

Special Meeting to Conduct Housing Workshop

March 26, 2018



Overview

- Comprehensive Local Housing Strategy
- SANDAG Refresher on RHNA
- National City Housing Element
- San Diego Housing Commission – Status Report
- National City Housing Programs
- Review of Rent Control/Stabilization
- National City Plans and Projects
 - Compliance with State Laws
- Next Steps

Comprehensive Local Housing Strategy

- A Policy Document that Guides Priorities for Housing at a Local Level
- Permanent, not Temporary Housing
- A “Spectrum” of Issues and Political Positions
- Includes all Stakeholders and Collaborates with other Public Agencies
- 2017 State of CA “Housing Package”
- National City Housing Element

Proposed Local Housing Objectives

- Create Affordability, Diversity, and Equity
- Consider Market Conditions and Boost Supply
- Become Compliant with State Laws
- Protect Renters and Address Gentrification
- Be Opportunistic and Compete for Funding

Regional Housing Needs Assessment (RHNA)

Seth Litchney
Senior Regional Planner
San Diego Association of Governments
(SANDAG)



The RHNA Process



DRAFT RHNA Determination

Department of Housing and Community Development

HCD Draft RHNA Determination Calculations (Regionwide)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
• Very-Low	24.7%	42,332
• Low	15.5%	26,627
• Moderate	17.3%	29,734
• Above-Moderate	42.5%	72,992
• Total	100.0%	171,685



RHNA Determination

SANDAG Consultation

Review HCD Calculations and Assumptions

- Group Quarters Population
- Vacancy Rate
- Overcrowding
- Replacement



RHNA Determination

SANDAG Consultation

- Planning Directors/Regional Planning Committee/Board of Directors
- SANDAG Letter to HCD
- HCD Prepares Final RHNA Determination



RHNA Plan and Allocation

- SANDAG and 19 Local Jurisdictions
 - Methodology to allocate housing units
 - SANDAG Board Approval
 - Regional Plan Adoption
- City and County Housing Element Update
 - 18 Months After Regional Plan Adoption



RHNA Schedule

Anticipated Date	Anticipated Action
Spring 2018	SANDAG \ California Department of Housing and Community Development (HCD) on the Regional Housing Needs Assessment (RHNA) Determination
Spring 2018	HCD provides RHNA Determination for the San Diego region
May 2018 through February 2019	SANDAG develops the RHNA Plan (methodology and allocations) SANDAG prepares Draft RHNA for incorporation into Draft Regional Plan
February – April 2019	SANDAG releases Draft RHNA/Draft Regional Plan Plan
October 2019	SANDAG adopts Final Regional Plan and RHNA
April 2021	Housing elements due by local jurisdictions (18 months after Regional Plan adoption)



Regionwide RHNA Determination by Income Category

Jan 1, 2010 – Dec 31, 2020
(Projection Period)

Income Categories	%	units
Very Low	22.5%	36,450
Low	17.1%	27,700
Moderate	18.9%	30,610
Above Moderate	41.5%	67,220
Total		161,980

RHNA Allocation

2010-2020

	11-Year RHNA	Very Low	Low	Moderate	Above Moderate	VL + Low	Estim. Existing Plan Capacity 20+ du/ac
Carlsbad	4,999	912	693	1,062	2,332	1,605	1,605
Chula Vista	12,861	3,209	2,439	2,257	4,956	5,648	21,899
Coronado	50	13	9	9	19	22	270
Del Mar	61	7	5	15	34	12	12
El Cajon	5,805	1,448	1,101	1,019	2,237	2,549	13,225
Encinitas	2,353	587	446	413	907	1,033	1,293
Escondido	4,175	1,042	791	733	1,609	1,833	2,582
Imperial Beach	254	63	48	45	98	111	1,784
La Mesa	1,722	430	326	302	664	756	6,498
Lemon Grove	309	77	59	54	119	136	828
National City	1,863	465	353	327	718	818	18,200
Oceanside	6,210	1,549	1,178	1,090	2,393	2,727	4,751
Poway	1,253	201	152	282	618	353	353
San Diego	88,096	21,977	16,703	15,462	33,954	38,680	158,273
San Marcos	4,183	1,043	793	734	1,613	1,836	2,931
Santee	3,660	914	694	642	1,410	1,608	1,621
Solana Beach	340	85	65	59	131	150	262
Vista	1,374	343	260	241	530	603	1,731
Unincorporated	22,412	2,085	1,585	5,864	12,878	3,670	3,670
Region	161,980	36,450	27,700	30,610	67,220	64,150	
11-Year RHNA Totals		36,450	27,700	30,610	67,220	64,150	
		22.5%	17.1%	18.9%	41.5%		

CITY'S RHNA ALLOCATION

- RHNA Plan 2010-2020
 - Very Low Income (50% AMI) : 465 units
 - Low Income (80% AMI) : 353 units
 - Moderate Income (120% AMI) : 327 units
 - Above Moderate Income >120% AMI) : 718 units
 - Total : 1,863 units
- Series 13 Projections: 33,594 units
- Series 14 Projections: 5,404 units

SANDAG Board Policy No. 33

Five Year Housing Permitting Total 2012-2016

Jurisdiction							TOTAL
	New Units (Deed-Restricted)		Acquisition/Rehab (Deed-Restricted)		Preserved At-Risk (Deed-restricted)		
	Very Low	Low	Very Low	Low	Very Low	Low	
Carlsbad	7	178	0	0	0	0	185
Chula Vista	78	267	32	257	0	0	634
Coronado	0	0	0	0	0	0	0
Del Mar	0	0	0	0	0	0	0
El Cajon	48	8	10	13	0	0	79
Encinitas	25	18	0	0	0	0	43
Escondido	7	39	0	160	0	0	206
Imperial Beach	3	26	0	0	0	0	29
La Mesa	0	0	0	0	0	0	0
Lemon Grove	57	24	0	0	0	0	81
National City	98	0	8	3	163	17	289
Oceanside	87	55	0	0	73	165	380
Poway	26	26	26	26	0	0	104
San Diego	1,206	1,798	429	653	40	369	4,495
San Marcos	152	91	0	0	0	0	243
Santee	5	37	0	4	0	0	46
Solana Beach	0	2	0	0	0	0	2
Vista	94	40	40	6	0	0	180
County of San Diego	0	0	0	21	0	0	21
TOTAL	1,893	2,609	545	1,143	276	551	7,017

SGIP (Capital) 75/300

<u>Jurisdiction</u>	<u>Points</u>
National City	62.50
San Diego	59.38
San Marcos	56.25
Escondido	53.13
Lemon Grove	53.13
Oceanside	48.44
Chula Vista	46.88
El Cajon	46.88
Imperial Beach	42.19
La Mesa	42.19
Santee	40.63
Coronado	35.94
Encinitas	35.94
Solana Beach	35.94
Vista	35.94
Carlsbad	21.88
Poway	21.88
County Uninc.	17.19
Del Mar	6.25

SGIP (Planning) 50/200

<u>Jurisdiction</u>	<u>Points</u>
National City	41.67
San Diego	39.58
San Marcos	37.50
Escondido	35.42
Lemon Grove	35.42
Oceanside	32.29
Chula Vista	31.25
El Cajon	31.25
Imperial Beach	28.13
La Mesa	28.13
Santee	27.08
Coronado	23.96
Encinitas	23.96
Solana Beach	23.96
Vista	23.96
Carlsbad	14.58
Poway	14.58
County Uninc.	11.46
Del Mar	4.17

ATGP 50/200

<u>Jurisdiction</u>	<u>Points</u>
National City	41.67
San Diego	39.58
San Marcos	37.50
Escondido	35.42
Lemon Grove	35.42
Oceanside	32.29
Chula Vista	31.25
El Cajon	31.25
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Del Mar	4.17

Questions



National City Housing Element

2013 - 2021

Adopted April 16, 2013

Presented by

Ray Pe

Principal Planner

City of National City



State Housing Law

- Required Element of General Plan
- Comprehensive Housing Strategy
- Implement State Housing Law
- Facilitate Production of Needed Housing
- Maintain and Improve Existing Housing Stock

Public Participation

- Stakeholder Meetings
- Public Workshops, Meetings, and Presentations
- Neighborhood Councils
- Strategic Planning
- Publication, Posting, Media, Email, Webpage
- Public Hearings

Current Housing Element Goals

Goal 1: Maintain and Enhance Quality of Neighborhoods

Goal 2: Conserve Affordability of Housing Stock

Goal 3: Increase Availability and Affordability of Housing for All Income Groups and Households with Special Needs

Goal 4: Provide Sufficient Number and Range of Housing Types to Meet Needs of All Economic Segments

