

**MENDOCINO COUNTY BOARD OF SUPERVISORS' RESPONSE TO GRAND JURY
REPORT TITLED:**

**MEETING MENDOCINO COUNTY'S NEEDS FOR HOUSING
REQUIRES COORDINATION AND PLANNING**

Discussion

The Board of Supervisors welcomes this opportunity to respond to the Grand Jury report titled "Meeting Mendocino County's Needs For Housing Requires Coordination And Planning". Current Grand Jury procedures state: "[f]indings are the conclusions or judgements that logically flow from the verified facts." In that regard, the Board of Supervisors encourages the Grand Jury to focus on verified facts and avoid unsubstantiated opinions that tend to inflame instead of inform discussion of this critical issue.

Pursuant to the request of the Grand Jury, the Board 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. (R1, R3)

Agree. Lack of water and sewer makes multi-family housing difficult in areas not in incorporated cities or community service districts with appropriate infrastructure.

- 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 Disagree. The workload of PBS has outpaced the efficiencies created with a more streamlined process. There is a need for full staffing which the BOS approved. Attempts at filling all positions has been ongoing. There is a need for long range planning. Funding was received for zoning code update.

- 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. This is a role that MCOG has been fulfilling.

- 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. There are also global factors affecting the local housing market such as

state regulations, state and regional housing prices, drought, and wildfires. These all have an effect on the market driving prices higher.

- 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.

Agree. This is mostly from anecdotal sources. The labor market in Mendocino County impacts the willingness of contractors to work here.

- 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. (R6)

Agree. There is a need for hiring qualified planners. This has been difficult in the past but the BOS and PBS have focused on this area. Locating infrastructure (water, sewer, fire protection, etc.) improvements and an economic development coordinator, whether it be within the County system or an outside agency, could help to identify projects that would provide more housing.

- 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. There should be quarterly meetings between PBS and the cities.

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

Patrially Disagree. There are market rate opportunities in the County.

- 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. This Building Trust Fund is underfunded at the moment. To have an impact, there is a need for greater funding. This might require a review of the inclusionary housing ordinance and process in which the Building Trust Fund is funded.

- 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.

Agree. County legislative platform and CSAC and RCRC representatives should address these concerns of redirecting state and federal dollars to rural areas.

- 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.

Agree. As sovereign nations, Tribes should be encouraged to work with the County to collaborate on housing opportunities.

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. (F1, F7)

Establish quarterly meetings.

- 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. (F7)

Establish quarterly meetings.

- R3. By FY 2022-23, County Administrators organize a coalition with cities to establish a framework for annexations through tax-sharing agreements. (F1, F9)

BOS created an ad hoc committee to deal with such 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. (F11)

Tribal lands do not count for the County's housing element. Opportunities to work closer with the tribes such as the Northern Circle could provide for greater communication and collaboration.

- 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. (F2)

PBS is actively pursuing ways to provide streamlined, digitalized services.

- 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. (F6, F9)

There is currently lack of funds in the In Lieu account. BOS should review the process and policies applicable to the In-Lieu Fund.