



**HOUSING ELEMENT UPDATE 2006-2014
CITIZENS' ADVISORY COMMITTEE
APPROVED MINUTES**

Monday, April 21, 2009

10 – 11:30 a.m.

Location, City Hall - Mayor's Ceremonial Room (7th Floor)

3900 Main Street, Riverside CA 92522

Planning Division Office - 951-826-5371

Members Present: Benavidez, Holley, Ruiz, Singletary, Terando, Thompson, Van Doren,

Members Absent: Baum, Berzansky, Ford, Mayes, Teer

Staff Present: Jenkins, Darnell, Bouska, Gutierrez, Yerdon, Gonzales, Smith

1. Open Meeting

Chair Singletary called the meeting to order.

- 2. Oral Communications from the audience.** *This portion of the meeting specifically set aside to invite public comments on matters of interest to the Committee that are not included on the agenda. If there is no one from the audience wishing to speak, the Committee will move to the next item.*

Chair Singletary asked if there was anyone in the audience that would like to speak. There was no one requesting to speak, Chair Singletary introduced Diane Jenkins, Principal Planner.

3. Welcome and Introduction

Ms. Jenkins welcomed and thanked everyone for attending today. She introduced Doug Darnell, Senior Planner and Mark Hoffman, consultant with The Planning Center.

4. Purpose & Update on Process

As the first order of business, Mr. Darnell asked the Citizens Advisory Committee to vote on the minutes of August 18, 2008.

Motion by Mr. Thompson and Seconded by Ms. Ruiz: To approve the minutes of August 18, 2008. Motion passed unanimously.

Mr. Darnell reviewed the purpose of today's meeting. Staff is anticipating two additional meetings of this Committee, followed by a review by the Planning Commission and ultimately the City Council. He stated that Mr. Hoffman would begin with an overview of the housing needs. After Mr. Hoffman's presentation, the committee members will be asked to provide information with regards to the question sent out to the members earlier: "If you had 3 minutes to talk to the Mayor or City Council, what would you say are the three critical needs in Riverside with respect to services and housing?"

5. Housing Needs

Mr. Hoffman provided a presentation of the housing needs in Riverside.

6. Roundtable Comments. *This portion of the meeting is to get CAC input on the following question: If you had 3 minutes to talk to the Mayor or City Council, what would you say are the three critical needs in Riverside with respect to services and housing?*

Following Mr. Hoffman's over view of some of the constraints and needs the City has, Ms. Jenkins asked the Committee if they had 3 minutes to talk to Mayor and City Council, what would they say were three critical needs in Riverside with respect to services and housing.

Mr. Benavidez said that he believed affordability needed to be near the top of the priority. His understanding his that, although there are currently existing affordable units most are 100% occupied. He is specifically involved in a couple of units where the available units were all taken up from day 1. His assumption is based on what he has seen and that affordability is still an issue. Some of these affordable units will sunset, whether 2011 or 2021, and may revert back to market rate. The second issue he thinks is critical is the location of these units. The units need to be located in areas that are nearby goods and services which cut down on other expenses that these low to moderate income households may experience. Aside from goods and services the units should be located near local fixed bus routes and transportation as well as schools and parks. The last one, as a disabled individual, his concern is accessibility. He knows there are ADA laws and requirements anytime a new property is developed that it must be accessible to and usable by persons with disabilities. This may not be a major priority because of these laws but he felt it was something that needed to be looked at as far as the City's short and long term plan.

Ms. Ruiz agreed with Mr. Benavidez' comments, there are not enough accessible low to moderate income units. Senior housing will be rising and housing isn't always accessible to the needs of the seniors. They also need to have access to marketing and services around them. These are important issues as well as the background issues of water, power and the services needed to service more housing. We already know there is going to be water and power shortages, and these are issues that need to be accommodated when looking at the three areas of concern.