Goal 5: Promote Fair Housing Practices and Equal Access

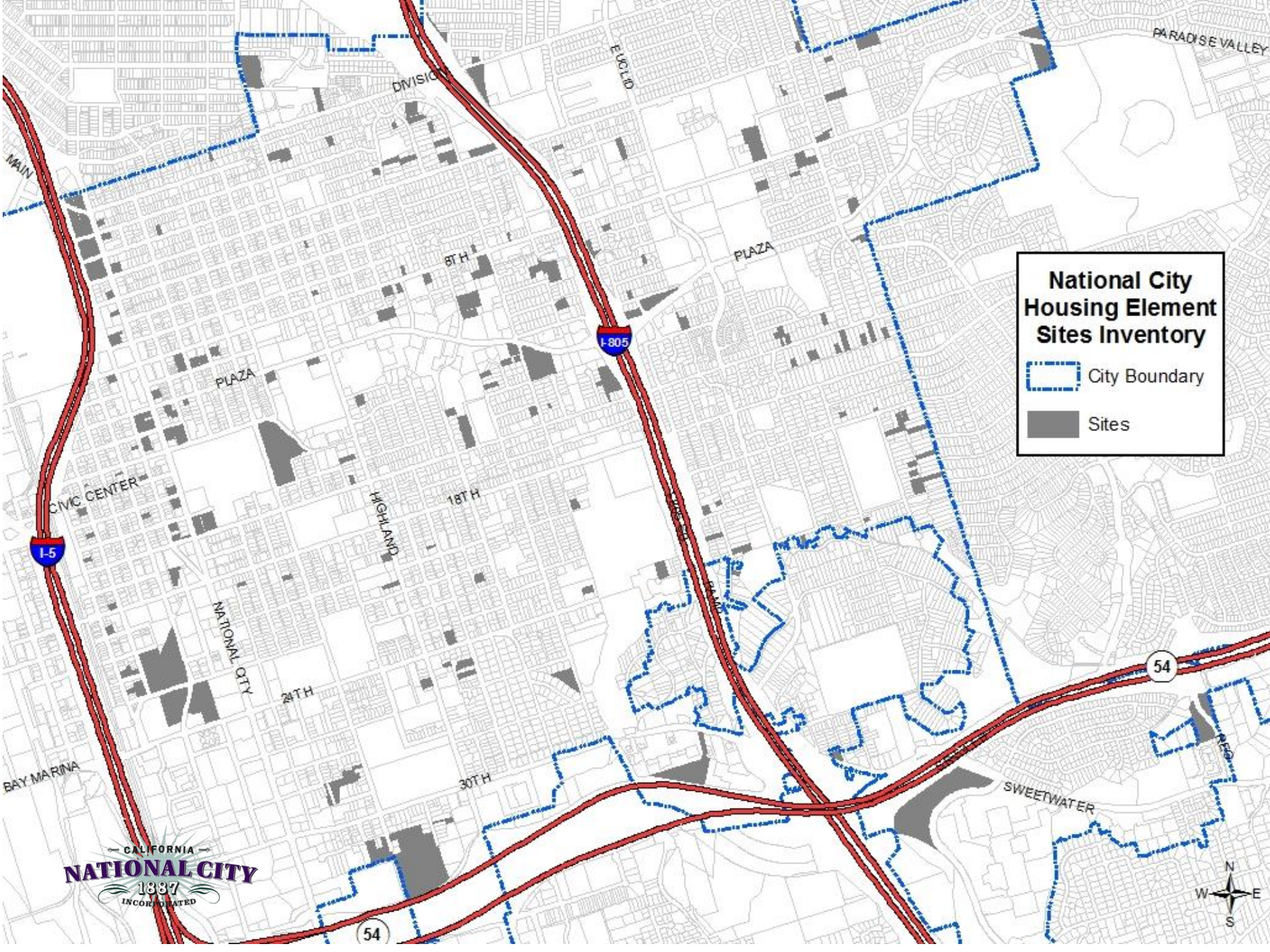
Goal 6: Enhance Energy Conservation and Design

Contents

- Chapter 1 – Introduction
- Chapter 2 – Community Profile
- Chapter 3 – Constraints
- Chapter 4 – Resources
- Chapter 5 – Accomplishments
- Chapter 6 – Housing Plan

Housing Needs Assessment

- SANDAG – Regional Housing Needs Assessment
- City's Allocated Share of RHNA
 - Very Low Income + 465
 - Low Income + 353
 - Moderate Income + 327
 - Above Moderate Income + 718
 - Total (2010 to 2020) = 1,863
- Identify Sites to Accommodate Need



CALIFORNIA
NATIONAL CITY
1887
INCORPORATED

Sites Inventory

- Potential Dwelling Units: 4,359 (Net)
- Density @ 30+ du/ac: 4,100 (Net)

Household Income (% AMI)	RHNA Allocation	Constructed 2010-2012	Permitted 2013-2017	Sites Inventory	Remaining Need
Very Low (0-50%)	465	6	98	4,100	0
Low (>50–80%)	353	23	0		0
Moderate (>80–120%)	327	0	101	259	0
Above Moderate (>120%)	718	20	211		0
Total	1,863	49	410	4,359	0

Programs Include:

- Rental and Owner Rehabilitation
- Code Enforcement and Housing Inspection
- Monitoring of At-Risk Housing
- Rental Assistance (Section 8)
- New Construction Assistance
- Partners and Organizations Funding
- Fair Housing

Table 6-2

Summary of Quantified Objectives 2013-2020

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction	233	226	330	327	698	1,814
Rehabilitation	120					120
At-Risk Housing Preservation	795					795
Rental Assistance (Section 8)	2,034					2,034

