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Title: CITY COUNCIL DISCUSSION/CONSIDERATION: AFFORDABLE HOUSING STRATEGY AND TENANT PROTECTION POLICY

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Attachments: 1. 2015 Housing Element Policy Summary, 2. 2020 Affordable Housing Strategy, 3. 2022-01-12 - San Pablo Proposed Ordinance (002), 4. EML fr ACCE to City Councilmembers re Urgency Ordinance 011222, 5. Public Comments item #19 - Submitted Emails from Speakers 01 thru 17 011822

Date	Ver.	Action By	Action	Result
1/19/2022	1	City Council	approved	Pass

PREPARED BY: JENNIFER KAUFFMAN

DATE OF MEETING: 01/18/22

SUBJECT:

CITY COUNCIL DISCUSSION/CONSIDERATION: AFFORDABLE HOUSING STRATEGY AND TENANT PROTECTION POLICY

CITY MANAGER RECOMMENDATION

Approve by Minute Order direction to staff in implementing goals and strategies from the City's Affordable Housing Strategy, adopted by Resolution 2020-148 on November 16, 2020.

COMPLIANCE STATEMENTS

Major Policy Goal: Expand Housing Options is a top Council Priority under the FY 2021-23 City Council Priority Workplan, effective March 15, 2021

CEQA Compliance Statement

This discussion of policy strategies is not a project under CEQA pursuant to Guidelines Section 15378(b)(5): Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. It is possible that some strategies could require additional environmental review which will be undertaken before final action is taken (e.g. the goal of producing more housing and specifically a certain project could have environmental impacts that would need to be addressed).

BACKGROUND

On December 20, 2021, City Councilmembers directed staff to include an agenda item for the next City Council meeting to discuss policy options for affordable housing strategies and tenant protections in San Pablo. Subsequently, the Alliance for Californians for Community Empowerment (ACCE) sent an email to the City Council with a proposed ordinance, which is attached to this staff report but not recommended by City staff.

Rather, there are two City documents that currently outline recommended affordable housing and tenant protections policy options for the City.

2015 Housing Element

The first document is the 2015 Housing Element (www.sanpabloca.gov/1383/Housing-Element <<http://www.sanpabloca.gov/1383/Housing-Element>>). The Housing Element is a state-mandated component of the City's General Plan, that, among other purposes, identifies how a jurisdiction will address the housing needs of residents, regardless of income, based on the Regional Housing Needs Allocation ("RHNA"). The Housing Element directs updates to zoning ordinances and sets forth goals, policies and implementing programs to address community needs and to ensure that housing is available for residents at all income levels.

A summary table of the goals contained in the Housing Element is attached.

Tenant protection policies in the 2015 Housing Element focus on reducing housing discrimination and include the following program policy.

Policy H-4.1 Housing Discrimination. *Continue to support efforts to minimize and eliminate housing discrimination based on ethnicity, race, sex, religion, national origin, age, family composition, physical or mental disability, sexual orientation, or income.*

Program H-4.1.1 Work With Housing Rights, Inc. *Continue to work with Housing Rights, Inc. (HRI) to minimize and resolve conflicts and disputes between landlords and tenants, and eliminate all forms of housing discrimination by disseminating tenant/landlord conflict resolution information in the annual mailing about residential programs, and documenting residents' concerns at City Hall before forwarding them to HRI. Additionally, implement a tracking system to record the number of referrals to HRI under this program each year.*

Responsible Agencies: *Development Services Department; City Manager; HRI*
Time Frame: *Ongoing (see Programs H-1.3.1 and H-4.1.2)*

Objective: *Resolution of conflicts and disputes between landlords and tenants, and elimination of all forms of housing discrimination*

Funding: *General Fund*

The Housing Element must be updated every eight years and the City is currently in the process of updating the Housing Element (as part of the General Plan Update) by January 2023, as required by State law. Community feedback is integral to the Housing Element update and staff is conducting a number of outreach events (such as stakeholder interviews, community surveys and focus groups) to collect community feedback on the housing priorities for residents. This input will inform the policies and zoning updates that will be presented to City Council for the 2023 Housing Element.

