COUNCILMEMBER VIVIAN MORENO
City of San Diego
Council District Eight

MEMORANDUM

DATE: **January 13, 2021**

TO: **Council President Pro Tem Stephen Whitburn, Chair, Land Use and Housing Committee**

FROM: **Councilmember Vivian Moreno**

SUBJECT: **2021 Land Use and Housing Committee Priorities**

In response to your memorandum soliciting priorities for the Land Use and Housing Committee, I urge your careful consideration of the following:

<u>**Eviction Moratorium**</u>
The committee should discuss and approve an extension of the eviction moratorium in place for both residential and commercial properties. Subsequently, the committee should have a larger discussion about how the eviction moratorium can best be altered to fit the unique needs of San Diegans impacted by the threat of eviction while impacted by the COVID-19 pandemic. The committee should also discuss how best to coordinate existing rental assistance programs to tenants threatened by eviction to avoid being evicted if possible.

<u>**Emergency Rental Assistance Program**</u>
As many San Diegans continue to experience unemployment or sporadic income due to the COVID-19 pandemic, it is important that the city continue providing financial assistance to people who do not have the means to pay their rent. The city's initial rental assistance program, funded with $15.1 million in CARES Act funding, has been exhausted. An additional proposed allocation of $5 million was docketed at the December 8, 2020 City Council/Housing Authority meeting, but was returned to staff due to the meeting ending prematurely because of technical issues. It is critical that the city continue funding the rental assistance program to help San Diegans pay their rent while unemployment in neighborhoods like Logan Heights and San Ysidro remain high due to the COVID-19 pandemic. It is equally important that

a funding mechanism be developed to provide rental assistance to those in need who do not qualify for assistance through federal funding due to their immigration status. The service industry sector has been one of the hardest hit by the COVID-19 pandemic and it employs thousands of people whose immigration status has prevented them from receiving assistance through the funding the city received from the CARES Act. The city must develop and fund a program that fills the gap in providing cash aid and assistance to this population. It is critical that this committee remain vigilant in monitoring the existing assistance program and developing and growing new assistance programs to help all renters throughout the city keep a roof over their heads while COVID-19 restrictions affect their income. Reviewing ways to improve the existing program and discussing when the next allocation to the program should be docketed are issues that should be discussed in early 2021.

Vacancy Tax Feasibility Study
As the city continues to search for ways to maximize housing opportunities for all, the committee should explore the concept of a vacancy tax, which would provide financial incentive for landlords and property owners to make any vacant units available for rent. Revenue received through this tax would go towards rental assistance, legal services for tenants, and tenant outreach. The first step in assessing whether this is an option that would result in more rental units being listed in the rental market is to conduct a feasibility study on implementing a vacancy tax. This committee should request staff to conduct a vacancy tax feasibility study and to present the results of the study by the end of the year.

Affordable Housing Preservation
Preserving existing affordable housing is a vital component to meeting the needed number of housing units the city must provide to ensure people of all income levels have access to housing throughout the city. Last year, the Council approved the San Diego Affordable Housing Preservation Report, which included the establishment of a strategic goal within the budget to appropriate an amount equal to 20% of the residual distributions in FY 2021 from the Redevelopment Property Tax Trust Fund (RPTTF), and then all growth in RPTTF residual distributions in future years for the purposes of affordable housing preservation. The IBA noted in their review of the 2021-2026 Five-Year Outlook that these allocations are not included in the Outlook and that including them would increase expenditures by $6.3 million in FY 2022, increasing to $14.2 million in FY 2026. This committee should receive an update from city staff and Housing Commission staff on the status of this funding and discuss additional strategies to preserve affordable housing units.

First Time Homebuyer Program Expansion
First time homebuyer programs provide down payment assistance to qualifying individuals aspiring to purchase their first home. These programs are an important piece of getting more people permanently housed. However, the amount dedicated toward first time homebuyer programs in San Diego should be more than it is now. A recent report from the Housing Commission noted that in the fourth quarter of FY20 only 18 people were assisted by the current program. That has us on track to help less than 80 homebuyers over the course of a year. That is simply not enough. Through our city lobbyists, the Housing Commission and our government affairs team, the city should be more aggressive in procuring a greater amount of state and federal funding to help additional first-time homebuyers in San Diego. We can do more if we demand greater resources from Sacramento and Washington.

As we advocate for more, we should also target some of this funding towards current housing voucher holders so that we can help those program participants become homeowners and at the same time free

up vouchers for people who have waited years to get one. This committee should examine the current program, discuss how best to procure more funding for it and how it can be expanded and altered to benefit the highest number of qualifying San Diegans possible.

Additionally, as we discuss expanding or creating new programs to assist residents with their housing needs, the city would be well served by actively engaging with the California Housing Finance Agency (CalHFA). CalHFA supports the needs of California renters and homebuyers by providing financing and programs that create safe, decent and affordable housing. This committee should request an informational presentation from CalHFA regarding their programs and explore how the city can better utilize the tools they provide to create more housing opportunities for San Diegans.

Infrastructure Related to Construction of Housing
Most housing developments have various requirements related to infrastructure improvements that must be built for a project to receive final approval by the city. This committee should explore a program that incentivizes the construction of new affordable units by offering grants to build the required infrastructure using various forms of funding eligible for the activity, such as Community Development Block Grants.

Housing Production Update
The city must continue to produce more affordable and market rate units in order to keep up with housing demand. The city's portion of the County's Regional Housing Needs Assessment (RHNA) target for the 2021-2029 Housing Element period is 108,036 homes, which is further broken down by income group as follows:

- 0-30% AMI: 12,380 units
- 31-50% AMI: 15,169 units
- 51-80% AMI: 17,311 units
- 81-120% AMI: 19,319 units
- >121% AMI: 43,837 units

In order to ensure the city is on track to meet that goal, this committee should explore additional strategies and tools to assist those constructing units. This would include additional programs that provide expedited permitting, elimination of outdated requirements, and financial incentives to produce more onsite affordable units.

Creation of an Economist Position within the Planning Department
The committee should explore creation of a position within the Planning Department for an Economist who could provide the city with analysis on how zoning changes that affect density could spur development within each community.