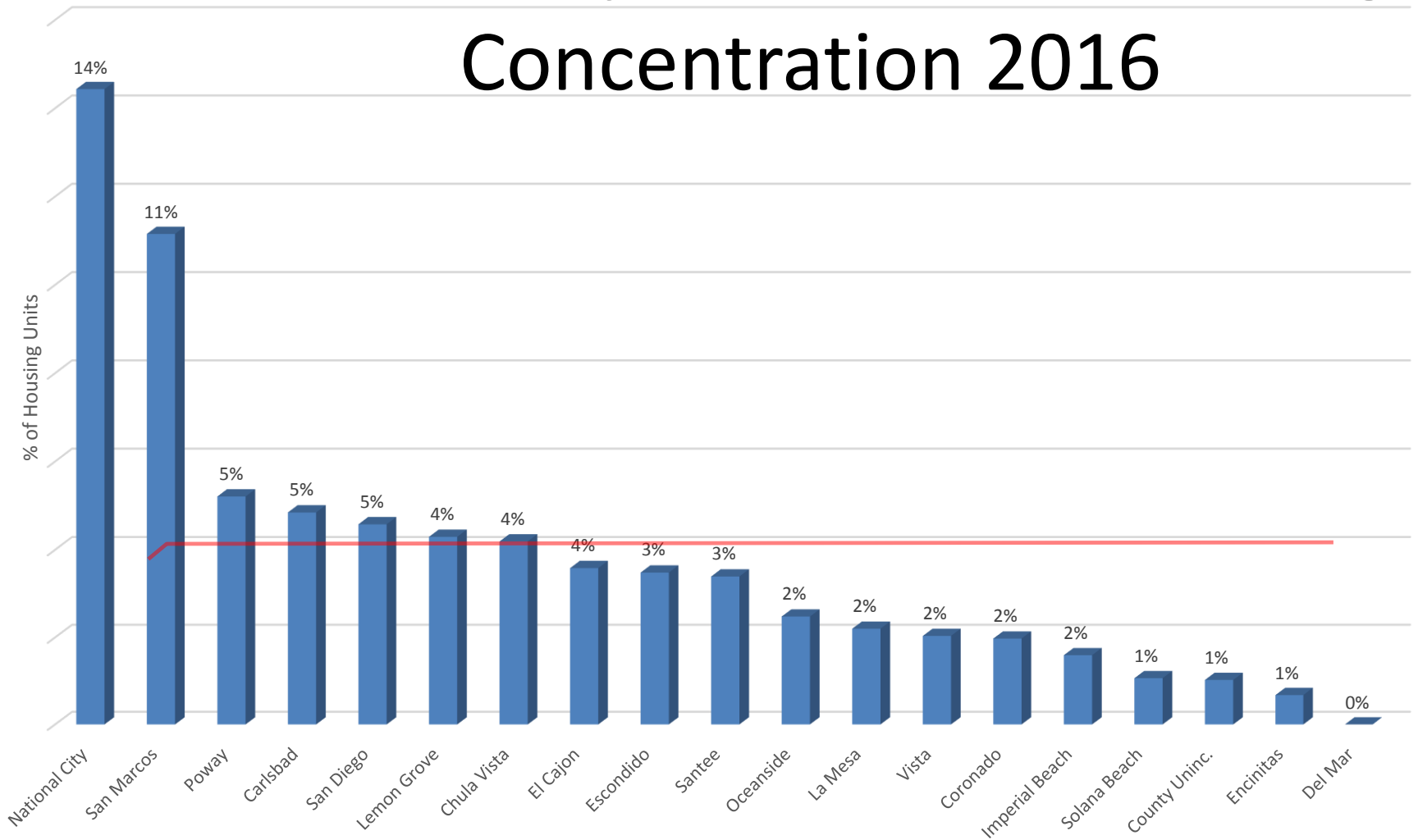
Household Income Limits

2017 Area Median Income (AMI)

San Diego County = \$79,300

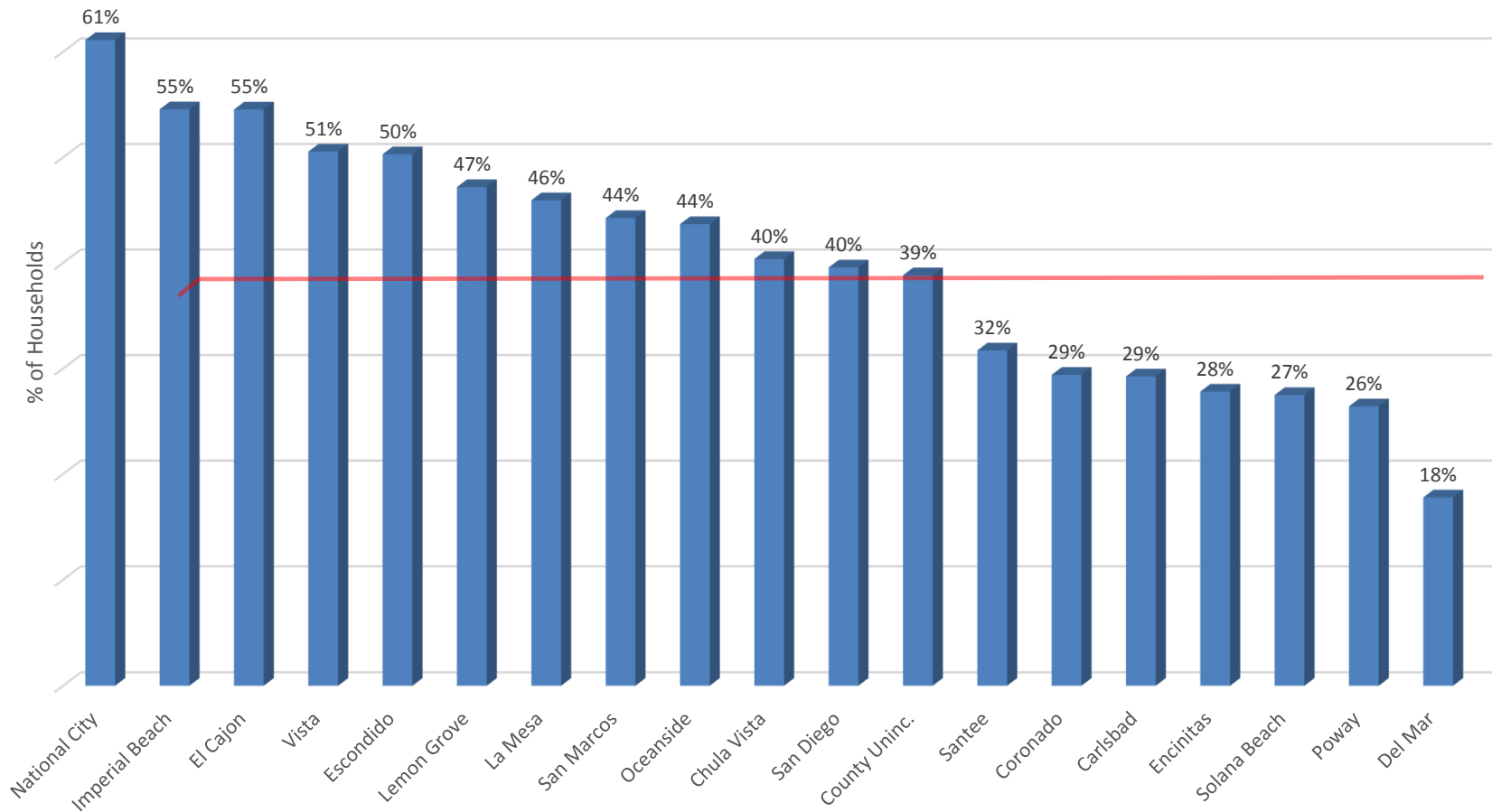
Persons Per Household	120% of AMI Moderate Income	80% of AMI Low Income	50% of AMI Very Low Income
1	66,600	50,950	31,850
2	76,100	58,200	36,400
3	85,650	65,500	40,950
4	95,150	72,750	45,450
5	102,750	78,600	49,100
6	110,350	84,400	52,750
7	118,000	90,250	56,400
8	125,600	96,050	60,000

Low & Very Low Income Housing Concentration 2016



Source: SANDAG 2017 Regional Housing Progress Report (Draft)

Low & Very Low Income Housing Concentration 2015



Source: SANDAG 2017 Regional Housing Progress Report (Draft)

Questions





SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

Current San Diego Housing Status

Debbie Ruane

Executive Vice President & Chief Strategy Officer



San Diego Housing Commission

Major Programs

SDHC performs three major program functions:

1. Provide Federal rental assistance

- Close to **6,000** property owners accept Federal rental assistance families
- More than **15,000** households receive Federal rental assistance from SDHC
- **84,000** applicants are on the waiting list

2. Create and preserve affordable housing

- Since 1981, SDHC has directed more than **\$1 billion** in loans and bond financing for real estate development – over **17,000** affordable rental units.
- SDHC owns and manages **3,440** affordable rental units.
- SDHC's First-Time Homebuyer Program has assisted more than **5,500** families

3. Address homelessness

- **HOUSING FIRST – SAN DIEGO**, SDHC's Homelessness Action Plan, is an effective, diverse funding and housing strategy to create permanent housing opportunities for thousands of homeless San Diegans.

Housing affordability is a public policy challenge globally, nationally, statewide in California and locally in the City of San Diego. The City of San Diego is one of the most unaffordable housing markets in the nation. Zillow recently surveyed nearly 300 cities and found San Diego to be one of the most unaffordable six markets in the United States.

Both renting and owning in San Diego are increasingly out of reach for average families. The average home price in San Diego is \$506,000 according to Zillow – affordable only with an income over \$80,000 per year. The average two- bedroom rental in San Diego is \$1,820 per month, affordable only with an income of \$72,800 per year. Median income in the City of San Diego is approximately \$72,000.

Current Housing Situation

- 2016 Housing Wage* is \$28.83 for a two-bedroom unit in San Diego County, and \$22.17 for a one-bedroom unit.
- This is more than 3 times the federal minimum wage and \$13.41 more than the estimated average wage of \$15.42 earned by renters nationwide.
- The situation is worse in California where housing supply is constrained and rents are higher.
- California has the third-highest cost of fair market rates in the nation, behind Hawaii and the District of Columbia.

*Estimate of the full time hourly wage that a household must earn to afford a decent apartment while spending no more than 30% of their income on housing costs)

Source: National Low Income Housing Coalition report – “Out of Reach 2016”

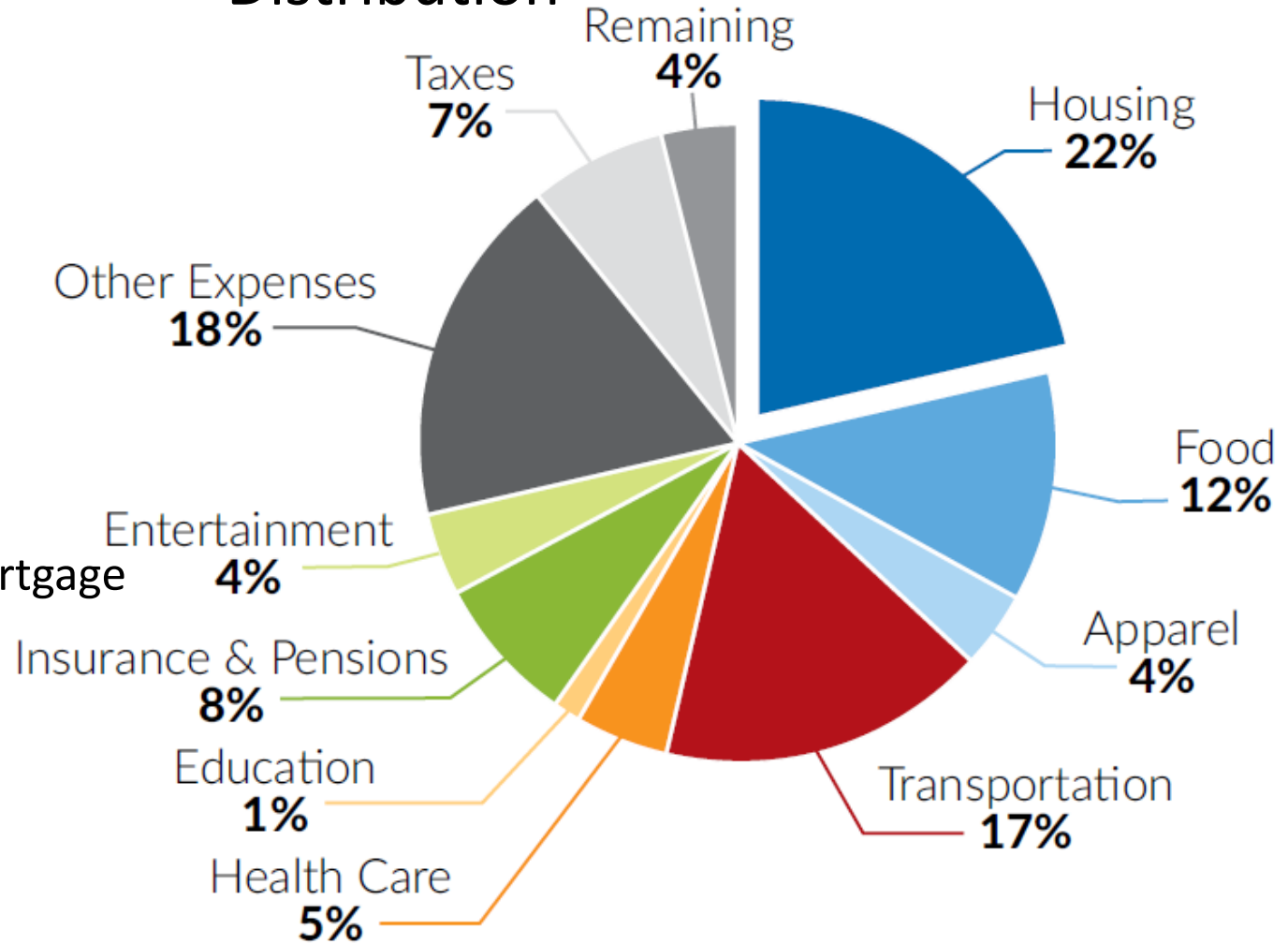
SDHC – San Diego Housing Production Objectives: 2018-2028 Housing Affordability

- Nearly 50 percent of San Diego households are unable to find rental housing they can afford.
- Approximately 60 percent of San Diego households cannot afford median-priced home ownership.
- Negative impacts from the low supply of housing:
 - Quality of life degraded
 - Environment negatively impacted
 - Talent available to employers constrained
 - City revenue lost
 - Direct construction jobs lost

What is Affordable Housing and Income Distribution

Rent and utilities are affordable if they do not exceed 30% of income.

