Literature Review
Housing-focused Publications in the San Francisco Bay Area
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Introduction

Dear CASA Committee Members,

We are excited to share the enclosed literature review with you. We hope this document will accelerate our discussion by establishing a shared baseline about what’s happening in our communities and by building on the policy development that stakeholders have already done.

Our team distilled dozens of recent housing and displacement-focused documents from across the Bay Area to prepare this snapshot of the Bay Area’s housing crisis. We condensed each document into a consistent one-page format that emphasizes three components: a general overview, key findings, and policy recommendations. We hope that you will draw upon this reservoir of good ideas throughout the CASA process. We have also included an index of other organizations and online resources that you may find useful as we work together to identify a set of strategies for addressing the Bay Area’s housing crisis.

We encourage you to review the summaries that are included here and use the included links to access the full reports. We also welcome your feedback. If there are essential documents missing from this review, please let us know.

Sincerely,

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CASA Lead Facilitator

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CASA Co-Lead Facilitator
Executive Summary

The enclosed literature review was conducted by Estolano LeSar Perez (ELP) Advisors on behalf of MTC and CASA: the Committee to House the Bay Area. The goals of this endeavor were to:

- Establish a baseline of information about regional housing trends and the impacts and concerns identified by diverse constituencies.
- Accelerate the CASA discussion by building on policy work done by stakeholders to date.
- Create a reservoir of good ideas to draw upon throughout the CASA process.
- Distill thousands of pages of documents of relevant material into a concise and consistent format.

This review was particularly interested in identifying policy recommendations that have already been researched and vetted by stakeholders and enjoy broad cross-sector support.

Methodology

In preparing this literature review, we went through three sequential phases. In the first phase, we used a set of search criteria to find documents online and build an internal library. In the second phase, we used a set of criteria to prioritize which documents should be included in the final report. Lastly, we prepared a one-page summary for each of the documents to be included in the final report.

In the first phase, we used the following search criteria to find documents and build our library:
1. Bay Area housing and displacement-focused documents
2. Published online in 2014 or later
3. Was prepared by one of the following types of organizations:
   - Regional Agency
   - Local Government (emphasis on three big cities plus countywide ballot measures)
   - Housing Advocacy (both affordable and market-rate)
   - Housing Research and Finance
   - Social Equity and Anti-displacement
   - Business
   - Labor
   - Smart Growth and Sustainability

We began our search by visiting the websites of CASA committee members and then radiated outward to affiliated organizations.

In the second phase, we prioritized documents for inclusion in the final report that met one or more of the following criteria:
1. Major foundational documents (e.g., Plan Bay Area, State of the Region)
2. Prepared by a committee member or their staff, grantee, or coalition
3. Prepared by a leading voice in a constituency not represented on the committee
4. Includes specific, relevant policy recommendations
5. Includes unique, relevant existing conditions information
Results

We found 102 documents to review. Of those, we selected 68 to include in the final report. The table below shows the breakdown of those documents by organization type.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Docs Reviewed</th>
<th>Number of Docs Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Regional Agency</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>Housing Advocacy</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Housing Research &amp; Finance</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Social Equity</td>
<td>14</td>
<td>9</td>
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<tr>
<td>Business</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Labor</td>
<td>6</td>
<td>4</td>
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<tr>
<td>Smart Growth &amp; Sustainability</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
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Each of the documents in the final report includes an overall summary, key findings, and policy recommendations.

Top Policy Recommendations

Not all the documents included in this review contained policy recommendations. Among those that did specific policy prescriptions, certain commonalities emerged from our review. We tallied the frequency with which certain policy recommendations appeared in these documents, as well as the degree of cross-sector support. The table below includes the top policy recommendations.

<table>
<thead>
<tr>
<th>Policy Recommendation</th>
<th>Number of Mentions</th>
<th>Cross-Sector Support?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase local and regional funding for affordable housing</td>
<td>15</td>
<td>Strong</td>
</tr>
<tr>
<td>Use surplus public land for affordable housing</td>
<td>12</td>
<td>Strong</td>
</tr>
<tr>
<td>Preserve existing affordable housing at risk of conversion</td>
<td>10</td>
<td>Strong</td>
</tr>
<tr>
<td>Expand housing impact fees and inclusionary requirements</td>
<td>10</td>
<td>Moderate</td>
</tr>
<tr>
<td>Policy Recommendation</td>
<td>Number of Mentions</td>
<td>Cross-Sector Support?</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------</td>
<td>--------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Streamline permitting for infill housing (affordable and market-rate)</td>
<td>9</td>
<td>Moderate</td>
</tr>
<tr>
<td>ADUs: ease restrictions and create incentives to build</td>
<td>6</td>
<td>Strong</td>
</tr>
<tr>
<td>Encourage new units that are affordable by design (micro-units, modular, etc.)</td>
<td>6</td>
<td>Strong</td>
</tr>
</tbody>
</table>

The broad cross-sector support for these recommendations can provide a useful starting point for CASA discussions. While these are by no means the only set of policies which should be considered for inclusion in CASA discussion, some of these could represent low-hanging fruit that can be agreed upon – and hopefully implemented – fairly quickly.
Regional Agencies


Summary: The current period of growth is marked by the polarization of wages combined with limited housing production and increased demand among high-wage workers for housing close to transit. In contrast to previous periods, displacement is taking place regionally rather than in a handful of core urban neighborhoods. This creates social and economic instability for low and moderate income households, increases tensions, and exacerbates regional congestion.

Key Findings:
- Areas of highest displacement are the East Bay BART corridor between Hayward and Richmond, Caltrain on the Peninsula, and in the region’s three largest cities.
- Many African-American households are moving from San Francisco and Oakland to Eastern Contra Costa County and the Central Valley.
- While the Latino population is increasing in all other cities, it is declining in San Francisco.
- Most cities have affordable housing production strategies. Fewer cities have preservation strategies. Only a handful have adopted just cause eviction and rent control ordinances.
- The expansion of community services and middle-wage jobs can work in concert with housing strategies to address displacement.
- As priority development areas (PDAs) grow, they will attract investment and become more desirable. Jurisdictions and regional agencies must ensure that existing longtime residents in PDAs can remain in place as these areas grow.

Recommendations:
Regional agencies should participate in cross-sector collaborations in each of the following areas:
- Research and analysis: Develop robust data that pinpoints areas of displacement.
- Funding: Support efforts to develop more local and regional sources of funding to build and preserve affordable housing. Leverage regional resources to support programs such as the Transit-Oriented Affordable Housing (TOAH) fund. Pursue state and federal funding sources, and create a more supportive environment for infill development.
- Planning support: Incentivize local policies that address displacement and facilitate production of housing at all income levels. Develop regulatory approaches to spur production of market rate and affordable housing that is consistent with adopted local plans. Leverage underutilized publicly-owned land for affordable housing production. Foster knowledge transfer and provide technical assistance to local jurisdictions about effective anti-displacement tools.

Summary: ABAG used data from local jurisdictions’ housing plans to inventory and map land suitable for housing development. The database can be used to understand how development looks within each neighborhood, zoning and density constraints and opportunities, and identify other challenges for housing development. The database does not indicate information about a parcel’s development timeline or future.


Summary: This database inventories housing policies from almost all ABAG jurisdictions. The searchable database includes 30 different policy types, which are organized into the six categories of: market-rate housing production strategies, affordable housing production strategies, anti-displacement strategies, locally-funded affordable housing strategies, other locally-funded housing strategies, and by-right development strategies.


Summary: HUD funded ABAG and MTC to carry out a 3-year, integrated planning process for housing, jobs, and transportation in the Bay Area region. A cross-sector Steering Committee oversaw implementation of the grant program. A sub-grant program that funded more than 50 pilot projects at the local and sub-regional level to address three challenges:
  1. Providing affordable housing near transit and jobs
  2. Expanding economic opportunities and mobility for lower wage workers
  3. Mitigating displacement risks in vulnerable neighborhoods


Summary: This toolkit compiles policy recommendations from thirteen toolkits and reports related to housing in the Bay Area, that were produced by nine agencies and organizations. For each policy recommendation, the toolkit indicates the relevant report source(s).

Recommendations: The toolkit offers policy recommendations for ten solutions categories. Each category helps to advance one or more of regional housing goals to protect residents from displacement, develop new housing, and preserve affordable housing and access. The toolkit offers specific recommendations for each of the following broader policy recommendations.
• Build new market-rate homes.
• Require affordable units to be built within market-rate development projects, or charge fees for off-site affordable housing development, to create new mixed-income communities.
• Acquire and rehab affordable units, and make them permanently affordable.
• Apply creative policies to existing housing stock such as accessory dwelling units, retrofit assistance, affordability contracts.
• Embrace resident-based solutions in utilizing existing housing through programs such as homebuyer loans, home-sharing, fair housing enforcement.
• Adopt local policies to protect tenants and prevent displacement.
• Reduce development costs through measures that lower entitlement and permitting costs.
• Create and grow funding sources to support housing development.
• Support local plans that include new housing, and facilitate the implementation of housing plans through the permitting process.


**Summary:** This report aims to serve as the foundation for a regional conversation related to the Plan Bay Area 2040 updates project. The report provides context around key livability issue areas and trends in the Bay Area, along with recommendations for how to address major regional issues in four key areas. One of the report’s four sections focuses on increasing housing choices and affordability, with a clear set of strategies recommended for addressing the region’s housing needs.

**Recommendations:** the following strategies are recommended to increase housing choice and affordability.

• Build more and different types of housing to accommodate the needs of a changing population.
• Develop housing on under-utilized public land near transit and jobs centers.
• Increasing funding and tools available for affordable housing development and preservation, including incentives.
• Build support for affordable housing and the community and state levels.
• Remove barriers to providing housing, particularly in low-income, vulnerable areas.
• Promote policies that preserve affordability and help stabilize neighborhoods.
• Support alternative housing ownership models.
• Discourage development in highly hazardous areas.
• Retrofit existing affordable housing units.
• Prepare for affordable housing stock replacement following a natural disaster.
Summary: This report examines present conditions in the context of historic trends and future expectations. It finds a population shift fueled by continuing domestic and foreign in-migration by those seeking opportunities in the expanding economy, as well as a baby-boom population moving into retirement years. Recent housing trends show a slowdown in the pace of new housing construction compared to previous decades, and a shift in the balance of growth from single to multifamily dwellings and from suburban/rural to urban job centers.

Key Findings:

- Between April 2010 and January 2014, employment grew by 9.8% and population grew by 3.8 percent, while the housing stock expanded by only 1.4 percent.
- The Bay Area has outpaced both California and the US in job recovery and expanding output. The three fastest growing major occupation categories are computer and mathematical, food preparation, and sales and related occupations.
- The location of population growth has shifted from suburban/rural counties in the 1990s and 2000s to more urban counties since 2010.
- The median age has dropped since 2007 in San Francisco, Santa Clara, Alameda, and San Mateo counties, but is increasing in the North Bay counties.
- The share of the white population has dropped from a majority in 2000 to 41% in 2013. The Asian population has overtaken the Hispanic population as the most rapidly expanding population group.
- The region’s housing stock grew by less than 40,000 between 2010 and 2014.
- New permits are focusing more on existing job centers, and multifamily units are a growing proportion of new stock. During the 1990s, San Francisco and San Jose accounted for 22% of all units added. Since 2010, the share has risen to 37 percent. Approximately 15,000 single-family and 23,000 multifamily units were added.
- Only 25% of the region’s needed production goals have been met for very low, low, and moderate income housing, compared to over 80% for above moderate income.


Summary: The regional Fair Housing Equity Assessment (FHEA) looks closely at local and regional data to determine how accessible infrastructure, services, and opportunities are in relation to housing. Although the Bay Area has surpassed other regions in policy innovation, the area is still home to segregation and unequal access. The FHEA provides high-level recommendations on how the region can address these disparities.
Key Findings:

- Segregation continues, especially for the Black population, and has had a steady presence since 1990 despite the region’s increasing population diversity.
- There are income and opportunity disparities between racial groups. Areas of high opportunity have few affordable housing choices. Black and Hispanic households living in poverty are least likely to live in census tracts with high opportunity.
- Affordable housing tends to exist in low-income and low opportunity areas that are also more likely to be vulnerable to climate change and natural disasters.
- A significant number of fair housing complaints have been filed, and fair housing tests confirm that housing discrimination occurs in the Bay Area.

