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October 12, 2021

Timothy Ewell
Chief Assistant County Administrator
Contra Costa County
1025 Escobar Street, 4th Floor
Martinez, CA 94553

via: timothy.ewell@cao.cccounty.us

Re: Policy on Participation in Enhanced Infrastructure Finance Districts (EIFDs)

Mr. Ewell:

Thank you for the opportunity to provide comments to the prospective County Board Policy on Participation in Enhanced Infrastructure Finance Districts (EIFDs) through the Public Managers Association (PMA).

As of September 28, 2021, the Brentwood City Council approved a Resolution of Intention (ROI) to form a Public Financing Authority and further consider establishing of two EIFDs; The Innovation Center EIFD and the Brentwood Boulevard – Downtown EIFD. More information at: <https://www.brentwoodca.gov/gov/cd/ed/eifds.asp>

The Brentwood City Council has directed staff to coordinate with your office and the Board of Supervisors to seek participation in both EIFDs following joint agreement on policy objectives and proposed economic development outcomes for the districts. City staff agree and support the County proposed EIFD policy in concept, but for one major policy implementation hurdle, and welcome a prospective partnership to create new commercial and job generation opportunities for Brentwood and East County.

Based on verbal direction from the County Board Finance Committee to County staff on September 13, 2021 and the provided Policy to the PMA, the City desires to underscore that an Affordable Housing Commitment of 50% of all privately owned housing units to be developed within a District boundary is neither enforceable nor feasible.

This policy requirement is in conflict with the City of Brentwood General Plan. The City would have no mechanism to enforce affordable housing obligations on private property developers and owners, unless that residential developer expressly received a public subsidy to construct its project or voluntarily constructed affordable housing. It should be noted that residential development with 50% or more affordability would likely severely limit taxable assessed value and tax increment funding capacity created within these districts, as affordable units are often built and owned through property-tax exempt entities.

The City suggests the following options for the County to consider in establishing affordable housing components within an EIFD Policy:

Option 1 – Affordability Requirement – 10% Inclusionary Housing Production Requirement of All Residential Housing Developments Resulting in over five or more subdivided lots or dwelling units

A 10% inclusionary requirement would be applied to all new housing development consistent with Brentwood Municipal Code Chapter 17.725 Affordable Housing; including new residential developments of five or more lots or dwelling units designed and intended for residential occupancy in the city.

Dwelling units located within the Brentwood city limits, and within the proposed EIFDs, for very low-, low- and moderate-income households as required by this chapter shall be allocated by the following percentages:

Ownership Development	
Moderate-Income Households	3%
Low-Income Households	4%
Very Low-income Households	3%
Rental Development	
Low-Income Households	5%
Very Low-Income Households	5%

More information about application of the 10% affordable housing requirement can be found at: http://qcode.us/codes/brentwood/view.php?topic=17-x-17_725-17_725_003&frames=on

Option 2 – Affordable Housing Trust Fund from Property Tax Increment Revenue

The City would be open to exploring the set-aside of tax increment revenue to an EIFD Housing Trust Fund, similar to the formula allowed by California Redevelopment Law, which was historically a percentage of 20% of tax increment generated. The purpose of the EIFD Housing Trust Fund would be to allocate and target select affordable housing generation projects in each EIFD to spur community revitalization and enhance economic development opportunities across income levels. The governing Public Finance Authority for each EIFD would be able to select, or defer to the City Council to select, affordable housing projects; and/or affordable housing infrastructure projects to receive a direct financial subsidy from the district.

Residential development projects that receive a direct financial subsidy, as defined in State and EIFD law, from the a joint City-County Public Financing Authority (PFA), could be required to meet a 50% affordable housing commitment, however, a lower percentage may be considered for units made available to households with an Area Median Income (AMI) of 50% or lower, in which case the commitment shall be no less than 20% of dwelling units generated, or as an alternative, as generally consistent with the City of Brentwood Municipal Code Chapter 17.725 Affordable Housing.

Thank you for your time and consideration. Please contact me if I can answer any questions.

Sincerely,



Tim Y. Ogden
City Manager

cc: City of Brentwood Economic Development Division
City of Brentwood Community Development Department

