

# HOUSING PROGRAMS UPDATE & RENTAL SURVEY RESULTS

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City of Healdsburg

February 16, 2016

# Current Housing Initiatives

- Issued a rent stabilization advisory to property owners and property managers
  - Establishing guidelines for annual rent increases
  - Encouraging positive tenant/landlord relations as well as timely maintenance and repairs
- Partnered with North Sonoma County Services (“NSCS”) to provide low-income qualified families facing rent increases and at-risk of displacement assistance with monthly storage costs, moving expenses, rent assistance, security deposit and utility deposit
- Partnered with NSCS and the Committee on the Shelterless (“COTS”) to assist families in need of emergency or transitional housing and offering assistance to find permanent housing
- Partnered with Fair Housing Sonoma County
  - Expand fair housing services in Healdsburg
  - Act as an ombudsman assisting with tenant/landlord issues
  - Provide education for property owners/managers and tenants

# Current Housing Initiatives (cont.)

- Partnered with Housing Land Trust of Sonoma County
  - Actively monitor the existing stock of for-sale deed-restricted affordable units,
  - Provide resources and support to low-income homeowners,
  - Work with developers to qualify low-income families and assist them with their purchase of new for-sale deed-restricted units.
- Partnered with Pacific West Communities on the design and construction of a 25 unit low-income apartment complex at 1201 Grove Street
- Updated the City's website to provide our community with greater access to housing resources and information. To view this updated information go to:

<http://www.ci.healdsburg.ca.us/649/Community-Housing-Development-Department>

# Housing Initiatives in Progress

- Partnering with NSCS to create a master lease program with private property owners to house low-income families;
- Partnering with PPSC to host a fair housing workshop in the spring;
- Expanding the City's utility rebate and utility discount programs for low-income households;
- Creating an annual compliance program for income restricted rental units;
- Exploring a rental unit registration program to better understand the available rental unit stock;
- Conducting a rental unit survey to assess community housing needs; and
- Formulating a pilot rental unit rehabilitation program to encourage timely maintenance of rental units and help off-set the cost of maintenance and repairs to existing rental units.

# RENTAL SURVEY RESULTS

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# Survey Overview

- Purpose
  - Obtain greater information about the Multi-Family Rental Housing Stock Available in our Community
  - Formulate programs to address housing needs
- Data Queried from City's GIS System
  - Multi-Family Units 4 or more
  - Built before 1996
- Sent to 372 Units
  - Tenants & Property Owners
  - Distributed in English & Spanish
  - First Mailing - December
  - Distributed again to Non-Respondents - January
  - Voluntary in Nature

