 44,340	19%
4	\$ 391,750	\$ 317,830	\$ 73,920	19%
6	\$ 783,260	\$ 635,470	\$ 147,790	19%
8	\$ 1,253,260	\$ 1,016,790	\$ 236,470	19%
10	\$ 1,801,750	\$ 1,461,788	\$ 339,962	19%

Wastewater Connection Fees

Meter Size	Old Rate	New Rate	Reduction	Percent Decrease
3/4	\$ 10,900	\$ 8,093	\$ 2,807	26%
1	\$ 18,200	\$ 13,515	\$ 4,685	26%
1 1/2	\$ 36,300	\$ 26,948	\$ 9,352	26%
2	\$ 58,100	\$ 43,134	\$ 14,966	26%
3	\$ 109,000	\$ 80,926	\$ 28,074	26%

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Exhibit 3- Oak Park Fee Deferrals

Oak Park Fee Deferrals

Phase		
1	\$	774,635
2	\$	872,950
3	\$	1,110,484
4	\$	1,461,593
Total	\$	4,219,662