

Richmond Equitable Development Initiative
Housing Platform
March 2009



**Richmond Equitable
Development Initiative**

OVERVIEW

As our nation's economy continues to decline and housing foreclosures continue to rise, local communities and working families are struggling to save themselves from total despair. Richmond has been greatly impacted by this crisis but it is not alone as California and the Bay Area have been especially hard hit. This crisis brings to the forefront the importance of having policies and strategies for long-term safe, affordable, quality housing and access to quality jobs.

In 2008, nearly a quarter of a million or 249,940 foreclosures occurred in California up 158 percent from just under 97,000 in 2007.¹ Nationwide, almost one in 10 home mortgages is either delinquent or in foreclosure, and analysts estimate that at as many as six million families could lose their homes over the next three years in the absence of government action. This crisis is not only affecting homeowners but renters as well.

Richmond has been especially hit hard by the foreclosure crisis with nearly 2000 homes owned by banks. Many of these homes had subprime loans which disproportionately impacted African Americans and Latinos regardless of income. Foreclosed properties have reduced the value of surrounding homes, encouraged blight and have wrecked havoc on property taxes and services they support. The current housing crisis is expected to get worse before it gets better.²

Prior to the housing market crashing, REDI was working with residents and elected officials to address the existing problems and developing real and sustainable plans to better the lives of everyday people in Richmond.

Some of the significant housing needs that have existed in Richmond for some time are the amount of households paying a larger proportion of their income on housing with an estimate of 20% of renters and 15% of homeowners paying more than the 30% of income on housing. Other existing housing challenges in Richmond include housing overcrowding, habitability and an older housing stock. Over 15% of households in Richmond were overcrowded due to a lack of affordable housing in the city.³

Now more than ever, we have to work with financial institutions and elected officials to adopt new policies and practices that rebuild Richmond and prevent this tragedy from displacing working families and eroding the fabric of our communities. This Housing Platform is a step in a new direction of hope and real solutions for the short and long term.

¹ California foreclosures set record in 2008; more on way. By Sue McAllister, [Mercury News](#), 01/13/2009

² City of Richmond Mid-Year Financial Report, February 2009.

³ Housing Element at HE-16, Richmond Housing Element, City of Richmond 2001-2006, November 2005.

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REDI believes that the following are key goals for improving the short and long-term housing conditions in Richmond:

- Reduce the Impact of the Present Housing Crisis
- Create Long-Term Sustainability for Affordable Housing
- Develop a Healthy and an Environmentally Safe Community

The following platform provides opportunities to meet the above short and long-term goals:

1) REDUCING THE IMPACT OF THE PRESENT HOUSING CRISIS

Keep Families in their Homes

- We are calling for action at all levels to STOP ALL PREVENTABLE FORECLOSURES. At a national level, we support President Obama's proposals to hold banks accountable to modify loans insuring that homeowners obtain loan modifications that are affordable and provide long term sustainability. We urge Congress to enact bankruptcy reform as quickly as possible.
- We support the state moratorium on foreclosures that just passed and are calling on the State of California and the Department of Corporations to provide clear and transparent data on which banks are complying with the moratorium and which banks are actually implementing loan modifications that help keep families in their homes.
- We are calling on Contra Costa County to adopt new legislation which will require all banks to identify, disclose and record all of the investors on foreclosed properties and to fine banks \$1,000 a day if they do not comply. This money will go into a County fund to support job training programs that rehabilitates homes and makes them "green" through energy efficiency and sustainable building materials.

Revitalize Neighborhoods

We want to take aggressive action to reclaim our neighborhoods and put Richmond residents BACK TO WORK and create jobs that help stimulate the local economy.

- We are calling on all banks to bundle their foreclosed properties and to sell them to the City of Richmond, a community land trust and nonprofit housing developers at a reduced price which subtracts repair costs and developer fees.
- We are calling on the City of Richmond to work with nonprofit organizations, the county and other community stakeholders to establish a community land trust to keep these homes permanently affordable for Richmond families.
- We are calling on the City of Richmond to AGGRESSIVELY enforce SB 1137 which gives the City the authority to fine banks up to \$1000 per day on non-maintained properties. This new revenue can assist in the acquisition of vacant properties and increase job training and employment opportunities for local Richmond residents especially those with barriers to employment that can secure, maintain, rehabilitate and make all of these abandoned homes energy efficient and solar.

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Richmond Community Investment Fund

- We are calling on the City of Richmond to establish a homeownership revolving loan fund that will help Richmond families acquire foreclosed properties—especially those families who were the victims of predatory lending. We are calling on banks to agree to support this fund and invest in our community.

