

Housing Crisis

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Cover Art by Adriana Arriaga



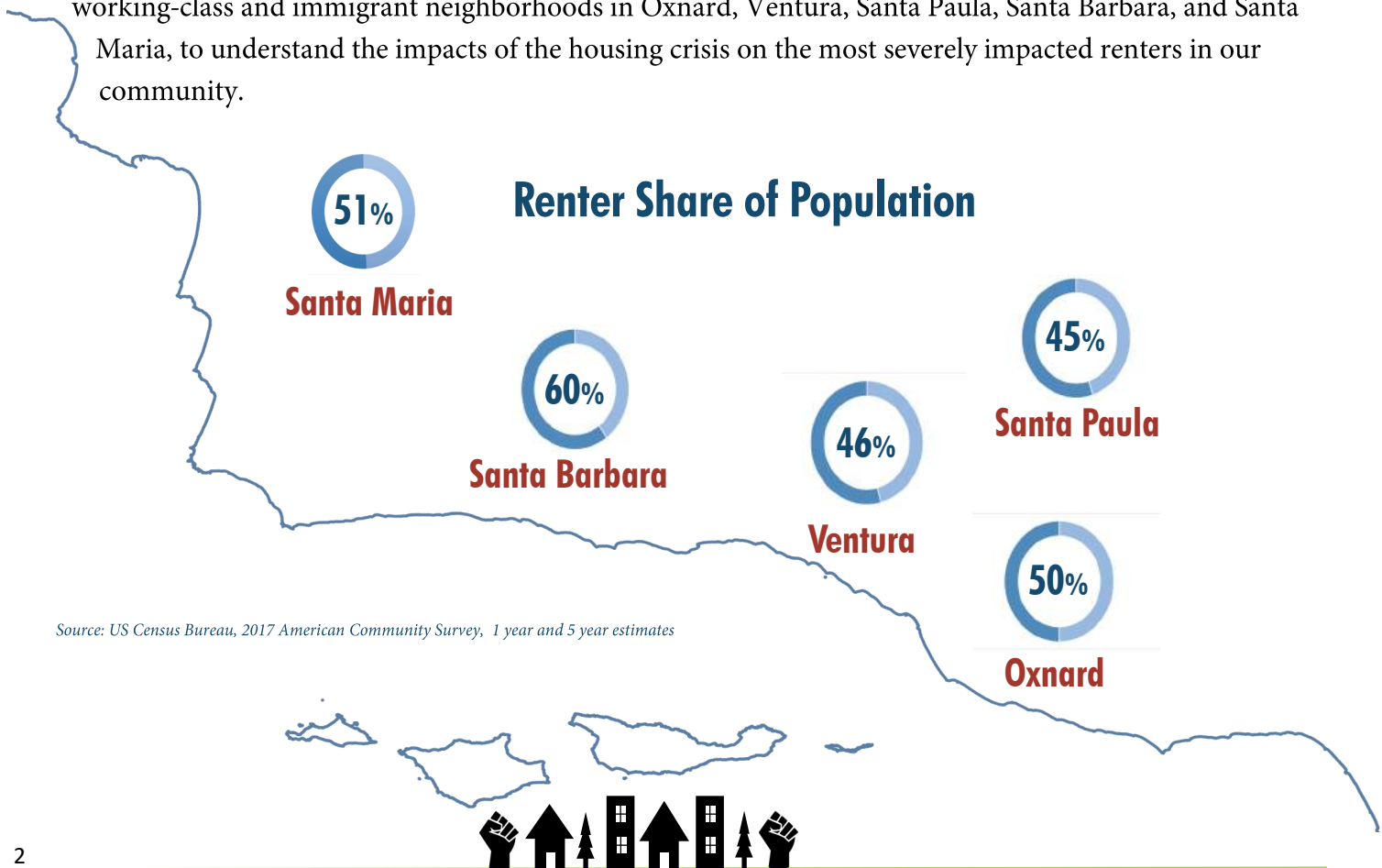
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A Snapshot of Renters in Ventura & Santa Barbara Counties

Renters make up a large portion of our community, yet the extreme housing crisis renters are currently facing is often overlooked due to lack of representation and visibility. Renters make up **51%** of the population in Santa Barbara County overall, and in the city of Santa Barbara nearly **60%** of the population. While renters are only **38%** of the population in Ventura County, some cities have much larger renter populations including Oxnard (**50%**), Ventura (**46%**) and Santa Paula (**45%**). Renters tend to have significantly lower voter turnout due to barriers like moving more frequently and being less likely to receive information about local issues. Renters in Ventura and Santa Barbara Counties are nearly **twice** as likely to be Latino compared to homeowners. The median income of a renter household in the region is about **half** of the median income of a household who owns their home, and renters tend to spend a far greater share of their income on housing than homeowners. Local renter occupied households are more likely to have children than homeowner households, and significantly more likely to have very young children.

Methodology

CAUSE staff and volunteers surveyed 590 renters door-to-door during the summer of 2019, focusing on working-class and immigrant neighborhoods in Oxnard, Ventura, Santa Paula, Santa Barbara, and Santa Maria, to understand the impacts of the housing crisis on the most severely impacted renters in our community.



Santa Barbara County

Ventura County

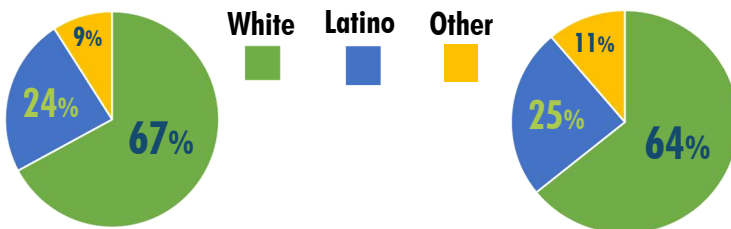
\$53,341 Renter Median Income **\$58,656**

\$98,900 Homeowner Median Income **\$100,365**

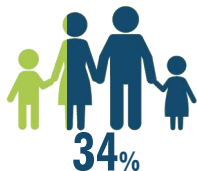
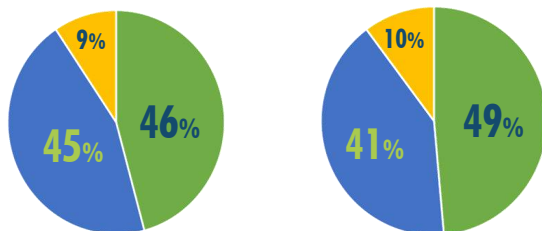
55%  **Cost-Burdened Renters**  **55%**
(Over 30% of income spent on housing costs)

29%  **Cost-Burdened Homeowners**  **33%**

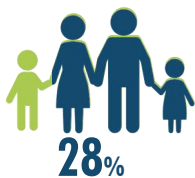
Demographics of Homeowners



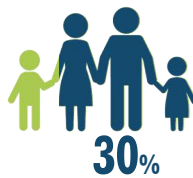
Demographics of Renters



Renters with Children



Homeowners with Children



Source: US Census Bureau, 2017 American Community Survey, 1 year estimates



Renters in Our Survey	%
Single Family House	6%
Apartment in Small Complex	21%
Apartment in Large Complex	58%
Room within a House or Apt	14%
Trailer / Mobile Home	2%
Number of Tenants	%
Less than 5 people in unit	53%
5 or more people in unit	47%
7 or more people in unit	12%
10 or more people in unit	2%
Years Living in Unit	%
Less than 2 years	26%
Between 2 - 7 years	44%
More than 7 years	31%

The majority of our survey respondents lived in large apartment complexes, but many live in small apartments like duplexes or triplexes, rented single family homes, rooms they sublet from other renters, and trailers. Many had moved recently, showing the insecurity in the rental housing market, but over a third had lived in their current unit for over 7 years. Many lived in overcrowded conditions, with 12% of survey respondents living in a rental unit with 7 or more people.



