

NEWS TO BUILD ON SUMMER 2014

WHAT NOW FOR AFFORDABLE HOUSING?

While poll after poll demonstrates the public's concern and anxiety over the growing housing affordability crisis and study after study indicates the glaring funding shortfalls for affordable home production in our state, the California Association of Realtors' (CAR) aggressive campaign against SB 391, the California Homes and Jobs Act, convinced the state Assembly that it would be politically career-damaging for legislators to bring the bill to the floor for a vote and so the bill was left to die unceremoniously in the Assembly Appropriations Committee. (It didn't help at all that three Senators who voted for the bill and would have likely been needed for a concurrence vote were suspended from the Senate.) CAR, of course, continues to claim it supports affordable housing while opposing every meaningful piece of legislation in the Capitol that would help lower-income Californians live in a safe, decent home they can afford.

While it was agonizing to watch the slow and painful death of the Homes and Jobs Act, our affordable housing community has demonstrated great resiliency (again) and has pivoted and engaged our broad SB 391 coalition toward intense advocacy work to ensure that cap-and-trade auction revenues are dedicated to equitable transit-oriented development (TOD) in an amount that could exceed \$300 million per year, through at least the year 2020, under Senator Darrell Steinberg's long-term investment plan and that a state general fund allocation for this fiscal year of \$200 million for HCD's Multifamily Housing Program (MHP) proposed by Assembly Speaker and housing champion, Toni Atkins, is included in the final adopted budget.

On June 3 and as part of the statewide primary election, voters overwhelmingly approved Proposition 41, the Veterans Housing and Homeless Prevention Bond Act of 2014, which authorizes \$600 million in general obligation bond funding for affordable and supportive multifamily housing for low-income and homeless veterans and their families. This was certainly a strong and much-needed show of support for our veterans by primary voters and an encouraging result. In fact, Prop. 41 received a yes vote from nearly two-thirds of voters statewide.

In addition, we at NPH continue to work on our regional affordable housing trust fund concept for the San Francisco Bay Area that is known by the working title of "Regional Quality of Life Initiative." Our goal is to put together a package of strategic investments in affordable housing, transit and parks and open space and identify a funding stream that would generate \$750 million per year for the expenditure plan. Taking a page out of Bruce Katz and Jennifer Bradley's book, *The Metropolitan Revolution*, we are engaging the visionary business, government and philanthropic leaders and energetic nonprofit organizations in our region to address problems to which Sacramento and D.C. appear incapable of formulating any effective response. Assemblymember Kevin Mullin's (D-South San Francisco) AB 2170, which is currently moving through the legislative process, will enable a potential regional joint powers authority (JPA) framework for our initiative.

We have certainly been impressed by San Francisco Mayor Ed Lee's work on affordable housing issues. He has been virtually alone among the most prominent locally-elected officials across the state in responding forcefully and meaningfully to the loss of redevelopment funding for affordable housing and the deepening affordability crisis. With passage of Proposition C in 2012, his drive for Ellis Act Reform and his proposal to program an additional \$94 million from the city's budget for affordable housing over the next two years, among other efforts, Mayor Lee's commitment has been inspiring. However, as demonstrated by the Google Bus controversy, the nearly terminal traffic gridlock in the South Bay, and the number of residents in our area with a severe rent burden, housing is a regional issue and requires a coordinated and collaborative regional response for funding. The Bay Area Council and the Silicon Valley Leadership Group recognize the threat that the lack of a sufficient supply of affordable homes for our workforce poses to our business climate over time.

NPH has adopted an "all of the above" advocacy strategy for affordable housing funding at the local, regional, state and federal levels because that is exactly what it will take to get more homes built and meet the tremendous need that continues to grow even as production falls off and pipelines become clogged due to funding shortfalls.

NEWS TO BUILD ON

WHAT NOW FOR HOUSING (CONT)

At the local level, working closely with our partners in the Housing Action Network, we have been working on “boomerang funds” campaigns that ask city councils and boards of supervisors to set aside a portion of the new property tax revenues coming into their general funds (due to the dissolution of redevelopment agencies and increases in the assessed value of real property in their jurisdictions) for affordable housing. In the context of the housing element update process, we are also requesting that our local electeds authorize nexus studies and consider adoption of housing impact and commercial linkage fees to help replace lost funding.