Buying a home is affordable if the mortgage (30-yr w/10% down) does not exceed 28% of income.



Comparison of California Rental Housing Costs

Housing Cost Measure	State of California	San Diego County	Los Angeles County	San Francisco County	Santa Clara County
2 BR Rent	\$1,386	\$1,390	\$1,424	\$2,062	\$1,809
Income Needed to Afford 2 BR Rent	\$55,433	\$55,600	\$56,960	\$82,480	\$72,360
Median Renter Income	\$43,701	\$45,207	\$40,577	\$59,656	\$64,327
Affordable Monthly Rent at Mean Renter Wage	\$1,093	\$1,130	\$1,014	\$1,491	\$1,608
Affordable Rent at 30% AMI	\$542	\$548	\$473	\$764	\$797
Affordable Rent at Minimum Wage	\$468	\$468	\$468	\$468	\$468
Gap Between Affordable Monthly Rent at Mean Renter Wage and 2 BR Rent	\$293	\$260	\$410	\$571	\$201

Source: National Low Income Housing Coalition

Current Housing Situation (Continued)

- Rental housing demand - highest level since 1960s.
- In the past decade, **9 million renters** households added, but only **8.2 million rental housing units** to its housing stock.
- Vacancy rates are at their lowest levels since 1985.
- Rents - risen at 3.5% annually, fastest pace in 3 decades.
- Homelessness is increasing.
- A minimum wage worker working full time cannot afford a one-bedroom apartment at fair market rent anywhere in US.
- Expanding and preserving the supply of quality, affordable housing is essential.

Estimated Housing Need vs. Permits Issued

City of San Diego (2010-2020)

In the first four years of the projection period (2010 –2013 or about 36% of the time period), San Diego has produced:

	Very Low	Low	Moderate	Above Moderate	Total for all Categories
Total Housing Units Permitted	1,950	2,151	1,156	21,029	26,286
RHNA Goal (5th Cycle)	36,450	27,700	30,610	67,220	161,980
Percent of Goal Produced	5%	8%	4%	31%	16%
Units Left to Permit	35,414	26,729	30,132	60,062	152,337

Building permit numbers show that the pipeline of new development significantly lags demand for housing in the moderate-income and low-income segments.

At the current pace, San Diego will produce only 10% of needed moderate-income housing and 18% of needed low-income housing by the end of 2020.

SDHC – San Diego Housing Production Objectives: 2018-2028 Housing Need

- Housing production levels have not kept pace with population growth.
- Comparison with housing production in peer cities identifies additional housing shortfall in the City of San Diego.
- **17,000 – 24,000 units:** Annual production rate needed by 2028 to adequately meet the newly identified demand for housing in the City of San Diego.
- **6,400 Units:** Top annual production rate in City of San Diego within the last five years

SDHC – Affordable Housing Initiatives

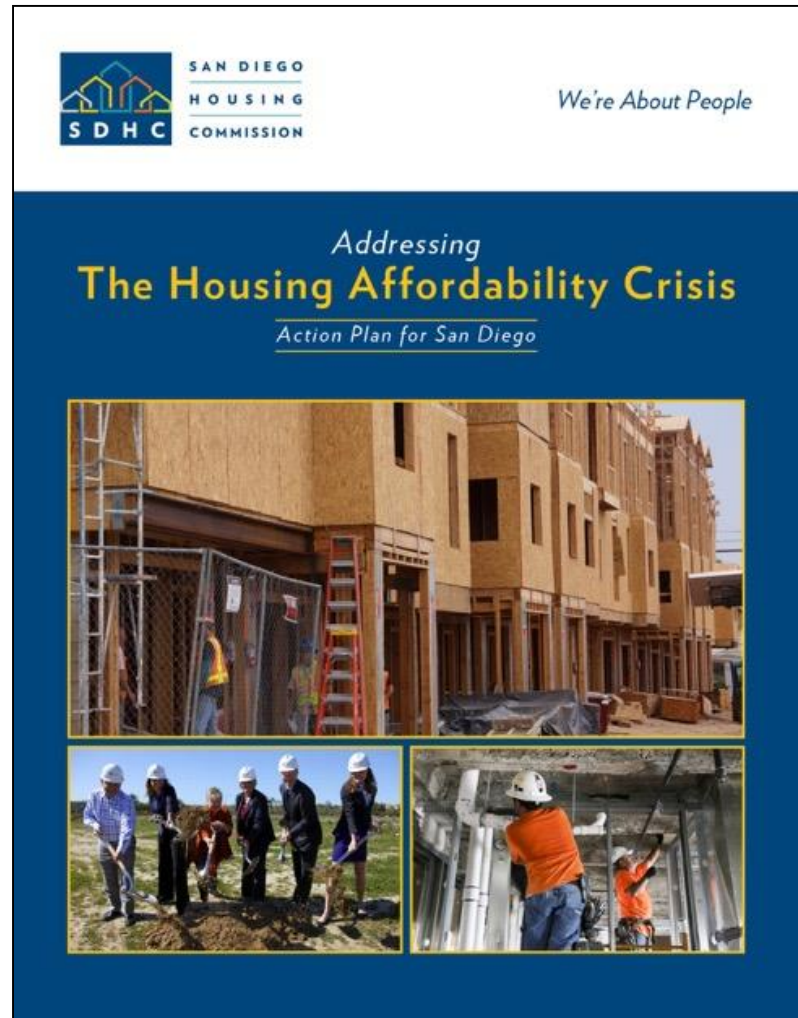
“Addressing the Housing Affordability Crisis”

November 25, 2015:

SDHC study released:

“Addressing The Housing Affordability Crisis: An Action Plan For San Diego”

Action has occurred on all 11 recommendations in the study.



San Diego Housing Commission
“Addressing the Housing Affordability Crisis”

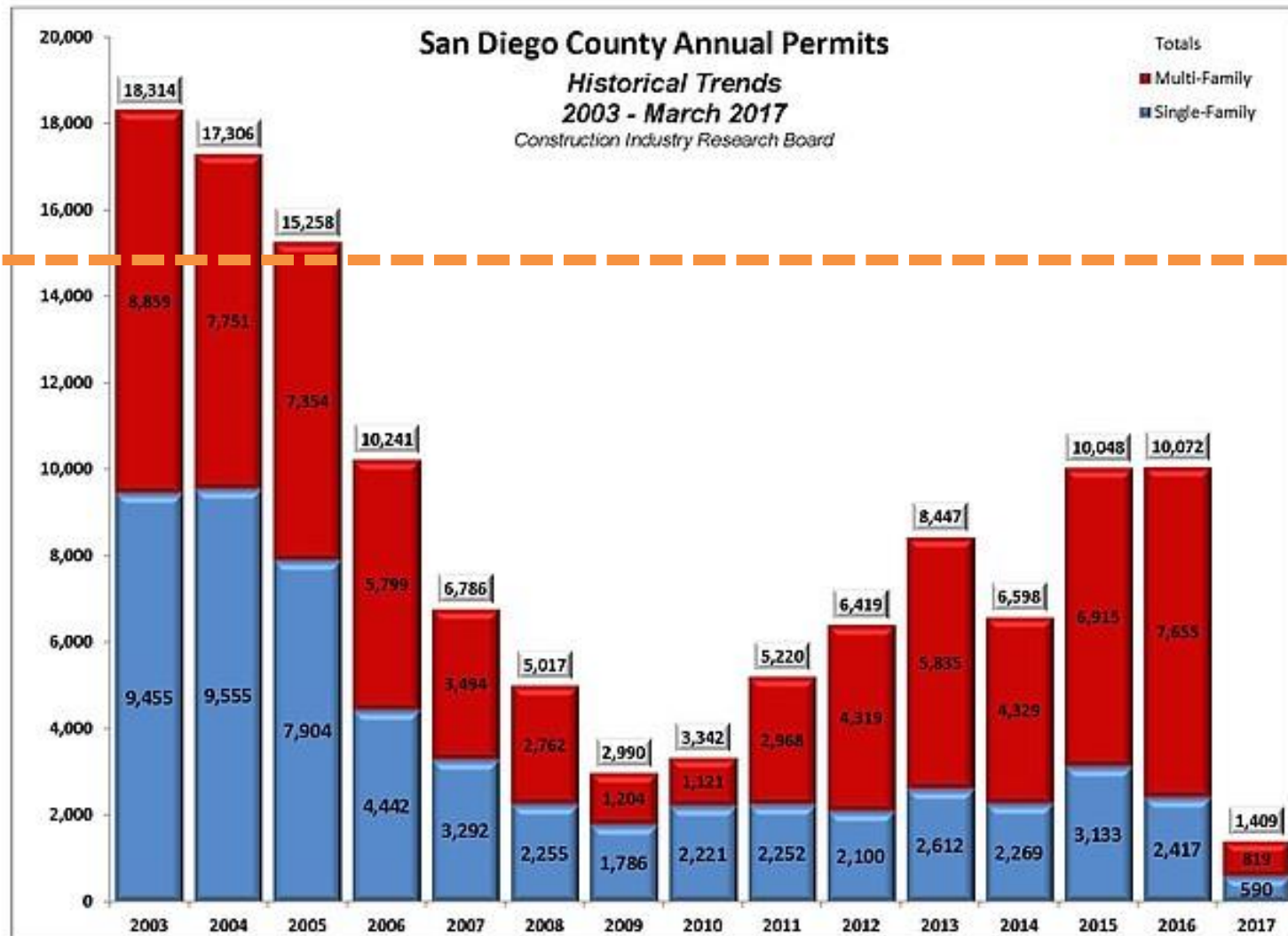
1. Set Annual Housing Production Goals
2. Incentivize more 80/20 developments
3. Defer Development Fees
4. Reduce Parking Requirements
5. Reduce Commercial Space Requirements
6. Unlock Land & Increase Ground Leases
7. Shorten Entitlement Process
8. Approve Community Plans with Master EIRs
9. Support CEQA Reform
10. Align State Oversight
11. Increase State and Federal Resources