Foreclosure Tenant Protections

To assist tenants impacted by foreclosures, we urge the State of California to pass legislation using the following guidelines:

- Clarification of existing law on the requirements regarding return of security deposits to tenants living in foreclosed properties
- Work with banks/owners/servicers to make sure they hire a manager who will help collect rent on behalf of the owner to maintain the properties through fumigations, repairs and general maintenance and someone for tenants to submit complaints to and personally access
- In cases where landlords had services in their names transfer water, electricity, garbage, and or gas services from the name of the previous owner to the name of the bank that takes over the property within 30 days of transfer of ownership/or trustee sale of property
- Liens on banks, servicers, lending companies who DO NOT transfer these services into their names within 30 days
- Working with banks/owners/servicers to allow families who are paying rent to remain in homes, unless there is a just cause eviction which creates a win-win situation for tenants, the banks, and the local economy
- Require any notices or legal documents regarding the property to be written in the native language of the tenants or require a third party state/city/county certified tenant-rights or legal advocacy group to review all cases before any action can be taken

2) CREATE LONG-TERM SUSTAINABILITY FOR AFFORDABLE HOUSING

Tenant Protections

- We urge the City of Richmond to adopt a Just Cause/Fair Rent ordinance. Basic protection for renters from unfair evictions and unjust price gauging can help Richmond continue on its path to be a diverse, sustainable and safe community for everyone.

A Just Cause ordinance would curb unfair evictions and require landlords to evict tenants for just reasons such as failure to pay rent, illegal activity or violation of lease. It would also protect tenants from being evicted as a result of a foreclosure of a deed of trust or mortgage on a building.

A Fair Rent ordinance allows landlords to set the rent at whatever level they choose when a new tenant moves in however tenants are protected from dramatic increases once they move in because increases are tied to inflation and special prescribed circumstances. A Fair Rent ordinance with protection from “utilities shut-offs”

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would prevent renters from an illegal form of rent increase due to former owners lack of payment for past balances.

A Just Cause/Fair Rent Ordinance would establish a rent board which will register all landlords in addition to hearing and attempting to resolve all complaints.

- We are calling on the full enforcement of SB 1137 to protect tenants in possession of a rental housing unit at the time the property is sold in foreclosure a 60-day notice to vacate the property. Notification of sale of property must be posted on the property and mailed to the resident and requires that notices shall be in English, Spanish, Chinese, Tagalog, Vietnamese and Korean

Inclusionary Housing

- We are calling on the City to modify its existing inclusionary housing ordinance. Inclusionary housing programs require that new market rate residential developments include housing that is affordable for those of low-to-moderate incomes. Statewide these ordinances have proven to provide at least 80,000 people homes – a large majority of those people in low-income brackets.⁴
- We want the City to ensure that more units are available for those of low-or-very low incomes under this ordinance. The ordinance should be amended so that developers are including more affordable units in their developments.
- We call on the city to raise its in-lieu fee so that it can adequately cover the cost to construct or rehabilitate an affordable unit. These improvements in the inclusionary housing ordinance can help maximize the development of in-fill housing that is affordable to those with varying incomes.

3) CREATE A SAFE & HEALTHY LIVING ENVIRONMENT FOR RICHMOND RESIDENTS

Code Enforcement

- We urge the City of Richmond to adopt policies and programs that rehabilitate substandard rental housing without displacing existing residents or raising their rents. As the city currently has such a program in place through code enforcement to periodically inspect residential dwellings units, then we call on the city to make available to the public an annual report that provides an update on the number of rental units inspected, general conditions of units and an evaluation of the overall effectiveness of the program.
- We urge the city to administer a rehabilitation assistance program to ensure that rental units are maintained and rehabilitated to comply with the Building Regulations, Health Code and health and safety standards of the Richmond Municipal Code.
- In collaboration with code enforcement, the redevelopment agency should create a fund that educates tenants on their legal rights and protections related to building regulations, health and safety code standards, complaints and enforcement.

⁴ “Affordability by Choice – Trends in California Inclusionary Housing Programs.” Non-Profit Housing Association of Northern California, 2007.

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Healthy Homes through Environmental Cleanup

- We urge the city through its General Plan to implement policies that ensure that contaminated lands in proximity to residential areas or areas planned for residential use are fully remediated to residential use levels.
- We urge the city through its General Plan to implement policies that ensure that environmental cleanup and improvement assistance funded with city resources benefit low-income communities.

For more information or if you are interested in joining REDI's efforts, visit our website at, www.urbanhabitat.org/richmond or call Michael Katz at 510-839-9510.