2020 Affordable Housing Strategy

The second document that outlines recommended affordable housing and tenant protections options for the City is the Affordable Housing Strategy (see attached), which was adopted by City Council on November 16, 2020. The expert consultant, Strategic Economics, was hired in February 2020 to develop this strategy plan, which analyzed existing housing needs and conditions in San Pablo, researched affordable housing best practices, and collected community feedback through targeted stakeholder interviews, a community online survey, and two affordable housing forums. This was a significant undertaking.

The findings from these efforts set forth a detailed and comprehensive implementation plan to guide the City’s actions over the next ten years. The implementation plan is organized around seven (7) core goals, which represent San Pablo’s overall policy objectives. For each of the seven (7) core goals, the report identifies various strategies to help the City reach these goals. Below is an overview table of the implementation plan. The table also indicates if the City, County, or State already has a program or services related to the identified strategy.

Goals	Strategies	Current City/ County/ State program
Goal A: Support New and Existing Homeowners	1. Housing rehabilitation funds	Yes
	2. First-time homebuyer assistance program	Yes
	3. Foreclosure prevention program	Yes
Goal B: Support and Protect Existing Tenants	4. Rental assistance	Yes
	5. Tenant-landlord mediation and just-cause protections	Yes
	6. Tenant education and legal services	Yes
	7. Relocation assistance	Yes
Goal C: Improve Housing Quality & Safety	8. Proactive code enforcement & inspections	Yes
	9. Multifamily rehabilitation program	-
	10. Mobile home park health & safety	Yes
Goal D: Preserve Existing Affordable Housing	11. Preservation of existing deed-restricted units	Yes
	12. Acquisition, rehabilitation, conversion of unsubsidized housing to deed-restricted	-
	13. Community Land Trust (CLT)	-
Goal E: Produce More Housing	14. Inclusionary zoning	-
	15. Incentive zoning	Yes
	16. Use of publicly owned land for affordable housing development	Yes
	17. Technical and financial assistance to facilitate construction & legalization of ADUs	Yes
	18. Zoning changes to facilitate "missing middle" housing development	Related to HE update
	19. Zoning changes in Specific Plan areas and commercial zones	Related to HE update
	20. Regulatory changes to allow lower-cost innovative construction technologies	Related to HE update
Goal F: Prevent and Reduce Incidence of Homelessness	21. Outreach and collaboration	Yes
	22. Transitional and permanent supportive housing	Yes
Goal G: Create New Affordable Housing Funding Sources	23. Affordable housing impact fee	-
	24. Local affordable housing bond measure	-

The City has made a significant effort to implement actionable items from the 2015 Housing Element and adopted 2020 Affordable Housing Strategy, as staffing and resources have allowed especially during the past year due to COVID-19 fiscal and operational impacts on City Operations, Programs and Services.

Below is an overview of the programs/ services related to tenant protection policy that the City already has implemented.

- Residential Health & Safety (RH&S) program (Goal C - Strategies 8 and 9)

In place since 1986, the RH&S program involves the inspection of single-family and multiple-family dwelling units throughout the community. Inspections are required for resale certificates and for rental certificates of compliance. The program helps to ensure the safety of the community's housing stock. Inspections are conducted systematically to keep certificates current and can be triggered by tenant or other neighborhood complaints. During COVID these inspections were suspended, but the City Council has just considered ordinance amendments to the RH&S program set forth in the San Pablo Municipal Code (on the consent calendar for approval at this same meeting) and staffing is being supplemented from independent contractors to ramp up this program again and offer additional inspections to enhance the quality of life for San Pablo residents as recommended by City Council Major Policy Goal: Build a Healthy Community, Priority #111.

- Active Code Enforcement Unit (Goal C - Strategy 8)

Police and Community Development work together to resolve code issues at residential units throughout the City. The City is currently in the processing of moving the Code Enforcement Unit from the Police Department to the Community Development Department under the supervision of the new Building Official for FY 2022-23, and to coincide with the City's proposed 5-year GF Operating Budget. This will allow for more seamless investigation and correction of substandard housing conditions by the Building Division and for the Police Department to focus resources on community safety issues. In addition, as noted above, the City Council has just considered ordinance amendments to the property nuisance provisions of the San Pablo Municipal Code (on the consent calendar for approval at this same meeting) to help streamline this process.