The Growing Housing Crisis

Renters are struggling to make ends meet in an increasingly dire global housing crisis. Particularly in desirable areas with access to economic opportunities, **housing costs** have skyrocketed far beyond the growth of **wages** for the average working person.

Percentage of Rent Burden

By City

Santa Paula	59%
Oxnard	59%
Los Angeles	58%
Santa Maria	57%
Santa Barbara	55%
Ventura	55%
New York	51%
Washington, DC	45%
San Francisco	39%

By County

SANTA CRUZ	58.8%
RIVERSIDE	56.4%
LOS ANGELES	56.1%
SAN BERNARDINO	55.5%
VENTURA	55.3%
SANTA BARBARA	55.0%
ORANGE	55.0%
SAN DIEGO	54.2%
FRESNO	54.1%
MONTEREY	53.8%
SONOMA	53.1%
SAN JOAQUIN	52.8%
STANISLAUS	52.6%
SACRAMENTO	52.2%
TULARE	52.1%
SAN LUIS OBISPO	51.0%
KERN	50.8%
CONTRA COSTA	50.7%
MARIN	49.8%
PLACER	49.1%
ALAMEDA	48.9%
MERCED	48.6%
SAN MATEO	47.7%
SANTA CLARA	45.8%
SAN FRANCISCO	38.8%

Rents*

27%

Increase in

Wages**

8%

2014 - 2019

Ventura & Santa Barbara Counties

Source: US Census Bureau, 2017 American Community Survey, 1 year and 5 year estimates

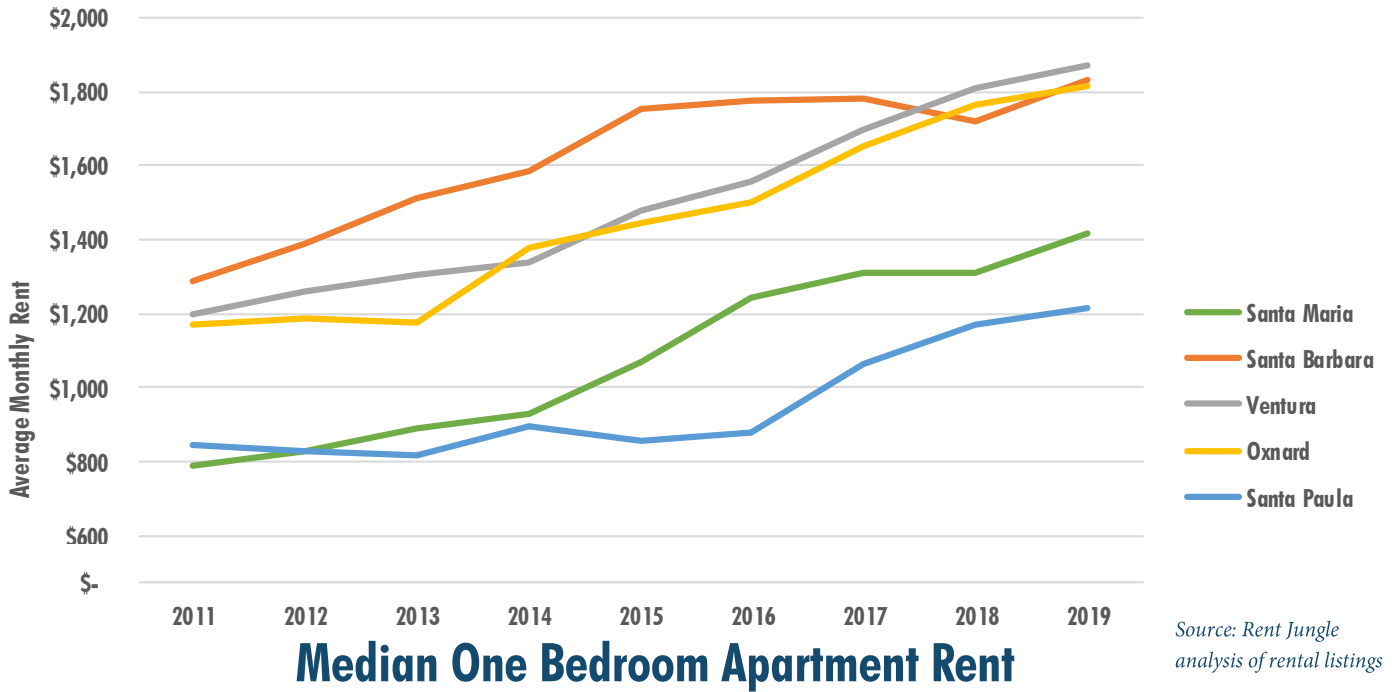
This crisis is particularly acute in the Central Coast, which has not benefitted from the growth of high-wage jobs in California's major urban areas, but has still experienced the ballooning price of land along the California coast. Working families in our low-wage industries like **agriculture** and **hospitality** are unable to afford million dollar home prices at poverty wages. The Central Coast has among the highest levels of **rent burden** in California, with 55% of renters in both Ventura and Santa Barbara Counties considered rent burdened in 2017, meaning they pay more than 30% of their incomes in rent.

*Zillow Rent Index, September 2014-September 2019

** CA Employment Development Department, Q1 2014-Q1 2019



Skyrocketing Rents



Over the past five years, leading real estate site Zillow shows overall **rental prices increasing by 27% in both Ventura and Santa Barbara Counties**. Meanwhile, the state Employment Development Department shows **median wages for workers increasing by only 8% in each county**. Another major real estate data service, Rent Jungle, shows similar results, with average rents posted for one bedroom apartments shooting up in recent years. Available one bedrooms in Ventura and Oxnard, historically more affordable, have risen to match the rental costs of apartments in notoriously expensive Santa Barbara. And Santa Maria, one of the more affordable cities in the Central Coast, has seen an increase in rents over 50% in just the last five years. A housekeeper earning average annual pay in Santa Barbara County would have to spend 74% of their income on rent just to live in a typical one bedroom apartment on the market in Santa Barbara. And a typical Ventura County farmworker would have to spend 80% of their income to rent a one bedroom apartment on the market in Oxnard.

Stagnant Wages

Santa Barbara County

Farmworker Median Annual Pay

\$26,289

Domestic Worker Median Annual Pay

\$29,745

Ventura County

Farmworker Median Annual Pay

\$27,083

Domestic Worker Median Annual Pay

\$31,427



Source: CA Employment Development Department, 2019

Roots of Housing Crisis



1880

The roots of today's housing inequities lie in the **exclusionary** housing policies of the past. For much of our region's history, people of color were densely confined to segregated neighborhoods like Oxnard's La Colonia and Santa Barbara's Eastside.

1920

During the region's first real estate boom in the 1920's, **restrictive covenants** on many new developments barred racial and ethnic minorities from owning homes in these neighborhoods. Some communities of color were intentionally demolished, such as the Tortilla Flats neighborhood destroyed to build the 101 freeway through Ventura.

1945

As the Central Coast boomed again after World War II with suburban developments and federal assistance for new homebuyers, people of color trying to buy homes in new neighborhoods or obtain **mortgage loans** from banks were often met with refusal and discrimination. Even after the Civil Rights Era, communities like Oxnard and Santa Maria saw sudden "white flight" as they racially integrated, leading to declining land values and tax bases. The region saw re-segregation through economic practices and land use policies, even as racial segregation was legally banned.

