

Renters to Homeowners

With the median price of an existing house reaching \$500,000 in the County, affordable housing has reached a crisis level. When I took office a little more than a year ago, I made affordable housing a priority issue.

In reviewing our affordable housing programs in the City I found that the main focus of our policy was to provide subsidized rental units. No one disputes that there is a need for rental housing; however home ownership has always been the American Dream and Chula Vista already provides more than its fair share of affordable rental units for the region.

My goal then became to make affordable home ownership a priority for the City's housing policy.

The benefits of homeownership to families are obvious. Families are able to gain a stake in the community and provide a more stable situation for themselves. They are able to build equity and wealth, as well as gaining the pride of ownership. In addition, communities with a higher percentage of ownership tend to have less crime and less graffiti.

The City and future homeowners win as well. As these units increase in value the equity created is shared by the new homeowner and the City. The City's portion of the revenue generated from this equity then goes to fund more first-time homebuyer programs in the future. This creates even more homeownership in the City.

Additionally, with interest rates at near historic lows, ownership makes even more sense because an ownership project's mortgage payment is only marginally higher than the cost of paying rent for a similar unit.

Affordable housing experts even agree that homeownership is the way to go. Habitat for Humanity focuses mainly on building units for people to own and not rent.

The good news is that after over a year of working with staff and community members, the City now has a formal affordable ownership policy. Even better, the Council just approved two new affordable ownership projects stemming from this policy. The first will provide 32 for-sale affordable units to first-time homebuyers. The second will provide 115 for-sale affordable units. This will now allow 147 families to realize their American Dream.

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