Finally, at the state level, we have certainly seen that even Democratic supermajorities struggle to address the need for affordable housing funding and are reluctant to take votes to create new revenues. However, we also note that AB 639 (John A. Perez), the bill that placed Prop. 41 on the June ballot, attracted bipartisan coauthors and bipartisan and unanimous support in the legislature. Also in this session, AB 2235, a bill sponsored by the California Building Industry Association, would place a \$9 billion school facilities bond on the November 2014 ballot. The legislation was approved in the Assembly with bipartisan and unanimous support and now heads over to the Senate. As with the veterans bond bill, AB 2235 has a southern California Republican coauthor, Assemblymember Curt Hagman (R-Chino Hills), who joined Assemblymember Joan Buchanan (D-Alamo) to bring forward the bill.

The lesson seems to be that while even Democratic supermajorities are reluctant to pass new revenue measures that the governor may just veto, a willingness still remains to put bond measures before voters and let them decide. This is the politically safe and expedient way to go for all politicians and this approach is particularly successful when the measures begin on a bipartisan basis with coauthors from both parties. This is, of course, how the infrastructure package of bond propositions of 2006, including Proposition 1C were developed.

While it would certainly be fiscally prudent and represent solid public policy to adopt a dedicated funding source for affordable housing, such as the \$75 document recording fee that was proposed in SB 391 – which would have been pay-as-you-go, wouldn't have required debt service and wouldn't have encroached on the state's general fund – the political will just doesn't seem to exist in the legislature to get this done (not to mention the daunting task of trying to get this governor to sign such a bill).

Perhaps the push for affordable housing funding at the state level needs to shift back and focus now on preparing to run a bill in the next legislative session that would place a \$2 billion housing bond on the November 2016 presidential election ballot. During the Homes and Jobs Act campaign work to secure Senate votes, Senator Anthony Cannella (R-Ceres) said he would like to work with us on funding solutions for affordable housing but couldn't vote for a new revenue source (read: tax). Senator Cannella or another Republican legislator might be willing to coauthor a measure that would let voters decide by placing a bond on the ballot as then-Senator Bob Dutton (R-Rancho Cucamonga) did for Prop. 1C. Who knows? Maybe even the California Association of Realtors would be able to support such an approach.

NEWS TO BUILD ON

AN IMPORTANT REMINDER ABOUT THE POWER OF PUBLIC EDUCATION AND RESOURCES THAT ARE AVAILABLE

Over the past 35 years, creative non-profit and for-profit affordable housing developers have constructed a new generation of affordable housing that is indistinguishable from market-rate housing. Still, as we are all keenly aware, the need for affordable housing is not even close to being met. Meanwhile, our communities are losing critically needed housing and substantial public and private subsidies because of ill-informed and often illegal discriminatory opposition to affordable housing. Not In My Back Yard (NIMBY) opposition harms businesses and the rest of the community by denying needed affordable housing to workers and others, and by depriving the community of beneficial spillover effects of public and private subsidies, such as local jobs.

Despite the successes of our region in producing high quality, well designed and managed affordable housing for working families, low income individuals and seniors, there have been several recent elections where ballot measures and candidates have lost because of their support for affordable housing.

There is a great deal of mis-information out there, especially now in the digital age. There is deep confusion among the public and within local government about the rights and duties of citizens with regard to who can move in next door. Through no fault of their own, many believe that when “affordable housing” is concerned they have a right to determine who will be their neighbor. This claim is directly contrary to our nation’s tradition of private property rights, freedom of movement, land use regulation, and public policy expressed in fair housing statutes and other law.

This misunderstanding is fueled by contemporary rhetoric, blaming the low-income and vulnerable members of society not only for their own problems, but for all of the problems of working class Americans. Finally, this confusion extends to the expectation that local government land use decisions, which are for the common good of the entire jurisdiction, can be vetoed by a small group.

There are no “silver bullets” to eliminate NIMBY opposition, but after two decades of providing public education and technical assistance for the siting of specific housing developments, NPH believes that NIMBY opposition can be managed. We have worked to create a best practices methodology and resource material to help non-profits do the best job possible when seeking public approvals. We believe that a NIMBY can be turned into a YIMBY (Yes in My Back Yard) supporter.

NPH Executive Director, Dianne Spaulding, will be travelling to Sydney Australia in July of this year to exchange ideas about this international topic. NPH will certainly share learnings and best practices upon her return. In the meantime, we thought that it would be a great opportunity to remind the members that we have staff available if you need technical assistance to counter community opposition to one of your developments. In addition, we have a comprehensive toolkit which is available.

Let’s work together to turn those no’s into yes’s!

NEWS TO BUILD ON

REGIONAL HOUSING UPDATE

Housing Element Advocacy

State law requires that all cities and counties across the region adopt updated housing plans by January 30, 2015. In partnership with key allies such as East Bay Housing Organizations (EBHO), the Housing Leadership Council of San Mateo County (HLC), the Law Foundation of Silicon Valley, Bay Area Legal Aid, and many more, NPH has been coordinating and supporting advocacy efforts on housing element updates for jurisdictions throughout our region.