SDHC – San Diego Housing Production Objectives: 2018-2028 Housing Capacity

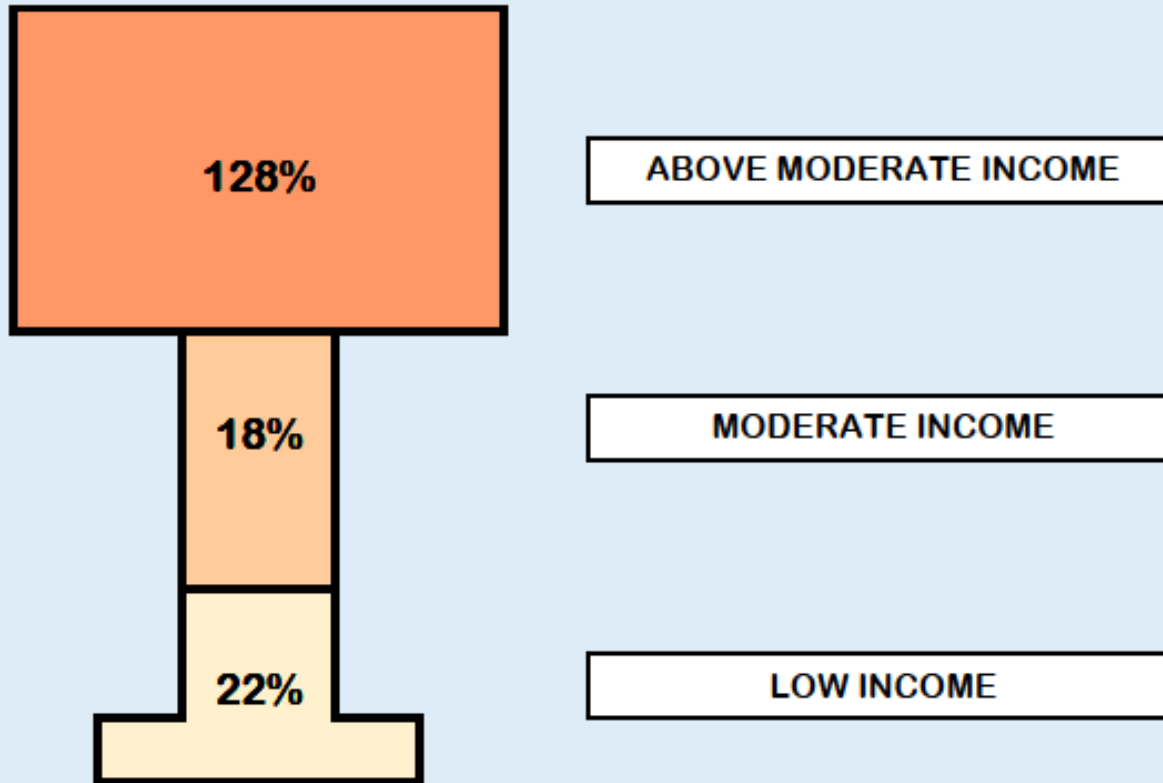
- The City of San Diego has the space to meet its housing needs within the next 10 years.
- Five main sources for potential new units:
 1. Rezoning to increase density around transit hubs
 2. Redeveloping underutilized parcels of land
 3. Adapting disused industrial zones
 4. Infilling vacant lots
 5. Utilizing companion units



Geo-spatial analysis: Google map that overlays each of five sources on City of San Diego



HOUSING PRODUCTION RELATIVE TO DEMAND - 2003-2013



Source: SANDAG's Regional Housing Progress Report 2003-2013, 3/20/2015

City of San Diego

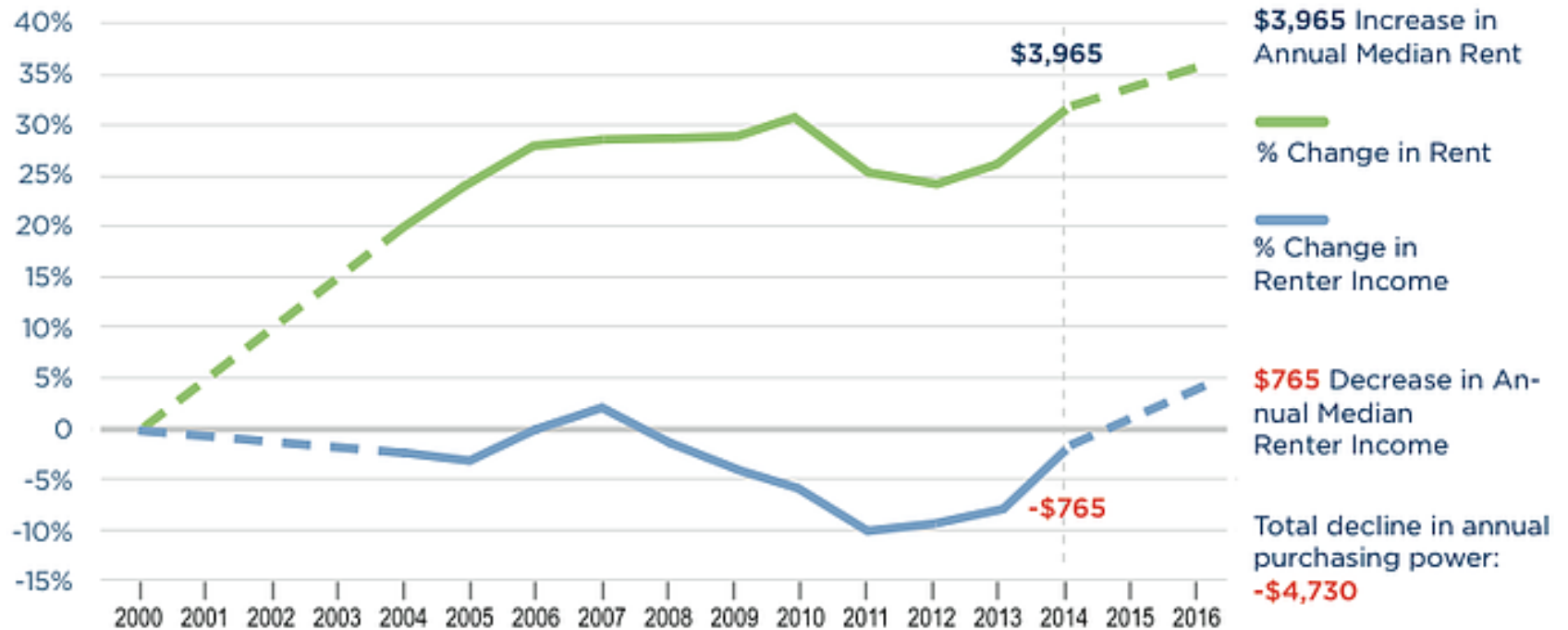
Estimated Housing Need vs. Permits Issued (2003 to 2010)

- *Share of New Housing units by Income Category, January 1, 2003 – December 31, 2010 (8 years) Fourth Housing Element Cycle*

Income Level	Very Low	Low	Moderate	Above Moderate	Total for all Categories
Total Housing Units Permitted	4,537	4,721	3,652	67,772	80,682
Estimated Need	24,143	18,348	20,280	44,530	107,301
Percent of Goal Produced	19%	26%	18%	152%	75%
Units Left to Permit	19,606	13,627	16,628	-23,242	26,619