1968

During this period, the housing market skewed towards building large luxury homes through **exclusionary zoning** paired with a loss of federal funding to construct affordable housing. Financial institutions began to lure families into ever greater household debt to afford larger and more expensive homes. When this unsustainable pattern crashed in 2008, taking the global economy with it, homeownership dropped and never fully recovered. In particular people of color, who were more likely to receive **predatory subprime mortgages** and experience **foreclosure** during the crash, suffered a severe collapse of household wealth and homeownership.

1980

2008

This legacy of denying housing opportunities to people of color lives with us today. Santa Barbara County and Ventura County continue to have large disparities between homeownership rates among Latino and white households. In particular, the city of Santa Barbara has one of the largest racial disparities of homeownership in the state, with only 22% of Latino households owning their homes compared to 52% of white households according to Census data.



2011

We face a historic shortage of affordable housing during one of the worst housing crises in our history. After the 1970's, the Nixon and Reagan administrations effectively ended the era of public housing construction in the United States, shifting federal housing funds to Section 8 vouchers, subsidizing low-income tenants to compete with other renters for the existing stock of housing in the private market, rather than funding the construction of new permanently affordable units. California primarily financed new affordable housing through its Redevelopment Agencies, which were collapsed by Governor Jerry Brown during the years of budget cuts following the Great Recession.

Over decades, our communities have experienced a growing imbalance of housing, with cities mostly permitting subdivisions of large single-family homes, and rarely building new affordable housing. However, wealthier residents continue to depend on services in shops, restaurants, cleaning, and personal care that pay low wages, without nearby housing affordable for low-wage workers.

As Millennials enter the housing market, the largest and most diverse generation in American history is largely a generation of renters, with homeownership out of reach, and an insecure, quickly-changing job market that often requires flexibility to move to new cities. This creates booming demand for any available rental housing in urban centers along the coasts and near universities, where 21st century job opportunities are increasingly concentrated.

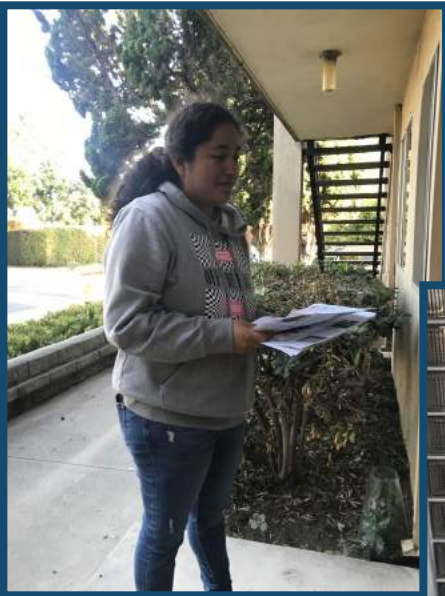
Now

Meanwhile, large financial institutions are entering the rental market like never before, speculating on the future of valuable land in areas like the coast of California. Global investors are purchasing single-family homes and apartments formerly owned by small local landlords. Many buildings in older neighborhoods that were historically more affordable have been purchased for renovations and rent increases. Many of these working-class and immigrant neighborhoods are seen by investors as having untapped market potential for gentrification, converting the shrinking supply of older affordable housing into more high-cost rentals.

Historic exclusion from homeownership places communities of color directly in the path of devastation from the out-of-control spiral of rental prices. As affordable rental housing becomes increasingly scarce, with fierce competition for available units, immigrant families in particular often find themselves last in line, facing barriers from language to citizenship status to discrimination. Our study focuses on these families, caught in the perfect storm of today's housing crisis in the Central Coast.



CAUSE Youth Collecting Renter Surveys



Canvassing in Santa Barbara



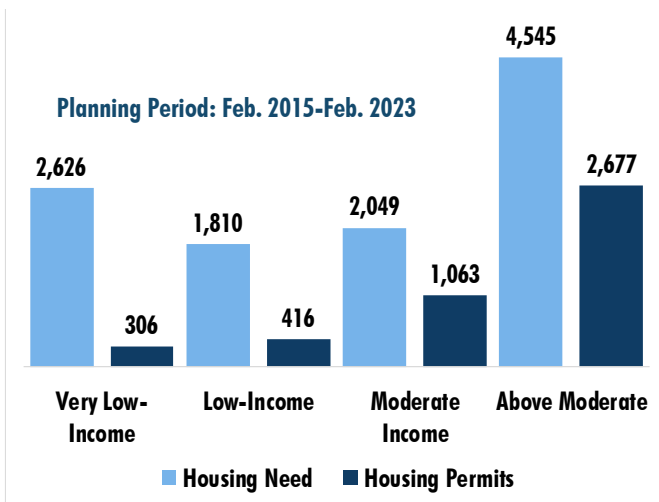
Canvassing in Oxnard



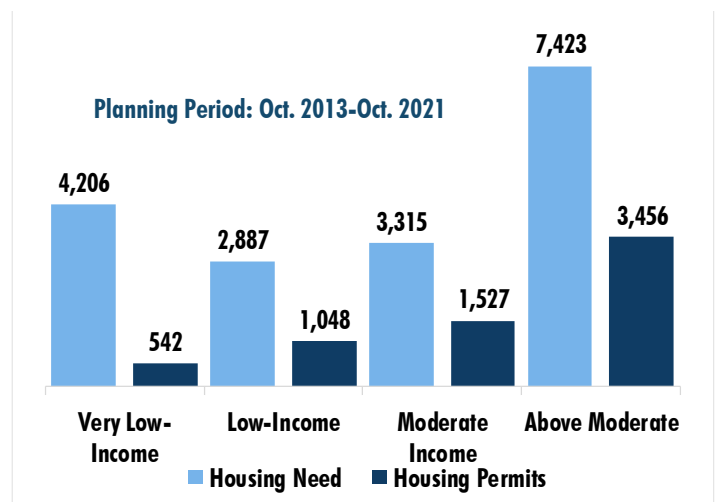
Canvassing in Santa Maria

The state of California and associations of local governments estimate how much housing cities will need for their populations and workforces at different income levels. While our region has built less than 40% of its projected housing need during the current planning period overall, we have built a much tinier fraction of our needed housing affordable for low-income and very low-income residents. Because income guidelines are based on median incomes in a region with vast economic inequality, “low-income” is defined as \$63,700 in Santa Barbara County and \$83,700 in Ventura County for a family of four.

Santa Barbara County



Ventura County



Source: California Department of Housing and Community Development, Regional Housing Needs Assessment



What does the Housing Crisis mean for

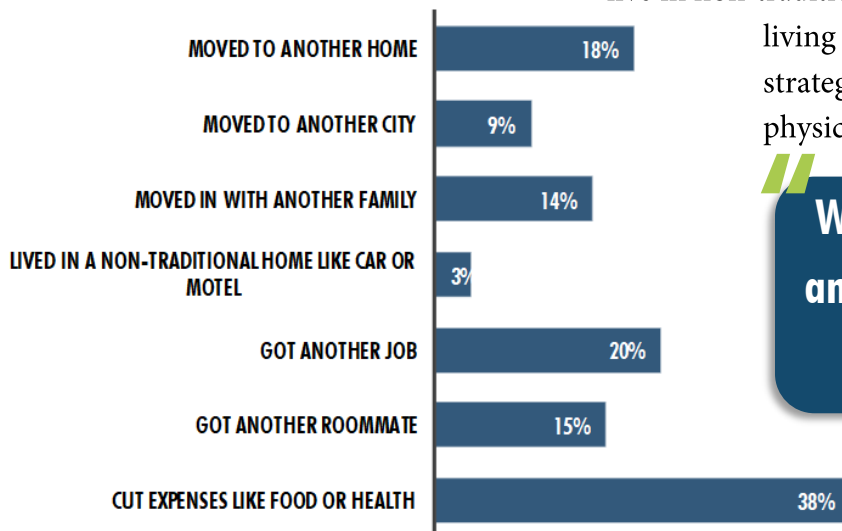
Local Families?

