



Commentary

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Messages to the new board, part two

Where's that affordable housing?

THE EXECUTIVE COMMITTEE OF THE SIERRA CLUB SANTA LUCIA CHAPTER

Editor's note: This is the second of five monthly Sierra Club commentaries devoted to policy recommendations for the incoming board of county supervisors.

This would be a good time to talk about unchecked market forces, yes? We're referring to the boom-and-bust real-estate cycle that created a seemingly endless demand for large, expensive new houses, many of them now unfinished, hollow casualties of the culture of greed—as the chimera of affordable housing seemed always to recede in the distance. Financial assistance for affordable housing programs, you may have heard, was deleted from the \$700 billion Wall Street bailout before Congress passed it. So, we're on our own.

There is solid a consensus across all sectors of our community that the county's lack of affordable housing reduces our region's long-term economic vitality and weakens our social fabric. But is placing more regulations on homebuilders during hard times the answer?

“Of course not!” say the builders. Even in good times, they fight any effort to regulate their industry. (Our profit margins are too thin! The labor pool is too shallow!) According to the Home Builders Association, there is never a good time to require affordable housing. But history has shown that in the absence of regulation, builders continue to build more and more expensive homes. The new San Luis Obispo Board of Supervisors would be wise to impose regulations now, not later. Let the industry get a clear understanding of the new rules while the market is down, new market-rate housing is not being built, and the existing glut of unsold inventory gets absorbed. Now is the time for the industry to plan for better times, with new rules in place that require affordable units as a condition of new development.

Voluntary incentives and permit streamlining, the mantra of the builders, won't do the job. You, the supervisors, will shortly have before you an inclusionary housing ordinance; one that county staff has called (meaning it as a compliment) the most "developer friendly" ordinance they have seen. Indeed it is. But the current draft ordinance will not, in fact, result in any meaningful inclusionary housing units built by a developer, on site, at the same time as market-rate units. The Board needs to assert leadership on this issue, not defer entirely to working groups and task forces that have been inappropriately influenced by economic special interests.

First, you should adopt a simple, straightforward inclusionary housing ordinance that emphasizes the construction of units on site, at the same time as market-rate units are built, at the rate of 20 percent of the market-rate units. Discourage in-lieu fees, off-site mitigation, and the "phase in" of requirements.

Second, create a new land use designation for mobile home parks that includes a single allowable use: the operation of a mobile home park. This will prevent conversions, unless the owner wants to undertake a General Plan Amendment. Re-zone most or all existing mobile home parks with this designation.

Third, amend the Condominium Conversion Ordinance to specifically exclude Cal Poly rental housing units from the annual inventory of rental housing allowed to be converted to condominiums. The number of condo conversions allowed in any given year is limited to a percentage of the number of new rental units that have been created in the previous year. As Cal Poly builds more student housing to accommodate growing enrollment, the county is counting those houses and dorm rooms in the calculation for approval of countywide conversion of rental apartments to ownership condominiums, resulting in a net loss of affordable rental housing stock. Cal Poly's student housing is limited to students and would not be available to people displaced by conversions, but county staff wants to count the increasing number of student-only rentals as a basis for the reduction of the county's rental housing stock. Staff asserts that this calculation is appropriate, despite the unanimous objection of the planning commission.

Fourth, in the long term, take the lead in working with the cities to create a countywide housing authority. Representation on that body could include the Board of Supervisors and a member of every city council. The authority could receive funds from all county jurisdictions, including, but not limited to, existing affordable housing fees, and future linkage and in-lieu fees, and would negotiate plans and agreements with the cities to direct those funds to appropriate areas that have adequate infrastructure. The authority could be responsible for enforcing deed restrictions on affordable units, and screening qualified buyers for those units, or work with a nonprofit to administer parts of the program. A countywide housing authority would be a mechanism for all land use agencies in the county to collectively determine how best to address our critical housing shortage.

We need to move toward more affordable workforce housing in well-designed communities, and away from more sprawl, more rural subdivisions, and more lost agricultural land. It all starts with the right inclusionary housing ordinance. If an ordinance were to include only an assortment of options that builders "may" choose instead of requirements for conditions they "shall" implement, that ordinance will accomplish nothing. Fear not that builders will make good on inevitable threats to go elsewhere: There is only one California Central Coast, and a lot of people want to live here. And once they find that they can purchase a home here on the salaries that local employers can afford to pay, you will have secured our economic future.

Our county can have one of only two possible futures: Either we will have vibrant, thriving communities, made up of people from all walks of life who are able to live and work in the same place, or we will have a series of isolated, gated enclaves for the have-mores, and, at a distant remove, decaying neighborhoods for those who serve them.

If the interesting times in which we now find ourselves are telling us anything, it is that an economy cannot prosper without a strong, thriving middle class. A housing policy founded on this principle, rather than simply serving the favored few, will result in a healthy, balanced economy for the Central Coast that will benefit everyone.

The Santa Lucia Chapter represents the Sierra Club's 2,500 members in San Luis Obispo County. The Executive Committee is Karen Merriam, Jack Morrow, John Ashbaugh, Cleve Nash, Steven Marx, and Cal French.