



Thousand Friends of Martinez Comments on the “Housing Plan Background Report Public Review Draft—March 2023”

Our city is undertaking a difficult job to fulfill the State mandates for new housing sites and agreeing to rezone the sites to higher density. This is the major direction our attempt to meet the State mandate is taking. This rezoning will change the face of our town, both the Downtown and the neighborhoods.

This Housing Report also recommends multitudinous additional actions that will have major effects on our City budget and on the physical character of our town. Many of these actions are at the discretion of the City Council.

Following are some comments that we ask you to consider in the actions you take on the Housing Element.

General Comments:

1. The costs over which the Council has control in implementing the Housing Element are huge—in the millions of dollars.

The multitude of new programs, fee waivers and deferrals, added free services and other costs being recommended in the Report will be very expensive. Waiver of developer impact fees alone could potentially cost over \$5,000,000 (501 housing units x \$10,048/unit).

Many of these costs are at the discretion of the Council to implement or not. Before the Council can decide to approve them these added costs need to be delineated and costed out by the Staff and then reviewed carefully by the Council. Many of these costs are hidden in the Report details but there are a lot of them. For instance, almost every one of the 28 Housing Programs (pg. HP-6 through 36) lists “General Fund” as the first “Funding Source”.

We urge the Council to add a requirement in the Housing Element that staff must provide an estimate of cost in dollars and staff time for each of these discretionary actions and that the Council will pay strict attention to these costs before giving their approval. With our many other goals that require significant funding, like staff hiring and moving the marina forward, we need to know what costs we would incur under the Housing Element before the Council votes to fund them.

See comment below on “Pg. HP-6 Program 1: Partnership for Affordable Housing” for more details.

2. The City will have the flexibility to determine some of the “bonuses” and incentives that developers can get by agreeing to including affordable housing. Some of the “bonuses” and incentives are mandated by the State, most importantly higher density. **But the Council can decide to offer additional ones. We urge the Council to not extend additional “bonuses” or incentives or replace discretionary approvals or extend ministerial (by-right) approvals without very careful thought and justification.**

Many concessions have already been made in the General Plan, and additional bonuses like added height or reduced parking or increased lot coverage will only increase the impact the new housing will have on what is special and cherished by us in our town, including particularly in our Downtown and waterfront areas.

See comment below on “Pg. HP-16 Program 11: Zoning...” for more details.

3. **The number of lots that have been designated in the report to be rezoned for more housing end up giving us more potential units than the State demands, 1877 housing units versus the State RHNA demand for 1345 units.** We assume we need a little buffer, but a decent number of the 532 excess units should not be rezoned if that is not needed.

That will reduce the impact on our neighborhoods and Downtown, and those units can be rezoned as necessary for the next 8-year cycle. Importantly, this may mean some lots Downtown would not need to be rezoned now.

Also, although it is not clear, **Map ID F appears to show John Muir School Park being rezoned for housing**, and that could be reversed. (We oppose rezoning open space/parks for housing unless that is the only option. That is why we worked so hard to turn Measure I, the Martinez Open Space and Park Initiative, into law.)

4. We strongly recommend that you do a cost analysis on the entirety of the proposed new housing in the Housing Element as was done for the Annexation Study that gave a pretty complete idea of whether the City income from the annexed areas would cover the added costs the City would incur to support the areas. That would be valuable information to have on the housing mandated in the Housing Element for when the Council discusses all the optional added costs they could approve under the Housing Element (see Comment 1).

This information may also be useful if we are able to take some sites off the rezoning list as discussed in Comment 3 above. For instance, it may be able to help us choose sites that would have the best overall economic benefit to the City coffers from not being used for housing.

For example, it might show us the added tax benefit of repurposing the Telfer property, Map ID 201, from housing to light industrial or commercial use which would probably be beneficial on a net cost basis for the City and would be a safer use for the property and provide local jobs.

5. Under the possible funding sources for some programs the report notes the possible use of Infrastructure Finance District (IFD) which we do not support. IFDs are basically tax diversion devices that take property tax the new development should be paying to the General Fund to cover the day-to-day costs to the City of the new housing and population and diverting it to pay for infrastructure costs that are normally paid for by the developer or other sources.

Then the City has to divert funds from the General Fund to pay for those day-to-day costs to provide police/street repair/administration/etc. IFDs do not provide new money, they just divert our tax dollars from the General Fund to a specific purpose.

Specific comments:

Pg. HP-2 A. Introduction---Focuses. Preserving Housing Assets: "...ensuring development is consistent with the surrounding neighborhood context." We believe this should be a paramount goal.

Pg. HP-2 Policy H-1.5 Incentives and Concessions. See cost and "bonuses" Comments 1 & 2 above.

Pg. HP-3 Policy H-1.7 Annexation. The recent Annexation Study done by the City showed local annexations would be extremely costly for the City. This should not be in the Housing Element as a City goal.

