

July 30, 2008

The Honorable Nancy Wieben Stock  
Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

**RE: Response to Grand Jury report - "No County for Old Boomers"**

Dear Judge Wieben Stock,

This letter is submitted in response to the recent Grand Jury report "*No County for Old Boomers – When Orange County Baby Boomers Retire, Where Will They Live.*" The City of La Palma appreciates the opportunity to provide the following responses to the findings and recommendations in the report. At the conclusion of this letter we also offer some additional recommendations we believe should be considered along with those articulated by the Grand Jury.

**Findings:**

***F-1 The Housing Elements for the cities and County of Orange do not reflect that the number of affordable senior housing units in Orange County will not accommodate the projected population.***

Response 1. The City of La Palma's Draft Housing Element addresses senior citizens in the Needs Assessment portion of the document. We are not familiar with, nor is the City responsible for, the Housing Elements of the County or other Orange County cities. The 2008 Draft La Palma Housing Element update has been prepared in compliance with state law. As noted in our response to Recommendation 1, on the following page, the Grand Jury report was received after the Housing Element Needs Assessment was well underway, and therefore is problematic to respond to in the current Housing Element update. The City would support additional analysis regarding the needs of seniors in subsequent updates to the Housing Element. Therefore, the City disagrees with this finding relative to the 2008 update.

***F-2 The Housing Elements for the County of Orange and the cities do not focus sufficiently on or analyze the population growth and housing needs of the aging baby boomer generation.***

Response 2. As noted in Response 1, above, the City of La Palma's 2008 Draft Housing Element does address the needs of senior citizens. However, the timing of the Grand Jury report comes too late in this Housing Element update cycle to conduct and incorporate additional analysis on this topic in the 2008 Housing

Element update. The City is generally in support of the Grand Jury conclusions, and would consider these issues in subsequent amendments to the Housing Element. The City disagrees with this finding relative to the 2008 update.

***F-3 Not all Housing Elements are available online for easy access by the public.***

Response 3. The City disagrees with this finding as to the City of La Palma. The City of La Palma's General Plan is available for review on the City website at: <http://www.cityoflapalma.org>. Future amendments to the Housing Element, including the 2008 update, will also be made available online.

***F-4 Municipalities are not proactive enough in encouraging the development of affordable senior housing.***

Response 4. The City disagrees with this finding. In the City of La Palma, City staff routinely confers with developers regarding development opportunities, and we will continue to encourage the development of additional affordable senior housing pursuant to Housing Element policies and the City's Zoning Code. In 2003, the City amending its Zoning Code to provide incentives for the development of affordable housing, which includes senior housing. In addition, pursuant to AB 637, chaptered in 2001, the City has exceeded the age proportionality requirement for those over the age of 65 by 10 percent.

**Recommendations:**

***Recommendation 1. Include the current and projected affordable senior housing inventory by type, location and cost in the 2008 and future years' development of the Housing Element.***

Response 1. State law requires every city and county in California to update the Housing Element of its General Plan periodically according to a state-mandated schedule. While the Grand Jury report raises very important issues related to the future housing needs of senior citizens, the timing of the requested action is problematic for the current Housing Element cycle, as discussed in the response to finding F-1. In addition, the data and analysis requested by the Grand Jury is not currently required under state Housing Element law. Most jurisdictions in Orange County completed the required analysis for the Housing Element update several months ago, and compliance with this Grand Jury recommendation would require city staff and consultants to expend additional and unanticipated time and resources researching and revising the analysis that was finalized months ago. In our case, this would require extra expense that has not been budgeted, since the work is beyond the scope of our current Housing Element consultant contract and we do not have the staff resources available to conduct the recommended research and data compilation in-house. Therefore, while we support this Grand Jury recommendation for future Housing Element updates, we respectfully disagree that this work should be completed for the current housing element cycle because it is not feasible due to the scheduling, available resources, and budgetary reasons described above. Therefore, the recommendation will not be implemented for the 2008 update of the Housing Element.

