

REQUESTED RESPONSE FORM

Grand Jury Report Title : Meeting Mendocino County's Needs for Housing Requires Coordination And Planning

Report Dated : July 16, 2021

Response Form Submitted By:

Mendocino County Planning & Building Services
Assistant Director
860 N Bush Street
Ukiah, CA 95482 (use address block as inserted on first page)

Your Response is REQUESTED no later than: October 14, 2021

I have reviewed the report and submit my responses to the FINDINGS portion of the report as follows:

- I (we) agree with the Findings numbered:
F1, F3, F4, F7, F9,
- I (we) disagree wholly or partially with the Findings numbered below, and have *attached* a statement specifying any portion of the Finding that are disputed with an explanation of the reasons therefore.
F2, F5, F6, F8, F10, F11

I have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:

- The following Recommendation(s) have been implemented and **attached, as requested,** is a summary describing the implemented actions:
R3
- The following Recommendation(s) have not yet been implemented, but will be implemented in the future; **attached, as requested,** is a time frame for implementation:
R1, R2, R4, R5, R6

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- The following Recommendation(s) require further analysis and **attached, as requested**, is an explanation and the scope and parameters of the planned analysis, and a time frame for the matter to be prepared, discussed and approved by the officer and/or director of the agency or department being investigated or reviewed: (This time frame shall not exceed six (6) months from the date of publication of the Grand Jury Report)
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- The following Recommendations will NOT be implemented because they are not warranted and/or are not deemed reasonable; **attached, as requested**, is an explanation therefore:
-

I have completed the above responses, and have attached, as requested the following number of pages to this response form:

Number of Pages attached: 5

I understand that responses to Grand Jury Reports are public records. They will be posted on the Grand Jury website: www.mendocinocounty.org/government/grand-jury. The clerk of the responding agency is required to maintain a copy of the response.

I understand that I must submit this signed response form and any attachments as follows:

First Step: E-mail in pdf file format to:

- The Grand Jury Foreperson at: grandjury@mendocinocounty.org
- The Presiding Judge: grandjury@mendocino.courts.ca.gov

Second Step: Mail all originals to:

Mendocino County Grand Jury
P.O. Box 939
Ukiah, CA 95482

Printed Name: Julia Krog

Title: Assistant Director

Signed: 

Date: October 13, 2021



COUNTY OF MENDOCINO
DEPARTMENT OF PLANNING AND BUILDING SERVICES

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Pursuant to the request of the Grand Jury, Planning & Building Services is responding to the following:

- F1. The areas around cities have the best developed sewer and water systems for new housing in Mendocino County. Rural areas of the County do not have adequate public infrastructure and amenities to meet HCD projections.*

Agree. In general, a larger minimum lot size (40,000 square feet) is required outside public water and sewer district boundaries and for lots not served by public water and the sewer district. For lots where either water or sewer service is available, the minimum lot size is generally 12,000 square feet, with a 6,000 square-foot minimum when both services are available and used. Multi-family housing is not permissible in areas that lack public or state regulated water and sewer systems, which often creates a constraint for meeting HCD projections particularly for very-low and low income levels.

- F2. Due to COVID-19 restrictions, PBS has developed more efficient digital options for routine matters which has created a more streamlined process to free PBS to pursue new opportunities for solving departmental issues and verifying State regulations and statistics.*

Partially Agree. Due to COVID-19, PBS has created more digital pathways for submittal of building permits and some discretionary permits. COVID-19 stay at home orders coupled with the allowance for cannabis cultivation under County Code Chapter 10A.17 have resulted in an unprecedented number of building permits. Between 2017 and today, the number of building permits has more than doubled; however, the staffing levels at PBS have largely remained the same or been reduced due to COVID-19. This year, as part of the Budget process, PBS was approved to add additional positions and PBS has been filling vacancies in an effort to streamline more permitting processes. In addition, PBS is embarking on an update to the Inland Zoning Code (Division I of Title 20 of Mendocino County Code), which will improve the readability and usability of the Inland Zoning Code. It is hoped this effort to update the Inland Zoning Code will also allow for inclusion of updated State regulations.

- F3. MCOG is designated by the State of California Department of Housing and Community Development to coordinate the housing need allocation process for Mendocino County. By default, this has become the regional planning agency.*

Agree. MCOG does not typically deal with housing issues; however, they have been designated by the State of California Department of Housing and Community Development as the appropriate regional agency to coordinate the housing need allocation process. The political jurisdictions that comprise the region consist of the Mendocino County unincorporated area and the Cities of Ukiah, Fort Bragg, Willits and Point Arena.

