

## OBAG 3 County & Local Program Guidance: Local Housing Policies

### OBAG 3 County & Local Program Requirements

The One Bay Area Grant 3 (OBAG 3) County & Local program guidelines approved by the Commission include the following criteria that County Transportation Agencies (CTAs) must consider in developing their prioritized list of project nominations:

*“CTAs should evaluate projects for alignment with relevant federal and regional plans and policies. Additional weight should be given to projects that: [...]*

- *Are located in jurisdictions with affordable housing protection, preservation, and production strategies, including an emphasis on community stabilization and anti-displacement policies with demonstrated effectiveness.”*

This requirement is reflected in the County & Local Program Template Application Form as follows:

<b>Local Housing Policies</b> <i>Is the project located in a jurisdiction with policies that support affordable housing?</i>	Indicate if the project is located in a jurisdiction that has adopted policies which support the <a href="#">“3Ps” approach to affordable housing</a> by listing the relevant adopted policies for each element of the 3Ps. Additional guidance and resources on affordable housing policies are provided on the <a href="#">OBAG 3 webpage</a> .  <input type="checkbox"/> <u>Protect</u> current residents from displacement (with emphasis on policies that have demonstrated effectiveness in community stabilization and anti-displacement). <i>List of applicable policies</i>  <input type="checkbox"/> <u>Preserve</u> existing affordable housing (with emphasis on policies that have demonstrated effectiveness in community stabilization and anti-displacement). <i>List of applicable policies</i>  <input type="checkbox"/> <u>Produce</u> new housing at all income levels. <i>List of applicable policies</i>
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To support CTAs in fulfilling this requirement, and to assist local jurisdictions in completing the Template Application Form, this document identifies several housing policies that have been shown to improve community stability and stem displacement. Additional resources are also provided as an Attachment to this document, along with a sample approach for CTA staff to consider when developing their scoring rubric for this portion of the Template Application Form.

### Local Community Stabilization and Anti-Displacement Policies

The 2021 California Air Resources Board (CARB) *White Paper on Anti-Displacement Strategy Effectiveness*<sup>1</sup> represents the most rigorous recent examination of the anti-displacement impacts of local housing policies and is intended to support implementation of state and regional planning goals. **Table 1** provides a summary of the thirteen recommended policies (Tier 1) informed by the report. CTAs are encouraged to focus their evaluation of local housing policies on the Tier 1 policies and give additional points or weighting to projects located in jurisdictions based on the number of Tier 1 policies

<sup>1</sup> Chapple, Karen, and Anastasia Loukaitou-Sideris. 2021. White Paper on Anti-Displacement Strategy Effectiveness. Sacramento, CA: California Air Resources Board. Available at: <https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>.

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that the jurisdiction has adopted or is in process of adopting. Similarly, local jurisdictions should identify in their applications for OBAG 3 County & Local funds any Tier 1 policies that have been adopted or are under consideration by their councils/boards, including actual or estimated approval dates and weblinks for each policy.

If warranted to best reflect local circumstances, CTAs may also choose to award points or weighting for additional housing policies. **Table 2** provides a summary of secondary recommended policies (Tier 2), which include those under consideration as part of the ongoing update to MTC's Transit Oriented Communities (TOC) Policy.<sup>2</sup> If CTAs choose to award points or weighting for local adoption of any Tier 2 or other policies, such policies must be given a lower point value or weighting than Tier 1 policies. Local jurisdictions should identify in their applications for OBAG 3 County & Local funds any Tier 2 or other policies that have been adopted or are under consideration by their councils/boards, including actual or estimated approval dates and weblinks for each policy.

The remainder of this document is structured as follows:

- **Table 1** provides a summary of the primary recommended policies (Tier 1)
- **Table 2** provides a summary of the secondary recommended policies (Tier 2)
- **Attachment A** provides a list of additional resources
- **Attachment B** illustrates a potential approach for how CTAs may incorporate Tier 1 housing policies into their project evaluation criteria

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<sup>2</sup> The TOC Policy update remains in draft form at the time of publication of this memo; final adoption is anticipated later in the spring or summer of 2022. The policies listed here are not final; CTAs are encouraged to consider any housing policy requirements included in the final TOC Policy.

