City of Ukiah

City Council Special Meeting

AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue♦ Ukiah, CA 95482

August 30, 2017 - 5:00 PM

WORKSHOP ON HOUSING

1 ROLL CALL

2 PLEDGE OF ALLEGIANCE

3 AUDIENCE COMMENTS ON NON-AGENDA ITEMS

4 NEW BUSINESS

4.a. Housing Workshop - Towards the Development of a Housing Strategy for the City of Ukiah.
Recommended Action: Receive presentation from Staff, review and consider Staff recommendations, hear public comment, and provide direction to Staff on how to proceed.
None

5 ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 72 hours prior to the meeting set forth on this agenda.

Housing Workshop
Kristine Lawler, City Clerk

Agenda Item No.: 4a

MEETING DATE/TIME: 8/30/2017

PEAK ITEM NO: COU-126-2017

City of Ukiah

AGENDA SUMMARY REPORT

SUBJECT: Housing Workshop - Towards the Development of a Housing Strategy for the City of Ukiah.

DEPARTMENT: Community Development and Planning

PREPARED BY: Craig Schlatter

ATTACHMENTS:

None

Summary: City Council will consider Staff recommendations towards development of a housing strategy for the City of Ukiah and provide direction to Staff on how to proceed.

Background: Staff is presenting recommendations for a Ukiah housing strategy.

A draft version of Staff's housing presentation to City Council was presented to the Ukiah Planning Commission at their August 23, 2017, meeting. This draft presentation is available for public viewing on the City's website at www.cityofukiah.com/meetings, under the Planning Commission 2017 tab.

At their August 23rd meeting, Planning Commissioners provided input and questions for consideration. Public comment was also received. Comments relevant to development of the housing strategy have been incorporated into the final presentation for City Council. Additionally, certain sections of the draft presentation have been augmented to address questions from Commissioners and the public.

RECOMMENDED ACTION: Receive presentation from Staff, review and consider Staff recommendations, hear public comment, and provide direction to Staff on how to proceed.

BUDGET AMENDMENT REQUIRED: No

CURRENT BUDGET AMOUNT: N/A - presentation only

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: City Manager's Offi ce; Kevin Thompson, Planning Manager; Adele Phillips, Associate Planner

Approved: Sage Sangiacomo, City Manager

Discussion: Community Development and Planning Department Staff began studying the housing situation shortly after adoption of the Department's FY 2017-18 budget, in part due to input from community stakeholders and the Ukiah City Council about a growing public concern related to Ukiah's housing situation. The 2017-18 budget included funding for a new Housing Division within the Department.

Over the last two months, Staff has analyzed local housing data and met with housing stakeholders. Results from this analysis have culminated into a proposed strategy for Ukiah, one that will be presented with implementation recommendations at this housing workshop.

Staff requests City Council input on the proposed strategy and implementation recommendations, and direction on how to proceed.

There are no Attachments to this Agenda Item.

CITY COUNCIL
HOUSING WORKSHOP

TOWARDS THE DEVELOPMENT OF UKIAH'S HOUSING STRATEGY

City of Ukiah
COMMUNITY DEVELOPMENT
& PLANNING DEPARTMENT
300 SEMINARY AVENUE
UKIAH, CA 95482

WHAT IS AFFORDABLE HOUSING?

U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT (HUD) DEFINITION

- Housing restricted to households paying no more than 30% of their income towards housing costs.

→ Housing is permanently affordable to "low-income" households.

GENERAL DEFINITION

- Housing that is generally perceived as "affordable" to the majority of residents in a community.

→ No specific definition and may include households of all incomes.

WHAT INCOME GROUPS EXIST IN OUR COMMUNITY?

HUD Affordable Housing

“Low- and Moderate- Income”