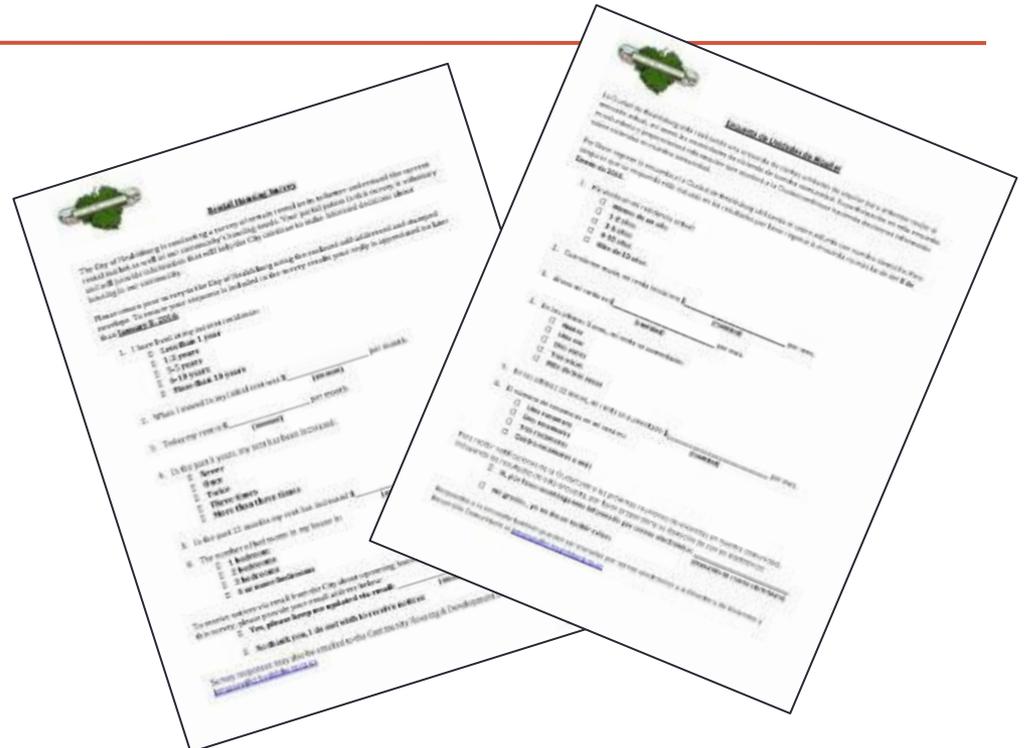
# Survey Responses

	Multi-Family Units	
	<u>Tenants</u>	<u>Property Owners</u>
Distributed	372	372
Non-Deliverable	<u>(26)</u>	—
	<b>346</b>	<b>372</b>
Responses		
In English	80	159