Our coalitions have been working to ensure that housing elements do not just comply with the letter of the law but are also imbued with the spirit behind state housing law. Key issues being addressed include: identification of opportunity sites feasible and appropriate for affordable housing; inclusion of strategies to protect at-risk units; inclusion of appropriate land use regulations for opportunity sites; and adoption of programs and policies that facilitate affordable housing production.

Our Regional Housing Element Working Group meets on the 1st Thursday of each month from 1:00 – 3:00 p.m. Meetings take place at NPH's offices at 369 Pine Street in San Francisco. All are welcome to attend!

The Santa Clara County Housing Element Work Group meets on the 2nd Monday of each month from 1:00 – 3:00 p.m. Meetings take place at the Neighborhood Services of Silicon Valley offices at 31 North 2nd Street, San Jose. Please join us!

Funding Campaigns

NPH and partners such as East Bay Housing Organizations (EBHO), Housing Leadership Council of San Mateo County (HLC), and the Housing Trust of Silicon Valley are advocating that cities take aggressive steps to replace affordable housing funds lost through the elimination of redevelopment agencies.

Housing Impact Fees

Market studies demonstrate that building new market-rate homes is linked to the growth of low-wage jobs. Providing an adequate supply of affordable homes for these new low-wage workers requires a subsidy. Identifying the nexus between market-rate development and the need for affordable housing provides the justification for cities to adopt housing impact fees.

In April, the City Council of Daly City adopted an Affordable Housing Ordinance that establishes an impact fee for rental housing development. Later this month, the City of Emeryville will consider adopting a housing impact fee as well. The City of San Jose and cities within San Mateo County are currently in the process of developing nexus studies to determine appropriate housing impact or commercial linkage impact fees for their respective communities.

Boomerang Funds

NPH has also been working with our partners to secure boomerang funds at the county and city levels. These funds are new property tax revenues to a city or county's general fund due to the elimination of redevelopment agencies and increases in the assessed value of real estate. By setting aside local boomerang funds to take advantage of a Santa Clara County match, the cities of Campbell, Los Gatos, Milpitas, Mountain View, and Santa Clara have the opportunity to gain close to \$19 million in one-time funds for affordable housing. Of these five cities, Mountain View recently decided to set aside their portion of boomerang funds.

The Alameda County Board of Supervisors is working closely with EBHO to develop a boomerang policy to commit \$9.8 million in one-time funds for affordable housing production in the county.

NEWS TO BUILD ON

REGIONAL HOUSING UPDATE

Key Emerging Issues

NPH's Housing Advocacy Network (HAN) serves as a regional forum for important emerging issues such as housing as healthcare and, most recently, the need for an appropriate jobs-housing fit for our communities.

Recent research on jobs and housing fit conducted by Professor Chris Benner from the UC Davis Center for Regional Change demonstrates that many cities in the Bay Area have a high ratio of jobs to affordable homes. The mismatch between actual wages received by our workforce and the availability of affordable homes to those workers not only exacerbates inequality, but also makes it impossible to achieve our environmental goals by forcing people to commute longer distances. Strategies for achieving a better jobs and housing fit – providing more housing that is affordable to our workforce at lower-income levels – locally and across the region needs to be a key part of our advocacy efforts, especially during this current housing element update cycle.

Keep abreast of emerging issues and join the conversation by attending a HAN meeting. The Housing Advocacy Network meets on the 1st Thursday of each month from noon to 1:00 p.m. Meetings take place at NPH's offices at 369 Pine Street in San Francisco. All are welcome to attend!

For more information on the HAN or about any of the affordable housing efforts mentioned above, please contact NPH's Regional Policy Manager, Pilar Lorenzana-Campo at pilar@nonprofithousing.org.

A TRIBUTE TO DIANNE SPAULDING

On May 22, 2014 affordable housing leaders from throughout the state gathered in Santa Monica for the California Housing Consortium's Policy Forum & Housing Hall of Fame Awards. NPH's executive director, Dianne J. Spaulding was given special recognition for over 20 years of service to affordable housing, but, much to her surprise, this was not a one-time-only recognition. CHC announced that they had named their newly created award in her honor – the Dianne Spaulding Local Leadership Award – to recognize regional and local champions who “make a big impact on the affordable housing industry.”

Dianne had previously been inducted into the CHC's Housing Hall of Fame in 2006 for her affordable housing leadership. This new honor will institutionalize the recognition of affordable housing leaders at the local and regional levels and is an acknowledgement of how leadership and action at the local and regional levels can be a driving force and model for the entire state.

Congratulations Dianne! NPH is grateful for your hard work and leadership. We are lucky to have you!