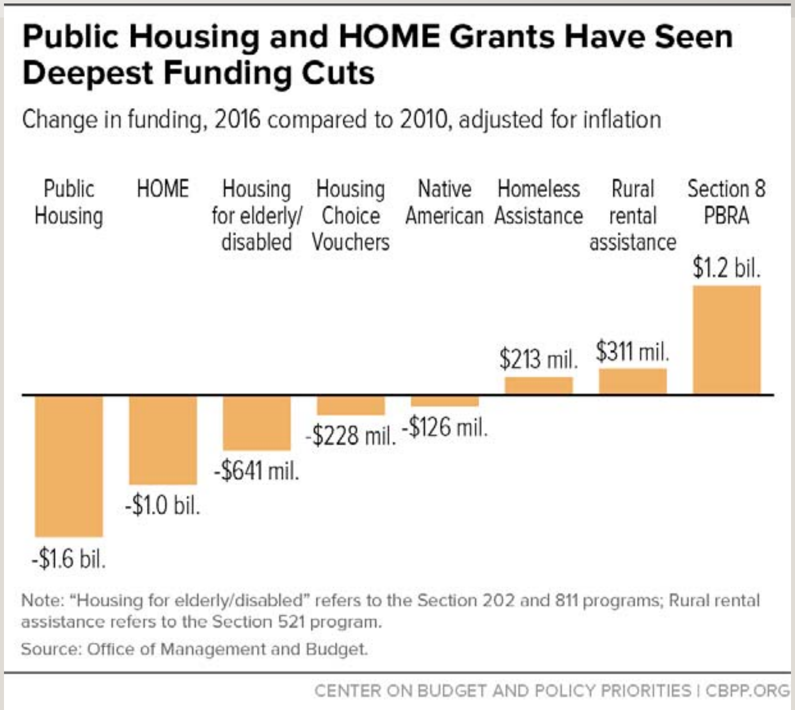
Extremely low-income = < 30% AMI
Very low-income = < 60% AMI
Low-income = < 80% AMI

AMI = Area Median Income

Food preparation and serving workers, farmworkers and laborers, nursery and childcare assistants, retail salespersons, bank tellers, veterinary assistants, bus drivers, college students
- Also can include fixed income households

WHY ISN'T THERE MORE AFFORDABLE HOUSING? HUD, RDA, AND THE FUNDING LANDSCAPE

- State Redevelopment funding impact
- HOME, PBV/HCV, public housing
- PHA 101: PBV vs. HCV
- Effects from sequestration
- Prevailing wage considerations
- Tax impacts on LIHTC



WHAT INCOME GROUPS EXIST IN OUR COMMUNITY?

<u>Market-Rate</u>

“Middle Income”
Up to double the AMI → Teachers, entry level nurses and other healthcare workers, public safety officers

“Upper Income”
More than double the AMI → Doctors, business and government executives, architects/engineers

USING THE **AFFORDABILITY** DEFINITION, WHAT HOUSING CAN THE RESIDENTS OF OUR COMMUNITY AFFORD?

1. HUD Affordable Income (LMI)

- Max household* income = $43,400
- Max affordable rent = $1,083
- Max PITI = $870
  - = $120,000 max PP

*All households in this and the following examples consist of three persons.

USING THE **AFFORDABILITY** DEFINITION, WHAT HOUSING CAN THE RESIDENTS OF OUR COMMUNITY AFFORD?

<u>2. Middle Income</u>

- Max income (3-person) = $85,960
- Max affordable rent = $2,149
- Max PITI = $1,886
  - = $320,000 max purchase price

<u>3. Upper Income</u>

Income greater than $85,960

ANALYZING UKIAH'S HOUSING SITUATION: IS THERE REALLY CAUSE FOR CONCERN?

1. What does the data say?

- U.S. Census vacancy rates
- Ukiah homeownership opportunities
  - Affordable income group = 0 homes
  - Middle-income = 10 homes (all $225,000 and up)
  - Upper = 37 homes (60% > $425,000)

- Ukiah rental housing opportunities
  - Affordable income group = 8
  - Middle-income = 6
  - Upper = 0

Homeownership numbers from MLS, 8/25/17. Rental information from Zillow.com, 8/29/17.

ANALYZING UKIAH'S HOUSING SITUATION: IS THERE REALLY CAUSE FOR CONCERN?

2. What do our housing stakeholders think?

Representatives from Community Health Improvement Plan – Housing Action Team (CHIP-HAT)
RCHDC
For-profit housing developers
Mendocino College Foundation
Ukiah Valley Medical Center
County of Mendocino

STAKEHOLDER COMMENTS

"There is a critical shortage in housing. The issue is complicated and misunderstood by the general public."

"Return on investment is the #1 reason that developers build."

"We need more housing for nurses and doctors. Housing [for purchase] in the $300,000s is not available."

"The City is in a good position to open the eyes of residents to more development."

"There is no opportunity for homeowners to move up [from lower cost to higher cost housing] in the housing market."
(see 8/27/17 article "Boom times for remodeling work in Sonoma County" The Press Democrat)

RESULTS OF ANALYSIS

1. Strong demand for affordable (LMI) housing and middle income housing vs. limited supply of rental and homeownership opportunities
2. Build-out limitations
3. Future employment expectations and housing nexus
4. Utility connection cost concerns
5. Social impact of housing market appreciation on community

TOWARDS DEVELOPMENT OF A HOUSING STRATEGY: WHAT HAS WORKED SO FAR?