In Spanish	31	—
Total	<b>111</b>	<b>159</b>
Response Rate (%)	<b>32%</b>	<b>43%</b>
Overall Response Rate	<b>38%</b>	

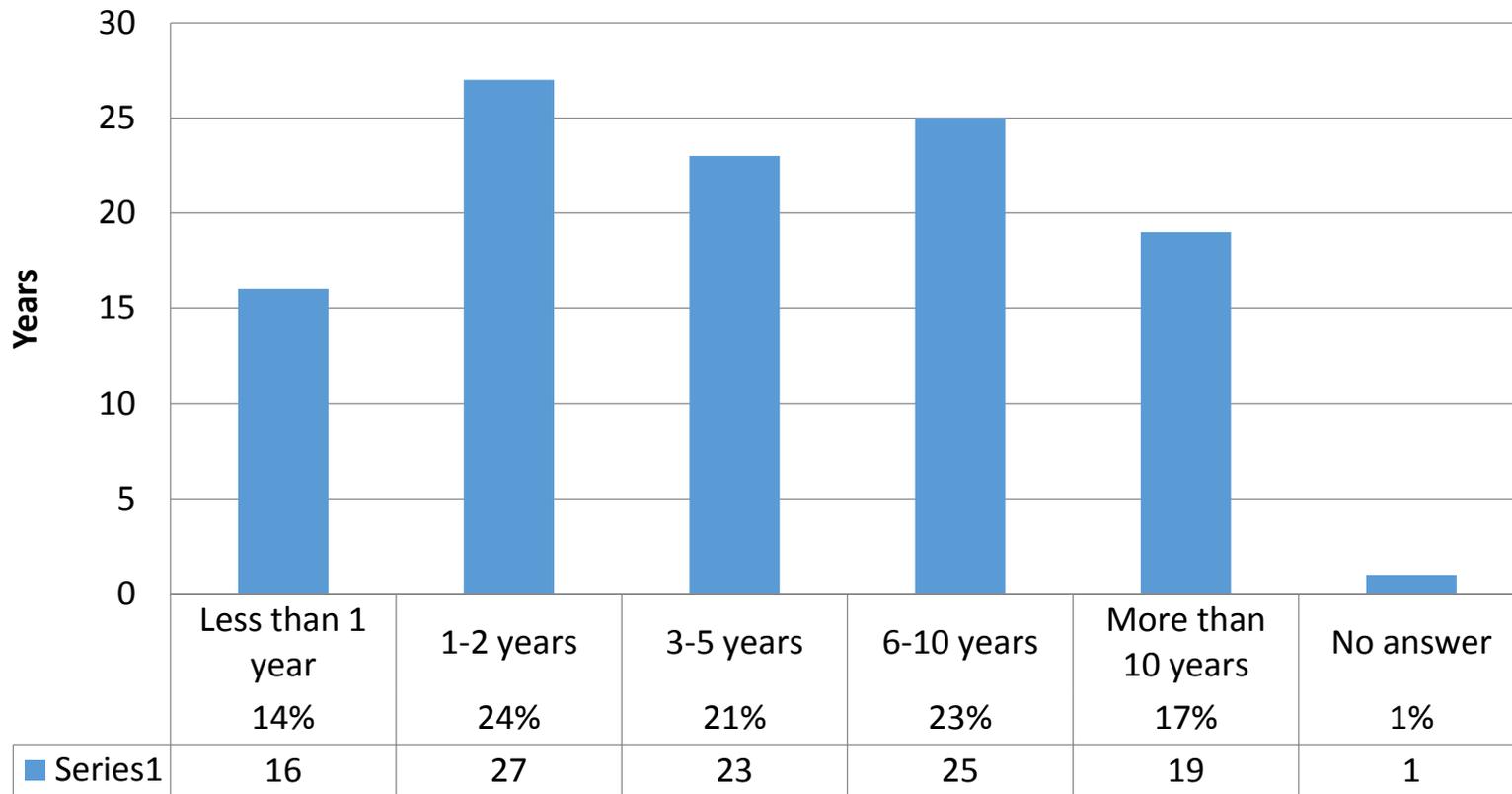
*Some percentages may not sum to 100% due to rounding*