For thousands of working families in Ventura and Santa Barbara Counties, wages are far below the income needed to pay rising rent for even a modest apartment. As costs have grown while wages have remained stagnant, families have had to take difficult measures to survive. Many in our survey had to move from their neighborhoods, take on additional jobs, or

cut down on expenses such as food and healthcare. Some had to live in non-traditional housing arrangements like sleeping in

living rooms and cars. Many of these survival strategies negatively impact a family's long-term physical or mental health, safety, and well-being.

Surviving the Housing Crisis



When families face this imbalance and are foregoing basic necessities, **rent** eats before them.

Rob Fredericks, Executive Director
Santa Barbara Housing Authority

Searching for Housing in Santa Maria

Francisca is a farmworker who has lived on the west side of Santa Maria with her family in the same two-bedroom apartment since 2012. She suddenly received an eviction notice when her landlord decided to convert her building into bunker-style housing for seasonal farmworkers under the H-2A guestworker program. Because federal requirements for the H-2A program only require 100 square feet per worker, landlords can make much higher profits renting to agricultural companies using the H-2A program than to local farmworker families. After receiving the notice, Francisca found that her neighbors had been evicted for the same reason.

This sudden eviction left Francisca and her family without a secure place to live for almost a year, forcing them to live on a couch, a shed, and even a dollhouse in the backyard of an already crowded house. Francisca says it was the hardest thing her family has ever had to go through, and affected her children's mental health as well as their grades in school.

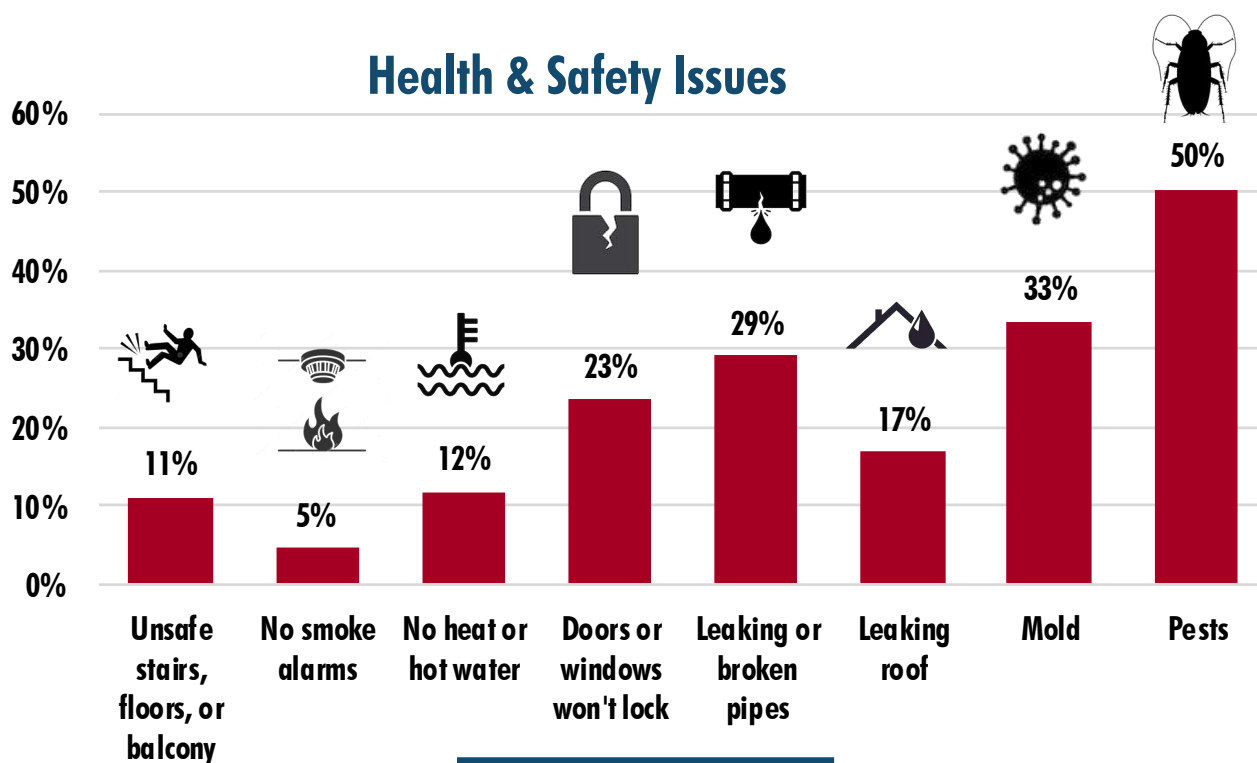
Francisca applied to over 25 different apartments, but over and over was charged non-refundable application fees, only to receive a call back later saying that they did not take children or that her family was too large for the apartment. After finally finding a new home, renting on a month-to-month basis, Francisca still lives in fear that another eviction notice could leave her family without a home again.

Francisca joined CAUSE in early 2019 and became a strong advocate for tenant protections, including an ordinance requiring tenant displacement assistance when landlords convert homes into seasonal H-2A bunkers.



Compromising **Health & Safety** for Affordability

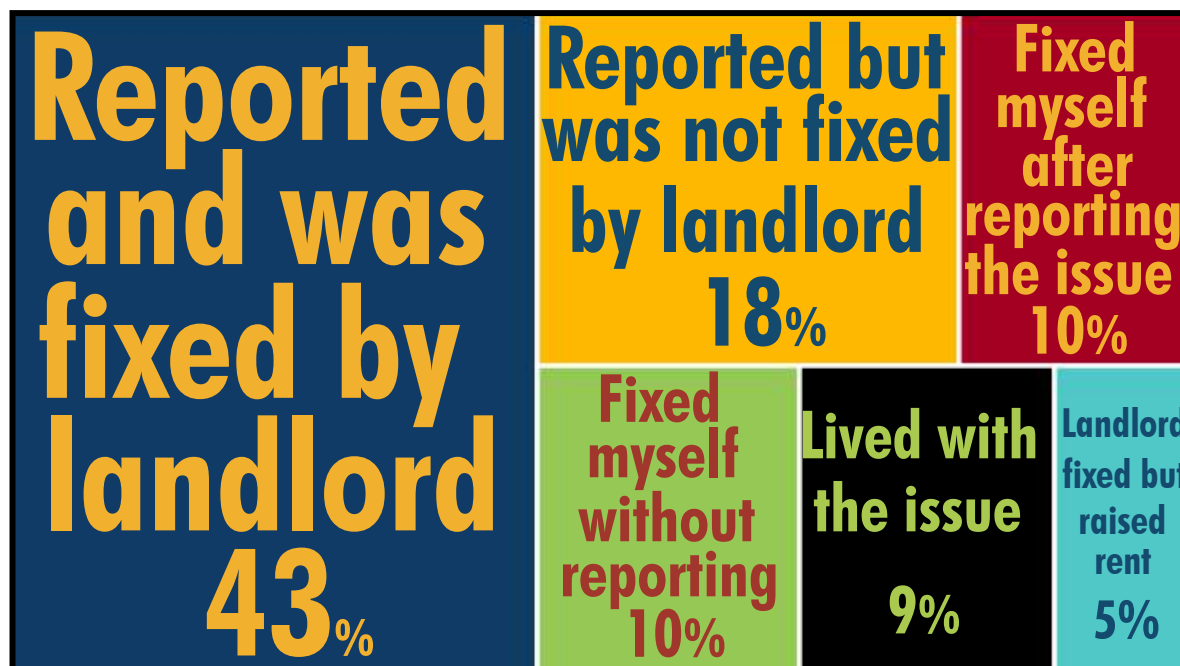
With a scarcity of affordable homes available, and fearing an eviction notice or rent increase could come at any time, too many renter families, particularly low-income and immigrant households, accept unsafe or unhealthy living conditions. **75% of renters in our survey had experienced one or more habitability issues** in the past five years including pests, mold, leaks, lack of heat or hot water, and dangerous stairways and balconies. **Less than half reported the issue and had it fixed.** Many feared reporting to their landlords. Some reported the issue and were ignored. Others tried to fix it themselves or simply lived with the issue.



