



RENT TRUST ACCOUNT PROGRAM (12-9-13)

What is a Rent Trust Account Program (RTAP)?

- * A Rent Trust Account Program (RTAP) is a **cost effective and efficient** way to improve housing that is a threat to the health and safety of Long Beach residents.
- * This Program would be at no cost to the City, it would repair substandard units and it would protect tenants from unfair retaliation.

How does it work?

- * If a unit has an outstanding code enforcement order for problems that **affect the health and safety** of the residents and the problems haven't been fixed within the time allotted by the order (including extensions), **residents can begin paying their rent to the City.**
- * The City can **reduce a tenant's rent** based on the nature and severity of the code violations.
- * The City **holds the rent in a dedicated account** until the repairs are made to the unit. Owners and tenants can **withdraw money from RTAP to make repairs and to prevent the utilities from being shut-off.** Once the owner has made the necessary repairs and they have been approved by the City, the City pays the owner the remaining funds.
- * The Program is **funded entirely by a monthly administrative fee** paid for by the tenant and the owner.
- * **Community outreach** to both tenants and owners is critical to the success of the Program.

What are the benefits?

- * RTAP is a cost effective way to **improve the quality of Long Beach's existing housing stock.**
- * Tenants are **protected from retaliatory evictions and rent increases**, which are the primary reasons tenants don't currently report code enforcement violations.
- * RTAP results in **better relationships** between tenants and property managers.
- * RTAP funds can be utilized to **make repairs and prevent utility shut-offs.**
- * Properties referred to RTAP are afforded due process through an appeals process.

What other cities have adopted such programs?

Many cities in California have adopted similar programs as a cost effective way to improve the quality of the existing housing stock. Such cities include: Los Angeles, Sacramento, Oakland, Santa Monica, San Francisco and Elk Grove.

For more information, contact Kerry Gallagher at kgallagher@housinglb.org or America Aceves at aaceves@housinglb.org

HLB's Proposed Policies for the Housing Element (HE)	What's Currently Included in the Draft HE	HLB's Comments and Proposed Revisions
<p>City-wide Mixed-Income Housing Policy (Inclusionary Housing)</p> <p>-Mixed income housing is a critical tool for housing creation and it will help to desegregate Long Beach neighborhoods. 170 cities in CA already have such policies.</p>	<p>No mention in the Draft HE</p>	<p>-The HE should be revised to say:</p> <ul style="list-style-type: none"> -Staff will present a City-wide mixed income housing ordinance to the City Council for consideration and adoption by Oct. 2014. - The Ordinance should include a 10% Very Low Income requirement for new apartment buildings and a 10% Moderate Income requirement for new condo developments. These affordable housing requirements should be tied to incentives, such as increased density and reduced parking. - These affordable requirements are particularly important for transit oriented developments (TOD's), to ensure that lower income riders who primarily use transit live near it and to offset the impacts of displacement and gentrification that often result from TOD's. -If an in lieu fee is permitted, it should be set at the economic equivalency of providing the affordable units on-site.
<p>Permanent, Dedicated Local Sources of Funds for Housing, such as Boomerang Funds and Linkage fees</p>	<ul style="list-style-type: none"> - "The City will be <i>exploring options</i> to identify specific funding sources for the Housing Trust Fund." The City will "<i>research potential</i> redirection of condo conversion fees and other fees." (P. 123) - The City will consider the "<i>potential uses</i> of a variety of funding sources available to the City including funding that is anticipated to be available from the successor agency pursuant to AB 1484." (page 121) 	<ul style="list-style-type: none"> - This language is vague and does not include any real, tangible commitments or solutions. - AB 1484 funds are uncertain. It is unknown whether they will come to fruition and it is also unknown how much money might become available. - The HE needs to include local revenue sources that are currently available. - The HE should be revised to say: - The City will dedicate 20% of Boomerang Funds annually towards affordable housing development, for the next 8 years, beginning with FY 2014-2015. - Staff will present a Commercial Linkage Fee Ordinance to the City Council for consideration and adoption by October 2014. The Ordinance should include a linkage fee of \$5.00 per sq. ft. on new commercial development (i.e., hotel, retail, restaurant and office) and \$2.00 per sq. ft. on new industrial development. Such fees create a housing-jobs balance in the City.

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Rent Trust Account Program (Rent Escrow Account Program)	<p><i>"Conclude research on rental escrow programs by the first quarter of 2014. Conduct analysis on the nature and extent of code violations and extent of persistent non-compliance in 2014. Determine the appropriateness and feasibility of program in 2015 as a mechanism to ensure the maintenance of rental properties. Report findings to the Planning Commission and City Council in 2016 as part of the Annual Report to HCD."</i> (p. 118)</p>	<p>HLB is pleased that the Draft HE mentions a Rent Escrow Account Program (REAP). However, housing quality is a pressing issue that needs a shorter, firmer timeline.</p> <ul style="list-style-type: none"> - <u>The HE should be revised to say:</u> - Staff will present a REAP Ordinance to the City Council for consideration and adoption at a public hearing by June 2014.
SB 2 Requires that the City Identify An Appropriate and Available By-Right Zone(s) for Emergency Shelters. The By-Right Zone(s) must be able to accommodate the City's entire unsheltered bed gap.	<p><i>"In 2013, the City amended the Zoning Code to permit emergency shelters by right via a ministerial approval process in the Port – IP zone and in PD-31 (Villages at Cabrillo). The City will explore additional opportunities in the City for allowing emergency shelters as its numerous specific plans are updated or as part of regular Zoning</i></p>	<ul style="list-style-type: none"> - This language is vague and does not include any real, tangible commitments. - The Planning Commission and City Council directed staff to include a new by-right zone in this HE, as both bodies agreed that the IP Zone and PD 31 were not available and appropriate. - <u>The HE should be revised to say:</u> The City will amend its Zoning Code to allow emergency shelters by-right in PD 29 or Light Industrial Areas by April 2014.

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	Code updates... <i>Potential inclusion of sites will be evaluated</i> as part of the PD-29 Specific Plan Update in 2014." (p. 110-111)	
Healthy, De-concentrated, Available and Appropriate Sites for Housing Development	See map, page 89	<p>-The sites included in the Draft HE are largely in the Downtown area, which has prohibitive land costs for affordable developers.</p> <p>- No sites are included in North Long Beach or East Long Beach, and just a few are located in Central Long Beach.</p> <p>- Many of the sites identified in the HE have existing uses and are therefore unavailable.</p> <p>- <u>The HE should be revised</u> to include de-concentrated, available and appropriate sites for affordable housing development.</p>