

Regional housing summit takes aim at rent control, environmental lawsuits

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Stronger rent control would discourage developers from building much-needed new homes and apartments, warned Otto Catrina, state director of the California Association of Realtors.

Catrina was a guest speaker at a regional housing summit held Monday in the conference room at Black Oak Casino Resort in Tuolumne. Each person who attended was given a report from the Center for California Real Estate titled "Rent control hurts low-income families and increases costs for all renters.

Catrina said a lack of supply is at the heart of the rising cost of rent throughout the state.

"Our industry is being chastised that we're the reason for the rising cost of rent," he said about real estate. "Supply is the key to rent control."

Rent control has become a topic of debate lately as activists seek to get an initiative qualified for the ballot in November that would allow cities to implement stronger rent control measures.

The initiative would repeal the 1995 Costa-Hawkins Rental Housing Act that prevents jurisdictions from implementing rent control on a wide range of housing, including single-family rental homes, condos, duplexes, and apartments built after 1995.

The effort is backed by the "Housing is a Human Right" campaign of the AIDS Healthcare Foundation.

Democrats in the state Legislature killed a bill earlier this year that would have repealed the Costa-Hawkins law, citing concerns that a repeal would discourage new construction at a time when the state is in need of more of it.

"Rent control has an adverse effect on housing," Catrina said. "Developers will stop developing."

Catrina said that rent in the Bay Area have gotten so high that the rent for a studio apartment is generally about \$1,200 to \$1,500 a month.

Though he lives in Hayward, Catrina said he's owned a home in Crystal Falls since 2006 and purchased his first home in Twain Harte during the 1980s.

Total units sold in Tuolumne County during the first quarter this year was 226, up 14 percent from 199 during the same time in 2017.

Catrina said the median listing price in the county is currently about \$344,000, compared to \$319,000 in April 2017. The median sales price is currently \$292,000, about \$22,000 higher than this time last year.

The median sales price is \$544,000 statewide and \$955,000 in Alameda County. Catrina said the median sales in San Francisco is approaching \$1.5 million.

"It's the economics of the market," Catrina said. "Realtors are not responsible for causing the appreciation."

Catrina also touched on topics he believes are hindering the rate of new construction, spending much of his time talking about lawsuits based on the California Environmental Quality Act, or CEQA.

“CEQA was created to help the environment, but today it’s being used for litigation,” he said. “Nontransparent litigation.”

Catrina used an example in Hayward where they were trying to develop the now-abandoned former Mervyns headquarters into more than 500 housing units, but labor unions halted the project by filing a lawsuit demanding that all work on the project be compensated prevailing wage.

Legislation to reform the 1970 law have failed to gain enough support in the state Legislature, which Katrina blamed on being controlled by Democrats.

Ron Kopf, a Tuolumne County development consultant, asked Katrina if he saw any movement on changes to CEQA, to which Katrina drew laughs when he responded simply, “No.”

Kopf is the project manager of the Stone Mill Center, an approved commercial development between Columbia and Sonora that would include an urgent-care clinic and other businesses.

The project was halted for more than a year due to a lawsuit filed by the Citizens for Responsible Growth over concerns about planning, traffic and aesthetic impacts that they argued didn’t comply with CEQA.

A visiting judge from Merced recently ruled in favor of the county’s approval of the project in Tuolumne County Superior Court.

Homelessness, a topic that has received much attention after a survey last found 711 people in the county who were homeless at the time, was briefly mentioned a few times but not discussed in depth at the summit.

The summit was presented by the Tuolumne County Economic Development Authority, Tuolumne County Business Council, and Tuolumne County Association of Realtors.

Sponsors of the event were the Rural County Representatives of California, Central Sierra Economic Development District, and Pacific Gas and Electric Co.

Those in attendance included District 4 Supervisor John Gray, District 5 Supervisor Karl Rodefer, Sonora Mayor Connie Williams, City Administrator Tim Miller, Stone Mill Center developer Gary Simning, and officials from the Amador-Tuolumne Community Action Agency.

Other speakers were Kim Dolbow Vann, state director of the U.S. Department of Agriculture’s Rural Development in California, Peter Turnbull, manager of PG&E’s Zero Net Energy Program, and Craig Ferguson, vice president of the Rural County Representatives of California.

District 2 Supervisor Randy Hanvelt gave the opening and closing remarks, concluding with a call to action for people show up at county Planning Commission meetings to support what he called “reasonable development” proposals.

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