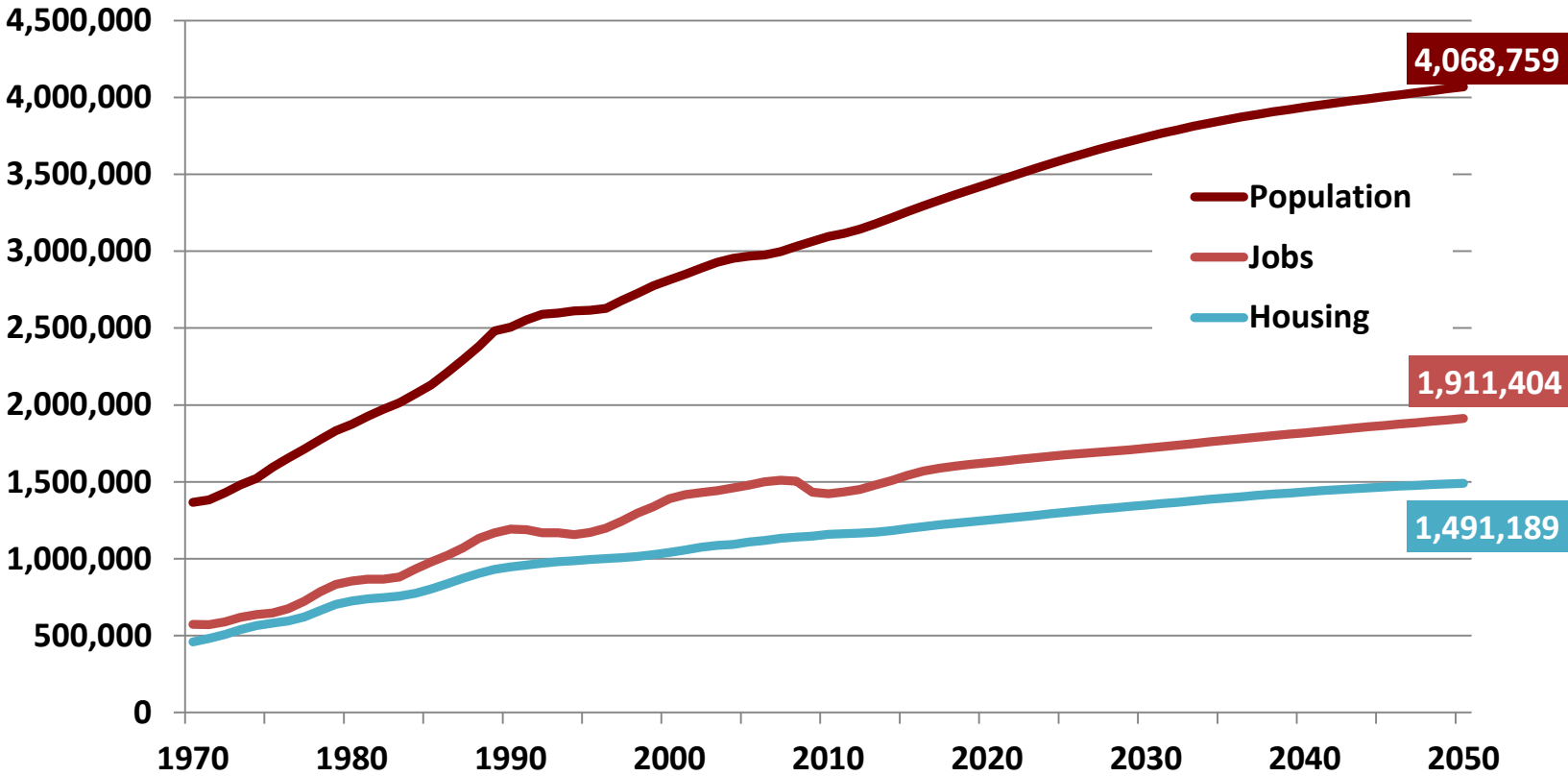
Affordability Crisis

SAN DIEGO COUNTY'S INFLATION-ADJUSTED MEDIAN RENT INCREASED 32% WHILE MEDIAN RENTER INCOME DECLINED 2% FROM 2000 TO 2014



Source: CHPC analysis of 2000-2014 Census and ACS data. Median renter income and rent from 2001-2004 and 2015-2016 are estimated trends. Median rent and median renter income are inflation adjusted to 2014 dollars.

San Diego County Growth Projections



Source: SANDAG, Series 13 Regional Growth Forecast

Questions





National City Housing Programs

Presented by

Carlos Aguirre

Acting Director of Housing and
Economic Development

City of National City

National City Housing Programs

- New Construction
- Acquisition & Rehabilitation of At-Risk Housing Projects
- Rental Housing Assistance
- Homeownership Programs
- Rental Housing Inspection Program
- Fair Housing and Tenant/Landlord Education
- Programs and Funding Sources to Consider



New Construction of Affordable Housing Projects

- Use of public or private land to construct new affordable housing.
- 9 and 4% tax credits, tax-exempt bonds, grants and various other sources
- Morgan Tower (1978)
- Kimball Tower (1986)
- Paradise Creek Apartments I & II (2016, 2018)
- Cost of new affordable housing makes production difficult (400K+ per unit)

Acquisition & Rehabilitation of At Risk Housing Projects

- Nonprofit or for profit affordable housing developers purchase privately-owned housing, make needed improvements, and institute long term affordability.
- 4% tax credits, tax-exempt bonds, and subordinate financing from the Housing Authority.
- Focused on preserving housing that is at risk of losing long term affordability covenants.
- Examples: Granger, Park Villas, Copper Hills (Vista del Sol), Summercrest Apartments.

Rental Assistance Programs

- Section 8 Housing Voucher Program
 - Serves 1,123 families
 - \$10 million annually program funded by HUD
 - National City is 2% of the County's population, yet has 4% of rental vouchers in the County
- Tenant-Based Rental Assistance (TBRA) Program
 - South Bay Community Services
 - Serves victims of domestic violence or homeless
 - Fund every other year with HOME funds



Homeownership Programs

- Down payment assistance program
 - Up to 70K as “silent” second, targets families under 80% AMI
 - Funded every other year with HOME funds
 - Springboard CDFI- located at Paradise Creek Apartments at the corner of 22nd and Hoover Avenue
 - Free credit counseling and homeownership education
 - Foreclosure prevention counseling also provided
- New Construction (MAAC Project, Pacific View Estates, Habitat for Humanity)
- Acquisition Rehabilitation (Habitat for Humanity)
- PACE Program- Allows for energy efficiency improvements financed thru additional property assessment

Rental Housing Inspection Program

- Housing Inspector II dedicated to addressing resident complaints
- Inspection of rental housing conditions
- Enforcement of local and state codes
- Housing Issues include:
 - Unpermitted improvements such as room additions and garage conversions
 - Overcrowding
 - Pest Infestations
 - Other unsafe or unsanitary conditions
- Currently funded by CDBG



Homeownership Programs

- Down payment assistance program
 - Up to 70K as “silent” second, targets families under 80% AMI
 - Funded every other year with HOME funds
 - Springboard CDFI- located at Paradise Creek Apartments at the corner of 22nd and Hoover.
 - Provider of free credit counseling and homeownership education
 - Foreclosure prevention counseling also provided
- New Construction (MAAC Project, Pacific View Estates, Habitat for Humanity)
- Acquisition Rehabilitation (Habitat for Humanity)
- Various PACE Programs- Allows for energy efficiency improvements financed with property assessment

Fair Housing Programs

- CSA San Diego County
 - Mediating tenant/landlord issues
 - Processing housing discrimination complaints
 - Educating tenants and landlords
 - Periodic testing of discrimination
- Regional Analysis of Impediments to Fair Housing Choice
 - City participates in a 5 year regional analysis
 - Tracks progress toward addressing impediments
 - Annual Fair Housing Conference on April 6 at the San Diego Central Library by the San Diego Regional Alliance for Fair Housing

Potential Funding

- SB 2: Entitlement formula from State to address local housing needs
- SB 3: 2018 Statewide Bond referendum (\$4 billion general obligation bond in November 2019 ballot)
- HOME Investment Partnerships Program & CDBG
- Program Income
 - Low & Mod Housing Fund, HOME, & CDBG
- Local Housing Trust Fund
 - Future housing loan revenue can be directed to fund affordable housing
- Grants
 - AHSC from Cap & Trade Program

Housing Programs to Consider

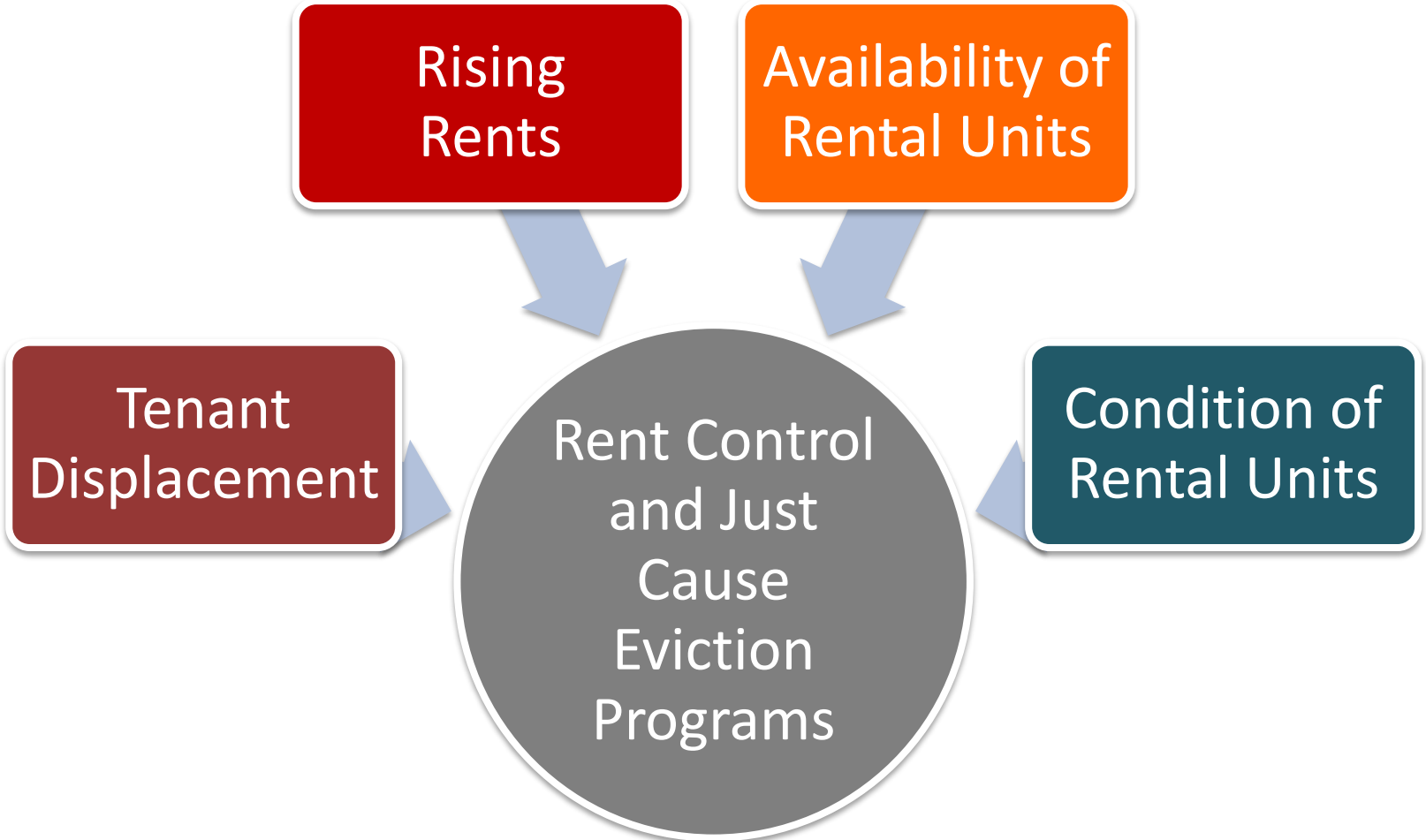
- Inclusionary Housing Program
 - Ordinance that requires or incentivizes the creation of affordable housing when new development occurs
 - Density Bonus Program
- Community Land Trust (CLT)
 - Non-profit retains land in trust causing the improvements to remain affordable in perpetuity.
 - Habitat and San Diego Community Land Trust will present proposal for up to 6 homeownership units in June targeting families under 80% AMI.