**Recommendation 2. Include sufficient data in the Housing element to acknowledge the imminent growth in the county's aging population. This data is to include the current population and the growth trend of the aging baby boomer generation as well as the current median income and the income trend of the senior population.**

Response 2. While we agree that this recommendation would provide valuable information for local government policy-makers and the housing industry, again the timing is problematic due to the state-mandated requirements and schedule for updating Housing Elements. We support the inclusion of such information in future Housing Element updates, and we would make a diligent attempt to provide the requested additional data in the current element to the extent schedule and staff resources allow, but we respectfully disagree that this additional analysis should be required in the current housing element cycle for the reasons described in Response 1, on the previous page. The recommendation will not be implemented for the 2008 update of the Housing Element.

**Recommendation 3. Put all Housing Elements online on each city's website.**

Response 3. We agree and support this recommendation which has been implemented in La Palma. The current Housing Element for the City of La Palma is available on the City website, as will be the update for 2008.

**Recommendation 4. Confer with developers to establish the needs for affordable senior housing and to encourage investment in future projects.**

Response 4. We agree and support this recommendation and is being implemented. City staff routinely confers with developers regarding development opportunities, and we will continue to encourage the development of affordable senior housing pursuant to Housing Element policies, the City's Zoning Code, and the Community Development Commission's Implementation Plan.

**Additional Recommendations for Consideration:**

State Housing Element law requires every jurisdiction to accommodate its fair share of the region's new housing need for all economic segments of the community. The process by which jurisdictions' fair share growth needs are determined is known as the Regional Housing Needs Assessment, or RHNA. Cities and counties are required to establish specific, quantified objectives for the production of new housing units in each of four income categories – very low, low, moderate, and above moderate – commensurate with their RHNA allocation. Jurisdictions are also required to demonstrate that they have sufficient vacant sites, or "underutilized" sites with additional development potential, with appropriate zoning and development standards to accommodate their fair share housing need at each income level.

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Under state law, some types of housing projects that are designed for the elderly or persons with disabilities are considered to be "group quarters" rather than "housing units" for purposes of the RHNA. Because of the role of state government in reviewing and "certifying" local housing elements, and the potential legal consequences for failure to obtain state certification, the RHNA and related analysis of a jurisdiction's housing development capacity can be highly controversial. One significant implication of current housing law is that jurisdictions could actually be penalized for encouraging assisted living facilities or other senior housing developments through their land use plans and zoning ordinances since these housing types may not qualify for RHNA credit. In light of the anticipated growth in the senior population, we believe this is an area of Housing Element law that needs to be reviewed and modified by the state legislature.

Another area of concern related to senior housing is state redevelopment law (Health and Safety Code Sec. 33000 et seq.). Under state law, redevelopment agencies must set aside 20% of their tax increment revenues for use in improving, preserving, or increasing the supply of low- and moderate-income housing. The law limits the amount of funds redevelopment agencies may dedicate to senior housing projects to the ratio of seniors 65 and over to the total population as reported in the most recent census (Sec. 33334.4b). Since redevelopment agency low/mod set-aside funds represent a significant source of financial assistance for affordable housing, this law limits the extent to which cities and counties can facilitate senior housing projects. In particular, limiting senior housing assistance to the jurisdiction's age profile in the last census prohibits agencies from proactively planning for demographic trends, as discussed in the Grand Jury report. We believe the state legislature should review this aspect of redevelopment law and adopt amendments that allow agencies to respond to the changing demographics in the allocation of set-aside funds.

If you should have specific questions regarding the City's Housing Element, please contact John Di Mario, Community Development Director at (714) 690-3322.

Sincerely,



G. Henry Charoen  
Mayor

cc: City Council  
Dominic Lazzaretto, City Manager  
Ann Avery Andres, Foreman, 2007-2008 Orange County Grand Jury  
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