Renters speaking at Santa Barbara City Council



Responses to Habitability Issues



Unlivable Housing in Oxnard

The Rodriguez family lived on the 500 block of Cuesta del Mar Dr. in South Oxnard, where many farmworker families come from indigenous communities in Southern Mexico. Indigenous families often face discrimination and barriers to speaking up about some of the most difficult and unsafe housing conditions. From 2013 to 2019, the Rodriguez family endured serious cockroach and rat infestations in their small apartment.

Maribel was 13 at the time they moved in and encountered the pest infestations immediately. Her parents were both farmworkers who spoke neither English nor Spanish, and had difficulty getting the landlord to fix anything. Maribel became the voice of the family, interacting with the landlord on their behalf. The landlord continued to reassure her that the issue would be addressed, but for six years, no exterminator or handyman ever appeared. Their microwave stopped working and stove was failing, making daily life difficult. They often had to throw away what food they could afford due to the roaches and rats. When the front door wouldn't close and the landlord failed to fix it, Maribel's father began to pay for repairs out of his own pocket.

Eventually the landlord began telling them that repairs would have to come out of their deposit, and unfortunately their deposit wasn't enough to pay for the repairs, so they couldn't fix anything. Because this one-bedroom apartment shared among six people was one of the only places they could afford, the family continued to endure the unsafe living conditions.

However, when they suddenly received a \$300 rent increase, they were forced out. When the Rodriguez family left, the landlord refused to give them their deposit, saying they needed it to renovate the apartment for a new tenant. Maribel knew her rights were being violated because she had become involved as a youth leader with CAUSE, and asked for help writing a letter that she presented to the landlord. "As soon as they got the letter, they didn't even open it and gave us back most of our deposit." She is proud that her family had learned their rights and got their money back, but sad that many neighbors were still taken advantage of.

Maribel is now 19, and although her family has moved into a much better apartment, she continues to advocate for other families in Oxnard. "I think that more people need to know about their rights and that laws need to be placed to protect families so it doesn't continue to happen."



What happens when you lose your home?

Renter households are increasingly living in fear of losing their homes to evictions or sudden rent increases. In our survey, **15% of tenants had experienced an eviction** in the past five years, and **43% of tenants had experienced a drastic rent increase of over \$100/month** at one time. This often occurs when a new company or owner buys their building from the current landlord with an intent to renovate and raise rents, or remove tenants who they see as undesirable. The most common causes for eviction in our survey were the property owner making renovations to the building, wanting to bring in different tenants, or simply not providing a reason. Some evicted tenants cited not being able to keep up with rent increases, or being evicted for giving birth to more children. Of the survey respondents

15% of Surveyed Tenants were **Evicted** in the Past 5 Years

43% of Surveyed Tenants Received an **Extreme Rent Increase** in the Past 5 Years

who reported a major (over \$100) rent increase over the last five years, about half were given no reason. For others, they were receiving an annual increase every year, the owner said they were keeping up with the rising market, or the rent increase came after renovations or new ownership of the building.

Until the passage of **AB 1482** in 2019, California law allowed landlords to evict anyone without giving a reason or conduct unlimited rent increases as long as they provided 60 days notice. Now, state law will cap rent increases at 5% plus the annual rate of inflation per year and limit evictions without a Just Cause. However, many types of evictions such as evictions to renovate or convert a building are still allowed, and the maximum annual rent increases under AB 1482 are still enough to force many families out of their homes.

When a family suddenly loses their home, they often struggle to find a new one, and can experience homelessness in the interim. Many of the households in our survey had faced significant **barriers when looking for housing**. The most common barriers to finding housing were **credit checks** (33% of respondents) and **application fees** (28%). However, many had encountered illegal discriminatory practices, such as 22% reporting difficulty with landlords that **did not accept children**. Others faced barriers linked to immigration status, such as not being able to provide a **social security number** on applications. Some struggled with landlords **not accepting Section 8** housing vouchers, which will now be banned under the new state law **SB 329**.

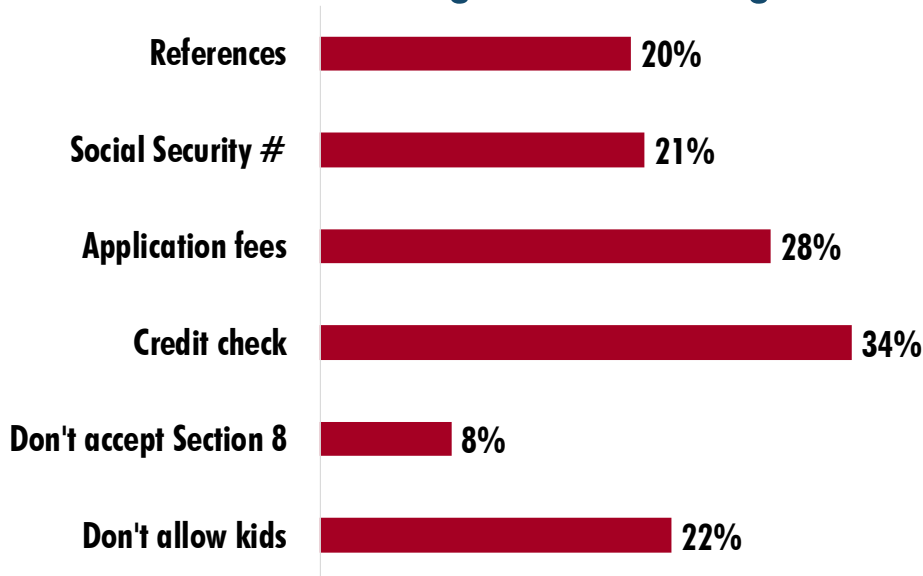


Renters protesting and marching against evictions in Santa Barbara



Most local housing authorities have waiting lists of thousands of people who have been waiting for many years for a chance at a quality affordable home. For families excluded from subsidized housing due to their immigration status, the barriers to finding housing are even higher.

