

News to Build On

Winter Issue
2011

THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

NPH Fall Conference Highlights New Directions for Housing

The annual NPH Conference, held on October 19th, was once again a great success, even in the midst of a challenging year for affordable housing builders, funders, and supporters. This year the housing sector faced unprecedented cuts at both the state and federal levels, including the significant threat to redevelopment agencies’



Claudia Cappio
Photo by Tim Isom

low and moderate income housing funds, and difficult cutbacks to crucial HUD programs such as HOME and Section 202. Yet the conference theme of “transformation” spoke to the hope and action that we have seen in our members’ hard work, as we rallied as an industry this year to fight for essential housing programs and funding.

In this spirit, NPH welcomed 560 of our members to the 2011 Fall Conference in San Francisco to discuss the challenges we face, and the solutions we must now develop to keep our sector strong in this turbulent economic landscape. The conference featured seventeen excellent workshops focused on development and finance, policy and advocacy, and property and asset management. As conference attendees continued their conversations into the evening about new pathways for housing, we also saw a record turn-out for the networking reception after the workshop sessions.

Conference day centered around a candid but uplifting keynote address from Claudia Cappio, the Executive Director of the California Housing Finance Agency (CalHFA). Cappio’s presentation acknowledged the hard realities of where the affordable housing industry finds itself this year, while also offering hopeful and motivating ideas to take us forward into 2012. “The trick,” she explained, “will be to thoughtfully respond – not react” to current challenges as we consider our next steps.
(Conference continued on page 3).

Published with funding from



Special Thanks to Partner Members:

Arthur J. Gallagher & Co.
Bay Area Local Initiatives Support Corporation
California Housing Partnership Corporation
Charities Housing
City of San Jose Department of Housing
Community Economics, Inc.
David Baker + Partners, Architects
EAH Housing
Gubb and Barsbay
Housing Trust of Santa Clara County
Low Income Investment Fund
Mercy Housing California
Novogradac & Company LLP
San Francisco Mayor’s Office of Housing

Major NPH Funders & Supporters:

Association of Bay Area Governments
Bank of America
California Emerging Technology Fund
Citi
Greenbelt Alliance
Evelyn & Walter Haas, Jr. Fund
J.P. Morgan Chase
Local Initiatives Support Corporation
Marin Community Foundation
N.K. McInnis, Jr.
The San Francisco Foundation
Silicon Valley Bank
Silicon Valley Community Foundation
Union Bank of California
Wells Fargo Bank
William & Flora Hewlett Foundation

Transit Survey Results	6
New Marin Report	7
Legislative Updates	8
TCAC Cost Study	9
Housing Spotlight	11

From the Desk of the Acting Executive Director

Dear Members and Friends,

As you may already know, NPH's Executive Director, Dianne Spaulding, is currently taking a four-month sabbatical after almost 20 years of service. This is a big step for the organization. It validates the strength of the board and staff, and honors Dianne's significant contributions to building NPH. This sabbatical recognizes her achievements and the sustainability of the organization she helped take to a whole new level. The Executive Committee of the NPH Board has appointed yours truly as the acting executive director until Dianne's return in March 2012.

While Dianne is away, the NPH team will continue to prioritize its efforts on identifying a series of possible dedicated revenue resources at the regional, state and federal levels for the preservation and acquisition of affordable housing and the production of new rental and homeownership housing for low-income individuals and families.

I want to take this opportunity to thank all of you who participated in NPH's 32nd Fall Conference at the Hilton Union Square. A special thank you is due to our event sponsors. Please take a minute to review the list of the Conference sponsors on page 5. NPH appreciates their continued support, especially during these economically challenging times.

October was a very busy month at NPH as we released several reports and surveys that provide advocates with solid, reliable information to make the case that affordable housing is critical to the fabric of our communities. This issue of *News to Build On* features the following reports and surveys:

1) *Driving Home Economic Recovery* is NPH's second report to look at the impacts of Marin's workforce housing crisis on local communities, workers, businesses and residents. This report aims to convince local officials and businesses owners that affordable housing is

a good investment for their workforce and their community.

2) "Why We Should Invest Now in the Bay Area's Affordable Rental Housing Market: Meeting Need and Creating Opportunity" is a short piece that demonstrates that the need and demand for affordable rental homes in the Bay Area has only increased in recent years, especially for the lowest income renters, but the provision of both affordable and market rate housing has fallen considerably since the regional housing boom. This advocacy tool has updated information that NPH members can take to advocacy meetings with elected officials, stakeholders and other potential partners.

