

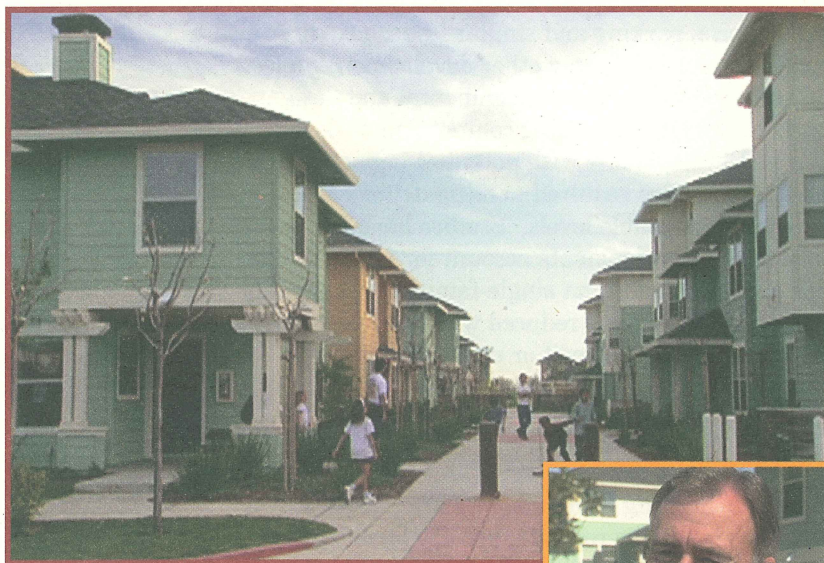
ANSWERS TO COMMON QUESTIONS

Q: *How will affordable housing affect property values in my neighborhood?*

A: Research conducted by the State of California and many other independent groups has regularly documented that **contemporary affordable housing has no impact on nearby property values, or in some cases actually contributes to increases in property value.** Why? Because contemporary affordable housing combines attractive design with professional tenant and property management.

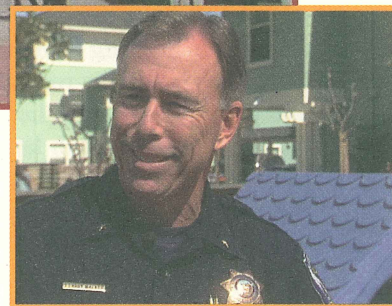
Q: *Will affordable housing be compatible with my neighborhood?*

A: Yes. Affordable housing proposals are required to undergo design review and comply with all local planning and building codes. In fact, many affordable housing developments have won design awards because they reflect the character of the surrounding neighborhood, the natural environment and neighborhood traditions.

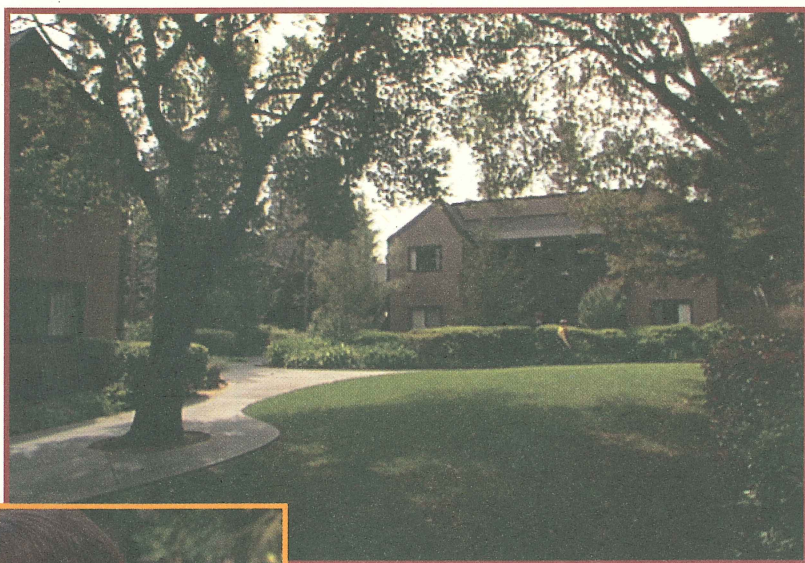


— Sunset Creek Apartments, Fairfield

"Management is key. I recently checked the police calls and they're doing a great job here; they're not having problems. This kind of development improves the quality of life in your city."



— Larry Walker
Assistant Chief of Police, Fairfield



— Webster Woods, Palo Alto

"Webster Woods has been here 20 years, and has maintained a wonderful presence; it has contributed to the general upgrading of the neighborhood.."

— Lanie Wheeler
City council member & former mayor, Palo Alto



Q: *Will affordable housing residents be good neighbors?*

A: Yes. Affordable housing residents are **carefully selected** from large numbers of applicants. They want to live in safe, attractive housing in good neighborhoods. Residents sign leases which commit them to "house rules," and management enforces these rules. Professional property management with on-site resident managers is responsive to community concerns that may arise.

Q: *How are neighbors' concerns about affordable housing considered?*

A: Affordable housing developments must meet local planning code requirements, which are intended to anticipate neighbors' concerns. Often, affordable housing proposals are subject to a public review process including public hearings before the Planning Commission. Developers may also consult with neighborhood organizations or hold community meetings to get input or to involve neighbors in the design process.

Q: Will affordable housing cause traffic, noise and parking problems?

A: Traffic, noise, parking and similar issues are controlled by city standards like any other development project, and are reviewed in the environmental and design stages by the city's planning commission or development agency. Developments with potential impacts beyond city standards are required to mitigate (or reduce) these impacts to acceptable levels. Studies have found that multi-family developments account for fewer cars and trips per household than single-family developments. Also, regional traffic is reduced when developments are located near public transit or near residents' jobs.

Q: How is affordable housing financed?

A: Affordable housing developments are financed by a combination of rent receipts, private loans or grants and government subsidies. Typically, local government monies leverage much larger federal and state contributions. Federal and state financing sources include the federal and state Low Income Housing Tax Credits, Affordable Housing Program (AHP), Community Development Block Grants, HOME Investment Partnership funds and U.S. Department of Housing and Urban Development (HUD) grants for elderly, disabled persons, persons with AIDS and homeless people. At the federal level, massive cuts in the funding available for affordable housing threaten to undermine these productive public / private partnerships because local governments depend upon federal subsidies to stretch their limited funds.

Q: How are the demands on the city's services and infrastructure handled by the development?

A: Local governments usually require affordable housing developments to pay for infrastructure and other impacts of the development, including a school assessment as determined by the State of California for any impacts on the local school district.

Q: What are non-profit housing developers and what is their role?

A: The private sector provides housing for the majority of people in a community. However, as the costs of purchasing land and building housing soars, it becomes more difficult for the private sector to build housing for those who need it while generating a sufficient return for investors. Non-profit housing development organizations are created for charitable purposes to perform a service to the community: to develop housing for lower income families, seniors and people with disabilities which the private sector generally cannot provide. Non-profit developers in the region have produced nearly 15,000 affordable housing units since 1980.

Many non-profit developers are local community or faith-based organizations, who consider their work a critical community service. Employees of non-profits receive salaries, and all development costs must be paid. However, the organization does not need to generate additional revenue to compensate owners or shareholders for their investment. Affordable housing developers can pass on this "cost savings" to tenants in the form of lower rents.

Hourly wages and market rents: who gets left out?