Recommendations:

- Adopt goals, invest in more programming, and improve enforcement.
- Tie funding dollars to fair housing outcomes.
- Strengthen the housing element to analyze policy impacts on vulnerable populations.
- Promote development and preservation of affordable housing, especially in high opportunity areas, through mechanisms such as incentives and zoning.
- Increase economic investments in low opportunity areas.
- Consider access to opportunity (jobs, services, amenities) when planning and implementing transportation investments.
- Protect affordable units during natural disaster recovery, and rebuild any lost or damaged units.


Summary: This toolkit is a compilation of housing policies currently being implemented by jurisdictions in various parts of the region. The toolkit aims to serve government practitioners and community organizations in their work to address the Bay Area’s pressing housing challenges. The report covers 28 types of housing policy. For each policy type, the toolkit provides a summary and overview of its benefits, a list of potential policies, and a list of model ordinances and additional resources. The policy types include:

1. Anti-displacement policies
2. Condo conversion requirements
3. Just-cause eviction
4. Preservation of existing affordable housing
5. Preservation of mobile home park housing
6. RDA protections – continue compliance with RDA protection
7. Relocation benefits, replacement housing, and first right of return
8. Rent stabilization
9. Return foreclosed properties to lower income supply
10. Housing overlay zone (HOZ)
11. Incentive zoning/density bonus and public benefit zoning
12. Inclusionary housing
13. Source of income ordinance
14. Commercial linkage fee
15. Housing impact fee
16. Rededication of “boomerang” funds to affordable housing
17. Affordable housing sites
18. Priority development areas
19. Parcel assembly
20. Parking
21. Site and building regulations
22. Universal design standards for apartments
23. Emergency shelters and homeless persons (SB 2)
24. Reasonable accommodations (SB 520)
25. Second-unit law (AB1866)
26. State density bonus law
27. Permanently affordable homeownership – community land trusts
28. Home sharing


Summary: This analysis sought to answer the question of how growth in high-wage jobs in one jurisdiction affects job growth and affordable housing in multiple jurisdictions. Overall, the analysis provides evidence that the concerns about changing patterns of affordability are well-founded. The datasets used for this analysis covered the period of 2008-2011.

Key Findings:
- High-wage and low-wage jobs are not growing equally everywhere. High-wage job growth was geographically dispersed throughout major portions of the region. Low-wage job growth, in contrast, was more heavily focused in the three core cities of San Francisco, San Jose, and Oakland.
- Relationship between high-wage and low-wage jobs varies substantially, though they are closely related in the largest job centers. In the three core cities, there was a close association between high-wage and low-wage job growth; in smaller jurisdictions, this relationship is much weaker. When all jurisdictions are included, there is no statistically significant relationship between change in low- and high-wage jobs.
- Overall jobs-housing balance has not changed dramatically, but jobs-housing fit has significantly worsened. Measures of total housing indicates that most jurisdictions have added housing roughly in proportion to the increase in total
jobs. However, disaggregating these values by wage levels and housing affordability reveals a significantly different picture with substantial imbalances and inequities.

- **San Francisco jobs-housing fit worsened:** San Francisco was responsible for the largest growth in low-wage jobs, and added total numbers of housing units in rough proportion to the total number of new jobs, but saw no net increase in the number of affordable units.

- **In Oakland and San Jose, affordable housing production tracked low-wage job growth.** Oakland added both low-wage jobs and had an increase in affordable housing while San Jose lost low-wage jobs but had an increase in affordable housing.

- **Commute patterns show that new workers are travelling farther distances than existing workers.** The patterns are generally worse for low-wage workers. In San Francisco, for example, new workers in the lowest wage category travel 4.4 times further than new workers in the high wage category. In San Jose, the figure is 3.6.

11. **Metropolitan Transportation Commission and Association of Bay Area Governments.** (March 2017). *Plan Bay Area 2040 Draft Plan.*


**Summary:** Plan Bay Area 2040 projects household and employment growth over the next 24 years and provides integrated land use and transportation investment strategy for accommodating that growth. The Bay Area is expected to add 1.3 million jobs and 2 million residents by 2040, further intensifying the challenge.

**Key Findings:**

- Lengthy review processes, state and local regulations, tax policy, and CEQA litigation have hindered the production of higher-density, mixed-used infill housing development.

- Funding for affordable housing has declined drastically in recent years, with redevelopment dissolution and federal funding cuts in excess of 50% since 2000.

- Production of housing affordable to low- and moderate-incomes has lagged higher-income housing production. Since 1999, only 35% of the housing units required to meet the needs of vulnerable populations have been built.

- The most significant shortfall has been in the moderate-income category.

- There are currently half a million lower-income households at risk of displacement.

- Housing pressures have driven low- and moderate-income households to the periphery of the region, leading to longer commutes, increased traffic congestion, and a variety health and environmental impacts. Overall commute time is the highest on record.

- Failure to address the housing crisis and its resultant transportation challenges could impact the Bay Area’s future economic growth. Researchers estimate that the Bay Area is already losing billions in economic output due to housing supply constraints.
To accommodate projected growth, PDAs will need significant policy interventions, such as higher densities, office space caps, reduced parking requirements, and streamlined environmental approvals.

**Recommendations:**
- Advance funding and legislative solutions for housing identified by CASA
- Implement the housing initiatives adopted in the One Bay Area Grant (OBAG) program.
- Spur housing production at all levels and directly invest in affordable housing. Identify opportunities to incentivize housing production and affordability in new funding sources.
- Use housing performance to prioritize funding for long-range transportation projects.
- Strengthen policy leadership by expanding technical assistance for local jurisdictions.
- Close data gaps, disseminate information, and create an accessible database to inform policy development.
Local Government


Summary: Measure A1 authorized Alameda County to issue up to $580 million in general obligation bonds for the purpose of providing affordable local housing and preventing displacement of vulnerable populations, including low- and moderate-income households, veterans, seniors, and persons with disabilities; providing supportive housing for homeless people countywide; and assisting low- and middle-income households to purchase homes and stay in their communities.

Key Findings:
The measure states that:
- “Proceeds will be used to acquire or improve real property to provide up to 8,500 units of affordable local rental housing and housing for the homeless.”
- “Proceeds will also help low and middle-income households purchase homes.”


Summary: In November 2016, Measure JJ (approved by voters) appeared on the ballot as follows: “Shall Oakland’s Just Cause For Eviction and Rent Adjustment Ordinances be amended by: (1) extending just-cause eviction requirements from residential rental units offered for rent on or before October 14, 1980 to those approved for occupancy before December 31, 1995; and (2) requiring landlords to request approval from the City before increasing rents by more than the cost-of-living adjustment allowed by City law?”

Key Findings:
Measure JJ changes two ordinances (Oakland’s Rent Adjustment Ordinance and the Rent Adjustment Program) to allow more units to be covered by just-cause eviction requirements, and to require landlords to obtain advance approval before raising rents by more than the cost-of-living adjustment (COLA). Measure JJ also amends the Rent Adjustment Ordinance to require the City to provide an annual notice to residents and owners of all covered units stating the amount of the allowable COLA increase and providing guidance about how to get information to petition for a rent increase exceeding the COLA, or how to challenge such a petition.
https://ballotpedia.org/Oakland,_California,_Bond_Issue,_Measure_KK_(November_2016)

Summary: Measure KK authorizes the City to issue up to $600 million in general obligation bonds to finance infrastructure projects and affordable housing. The City has the authority to impose an annual ad valorem property tax to pay the principal and interest due on the bonds.

Key Findings:
- According to the language of the measure, proceeds from the sale of the bonds could only be used to pay for specific types of projects:
  - Street paving and reconstruction, bikeways, sidewalks, paths, stairs, streetscape, curb ramps, and traffic-calming improvements;
  - Construction, purchase, improvement or rehabilitation of City facilities including fire, police, library, parks, recreation, and senior facilities;
  - Water, energy and seismic improvements consistent with the City’s Energy and Climate Action Plan; and
  - Anti-displacement and affordable housing preservation projects including acquisition, rehabilitation, or new construction according to the City Affordable Housing Bond Law.
- Under the ordinance, the City Council would prioritize the projects financed by the bonds in accordance with the City’s Capital Improvement Plan. The order in which projects are completed would take into consideration social and geographic equity, improvements to existing core capital assets, impacts on existing operations and maintenance costs, and impacts on energy consumption, resiliency, and mobility.

This measure authorizes the City to use bond proceeds to develop, construct, and acquire up to 2,000 rental housing units for low-income households.

www2.oaklandnet.com/w/OAK057421

Summary: The February 2016 Affordable Housing Action Plan Short Term for the City of Oakland describes strategies, actions, who is to be served, lead partners, and timelines.

Key Findings:
Actions to be implemented under the Housing Action Plan are listed as follows:

- Strategies to protect affordability for current residents
  - Improve renters’ services
  - Strengthen renters’ protections and enforcement
  - Help existing residents by buying, fixing up, and converting homes to permanent affordability
  - Address homelessness
  - Keep artists in Oakland
- Strategies to increase affordable housing
- Adopt affordable housing impact fees, including an option to incentivize building affordable units within market-rate developments
- Create a public land policy that helps fund and build more affordable housing
- Pursue an Alameda County Bond measure for affordable housing construction funds
- Establish an Enhanced Infrastructure Finance District focused on affordable housing
- Pursue Affordable Housing and Sustainable Communities funds for affordable housing, transit, and public works

- Strategies to increase market-rate housing
  - Educate and publicize property owners on the new secondary unit legislation
  - Support the creation of units that are efficient to construct
  - Ensure that the permitting process provides certainty and makes the best use of city resources and public input
  - Proceed with Exclusive Negotiating Agreements and Disposition and Development Agreements leading to development of Redevelopment Successor Agency properties.


**Summary:** This report was submitted by the City of San Francisco to comply with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market-rate and new affordable-housing production. It covers the 10-year period from 2007 through 2016.

**Key Findings:**
- The Housing Balance Report states the following: "In the 2007-2016 Housing Balance Period, 22% of net new housing produced was affordable. By comparison, the expanded Citywide Cumulative Housing Balance is 23%, although this varies by district. Distribution of the Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from –197% (District 4) to 67% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts."
- The report states that the Projected Housing Balance citywide is 14%. However, it notes that three major development projects were excluded in the projected housing balance calculations until site permits are obtained. Completion of the remaining phases for these three projects would add up to 22,000 net units including over 4,900 affordable units, thereby increasing the projected housing balance to 20%.


**Summary:** In November 1992, San Francisco voters approved an ordinance authorizing the City to issue up to $350 million in general obligation bonds to seismically upgrade
unreinforced masonry buildings that are at risk from strong earthquakes. Use of the money from these bonds was restricted to the following purposes:

- $150 million to provide loans to pay for seismic upgrades to unreinforced masonry buildings for affordable housing (Affordable Housing Loan Program)
- $200 million to provide loans to pay for seismic upgrades to market-rate residential, commercial, and institutional unreinforced masonry buildings (Market Rate Loan Program)

**Key Findings:**

Approximately $45 million in loans have been issued under the Affordable Housing Loan Program and approximately $50 million in loans under the Market Rate Loan Program. Approximately $261 million in bonds can still be issued. However, Measure C as an ordinance changes how the City can use the remaining bond revenues. In addition to the provision of the 1992 ordinance, funds may now be used for loans to acquire, improve, and rehabilitate at-risk multi-unit residential buildings in need of seismic, fire, health, or safety upgrades or other major rehabilitation and to convert those buildings to permanent affordable housing.

7. **City of San Jose. (March 2017). 2016 Annual Progress Report to HCD on Housing Rules.**

**Summary:** This report summarizes the City’s progress towards meeting its RHNA goals and other housing objectives as published in its Housing Element.