- ✓ Fee deferral program
- ✓ Use of CEQA exemptions
- ✓ Pre-development meetings
- ✓ High density residential in commercially zoned areas
- ✓ Certified Housing Element
- ✓ Land assembly program, public-private partnerships

DESIGNING A HOUSING STRATEGY FOR UKIAH

STAFF RECOMMENDATIONS

City of Ukiah
COMMUNITY DEVELOPMENT & PLANNING DEPARTMENT

AFFORDABLE HOUSING STRATEGY

1. Create Ukiah Housing Trust Fund + Revolving Loan Fund (RLF)

2. Stimulate affordable housing development

3. Engage with developers and community stakeholders

4. Frame the message and seek out new partnerships

AFFORDABLE HOUSING STRATEGY
1. UKIAH HOUSING TRUST FUND + RLF

FUNDING PROGRAMS (SOURCES)

- Payments of interest and principal due to the City from borrowers of previous UHTF loans
- Home Investment Partnerships Program (HOME)
- HOME Program Income
- Community Development Block Grant (CDBG) – Housing Allocation
- CDBG Program Income
- Other federal and state grants
- Gifts or awards made by individuals or organizations

POTENTIAL ACTIVITIES (USES)

- New rental housing and homeownership construction projects
- Affordability preservation projects
- Land acquisition towards affordable housing development
- Single- and multi-family housing rehabilitation
- First Time Homebuyer programs
- Construction of Accessory Dwelling Units
- Predevelopment loans to assist developers with project feasibility studies and other studies for affordable housing projects
- Tenant Based Rental Assistance

REVOLVING LOAN FUND IN ACTION

CDP
Housing Division

UHTF

Housing loans

Developer

Loan repayment

1. UKIAH HOUSING TRUST FUND + RLF
WHAT IS AVAILABLE TO DEPLOY NOW?

2017 UHTF Potential Funding

Former RDA Housing Bond Proceeds =	$2,745,000
2016 HOME grant New! =	$ 500,000 (TBRA + FTHB)
HOME Program Income =	$ 102,000 (TBRA, FTHB, or Rehab)
Total available	$3,347,000

AFFORDABLE HOUSING STRATEGY
2. STIMULATE AFFORDABLE HOUSING DEVELOPMENT

UHTF Housing Bond funds = $2.745 million

- Loans to developers for new housing construction = 70%
- Land acquisition for future affordable housing projects = 15%
- Affordability preservation loans for at-risk units = 10%
- Loans/grants for predevelopment activities = 1-5%

AFFORDABLE HOUSING STRATEGY
FRAMING THE MESSAGE AND ENGAGEMENT (3,4)

1. Marketing message alignment

2. Developer meetings and Requests for Proposals

3. UHTF guidelines and clear performance expectations

Source: Opticos Design, Inc., www.missingmiddlehousing.com

UKIAH'S MIDDLE INCOME HOUSING MARKET

DESIGNING A STRATEGY

WHITE HOUSE SEPTEMBER 2016 REPORT HOUSING DEVELOPMENT TOOLKIT

“Local policies acting as barriers to housing supply include **land use restrictions** that make developable land much more costly than it is inherently, **zoning restrictions, off-street parking requirements, arbitrary or antiquated preservation regulations, residential conversion restrictions, and unnecessarily slow permitting processes**. The accumulation of these barriers has reduced the ability of many housing markets to respond to growing demand.”

“Housing regulations that allow supply to respond elastically to demand helps cities protect homeowners and home values while maintaining housing affordability.”

STRATEGY FOR MIDDLE INCOME HOUSING PRODUCTION: POTENTIAL IDEAS

1. Reduce barriers to development
   - Amend zoning ordinance to allow **by-right** residential uses in certain zoning districts
   - Reduce setback and parking requirements
   - Review and modify land use regulations, focusing on impact