3) The Affordable Housing Residents Transit Survey studied vehicle and ownership patterns of affordable housing residents in San Mateo and Santa Clara counties. This survey is part of a larger study that aims to inform policy makers, city planners and transportation planners about the important role that affordable housing development plays within a sustainable development and climate change mitigation strategy. You may also read about these advocacy-informing reports on our website: nonprophousing.org

Thank you for engaging with us this year and we hope to work with you all in 2012 on pursuing our holy grail – a permanent source for building affordable housing in our communities. On behalf of the staff of NPH, I wish you a peaceful holiday season.



Sincerely,

Peggy Lee
Acting Executive Director

News to Build On

News to Build On is the quarterly newsletter of the Non-Profit Housing Association of Northern California (NPH). It is published with generous support from the Wells Fargo Foundation. NPH's vision is a safe, decent affordable home for every Northern California resident.

Staff:

Andrew Buhrmann, Administrative Assistant
Gabriella Chiarenza, Policy Associate
Amie Haiz, Bookkeeper
Robert Hickey, Program Manager, Marin Community Housing Action Initiative
Michael Lane, Policy Director
Peggy Lee, Acting Executive Director
Melody Lopez, Program Coordinator, MCHAI
Shannon Rice, Membership & Communications Associate
Dianne J. Spaulding, Executive Director
Evelyn Stivers, Field Director
Clarice Veloso, Communications Director

Board of Directors:

President
Barbara Gualco, Director of Housing,
Mercy Housing California

Vice President
Susan Friedland, Executive Director,
Affordable Housing Associates

Secretary
Kara Douglas, Principal Planner
Affordable Housing, Contra Costa County
Department of Conservation and Development

Treasurer
Diep Do, Director of Housing Development,
Tenderloin Neighborhood Development
Corporation

Sally Carlson, Managing Partner, Carlson Beck, LLC
Ryan Chao, Executive Director, Satellite Housing
Leslye Corsiglia, Housing Director, City of San Jose Department of Housing
Matthew O. Franklin, President, MidPen Housing
Ben Golvin, Principal, Equity Community Builders
Phillip Kilbridge, Executive Director, Habitat for Humanity Greater San Francisco
Kevin Knudtson, Consultant, Community Economics, Inc.
Mary Murtagh, CEO and President, EAH Housing
John Stewart, Chairman, The John Stewart Company

(Conference continued from page 1).

Cappio began her address with several stark statistics illustrating the grave situation facing the lowest-income and hardest hit households in California, reminding conference attendees that “there is no more business as usual” for our industry and the residents it supports. Home prices have fallen 44% on average since 2007, and California has one of the highest percentages of foreclosure in the country. In 2009, over 150,000 of our state’s children were homeless, and one of every six California residents lived in poverty. Unemployment remains perilously high, and 370,000 construction jobs alone have been lost in the past five years. Given these harsh economic challenges, Cappio noted, it is an especially important time for us all to realize that affordable housing “is integral to a family’s stability, and to their ability to get back on their feet, improve their circumstances and contribute to their overall health.”



Photo by Tim Isom

Cappio spoke to the notable successes of CalHFA just six years ago during the housing boom, including \$378 million in commitments and \$250 million in loan closings for multifamily housing development. CalHFA helped over 6,000 first-time homebuyers with eight distinct down payment assistance programs. Even as the economy turned downward, CalHFA has done its best to assist struggling homeowners through programs like Keep Your Home California, while also building its own reserves to stay solid through the beginnings of the housing crisis.

Cappio acknowledged that the future of affordable housing is frustratingly foggy, but she also offered several thoughts on how our industry might come back from this difficult situation even stronger than before. She cautioned that sitting back and waiting for the policy outlook to change is not an option. Along these lines, Cappio laid out four central themes for forging ahead in affordable housing: identifying new sources of funding for housing, containing costs, supporting sustainable strategies, and collaborating with key partners in the public and private sectors.

Given the uncertainty around redevelopment funds, and the loss of temporary sources of funding including Proposition 1C dollars, it is more important than ever before that we identify a new permanent source of funding for housing.

Cappio suggested that finding multiple sources of permanent funds would be the best solution, so that the housing sector is not immediately vulnerable again if one source disappears. Such sources could include real estate transfer taxes, developer impact fees, or loan origination fees, among others. To assist with cost containment efforts and strategies, Cappio noted, CalHFA has joined forces with HCD, CDLAC, and TCAC to commission a comprehensive cost study of affordable development projects,

updating a previous study produced in 1993. The study and surrounding conversations about why costs have continued to increase and what can be done about it are critical in a time of constricted funding and production challenges.

Investing in sustainable development is another way to extend the value of each housing dollar. Cappio explained that this could take the form of loans specifically targeted toward smart growth initiatives, transit-oriented development strategies, and workforce housing efforts.

