Making Housing
(More) Affordable

Market Forces
Rent Control
Housing Action Plan

Mayors & Council Members Executive Forum
June 2017

Santa Rosa

- Population: 176,799
  - Anticipating an +8,000 increase by the end of 2017
- Regional Environment
  - 5th largest City in the Bay Area
  - 7% of the Bay Area’s population
- Local Environment
  - Urban growth boundaries
  - Open space districts
  - Transit Oriented Development (TOD)
Rental Housing Market

- Average Rents in Santa Rosa (2014 – 2017)

Market Crunch

- 47% of residents are renters
- 9% of families below the poverty level
- Monthly rent and occupancy rates of market rate units of apartment buildings of fifty or more units in Santa Rosa have increased 9% in the 2015-2016 and more than 20% from mid-2013 to 2016
Market Crunch

• 1% vacancy rate for residential rental units

• Section 8 Housing Choice Voucher program
  • Wait list of over 4,500 households
  • Average wait time of over seven years

City’s Response:

• **Housing for All** (2015-2017)

  1. **Protection of inventory**
     • Just Cause Eviction Ordinance
     • Rent Stabilization Ordinance

  2. **Increase available inventory**
     • Santa Rosa Housing Series
       • Multiple Council reports & public hearings
       • February – July 2016
     • Results in the Housing Action Plan
Timeline of Events - Milestones

- Affordable Housing Work Program Adopted
- Council considers Rent Stabilization
- Affordable Housing Study Session #1
- Affordable Housing Study Session #2
- Ord 4063 - 45 Day Moratorium
- Council Accepts Housing Action Plan
- Ord 4607 - 90 Day Moratorium
- Ord 4070 - Just Cause Eviction
- Ord 4072 - Rent Stabilization
- Referendum Petition Measure "C" Defeated

Timeline of Events - Processes

- Affordable Housing Study Sessions 10/10/2015 - 11/10/2015
- Housing Series 2/3/2016 - 7/12/2016
- Moratoriums on Rent Increases 5/17/2016 - 8/30/2016
- Staff Direction to Prepare Just Cause Eviction Ordinance 5/3/2016 - 8/16/2016
- Staff Direction to Prepare Rent Stabilization Ordinance 5/3/2016 - 8/30/2016
- Prioritization of Housing Action Work Plan (Ongoing) 6/7/2016 – (Ongoing)
Housing Inventory Protections

- Review of other Bay Area programs (Jan 2016)
  - Mediation ↔ Just Cause ↔ Rent Control
- Moratoriums on Rent Increases
  - May 17, 2016 & July 7th 2016
- Just Cause Eviction Ordinance
  - Adopted August 16, 2016

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Housing Inventory Protections

- Rent Stabilization
  - August 30, 2016 – Adopted City Ordinance 4072
    - “Rent Stabilization, Limitations on the Termination of Tenancies and the Payment of Relocation Assistance”
- Rent Stabilization – Referendum & “Measure C”
  - September 26, 2016 - Referendum petition filed
  - Repeal previous ordinances
  - June 6th 2017 – Measure C defeated
    - Yes Votes: 16,382 (48.8%)
    - No Votes: 17,163 (51.2%)
Housing For All

Mission

“The City of Santa Rosa will facilitate the construction of ‘housing for all’; specifically, meeting the housing needs of the full spectrum of household income groups including those currently living in the City and those relocating to the City in the future.”

Increasing Housing Inventory

• 2012 - Dissolution of the RDA

• October 2015 - Reorganized City structure
  • Community Development became Planning & Economic Development
  • Housing & Economic Development became Housing & Community Services
Santa Rosa Housing Series

Example report and public hearing topics (Feb-Apr 2016):

• **#1: Funding Resources for Housing:**
  - What revenues can be redirected for housing projects

• **#2: Process Improvement Action Plan:**
  - Process improvements specific to the development review process

• **#3: Assessment of Santa Rosa by Brokers, Builders, Employers:**
  - Result of outreach seeking input that could spur development

• **#4: Affordable Housing Programs:**
  - Alternatives to expand affordable housing through existing market rate units

Housing Action Plan - Programs

- **Program 1**  Increase inclusionary affordable housing
- **Program 2**  – Achieve “affordability by design” in market-rate projects
- **Program 3**  – Assemble and offer public land for housing development
- **Program 4**  – Improve development readiness
- **Program 5**  – Increase affordable housing investment and partnerships

https://ca-santarosa.civicplus.com/535/Housing-Action-Plan
Housing Action Plan - Objectives

- Build **5,000** housing units within Housing Element Cycle
- Construct **2,500** affordable housing units, including
  - 30 percent of the total (1,500 units) for **lower income** households, and
  - 20 percent of the total (1,000 units) for **moderate income** households
- Preserve the **4,000** existing affordable housing units
- Achieve **1,000** housing units ready for Building Permit issuance in 2016
- Facilitate revitalization of **previously entitled** housing unbuilt projects containing an estimated **2,000** housing units

Total Permit Activity
Planning, Engineering and Building
(2007-2016)
Santa Rosa Housing Action Plan
Housing Activity

- 2,249 Housing Units nearing completion in the Planning/Engineering Approval Phase (Anticipated Construction 2017/18/19)
- 685 Housing Units in the Building Permit Phase (Anticipated Construction 2017)
- 296 Units Approved for Construction 2016

Moving forward

- Council is considering two options
  - Rental Inspection
    - Affecting all rentals older than 5 years
    - Pro active – Inspection every 5 years
    - Fee based
    - Evaluation of staff resources vs. contract
  - Additional ongoing analysis
    - Pending RFI (responses due June 26th)
      - Tenant/Landlord education and mediation
      - Tenant legal services and eviction defense

City of Santa Rosa, as of December 31, 2016
Questions?

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City of Santa Rosa