Barriers to Finding Rental Housing



Housing Authority Waitlists

Santa Barbara County
5-7 years

Santa Barbara
5-7 years

Ventura
5-10 years

Oxnard
7-10 years

Santa Paula
8 years

Housing Insecurity in Ventura

Maria is an undocumented single mother and survivor of domestic violence, who like many other mothers is on the front lines of the housing crisis. Her daughter, still in middle school, suffers from severe mental health issues, remnants of the past domestic abuse. Having resided in Ventura for over 24 years, more recent circumstances led Maria to live with her daughter in a small RV that was located in the Victoria Mobile Home Park. However, after 3 years, in April of 2019 her landlord informed her that they had just 30 days to move out. “They told me it wasn’t an eviction because technically I have an RV and they were just choosing not to renew the contract.” However, she knows that they were being kicked out because some neighbors complained about her mentally ill daughter. “I can only work part time because I have to be here for my daughter, but they are discriminating against us because she has problems that many don’t understand.” She also sees a link between the increased rent and gentrification in her neighborhood. “They have a new Starbucks nearby now and all of the sudden rent is going up.”

Source: Data requests from local housing authorities, October-November 2019

They began an arduous search for housing. After spending a few nights on the street, a generous co-worker realized their situation and took them in, while Maria desperately searched for a place. Many places didn’t want children, and because Maria is undocumented, she had difficulty establishing credit. She reached out to low-income housing programs, but the wait was upwards of 5-10 years, “I was told that there’s no emergency assistance here in Ventura like in other places, so I had to wait many years before they could help me because the need is so great.” She also didn’t qualify for other assistance because her daughter was 13 years old and was told the cap to help mothers was 12 years old. “It definitely took a toll on our health, our already struggling finances and our well-being.”

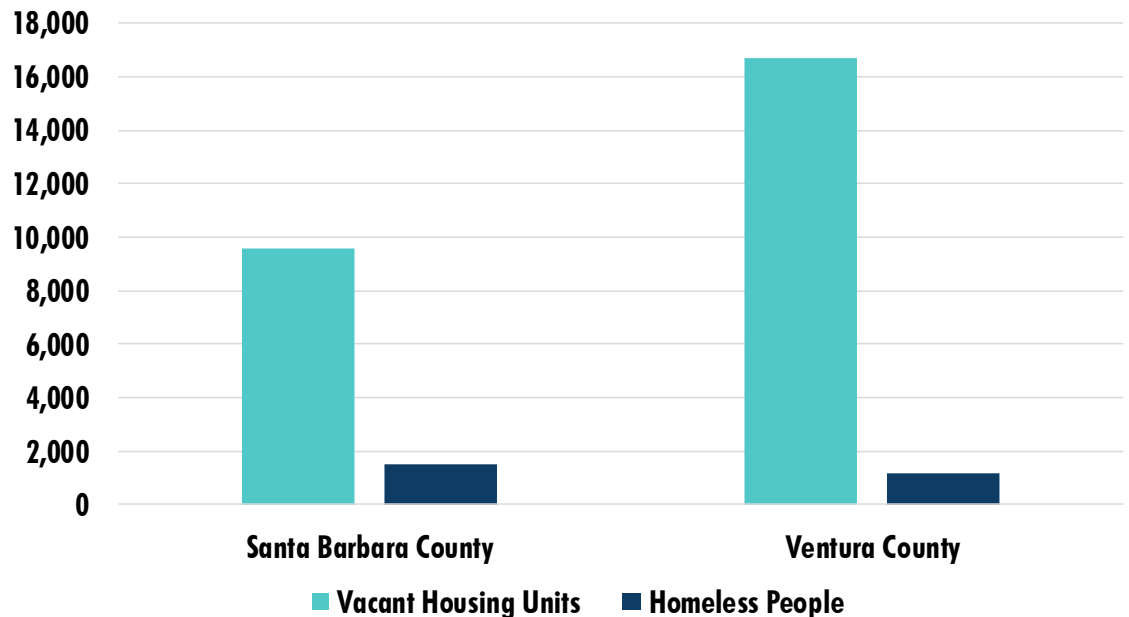
Maria was finally able to sell her RV and is currently renting a room she found after half a year of searching. She continues to care for her daughter and advocates for change as a member of CAUSE. “I think that we need to have protections from landlord abuse and to have emergency housing assistance for families here in Ventura.”



Unsheltered in the Central Coast

There are far more vacant housing units in our region than the number of people without homes. The most recent housing data from the US Census Bureau in 2017 estimates over 26,000 empty units, approximately ten times the number of people in the 2017 homeless counts for Ventura and Santa Barbara Counties (including those living in shelters and on the street). Although the 2019 count shows the number of unsheltered people locally has climbed by over 1,000 in just the past two years due to the housing crisis, this is still dwarfed by the number of empty homes in the Central Coast.

More Empty Homes than Homeless People



Source: Ventura County and Santa Barbara County Point-in-Time Homeless Count 2017, US Census Bureau 2017 American Community Survey 1 Year Estimates

Supportive Housing is the best way to end the most persistent and acute homelessness.

Emily Allen, Director of Homeless and Veteran Impact Initiatives
United Way / Homes for Good Santa Barbara County

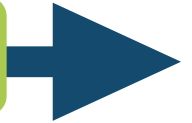
Homelessness is Local

In the 2019 Santa Barbara County Homeless Point-In-Time-Count & Survey, 77% of respondents said their most recent permanent address was from Santa Barbara County, and 76% said in Santa Barbara County is where they first became homeless.

Santa Barbara County has the state's highest share of K-12 children experiencing housing insecurity, including living in shelters, cars, motels, or with other families in living rooms or garages, according to the California Department of Education. The lack of affordable and supportive housing can turn a one-time crisis such as an eviction into a cycle of homelessness, mental and emotional instability, and difficulty finding jobs or housing.



Gentrification & Displacement

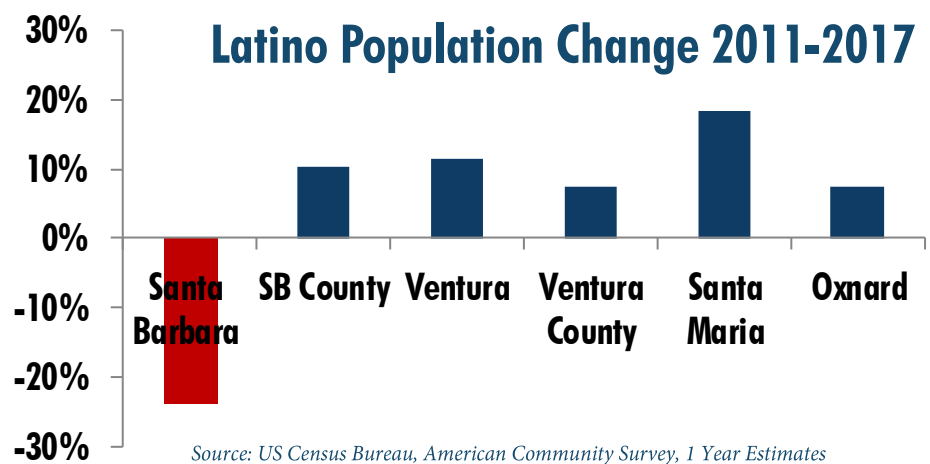


Although the housing crisis is affecting communities across the globe, some neighborhoods are experiencing particularly sharp increases in housing costs due to a speculative cycle called gentrification. These neighborhoods are typically places that once had relatively low housing costs due to racial stigma, being associated with poverty, crime and pollution, and lack of quality services and amenities. However, **neighborhoods experiencing gentrification often have had a “discovery” by real estate investors and higher-income newcomers** of assets that had previously been unrecognized or undervalued, such as their walkability or transit access to job centers, rich cultural and artistic communities, and historic architecture.

