

PRESS RELEASE ARCHIVE

PERFECT STORM HITS CALIFORNIA HOUSING MARKET

San Francisco — California State Senator Mark DeSaulnier (D – Concord) and Senate President pro Tem Darrell Steinberg (D – Sacramento), along with principal co – author Assemblymember Toni Atkins (D – San Diego) today introduced legislation to create the Housing Opportunity and Market Stabilization (HOMeS) Act with the goal of creating a permanent funding source for affordable places to live in California .

“California needs a healthy housing market that provides an adequate supply of affordable homes for all Californians,” said DeSaulnier. “By identifying a permanent funding source for this vital public service, this bill will ultimately remove affordable housing from protracted and contentious budget debates in Sacramento. With ongoing and permanent funding, affordable housing will become a reality instead of a goal for Californians in need.”

The HOMeS Act will support the development, acquisition, rehabilitation, and preservation of affordable homes for Californians on fixed incomes and modest budgets, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. Funded through a \$75 document recording fee on real – estate transactions, the bill would generate an average of \$700 million per year for housing affordable to hardworking families, put construction workers back on the job, and boost California’s economy by creating millions of dollars in new economic activity.

“The Bay Area has an especially critical need for affordable housing. However, over the past five years, funding at every level — federal, state and local — used to jumpstart construction of affordable places to live has dwindled or vanished all together, just as demand for affordable rental housing is rising, creating the perfect storm,” said Peggy Lee, Acting Executive Director of the Non – Profit Housing Association of Northern California .

“The HOMeS Act (SB 1220) takes a significant step towards ending homelessness and helping hundreds of thousands of Californians find safe and affordable homes,” said Shamus Roller, Executive Director of Housing California, a bill sponsor. “Hardworking families should be able to afford housing and still have money for groceries and other necessities.”

“In this difficult state fiscal environment, we thank Senator DeSaulnier for introducing this important bill that begins to address the perfect storm impacting funding for affordable housing in California,” said Ray Pearl, Executive Director of the California Housing Consortium. “This bill goes a long way towards reestablishing an important public – private partnership.”

HIGH COURT RULING ELIMINATES PROGRAM FOR LOW-INCOME FAMILIES AND SENIORS

San Francisco — The California Supreme Court's ruling, issued today, upholds a law that abolishes redevelopment agencies across the state. This move will be devastating to millions of low-income Californians who have been hardest hit by the largest economic recession the state has seen in years. Redevelopment funds are the largest local funding source for affordable homes and rental housing. Over the coming years the loss of this funding will mean thousands more Californians living on the streets and tens of thousands more living in overcrowded and substandard conditions.

In June 2011 the California State Legislature passed two bills in an attempt to plug the state's budget deficit. AB 26x abolished the redevelopment agencies and AB 27x allows them to continue to exist, but only if they make a contribution back to the state.

Lost in the redevelopment debate over sports stadiums is the fact that 20% of redevelopment funds go to build and preserve affordable homes in California. "The 20% of tax-increment financing generated by redevelopment agencies is the single most important source of local government financing for the creation and preservation of affordable housing throughout the state. This decision comes at the worst time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure" said Peggy Lee, Acting Executive Director of the Non-Profit Housing Association of Northern California.

Unlike other jurisdictions across the state, Bay Area cities like San Francisco have been using most of their redevelopment funds to develop much-needed affordable housing. Over the past 10 years, San Francisco's redevelopment agency has allocated millions of dollars (more than 50% of their funding) to affordable housing projects. More than 1,400 units in 11 projects are now in the pre-development stage and will be unable to move forward without future funding.

At a time when thousands of Californians are losing their homes to foreclosure, rents are going up in most parts of the state, making it even harder for working families to find affordable rentals. NPH is committed to working on legislation in 2012 to preserve future funding for affordable housing.

AFFORDABLE HOUSING IN SAN FRANCISCO IN GREAT JEOPARDY

San Francisco, March 8, 2011 — Under current state law, redevelopment agencies must use 20% of their revenues to improve, protect or expand the supply of affordable housing in their communities. The 20% of tax-increment financing generated by redevelopment agencies is the single most important source of local government financing for the creation and preservation of affordable housing throughout the state. Governor Jerry Brown has proposed to permanently shut down local redevelopment agencies and the California State Legislature is slated to vote on Governor Brown's proposal on March 10, 2011. This proposal comes at a time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure.