To fully and comprehensively embark on each of these ideas, Cappio told the attendees, California’s multiple housing departments must work together and leverage their individual strengths to move initiatives forward. Additionally, at the request of Governor Brown, Cappio is now considering ways in which to make California’s housing programs operate most efficiently.

Cappio was optimistic that if we work as a community and as an industry, our sector’s multifarious and tireless members can forge a new path forward for the future of affordable housing in California. Her sentiments echoed the conversations overheard throughout the conference day, as NPH members debated the ideas presented in workshops and networked with one another. The future may be unclear as we move into 2012, but these conversations blossoming from the conference are a clear indication that our industry can and will meet the challenges ahead.

32ND ANNUAL NPH FALL CONFERENCE



Photos by Tim Isom

32ND ANNUAL NPH FALL CONFERENCE

Thank you to the sponsors of the 32nd Annual NPH Fall Conference!

CORPORATE PARTNER



EVENT UNDERWRITERS



COMMUNITY BUILDER

Silicon Valley Bank - Community Development Finance

BENEFACTORS

Community Economics, Inc.
Citi
Enterprise

SUSTAINERS

Arthur J. Gallagher Risk Management Services
Bay Area LISC & National Equity Fund
Gubb & Barshay LLP
Merritt Community Capital Corporation
MidPen Housing
U.S. Bank

DONORS

All A Board Inc
Bank of America Merrill Lynch
Bay Area Transit Oriented Affordable Housing Fund
Bocarsly Emden Cowan Esmail & Arndt LLP
BRIDGE Housing Corporation
Brown Construction
Cahill Contractors
Dahlin Group Architecture Planning
EAH Housing
Essel Environmental Consulting
Federal Home Loan Bank of San Francisco
GALLINA LLP
Goldfarb & Lipman LLP
Interior Dimensions
Jamboree Housing Corporation
Laurin Associates
Lindquist, von Husen & Joyce LLP
Low Income Investment Fund

DONORS CONTINUED

Marin Workforce Housing Trust
Mercy Housing California
Northern California Community Loan Fund
Opportunity Fund
Portrait Homes, Inc.
Related California
Segue Construction, Inc.
The John Stewart Company
Willis Insurance Services of California, Inc.

SUPPORTERS

California Community Reinvestment Corporation
Carle, Mackie, Power & Ross LLP
Charities Housing
David Baker + Partners, Architects
Eden Housing, Inc.
Housing Trust of Santa Clara County

CONTRIBUTORS

ABHOW
B.A.R. Architects
Berger/Lewis Accountancy Corporation
Burbank Housing Development Corporation
California Housing Partnership Corporation
Christian Church Homes of Northern California
Comcast
Community Housing Partnership
D & H Construction
Episcopal Community Services
Habitat for Humanity Greater San Francisco
HKIT Architects
Midstate Construction Corporation
Oliver & Company
Pahl & McCay
Palo Alto Housing Corporation
Precision General Commercial Contractors, Inc.
Prudential Mortgage Capital Company
Public Initiatives Development Corp
Satellite Housing Inc.
Seifel Consulting
Sunseri Construction, Inc.

ADVOCATES

Community Housing Sonoma County
Gachina
Innovative I.T., Inc.
Ledly Maytum Stacy Architects

Survey Finds Affordable Housing Residents Drive Less and Take Public Transportation More

Since the passing of SB 375, housing advocates have made considerable efforts to influence land use decisions and tie together the regional allocation of housing needs and regional transportation planning in an effort to reduce greenhouse gas emissions from motor vehicle trips. To demonstrate that affordable housing promotes sustainable living, NPH performed a survey to gauge transit and vehicle ownership patterns of affordable housing residents in the San Mateo and Santa Clara counties.

