

August 14, 2007

Honorable Judge Rodney S. Melville
Santa Barbara Superior Court
312-M East Cook Street
Santa Maria, CA 93455

Santa Barbara County Grand Jury
Attention: Foreperson
1100 Anacapa Street
Santa Barbara, CA 93101

Honorable Judge Melville and Grand Jury Foreperson:

The City Council, at their regular meeting held August 13, 2007, reviewed the 2006-2007 County Civil Grand Jury report entitled "Affordable Housing in Santa Barbara County – Myth or Reality?" specifically as it relates to the City of Carpinteria, and approved the following responses to each of the specific findings and recommendations of the Report:

Finding 1: Santa Barbara County is a desirable residential area where demand for housing exceeds supply. The result is high market prices for housing.

Response: *No response required.*

Finding 2: Not only low-income people, but middle income workers such as police, fire, education, health and emergency personnel often cannot afford to live in the jurisdiction where they work.

Response: *No response required.*

Finding 3: Funding to subsidize affordable housing is limited and not keeping pace with increased costs.

Response: *Agree. The City of Carpinteria participates in the HOME Consortium and in the Urban County Community Development Block Grant (CDBG) programs to assist in funding affordable housing projects in our community. Money from these programs is reserved for qualifying projects through*

established procedures and in conjunction with other member cities and the County of Santa Barbara Housing and Community Development Department. While the cost of market rate housing, land, and construction materials have increased dramatically over the past several years, funding under the HOME and CDBG programs has remained relatively flat, with increases reflecting minor cost of living adjustments.

Finding 4: Housing Elements utilize zoning capacity and other policies to meet affordable housing requirements. However, construction of actual units is not required. Jurisdictions incur no penalty if no affordable housing units are built.

Response: *Agree. As identified in the Grand Jury report, the City of Carpinteria is not a developer of housing nor does it receive any revenue for its construction. The City's Housing Element establishes policies aimed at encouraging the development of affordable housing by private developers, including non-profit organizations. While jurisdictions incur no direct penalty from the State Housing and Community Development Department if affordable housing units are not built, the need for affordable housing continues to grow as the price of market rate housing continues to outpace increases in household income on the south coast, thus resulting in socio-economic effects within cities. Some consequences of this are overcrowding, declining school enrollment as more families move out of the area, longer commutes and more vehicles on our roadways, all of which affect the social structure within a community. There are also indirect environmental consequences experienced within the community associated with increased traffic and adverse effects on air quality.*

Finding 5: Affordable housing programs vary across jurisdictions but are not always matched to local needs.

Response: *We disagree with the finding as it relates to the City of Carpinteria. In our most recent Housing Element Update, certified by the State in 2004, the City made a conscious effort to consider relevant housing data and public input about the needs for affordable housing within the City. The City of Carpinteria found a need for workforce housing (housing for households earning between 121 – 200% of the Area Median Income). The City's Housing Element also supports partnerships with private and non-profit developers of low and very low income housing units such as Peoples' Self-Help Housing (PSHH) and in fact the City is currently working with PSHH on two potential affordable housing development projects (one in particular which is targeted to housing for farm employees, which is also an identified need in our community).*

Finding 6: There are varying degrees of public and local government support for affordable housing programs across jurisdictions.

Response: Agree. The City of Carpinteria has supported affordable housing through the participation in and adoption of our Housing Element (including the Inclusionary Housing Ordinance), the development of Dahlia Court and other affordable projects within the City, the renewal of the County Housing Authority ability to operate within the City (Atrium Apartments) and the recent approval of the Lagunitas Development Agreement, which provides for twice the mandated number of affordable units as required by our Housing Element for such a project. There is also our recent contribution through HOME and CDBG for Peoples' Camper Park rehabilitation and the Dahlia Court expansion projects, as well as the human services grants for programs that support those who live in existing affordable housing developments and/or are of low or very low income.

Finding 7: Regional Housing Needs Assessment goals have not been met in most jurisdictions; there is a marked shortfall in the low and very low-income categories. Guadalupe is the sole exception.

Response: Agree. Very low or low income units have yet to be developed in the City within the current Housing Element cycle. However, it must be recognized that because the City is not a developer of housing and does not directly receive revenue to construct housing, it must rely upon private development, partnerships with non-profit organizations and similar means to achieve the adopted affordable housing objectives. The City is currently working with Peoples' Self-Help Housing on two possible projects and has reserved HOME and CDBG funding for both of these projects over the last two funding cycles. One project involves the rehabilitation of the Carpinteria Camper Park; the other is a potential expansion of the Dahlia Court Apartments already owned and operated by Peoples' (and previously partially funded through use of City funds from the HOME and CDBG programs). Both of these projects would create very low and low income units that would help Carpinteria meet its RHNA goals.

Finding 8: Santa Barbara County Association of Governments does not monitor or acknowledge jurisdictional successes in meeting affordable housing goals. There is minimal effort to identify steps and patterns leading to success and to share this information with other jurisdictions.

Response: Agree. Councilmembers Armendariz and Carty attend the Joint Cities – County Affordable Housing Task Group meetings, along with the Community Development Director. In these meetings, topics surrounding housing in general and affordable housing in particular are discussed. The group has been meeting since 2000. The meeting agenda typically includes a report by staff of each agency on the status of specific housing projects pending within the respective jurisdiction. This meeting provides an open forum for sharing information regarding successes and problems regarding affordable housing.