STRATEGY FOR MIDDLE INCOME HOUSING PRODUCTION: POTENTIAL IDEAS

2. Revise LID requirements
   - Mitigation banks and offsite credits

3. Work with partners to develop new solutions
   - Airport Land Use Commission
   - County of Mendocino

STRATEGY FOR MIDDLE INCOME HOUSING PRODUCTION: POTENTIAL IDEAS

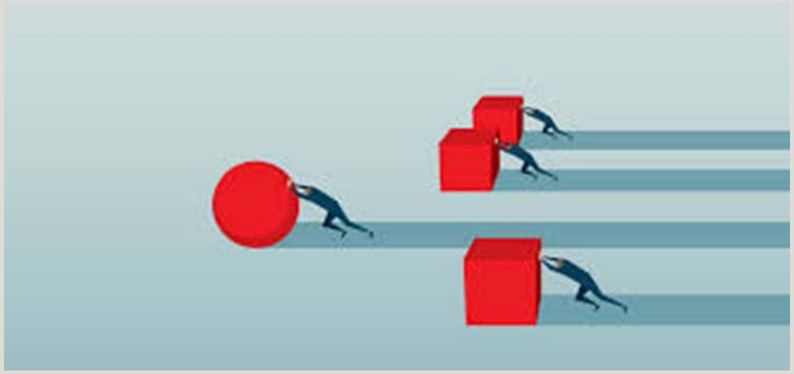
4. Develop Middle Income Community Benefit Zone
   - Innovative community benefiting zoning
   - Neighborhood Innovation Pilot Program (Boulder model)
5. Establish Middle Income Citizen Advisory Board

COMMENTS AND INPUT
PLANNING COMMISSION, PUBLIC

- Job creation, wages, being more business friendly
- Marketing of vacant/underutilized parcels and identification of wetland mitigation bank
- Smaller homes, increased density, reduced setbacks
- Increased regulation
- Subsidies/incentives and BMIR loans for low- and middle-income homeownership
- Education around entitlements and permitting processes

NEXT STEPS: CITY COUNCIL TOWARDS DEVELOPMENT OF A STRATEGY

1. Discuss staff recommendations (summary on two proceeding slides)
2. Hear public comment
3. Provide direction to staff on how to proceed.



STAFF RECOMMENDATIONS
AFFORDABLE HOUSING STRATEGY

1. Authorize creation of Ukiah Housing Trust Fund (UHTF) + Revolving Loan Fund (RLF)
2. Direct staff to develop UHTF and RLF guidelines for City Council adoption (with proposed deployment allocations)
3. Direct staff to develop long-term performance and administration procedures as part of UHTF guidelines adoption
4. Direct staff to present annual report on UHTF accomplishments

STAFF RECOMMENDATIONS
MIDDLE INCOME HOUSING STRATEGY

1. Direct staff to investigate zoning ordinances and UCC for housing development regulatory relief; prepare report for Council.
   - By-right residential uses in other zoning districts
   - Reduction of parking and setback requirements
   - LID and creation of offsite mitigation bank(s)
2. Appoint citizens for Middle Income Citizen Advisory Board.
3. Direct staff to work with Advisory Board to identify an Innovation Zone for community benefit zoning.

From: Craig Schlatter
Sent: Tuesday, July 25, 2017 1:00 PM
To: Ashley Cocco
Cc: Kristine Lawler; Shannon Riley
Subject: RE: Confirmation Request - City Council Special Meeting, Housing Workshop, August 30th at 5PM

Councilmember Scalmanini,

Thank you for your questions. There has been much discussion, both in the news and at the state and local level, about the housing crisis gripping much of the state. With a rental vacancy rate hovering around 1%, many housing stakeholders have described this impact as particularly acute here in Ukiah. New housing groups have been started specifically to pursue this issue.

In its FY 2017-18 budget, the Ukiah City Council adopted a $500,000 budget for the City's new housing division. This $500,000 is derived from former redevelopment agency housing bond proceeds and is expected to be deployed this fiscal year towards low- and moderate-income housing needs.

Towards development of a more long-term and holistic housing strategy, including intention behind deployment of housing bond proceeds, the Community Development and Planning Department is sponsoring the workshop and seeking policy direction from Council. Included in the workshop will be a discussion of staff recommendations for the City's new housing strategy, as well as presentation of feedback collected from community stakeholders. Because the Council has not provided direction on this issue yet, I had not planned to spend time in collecting additional empirical data (beyond what already exists) on the state of housing in Ukiah. If this is direction from the Council in the future, I would be happy to pursue this.

Please feel free to contact me directly with further questions.

Regards,
Craig

From: Ashley Cocco
Sent: Tuesday, July 25, 2017 12:08 PM
To: Craig Schlatter <cschlatter@cityofukiah.com>
Cc: Kristine Lawler <klawler@cityofukiah.com>
Subject: FW: Confirmation Request - City Council Special Meeting, Housing Workshop, August 30th at 5PM

Hi Craig,

Councilmember Scalmanini has some questions regarding the anticipated 8/30 Housing Workshop (see below). Please contact him with the details. Alternately, if you send the response to me I would be happy to relay it to Councilmember Scalmanini.