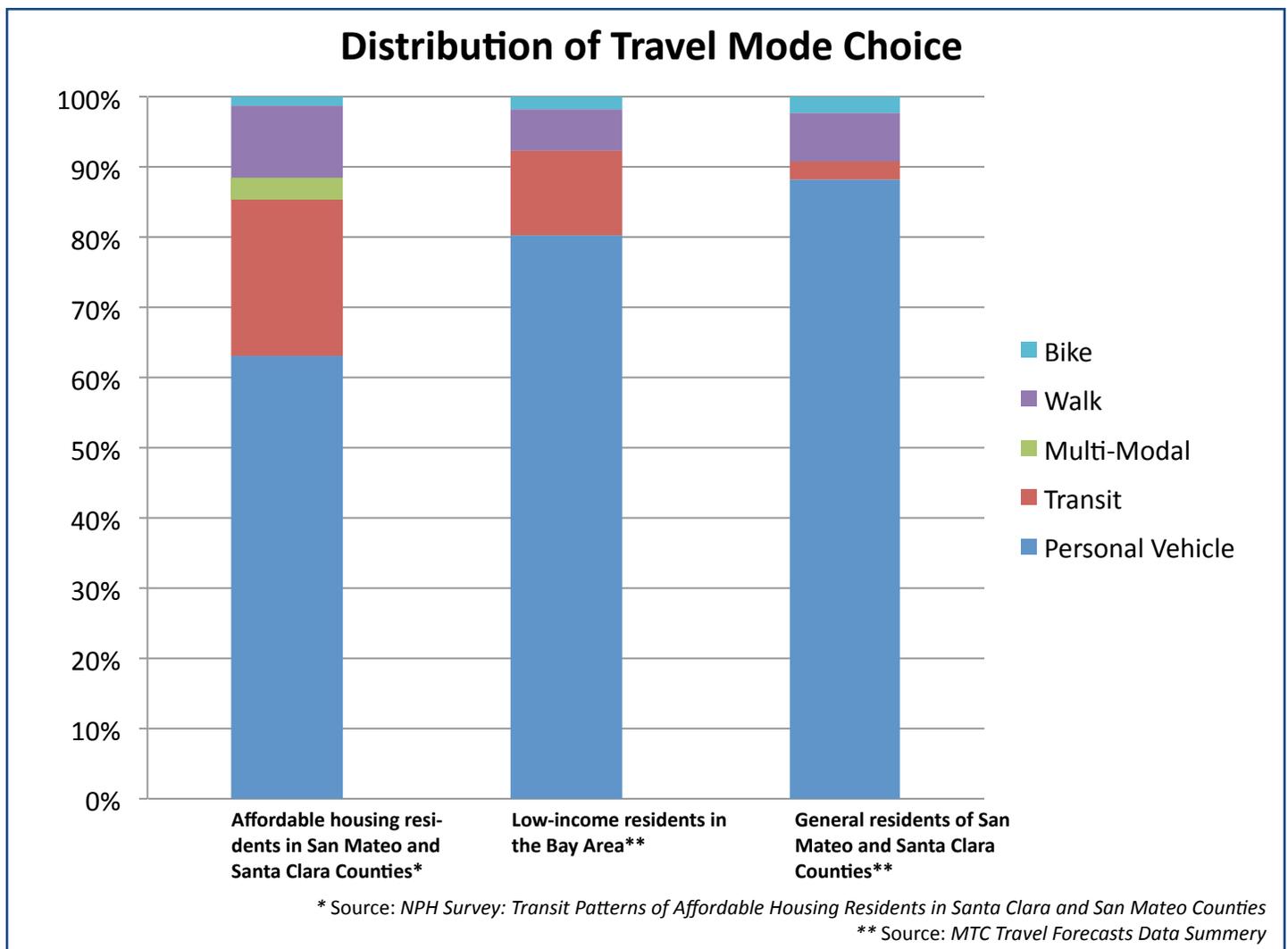
Completed in October 2011, the survey studied 695 households living in newly constructed affordable housing properties in Santa Clara and San Mateo Counties. The survey found that:

- Affordable housing residents are much more likely to use public transit than the general population of Santa Clara and San Mateo counties.
- Affordable housing residents are also much more likely to use public transit than the general lower-income population of the Bay Area.

- Survey respondents reported an average vehicle ownership rate of .85 vehicles per household versus an average of 1.96 and 1.90 vehicles per household in Santa Clara and San Mateo counties respectively, and an average of 1.35 vehicles per household among all lower-income households in the Bay Area.

This survey confirms NPH’s original hypothesis: affordable housing residents use public transportation more and use their cars less. These findings prove that increasing the supply of affordable housing in job-rich suburban locations will improve transit ridership, decrease traffic and decrease greenhouse gas emissions.

This survey is part of a larger study that aims to inform policy makers, city planners, transportation planners and interested members of the public about the role that affordable housing development plays within a sustainable development and climate change mitigation strategy. In this time of scarce resources, the report seeks to demonstrate how affordable housing development advances multiple sustainable community goals.



New NPH Report Illuminates Economic Benefits of Workforce Housing in Marin

Every night, more than 61,000 people who work in Marin commute home to places outside the county that are more affordable, taking with them \$1.4 billion in annual purchasing power that is lost to the Marin economy. This is one of the striking findings of a new report from NPH published in October, which finds that new workforce housing could redirect many of these paychecks back into the Marin economy, and support hundreds of new, local jobs in the process.

Driving Home Economic Recovery is NPH's second report to look at the impacts of Marin's workforce housing crisis on local communities, workers, businesses and residents. It was produced in partnership with the Marin Economic Forum and Sonoma State professor Robert Eyler, who provided the economic analysis for the report.