# TENANT RESPONSES

## Rental Unit Survey



# I have lived at my current residence:



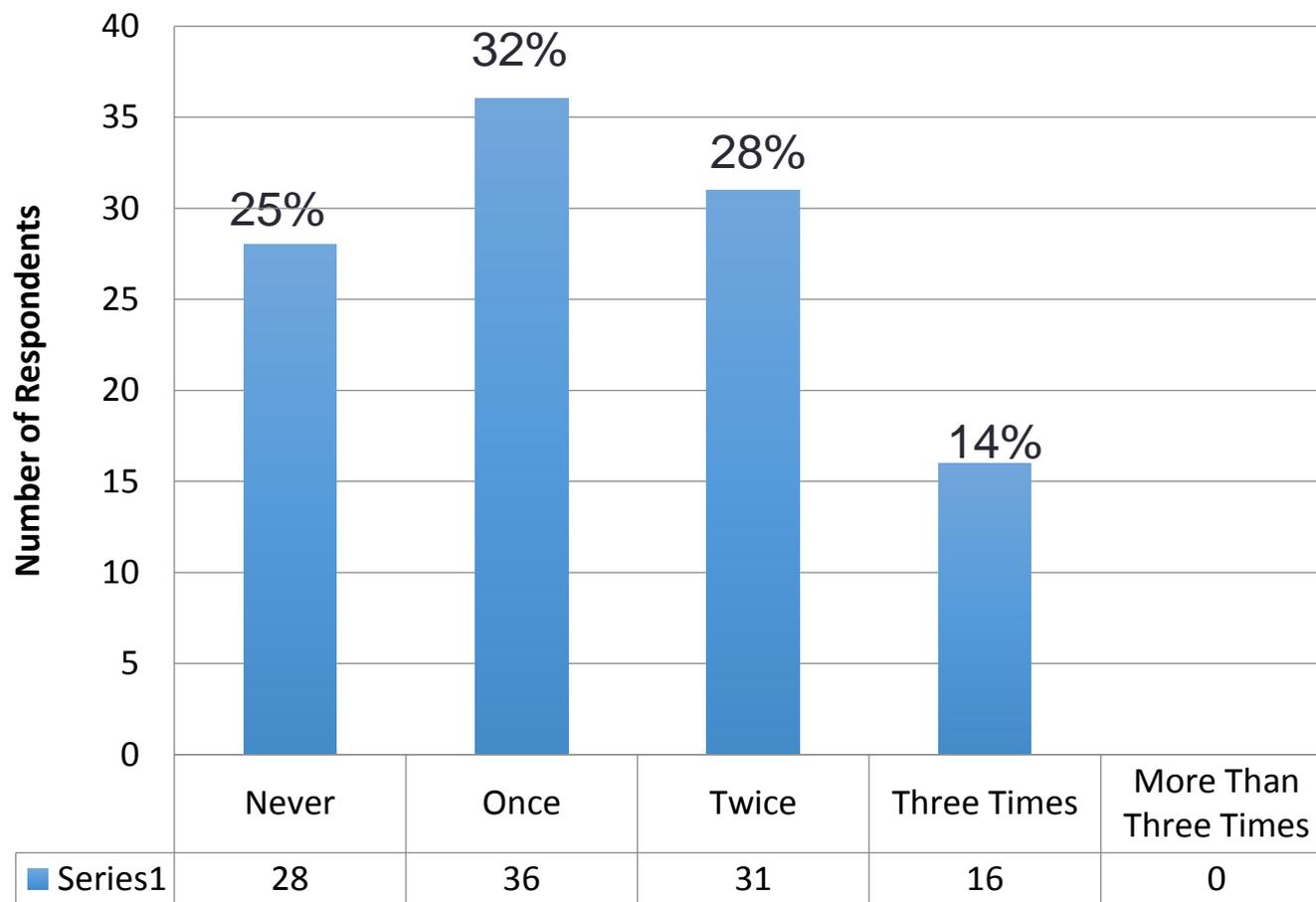
*61% are long-term tenants having lived at their residence 3 – 10+ years*