Mr. Van Doren said he would like to see the Plan include more resources towards making the existing or refurbished housing more accessible. As the population of seniors gets larger, they will have functional restrictions which can be alleviated by minor modifications that could allow someone to stay in place. The City has a good plan now for providing grants for people with disabilities to make modifications to both house owners and renters which is a good feature. Riverside is one of the few cities that do this. If it were possible to have these programs and allow people to start making these modifications, even if they are not disabled. Perhaps programs similar to the electric rebates or a tax break for the owner when they spend a certain amount on modifications to their home. Refurbishing existing housing is definitely a smart way for the City to plan as opposed to building new affordable housing. It is good to hear staff talking about this and looking at that as affordable housing. He would also think that the planners are looking at the Circulation and Land Use Elements in combination with housing so that affordable and high density housing can be located to benefit from transportation services. Many people do not want higher density housing but there are many high density projects that are very successful for seniors, people with disabilities and very low income. These projects must be designed and managed correctly so that they can be successful and it makes it much more affordable, higher density is not necessarily a bad thing. He would like to see the City maintain a diverse population and towards that goal affordability for low income and seniors would be at the top of his list. With regards to accessibility there are State guidelines for livability or a "universal design" for features in a home or apartment that keep it accessible. He suggested that planners keep this in mind when reviewing new projects, always ensuring that projects include accessibility features such as elevators, etc.

Ms. Jenkins mentioned that in the recent General Plan update staff did tie in the Circulation and Land Use Elements placing the high density residential along the Magnolia / University Corridor close to the bus rapid transit. Staff will also make sure that the Housing Element is consistent with

these elements as well.

Mr. Thompson agreed with Mr. Van Doren's comments. The City has done a great job over the years in planning and providing mixed uses and high densities. The State has a lot of requirements that must be met but where possible, don't be afraid to think outside the box. Secondly, he strongly discouraged inclusionary housing/zoning. He has seen this come up in other city's Housing Elements and it is something the BIA recently sued the City of Patterson over. He stated he wanted to lay the ground work on this issue with regard to the BIA's position. He stated that there are a myriad of tools available for affordable housing other than inclusionary zoning.

Chair Singletary said that if the bulk of the housing needs appear to be moderate to low income housing, he felt the focus should also be on public transportation. The transportation issue needs to be included in the Plan and studied. Obviously if someone can't afford a car, they need to use the bus or what ever transit the City can provide. He also felt that parks were a big part of the housing issue. There are many tracts that are approved by the City which include park land that has been set aside by the developers. We want to have nice housing whether high or low but the park lands are always slower in developing or placed on the back burner. Schools are also a very important factor and should also be included in the Plan. He thought the City has done a marvelous job recently, holding developers to a higher standard, more amenities and more open space requirements. The houses are sometimes closer but open space is important because this is where people socialize and kids play. As Ms. Ruiz said, we have a problem with electricity and it is going to come and bite us again. Even though, the City is in a very good situation water wise, it doesn't mean we don't need to look into conservation. The City should see if it is possible to implement new technology such as solar energy into new developments. If these new homes generate a lot of their own power, it takes them off the grid which leaves it for other uses. Also, using the WQMP's (Water Management Programs) can the City recapture the grey water from homes to water the lawns or plants? These items should also be incorporated into the plan and some sort of rebate program developed for existing homes so that they can also incorporate these systems.

Mr. Terando stated that his focus would be on what it would take to achieve these ideas. He heard a lot of good ideas but every idea he has heard has big dollar signs associated with it. Therefore, the reality should be how do we get those dollar signs down? The first thing he would look at is the cost of fees. In the City, he would estimate approximately \$48,000 - \$64,000 in fees that must be paid on a new unit. These fees do not do anything to put a stick in the air. He suggested working out subsidies and other programs to help with the development and fees to develop from the ground up new units. He explained that there is always a cost to carry a development involved and it is expensive. The cost it takes to process a development from start to finish is not measured in weeks or months, but in years. The developer has to buy and control the land for years. During these years and with the economy changing so rapidly, what was a good buy in 2005 is a horrible buy in 2008. Therefore a developer purchases the land, plans out the development in advance to meet these needs but during the years it takes to develop the project an economic cycle can come and go in that timeframe. There has to be a way to expedite the process. This is a critical element for developers. The City of Riverside, comparatively speaking, is a much better place to develop. The City is leaps and bounds ahead of many of the other cities in California. Density bonuses are also critical for developers. If subsidized units are required, then they need more units to be able to take those costs. There are good ways to do this and he has worked on a number of projects in the City with the Planning staff. Outside of the box, there is one big issue when talking about condominiums. By nature, 99.9% of all condominiums built, are sued. If the City could offer some kind of subsidized insurance that would help the developer from a plaintiff standpoint to cover construction liability issues. If the developer meets certain construction standards, if they are building to a higher standard, and if they build to these standards and have the inspections to those standards, maybe the City could help subsidize those insurance costs to allow the developer to go forward and build higher density condominiums. Otherwise, the developers are very, very reticent to build a condominium. The last issue he would like to address is the foreclosure stock. There is a great

opportunity today, should the City find a way to buy foreclosed properties. The replacement cost of a foreclosed property is below the cost to build a new house today. A foreclosed home can be bought today far cheaper than he could build a new home. If there is anyway that the City can move forward on this quickly, there is that window of opportunity. If it takes five years to study this, the window will be gone.