- F4. Lack of housing forces the price of existing housing to be unaffordable for working families as well as preventing new potential employees to choose to work in Mendocino County.*

Agree. When hiring new employees, our office has found that housing availability is one of the primary constraints to bringing on new employees. Often employees live in hotels or short-term rentals during their first weeks or months working for PBS before they are able to secure housing. Our office has found, as noted in Chapter/Section 5.3 of the 2019-2027 Housing Element, that many factors can constrain residential development—market constraints, such as development costs and interest rates, and governmental constraints, which include land use controls, fees, processing times, and

development standards. Environmental and infrastructure issues also impede residential development. It should be noted that many of the regulatory controls originate at the state level (Building Code, Health and Safety, and the California Environmental Quality Act). The County of Mendocino has no control over these regulatory constraints.

- F5. *The Median income of county residents and the higher cost of goods and services does not keep pace with the cost of new single-family homes, which discourages contractors from building here when they can profit from building in other areas.*

Partially Agree. As noted above, many factors can constrain residential development. Development costs include both the price of land as well as the cost of construction. A number of factors affect the price of land, such as parcel size, necessary improvements, and supply. Land prices vary greatly throughout the County. In general, residential-zoned lots are much more expensive along the coast than in inland areas, and the price of land is typically higher in the central and south than in the far north. The availability of infrastructure is another major factor affecting the price of land in the County. Lots with water and sewer service are usually more expensive. Construction costs exhibit a high degree of variability depending on the type of amenities included. Custom homes are generally more expensive than tract home development.

- F6. *The current shortage of affordable housing will continue without Mendocino County hiring qualified housing and community development planners. Such assets would assist in locating funding sources for infrastructure improvements, attracting appropriate developers, and informing the BOS what effect proposed regulations may have on the development of new housing.*

Partially Agree. It is unclear what is meant by “qualified housing and community development planners”. PBS would need clarity as to what these qualifications would include. One of the only available certifications for planners is the American Institute of Certified Planners (AICP), which provides the only nationwide, independent verification of planners' qualifications. AICP certified planners pledge to uphold high standards of practice, ethics, and professional conduct, and to keep their skills sharp and up to date by continuously pursuing advanced professional education. We agree that our role or that of a housing related planner is to inform the Board of Supervisors on what effect proposed regulations may have on the development of new housing, within the scope of those that affect Planning regulations. Our office is presently hiring an individual to handle housing compliance particularly compliance with Housing Element action items and annual reporting requirements.

Locating funding sources for infrastructure improvements and attracting appropriate developers would be most appropriately handled by an Economic Development Coordinator but is not a role typically held by the Planning Division. Presently our office handles Community Development Block Grants but this is the only funding source that PBS assists with that relates to development of housing and/or supportive infrastructure. The Planning Division processes entitlements and it would be inappropriate for staff to locate funding, attract developers and then process the entitlements for those same projects. It would be a conflict of interest for the Planning Division to undertake such activities.

It should be noted that Finding F6 is somewhat misleading, as it is creating the assumption that the Planning Division would or should take on the role of a developer. Additionally, in 2011, the State of California did away with “redevelopment” which was a tool that many cities and counties utilized in partnership with developers to provide affordable housing as well as infrastructure improvements. This has resulted in further constraints at the local level.

- F7. *There is no formal or consistent communication between PBS and its counterparts in the cities of Fort Bragg, Point Arena, Ukiah and Willits which is indicative of the lack of planning on a regional basis in this County.*

Agree. PBS will initiate holding quarterly meetings between the County staff and counterparts in the cities of Fort Bragg, Point Arena, Ukiah and Willits. This would be initiated in January 2022 with meetings held quarterly thereafter.

- F8. The prohibitive cost of new construction and limited income of most area residents makes new market-rate projects risky for builders.*

Partially Agree. PBS cannot opine on this as it is speculative as to what types of projects may be considered “risky for builders” and PBS does not construct housing. It should also be noted that this is strictly driven by market forces outside of the control of PBS.

- F9. The activation of a Mendocino County Building Trust Fund (In-Lieu fund) would give Mendocino County leverage in encouraging proactive development to meet the county’s needs for infrastructure and housing projects.*

Agree. PBS is embarking on an update to the Inland Zoning Code and part of the scope of that project is to review and restructure the County’s Inclusionary Housing Ordinance (Chapter 20.238 of County Code). Presently there is limited funding in the Building Trust Fund (In-Lieu fund), partially related to limited subdivisions and projects that require payment into the fund.

- F10. Federal and State funding is targeted to urban areas and the BOS does not direct PBS to actively seek mitigations on these restrictions to acquire funding for housing projects when State & Federal funds become available.*

Partially Agree. PBS agrees that Federal and State funding does typically benefit urban areas over rural areas, as this is driven by population, but PBS does not pursue changes to legislation and funding sources. This would be addressed by direction given from the Board of Supervisors on the legislative platform and working with CSAC and RCRC representatives.