Pg. HP-3 Policy H-2.3: Developer Incentives. See cost and "bonuses" Comments 1 & 2 above.

Pg. HP-3 Goal H-3 "Improve and preserve the existing housing stock...and ensure new residential development is consistent with the surrounding neighborhood context." We strongly support this Goal. See "bonuses" Comment 2 above.

Pg. HP-4 Policy H-4.1: State Bonus Law. We must comply with State requirements, but need to be very careful about going beyond those requirements. See "bonuses" Comment 2 above.

Pg. HP-4 Policy H-4.2: Regulatory Incentives and Concessions. See cost and "bonuses" Comments 1 & 2 above. NOTE this Policy says to provide these "...while protecting quality of life goals." We agree with that goal.

Pg. HP-4 Policy H-4.7: Fee Reduction and Waivers. See cost and "bonuses" Comments 1 & 2 above.

Pg. HP-4 Policy H-4.8: Parking Reductions. See “bonuses” Comment 2 above.

Pg. HP-6 through 36 C. Housing Programs Almost every one of the 28 separate Programs says this: “Funding Sources: General Fund...” In the majority of the Programs that is the only funding source noted. The Staff time alone to run these programs appears to be immense and, therefore, costly. If any of these programs are at City Council discretion, the Council should look at reducing the number of them.

Pg. HP-6 Program 1: Partnership for Affordable Housing.

This Program recommends a multitude of new programs, added free services, fee waivers and deferrals and other costs that will be very expensive for the City. Waiver of developer impact fees alone could cost over \$5,000,000 (501 housing units x \$10,048,000/unit).

These developer impact fees are \$10,048 for a multifamily unit and \$14,041 for a single-family unit. These fees by law can only reimburse the City for costs of impacts the development would have on police/parks/transportation/childcare/cultural. Waiving them would be a major hit to the City’s budget, as paying these costs would have to come out of the General Fund.

(It is critical to note that this Housing Report on pg. HBR-83 says, “The City of **Martinez’s fees, which include planning, development impact, and outside agency fees...do not constrain the development of housing.**”)

Free services and waivers include City or consultant design services up to a certain dollar limit; having the City complete project frontage improvements which appears to be an open-ended expense; waiving planning application and building permit fees; a free concierge program; free staff study sessions on projects; providing free architectural design services.

The Council will decide which, if any, of these to approve. The Council should get dollar estimates from staff for all of these waivers/free services before putting them in the Housing Element. Some may be so expensive that we don’t even want to consider them. Regardless we should know what kind of dollars we are talking about before the Council votes on them.

One unpriced service, the “concierge” service, may actually be up for City Council approval now. That needs to be clarified.

It is our understanding that the other fee waivers/free service/new programs/etc. will not be approved at this time, but will be included in the Housing Element as official programs the City Council will look at and decide whether or not to approve at a later date. It may be wise to take some of the most expensive programs like waiver of developer fees off the table now so they are not carried forward in the Housing Element any further.

We request you put a statement in the Housing Element that cost estimates of dollars and staff time will be developed before any of these options are considered and that these cost estimates will be done for other potential costs called out in all other Programs.

We need to be supportive of affordable housing and our housing element will show we are. Waivers and free programs, although not required, may well be another way we want to be more supportive. But we believe we need to know what kind of costs we are talking about before the Council votes on them. We are not a rich city, and we also have some very large expenditure in our future.

Pg. HP-16 Program 11: Zoning...

Zoning must by law be changed to State requirements. But changes beyond what is required by the State should maintain local control to the greatest extent possible. Discretionary review should be left in place where not changed by State mandate, and ministerial (by-right) review should only be incorporated where State law requires it.

Allowing the community and City government the opportunity to influence development is preferable to ceding that right to the developer or other bodies.

This Housing Report supports local control in several places, including:

Pg. HP-2 A. Introduction---Focuses. Preserving Housing Assets: “...ensuring development is consistent with the surrounding neighborhood context”

Pg. HP-3 Goal H-3 “Improve and preserve the existing housing stock...and ensure new residential development is consistent with the surrounding neighborhood context.”

Pg. HP-4 Policy H-4.2: Regulatory Incentives and Concessions. NOTE this Policy says to provide these “...while protecting quality of life goals.”

Height, density, setbacks, lot coverage, parking and other building criteria are integral to making development a positive addition to our community and our quality of life. Leaving the City government and the public out of the process of development approval is a step in the wrong direction for our town. We urge you to not pursue that direction, but rather **cede development control only to the extent mandated by the State. Retention of local control to the greatest extent possible is in the best interest of all of us.**

Also see cost and “bonuses” comments above.

The comments regarding requiring cost estimates and ceding development design and construction control under “Pg. HP-16 Program 11: Zoning...” and “Pg. HP-6 Program 1: Partnership for Affordable Housing” and our General Comments above apply to all Programs, especially Program 15: “...Density Bonuses...”.

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for Thousand Friends of Martinez Housing Element Study Group

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