Thank you and have a nice day,

Ashley Cocco
Deputy City Clerk
acocco@cityofukiah.com
City of Ukiah
300 Seminary Ave., Ukiah, CA 95482
P: (707) 467-5720 – F: (707) 463-6204

From: Steve Scalmanini
Sent: Tuesday, July 25, 2017 12:01 PM
To: Ashley Cocco <acocco@cityofukiah.com>
Subject: Re: Confirmation Request - City Council Special Meeting, Housing Workshop, August 30th at 5PM

Thanks, Ashley. What is the reason for and objective of the workshop, who is sponsoring it, and what empirical data about housing will be provided to the Council prior to the workshop?
Steve

On 7/25/2017 9:17 AM, Ashley Cocco wrote:

> Dear Councilmember Scalmanini,
>
> Please confirm your attendance to the anticipated City Council Special Meeting - Housing Workshop scheduled for Wednesday, August 30, 2017, from 5:00 – 7:00 p.m., at the Ukiah Civic Center in the Council Chamber. Please confirm your attendance by accepting the Outlook invitation (originally sent June 6th) or simply reply to this message. Thank you.
>
> ---
>
> Dear Mayor and Councilmembers,
>
> A City Council Special Meeting - Housing Workshop is tentatively scheduled to take place on Wednesday, August 30, 2017, from 5:00 – 7:00 p.m., at the Ukiah Civic Center in the Council Chamber. Please confirm your attendance by accepting this Outlook invitation or by replying to this message.
>
> Brown Act Notice: Do not "reply to all" from this email. Please contact me directly for clarification and/or questions.
>
> Thank you,
>
> **Ashley Cocco**

Deputy City Clerk
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Ph: 707-467-5720
Fax: 707-463-6204
Email: acocco@cityofukiah.com

August 25, 2017

City Council

300 Seminary Ave

Ukiah, CA 95482

Dear Mayor Brown and Council,

For many years the Planning Commission has approved housing projects that were never built. When I asked city staff at a January 13, 2016 Planning Commission meeting the reason for this it was stated that it was probably due to the economy. <u>Is it simply that our lack of safe and affordable housing in the City is purely economic or are other factors at play?</u>

I thank you Mayor Brown for attending the August 24th Planning Commission pre-workshop meeting and for hosting a City Council housing workshop for the public and interested stakeholders this Wednesday, on August 30 from 5-7 pm. I hope it is well attended and that you hear additional public testimony about the problem. Certainly, there has been plenty of anecdotal information about people living in substandard housing in Ukiah and paying high rents. I am sure you have already heard from families and individuals about their frustrating search for decent housing not only in the low-income category but also workers looking for market rate apartments and quality single-family homes.

The City of Ukiah's Housing Element document adopted in 2015 provides important information about our area and what is troubling is the reported rental vacancy rate of 1.5%. <u>How did we get to that extremely low-level?</u> Yes, there was a terrible recession and lenders pulled back from lending and development slowed. Yes, contractors are retiring and fewer younger people are choosing the trades. Yes, the state of CA has regulations because of drought, earthquakes, etc. Yes, land cost more here to build. Yet, despite the above challenges our neighbors to the South have significantly added to their housing stock by building multi-family units while incorporating Low Impact Development standards.

Of course, we need to identify some solutions and staff have made some initial recommendations. Council I do request though that before moving ahead with drawing up a short and long-term plan for addressing this critical need please take care to have a clear and full analysis as to <u>why in Ukiah we have a severe housing shortage</u>.

If I may offer some questions and my own personal comments that I hope the City Council will address in this workshop and in the near future:

1. **How many units do we need to stabilize?**

   The PEP housing project is a good start-

2. **Is the City adequately informing the public about their programs funded by the state and federal government to stimulate affordable housing both new and existing and how one can apply to these programs?**

   More publicity could be enhanced in all forms via print, social media, etc.-

3. **Is the Planning and Community Development Department doing all they can to encourage housing development given their limited resources (personnel and budgetary)?**

   A small department with a majority of new employees and with the loss of a well-regarded building inspector poses significant challenges for staff-