**Key Findings:**

Among the key accomplishments included in the report for 2016 are:

- San Jose is moving forward to implement an inclusionary housing ordinance.
- The City established a $17 housing impact fee on new market-rate rental housing developments that total three or more units.
- Funding commitments have been made for 293 affordable units with 308 units anticipating city funding.
- San Jose issued a homelessness NOFA to fund permanent supportive housing developments and is exploring interim housing options for homeless residents.

   [https://www.grandboulevard.net/about/grand-boulevard-initiative](https://www.grandboulevard.net/about/grand-boulevard-initiative)

**Summary:** The Housing Toolkit was developed in collaboration with GBI member organizations. It is designed to help cities along the El Camino Real (Daly City to San Jose) build housing that is welcoming, people-oriented, and affordable to all income levels. The toolkit offers data on existing conditions, policy and program recommendations, and strategies for implementation. The resources site is currently under development.
Summary: In 2014, the Mayor’s Office of Housing and Community Development commissioned an analysis of San Francisco’s demographics and market trends. The purpose was to better understand the City’s housing market, which populations were most affected by increased housing costs, the extent of the housing gap based on local income levels, and to better define pain points within the housing market. The analysis had a focused on middle class families in San Francisco (earning 50-150% of AMI or earning $44,000-$131,000 for a 3-person household).

Key Findings:
- Forty percent of San Francisco households are middle class. Thirty-one percent of the City’s households earn less than 50% of the AMI earn more than 150% of the AMI.
- The City’s middle class has been shrinking during the past twenty years,
- Compared to their low-income counterparts, it is increasingly difficult for middle-class families to afford rising rents, because they are ineligible for various rental assistance programs. Despite this, middle-income jobs continue to grow as the local tech sector expands.
- Households earning less than 120% of AMI are currently priced out of the rental market. The threshold to affordable goes up 150% of AMI for larger households.
- In July 2014, the average rent for a new two-bedroom was $4214, which is only affordable to households earning more than 150% of AMI, or $131,000 annually. The average 2-bedroom home in San Francisco is priced at $950,000. This is only affordable to householders earning 245% AMI (annual income of $215,000).

Recommendations:
- Scale up the Affordable Housing Preservation/Neighborhood Stabilization Program.
- Help preserve buildings with tenants at risk of displacement.
- Be accountable to commitments to rebuild public housing.
- Allocate more funds for affordable housing development.
- Dedicate more public revenue dedicated to affordable housing (General Obligation Bonds; Tax Increment).
- Create a Housing Affordability Fund via a public-private partnership.
- Allow developers to create housing affordable to more income levels who are priced out of the market.
- Pilot a series of experimental Mixed Income Projects that includes a set of middle-income units that create workforce housing.
- Expand the reach of Down Payment Assistance Loan Programs to serve households who earn more than 120% AMI and still priced out of the market.
- Implement a Density Bonus Program.
- Use publicly owned sites for affordable and mixed income housing.
• Amend the City’s Inclusionary Program so that more private developers are incentivized to provide their land for the City’s off-site affordable housing development.

• Negotiate rezoning requests with aggressive affordability requirements.

• Facilitate the environmental review process during the waiting time required for planner assignment and building review.

• Reduce redundancies in the development approval process, while still ensuring significant input and deliberate review.

• Provide real-time approval information to developers and the public.


Summary: In November 2016, the following item appeared on the ballot regarding Measure A: “To provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses, which housing may include supportive mental health and substance abuse services, shall the County of Santa Clara issue up to $950 million in general obligation bonds to acquire or improve real property subject to independent citizen oversight and regular audits?”

Key Findings:

• Measure A allows Santa Clara County to borrow up to $950 million by issuing general obligation bonds, for the purpose of acquiring or improving real property to provide affordable housing for vulnerable populations that face challenges securing stable housing.

• Housing acquired or improved using bond funds can be sold or rented at below-market rates. Bond funds also may be used to provide housing with supportive mental health and substance abuse services. Up to $150 million of the bond proceeds can be used to provide affordable housing for moderate-income households making between 80-120% of AMI. In addition, up to $50 million of that amount can be used to provide financial assistance to moderate-income first-time homebuyers.

• Measure A requires the County to produce a public report each year describing the amount of the funds collected and spent, and the status of any projects paid for with bond funds. The measure also creates a Citizens’ Oversight Committee to review each annual report, and requires an independent auditor to review the County’s spending of bond funds.

• Measure A also allows the County to increase the property tax rate to pay debt service on the bonds.

**Summary:** The action plan outlines how San Mateo jurisdictions are working to create and preserve more affordable housing. The action plan is updated to reflect goal progress and completion.

**Key Findings:**
- “Between 2010 and 2014, 54,600 new jobs were created in San Mateo County, while only 2,100 new housing units were built, a 26:1 ratio. Generally, San Mateo County has not produced as much housing as other inner Bay Area Counties.”
- “Despite significant jobs losses during the dot-com bust and the Great Recession, overall, San Mateo County job growth has far outpaced housing permits over the past decades.”

**Recommendations:**
- **Build community partnerships and support.**
  - Convene cross-sector agencies and entities educate civic leaders on the housing crisis.
  - Engage business leaders with concise outline of the business and economic impacts of a jobs-housing gap, and the ways they can support solutions.
  - Engage a communications team to educate County residents on housing affordability issues and solutions.
- **Support all types of housing development.**
  - Create an online resources portal with information on housing and actionable ways to get involved. San Mateo completed this action.
  - Support second unit development with marketing, design resources, and technical assistance.
  - Pilot a community engagement process that facilitates meaningful discussion with neighbors regarding new development.
- **Funding affordable housing, specifically:**
  - Create a San Mateo County affordable housing endowment and land trust.
  - Pursue a revenue measure to provide additional funding for affordable housing or housing and transportation combined. The County has completed this action.
  - Establish an Affordable Rental Housing Preservation Fund.
- **Securing land and strengthening community infrastructure.**
  - Improve regional public transportation and East Bay-Peninsula connectivity.
  - Ensure that developments incorporate best practices in water-efficiency and land use.
  - Review and analyze the development feasibility of available sites countywide, focusing on publicly-owned land in Priority Development Areas and transit corridors. Establish minimum affordability targets for housing development on public land.
12. 21 Elements: San Mateo Countywide Housing Element Update Kit.  
http://www.21elements.com/

**Summary:** 21 Elements in collaborative that works with San Mateo County jurisdictions to develop local housing elements. In addition, the 21 local jurisdictions, the California Department of Housing and Community Development, and San Mateo County’s Department of Public Health are also project partners. 21 Elements is developing a comprehensive tool kit to support jurisdictions with housing element updates. 21 Elements encourages thoughtful policy related to impact fees, short term rentals, and accessory units, to name a few.

**Summary:** This report shows how high housing costs are contributing to rising poverty rates in Alameda County. The report offers a roadmap for California's legislators and local leaders.

**Key Findings:**
The report lists the following statistics:
- Cuts in funding have amounted to more than $115 million annually since 2008.
- Median rent has increased 29% since 2000 while median renter household income has increased only 3%, when adjusted for inflation.
- Renters need to earn nearly four times local minimum wage to afford the median asking rent of $2,593 in Alameda County.
- The lowest-income renters spend 56% of income on rent.
- When housing costs are considered, the poverty rate rises from 12% to 17.6%.
- The County needs 60,173 more homes to meet the needs of its lowest income renters.

**Recommendations:**
The report offers the following statewide policy recommendations:
- Create new sources of long-term revenue by passing the Building Homes and Jobs Act and an expansion of the state Low Income Housing Tax Credit Program (AB 71).
- Give voters a chance to approve new state funding for affordable housing by passing the Affordable Housing Bond Act of 2018 (SB 3).
- Lower the voter approval threshold for local housing infrastructure bonds to 55% as it is for education facility bonds (ACA 4).
- Reduce the loss of existing affordable homes by strengthening the State Preservation Notice Law through improved monitoring and enforcement (AB 1521).
- Restore the ability of local governments to require apartment developers to include affordable rental homes within each development (AB 1505).

The report offers the following local recommendations for Alameda County:
- Allocate Measure A1 housing bonds quickly and efficiently while leveraging state and federal funding for the households most in need.
- Encourage cities to use business taxes on rental property to fund the creation and preservation of affordable rental housing.
- Protect existing affordable rental housing by limiting condo conversions and preventing loss of single-room occupancy hotels.
- Adopt or increase inclusionary housing requirements, housing impact fees, and commercial jobs/housing linkage fees.
- When public land suitable for residential development is sold or leased, require that it be used for affordable housing.
• Require inclusion of affordable homes as a condition of rezoning, relaxing development standards, or reducing parking requirements.
• Prioritize funds to cities providing affordable housing and preventing displacement.
• Streamline the approval process for 100% affordable housing developments.


**Summary:** Preserving affordable rental homes near transit is a critical strategy as these homes offer benefits to low-income households; however, growing demand risks displacement of these very households. The Toolkit offers an approach for assessing properties at risk and identifying priority preservation areas.

**Key Findings:**
- The Toolkit finds that rent-restricted affordable housing properties with HUD mortgages and expiring affordability requirements are most at risk in the next five years (2015-2020).
- Identifying priority preservation areas can help cities focus funds and leverage resources to help lower-income families remain in their homes.
- It is critical that cities, nonprofits, and other community-based organizations analyze the demand created by proximity to transit and job centers and the risk of conversion due to such demand, as well as develop displacement strategies.

**Recommendations:**
The Toolkit recommends the following:
- Advocates and jurisdictions should use the California Housing Partnership’s database to assess at-risk properties.
- Local preservation strategies should focus on housing with existing rent restrictions as well as those without property-specific restrictions.
- Designate as priority preservation areas those that include some combination of new investments in transportation, vulnerable populations, and large amounts of at-risk housing.
- Track and preserve at-risk properties by annually assessing conversion risk; maintaining contact with owners of the most at-risk properties; enforcing laws requiring advance notices of terminations of rental assistance, subsidy programs or affordability restrictions; and assessing the potential benefits of passing a local preservation ordinance.
- Adopt anti-displacement tools such as creating a right of first refusal to purchase; imposing demolition restrictions; instituting a right of return; requiring relocation assistance; funding legal services for low-income tenants at risk of displacement; funding tenant organizing and owner outreach; actively enforcing building and fire codes; creating a preservation/anti-displacement working group; implementing condo conversion controls; regulating short-term rentals; revitalizing and preserving public housing; requiring one-for-one replacement of rent-controlled apartments; implementing or strengthening rent control; and monitoring rent controlled properties and evictions.


**Summary:** Due to a rebounding housing market, and a regional focus on transit-oriented development, Oakland plans to develop 7,500 new units of housing. The East Bay Housing Organizations (EBHO) support affordable housing measures, particularly in priority development areas (PDAs), and anti-displacement measures such as strengthening the rent stabilization and condo conversion ordinances.

**Key Findings:**

- Oakland currently has unmet need for affordable housing and will have future need due to job growth. For the 2015-2023 Housing Element period, the City must accommodate development of nearly 15,000 units, including over 4,100 units for very low- and low-income households.
- Most new development will take place in PDAs and along transit corridors due to public investment in transportation and infrastructure and rezoning to encourage higher densities. As such, land values in these areas could rise significantly, pricing out existing residents.

**Recommendations:**

EBHO recommendations for policies on expansion of affordable housing, prevention of displacement, and preservation of existing housing include the following:

- A community benefits policy that ensures the community gets its fair share of the new value created, by requiring the inclusion of affordable units, land dedication, or the payment of a housing impact fee.
- Establish and include in specific plans citywide policies to ensure inclusion of affordable housing in PDAs, specific plan areas, and other major development areas, as well as to prevent displacement.
- Consider programs for acquisition and land banking of opportunity sites.
- Strengthen existing and adopt new policies to prevent displacement and encourage preservation, such as strengthening the Rent Stabilization Ordinance; strengthening relocation benefits; strengthening the City's Condominium Conversion Ordinance by extending protections to 2-4 unit buildings, eliminating provisions that allow condominium conversion credits to be generated by existing rather than newly developed housing, and establishing mandatory tenant protections; requiring one-for-one replacement of all housing units demolished or converted; and developing and implementing programs for the acquisition and rehabilitation of existing rental housing and its preservation as permanently affordable housing.

