

READ AND CONSIDERED
DATE 9/13/22 BY [Signature]

Response to Grand Jury Report Form

Report Title: Affordable Housing: Monitoring and Compliance
Report Date: June 14, 2022
Response by: Patrick Slayter Title: Mayor
Agency/Department Name: City of Sebastopol

FINDINGS: F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11

I (we) agree with the findings numbered: _____
I (we) disagree wholly or partially with the findings numbered: _____

(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS: R1, R2, R3, R5, R6, R7, R8

- Recommendations numbered: _____ have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered: _____ have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered: _____ require(s) 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 publication of the Grand Jury report.***)
- Recommendations numbered: _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: September 7, 2022 Signed: [Signature: PSL SLE]

Number of pages attached: 4

(See attached Civil Grand Jury Response Requirements)

**“Affordable Housing: Monitoring and Compliance”
City of Sebastopol Response to Grand Jury**

The “Affordable Housing: Monitoring and Compliance” investigation resulted in 11 findings and 8 recommendations. These are summarized below. Of these, the City of Sebastopol was asked to respond to Findings and Recommendations R1-R3, and R5-R8. Staff has provided the Findings and Recommendations (italicized), and a draft city response for each of these:

Findings:

The Sonoma County Civil Grand Jury determined that:

F1. Monitoring of compliance with Affordable Housing regulations has been inconsistent and often inadequate.

Agree. The City previously contracted with the Sonoma County Community Development Commission (CDC) to monitor units in the City. This agreement expired several years ago. The City is in discussions with the Sonoma County Community Development Commission regarding monitoring (see Recommendations).

F2. The use of self-reported data in monitoring is the accepted norm.

Partially agree. A deed restriction is required for all affordable units, and, for rental units, the City requires a monitoring plan be provided by the developer, which often includes management of the units by a qualified affordable housing provider.

F3. On-site (in-person) monitoring beyond that required by law is rare due to insufficient personnel, budgetary limitations, and relatively low incentives.

Agree at this time.

F4. COVID-19 further reduced in-person on-site monitoring due to public health restrictions.

The City cannot agree or disagree with this Finding, as the City does not do its own monitoring of units, and has no direct knowledge of the impacts of Covid-19 on the monitoring procedures of the Sonoma County CDC.

F5. Surprise or unscheduled monitoring of individual units is not done, for reasons of privacy, availability, efficiency, and practicality.

The City cannot agree or disagree with this Finding, as the City does not do its own monitoring of units, but rather contracts with the Sonoma County CDC. The City has no direct knowledge of the details of the on the monitoring procedures of the Sonoma County CDC.

F6. Unscheduled monitoring of properties and management, in order to review tenant files, grounds, and the amenities is not done.

The City cannot agree or disagree with this Finding, as the City does not do its own monitoring of units, but rather contracts with the Sonoma County CDC. The City has no direct knowledge of the details of the on the monitoring procedures of the Sonoma County CDC.

F7. The Community Development Commission has informational documents and policies to provide upfront training in the monitoring process.

Agree.

F8. There is limited or no standardized training in Affordable Housing compliance regulations for developers and managers of inclusionary housing within the nine Cities.

Agree.

F9. The cities of Petaluma and Rohnert Park use computerized compliance monitoring programs to facilitate and improve the quality of their work.

Cannot agree or disagree with this Finding, as it is not applicable to the City of Sebastopol.

F10. The property titles of Affordable single-family houses have not always been flagged as deed restricted. Disagree. The City of Sebastopol Municipal Code, Section 17.250.090, requires all affordable units include a deed restriction. While this code has been modified through time, past units approved by the City and within the City's housing inventory of affordable housing have recorded deed restrictions. This is, and has been, a standard practice of the City for many years.

F11. The majority of the housing representatives the Grand Jury interviewed felt that there is not enough staff within their departments to make anyone a full-time compliance monitor.

Agree with regards to the City of Sebastopol.

The Sonoma County Civil Grand Jury recommends that:

R1. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities meet and develop agreed-upon standards and procedures for the monitoring of Affordable Housing. (F7, F8)

Response:

The Sonoma County Community Development Commission (CDC) monitored affordable housing units in the past for the City of Sebastopol. This agreement expired several years ago. Under new leadership, the CDC is working to re-initiate this program. The City of Sebastopol has been in communication regarding this, and will be participating in this monitoring effort. The cities, including the City of Sebastopol, and the CDC have met preliminarily on this, and will continue to do so. The CDC anticipates implementing this recommendation by December 31, 2022.