   In 2015 the City implemented Planning Permit Streamlining and Rapid Review Wednesdays. In a promotional publication produced by the City it states “Ukiah’s development fees are 50-60% lower than other cities in the area…” Personally, I currently have a City issued permit for developing a single-family home that is active and I and my contractor have received professional, courteous and responsive service from the Planning Department-

4. **Does the Planning Commission hinder housing development?**

   I believe that the Commission has not denied a single application in approximately 15 years-

5. **Do the City’s municipal regulations discourage development?**

   The City does not have an Affordable Housing Impact Fee Program nor ordinances for inclusionary housing, historic preservation or tree preservation like many other California cities and counties-

Most sincerely,

Linda Sanders

Planning Commissioner

Cc: Sage Sangiacomo, City Manager

Craig Schlatter, Director of Planning and Community Development

Shannon Riley, Deputy City Manager

To: Ukiah City Council

From: Mary Anne Miller

646 Dora, Ukiah

Re: Workshop on Housing August 30, 2017

Housing. The word “housing” means so many things; the word means different things to different people: from simple shelter in a mobile home to a comfortable family home set in spacious nature. The typical home in Ukiah is one unit sitting on a private lot with trees and landscaping. Here are some questions to be answered before taking action on housing:

· What is the available supply of housing in Ukiah? Is Ukiah deficient in supply of housing?

· Based on the housing supply, what is the need and in what category? Should more housing be built in certain categories or all categories in Ukiah?

· Is available housing affordable to Ukiahans?

· What is “affordable” housing in Ukiah?

Market rate housing was once thought to “trickle down” to lower income levels and eventually become “affordable”. That concept has been demonstrated to be untrue; as one example, older, fixer-uppers in the Bay Area are eagerly snapped up and rendered unaffordable by extensive renovation and/or expansion.

Fresh thinking is required. Housing is no more than Land plus Construction. Developers look for cheap land and proximity to a built-up area so that the cost of extending services won’t be too great. Thus there is the common push to put housing in agricultural land—a phenomenon common to many locations in California and a detriment to quality of life for all.

The City is presently in control of a considerable amount of land, which, if used for housing, could greatly reduce the cost of new housing. The land is under asphalt, in the form of city-owned parking lots that are undersubscribed for parking. The city’s inventory of its own parking lots reveal that about 30% of these lots are unused! More space will be unused when the County ‘s new courthouse comes on line and shifts parking demand to the southeast of the downtown.

Encourage new housing on city-owned land? Why not? That would cut the cost of market-rate housing and put residents within walking distance from downtown. Proximity to downtown would allow reduction of the requirement for off-street parking. A Car Share program, something Ukiah should seriously promote, could easily fill the occasional need for a vehicle in these cases.

Recommendations

1. Transform some or one or part of one city-owned parking lot(s) into Land for housing development. Rezoning will be necessary, as will the waiver for off-street parking in cases of walkability to the downtown. Since housing needs vary in size and type, downtown housing would fill the need for compact rentals.

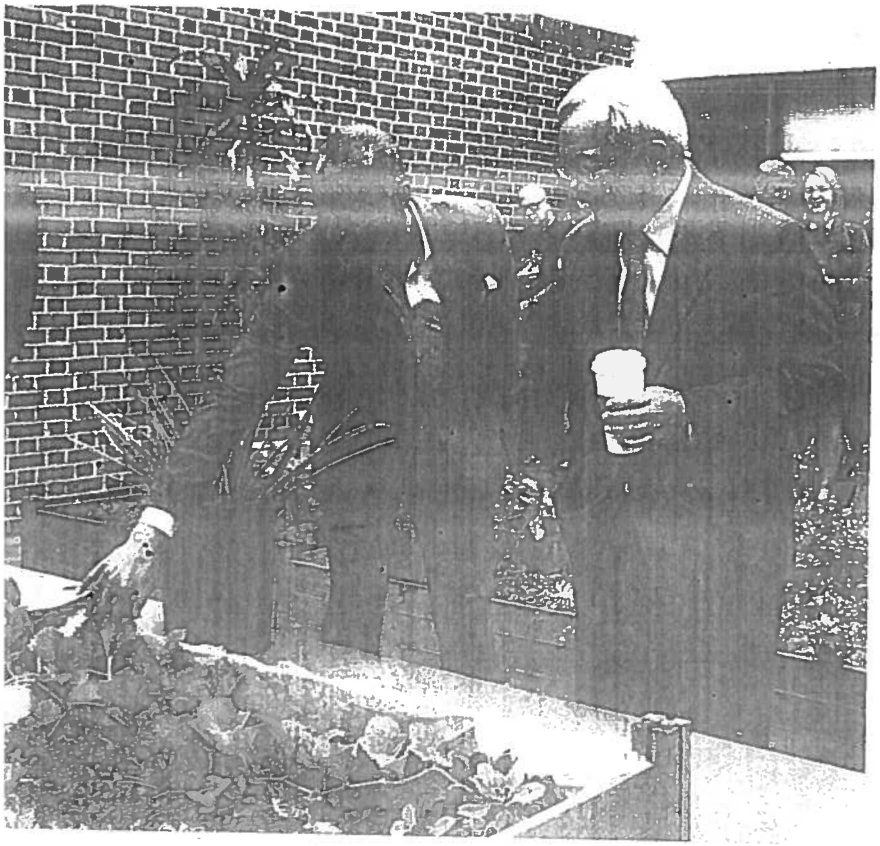
2. Determine how many units should be a single-family houses, how many townhouse-style housing, how many small apartments, including studio apartments, has not been estimated for Ukiah. How many units should be directed to owner occupied and how many to the rental market needs to be determined.