**Summary:** This report focuses on the top 16 jurisdictions that received two-thirds of the housing allocation for the Bay Area region. Past performance, the identification of key demographic factors related to housing affordability, and an analysis of the sites and policies proposed in housing elements is presented for each jurisdiction. The data cited in this report comes from the adopted housing elements for RHNA 5.

**Key Findings:**
- Housing production has not kept pace with job growth. In 2015, the region added 89,000 new jobs while building only 15,832 new homes.
- The region’s cities have failed to build enough homes for the largest growing segment of the workforce – those earning between $24,800 and $98,500 per year.
- There are many reasons housing the entire workforce is beneficial, including maintaining a competitive advantage; advancing equity and opportunity; reducing carbon footprint and vehicle miles driven; reducing health care costs; increasing academic achievement; and maintaining diverse communities and a stable workforce at all income levels and for all sectors of the economy.

**Recommendations:**
The report recommends the following policies to increase the stock of affordable housing within the 16 jurisdictions slated to accommodate most of the anticipated population growth in the coming decades:
- Inclusionary zoning ordinances
- Impact fees on new development
- “Boomerang” funds
- Land for affordable housing


**Summary:** This report examines and identifies the causes of California and the Bay Area’s underproduction of affordable housing and housing in general, features recent successful models as agencies have developed policies toward housing vulnerable populations, and presents key recommendations to build out the region’s transportation and housing infrastructure.

**Key Findings:**
The report lists the following trends based on extensive research:
- The Bay Area has for decades severely under-produced affordable housing and housing overall relative to demand.
• Local governments have favored office and commercial development over residential development.
• Land is expensive and constrained, and there are inadequate densities and zoning.
• Urban construction tends to be expensive.
• Local opposition and aggressive use of CEQA blocks projects, especially affordable development, and furthers racial and economic segregation.
• The region has seen a significant decline in affordable housing investment from state and federal sources.

Recommendations:
The report offers the following solutions to the Bay Area’s housing problems that involve three high-level actions known as the three “Ps” of housing: production, preservation, and (tenant) protections:
• Invest in communities – tie transportation funding to housing production and establish new funding sources for new affordable housing development.
• Incentivize the preservation of affordable homes by using regional funds to support acquiring and preserving local affordable housing.
• Promote community stability with strong policies and leadership to address displacement.
• Work with state lawmakers to promote legislation that supports regional housing goals.
• Maximize regional agencies’ ability to lead on housing by fully resourcing and staffing the joint Housing and Neighborhoods unit.


Summary: The San Francisco Housing Action Coalition (SFHAC) recommends that the City increase the supply of well-designed, well-located housing at all levels of affordability.

Recommendations:
The report provides nine recommendations to improve affordability:
• Reform the entitlements process: proposed new housing that complies with extensive planning rules and that pays expensive City fees and taxes deserve timely approval without unwarranted delays.
• All neighborhoods should help increase housing supply: density and development should be distributed fairly across the City.
• Increase the flexibility of rules. Review the housing ordinances and regulations that have not worked as they were intended, such as:
  o Inclusionary Housing Program – add an inclusionary “dial” to allow higher numbers of onsite, permanently affordable homes.
  o Inclusionary Housing Ordinance’s offsite option – because of the rigidity of its rules, the option is rarely used.
  o Planning and building rules – these rules increase building costs.
• Encourage innovation in housing
  o Micro-units
- Student housing
- Accessory dwelling units

- Start planning along transit corridors: modestly increasing density on underused land along neighborhood transit corridors is a logical way to improve housing affordability.
- Adopt density bonus rules: the SFHAC believes that San Francisco does not comply with an important California legal decision that gives new housing a density bonus or other concessions if it meets certain housing affordability mandates.
- Find new funding resources for housing, especially for renters.
- Unused City land should support housing: there are numerous surplus City-owned sites, many vacant for decades, which could be used to provide affordable housing.
- Put Hunters Point, Treasure Island, and Parkmerced into production: combined, they total over 25,000 homes, a significant fraction of which would be permanently affordable.

7. Silicon Valley at Home. (May 2016). How do we tackle the affordable housing crisis?

Summary: The housing affordability crisis affects not only residents but employers as well, as Silicon Valley employers have identified housing as their biggest challenge. This is especially true for providing affordable housing options for very low-, low-, and moderate-income households. Understanding that this will only worsen as the population continues to grow and the current housing shortage persists, this report outlines five strategies to address the housing crisis.

Key Findings:
The report lists the following statistics:

- Each day, an estimated 209,000 workers commute into Santa Clara County for their jobs, while 109,000 leave the County for jobs - a net gain of 100,000 people.
- In 2015, the Silicon Valley region added 64,000 new jobs, but created only 5,000 new housing units.
- Between 2007 and 2014, Santa Clara County cities built only 28% of their lower income housing goal and 21.5% of their moderate-income affordable housing goal. Meanwhile, the region developed 13% of the RHNA goal for market-rate housing.
- Providing housing to chronically homeless people can reduce costs to serve this population by $42,706 annually per person.
- The Valley Transportation Authority has more than 300 acres of available land for transit-oriented development, while Santa Clara County cities, schools, transit agencies, special districts, as well as the state and federal government have hundreds of acres of available land.

Recommendations:
The report provides five solutions to the affordable housing crisis:

- Reframe density, promote transit oriented development, update zoning, and challenge the myths related to new affordable housing through education, research, and communication.
• Generate new resources for affordable housing: Replace lost funds through regional, voter-approved revenue streams, such as linkage fees to support a workforce housing fund, create new funds, and advocate for more funding.
• Increase the land available for affordable housing: target publicly-owned land, pursuing land banking, and working with employers and agencies to develop housing on surface parking lots or above parking garages.
• Incentivize production and preservation of affordable housing: facilitate mixed-income development, support housing production policies, and preserve existing housing.
• Implement creative and regional solutions to increase affordable housing: promote naturally occurring affordable housing (e.g., ADUs), facilitate regional coordination, and identify opportunities for employers to assist in housing.


Summary: This report examines the region’s housing crisis and presents a broader housing mandate. The report’s recommendations aim to increase the supply of affordable housing, reduce traffic congestion and improve air quality, and help reduce long and expensive commutes.

Key Findings:
The report lists the following statistics:
• Silicon Valley is one of the least affordable places to live: the median home value is now more than $1 million for the San Jose metro area.
• In 2016, 40% of first-time homebuyers in Santa Clara County and 29% in San Mateo County could afford to purchase the median priced home.
• In San Mateo and Santa Clara counties, nearly half of all renters are housing cost burdened, as well as nearly 40% of renters in San Francisco.
• In 2015 the poverty rate was 8.5% in San Mateo County and 8.2% in Santa Clara County. However, when the region’s high cost of housing is considered, the poverty rate is actually 17% and 18%, respectively.
• Between 2011 and 2016, median wages increased by 14% while median rental rates increased by 45%, with many renters experiencing even higher increases.
• Silicon Valley added 344,149 residents between 2007 and 2016. To keep pace with this population growth and maintain household size at the 2007 level, an estimated 130,094 units of new housing would have been needed in the region. However, only 69,503 units were issued building permits. Further, most of the permits issued are for housing that will serve higher income households.

Recommendations:
The following state and local policy recommendations address the broader housing mandate of creating more affordable housing opportunities for low-income residents and increasing housing affordability overall:
Streamline time and costs associated with permitting process.
Reform CEQA.
Increase local funding for affordable housing.
Increase density and incentivize affordable development through density bonuses.
Maximize use of local public surplus lands for affordable housing development.


Summary: Since the most recent recession, there has been a trend of Wall Street investors purchasing single-family homes in California, only to rent them out and securitize rents on a massive scale. This report sought to understand the effect this has had on the tenants of these Wall Street landlords. The results of the report found that this new landlord-tenant situation has led to increasing rents and inflated housing costs for these tenants.

Key Findings:
- Tenants renting from Wall Street pay more in housing and utility costs.
- Tenants should expect their housing costs to continue to rise.
- Many of these tenants lost their homes to foreclosure. The transfer from an “ownership” society to a “rentership” society with few protections for tenants is concerning as the benefit of increased home equity is transferred from owner-households to Wall Street landlords.
- New laws will be needed to protect against mass evictions and inflated housing costs.

Recommendations:
The report provides the following recommendations to lessen the burden on these tenants:
- Encourage the formation of tenant unions/associations.
- Ban Section 8 discrimination through federal intervention, or by states and cities following the lead of Oregon and Austin in banning this unfair practice.
- Enact legislation to lessen housing discrimination by eliminating or limiting rental application questions regarding previous encounters with the justice system.
- Monitor and investigate institutional investor compliance with the Fair Housing Act.
- Authorize the Consumer Financial Protection Bureau to conduct oversight of tenant selection, eviction, property maintenance, and disability access.
- Implement financial transaction fees on rental bonds.
- Develop free tools to aggregate and report on ownership information.
- Change the Costa-Hawkins Rental Housing Act to allow cities to regulate rents on condos and single-family homes.
- Create an Office of Ombudsman for tenants as all tenants in California should have a state-level office for questions and complaints related to their landlord.
- Require registration of limited liability companies (LLCs) to connect tenants with landlords. Many Wall Street landlords record ownership as a variant LLC, obfuscating ownership information from the public.
- Transparency of state-sponsored institutional investments (CalPERS, CalSTERS).
- Courts should move to open, searchable online data on publicly available eviction cases to allow government and community organizations to monitor patterns of displacement.
- Continue to fund and expand the Shriver Project to represent tenants.
- Just cause for eviction and rent control.
- Cite landlords that violate the state and uniform housing code.

Summary: The authors state that California must make the effort to resolve the issues between the need to expand housing supply and local resistance to new development. Furthermore, the authors argue, “it is time for California to adopt a state-level framework that facilitates the production of housing in areas that align with the state’s economic, environmental, and equity goals.” Gov. Jerry Brown’s Streamlining Affordable Housing Approvals (SAHA) proposal attempted to address what is often cited as the primary roadblock to affordable housing developments in California: using CEQA to create delays, facilitate rejection of multifamily infill projects, and create “uneconomic approval conditions.”

Recommendations:
- "By right" legislation is promising for expanding California’s supply of affordable housing.
- Establishing a state-level appeals process for qualified development projects would also make inroads. Massachusetts Chapter 40B, passed in 1969, is one model for state legislation, given its effectiveness at expanding affordable housing in both urban and suburban localities without any documented negative impacts on local infrastructure or property values.

http://www.enterprisecommunity.org/resources/projecting-trends-severely-cost-burdened-renters-13350

Summary: This white paper projects trends in the number of severely cost-burdened renter households over the next decade. Given these findings, the authors urge policymakers at all levels of government to make the preservation and development of affordable rental housing a strong priority.

Key Findings:
The report provides the following findings:
- Demographic trends (adjusted for inflation) suggest severely burdened renter households would increase by 11% from an estimated 11.8 million in 2015 to 13.1 million in 2025.
- Additional projections indicated that current trends of rents increasing faster than incomes, for each ¼ percentage point increase in rents relative to income, cost-burdened renter households will increase by 400,000.
- If rents increased 1% higher than income gains per year, severely cost-burdened renter numbers would be approximately 14.8 million in a decade.
http://www.ppic.org/main/publication.asp?i=984

**Summary:** According to the authors, although California’s housing market is rebounding in 2017, the state needs short- and long-term policies to encourage more construction and improve affordability.