- F11. As a result of restrictions on the use of local budget monies, Mendocino County’s Native American Tribes may only be invited to the table when discretionary funds for housing are available through Federal sources.*

Disagree. Planning and Building Services does not administer discretionary funds for housing. Finding F11 is also misleading as it appears that the authors may not completely understand that local jurisdictions do not typically administer funds on behalf of the Bureau of Indian Affairs or the Federal Government.

Response to Recommendations:

- R1. By January 1, 2022, County Administration provide direction to PBS to establish periodic meetings to work cooperatively with cities, infrastructure oriented special districts, and Tribal governments on meeting the needs established in the Housing Element.*

PBS intends to establish quarterly meetings with our counterparts at the various cities within the County beginning in January 2022 and held quarterly thereafter. Development of housing on Tribal lands held in trust cannot count towards compliance with the County’s Regional Housing Needs Allocation (RHNA) numbers. PBS is more than happy to meet with Tribal governments to discuss development of housing on lands consistent with Action items contained within the 2019-2027 Housing Element. Action item 4.3b from the 2019-2027 Housing Element provides the following:

Action 4.3b: *Encourage the production of affordable housing for Native Americans pursuant to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) on fee land owned by Indian tribes that qualifies for the tax exemption under California Revenue and Taxation Code Section 237 or Federal land held in trust for Indian tribes, or by entering into local cooperation agreements with Indian tribes when required for the use of NAHASDA funding within the County, and by advocating that Indian tribes and housing agencies work with the County to maximize the compatibility of Indian housing projects with County General Plan objectives.*

Responsibility: PBS, Tribal Governments, Indian Housing Authorities

Schedule: *By 2021, annually thereafter, and as requested conduct staff meetings with the Bureau of Indian Affairs and local Tribal Governments to determine the most supportive actions County staff can provide to encourage the production of affordable housing for Native Americans pursuant to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA); by 2021 provide invitation to the Bureau of Indian Affairs staff to present before the Mendocino County Planning Commission.*

Funding: PBS Department Budget.

- R2. *By January 1, 2022, PBS host bi-monthly meetings with all housing development entities including the four incorporated cities to monitor progress of goals in the Housing Element.*

PBS intends to establish quarterly meetings with our counterparts at the various cities within the County beginning in January 2022 and held quarterly thereafter. It's important to note that cities have their own Housing Elements so housing related activities conducted in the cities would not demonstrate compliance with goals in the County's Housing Element.

- R3. *By FY 2022-23, County Administrators organize a coalition with cities to establish a framework for annexations through tax-sharing agreements.*

The Board of Supervisors recently established an Ad Hoc Committee to address tax-sharing agreements.

- R4. *By FY 2022-23, the BOS establish a framework to enact Policy 4.3b of USC, which encourages the development of additional housing for Native Americans. This will help the County to meet their obligation under State law to provide housing, including for special communities by 2027.*

Development of housing on Tribal lands held in trust cannot count towards compliance with the County's Regional Housing Needs Allocation (RHNA) numbers. PBS is more than happy to meet with Tribal governments to discuss development of housing on lands consistent with Action items contained within the 2019-2027 Housing Element. Action item 4.3b from the 2019-2027 Housing Element provides the following:

Action 4.3b: *Encourage the production of affordable housing for Native Americans pursuant to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) on fee land owned by Indian tribes that qualifies for the tax exemption under California Revenue and Taxation Code Section 237 or Federal land held in trust for Indian tribes, or by entering into local cooperation agreements with Indian tribes when required for the use of NAHASDA funding within the County, and by advocating that Indian tribes and housing agencies work with the County to maximize the compatibility of Indian housing projects with County General Plan objectives.*

Responsibility: PBS, Tribal Governments, Indian Housing Authorities

Schedule: *By 2021, annually thereafter, and as requested conduct staff meetings with the Bureau of Indian Affairs and local Tribal Governments to determine the most supportive actions County staff*

can provide to encourage the production of affordable housing for Native Americans pursuant to the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA); by 2021 provide invitation to the Bureau of Indian Affairs staff to present before the Mendocino County Planning Commission.

Funding: PBS Department Budget

- R5. *PBS continue the development of digital systems to deal with routine applications so there is more time for researching innovative ways to plan for economic and housing development.*

PBS is continuing the development of digital systems to provide more streamlined services. Researching innovative ways to plan for economic and housing development may be a more appropriate role for an Economic Development Coordinator as opposed to PBS.

- R6. *By December 1, 2021, the BOS direct PBS to set-up the Mendocino County Building In-Lieu Fund as a Building Trust Fund and report back to the BOS before the end of fiscal year 21-22.*

PBS is currently undertaking an update to the Inland Zoning Code and included in that update is review and potential modification of the Inclusionary Housing Ordinance (Chapter 20.238 of County Code). The process to update the Inland Zoning Code that is currently underway will result in discussion with the Board on Inclusionary Housing and the In-Lieu Fund.