“The ‘safety net’ for low-income families includes a safe, stable place to live. It is likely that without this important ‘safety net’ many low-income seniors and families will become homeless,” said Dianne Spaulding, Executive Director of the Non-Profit Housing Association of Northern California.

California State Senator Mark DeSaulnier has introduced a proposal stating that if redevelopment agencies are eliminated, the funding for affordable housing will be saved by allowing the state to distribute the 20% of redevelopment agency funds to cities and counties via Councils of Government (COGs) and Regional Transportation Planning Agencies. The Non-Profit Housing Association of Northern California is urging the governor and the state legislature to protect the future funding of affordable homes by supporting the Sen. DeSaulnier's proposal.

There is no program or service that is more fundamental to the well-being of low-income Californians than having a safe and affordable place to call home. Without Sen. DeSaulnier's proposal, California will lose its largest local source of funds used to create affordable housing; amounting to a loss of at least \$1 billion each year. Sen. DeSaulnier's proposal will allow a portion of this funding to be available in the future for California's low-income housing needs.

Over the past 10 years, San Francisco's redevelopment agency has allocated millions of dollars (more than 50% of their funding) to affordable housing projects in San Francisco. Over 1,400 units in 11 projects are now in the predevelopment stage and will be unable to move forward without future funding.

Saving funding for affordable housing becomes even more important at a time when low-income families and seniors in the Bay Area continue to be squeezed by the high cost of housing. “The Non-profit Housing Association of Northern California would like to urge others to call the Governor and local state legislators and tell them that affordable housing is crucial to low-income families and seniors who are at the brink of homelessness” said Dianne Spaulding.

The production of affordable homes creates jobs and is key to California's economic recovery. In 2010, 3,079 construction jobs were generated by San Francisco Redevelopment Agency (SFRA) activities. It is projected that in 2011, redevelopment activities in San Francisco will create an additional 3,000 construction jobs. With a 12% unemployment rate, California cannot afford to lose more jobs.

AFFORDABLE HOUSING, A SAFETY NET FOR OAKLAND'S LOW-INCOME POPULATION, CRITICAL TO ECONOMIC RECOVERY

Oakland, Calif. – Governor Jerry Brown has proposed permanently shutting down local redevelopment agencies. The 20% of tax increment financing generated by redevelopment agencies is the single most important source of local government financing for the creation and preservation of affordable housing throughout the state. This proposal comes at a time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure.

Affordable home production creates jobs and is key to California's economic recovery. The "safety net" for low-income families includes a safe, stable place to live. It is likely that without this important "safety net" many low-income seniors and families will become homeless.

Over the past 10 years, Oakland's redevelopment agency has allocated more than \$200 million to affordable housing projects in Oakland. The net effect: 1,900 units of new housing completed with 1,200 more in the pipeline. It also allowed 500 low-income families to become first-time homebuyers. Cathedral Gardens, a proposed 100-unit affordable community for working families and seniors, is one of these developments in the pipeline that is dependent upon funding from city of Oakland's redevelopment agency. Cathedral Gardens will be located in downtown Oakland, on a site that has been vacant for more than a decade. It will incorporate the historic Rectory building of the Saint Francis de Sales Cathedral, which was irrevocably damaged in the Loma Prieta earthquake.

The new EAH Housing community will provide housing affordable for very low-income families, with service connections that will allow people with disabilities and AIDS/HIV to live independently in a supportive environment. Cathedral Gardens will revitalize a site that once played a critical role in a historic district in Oakland, but has been abandoned and boarded-up for many years. This development effort is a shining example of the successful future that housing funds provided by redevelopment agencies can bring to impoverished, economically depressed communities.

Interviewees:

Mary Murtagh – President and CEO, EAH Housing

Dianne Spaulding – Executive Director, Non-Profit Housing Association of Northern California

Photo Opportunities:

Cathedral Gardens site, 668 21st Street Oakland, CA

PROTEST AT STATE CAPITAL OVER GOVERNOR'S PROPOSED CUTS TO HOUSING FOR LOW INCOME SENIORS, FAMILIES, AND PEOPLE WITH DISABILITIES

What: 300 low-income housing residents, advocates, and supporters will hold a rally on the steps of the State Capitol in Sacramento to help save funding for affordable housing. Governor Jerry Brown's controversial proposal to close down redevelopment agencies will eliminate critical funding for building affordable housing in California. This proposal comes at a time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure.