**Key Findings:**
The report identifies the following factors as critical to affordable housing production:
- Restrictive zoning and planning policies that depress housing supply and increase housing costs.
- Failure to balance promotion of office development with policies that encourage new housing.
- Lack of financing. According to the authors: “California has not passed a general housing bond since 2006, when Proposition 1C ($2.85 billion) created almost 66,000 low-income housing units, shelter spaces, and other housing spaces. In 2014, voters authorized $600 million in bonds to provide multifamily housing to low-income veterans and supportive housing for homeless veterans. These actions are helpful but insufficient.”
- To address California’s severe homelessness problem, adoption of “housing first” policies provides homeless people with housing as quickly as possible and access to services as needed.
- Coordination of new housing development with current and planned transportation networks to reduce emissions promotes infill housing, which is a way to achieve climate change goals but also tends to be expensive.

**Recommendations:**
The report advises the following for the state and local jurisdictions:
- Develop state and local land-use policies that encourage more housing, including higher density, faster regulatory permitting, and reducing rules that restrict or prohibit auxiliary dwellings on single-home lots.
- Encourage affordable housing construction, state and local governments should establishing a wider range of funding mechanisms and policies (e.g., housing bonds, development fees, and inclusionary zoning).
- Expand housing options for homeless individuals and families.
- Address challenges related to balancing environmental goals with housing development, including identifying water sources for new development.

http://nlihc.org/oor

**Summary:** The report documents the gap between renters’ wages and the cost of rental housing across the nation, including San Francisco County. According to the report, there is no state, metropolitan area, or county in the country where a full-time minimum wage worker can afford a modest two-bedroom rental home. Further, only in 12 counties nationwide can a full-time minimum wage worker afford a modest one-bedroom rental home. Renters earning the average hourly wage also face affordability challenges. The report estimates that the average hourly wage of renters in the U.S. is $16.38, but would have to be $21.21 in order for those renters to afford a two-bedroom apartment. The
report also cautions that these trends will worsen without significant investment in affordable housing solutions.

**Key Findings:**

- The report states that California’s Fair Market Rent (FMR) for a two-bedroom apartment is $1,608. This translates to a monthly household income of $5,359 ($64,311 annually) to afford this level of rent and utilities, i.e., paying no more than 30% of income on housing costs.


[link](http://ternercenter.berkeley.edu/uploads/California_40B_Working_Paper.pdf)

**Summary:** The authors examine the feasibility of enacting statewide legislation that would create an expedited permitting process for eligible affordable housing developments, similar to Massachusetts’ Comprehensive Permit Law (Chapter 40B). Chapter 40B, adopted in 1969, was intended to streamline and simplify local approvals processes for affordable housing. Research has found the “Chapter 40B” model successful at increasing the number of units affordable to low- and moderate-income housing built across Massachusetts, including in suburbs that have traditionally resisted multifamily and affordable housing developments. The report states that, for California, Chapter 40B “offers a compelling framework that could make a significant impact on expanding the housing supply across the state with minimal costs to either developers or the state.”

**Key Findings:**

The report notes that median rent rates across the state of California have increased 24% since 2000, while at the same time median renter household incomes have declined 7%. Chapter 40B provides a case study applicable to solving California’s affordable housing crisis. State action must be implemented to address the need to expand housing supply and to resolve local resistance to new development. The California Legislature and courts have established that, because housing is a statewide policy concern, there are reasons to limit local authority to meet public needs. Gov. Jerry Brown’s 2016 Streamlining Affordable Housing Approvals (SAHA) proposal was an attempt to address the primary roadblock to affordable housing developments in California, namely, “use of the CEQA process to delay, create uneconomic approval conditions, or entirely reject multi-family infill developments.”

**Recommendations:**

- The state could consider adopting legislation similar to Chapter 40B, which establishes a state-level appeals court for qualified projects and uses state authority to ensure that local governments provide much-needed workforce housing.
6. State of California Strategic Growth Council. Affordable Housing and Sustainable Communities Program. [http://www.sgc.ca.gov/Grant-Programs/AHSC-Program.html](http://www.sgc.ca.gov/Grant-Programs/AHSC-Program.html)

**Summary:** The Strategic Growth Council’s Affordable Housing and Sustainable Communities Program (AHSC), which funds (grants and loans) for affordable housing development near transit. The program aims to reduce GHG emissions and vehicle miles traveled by linking housing and transportation access, with the hopes that proximity to transit will increase transit use and reduce car use. The program also funds housing related infrastructure and transit related amenities that will help to improve outcomes along the program metrics. The program evaluates outcomes include air pollution reduction, improvements in disadvantaged communities, public health improvements, jobs and services access, increased mobility, and infill development that protects agricultural land.


**Summary:** This research brief analyzes the relationship between housing production, affordability, and displacement in the San Francisco Bay Area.

**Key Findings:**
- At the regional level, subsidized housing has twice the impact of market-rate units in reducing displacement.
- Although market-rate production may have a higher housing cost burden for low-income households, lower median rents are maintained in subsequent decades.
- Market-rate and subsidized housing production at the regional scale offers more protection against displacement than at the local level in San Francisco.

**Recommendations:**
The authors call for more detailed analysis to clarify the complex relationship between development, affordability, and displacement at the local scale, given that this research suggests that investment in the preservation of affordable housing should be combined with greater production of subsidized and market-rate housing in California’s coastal communities.
Social Equity and Anti-displacement


**Summary:** The report draws connections between the private, short-term rental market and shrinking housing supply in Oakland. The author argues that Oakland cannot afford to continue to lose both housing stock and tax revenues that could help address the current housing crisis.

**Key Findings:**
- Airbnb creates “a platform that allows landlords to pit tourist dollars against renter dollars.”
- Airbnb and other short term rental businesses providing the same service as hotels have not been subject to this TOT. Oakland lost a potential for several million dollars in TOT up to July of 2015 by not assessing the tax on these short term rental businesses.
- The City of Oakland does not actively monitor transient habitation commercial activities to ensure that properties are not transformed into permanent short term rentals.
- With diminishing public funding for affordable housing, the improbability of the City being able to meet its RHNA goals is even greater if housing units are being taken off the market to serve tourists.
- Oakland’s northern neighborhoods have been disproportionately impacted by private short term rentals. North Oakland has the greatest number of listings for a given month, weekend, and day. According to the data, the presence of entire units is overwhelmingly concentrated in this part of town.

**Recommendations:**
- The City should collect the full 14% Transient Occupancy Tax (TOT) from short-term rental businesses in Oakland with a requirement for full disclosure of all rental transactions.
- The City should allocate 11% of TOT collected to the City’s Affordable Housing Trust Fund.
- The City should enforce existing regulations on short-term rentals such as licensing and business registration, as well as compliance with local zoning laws.
- City Council should support legislation such as SB593 (Sen. McGuire) requiring short term rental companies to make regular reports to cities and counties about which homes in each jurisdiction are renting rooms, for how many nights and how much money the homeowners are collecting from short-term rentals.
- The City should study and consider further regulations, such as limiting the number of nights per year an entire unit may be rented.

**Summary:** This report focuses on gentrification and displacement from the perspective of an organization working in neighborhoods most impacted by the crisis. The report highlights gentrification and displacement’s negative health impacts on working-class people of color. The authors state that the present configuration of these historical trends revolves around the dramatic increase in private financial investment in Bay Area real estate markets, the inflow of technology wealth held by a small labor force, and the continued disinvestment by government in public services and programs, whose model of development is often to invite more private investment. The authors offer an alternative vision of community development that centralizes the needs of working-class communities of color.

**Key Findings:**
- Proactive enforcement efforts need to be funded, staffed, and maintained rather than only in response to resident complaints or appeals of noncompliance. In addition, penalties for non-compliance should be incorporated into regulations for developers, landlords, and government activity.
- Protections for vulnerable residents filing complaints are crucial.
- Community organizing and outreach ensure that residents have access to the information they need and can act in a timely manner in response to changes in their housing and neighborhood conditions.
- Policies designed to regulate housing activity through monetary penalties (e.g., inclusionary housing in-lieu fees) may not be used to benefit residents in the development’s same neighborhood.
- Policies need to be advanced at the right stage. Multiple policies need to be advanced simultaneously to address the complex nature of displacement.

**Recommendations:**
- Strengthen code enforcement activities to include strong penalties, such as fees and building seizure and transfer, for negligent landlords. Tenant protection policies should include the right to administrative, legislative, and judicial review. In addition, penalties and incentives should be designed to leverage existing policies and increase their impact.
- Regarding protections policy, address rights under eviction, just compensation in cases of displacement, right to return if temporary relocation is necessary, and access to information about rights and opportunities.
- Fund community organizing and outreach efforts related to local and regional anti-displacement strategies.
- Incorporate relocation benefits into any policy that seeks to regulate housing activity and the loss of affordable rental units.
- Include prioritization of a project area’s existing, low-income, and longtime residents in policies or programs that create affordable housing through new construction or rehabilitation.
• Implement policies to prevent substantial loss of affordable housing and protect vulnerable residents before or during the early stages of a neighborhood’s gentrification.
• The most promising strategy for preventing and minimizing displacement is by advancing policies and practices, at multiple scales, that are tailored to the specific needs of neighborhoods and cities.

http://www.policylink.org/find-resources/library/roadmap-toward-equity

Summary: Oakland faces a serious shortage of affordable housing. Commissioned by the Oakland City Council, this report analyzes the depth of the problem and presents a robust set of policy solutions for preventing displacement, increasing the stock of affordable housing, and improving housing habitability for all Oakland residents.

Key Findings:
• In the past decade, housing costs have outpaced income levels for the majority of Oakland residents.
• During the past decade, Oakland has seen dramatic population shifts with a 24% decline in African Americans, a 16.7% decline in children, and declining income levels for residents of color.
• More than 14,000 housing units in low- to moderate-income flatland neighborhoods are at risk of collapse or other serious damage in the event of a major earthquake.

Recommendations:
• Re-house and/or prevent displacement of current residents.
• Produce new affordable housing, including units affordable to those living at 15% of AMI or below.
• Improve habitability conditions.
• Work with regional and local agencies on a regional housing bond to provide at least $200 million for Oakland that could generate about 2,000 new affordable housing units, including special targeting and set asides for homeless individuals, households at 15% AMI or below, and/or moderate-income housing.
• Amend the existing condo conversion ordinance to prevent the loss of private rental housing stock, especially in two- to four-unit buildings in neighborhoods not currently subjected to conversion restrictions.
• Pass a new seismic retrofit requirement to cover 14,000 at-risk rental housing units with anti-displacement terms. Provide financial assistance for landlords facing financial hardship. Develop a housing plan for disaster recovery funds.
• Secure commitments from major banks and the State of California to provide the City of Oakland and its nonprofit partners with private capital to purchase 1,000 current and anticipated distressed mortgage notes to prevent foreclosures and create new affordable ownership housing units.
• Identify new funding resources to create a regional home preservation fund for low-income seniors and disabled residents.
• Incentivize property owners to contribute to housing solutions through voluntary strategies, such as renting second units, donating vacant land for federal tax credits, commitments to long-term affordable rents for state tax credits, and creation of a workforce housing fund.


Summary: This briefing paper examines how, over the past two decades, gentrification in the Mission District has displaced many Latino households and now threatens to extinguish important cultural institutions built by the Latino community. As public sector actions, often in service of private real estate interests, make the Mission and other cultural enclaves more desirable for higher income, White households, people of color are being forced to the fringes of the city and the region and therefore are excluded from the benefits of new investment, perpetuating patterns of historical segregation.

Key Findings:
• Gentrification and displacement in the Mission have been particularly harmful for Latino residents and families with children.
• The Mission is being resegregated; displacement exacerbates segregation and housing inequality and denies Latinos access to a neighborhood of opportunity.
• Latino families who remain in the Mission are disproportionately face housing cost burdens.

Recommendations:
San Francisco should address the following:
• Has the City studied the racial and ethnic dimensions of the displacement crisis?
• Has the City tracked the impact of housing and development trends on communities of color?
• Has the City fostered policies that have catalyzed demographic change in the Mission, and has the City balanced those policies with effective measures to stabilize and protect Latino residents of the Mission?
• Are the City’s programs and decisions guided by civil rights considerations and if so, how?