## My current monthly rent is:

Unit Type	# Units Responded	Monthly Rent (Average)
Studio	3	\$884
One Bedroom	24	\$999
Two Bedroom	79	\$1,321
Three Bedroom	5	\$1,730

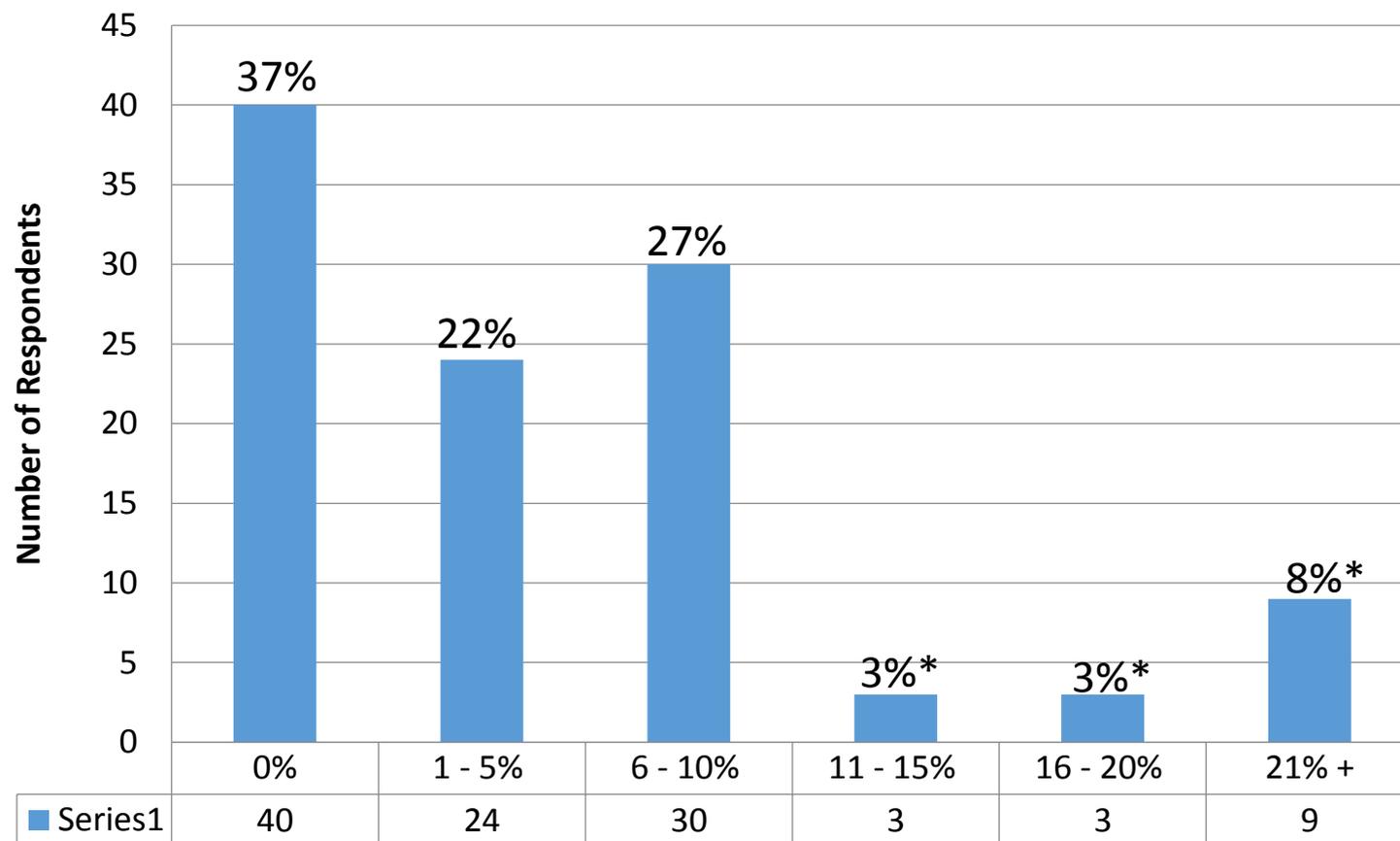
*71% of respondents live in a 2 bedroom unit and pay on average \$1,321/month*