The Committee, formed in 2000, had been meeting on monthly basis for the last few years and only recently adopted a quarterly meeting schedule. The group has identified many topics for future agendas and will continue to meet and share information among the members. This forum has also contributed to the formation of working relationships between staff members such that communication is ongoing between the represented agencies, outside of the regularly scheduled meetings.

Finding 9: Non-profit organizations such as the Housing Authority of the County of Santa Barbara, the Housing Authority of the City of Santa Barbara, Peoples' Self-Help Housing and Habit (sic) for Humanity play an important role in affordable housing programs.

Response: *Agree. As mentioned in response to various findings above, the City of Carpinteria has partnered with both the County Housing Authority and Peoples' Self-Help Housing on development of affordable housing projects in the past and is currently working with Peoples' on two additional projects in our City. Our Housing Element recognizes the importance of working with non-profit organizations such as those mentioned above to help meet the housing needs for people of all income levels.*

Recommendation 1: Since there is more than one way to develop and administer affordable housing programs, jurisdictions should focus on meeting local housing needs rather than relying on one type of program (e.g., owner-occupied and rental vs. rental only).

Response: *The recommendation has been implemented. The City of Carpinteria's Housing Element addresses local needs through several different program elements and our inclusionary program allows for rental or ownership projects. In certain circumstances, a developer may request to pay in lieu fees rather than providing units on site through the Inclusionary Program. Through its past and current relationship with Peoples' Self-Help and other non-profit housing developers, the City of Carpinteria has embraced different methods to attempt to identify and meet local housing needs through various programs.*

Recommendation 2: At least annually, each jurisdiction should hold informational community meetings to explain all aspects of its affordable housing program.

Response: *The recommendation has not yet been implemented, but will be implemented in the future. The City of Carpinteria's Housing Element provides for an Annual Housing Summit. While such an event has yet to occur, it is planned within the Work Program for the Community Development Department*

for this fall. Therefore, the recommendation will be implemented within the next few months.

Recommendation 3: Jurisdictions should focus on developing more very low and low-income housing to meet Regional Housing Needs Assessment goals.

Response: *The recommendation is being implemented through coordination with Peoples' Self-Help Housing on their Camper Park Rehabilitation Project and their efforts to expand the Dahlia Court Apartments. Both of these projects would provide housing for very low and low income households and would help the City meet the RHNA objectives set out in the 2004 Housing Element. Additionally, many of the existing units owned and operated by Peoples' Self-Help serve area farm employees; a special needs category identified in our Housing Element.*

Recommendation 4: Santa Barbara County Association of Governments should organize regular meetings of jurisdictional representatives to share successes and problems in affordable housing programs.

Response: *The recommendation has been partially implemented. SBCAG hosts a regular monthly meeting of the Technical Planning Advisory Committee (TPAC). The City of Carpinteria's Community Development Director attends these monthly meetings, along with representatives from the cities of Santa Barbara, Goleta, Buellton, Solvang, Santa Maria, Guadalupe, the Air Pollution Control District and the County of Santa Barbara. TPAC members share information and experiences regarding housing and other planning matters at this meeting. The group could modify its agenda to allow for more in depth discussion of affordable housing however this is already done in other settings.*

As stated above in response to Finding 8, Councilmembers Armendariz and Carty attend the Joint Cities – County Affordable Housing Task Group meetings along with the Community Development Director. In these meetings, topics surrounding housing in general and affordable housing in particular are discussed. The meeting agenda typically includes a report by staff of each agency on the status of specific housing projects pending within the respective jurisdiction, with a focus on lessons learned in recent experiences in developing affordable housing. This meeting provides a forum for sharing information regarding successes and problems regarding affordable housing.

Recommendation 5: Santa Barbara County Association of Governments should first collect data on jurisdictional performance and compare it to current Regional Housing Needs Assessments and then use this information in the next round of allocations.

Response: *The recommendation will not be implemented because it is not directed to the City of Carpinteria. The State Department of Housing and Community Development collects data from each agency on an ongoing basis as to performance in meeting the numbers established in the Regional Housing Needs Assessments. This data is also available to SBCAG. The City submitted its annual report to the State Office of Planning and Research and State HCD on May 7, 2007 outlining progress toward meeting the General Plan Goals and Objectives, including the Housing Element and RHNA Objectives.*

Recommendation 6: Jurisdictions should utilize successful non-profits as co-developers and administrators of affordable housing programs.

Response: *The recommendation has been implemented. The City of Carpinteria has successfully partnered with Peoples' Self-Help Housing Corporation and with the County Housing Authority on development of affordable housing within the City. The City continues to work with Peoples' on new projects and is open and available to developing relationships with other non-profit housing providers. Administration of the private non-profits' projects in the City is done by each specific non-profit consistent with this recommendation. Administration of the City's affordable housing program (inclusionary units built by private developers) is done by City staff with support from the City of Santa Barbara Housing staff through an inter-agency contract agreement.*

The City of Carpinteria thanks the Grand Jury for its work.

Should you need any additional information please contact me at (805) 684-5405 extension 400.

Sincerely,

Dave Durflinger
City Manager