Review of Rent Control/Stabilization and Related Programs

Presented by
Alfredo Ybarra
Acting Deputy City Manager
City of National City

Rent Control/Stabilization Factors



Rent Control/Stabilization in CA

- About 20 cities (including several of the largest) in CA have some form of rent control/stabilization, most do not
- Much interest because of rental housing market in Bay Area and, increasingly, Southern CA
- Numerous ballot measures before voters in November 2016
- No two programs are alike
- Very controversial; landlords and tenants agree on little

Programs Vary Pre and Post 1995

- 1995 State law (Costa-Hawkins Rental Housing Act) strictly controls what cities can do in this area
 - State statute enacted to manage the power of California Cities to regulate their rental markets.
 - Prohibits municipal vacancy control. Cities with programs at this time could maintain them but not extend.
 - Prohibits rent control on single family homes, condos and any building constructed after February 1, 1995.
- Changes resulted in different permutations of rent stabilization approaches

There are Three Basic Permutations

- **Mediation programs** – non-binding mediation approach to resolve landlord-tenant issues including disputed rent increases
- **Rent regulation** or stabilization programs, typically developed post 1995
- **Rent control programs** typically with their roots in pre 1995 programs
- These basic types are detailed later in this presentation
- Just cause eviction ordinances are often associated with rent intervention efforts
- Important to remember that each program is unique

Rent Intervention Alternative Programs



Type 1 – Fremont, Modified Residential Rent Increase Dispute Resolution Ordinance

Characteristics

- Ongoing tracking of rental units or rents paid is typically not done. Could require more information, establish / increase threshold
- Due process: Mandatory participation through conciliation, mediation and fact finding; mediated agreements are memorialized in writing. Could strengthen participation / due process requirements.
- Landlord must be current on all fees and in compliance with city requirements. Could continue peer to peer to peer counseling if possible
- Landlord must confirm substantial compliance with habitability of unit. Could strengthen City oversight



Units Affected

- Buildings with three or more units



Funding Mechanism

- General Fund
- Other City Funds
- Administration Fees



Associated Cost

- \$100,000 to \$300,000

Expands Tenant Rights?



Impacts Vacancy Rates?



Increases Affordable Housing?



Type B – Alameda/West Hollywood Style Rent Regulation or Stabilization

Characteristics

- All eligible rent units are loosely tracked; rent policy body publishes allowable yearly rent increase maximums
- Due process: Petition process with hearing examiner providing decisions; mediation may be a preliminary option
- Housing quality standards maintained (owner/landlord compliance)
- Includes just-cause eviction, anti-harassment, and tenant/landlord problem mediation
- Active public education programs
- Voluntary vacancies trigger landlord option to remove unit from rent increases compliance with habitability standards



Units Affected

- Buildings with three to five and more units



Funding Mechanism

- Administration Fees
- General Fund
- Other City Funds



Associated Cost

- Approx. \$1.9 million

Expands Tenant Rights?



Impacts Vacancy Rates?



Increases Affordable Housing?



Type C – Berkeley/Santa Monica Style Rent Control

Characteristics

- All eligible rental units are tracked and have an established rent ceiling; landlord must report all changes in tenancy and rent increases
- Due process: Petition process with hearing examiner providing decisions; mediation may be a preliminary option for some petitions
- Housing quality and housing services (owner/landlord compliance)
- Includes just-cause eviction, anti-harassment, and tenant/landlord counseling and mediation
- Active public outreach and training programs
- Optional program suspension - 5% vacancy rate



- ### Units Affected
- Buildings with five or more units
 - Single family homes with four or more bedrooms rented separately



Funding Mechanism

- Administration Fees
- General Fund
- Other City Funds



Associated Cost

- \$4.0 to 4.5 million

Expands Tenant Rights?



Impacts Vacancy Rates?



Increases Affordable Housing?



Comparison of Alternative Program Advantages

Type A

- Creates a way to address rent increase-related tenant grievances and other grievances
- Promotes tenant stability regarding lease terminations
- Improves landlord/tenant communication
- Reinforces non-retaliation provisions
- Some programs include tenant relocation expenses
- Relatively low program cost

Type B

- Stabilizes rent increases
- Units comply with code
- Expands tenants' rights
- Addresses landlord/tenant disputes

Type C

- Tracks controlled units
- Identifies, informs, and engages landlords and tenant
- Educates tenants about rights
- Provides for reasonable rent increases and stabilizes tenant population
- Units comply with code
- Accessible and efficient method to address landlord/tenant disputes

Comparison of Alternative Program Disadvantages

Type A

- Will not address concerns regarding affordable housing or financial hardship resulting from higher-than-normal rent increases
- Have not identified data showing impact on tenant displacement overall

Type B

- Affordable housing gap persists for residents at or below Area Median Income (AMI)
- Only units built before 1995 can be “cost controlled”
- Requires significant staffing and budget costs

Type C

- Affordable housing gap persists for residents at or below Area Median Income (AMI)
- Only units built before 1995 can be “cost controlled”
- Highest program costs
- Threat of reduction in rental units in the long run through increased condominium conversion

Final Thoughts on Rent Control

A.

- Rent control/stabilization is not common among California cities

B.

- Recently several Bay Area cities have discussed stricter programs

C.

- Some Bay Area cities have implemented stricter programs

D.

- There is no typical program; each city has a somewhat different approach

E.

- Every municipality has confronted unanticipated challenges and litigation is common

F.

- Costs and benefits are hotly disputed

G.

- Resources in time and money are required to set-up and administer any type of program



National City Plans and Projects

Presented by

Martin Reeder

Acting Planning Director

City of National City

Local Plans

- General Plan-Housing Element
- Downtown Specific Plan
- Westside Specific Plan (TOD Overlay)
- Parking Management Plan

Figure 3-1: Development Zone

- Legend**
- Development Zone
 - Downtown Specific Pla



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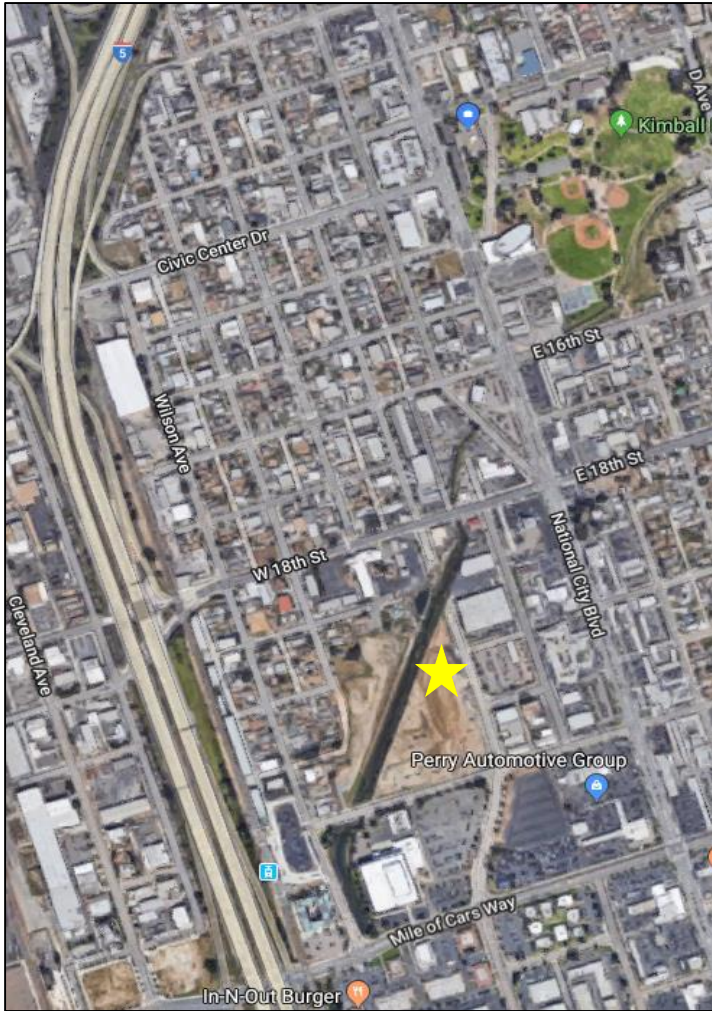
PARKING