Summary: San Francisco Rent Board data indicate that tenant eviction levels are extraordinarily high. This report explores eviction trends and landlord abuses, and considers the impacts that evictions are having across neighborhoods. Based upon published and unpublished data from the Rent Board, this report examines the types of eviction justifications that tenants face, reviews the historic eviction trends, and discusses how loopholes in the city’s rent control ordinance are being exploited by landlords.
Key Findings:

- According to the Rent Board’s Annual Eviction report, 2,120 notices of evictions were filed with the Rent Board as of February 28, 2015, which represents a 54.7% increase since 2010.
- The surge in reported “no fault” and “low fault” evictions does not coincide with evidence of a rise in tenant misbehavior, but coincides with a sharp rise in market rents and the opportunity to extract more profits from housing. Despite a decline in Ellis Act eviction notices last year, together the number of notices in just these five categories have increased by 82.5% over five years.
- Ellis Act evictions are rebounding and will soon meet or exceed the “crisis” levels of 2013.
- Without new policies to address the present crisis, eviction rates will likely increase, resulting in more displacement and gentrification.

Recommendations:
The authors urge “bold action to increase tenant protections.”


Summary: This document represents a letter submitted to the Metropolitan Transportation Commission Association of Bay Area Governments (MTC Commissioners and ABAG Board members) by the 6 Wins for Social Equity Network, a regional coalition of approximately 20 organizations working to promote social, racial, economic, and environmental justice in the Bay Area. The letter urges the inclusion of an updated Equity, Environment, and Jobs Scenario (“EEJ 2.0”) in the Plan Bay Area scenarios. Key components of EEJ 2.0 include: prioritizing the needs of underserved communities; expanding local transit service; creating and preserving affordable housing opportunities in transit-rich and high-opportunity communities; protecting low-income residents from displacement; creating living-wage and middle-wage jobs for local residents; and improving health and safety in communities of concern.

Key Findings:

- UC Berkeley researchers have found that 69% of the region’s low-income renter households live in priority development areas (PDAs), 69% of which are also at risk of displacement. The report states that low-income communities and communities of color may “fail to benefit from [the] improvements” to their neighborhoods, given the high probability of their displacement from PDAs.
- The health impacts of housing instability are particularly intense for children, causing behavioral problems, depression, low birth weights, and other health conditions like asthma.
- Millions of Bay Area residents depend on public transportation as their primary method of accessing economic, health, and social resources.
- Increased transit service also has jobs, housing, health, and environmental benefits.
Recommendations:

- MTC and ABAG should include the EEJ scenarios early in the process rather than defer studying the EEJ until the end. This will give decision makers and the public more time to understand, analyze and refine the scenarios in order to develop a new Plan Bay Area that will "most strongly promote all of the ‘three Es’: equity for low-income communities and communities of color, economic opportunity, and environmental health."

- MTC and ABAG should advance social equity outcomes in all of the scenarios by ensuring that investments are made in underserved communities that meet needs identified by low-income residents of the community; result in significant benefits to the community; target those benefits to lower-income residents and households; and avoid harmful effects such as displacement.


Summary: This policy brief maps the Bay Area’s regional transformation currently underway and its implications for low-income communities and communities of color. The brief provides data and perspectives to ongoing advocacy and organizing efforts that challenge injustice and seeks to create a different future for the Bay Area. The brief is intended to respond to regional inequality and the new forms of race and class segregation.

Key Findings:

- There is an uneven growth of populations and poverty across the Bay Area between 2000 and 2014. The shift in Black and Latino populations from inner to outer regions is dramatic.

- The proportion of renters in the Bay Area – particularly renters of color – is on the rise. The change in the proportion of renter-occupied households in the region generally outpaced both the nation and the state between 2000 and 2014. The only county that did not see an increase in renter households relative to homeowners over this period is San Francisco, which already has one of the highest percentages of renter households in the region but has also weathered over a decade of relentless displacement pressures.

- Of the 117 jurisdictions with populations over 10,000, including aggregated unincorporated areas by county, only 11 experienced declines in poverty between 2000 and 2014. Seven jurisdictions experienced increases of at least twice the national average of 3.2%. The top three experienced increases that were three times the national average.

Recommendations:

A framework that allows better understanding of how inequalities between places are connected can strengthen local advocacy and support integrating the local efforts into a broader regional movement.


**Summary:** The Greenlining Institute partnered with Urban Strategies Council to assess home lending across California and in three diverse cities: Oakland, Long Beach, and Fresno. Researchers analyzed the state’s top 12 lenders by mortgage volume using data reported under the federal Home Mortgage Disclosure Act (HMDA). Data collected under the Home Mortgage Disclosure Act consists of information on homes loans for purchases, refinancing, and improvements.

**Key Findings:**
- Overall, Californians of color are not accessing the mortgage market at rates comparable to their White counterparts.
- Disparities in lending were partially driven by a statewide dearth in mortgage loan applications, especially for Latinos and African Americans.
- Latinos and African Americans make up a significantly smaller portion of total mortgage applications and originations in all three cities, relative to their population size.
- HMDA data is intended to help regulators and the public assess how mortgage companies serve the community. However, improvements in data collection and reporting are needed. More precise and detailed data can help regulators, policymakers and lenders better address homeownership needs and opportunities.

**Recommendations:**
- Disaggregate data by race and ethnicity. Report findings showed a wide range in lending to Asians and Latinos in California. The broad categories, “Asian” and “Latino,” obscure the diversity of economic and immigrant experiences of different Asian and Latino ethnic groups.
- Require lenders to report ethnicity for purchased mortgages.
- Include race/ethnicity in the Community Reinvestment Act (CRA) performance context.
- Increased diversity amongst bank loan officers. Banks can increase their reach in Black and Latino neighborhoods by hiring more loan officers who are racially representative of these communities.
- Enhance partnerships with housing counseling agencies.
- Create proprietary mortgage products for LMI borrowers.

**Summary:** This vision and strategy aims to provide a set of coordinated regional solutions for sustaining the Bay Area’s economic growth and fostering shared prosperity amongst its residents and workforce. The roadmap addresses five policy areas, with one chapter for each. Each policy area is presented with context, strategies, actions, and goals. One of the five relates directly to housing, with eye towards address housing supply.

**Key Findings Related for Policy 2, Change the Math for Housing Development in the Bay Area:**

- During the first two years of Plan Bay Area’s implementation as the region’s Sustainable Communities Strategy, the region only permitted half of the housing units called for the 2007-2014 Regional Housing Needs Assessment.
- Instead of within the region, there is an uptick in housing construction in the Central Valley. In 2015, slightly more than 3% of the region’s workforce commutes from outside of the Bay Area region.
- Plan Bay Area is does set a strong enough path forward for housing development, and does not take economic forces into consideration.

**Recommendations:**

- Give the RHNA teeth. Reform the One Bay Area Grant and MTC discretionary funding process to be performance based on meeting identified housing needs.
- Adopt and implement legislation to support accessory dwelling unit development.
- Update Priority Development Area (PDA) designation to reflect economic conditions and market realities related to development feasibly.
- Each county should take a regional approach to generating sales tax dollars via retail-oriented land uses, so that competition is reduced between cities and residential land uses can gain more favor.
- Streamline approval process for new construction technologies and lower-cost construction projects (4-7 story buildings).
- Reduce or eliminate parking requirements for multi-family developments within PDAs.
- Establish an entity authorized to assemble land for housing development.
- Form an Enhanced Infrastructure Financing District.


**Summary:** This report analyzes and evaluates 20 housing-related state and local policy proposals designed to impact housing affordability for individuals and families in San Francisco.
Francisco. With average rents climbing over $2,500 per month and median single-family home prices reaching $841,500, Bay Area housing costs remain the highest in the nation. Nearly half of Bay Area renters are housing burdened, spending 30% or more of their income on rent. Only 13% of San Francisco households can afford the median priced home, far below the 57% national average. The policy proposals analyzed in this report assess their impact on housing affordability over a 20-year period. Further, the report ranks these policies according to their ability to increase housing inventory and move households under the affordability threshold (30% or lower of income toward housing).

Key Findings:

- Despite San Francisco’s sharp increase in employment by over 123,000 from 2009 to 2015, an increase of 22%, the city has only produced 11,000 units in that period.
- Although ending renting control may incrementally increase housing supply, 16,222 households could be cost-burdened due to the loss of affordable units.
- Home-sharing (e.g., Airbnb and other private, short-term rental activity) offers an additional income stream for homeowners to achieve affordability and as many as 1,556 households could be cost-burdened if the practice was banned despite the small number of housing units that would become available in the market.
- Inclusionary zoning policies can have adverse effects by increasing overall construction costs, which is passed on to renters. Finding a balanced rate is critical (e.g., increasing the inclusionary zoning rate from the base 12% to 17% would create a housing cost burden for 2,196 households).
- Governor Brown’s Streamline Affordable Housing Proposal would expedite the permitting process for certain developments, which would exempt infill, multi-family developments from CEQA review if they allocate 20% of units as affordable for low-income households.
- With the passage of Prop C, the San Francisco Housing Trust Fund will dedicate to affordable housing production and programs $20 million in the first year, which will then increase to $50 million annually over the next 30 years. This would develop more than 9,000 units of permanently affordable housing per year for residents at 60% or below the area median income.
- Approved in June 2016, San Francisco Mayor Edwin Lee’s Affordable Housing Bonus Program would exempt projects that include 30% or more affordable units for low- and middle-income households from existing zoning regulations, allowing them to build two additional stories, which could produce over 4,600 market rate units.
- The Affordable Housing Bonus Program for buildings with 100% of units below market rate could bring an additional 2,400 units if developers use the density bonus allowing them to build three stories higher.
- Imposing a Transit Sustainability Fee will create $9,350 in additional costs to construct the average housing unit at 1,209 square feet, which would raise the price of new housing.
- Imposing a Child Care Fee will create $2,213 in additional costs to construct the average housing unit at 1,209 square feet, which further raises the price of housing development.
Recommendations:

- Four large-scale housing developments that are in the pipeline should be fast-tracked. Collectively they would produce over 25,000 total units of housing (18,595 estimated to be market-rate units).
- Easing restrictive building codes for housing construction would reduce the price of new housing, which could move 9,614 households out of housing cost burden over 20 years.
- Restrict all non-primary residences (those that are only used occasionally) in San Francisco, which could bring at least 7,474 (2% of the housing stock) onto the housing market.
- Encourage accessory dwelling unit development on all residential use properties that could increase the housing supply by 3,700 new units. This would also create a source of rental income for homeowners.
- Facilitate development of more micro-units in San Francisco, which could produce over 4,040 units (3,555 of them market rate) over 20 years.
- Minimize parking requirements, which can reduce housing construction costs by $38,000 and allow development of 1,139 additional units over 20 years.


Summary: This community compact is an agreement between Facebook and several Silicon Valley community groups outlining commitments to create change in the following areas: 1) housing development and preservation, 2) economic opportunity, 3) tenant assistance, and 4) future partnerships. As part of a long-term collaboration, Facebook and these community groups will take certain action steps in order to achieve the goals outlined in the compact.

Key Findings:
The compact agreement lists four broad methods to achieving its goals:
1. Establish a Catalyst Housing Fund that aims to increase the supply of affordable housing in the region and is intended to identify opportunities for and finance the development and preservation of affordable housing in the vicinity of the Facebook campus.
2. Create new economic opportunity for local community residents including the development and support of a pipeline training program and the creation and staffing of a local community liaison who will be responsible for connecting local community members with open positions at Facebook.
3. Provide resources to tenants affected by displacement pressures and the regional housing crisis through the creation of a Tenant Assistance Fund (designed to provide legal assistance and relief to tenants threatened with displacement from evictions, unsafe living conditions, and other forms of landlord abuse) and support for Rebuilding Together Peninsula, a nonprofit community organization that provides renovations and repairs for low-income homeowners.
4. Develop funding strategies that can be expanded and replicated to address the
deficit of affordable housing in the region, while fostering further innovative
partnerships between private sector, local community groups, and the public sector
to address a multitude of regional issues.