# In the past 3 years, my rent has increased:



*Most rents were typically raised once or twice in 3 years*

# In the past 12 months my rent has increased:

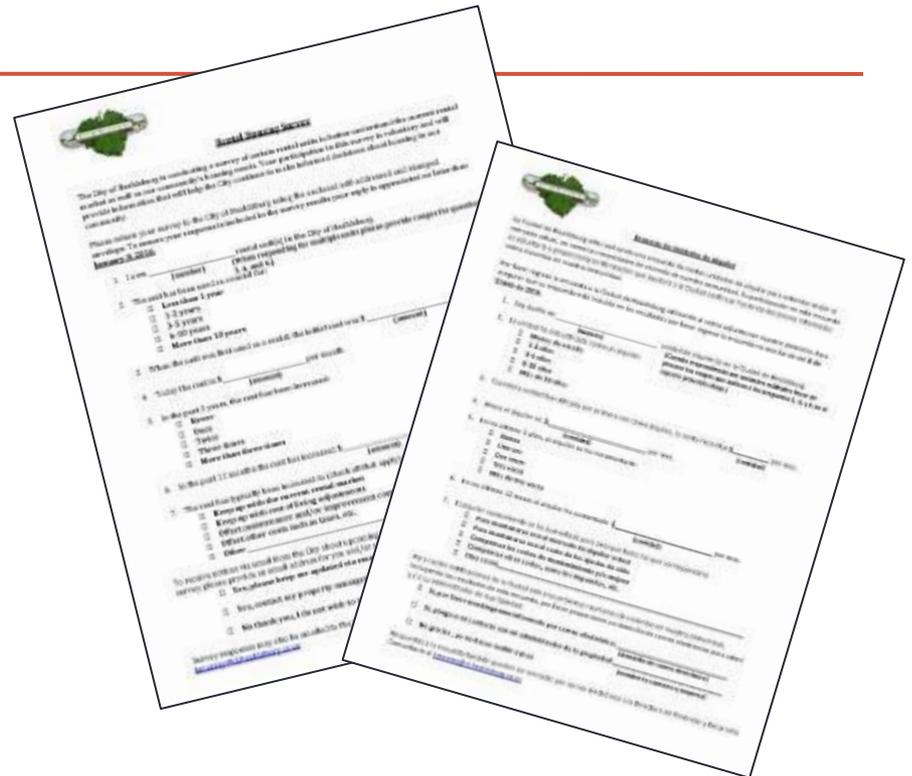


*86% reported a less than 10% increase in rent*

*\*Rent increases resulted in monthly rents between \$1,050 and \$1,450*

# PROPERTY OWNER RESPONSES

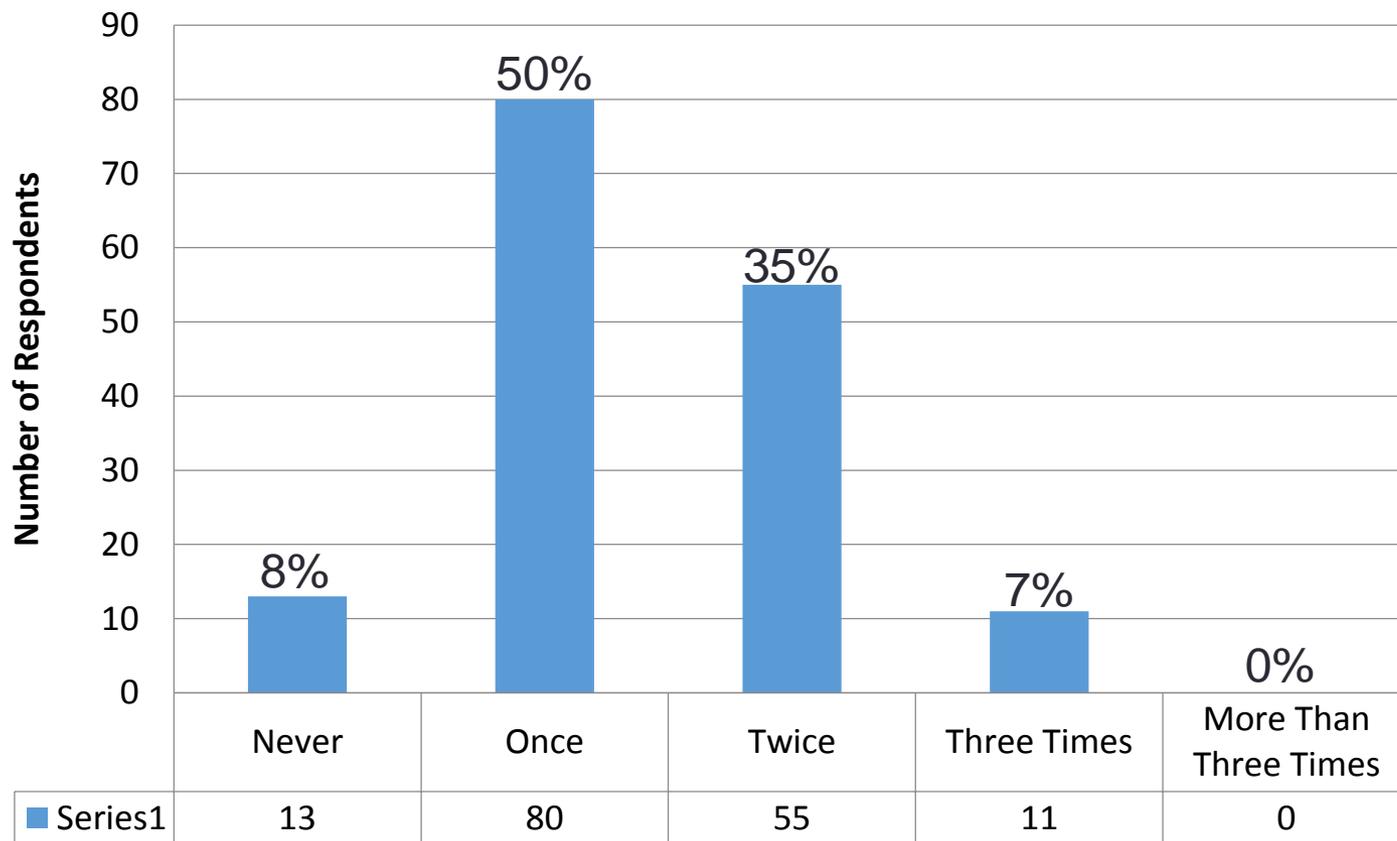
## Rental Unit Survey



# Property Owners Responses

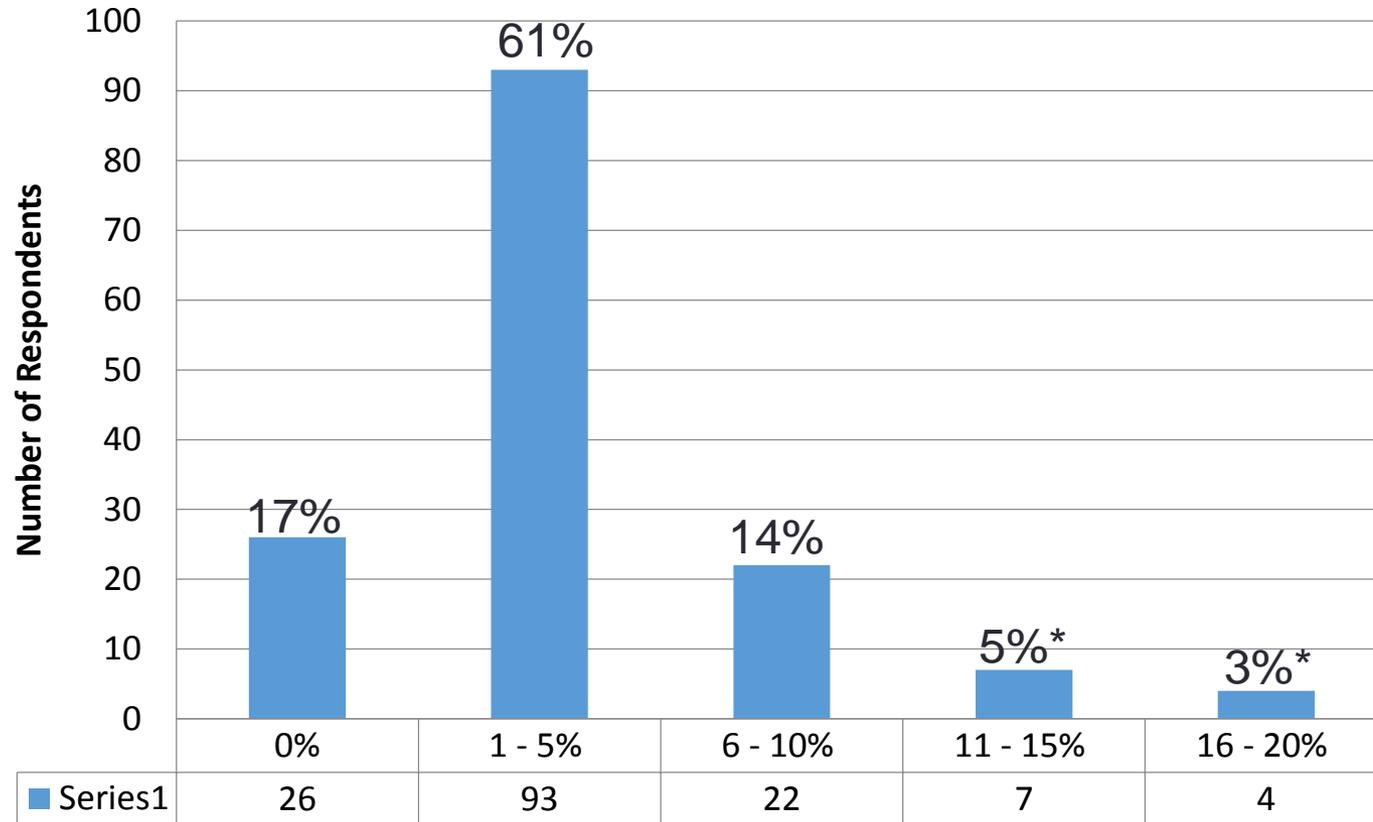
- 21 Property Owners Responded
- Representing 159 Units
- Own Between 4 – 23 Rental Units
- 86% Units Used as Rental for More than 10 years

In the past 3 years, the rent has been increased:



*Most rents were typically raised once or twice in 3 years*

# In the past 12 months the rent has increased:



*92% reported a less than 10% increase in rent*

*\*Rent increases resulted in monthly rents between \$975 and \$1,250*

# The rent has typically been increased to:

*(Respondents asked to select all that apply)*

Out of 159 property owner responses:

- 149 reported increases were made to offset maintenance and/or improvement costs
- 109 reported increases were made to offset other costs such as taxes, etc.
- 83 reported increases were made to keep up with cost of living adjustments
- 19 reported increases were made to keep up with the current market rent

*Most attributed rent increases to maintenance costs*

# Conclusions

- 61% tenants are long-term having lived in their units 3 – 10+ years
- Average monthly rents between \$884-\$1,730; with the majority of respondents residing in a two bedroom unit and paying on average \$1,321/month
- A majority of respondents reported their rent had been increased once or twice in the last 3 years;
- Majority of rent increases adhere to rent stabilization advisory

# Conclusions (cont.)

- 86% of tenants reported less than 10% increase in the last 12 months:
  - 37% (40 respondents) reported 0% increase in rent,
  - 22% (24 respondents) reported a 1-5% increase in rent,
  - 27% (30 respondents) reported a 6-10% increase in rent,
  - 3% (3 respondents) reported a 11-15% increase in rent,
  - 3% (3 respondents) reported a 16-20% increase in rent, and
  - 8% (9 respondents) reported a 21+% increase in rent.
- Of the 15 respondents that reported a rent increase of 11% or more in the past 12 months (all of which occupy two bedroom units) the increase resulted in a current monthly rent between \$1,050 and \$1,450/month

# Conclusions (cont.)

- 92% of property owners reported less than 10% increase in the last 12 months:
  - 17% (26 respondents) reported 0% increase in rent,
  - 61% (93 respondents) reported a 1-5% increase in rent,
  - 14% (22 respondents) reported a 6-10% increase in rent,
  - 5% (7 respondents) reported a 11-15% increase in rent,
  - 3% (4 respondents) reported a 16-20% increase in rent, and
  - 0% (0 respondents) reported a 21+% increase in rent.
- Of the 11 respondents that reported a rent increase of 11% or more in the past 12 months the increase resulted in a current monthly rent between \$975 and \$1,250/month
  - Continue NSCS partnership to assist low-income residents facing rent increases
- 94% respondents attribute rent increases to maintenance & improvement costs
  - Formulate programs that encourage timely maintenance & repair of units

# RENTAL UNIT REHABILITATION PROGRAM

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# Program Need & Benefits

- **Demonstrated Need**
  - 42% housing stock is renter-occupied
  - Aging housing stock requires maintenance
  - 86% of units used as rentals for 10+ years
  - Rent increases attributed to maintenance costs
- **Program Benefits**
  - Help ensure limited rental housing stock is adequately maintained
  - Help off-set maintenance costs typically passed on to tenants
  - Offer incentives to landlords that limit rent increases
  - Preserve housing stock affordable to lower income residents
  - Correct potential health & safety concerns

# Primary Program Components

- Offer financial assistance to property owners for up to 50% of the project costs for rehabilitation of existing long-term rental units
- Property Owners receive up to a maximum of \$3,500 for each qualifying rental unit for up to a maximum of three rental units per property owner
- Assistance to be provided in the form of a loan, forgivable over a three (3) year period, upon completion of the rehabilitation project
- Participants receiving financial assistance must demonstrate annual rents have not been substantially increased within the last 3 years and agree to limit annual rent increases over the term of the loan to an established index such as the Bay Area Consumer Price Index (“CPI”), up to a maximum of 3%

# Primary Program Components (cont.)

- Improvements must be of a permanently fixed nature and should correct potential health and safety hazards and extend the useful life of the structure and may include improvements such as electrical upgrades, hot water heater repair or replacement, furnace repair or replacement, roof repair, plumbing repair, etc.
- Participants shall provide for temporary relocation of tenants if required and must certify the rehabilitation work will not cause permanent displacement of any tenants currently residing at the project
- Examples of projects ineligible to participate would include new construction, owner-occupied units, etc.

# Recommendation

- Continue to refine program & incorporate Council feedback
- Include program in FY 16/17 budget
- Initiate short-term pilot program and assess program interest

# QUESTIONS?

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