While echoing some of the findings of *Miles from Home*, which NPH released back in February, *Driving Home Economic Recovery* delves deeper into why so many Marin employees live and spend their money outside the county. It shows how Marin's economy has shifted over the past two decades toward lower-wage service jobs. For example, as high-wage, information sector jobs were shed over the past decade, Marin saw significant growth in sectors like health care/personal assistance. The average salary for this profession in Marin is \$47,594.

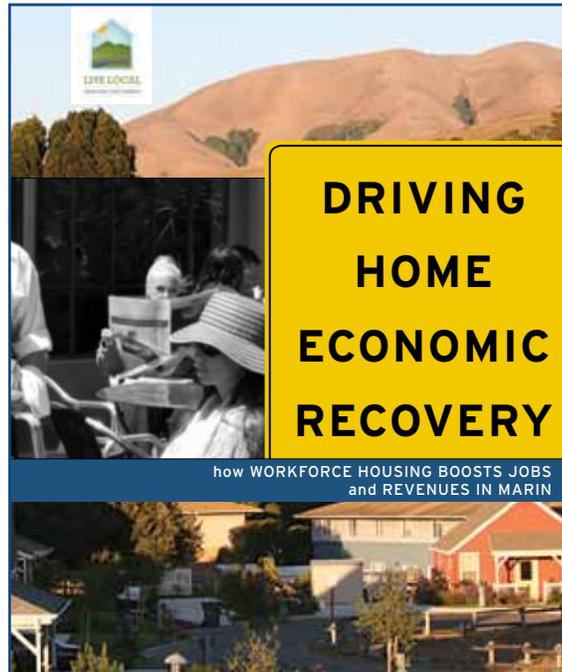
Like most of Marin's service professions, the growing number of health care/personal assistance workers in Marin earn too little to afford a home in Marin, where the median monthly rent is \$1,489. Homeownership is even more out of reach for these employees, even with recent foreclosures and the drop in prices of condominiums. As Eyler explains: "When workers' wages are compared to what it costs to rent or buy a home in Marin versus other communities, it's no wonder that many of the county's workers live elsewhere."

Earlier this year, *Miles from Home* examined how more affordable housing options for Marin's increasingly service-based workforce could reduce highway congestion and greenhouse gases in Marin. *Driving Home Economic Recovery* finds an economic upside as well. It indicates that Marin County does not have to grow at a faster rate than historical trends to reap these economic benefits. According to the economic modeling

conducted by Professor Eyler, new affordable homes for just one percent – or 610 lower-income in-commuting employees would:

- inject \$14 million in consumer spending into the economy each year, supporting 97 new jobs; and
- create an additional 181 Marin-specific jobs during the construction phase.

Business leaders in Marin have reacted favorably to the report's conclusions thus far. "What is clear from the findings in this report is that Marin has within its reach the ability to strengthen our communities, accelerate job growth, and reduce congestion on Highway 101," said North Bay Leadership Council President, Cynthia Murray. "And it's feasible without putting all the strain on any one segment of our society. Our employees do not have to suffer long commutes, nor do our business owners need to miss out on revenue."



New workforce housing may also be able to help Marin hold on to current residents who work locally, but are finding it hard to afford to stay in the county. Anthony Taylor is one example. A resident of Homeward Bound's Next Key transitional housing in Novato, Taylor works as an instructor for Next Key's culinary arts training program. As Taylor explains, "I'm about to graduate from the program and want to start my catering business in Marin, but I don't know if I can find an affordable place to live in Marin. I may have to move to Vallejo and commute back to Marin. I just want to be able give back to the community that helped me."

Driving Home Economic Recovery was produced as part of NPH's multi-year initiative in Marin County to make it easier to build high quality workforce housing, sponsored by the Marin Community Foundation.

Readers with questions about the report, such as how to replicate its analysis can contact Robert Hickey: (415) 491-4731 or robert@nonprofnhousing.org.

Electronic copies can be downloaded by visiting nph.convio.net/DrivingHomeEconomicRecovery. Hard copies are also available by contacting Andrew Buhmann at (415) 989-8160 x10 or andrew@nonprofnhousing.org.

FEDERAL POLICY UPDATE

Federal Policy Update

Conference Committee Proposes Significant Budget Cuts to HUD Programs

On November 14th, the Congressional Conference Committee issued its final report on the “minibus” Appropriations bill, which includes the budget for the Department of Housing and Urban Development for fiscal year 2012. The report called for significant cuts to many HUD programs, including HOME, Section 202 Housing for the Elderly, and the Sustainable Communities Initiative. HUD’s overall budget dropped by \$3.8 billion from fiscal year 2011, for a total of \$37.3 billion in budget funds for 2012.