Affordable home production creates jobs and is key to California's economic recovery. The "safety net" for low-income families includes a safe, stable place to live. It is likely that without this important "safety net" many low-income seniors and families will become homeless. It is critical that the California State Legislature preserve funding to build affordable housing: it is in California's long-term social and economic interest to have stable, meaningful funding for affordable housing.

Who: 300 low-income housing residents, advocates and supporters

Where: West Capitol Steps, California State Capitol, 10th and L Streets, Sacramento

When: Tuesday, February 15, 12:00 noon

Visuals: Hundreds of low-income residents, advocates and supporters with colorful placards, podium, large speakers, megaphones and designated speakers.

MARIN'S STRUGGLE TO HOUSE ITS WORKFORCE IS MAKING ALREADY BAD TRAFFIC WORSE

Marin County—February 24, 2011—Nearly 60 percent of people who work in Marin commute in from outside the county, farther on average than any other workforce in the Bay Area; most cannot afford to live near where they work, according to “Miles From Home,” a report released today by Live Local Marin, a special initiative of the Non-Profit Housing Association of Northern California (NPH), an affordable housing advocacy group, and Greenbelt Alliance, an environmental advocacy group. Cumulatively, Marin’s driving workforce puts an extra 2.37 million pounds of carbon emissions into the air each day, threatening Marin’s proud environmental heritage. Marin’s lack of affordable housing is cited as a primary cause, with two-thirds of Marin workers earning less than the \$56,000 per year needed to afford to rent a one-bedroom apartment. Live Local Marin is calling on cities and the County to zone for more homes affordable to people who already work in Marin, so that they can live closer to where they work and drive less.

“While traffic problems are nothing new,” said Dianne Spaulding, Executive Director of NPH, “what we found is that, contrary to public belief, the traffic on 101 in Marin is not just due to people passing through, it is made up mostly of workers trying to get to their jobs in Marin. And, more importantly, more than half of these in-commuters earn less than \$40,000 per year. That’s not enough to rent even a 1-bedroom apartment in Marin. Is it any wonder they need to commute long distances? We’re talking about workers like paramedics, kindergarten teachers and childcare workers.”

“Marin has a great legacy of environmentalism with more permanently protected parks, farms, and wetlands than any other Bay Area county,” said Jeremy Madsen, Executive Director of Greenbelt Alliance. “But to create a truly sustainable county, Marin will need to provide affordable homes that allow workers to drive shorter distances. That’s one of Marin’s best ways to reduce its carbon footprint.”

The report finds that commutes to Marin have increased and traffic worsened as home costs have risen, all while Marin’s economy has shifted to lower-paying retail and service sector jobs, such as teachers, home health aides, childcare workers, and bank tellers. However, this shift in the economy was not matched by the creation of homes priced for moderate-wage workers. In fact, 77 percent of houses constructed between 1999 and 2006 were priced for households earning \$80,000 or more per year. Only 11 percent of the county’s workforce can afford housing at that price. Over the next five years, it is projected that 65 percent of jobs created in Marin will be in low-paying sectors further widening the gap between supply and demand.

“We’re trending in the wrong direction. We have to turn this train around and we have chance to do it now,” said report author Robert Hickey, NPH’s Marin Program Manager. “Marin has a long history of creating, beautiful, safe and affordable homes for its workforce.” He cites Marin County’s recent inventory of below-market rate homes, which shows over 91 percent of the employed residents work in Marin County. Hickey continued, “As jurisdictions update their general plans, they have an opportunity to keep doing what works: to zone for a fuller range of housing choices near job centers so that people with roots in Marin can live closer to where they work. When we do that, we reduce commute congestion and protect our environment at the same time. It’s a double win for Marin.”

“The ‘Miles from Home’ report will go a long way toward raising awareness about the urgent need for housing affordable to Marin’s workers,” said League of Women Voters of Marin County President, Margy Eller. “It underscores what the League has long stood for: development has to be planned carefully to address and meet the need of all sectors of our community. We know the solutions to housing, employment and transportation issues will reduce regional vehicle miles traveled and greenhouse gas emissions. This report shows we can no longer afford to wait to achieve those goals.”

Live Local Marin will be conducting a tour of affordable workforce housing on Saturday, March 5, 9:00 a.m. to 2:00 p.m., starting at 1385 N. Hamilton Parkway, in Novato.