4. Patrick Kallerman and Micah Weinberg. (August 2016). Another Inconvenient
Truth: To Achieve Climate Change Goals, California Must Remove Barriers to
Sustainable Land Use.

Summary: In 2006, Governor Schwarzenegger passed AB 32 and SB 375, which sets
statewide greenhouse gases (GHGs) reduction goals to improve climate change
planning. Yet California is falling behind on these goals, with the state’s sprawling land
use patterns, lack of robust transit, and decreasing affordable housing options
contributing to its position as one of the world’s leading GHG emitters. Lack of affordable
housing increases traffic and congestion because people move farther from job centers,
forcing longer commutes to work. The reports lists two main drivers of the housing
supply shortage: 1) failure to build in Priority Development Areas due to local policies
that inhibit development including high land costs, delays in the approval process,
development fees, and code requirements and 2) development of housing in inland
regions far from job centers. The authors argue that to minimize the state’s contribution
to climate change, California should expedite the development process to facilitate infill
development or coordinate resources for growth planning to accommodate inter-regional
commuting.

Key Findings:
- Transportation (mostly by personal vehicles) is the largest GHG emissions
  contributor in California and accounts for 36% of the state’s total (160 million
  metric tons of carbon dioxide per year)
- Plan Bay Area projects that by 2040 the region will grow by over 2 million people,
  add 1 million jobs, and build over 650,000 units of housing, identifying 200
  Priority Development Areas (PDAs) for this growth.
- In 2015, the Bay Area economy added 133,000 jobs but only 16,000 units of
  housing, causing prices to surge.
- The Bay Area permitted only 57% of its allocated housing during the 2007-2014
  Regional Housing Needs Assessment (RHNA) cycle, leaving a deficit of 91,402
  units where 90,057 of those units were allocated for very low- to moderate-
  income households.
- The majority of cities in the Bay Area are behind in meeting their RHNA
  obligations and only a quarter are on track to meet their targets by 2040 at the
  current pace of housing development.
- While the “megaregional” (Bay Area, Sacramento Area, Northern San Joaquin
  Valley, and Monterey Bay Area) workforce has increased by 17% between 1990
  and 2013, the number of commuters crossing regional boundaries has grown by
  78%, and most drive by car due to a lack of inter-regional transit.
• A 2005 analysis found that if every available infill parcel in California were optimized to accommodate their maximum housing capacity, the state would gain 4 million additional housing units -- meeting all projected demand until 2025 while sparing 350,000 acres of undeveloped greenfield.
• 80% of all challenges made under CEQA were against infill developments, curbing potential housing development.
• Metropolitan regions with lengthy approval times for development were found to have up to 45% fewer housing project starts and for each one-month increase in expected approval time, it was found to be 13% less likely that development would be completed.

Recommendations:
• The report lists 10 direct policy recommendations to increase housing development:
  1. Streamline approvals for new housing developments that meet local planning and zoning requirements such as right-to-build legislation.
  2. Penalties should be instated for cities who do not meet their RHNA numbers and PDA growth.
  3. Expand the stock of accessory dwelling units as an additional affordable housing resource.
  4. Update Plan Bay Area to better reflect development realities -- too many instances in the plan suggested densities in areas that were not viable given market conditions.
  5. Adjust the fiscalization of municipal land use decisions -- with Prop 13, revenues to local government were cut by about 57%.
  6. Reconsider discretionary costs added to the fixed costs of construction, especially if the construction of more housing is a priority.
  7. Establish powers to acquire funding and assemble the necessary land for development in urban areas and in PDAs.
  8. Require the Legislative Analyst’s Office to conduct an analysis on any legislation proposing an increase to the cost of new housing construction.
  9. Extend the state’s cap-and-trade program through 2050 to provide essential funding for low-carbon transportation, transit-oriented development, and affordable housing.
  10. Expand state planning efforts to more effectively address megaregional growth.


Summary: This study examines what people desire from their living environments and presents findings that people generally have a strong desire to live a healthy lifestyle, but the ability to live in a home and community that provide that opportunity is not equally available. This study provides survey results supporting the frequently reported standard of unaffordable housing in the Bay Area.
Key Findings:
- 40% of Greater Bay Area residents are “very confident” that they will be able to afford the kind of home they want in the next five years.
- Despite overall high satisfaction in other categories, people in the Bay Area are less satisfied with their housing options, particularly for low-income residents, millennials, and people who live in the South Bay.
- Affordability is a concern, especially for millennials, who strongly desire to be homeowners but lack confidence in their ability to afford the home they want.
- 74% of millennials in the Greater Bay Area are likely to move within the next 5 years.
- Of those expecting to move within 5 years, 22% foresee their next homes being in an apartment building, a higher percentage than those in similar areas nationwide.
- 68% of residents said walkability is a high priority emphasizing this more than the country as a whole.
- 62% of South Bay residents report they need more bike lanes in their community, compared to 44-45% of those in the Bay Area and North Bay.
- Half of Bay Area residents say convenient public transit would be a top priority if they were moving to a new home.
- Low-income residents generally experience barriers to physical activity (no parks within walking distance, lack of pedestrian infrastructure) with crime and traffic disproportionately affecting their ability to safely use the outdoors, and the availability of healthy food is a concern for the Latino population.
- Reflecting their somewhat higher level of confidence in homeownership, the Bay Area’s older generations expects to downsize less compared to the rest of the country.


Summary: This report offers a toolkit of recommendations to fix California’s chronic housing shortage. As CA real estate prices rise at much more exponential rates than household incomes, more and more households are locked out of the housing market. This report address CA’s housing gap that results in $140 billion of lost economic output per year due to the housing shortage.

Key Findings:
- From 2009 to 2014, California added 544,000 households but only 467,000 housing units.
- Almost none of California’s low-income and very-low-income households can afford the local cost of housing where nearly 70% of those households are...
heavily cost-burdened by having to spend more than half of their income to afford housing.

• California is 49th among the 50 U.S. states for housing units per capita, being about 2 million units short.
• California is estimated to lose $140 billion per year in output due to $90 billion in lost housing construction investment and more than $50 billion per year by housing cost burdens that could have gone to local economies.
• By shortening the development process, California could reduce the cost of housing by more than $12 billion through 2025 and accelerate project approval times by four months on average.
• The report lists five steps to solve California’s housing gap at the local level: 1) create a housing delivery unit, 2) define the local problems, 3) identify local solutions and map “housing hot spots,” 4) align stakeholders behind a local strategy, and 5) execute the strategy and measure performance.

Recommendations:
The report summarizes five tools to identify “housing hot spots,” targeted areas for new housing development:

• Tool 1: Build on vacant urban land already zoned for multifamily development, which could bring 103,000 to 225,000 units to California.
• Tool 2: Intensify housing density around high-frequency public transit hubs, which could bring 1.2 to 3 million units over 20 years.
• Tool 3: Add accessory dwelling units to existing single-family homes, which could add up to 790,000 housing units.
• Tool 4: Bring multifamily properties up to approved density levels, which would bring 580,000 to 990,000 units on underutilized multifamily parcels in the state’s major cities.
• Tool 5: Develop affordable and adjacent single-family housing with “smart-growth” principles, which could bring more than 600,000 potential units in San Bernardino, Sacramento, and Contra Costa counties.

The report provides two tools to expedite development approvals on high-potential land:

• Tool 6: Incentivize improved performance to increase state housing targets by 30% by local governments, which could build 40,000 more units per year.
• Tool 7: Shortening the land-use approval process for housing could save California $1.4 billion a year, and reduce approval times by 20-30%.

The report offers five tools to cut housing production costs and reduce construction risks:

• Tool 8: Improving the productivity of housing construction in California by 10% to 20% would save $6 billion to $11 billion a year across the state, or $54 billion to $99 billion by 2025.
• Tool 9: Adopt prefabricated or modular construction in California could save $200 million to $1 billion per year, or $1.8 billion to $9 billion by 2025.
• Tool 10: Shortening the time needed to obtain building permits would potentially save $180 million per year, or $1.6 billion by 2025, and cut down the average project completion time by more than a month.
• Tool 11: Improve operational efficiency, which could reduce the operating cost of housing by roughly $600 per unit per year. This is equivalent to $60 million to $180 million in savings annually across California’s multifamily properties, or $1.6 billion through 2025.

• Tool 12: Reduce California’s development impact fees to match the national average, while zeroing out exactions, which would offset more than $10 billion in development costs a year.

The report lists three tools to ensure vulnerable residents -- such as those who are low-income, have special needs, or are experiencing homelessness -- receive support to access stable housing:

• Tool 13: Prioritize state and local funding for affordable housing by allocating state general funds to affordable housing development, issuing state and county general obligation bonds, establishing new permanent funding sources, and expanding and revising tax credits, which altogether could generate more than 20,000 affordable housing units per year above the current baseline.

• Tool 14: Attract new investors in affordable housing (such as employers, social impact investors, and financial investors seeking low-risk real assets), which could finance more than 30,000 affordable units a year.

• Tool 15: Design regulations to boost affordable housing while maintaining investment attractiveness through linkage fees, inclusionary zoning, and tax increment financing.
Labor


Summary: This fact sheet presents housing affordability data priced according to area median incomes (AMIs) and the typical jobs associated with those AMIs in San Francisco, Marin, and San Mateo. This fact sheet lays out income subpopulations in relation to housing types.

Key Findings:
- AMI varies by household size and family type, so an entry-level schoolteacher who earns $50,000 is defined as 70% AMI while a family of four with two teachers earning a combined $100,000 is at 100%. This same couple with no kids at the same wages would be at 125% AMI.
- An individual would need to make $71,000 a year ($34 an hour) to be at 100% AMI in this region, which is roughly the salary of a city librarian or park ranger.
- In a two-income four-person household, the combined income would need to be $100,000 per year to be at 100% AMI.
- Nonprofit housing developers typically build apartments for people from 0% to 60% AMI using city and federal subsidies.
- Market-rate rental builders are required to provide 12% of units at 55% AMI to mitigate the affordable housing needs their projects create.
- Market-rate condo builders are required to provide 12% of units at 90% AMI.


Summary: In the midst of the housing policy debate and increasing construction costs, the authors argue that elevated wage standards, such as prevailing wage, have no significant overall impact on total housing costs. The report has two parts: 1) construction labor in the overall costs of multifamily housing and 2) if workers building new housing will be cost-burdened and require housing subsidies. Given the evidence presented, the authors conclude that 1) construction labor costs are not a primary factor in overall housing costs and 2) the industry has room to absorb wage increases for the housing construction workers.

Key Findings:
The report provides a straightforward breakdown of construction costs in multifamily housing development:
- According to the State of California’s 2014 Affordable Housing Cost Study and Economic Census data, materials, fuels, equipment, and purchased services
typically comprise of 29% of total project costs in the residential building industry in California.

- Contractor earnings and developer fees account for 16% of a project’s costs.
- Soft and other costs -- which include architectural and engineering services, acquisition and finance costs, off-site improvements, and permitting and impact fees -- comprise 15% of total project costs.
- Construction wages and benefits average about 14% of total project costs.
- White collar wages and benefits account for 10% of project costs.
- Demolition and site preparation expenses make up 7% of costs.
- Land value, on average, accounts for 8% of a below-market rate project’s costs, but is highly variable considering the location (e.g., high-demand coastal markets).


Summary: This report looks at the wage disparities for Blue Collar Construction Workers (BCCWs) and illustrates the decline of construction wages over time. It concludes that the housing industry has room to absorb wage increases for construction workers, which can reduce the affordability gap for thousands of families without any additional subsidy.