3. Explore the concept of “tiny houses”, some as small as 300 or 400 square feet, needs to be explored. These tiny houses already abound in Ukiah. Millennials do not necessarily want the responsibility for upkeep of a larger home.

Francisco Chronicle

Correspondence received - Sunday

, August 30, 2017 | PRINTED ON RECYCLED PAPER | $1.50 ★★★★★



Mason Trinca / Special to The Chronicle

tor of the Positive Resource Center, shows Mayor Ed Lee the raised garden
gation Center at San Francisco General Hospital.

e from the streets
most challenged

ter shelters the mentally ill, addicted

"As we've been able to expand Navigation Centers in the city, we've been able to articulate different needs that our system has, and this is clearly an important gap to be filled in our system, one around behavioral health and providing care to people in that kind of crisis," said Sam Dodge, a deputy director at the city's homelessness department.

Beginning Wednesday, the Hummingbird Center will offer four overnight beds to eligible adults who can be referred there from a number of city health agencies and the Department of Homelessness and Supportive Housing. The center will open another 11 beds in December.

On a tour of the facility on Tuesday, Mayor Ed Lee said he [illegible] the city's most vulnerable homeless people can find a clean, calming space to begin to recover and move toward more stable housing.

"We need more of these places for people to have sustained sup-

Homeless continues on A8

State's leaders focus on housing

Brown, legislators work on package of major bills

By Melody Gutierrez

SACRAMENTO — California would take on the problem of soaring rents and a scarcity of affordable homes under a package of housing bills that could come up for a vote as early as Friday.

Legislative leaders and Gov. Jerry Brown have spent the past few days negotiating details in the bills that make up a package of housing solutions, and are expected to announce a deal this week.

"This isn't just a threat to San Francisco," said Sen. Scott Wiener, D-San Francisco. "Sometimes housing gets portrayed as a San Francisco/Bay Area problem. This is a contagion that is moving around the state and spreading like wildfire. Parts of California that have always been considered affordable aren't anymore."

Among the bills is one that would ask voters to approve $4 billion in bonds next year to build more homes and make existing ones more affordable. Another bill would create a new real estate fee to generate $250 million a year to be spent on alleviating the massive shortfall of housing in the state. Both of those bills would require approval by two-thirds of lawmakers in the Senate and Assembly to reach Brown's desk. [illegible] both bills.

While a deal appeared imminent, legislative sources said the final details were being worked out on exactly how many bills would be included in the package.

Lawmakers are eager to finalize the deal, saying the state's housing crisis needs immediate attention.

Housing continues on A8

INDEX

...makers focus on solving state housing crisis

...ing from page A1

...alifornia's housing short- ...was exacerbated when the ...e cut its 60-year-old pro- ...n that infused $1 billion a ... into redevelopment agen- ... which set aside a portion ...nding for affordable hous- ...The loss of that money, ...g with the existing afford- ...housing bonds drying up ...local governments creating ...ictions on developments ...led to a decrease in hous- ...tock.

...very year I'm told next ...we will do housing," said ...mblyman David Chiu, ...n Francisco, chair of the ...mbly Housing and Com- ...ity Development Commit- ..."We have to get it done ..."