Local Projects

Downtown Specific Plan Area

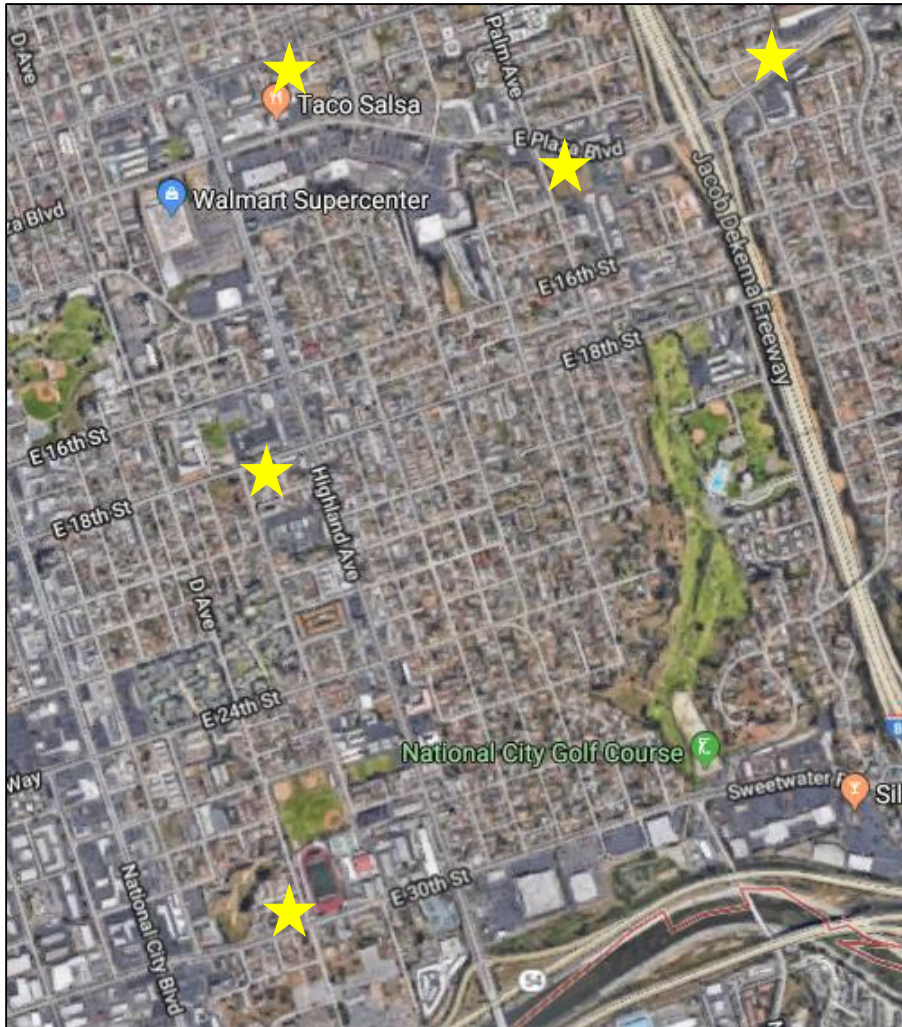
- Courtyards at Kimball – **157** units
National City Blvd. and E. 12th St.
- Park Lofts – **201** units
National City Blvd. and E. 16th St.
- 129 National City Blvd. – **11** units
- Total – **369** units



Local Projects

Westside Specific Plan Area

- Westside Infill Transit-Oriented Development (WITOD)
Phase II – **92** units
- Total – **201** units
(including WITOD Phase I)

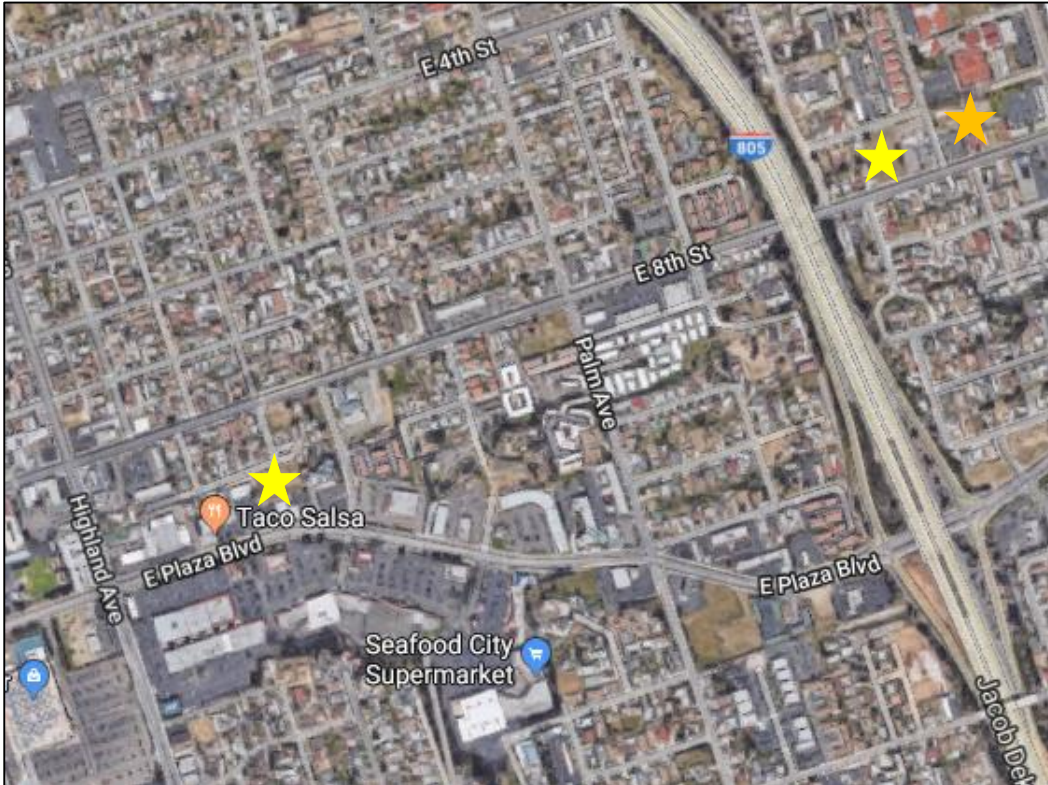


Local Projects

Entitled

- Raintree Courts – **10** units
'D' Ave. and E. 30th St.
- The Kimball – **60** units
'K' Ave. and E. 8th St.
- Alinea Townhomes – **10** units
'F' Ave. and E. 18th St.
- Plaza/Grove/E. 12th – **12** units
- Palm Plaza – **77** units
- 8th & 'V' Ave. – **80** units
- Total – **249** units

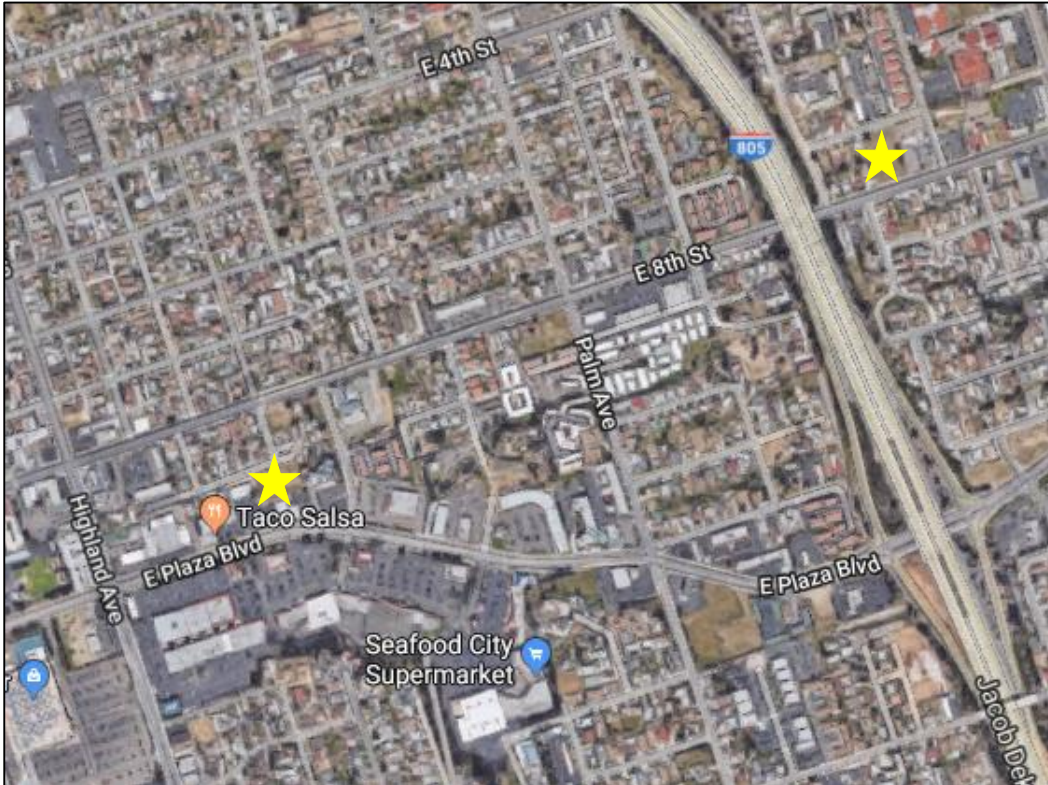
Local Projects



In Design

- 9th & 'K' Ave. – **63** units
- 8th & 'V' Ave. – **216** units
- 8th & 'V' Ave. – **80** units

Local Projects



In Design

- 9th & 'K' Ave. – **63** units
- 8th & 'V' Ave. – **216** units

- **Total – 279 units**

State Compliance Related Actions

Zoning Ordinance Changes

- Accessory Dwelling Units
 - SB 1069: Streamlining
 - AB 2299: Ministerial approval
- Density Bonus Law
 - §65915: Incentives for affordable housing
- 2017 State Housing Package opportunities

Next Steps

- Prepare Comprehensive Local Housing Strategy through Housing Element Cycle
- Come Into Compliance with State Law
- Apply for TOD Overlay and Other Planning Grants
- Seek Project Funding
- Participate in RHNA
- Certify Housing Element

Questions Public Comment City Council Comments

Reminder:
Homeless Outreach Workshop
April 17 at 4pm
City Council Chambers

