

City Council Public Reading

POSITIVE SUGGESTIONS TO ASSIST IN THE CREATION OF A RESIDENTIAL LANDLORD AND TENANT ORDINANCE 07/12/22

Ms. Mayor and City Council, thank you again for this opportunity to share with you this evening. The Purpose of this presentation is to assist City Council & Staff to make an informed decision when considering passing a “Residential Landlord and Tenant Ordinance”.

If you remember, the 06-14-22 counsel meeting, I outlined the negative clauses in the proposed ordinance... Clauses which did almost nothing to ease pressure on our community caused by ever increasing rents.

Tonight I will attempt to address the flip side of the coin... a positive approach which would ease pressure on landlord from increasing rents. This proposed six point plan, if adopted as an ordinance, will:

- 1) Increase the supply of affordable housing by encouraging small Mom & Pop residential development.
- 2) Enhance the unique character of Downtown Chula Vista while creating a pleasant community for our residents.
- 3) Not only costs the city NOTHING but will actually...
- 4) Increase dollars coming to city coffers.

We all agree the most efficient way to relieve the pressure from ever increasing rents to simply increase the supply of affordable housing. Although there is nothing inherently wrong with “Big Box” development, the many huge complexes popping up in Chula Vista does nothing to create a sense of community. This proposal concentrates on creating an atmosphere of community living.

Here’s how I see the problem. The building permit process, as it pertains to small “Mom & Pop” development is exceedingly cumbersome, stifling development and robbing City coffers of much needed revenue. What is needed is a system which encourages “Mom & Pop” development while increasing revenue to the City. The six points outlined below is a common sense solution to achieve the goals of increasing the supply of affordable housing while improving the City’s cash flow.

- 1) Small “Mom & Pop” development should be encouraged.*
- 2) Developer should be informed of all required fees.*
- 3) Aside from a “Plan Check” fee, all fees paid upon final inspection.*
- 4) Inspector does not have the authority to alter City approved plans (with the exception of instances of health and safety).*
- 5) Initial Plan Check to be completed with one pass thru all departments.*
- 6) Elimination of unnecessary time delaying steps in the permit process.*

Back ground information supporting each point of the proposed ordinance changes:

1) All properties of less than 7,500 Sq ft developed for mixed use (Commercial/ Residential) to be “fast tracked” for approval and be exempt from Parking and Open Space Requirements.

Small “Mom & Pop” projects should be encouraged. This would preserve our community’s character. Projects on parcels of less than 7,500 square feet do not require much parking and projects of that size certainly do not provide adequate room for open space. The exemption of the current Parking and Open Space requirements would be revenue neutral if the rates for larger developments are adjusted accordingly.

2) At the start of the permitting process, City Staff will provide an accurate accounting of all fees, permit requirements, and complete list of required studies from all agencies, developer will encounter thru Final Inspection & Occupancy Permit. After a complete list of fees is provided, developer will pay a “Plan Check” fee to proceed.

To put it another way: What are the costs of the permits? The purpose of this request should be obvious. No developer would attempt a project if it could not be determined the costs of the studies and permits required. Currently the city offers an on line service providing an estimate of fees. However, this process has one fatal flaw. The accuracy to such estimate is contingent upon the expertise of the individual keying in the information. A more efficient means of determining the permit costs would be for city staff to provide the developer a

personalized handout of the projected fee schedule. The knowledge of the fee structure should be the expertise of city staff. If there are individuals on city staff who believe it would be too difficult or impractical to provide such a service, just imagine the difficulty of the task for a “Mom & Pop” developer to decipher the fee schedule. Lengthy permit processes, surprise agency expenses and unforeseen city requirements are a major stumbling block for small mixed use developments. Very few “Mom & Pop” developers would risk one’s lifesavings if not provided with an accurate projection of required fees, permits, and studies from all agencies, that would be encountered thru Final Inspection and Occupancy Permit. Recently, it took me six months to acquire a building permit for a simple 744 Sq Ft ADU (Granny Flat). We were not informed of the permit fee structure until permit was ready for issuance. SIX MONTHS?... There is something wrong with the system if it takes longer to get permission to build something then to ACTUALLY build something.

3) After Plan Check is completed a building permit will be issued. Payments of all building and permit fees to be delayed until after final inspection and the issuance of an Occupancy Permit. At such time developer will commence payment of fees at a schedule negotiated in advance.

This requirement is huge! This is the lynchpin which makes these proposed ordinance modifications “work”. All are aware of many instances of individuals getting the “run around” in their attempts to construct a project. This is a sore subject among staff members. With city staff, quite often the

left hand doesn't know what the right hand is doing. This section in ordinance modification will encourage city staff to "get their act together". To ensure a small developer has every intention of completing a project it would be appropriate to charge a reasonable up front "Plan Check Fee". Obviously no small developer would "Blow Off" a plan check fee if there was no intention of completing a project. Consequently, if the staff were aware that the bulk of fees could not be collected until after final inspection and occupancy permit, they would be diligent in issuing permits and conducting inspections. I personally experienced a situation where, after hanging drywall, I was informed we would have to wait six weeks for nailing inspection before we could proceed to the next phase of construction. What was a mere inconvenience for me could very well be a deal breaking cost prohibitive expense for a developer. It is important to note that this section of the proposed ordinance change actually increases funds to the City because more permits would be issued to be followed by an increase of final inspections performed.

4) Inspector has no authority to instruct developer to alter plans previously approved by city staff (except for reasons of health and safety). Inspectors who believe changes are required will inform developer of the nature of the requested changes. However, inspector must request changes directly to city plan check staff by the end of the business day. Disagreements between staff members must be resolved within three business days. Developer will not be burdened with endless squabbling between members city staff.

Inspectors requesting a change to an approved set of plans appears to be a new phenomenon in Chula Vista. Inspectors attempting to over ride the decisions of city plan check is a game changer. It is now possible for developers, in the middle of a project, to get trapped in an endless and costly squabble between different members of city staff. Once this process becomes widespread and well known, NO developer will attempt to construct affordable housing for our community.

5) Initial Plan Check to be completed with one pass thru all departments.

Many city staff members are required to review plans before a building permit is issued. City staff seems to have fallen into a system where plans are returned to developer after one staff member has reviewed plans. The developer is then required to have the architect make corrections. After corrections are made, developer resubmits plans where they are funneled to the next city staffer who may take weeks to review project. After this second city staffer makes his corrections, plans are returned to developer who AGAIN has to arrange for the architect to make additional corrections. After those additional corrections are made, plans are resubmitted where they are funneled to the next city staff member and the process repeats itself over and over and over again. In June 2020 I submitted a set of plans for a simple 744 Sq ft one bedroom Granny Flat. Those plans wandered thru the maze of Plan Check. A building permit was finally issued six months later on January 5, 2021.

6) Elimination of unnecessary time delaying steps in the permit process.

One example of unnecessary time delaying steps in the permit process is the “Entitlement Process”. Silver Gate and other developers have informed me there simply should not be an “Entitlement Process”. That is what zoning is all about. A simple "over the counter" staff review should reveal if a developer is “Entitled” to proceed with a project or not. We are not naive however. We realize the “Entitlement Process” provides political cover for the Planning Commission and ultimately the City Council. However, we think all can agree that a six to nine month “Process” not only adds unnecessary costs and discourages the construction of affordable housing but also virtually eliminates all small “Mom & Pop” new construction.

It is hoped this presentation of a positive plan will assist the City Counsel and Staff to create an ordinance will help create affordable housing in our community. Please feel free to call or E-mail if you have any questions. Thank You.

Sincerely,

Joseph A Raso