In one of the most severe cuts, the Conference Committee set HOME program funding at \$1 billion for FY 2012, a dramatic decrease from FY 2011’s funding level of \$1.6 billion, despite considerable efforts on the part of NPH members and others to urge Congress to fully fund this critical program. The Conference Committee echoed criticisms presented by the House about alleged misuse of HOME funds, and the decision followed a hearing of two subcommittees within the House Financial Services Committee on allegations of fraud in the program. The Conference Committee also cut Section 202 funding to \$375 million from FY 2011’s level of \$399 million, and zeroed out Sustainable Communities Initiative funding, effectively eliminating the program.

On a more positive note, a few HUD programs saw small increases, including Section 811 Housing for the Disabled, which gained \$15 million in additional funding for FY 2012. The Choice Neighborhoods program, which revitalizes distressed communities, nearly doubled in funding, from \$65 million in FY 2011 to \$120 million in 2012. Additionally, the minibus authorizes HUD’s Rental Assistance Demonstration program, to convert 60,000 units of public housing into project-based Section 8 units.

The minibus also contains a continuing resolution for government agencies whose budgets have not yet been approved by Congress, allowing them to operate past the previous continuing resolution’s deadline of November 18th. The inclusion of the new continuing resolution, which extends operation for those agencies until December 16th, made the minibus “must-pass” legislation.

On November 17th, the minibus easily passed the Senate with bipartisan support, and was sent on to President Obama for approval.

STATE POLICY UPDATE

State Policy Update

Redevelopment

The future of California’s 65-year-old redevelopment program hung in the balance on Thursday, November 10th, in San Francisco, as the California Supreme Court heard oral arguments in the California Redevelopment Association v. Matosantos lawsuit. Archived video of the hearing can be found at CalChannel.com

Representing the State of California, Deputy Attorney General, Ross C. Moody, said that, in passing AB1X 26 and AB1X 27, the legislature acted within its authority and that difficult decisions had to be made given the significant budget challenges. Moody claimed the opt-in payment provision in AB1X 27 for agencies to continue to exist is a local, voluntary choice. However, Justice Carol A. Corrigan pushed Moody on this claim and questioned how this payment could be conceived of as truly voluntary if agencies face dissolution for failing to comply. Notably, during the proceeding, the County of Santa Clara attorney James R. Williams said that the Supreme Court should uphold AB1X 26 and strike down AB1X 27, arguing that the bills are severable and that redevelopment agencies are creatures of statute that can be established or eliminated by the legislature without running afoul of Prop. 1A or Prop. 22. The County also claimed that because 27 changed the pro rata shares of property taxes allocated among local agencies, a two-thirds vote of the legislature was required, therefore, making the bill inoperative on its face. Santa Clara County stands to gain \$90 million per year if redevelopment agencies are eliminated.

CRA attorney, Steven L. Mayer, countered that the bills are not severable and that the clear intent of the entire scheme of 26 and 27 was to redirect property tax dollars to other taxing entities. Mr. Mayer also pointed out that, based on comments made by legislators during the floor debate when the bills were taken up, the legislative intent was not to eliminate RDAs. Throughout the hearing, several Justices peppered Mr. Mayer with questions and expressed skepticism regarding his interpretation of Prop. 22 and the limits it placed on the authority of the legislature.

Redevelopment tax increment provides \$1 billion for affordable housing each year in communities across the state - easily the largest source of funding for these types of development. Should RDAs be eliminated, the legislature has yet to identify any alternate funding streams for the provision of affordable housing. If the Court upholds both AB1X 26 and 27, agencies that wish to continue to exist must make the required “voluntary” remittance payments. The State scored the payments as a \$1.7 billion budget solution in the current fiscal year. The Supreme Court has committed to handing down a decision by January 15, 2012, when the first remittance payment would be due, though the case could be decided much sooner.

(State Policy Update continued on page 9).

(State Policy Update continued from page 8).

NPH is currently working on a 2012 legislative agenda that will respond to all potential outcomes of the high court's decision.

If you would like to learn more and participate in the formulation of the affordable housing agenda, please contact Michael Lane, Policy Director at (415) 989-8160 x22 or michael@nonprofithousing.org.

Sneak Peak: 2012 NPH Brown Bag Training Series

JANUARY 25, 2012

Resident Services in Family Housing: What Does Research Suggest About the Potential Benefits

Convenor: Adam Dunn, Mathematica Policy Research

FEBRUARY 15, 2012

RDA Debrief: Where Do We Stand?

