

Item 8.1 Written Communications - Thompson

From: Mitchell Thompson [REDACTED]
Sent: Tuesday, October 26, 2021 12:10 PM
To: Stacey Kurz <SKurz@chulavistaca.gov>
Cc: Rich D'ascoli <[REDACTED]>; Mary Salas <MSalas@chulavistaca.gov>
Subject: Fwd: Fw: CAR Position on the Formation of Middle Income Workforce Housing JPAs

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Stacey,

Attached please find the California Association of Government's official position related to the matter of the proposed Housing Policy coming before the City Council this evening. I understand there is no final determination to be made this evening. Please review CAR's position in the process of formulating your staff recommendation on this item as this moves forward through the City process for consideration. We look forward to discussing the matter further in the near future. I would still like to schedule a time when you might be able to present the matter before PSAR's Government Affairs Committee which I chair.

Mitch

----- Forwarded Message -----

From: Jennifer Svec [REDACTED]
To: Tracy Morgan Hollingworth <[REDACTED]>; Sanjay Wagle <[REDACTED]>
Sent: Monday, October 25, 2021, 01:35:01 PM PDT
Subject: RE: CAR Position on the Formation of Middle Income Workforce Housing JPAs

Hi Tracy,

C.A.R. does not support the conversion of naturally occurring affordable market rate housing to deed restricted housing. In fact, C.A.R. opposed AB 787 that authorized a city or county to elect to meet ALL or a portion of its share of regional housing need (RHNA) for an income category if the units in an existing multifamily building are converted to deed-restricted housing for at least 55 years for very low, low-, or moderate-income households.

C.A.R. opposed AB 787 as it seeks to remove naturally occurring affordable market rate housing from the market and imposes a deed restriction requirement that would last in perpetuity, which is inconsistent with existing state statute. C.A.R. obtained amendment to reduce term of the deed restriction and moved to a "not favor" position on the bill. While the bill places a limit the term of deed restrictions of 55 years for rental housing units, the measure does not provide a one for one replacement of the units they have removed from the market. Replacing physical units with land zoned for development under RHNA does not guarantee that those units will be approved and built within that local jurisdiction. Furthermore, AB 787 does not encourage homeownership opportunities for our states working families, nor does it offer equity sharing opportunities to bridge the states persistent wealth gap.

California has been in a housing shortage since 1970. According to HUD's Office of Policy Development and Research, "Since 1969, California has required local municipalities to create a general plan every five or eight years that identifies current and future housing needs based on the state's projections for household growth. . . Although California's Regional Housing Needs Allocation process encourages local allocation of housing, it has not substantially closed the affordable housing gap." As a result, in 2018 the state was noted to have the 49th lowest ratio of housing units per resident and a rental vacancy rate of just 4% in 2020. Our state's housing shortage has ballooned to an estimated 3-4 million housing units.

In large part, this failure to build is due to the reluctance of local jurisdictions to encourage housing development, while some localities actively discourage or limit housing development in response to NIMBY pressure. Despite the lack of housing, California's economy has continued to grow and add jobs, especially on the coasts. Unreasonable anti-housing growth policies in areas of high job growth have resulted in skyrocketing housing prices and high rents and contributed to a significant increase in vehicle miles travelled as potential homeowners must "drive until they qualify" for more affordable areas.

The proposed conversions of market rate housing to deed restricted housing will only serve to increase rental housing corporate ownership opportunities by "affordable housing" developers and will not solve our supply crisis nor help to bridge our states wealth gap. Locking our states working families into deed restricted rental housing as opposed to providing the stability and long-term equity growth opportunity offered by naturally occurring owner occupied affordable housing is inconsistent with the states RHNA process.

Hopefully this helps as you work on the JPA issue locally. As I understand it Ben Metcalf, the former HCD Director, and current Director of the Turner Center is the one working to advance this strategy within JPAs.

Feel free to reach out if I can be of any additional assistance.

Sincerely,

Jennifer C. Svec-Williams

Legislative Advocate

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From: Tracy Morgan Hollingworth [REDACTED]
Sent: Monday, October 25, 2021 12:30 PM
To: Sanjay Wagle [REDACTED]; Jennifer Svec [REDACTED]
Subject: CAR Position on the Formation of Middle Income Workforce Housing JPAs

Sanjay and Jennifer - We have a city that might join a JPA to acquire moderate income properties that they want to preserve as Middle Income Housing. I've attached their reports on this potential policy.

Has CAR been monitoring these JPAs and does CAR have a position on cities acquiring moderate income rental housing and removing the housing from private ownership?

PSAR doesn't have a position on these JPA formations so I let our leadership know I would check in with you to see if CAR has any feedback on these JPAs.

Thanks for getting back to me on your initial review.

The issue is going to the Chula Vista City Council meeting tomorrow at 6 pm.

Tracy Morgan Hollingworth, CAE, MPA

Morgan Hollingworth Public Affairs & Association Management, LLC

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