Gentrification can cause a spiral of speculation, where new rebranding and marketing of the area causes a boom in demand for housing in the neighborhood, resulting in new development of luxury housing, high-end restaurants, grocery stores, bars, and cafes, which in turn raise land values surrounding them. **Investors rush to buy real estate in the area before their competitors, bidding up land values as they speculate on the future desirability of the neighborhood.** Landlords in gentrifying neighborhoods who see their properties quickly grow in market value face a strong incentive to either sell their building for a large profit or raise rents to attract new higher-income tenants.

In the Central Coast, the **Eastside and Westside of Santa Barbara, Old Town Goleta, and the Westside of Ventura**, are facing the greatest gentrification pressures. These neighborhoods are near major employers and are seeing rising demand among higher-income professionals for their cultural and

artistic assets, walkable urban planning, and historic housing stock. Their relatively low levels of homeownership put longtime residents, primarily working-class and immigrant families, at severe risk of displacement. **Santa Barbara in particular has seen a 24% decrease in its Latino population** since its peak in 2011, with many families moving to more affordable locations like Ventura, Oxnard, Lompoc and Santa Maria.



CAUSE leaders at Santa Barbara City Council

Displaced families face disruption to their jobs and children’s schools. They may spend more time commuting, replacing lower housing costs with higher gas, insurance, and car repair costs, as well as higher stress and less time with family. Moving away from churches, activities, friends, and extended families means a loss of social support. Families can also lose access to community resources, such as Santa Barbara’s high-quality schools and community college, robust public transit, and strong network of nonprofits.



Who is Most at Risk



Renters learning about their rights at a workshop in Santa Maria

Looking at households in our survey who experienced evictions and rent hikes, we saw fairly consistent results according to age, gender, household size, type of lease, and type of housing unit.

However, one standout trend was that female survey respondents and large households were more likely to face eviction. Women made up **63%** of survey takers, but **74%** of those who reported being evicted in the last five years. Households with five or more people made up **47%** of the sample, but **64%** of those who had been evicted. Anecdotally, some tenants believe that low-income immigrant women with “too many children” can be seen as undesirable tenants and targeted for eviction.

Pushed Out by Gentrification in Santa Barbara

The lower part of Voluntario Street in Santa Barbara’s Eastside has been a hotbed of gentrification. Seeing below market rate rents, large companies have begun to purchase, aesthetically improve, and rebrand apartment complexes in order to raise rents. The Voluntario Apartments are one of the latest examples, now rebranded as the Beachwalk Townhomes after they were painted black and white to appeal to a different clientele than the immigrant, working class families who reside there.

Outraged residents reached out to CAUSE, feeling that the rent increases they faced (one resident’s rent increased from \$1,600 to \$2,400) was not reflected in the improvement of the 20+ unit apartment complex, other than the slather of paint. At least six families had to leave because of the rent increases, one of the families moving to Las Vegas, Nevada to continue working as a domestic worker and another to Arizona after they faced retaliation from their manager who called Immigration and Customs Enforcement on them.

Residents like Sandra Alvarado organized with their neighbors to advocate for tenants’ rights and share their experience with City Council, representatives of the California State Assembly and Senate, and even participated in a mediation with their property management’s attorneys using the city’s Rental Mediation Task Force.

As corporate investors continue to seek higher profits at the expense of local renter families, leaders like Sandra continue to organize and call for stronger tenant protections. Their efforts helped advance a 6-1 city council vote supporting a Just Cause Eviction Ordinance in city of Santa Barbara.



Why Don't Tenants Speak Up?

Some of the issues shared in our surveys violated tenant protection laws. Others caused severe hardship for renter families. Yet this suffering often happens in silence and invisibility. Why don't tenants speak up more? **Many renters feel an imbalance of power with their landlord**, who can choose to raise rent or evict them, creating catastrophic consequences for their family. Increasingly, small local landlords who have face-to-face relationships with their tenants are disappearing, as properties are bought by large real estate investment firms who have much less accountability to the communities where they own property.



CAUSE grassroots leaders at Ventura City Council

In California's tight housing market, finding a new place to live can be extremely difficult, especially for immigrants, families with small children, people with disabilities, people with limited English proficiency, or people with low incomes and little savings to pay application fees, deposits, and move-in costs such as those in our survey. **Many accept unsafe or unhealthy conditions rather than raise those issues with their landlord and risk a retaliatory rent increase or eviction.** This fear causes day to day stress that many tenants live under, especially in neighborhoods where they see other buildings being sold and redeveloped and higher-income residents moving in. Tenants are far less likely to have access to an attorney or legal counsel than landlords, and far less likely to know their rights under California law. Tenants who live on a month-to-month lease, or an informal arrangement without a written lease, are especially vulnerable to sudden changes.



Renters rights forum in Oxnard

35% of the tenants we interviewed were in a **month-to-month lease**, and **19%** had **no formal written lease** at all. **49%** of tenants in our survey say they were **never informed of their rights** by their landlord. Although the majority of renters we surveyed had healthy relationships with their landlords, many reported problematic interactions. **23%** of tenants interviewed said they or other tenants have been **ignored** by their property management on multiple occasions. **18%** said they or other tenants have felt **offended** by how their landlord interacts with them. **14%** have felt **intimidated** when speaking to their property owner, and **11%** have felt **discriminated against**.

Under the pressure of the housing crisis, tenants are often living in stress and fear about what could happen to their household in the future. **37%** said they were somewhat to extremely **worried about being evicted**, while **65%** reported being somewhat to extremely **worried about their rent being increased**.



How Local Policymakers Can Protect Renters

Respondents to our survey were asked an open ended question on what would improve their life as a renter. The majority of all responses focused on lower and more stable rent or rent control. The second most frequent issue prioritized by renters was the need for repairs and responsiveness to repair requests by their property manager. Other common responses included safety and security features such as locks and gates, as well as removing barriers to the accessibility of housing such as strict credit checks or not allowing children.

Low-Hanging Fruit

If a city has no existing tenant protections, there are smaller incremental measures that can be put into place with relatively low controversy. A **Mandatory Lease Law** was recently enacted in the city of Santa Barbara with support from both tenants and landlords, requiring landlords to offer tenants the option of a long-term lease such as one year, unless they would prefer a shorter term such as month-to-month. This can provide basic stability for tenants, allowing them to plan their finances and their families' lives knowing they will not be evicted or face a rent increase until their lease expires. However, this does not ultimately prevent displacement or rising housing costs, it only delays those impacts to provide more predictability for tenants. A **Rental Mediation Program** has been in place in the city of Santa Barbara for years, allowing tenants to discuss issues with landlords in a safe, professionally mediated setting. This can help reduce the power imbalance between landlords and tenants and give tenants more access to information about their rights. However, it does not have any enforcement power to require landlords to do anything. If it is legal for a landlord to raise rent or evict someone, they may do so regardless of any mediation.

Right to Legal Counsel

One of the greatest imbalances of power between landlords and tenants is often **access to legal representation**. Many tenants cannot afford a lawyer, while property owners often have a preexisting relationship with an attorney or law firm specializing in housing law. Nonprofit legal aid organizations often have large caseloads and limited capacity, and may have restrictions due to federal funding on providing assistance to some immigrants. Cities or counties can set aside funds to provide a right to free legal counsel for renters facing eviction, habitability issues, and more.

TENANTS



TOGETHER

Statewide renters' rights group **Tenants Together** uses a framework they call the "Golden Triangle" of tenant protections, including rent stabilization, eviction protections, and habitability inspections, to ensure tenants have healthy, stable, and affordable homes. For more information visit them at www.TenantsTogether.org.