Convenor: Josh Mukhopadhyay, Goldfarb & Lipman

FEBRUARY 29, 2012

NPH Policy Briefing 2012: Roadmap to Funding Affordable Housing

Convenor: Michael Lane, Non-Profit Housing Association of Northern California

MARCH 14, 2012

HOPE SF: Transforming Lives through Public Housing Revitalization

Convenor: Rich Gross, Enterprise Community Partners

APRIL TBD, 2012

CEQA Guidelines and Infill Housing- A Toxic Combination?

Convenor: Josh Mukhopadhyay, Goldfarb & Lipman

For more information about the NPH 2012 Brown Bag Training Series and to register, visit our website, nonprofithousing.org, and click on "events and trainings."

TCAC Cost Study Deliberations Underway

On Friday, November 4, 2011, the heads of California's housing finance agencies convened a meeting of the Cost Advisory Group in Sacramento at the offices of HCD. TCAC Executive Director Bill Pavao, CalHFA Executive Director Claudia Cappio, CDLAC Executive Director Sean Spear and HCD Acting Director Cathy Creswell received input regarding the draft scope of work for the Request for Proposals document that will be used to solicit bids from prospective consulting firms for a new affordable multifamily housing cost study. A similar cost study was published in 1993 and everyone agrees it is time for a new, updated effort.

The goal of the new affordable rental housing cost study will be to gather and publish data regarding development costs and the factors that affect these costs. As part of the study, affordable developments will be compared to similar market-rate rental projects. In addition, a review of state mandates, threshold requirements and the TCAC point system will be made to evaluate potential cost drivers. The study will also take into consideration the significant community benefits provided by affordable developments.

The Advisory Group will provide input, review and responses at each stage of the study. It estimated that the study will be delivered in the fall of 2012.

The members of the 20-member Advisory Group are: Bill Witte (Related California); Matt Franklin (MidPen Housing); William Leach (Palm Communities); Alice Carr (JPMorgan Chase); Doug Pingel (Self-Help Enterprises); Jeanne Peterson (Reznick Group); Pat Sabelhaus (California Council for Affordable Housing); Jim Silverwood (Affirmed Housing Group); Arjun Nagarkatti (AMCAL); Joel Rubenzahl (Community Economics); Todd Fabian (National Equity Fund); Paul Beesmyer (California Housing Partnership Corporation); Stacie Altmann (RBC Capital Markets); Laura Archuleta (Jamboree Housing); Jack Gardner (The John Stewart Company); Shamus Roller (Housing California); Doug Shoemaker (Mercy Housing California); Susan Friedland (Affordable Housing Associates); Dora Leong-Gallo (A Community of Friends) and Michael Lane (NPH).

MEMBERSHIP LAPSED?

If the date on your mailing label has passed, contact us to renew today!

(415) 989-8160 x10 or

info@nonprofithousing.org

Renew online at www.nonprofithousing.org

NEW ADVOCACY TOOL: BAY AREA RENTAL HOUSING BRIEF

In October, NPH issued a new briefing paper entitled “*Why We Should Invest Now in the Bay Area’s Affordable Rental Housing Market: Meeting Need and Creating Opportunity*.” The paper is available for download at nph.convio.net/2011RHB, and we encourage our members to use this short information piece in advocacy meetings with policy makers and other community stakeholders. In this paper, we demonstrate that the need and demand for affordable rental homes in the Bay Area has only increased in recent years, especially for the lowest income renters, but provision of both affordable and market rate housing has fallen considerably since the regional housing boom. We also make the case that investing in meeting this rental housing need by supporting the development of affordable homes provides additional benefits to California’s economy and job market.

Here are some highlights from the paper:

- Across the Bay Area’s nine counties, between 33% and 42% of all renter households in 2010 earned annual incomes of less than \$35,000.
- In eight of nine counties, at least 75% and as many as 88% of renter households earning less than \$35,000 per year spent more than the affordable standard of 30% of their incomes on rent.
- Comparing supply and demand, the Bay Area needs over 200,000 additional units affordable to extremely low-income renters to meet their need, but in 2009 building permits were issued for only 5,751 units.
- New housing construction activity contributes an average of 77,000 jobs per year in California, and each job directly created in new housing construction generates 1.2 indirect or induced jobs.
- For each new residential unit built, the State of California receives an average of \$16,000 in tax revenues, and local governments receive an average of \$3,000.

To download the full paper, go to:
nph.convio.net/2011RHB

Please contact Gabriella Chiarenza, Policy Associate at gabriella@nonprofithousing.org or (415) 989-8160 x19 with any questions.

NPH Working Groups

NPH working groups are member-driven, staff-facilitated forums focusing on specific affordable housing issues. The recommendations that come out of these groups are what drive NPH’s policy agenda. As a member, you can be involved in any of the working groups. For more information about working groups, please contact Gabriella Chiarenza, Policy Associate, at (415) 989-8160 x19 or gabriella@nonprofithousing.org.