- Tenant Relocation Assistance when unit has unsafe living conditions (Goal B - Strategy 7)

Chapter 8.05 of the San Pablo Municipal Code addresses tenant relocation assistance in connection with an order to vacate/"red tag" of the property. . It includes a provision that requires a landlord to pay relocation assistance equal to two month's rent at the established fair market rate to a tenant who is displaced when a unit is determined to be unsafe due to a code violation. The relocation benefits are in addition to the return, as required by law, of any deposit held by the owner, and also include an amount sufficient to pay for utility service deposits, at the discretion of the building official or designee. Penalties and fines may accrue to landlords who do not comply with these provisions. In the case when a landlord refuses to make such payments to the tenant, the Municipal Code would allow the City to front the payment and file a

legal action against the landlord. This has not occurred nor been funded to date.

- Housing Production (Goal E - Strategies 16 and 17)

The City Council has prioritized housing on City-owned land at the Former City Hall site and the Block E site. These and other recently approved projects on privately-owned property (like Block C and 2555 El Portal) will make up close of half of the City's current cycle 5 RHNA requirement through 2023. Further, the City's RHNA requirements for Cycle 6 (period 2023-2031) will be an additional 700-800 housing units pursuant to ABAG and State HCD requirements.

- First Time Homebuyers (Goal A- Strategy 2)

San Pablo Loan Assistance for Sustainable Housing (SPLASH) first-time homebuyer program provides loans for low-income residents to purchase their first home, along with other funds that can be leveraged. At the subsequent City Council meeting on February 7, 2022 there will be an agenda item for City Councilmembers to consider amendments to SPLASH to make the loan program more successful in the current housing market.

In addition, the San Pablo Economic Development Corporation holds numerous training sessions to educate and prepare first-time homebuyers.

- Assistance to support and protect existing tenants (Goal B- Strategy 6)

Given the State's just cause eviction protections and rent control in Assembly Bill 1482 (the Tenant Protection Act of 2019) that cover multi-family units built before 1995, the consultants of the Affordable Housing Strategy recommended providing financial resources for tenant education and legal services. The Tenant Protection Act of 2019 generally limits annual rent increases to 5% plus cost of living (not to exceed 10%); prohibits tenancy terminations without "just cause" as defined in the statute; and for no-fault tenancy terminations, requires the landlord to provide tenant relocation assistance equal to one month's rent. As a new law - somewhat overshadowed by the COVID-19 pandemic - additional education about the Tenant Protection Act could be helpful, as well as legal assistance for situations in which landlords are not complying with the law.

In addition, the consultants recommended exploring if there were ways to extend some of the State's AB 1482 protections to the large percentage of renters in single-family homes in San Pablo given the restrictions under the State Costa Hawkins Rental Housing Act. The Costa Hawkins Rental Housing Act generally establishes limits on the ability of municipal governments to enact rent control, including no rent control on multi-family units constructed after February 1, 1995 and on single-family units and condominiums.

The City has ongoing relationships with non-profits to support tenants and landlords in understanding their rights and addressing legal issues. While the City is not currently funding

these organizations directly, CDBG dollars that go to Contra Costa County are a source of funding and San Pablo residents are eligible for these services. The City actively refers residents to these organizations for services and we engage with organizational staff on housing-related plans and programs.

Recommended Next Steps

1. Staff recommends continued review and implementation of all goals and specific strategies in the Affordable Housing Strategy beginning in FY 2022-23 when additional funding capacity, and resources can be recommended for City Council approval, effective July 1, 2022 with an emphasis on Goal B as an immediate priority area for FY 2021-22 implementation subject to current GF budget constraints.
2. Additional Standing Committee recommendations and City Council formal direction and input will be solicited by City staff in order to prioritize the goals and specific strategies in the Affordable Housing Strategy during the City's Proposed 5-year GF Operating Budget cycle, including potential use of available and appropriate Low/Mod Housing Funds if legally permissible per State redevelopment law requirements.

FISCAL IMPACT

There is no fiscal impact in discussing policy options. Future implementation actions that require funding approval will be agendaized for City Council consideration, as necessary.

ATTACHMENTS:

1. 2015 Housing Element Policy Summary
2. Affordable Housing Strategy
3. Email from Alliance of Californians for Community Empowerment - ACCE to a majority of the City Council dated January 12, 2022 with ACCE's proposed ordinance