



(ENDORSED)
FILED
OCT 10 2018

October 9, 2018

Clerk of the Court
Superior Court of CA County of Santa Clara
BY Jarice Jones DEPUTY

BOARD OF DIRECTORS

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Michele L. King, CMC

The Honorable Patricia Lucas
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

Subject: Santa Clara County Civil Grand Jury Final Report
Affordable Housing Crisis: Density is Our Destiny June 21, 2018
Santa Clara Valley Water District Response

Dear Judge Lucas:

On October 9, 2018, the Santa Clara Valley Water District (District) Board of Directors formally approved the response to the Santa Clara County Civil Grand Jury's (Civil Grand Jury) Final Report—Affordable Housing Crisis: Density is Our Destiny June 21, 2018 (Final Report). The following is the Board's response to the Civil Grand Jury's Final Report Finding 11 and Recommendations 11a and 11b, as required by Section 933.05(a) of the California Penal Code.

FINDING 11

The Santa Clara Valley Transportation Authority (VTA) is a valuable model for effectively generating below market rate (BMR) housing on publicly-owned property. Agencies to respond are the Housing Authority of Santa Clara County (County) and the District.

District Response

According to VTA's Administrative Code, Section 1-1.1. Purpose and Overview, VTA is an independent special district responsible for bus, light rail and paratransit operations and for serving as the county's congestion management agency. As such, VTA is responsible for countywide transportation planning, including congestion management issues, specific highway improvement projects, pedestrian and bicycle improvement projects, and provides these services throughout Santa Clara County.

Public Utility Code 100130.5(b)(1) "provides that a joint development project is a commercial, residential or mixed-use development that is undertaken in connection with existing, planned, or proposed transit facilities and is located ¼ mile or less from the external boundaries of that facility." This is VTA's specific grant of authority to engage in housing.

Aligned with this authority, the VTA created a Joint Development Program (JDP). The VTA adopted the Joint Development Affordable Housing policy in late 2016. The policy ensures that VTA's Joint Development Portfolio housing offerings will be built out with an

average of a 35% affordable housing portfolio and not less than 20% at an individual site. To accomplish this, VTA partners with developers to create high-density projects on its land adjacent to transit. The VTA transit-oriented developments include BMR housing, with the aim to improve VTA ridership.

The District agrees with the finding that VTA is a valuable model for effectively generating BMR housing on publicly owned property; however, the District does not have any similar grant of authority to engage in housing.

RECOMMENDATION 11a

The County should identify or create an agency, modeled after the VTA's JDP, to coordinate partnerships between developers and both the District and the County, for the development of BMR housing, by June 30, 2019.

District Response

The recommendation will not be implemented by the District because it is not warranted as the District cannot implement a recommendation on behalf of the County, and is not reasonable considering the District does not have any similar grant of authority to engage in these individual types of endeavors.

RECOMMENDATION 11b

Parcels suitable for BMR housing should be offered for development by the District and the County, by the end of 2019.

District Response

The recommendation, as written, will not be implemented because it is not reasonable to recommend that the District offer parcels suitable for BMR housing by the end of 2019 without specific qualifying language regarding what makes a parcel suitable for BMR housing, and considering the District does not have any similar grant of authority to engage in housing.

The District thanks the Civil Grand Jury for taking on such an important, challenging and complicated issue. If you have any questions or comments regarding the District's response, please contact me at (408) 265-2600.

Sincerely,



Richard P. Santos
Chair/Board of Directors

Delivered—Placed in Court Services Drop Box
cc: Board of Directors (7)
jc:fd
0925b-l



Santa Clara Valley Water District

CONFORMED COPY

File No.: 18-0827

Agenda Date: 10/9/2018
Item No.: 4.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Response to Santa Clara County Civil Grand Jury's Final Report Entitled Affordable Housing Crisis: Density is our Destiny Findings and Recommendations.

RECOMMENDATION:

- A. Review Response to Santa Clara County Civil Grand Jury Final Report Entitled Affordable Housing Crisis: Density is our Destiny (Finding 11 and Recommendations 11a and 11b); and
- B. Approve Response or Provide Additional Direction and Feedback as Necessary.

SUMMARY:

Background

The Santa Clara Valley Water District (District) was created by an act of the California Legislature (District Act), and is a special district, with jurisdiction throughout Santa Clara County. The purposes of the District Act are to authorize the District to provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County.

Affordable Housing Crisis: Density is our Destiny

In response to the critical need for affordable housing, the 2017-18 Santa Clara County Civil Grand Jury (Civil Grand Jury) tackled the issue of below market rate (BMR) housing.

The Grand Jury interviewed over 65 people for this report, many more than once. Those interviewed included elected and appointed government officials, leaders of nonprofits and developers.

The investigation covered BMR housing challenges faced not just by the County and its 15 cities, but also by nonprofits and agencies such as the Housing Authority of Santa Clara County (County), as well as the Santa Clara Valley Transportation Authority (VTA) and the District.

The District received a letter from Peter L. Hertan, Foreperson of the 2017-2018 Civil Grand Jury providing its Final Report, Affordable Housing Crisis: Density is Our Destiny (Report) (Attachment 1). The Report included Findings and Recommendations. In the letter, the District was asked to

comment on the Report's Finding 11 and Recommendations 11a and 11b. The following is the District's response, which is included in the District's Response Letter (Attachment 2).

District Response

Finding 11:

The VTA is a valuable model for effectively generating BMR housing on publicly owned property. Agencies to respond are the County and the District.

District Response:

According to VTA's Administrative Code, Section 1-1.1. Purpose and Overview, VTA is an independent special district responsible for bus, light rail and paratransit operations and for serving as the county's congestion management agency. As such, VTA is responsible for countywide transportation planning, including congestion management issues, specific highway improvement projects, pedestrian and bicycle improvement projects, and provides these services throughout Santa Clara County.

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The District agrees with the finding that VTA is a valuable model for effectively generating BMR housing on publicly owned property; however, the District does not have any similar grant of authority to engage in housing.

Recommendation 11a:

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District Response:

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Recommendation 11b:

Parcels suitable for BMR housing should be offered for development by the District and the County, by the end of 2019.

District Response:

The recommendation, as written, will not be implemented because it is not reasonable to recommend that the District offer parcels suitable for BMR housing by the end of 2019 without specific qualifying language regarding what makes a parcel suitable for BMR housing, and considering the District does not have any similar grant of authority to engage in housing.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Civil Grand Jury Report
Attachment 2: Draft Response Letter

UNCLASSIFIED MANAGER:

Tina Yoke, 408-630-2385