Legislative Issues Committee

Meets: 1st Thursday of each month, 9:30 to 11:00 AM

The Legislative Issues Committee discusses issues related to housing policy, funding, and programs on the regional, state, and federal levels. The group reviews program changes, regulation updates, and state and federal bill proposals as they arise, and makes preliminary recommendations to guide and inform NPH’s position on each issue.

Resident Services Roundtable

Meets: 3rd Friday of each month, noon to 2:00 PM

The Resident Services Roundtable is a monthly discussion group for directors of resident services and others interested in tenant-related issues.

Property Stewardship Working Group

Meets: 4th Thursday of each month, 2:00 to 4:00 PM

The Property Stewardship Working Group meets monthly to discuss property and asset management issues. The group is composed primarily of directors of property or asset management, as well as others interested in property-related concerns.

Tax Credit Allocation Committee (TCAC) Ad Hoc Working Group

Meets: As needed

The Tax Credit Allocation Committee meets when changes to the California Qualified Allocation Plan are proposed to discuss the proposals and make recommendations to the California Tax Credit Allocation Committee (CTCAC) in Sacramento. The group is also in place to handle any issues related to the Low Income Housing Tax Credit program on the state or federal level. Mostly comprised of developers and tax credit consultants, this group is open to any NPH members interested in tax credit development and policy.

HOUSING SPOTLIGHT

Harmon Gardens

On Tuesday October 18th, Affordable Housing Associates (AHA) celebrated the completion of Harmon Gardens, a new Berkeley development providing shelter and supportive services for 15 transition-age youth, ages 18-24, who were formerly homeless or at risk of homelessness. Many of these youth – some of whom represent the more than 600 Bay Area teenagers discharged each year from foster care upon turning 18 years old – were also dealing with the challenges of severe mental illness or emotional hardships without housing, a source of income, adult encouragement or community support.



Through a partnership with Fred Finch Youth Center and Berkeley Mental Health, Harmon Gardens provides support programming to transitioning youth that includes employment and education counseling, physical and mental health workshops, financial literacy classes, transition groups, self-sufficiency skills development, and community building events.

Designed by HKIT Architects, and constructed by Midstate Construction Company, Harmon Gardens is a model for sustainable design. The infill development utilizes existing infrastructure and photo-voltaic solar panels to provide energy needed for lighting the common areas and heating and hot water for common areas and residential apartments. Additional green building measures include the installation of energy saving appliances, low flow plumbing fixtures, and improved indoor air quality through the use of no VOC paints and adhesives and natural and recycled flooring materials.

The project is expected to achieve a LEED Platinum rating, the highest possible award, as a pilot participant for development of the Multi-family High Rise LEED for Homes rating system. Harmon Gardens also participated in the pilot program for the EPA Indoor Air Plus Program, and will achieve an impressive Green Point rating of 170 points. In addition, the Bay Friendly Landscaping Program will certify the project for its attention to native and drought tolerant plantings and creative strategies

for addressing storm water runoff and water conservation on-site.

Ten out of 16 units are set-aside for residents who qualify under the Mental Health Services Act (MHSA) as having a severe mental illness or emotional disturbance. All of the units are affordable to households earning less than 50% of the area median income; however most residents have little or no income and rely on rental assistance by HUD Project-Based Section 8 program or through a capitalized operating reserve funded by the Mental Health Services Act. The development is located in South Berkeley, a part of the city that is characterized by its quiet neighborhoods and tree-lined streets. The property site, which sits on a main transit corridor, offers easy access to local and regional amenities including shopping, parks, employment opportunities, and medical facilities. The project was funded by the City of Berkeley, Alameda County, CA Housing Finance

Agency, American Recovery and Reinvestment Act Funds administered by the CA Tax Credit Allocation Committee, Federal Home Loan Bank with Torrey Pines Bank, Corporation for Supportive Housing and Northern California Community Loan Fund and received rental assistance through the Berkeley Housing Authority.

For more information about Harmon Gardens or AHA, please contact Susan Friedland, Executive Director, at (510) 649-8500 x 15 or sfriedland@ahainc.org.



Photos by Misha Bruk

“Housing Spotlight” is a column featuring case studies of innovative housing developments throughout the Bay Area. Members who are interested in having a development featured in future issues are encouraged to contact Shannon Rice at shannon@nonprofithousing.org.

COMING SOON

Coming Soon

**16th Annual NPH
Affordable Housing Leadership Awards Gala**

May 2, 2012

The City Club of San Francisco

155 Sansome Street, San Francisco

Save the date! Details coming soon...



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

369 Pine Street
Suite 350
San Francisco, CA
94104