R2. The Sonoma County Community Development Commission and the nine Cities resume on-site monitoring by October 1, 2022. (F3, F4)

Response:

The City of Sebastopol intends to partner with the Sonoma County CDC for monitoring of units. While the city does not control when this will be initiated, work on this began in early 2022, and anticipate being able to initiate services January 1, 2023.

R3. By January 1, 2023, the Sonoma County Community Development Commission and the nine Cities review and ensure that they have sufficient personnel to conduct on-site monitoring and process self-reported monitoring data to meet future Regional Housing Needs Allocations. (F1, F2, F3, F5, F6, F11)

Response:

The City intends to contract with the Sonoma County CDC as it did in the past. The City itself would not hire any personnel. The Planning Director is responsible for coordinating any contract requirements. An affordable housing monitoring fee may be needed to cover the costs of any contractual obligations for monitoring of units, and this would likely become the responsibility of the developer.

In regard to ownership units, the City of Sebastopol intends to utilize a partnership with the Sonoma County Housing Land Trust (HLT) and developers for future inclusionary units, as this will ensure on-going monitoring of owners and the property to be maintained as affordable in perpetuity.

R4. The Sonoma County Community Development Commission use informational documents and policies to provide ongoing training in the monitoring process for developers and managers of Affordable Housing projects by January 1, 2023. (F7)

Response:

No response required.

R5. By January 1, 2023, the nine Cities develop informational documents and policies to provide both upfront and ongoing training in the monitoring and compliance procedures for developers and managers of Affordable Housing projects. (F8)

Response:

For rental properties, the City intends to partner with the Sonoma County CDC, and would rely on their expertise regarding training and procedures for developers and managers of affordable housing projects. The City does not intend to provide this training, as it does not have the expertise, and will not be the agency responsible for the on-going monitoring once agreement is executed with the Sonoma County CDC.

For ownership units, the City outlines the appropriate procedures for developers in the Municipal Code, Section 17.250 Inclusionary Housing. Staff assists developers on an individual basis regarding the requirements and agreements for their projects, and the Planning Director and City Attorney review all agreements for compliance with Municipal Code and best practices.

R6. By November 1, 2022, the nine Cities meet and discuss to jointly or individually utilize Affordable Housing monitoring software. (F9)

Response:

This recommendation has been implemented. The County has already scheduled these meetings. The City will not be implementing rental housing monitoring software, as it anticipates the County CDC will have its own system.

For for-sale housing as well as overall deed-restricted affordable housing (including rental), the City is currently implementing an e-permitting software that will allow the City to flag, and run reports, on the city's affordable housing stock. This is anticipated to be live by December 31, 2022. This will allow for improved monitoring of for-sale units with deed restrictions.

R7. By November 1, 2022, the nine Cities meet and discuss pooling resources to fulfill their monitoring responsibilities, through either a consultant or designated employees. (F11)

Response:

The City and Sonoma County CDC are in discussions regarding monitoring of rental units, which can be considered 'pooling resources'. The City of Sebastopol does not intend to do this with the nine cities, but rather intends to work with the Sonoma County CDC. The City and other cities/Sonoma County representatives meet on a regular basis to discuss a variety of housing issues, including affordable housing production and retention.

R8. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities should update and maintain their inventory of Affordable houses within their jurisdictions and verify that all their property titles are flagged for restricted sale. (F10)

Response:

The City has recently updated its inventory of affordable housing units within the City, which can be found in the City's draft Housing Element Update documents. City staff will ensure that parcels that are restricted will be so noted in the City's upcoming electronic permitting and parcel software. This is anticipated to be completed by December 31, 2022.

When deed restricted units are required through Inclusionary Housing ordinance or other agreements, a deed restriction is required to be recorded on the parcel, which requires the City be notified whenever a deed-restricted unit is being sold.

The City is also in the process of implementing e-permitting, which will enable the City to flag deed-restricted parcels as such. This parcel information will be available to the general public, including monitors, homeowners, perspective buyers, and real estate professionals.