Rent Stabilization

Rent stabilization is the strongest type of tenant protection. New state law (AB 1482), limits rent increases to 5% per year plus the annual rate of inflation, which is typically around 2-3%. This prevents the most severe cases of rent gouging, but is a relatively loose cap which can still result in displacement and cost burdens for many families. A household paying \$2,000 in rent could find themselves facing a sudden rent increase of \$150/month, and could see their rent double over a ten year period. AB 1482 also excludes many renters, such as those living in single-family homes, newer apartment buildings (built in the last 15 years), and duplexes where the landlord lives in the other unit. The biggest power cities have is to tighten the cap of allowed annual rent increases to a lower annual amount.

The “Golden Triangle” of Tenant Protections

Some tenant protections are strongest when combined. Rent stabilization without eviction protections can encourage landlords to evict tenants, because the rent cap is lifted once a tenant moves out. Unless inspected, an owner may let their rent-controlled property fall into poor condition without maintaining it, pushing tenants to move out on their own.

Habitability Inspections

Tenants can be afraid to file complaints or report unsafe or unhealthy living conditions. **Proactive inspections** ensure living conditions are habitable, rather than putting the burden on the renter to speak up and risk retaliation under **complaint-based** programs. Habitability inspection programs can be designed in different ways. They can focus on known offenders or ensure every building is inspected at least once. They can be funded through a small fee on all rental units or through heavy fines on violators. They can allow tenants to opt out if they are satisfied with their building's condition, or might be afraid due to immigration status. They can allow landlords to opt out, or self-certify, which creates the risk of bad actors avoiding inspection. They can focus on serious issues like mold, pests, leaks, and structural dangers, or on minor issues like peeling paint or chipped tiles. Poorly designed inspection programs that look for more superficial issues or inspect for issues related to tenants, such as overcrowding, rather than building conditions, can result in community backlash. Cities such as San Luis Obispo have had to reconsider their inspection programs as a result.

Eviction Protections

Most renters will never be evicted, but it is one of the most difficult experiences a tenant can face. Cities can put in place several policies to limit evictions. A **Just Cause Ordinance** restricts evictions to a list of fair reasons, such as not paying rent, damaging property, disturbing other tenants, or using the building for illegal activity. Basic Just Cause protections will be put into place statewide in 2020 as a result of AB 1482. However, state law allows no-fault evictions if a landlord wants to convert a rental apartment building into for-sale condominiums, demolish a building, or move themselves or a family member into a unit. Cities can put into place protections to reduce the impact of these no-fault evictions. **Notice requirements** can set a minimum 120 day notice for no-fault evictions to give families time to find another place to live. Cities can also require landlords to provide **displacement assistance** for a no fault eviction, to ensure families do not become homeless during their search for new housing and can afford security deposits and other move-in costs. This can be a set amount, such as three months' median rent in the area, or it can vary with higher amounts for seniors, low-income families, or people with disabilities.



How local governments can create more affordable housing

Making Investments

The most direct method to raise revenue for affordable housing is a **housing bond**. Just like a bond to build school, transportation, or water infrastructure, a housing bond raises upfront capital that will be paid back over time. A housing bond can be used to build new permanently affordable housing complexes, buy and fix up older privately-owned buildings to preserve them as affordable housing, or provide subsidized loans to residents to help them buy their first homes. A housing bond can also achieve other goals such as investing in older housing to become more energy and water efficient, or hiring local skilled building trades workers at prevailing wages. Projects can be administered through the city's housing authority or granted out to local nonprofit housing providers. With the shrinking of state and federal housing funds, local governments are taking a larger role, primarily through putting housing bonds on the ballot for voters to approve.

Local governments can also help by **donating land**. The greatest cost in creating affordable housing is the cost of buying expensive land in coastal California. Local governments sometimes own surplus land, such as parking lots and old facilities. This land can be donated to a nonprofit affordable housing developer to construct new housing.

No Cost Options

Without spending anything, cities can make it easier to build affordable housing by **streamlining permitting and approval processes for affordable housing projects**. A city can relax requirements for minimum parking spaces and setbacks from the edge of the property, increase maximum densities or building heights, reduce or eliminate application or impact fees, or allow by-right or administrative approval instead of commission hearings.

Another way to generate affordable units without direct costs to the city is an **inclusionary housing ordinance**. For example, the City of Ventura requires developers building new rental housing to set aside 15% of the new units as affordable (or pay to build affordable units somewhere else). Inclusionary housing puts additional costs on the developer, but may allow them to negotiate the sale of land at lower prices, offsetting some of this cost.

Alternative Housing Models

New types of affordable housing are growing in popularity such as **community land trusts** and **limited equity cooperatives**. These allow some of the benefits of homeownership, while maintaining long-term affordability outside of the speculative market. In a community land trust, residents own the structure of their homes, but a nonprofit owns the value of the land underneath. The land is kept permanently affordable, but residents can sell their homes and benefit from any investments they made in the building. In cooperatives, households can buy and sell a share of the total value of the building, but any growth in that value is partly or fully returned back to the cooperative when a resident sells and leaves their unit, keeping it affordable for the next resident. Cities can encourage alternative housing models by reducing permitting barriers to creating them. They can also pass ordinances to give priority **“first right of refusal”** to tenants who want to buy their building when it goes on the market and convert it into a land trust or cooperative.



What about market-based solutions?

Some cities are working to streamline approval of market-rate private housing development to encourage more supply of housing overall to meet demand. **Purely market-based approaches to the housing crisis rarely produce truly affordable housing and can even backfire in low-income neighborhoods by fueling gentrification.**

With the ballooning price of land and today's red-hot housing market, most new private development in our region tends to be very expensive, beyond the reach of average residents. New luxury housing may ease an overall regional housing shortage in communities like Santa Barbara with more jobs than housing, by allowing higher-income renters to move into the new housing rather than compete with low-income renters for older housing stock.

However, cities should exercise extreme caution about concentrating incentives for new private development in low-income neighborhoods. When a city rezones or removes regulations in a certain neighborhood to attract development, investors compete to buy land in that area, bidding up prices. Developers then build high-end housing to make a return on their investment. The appearance of luxury condos and upscale cafes attracts even more demand for the neighborhood, which is seen as “up and coming”, raising nearby land prices. Landlords in the area begin to renovate, raise rents, demolish, or sell their buildings to new investors who speculate on the growing marketability of the neighborhood. This results in the loss of older affordable housing stock and displacement of working-class families.



The City of Santa Barbara learned important lessons through an experimental program to allow higher density development and reduced parking requirements for new rental housing. Intended to produce more affordable and workforce housing in the city, many of the new developments built were too costly for average residents. The City Council later reformed the program, adding a requirement to include some affordable units, and shifting areas slated for high-density development from the working-class predominantly Latino Eastside neighborhood to the downtown core instead.

Development Without Displacement

Whether local communities agree or not, the State of California is pushing cities to zone for and approve more housing development of all types. **To build housing in an equitable way that minimizes displacement, we recommend the following:**

- 1) Focus on increasing **housing density in historically exclusionary neighborhoods** that have only allowed large single-family homes and have access to high quality jobs, educational resources, and public services, rather than low-income neighborhoods where attracting new development could result in gentrification
- 2) Change single-family zoning to allow **medium density, “missing middle” housing such as granny flats, duplexes, and triplexes**, that tend to be the cheapest type of housing to construct. Housing types like duplexes are particularly valuable for extended and intergenerational families caring for seniors and children.
- 3) **Rezone underutilized commercial and industrial areas**, where no current residents will be displaced. In particular, older land uses such as big box department stores and malls may be less needed due to changes like the rise in online retail.