Ms. Jenkins thanked Mr. Terando and stated that the committee would be hearing more on that subject at the next meeting.

Ms. Ruiz said that she does credit counseling for the Housing Authority for their HUD, Section 8 Program. She speaks with a lot of the individuals in that low income bracket and a lot of them are trying to get out of the area. The biggest complaint they have is accessibility. A lot of them live in Perris, and Romoland, very few of them live in Riverside because there is nothing affordable for them. Even those using the Section 8 Program can't afford it.

Mr. Benavidez said that he appreciated hearing from the developer's side of things as it enlightened him about issues he was not aware of. From his standpoint, it is easy, because of practice and experience, to advocate for those that are low and moderate income. He also believes that disability is an issue that requires some priority but there also has to be a balance. This City has its low income properties and high end beautiful multi-million dollar homes. There is nothing wrong with them in the City because the City needs these high end properties attracting people of affluence to the community. The developer brought in some interesting points of how do you build stock that is affordable in today's climate. The rules and laws that currently exist almost make that impossible but he is aware that there are certain tax credit programs that are pretty much equivalent to their profit margin.

Ms. Jenkins agreed and noted that at the next CAC meeting on May 27, staff has invited some service providers that the City currently works with. The Committee has heard today what the City is up against and what its needs are. The service providers will present their programs and how they can help fill the gap. She noted that the Housing Element has many more gaps that need to be filled which is why she encouraged the Committee to think outside the box and come up with tools that will help the City and developers fill those gaps.

Mr. Darnell asked if anyone had anything they wanted to add.

Mr. Terando commented that with regard to inclusionary housing, they have been able to work out a compromise in other cities that the City of Riverside maybe interested in. They have been able to figure how many affordable units they needed in a certain project and instead were able to go out and buy stock in the City and substitute that stock for the development. If he is unable to provide the affordable housing in the development due to prime location, he could go out purchase 20 units throughout the City of equal value and rehab those. In this way, he is able to buy a cheaper unit and fulfill the requirement.

Mr. Van Doren added that due to his job experience, he works with a population for which rental properties are actually in high demand. Many people have moved out of their foreclosed houses and are moving into rental units. He did not see the cost of rentals going down in the near future because of this.

Mr. Hoffman commented that there are probably some differences with the income level of the resident. Over all, we are starting to see rents soften but those include a lot of the higher end units. They do not include the moderate and lower income units. These units are always in high demand, just looking at the HUD waiting list, that won't change much.

Mr. Terando indicated that the City of Riverside is in a unique situation where a lot of people who

have been foreclosed out from the inter-lands, Hemet, and were paying \$1,500 - \$1,600 a month for a house which now rose to \$2,000 a month. They can afford \$1,600 but not \$2,000. Add to this that they work in Orange County or Riverside and what he is finding is that they are coming from the outside areas to Riverside. Riverside has the services they need and they have the ability to rent at \$1,400 - \$1,600. He believed this was what Mr. Van Doren was referring to. The City of Riverside is receiving a lot of in-migration from the surrounding cities. The people lived in these areas because they wanted a home but now that they've lost it, they would rather live in Riverside. He did not see rental prices going down either. This is an interesting shadow market if you will, controversial to what you normally would think would happen.

7. Next Steps

Mr. Darnell thanked everyone for their comments and outlined the next steps between now and the next CAC meeting. The next meeting is scheduled for May 27, 2009 at 3:00 pm, same location in the Mayor's Ceremonial Room. The purpose of the next meeting is to invite service providers, people that deal with a variety of housing issues, to speak to the CAC and talk about their programs. There are three entities that have been lined up so far: Habitat for Humanity, Mary Erickson Community Housing Corporation, a nonprofit developer and Riverside Housing Development Corporation, also a non-profit.

Mr. Thompson asked if staff had looked into HomeAid. They are located here in the City and provide affordable housing. He was not sure who their target was but he would contact them and have them get in touch with Mr. Darnell.

8. Adjournment

Chair Singletary adjourned the meeting at 11:30 a.m.