...e California Department ...ousing and Community ...lopment said over the past ...de developers built an ...ge of 80,000 homes in ...ornia each year, far short ... 180,000 needed each ...In prior years, about ...00 homes a year were

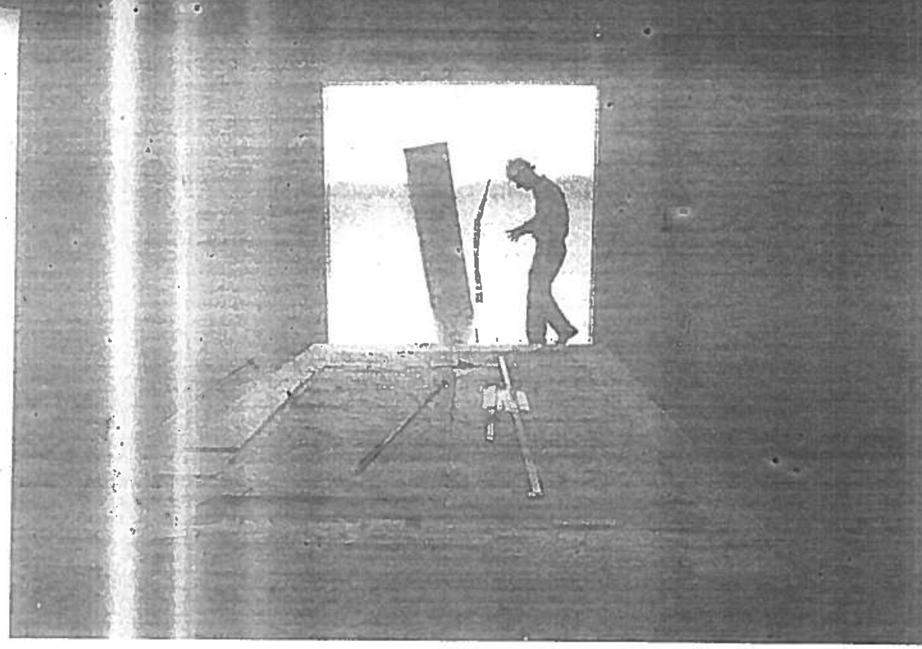
...he housing crisis not only ... millions of Californians ...g to pay the rent or buy a ..., it is a drain on our econ- ...and a danger to our fu- ture," Assembly Speaker Anthony Rendon, D-Lakewood (Los Angeles County) said in a statement.

SB2 by state Sen. Toni Atkins, D-San Diego, would create a permanent $250 million-a-year fund for low-income and affordable housing. The fund would be supported by a new $75 to $225 recording fee on real estate documents and property transactions, such as deeds and notices of default. The fee would not include home sales.

Opponents of the bill, including the County Recorders' Association of California, said the fee would hurt small contractors placing or removing a mechanics lien and others needing to file recording documents.

The bill calls for the bulk of the funding to go to local governments to build housing, make existing housing more affordable with rent subsidies or down payment assistance and create permanent or temporary shelters.

"We have 130,000 estimated homeless people in this state," Atkins said. "We have many millions more, and I'm not kidding, who are on the verge of homelessness because of rising rents and the inability to own a home."



...affordable is the aim of a package of new bills in the Legislature. Here, a 136-unit rental housing project is going up in San Francisco's Bayview district in 2015, as a construction worker attempts to complete one of the units.

Liz Hafalia / The Chronicle 2015

SB3 by state Sen. Jim Beall, D-San Jose, would ask voters in 2018 to approve $4 billion in general obligation bonds to build more rental housing for low-income families and to fund other existing housing programs such as developments near mass-transit centers. Of that, $1 billion would be slated for the state's veteran home loan program, which would otherwise run out of money mid-2018.

Beall said lawmakers have been working with a sense of urgency after years of failed attempts to address the state's housing crisis.

"We are spending billions of dollars on housing in prisons and county jails instead of helping people get into housing in their communities," Beall said. "I think there is something wrong with that value system."

So far, the only other bill Brown has indicated he supports is SB35 by Wiener.

SB35 would streamline the approval process for new housing units in cities that aren't creating the amount set by state law.

Brown's office did not release additional information on bills the governor supports or opposes, but several others have been included in ongoing discussions with legislative leaders and Brown's office.

Among those bills are legislation to strengthen the state's Housing Accountability Act, which bars cities from turning away development for arbitrary reasons, such as complaints by neighbors who oppose change. AB73 by Chiu would give cities financial incentives to rezone developments near mass transit for high-density housing.

"Rent is too high, mortgages are too expensive and workers aren't able to afford to live in the communities they serve," Art Pulaski of the California Labor Federation said. "Teachers, firefighters and cops always tell us stories of San Francisco and how they have to commute hours to get to work."

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