Key Findings:

- Nearly 40% of California BCCWs are low-income workers earning less than two-thirds of the area median income.
- The statewide median annual wage for a BCCW is about $35,000, according to US Census Bureau data.
- About 25% of statewide households with a full-time worker qualify for tax credit-based low-income housing subsidies, but that figure rises to 40% for full-time BCCW households.
- In California’s two wealthiest metros, the San Jose and San Francisco metro areas, 55% and 48%, respectively, of BCCW households qualify for housing subsidies.
- Non-whites make up more than 70% of BCCWs and comprise 85% of low-wage construction workers.
- Latinos make up two-thirds of California’s BCCWs and have annual wage income at about two-thirds of white BCCWs ($35,800 Latino versus $55,300 white).
- Lesser-skilled Latinos make about $0.70 on the dollar compared to lesser-skilled whites and more-skilled Latinos make $0.68 on the dollar compared to more-skilled whites.
- Union apprenticeships and membership is often associated with greater wage gains for people of color, with over 80% of people of color apprentices enrolled in the Carpenters Training Center for Northern California.
Since 1984, “real” (inflation-adjusted) BCCW wages have declined 40% and real housing costs have gone up 40%, furthering the affordability gap. Real construction wages declined during the housing boom in the mid-2000s and the average BCCW wages have been stagnant since 2011.


Summary: This report analyzes the demographics and economics of the subcontracted service workforce of tech firms in Silicon Valley in an effort to provide a more holistic sense of the tech sector’s economic footprint. The tech industry is undoubtedly the primary economic driver in the Silicon Valley, where the information sector in Santa Clara County alone quadrupled in size since 2001. As the tech industry has grown, it has increasingly outsourced both blue-collar and white-collar work to other companies. This type of business model founded on outsourcing and subcontracting drives disparities and segregation of work. Tech companies can lead the way for socially responsible contracting by including workers and local communities in their economic growth.

Key Findings:
- Over the past 24 years, the number of Silicon Valley jobs in subcontracting industries has grown three times as fast as overall Silicon Valley employment.
- 10% of direct tech employees are African American or Latino.
- 58% of blue-collar industry workers are African American or Latino.
- Average annual pay for direct tech employees is $113,000.
- Average annual pay for blue-collar contract industry workers is $19,900.
- Median annual rent in Santa Clara County is $21,444 ($1,787 per month).
- Among blue-collar contract industry workers, 35% are in low-income households and 31% have no health insurance despite working full time.
- 25% of direct tech employees, 38% of white-collar contract workers, and 59% of blue-collar contract workers are housing cost burdened.
- To make ends meet, over 22% of contract industry workers live in overcrowded households with multiple unrelated families.
- From 2010-2014, median rent in Santa Clara County increased by 26% to a median monthly rent of $1,787 -- more than the entire average salary of a blue-collar contract worker.
- Both blue-collar and white-collar jobs are commonly contracted by tech firms including janitors, truck drivers, security officers, laborers, secretaries, sales reps, human resource specialists, and mid-level managers.

Recommendations:
- The report lists several recommendations to enhance workplace conditions, acquire subcontracted workforce data, and provide economic mobility opportunities for subcontracted workers:
  a. Ensure subcontracted workers are afforded optimized working conditions including a livable wage, equitable benefits, the right to a voice at work without fear of discrimination or retaliation, protection from mass layoffs.
when contracts change hands, and are guarded from misclassification and other forms of wage theft.
b. Collect and release public data on subcontracted workforces, including diversity, pay, and benefit data for each subcontractor.
c. Invest in building a community where public and service workers such as janitors, security officers, cafeteria workers, teachers, nurses, firefighters, and other non-tech workers can afford to live.
d. Support access to full-time work, affordable housing, public transit, and high-quality education for low-wage workers and their children.
e. Work with advocates to explore new approaches to create education and career pathways for contract workers and their families to move into core tech jobs.
Smart Growth and Sustainability

1. Great Communities Collaborative. (May 2017). Funding Affordable Housing Near Transit in the Bay Area Region

Summary: The Great Communities Collaborative was founded in response to the Bay Area’s progress in meeting the Regional Housing Needs Allocation (RHNA) goals for 2007-2014 and the need to produce sufficient very low-income (VLI), low-income (LI), and moderate-income (MODI) housing units to meet demand. While the housing production goals were largely met for market-rate units (above moderate-income) across the Bay Area, only 28% of the units allocated for lower income households were issued permits from 2007-2014. Lack of funding, limited development sites zoned for housing, and inadequate public support are some of the major barriers to developing affordable units.

This paper addresses three key issues:
1. Measuring the funding gap at the regional scale required to meet the demand for very low- and low-income housing in the region.
2. Identifying the local funding gaps and policy changes that would facilitate meeting the affordable housing goals established by BART and VTA on transit lands.
3. Identifying new strategies at the federal, state, regional, and local levels to promote the production of new affordable housing units in the Bay Area overall and near transit.

Key Findings:
• The Bay Area has a regional funding gap of $1.45 billion annually for VLI and LI housing.
• There is significant variability in the amount of funding needed to build affordable housing in each county.
• The availability of local funding is critical for achieving regional affordable housing goals. Overall, it is estimated that local Bay Area jurisdictions have funds of approximately $1.6 billion each year for affordable housing; however, the amount of funding available in each city or county varies significantly.

Recommendations:
• BART and VTA may consider reducing land costs for properties in under-resourced communities.
• Reducing replacement parking could incentivize affordable housing development on transit lands.
• Close coordination with cities is needed to align local land use policies with affordable housing goals.
• The pace of construction of new affordable housing may be increased through zoning and land use regulation for market-rate developers to provide lower income housing. Examples of local land use policies to promote affordable housing production include: inclusionary zoning policies and incentive zoning, also known as public benefits zoning.

**Summary:** To address the many challenges to infill housing development, Greenbelt Alliance conducted a study of 12 key cities across the Bay Area with high potential for infill housing development: Concord, Fremont, Mountain View, Oakland, Palo Alto, Redwood City, Santa Clara, Santa Rosa, San Francisco, San Jose, Sunnyvale, and Walnut Creek. This report provides guidance on the top 10 barriers to infill across these 12 cities.

**Key Findings:**
Ten barriers rose to the top in more than three of the cities studied. They are:
- Political challenges;
- New financing challenges;
- Traffic analyses;
- Lack of funding for affordable housing;
- Prolonged approval processes;
- Lack of funding for infrastructure;
- Small and odd-shaped parcels;
- Development fees and the market misaligned;
- Parking requirements; and
- Complex regional regulatory environment.

**Recommendations:**
The report lists the following actions to overcome obstacles to infill development:
- Involve the community in area planning from the start.
- Create design guidelines for an area during the community planning process.
- Recognize that some resident concerns are genuine and legitimate, and take steps to address them.
- Work proactively with school districts and developers; consider creative strategies that expand capacity on existing school sites.
- Develop a public benefits bonus policy.
- Convene leaders of lending institutions together with public officials and infill housing developers to discuss the unique elements of infill housing projects, trends toward urbanization, and market demand for infill homes.
- Require that congestion management agencies update their transportation impact analysis guidelines to be more infill-friendly.
- Adopt resolutions to identify priority infill development areas as “infill opportunity zones.”
- When rezoning land for denser infill housing, create policies that allow for higher heights and densities in exchange for community benefits, including funds for affordable housing.
- Consider adopting residential housing impact fees and commercial development impact fees.
- Identify sites near transit, services, groceries, and other amenities that may be eligible for low-income housing tax credits.
• Create an overlay zone that allows affordable housing as a by-right use. Cities should also consider waivers or reductions in impact fees to help encourage affordable housing development.

• Streamline and increase the transparency of environmental review process for infill housing projects that are consistent with an adopted community plan.

• Establish policies that set expectations on labor issues and community benefits in private development projects.

• Outline public and private sector priorities and responsibilities for developing public infrastructure. Also seek grant funding for infrastructure from traditional and unexpected sources.

• Implement density bonuses identify “through”-parcel opportunity sites and change zoning codes to incentivize assembling neighboring parcels into through parcels.

• Periodically review and revise fees based on an analysis of market conditions. Also vary fee levels to incentivize development in certain areas where development is most desired, such as transit station areas or downtown.

• Engage in parking surveys and studies to develop appropriate standards for infill housing parking requirements.

• Adopt clear principles to support infill housing development and develop regulations and procedures with those principles in mind.


Summary: On October 6, 2015, the Healthy, Equitable, Active Land Use (HEALU) Network convened practitioners, policymakers, funders, and community advocates to discuss healthy development without displacement. The group included nearly 100 participants engaged in anti-displacement work and practitioners interested in how they can reduce displacement in their own lines of work. Healthy communities initiatives have highlighted the need to improve community environments, "such as walking trails, bike paths, healthy food retail, and parks and open space, [which] can be perceived negatively by residents as precursors to gentrification, and, if no measures are taken to protect current residents, can ultimately lead to displacement of residents who would stand to benefit the most from these very community improvements." A collection of main points from keynote presentations and the dialogue generated at the convention are summarized in this publication.


Summary: In this paper, SPUR identifies eight policy ideas that can be pursued at the local level to make San Francisco more affordable.

Key Findings:

• There are approximately 172,000 rent-controlled units in San Francisco right now. Rent control is a core tenant protection allowing many people to stay in the city.
• With 6,300 public housing units in San Francisco, a program announced by Mayor Edwin Lee to renovate and preserve these units builds on the major reconstructions proposed in the Hope SF program.

• There are approximately 16,000 privately developed, permanently affordable units today, primarily owned by nonprofits. SPUR advised setting a goal to double this number. With nearly 8,000 affordable housing units in the development pipeline, several funding mechanisms for new affordable housing construction are in place, such as the inclusionary requirement, the Housing Trust Fund, and the jobs-housing linkage fee.

• Addressing structural limitations to adding more housing is critical to making the city more affordable for most people.

• There is a strong desire to find ways to create middle-income housing without using public subsidy.

• Neighborhoods absorbing large amounts of development also need to receive infrastructure and public-realm upgrades.

• Transportation is the second largest expense for households and is a major determining factor in location affordability.

Recommendations:
• Protect the existing rent-controlled housing stock.
• Reinvest in public housing.
• Double the amount of subsidized affordable housing.
• Make it easier to add supply at all levels.
• Launch a wave of experiments to produce middle-income housing.
• Use new property taxes from growing neighborhoods to fund improvements to those neighborhoods.
• Reinvest in the transportation system as a way to provide viable transit options and reduce household transportation costs.
• Raise the minimum wage.

5. Transform and CHPC. (2014). Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy

Summary: California is currently debating how to invest greenhouse gas (GHG) cap-and-trade auction proceeds so that they result in quantifiable and verifiable GHG reductions. An analysis of data from Caltrans’ California Household Travel Survey (CHTS) completed in February 2013 shows that a well-designed program to locate more affordable homes near transit would help meet the requirements set by the California Air Resources Board (ARB), by directly reducing driving while creating a host of economic and social benefits. Conducted by the nationally recognized Center for Neighborhood Technology (CNT), the analysis identified 36,000-plus surveyed households that had provided all relevant demographic and travel data and divided them into five income groups, living in three types of locations based on their proximity to public transportation, both transit-oriented developments (TOD) and non-TODs.
Key Findings:
- Lower Income households drive 25-30% fewer miles when living within 1/2 mile of transit than those living in non-TODs. When living within 1/4 mile of frequent transit they drove nearly 50% less.
- Higher income households drive more than twice as many miles and own more than twice as many vehicles as extremely low-income households living within 1/4 mile of frequent transit. This underscores the importance of insuring that low-income families can live within 1/4 mile of transit.

Recommendations:
- Increasing demand from higher income households for condos and luxury apartment developments near public transit has led to new TOD. The CNT report addresses the tremendous GHG reductions the state can achieve by ensuring that more low-income households can also live in these areas through investment of cap-and-trade auction proceeds.
- If funding for California’s housing programs is to be focused on increasing GHG benefits, the program could consider changes that provide additional incentives to developers who are proposing to include more GHG-reducing measures. These measures can include:
  o Focusing on housing more ELI and VLI households.
  o Providing free transit passes.
  o Placing car-share vehicles onsite, with free membership for residents.
  o Creating space for bike sharing.
  o Providing amenities like bicycle fixing stations, pedestrian trunks to support walking to shopping, and kiosks that have real-time travel information.