**Table 1: Primary Recommended Local Anti-Displacement and Community Stabilization Policies (Tier 1)**

	Category	Policy	Description
1	Protection	"Just Cause" Eviction	Defines the circumstances for evictions, such as nonpayment of rent, violation of lease terms, or permanent removal of a dwelling from the rental market, with provisions that are more protective of tenants than those established by <a href="#">AB 1482 (2019, Chiu)</a> . <sup>3</sup>
2	Protection	Legal Assistance for Tenants	Investments or programs that expand access to legal assistance for tenants threatened with displacement. This could range from a "right to counsel" <sup>4</sup> to dedicated public funding for tenant legal assistance.
3	Protection	Rental and Foreclosure Assistance Programs	Financial aid and counseling to protect renters and homeowners facing financial distress and risk of displacement.
4	Protection	Rent Stabilization	Restricts annual rent increases based upon a measure of inflation or other metric, with provisions exceeding those established by <a href="#">AB 1482 (2019, Chiu)</a> . <sup>5</sup>
5	Preservation	Funding to Preserve Unsubsidized Affordable Housing	Public investments to preserve unsubsidized housing affordable to lower- or moderate-income residents (sometimes referred to as "naturally occurring affordable housing") as permanently affordable. Funding may be derived from a voter-approved revenue measure with dedicated preservation funding, an ongoing allocation of local general fund revenues, or other similar options.
6	Preservation	Tenant/Community Opportunity to Purchase	Policies or programs that provide tenants or mission-driven nonprofits the right to purchase a property at the market price when it is offered for sale, retaining existing residents and ensuring long-term affordability of the units. Works in concert with public financing available from strategies to "Preserve Unsubsidized Affordable Housing."
7	Preservation	SRO/Condominium Conversion	Limits the conversion of occupied SRO and/or other rental units to condominiums or other uses that could result in displacement of existing residents.

<sup>3</sup> This could include, for example, greater limitations on no fault evictions such as "substantial remodels" and/or permanently implementing just cause protections (the protections provided by AB 1482 expire on January 1, 2030).

<sup>4</sup> "Right to counsel" extends the right to an attorney, required in criminal procedures, to tenants in eviction trials, which are civil procedures.

<sup>5</sup> For example, restricting maximum annual rent increases to the percent change in the Consumer Price Index, or permanently implementing rent stabilization protections.

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	<b>Category</b>	<b>Policy</b>	<b>Description</b>
8	Preservation / Production	Public/Community Land Trusts	Investments or policies to expand the amount of land held by public- and non-profit entities such as co-operatives, community land trusts, and land banks with permanent affordability protections.
9	Production	Inclusionary Zoning	Requires a minimum percentage of units in residential development projects above a certain size (e.g., 5 units) to be deed-restricted affordable to low-income households.
10	Production	Affordable Housing Funding	A dedicated local funding stream, whether a voter-approved revenue measure or an ongoing allocation of local general fund revenues, for production of deed-restricted affordable housing.
11	Production	Affordable Housing Overlay Zones	Area-specific incentives, such as density bonuses and streamlined environmental review, for development projects that include a certain percentage of deed-restricted affordable housing; exceeds any jurisdiction-wide inclusionary requirements or benefits from state density bonus.
12	Production	Accessory Dwelling Units	Policies promoting the construction of Accessory Dwelling Units (ADUs) on single-family lots that exceed state law.
13	Production	Public Land for Affordable Housing	Policies to prioritize the reuse of publicly owned land for affordable and mixed-income housing that go beyond existing state law, typically accompanied by prioritization of available funding for projects on these sites.

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**Table 2: Secondary Anti-Displacement and Community Stabilization Policies (Tier 2)**

	<b>Category</b>	<b>Policy</b>	<b>Description</b>
1	Preservation	Funding to Support Preservation Capacity	Dedicated local funding for capacity building or other material support for community land trusts or other community-based organizations engaged in affordable housing preservation.
2	Preservation	Mobile Home Preservation	Policy or program to preserve mobile homes from conversion to other uses that may result in displacement of existing residents.
3	Preservation / Protection	Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities	Policies, programs, or procedures designed to minimize the risk of displacement caused by substandard conditions, including through local code enforcement activities. This may include, but not be limited to, proactive rental inspection programs, assistance to landlords for property improvements in exchange for anti-displacement commitments, and enhanced relocation assistance requirements for temporary displacement due to substandard conditions that pose an immediate threat to health and safety.
4	Protection	Tenant Relocation Assistance	Policy or program that provides relocation assistance (financial and/or other services) to tenants displaced through no fault of their own, with assistance exceeding that required under state law.
5	Protection	Mobile Home Rent Stabilization	Restricts annual rent increases on mobile home residents based upon a measure of inflation or other metric.
6	Protection	Fair Housing Enforcement	Policy, program, or investments that support fair housing testing, compliance monitoring, and enforcement.
7	Protection	Tenant Anti-Harassment Protections	Policy or program that grants tenants legal protection from unreasonable, abusive, or coercive landlord behavior.

**Attachment A: Additional Resources**

- Chapple, Karen, and Anastasia Loukaitou-Sideris. 2021. White Paper on Anti-Displacement Strategy Effectiveness. Sacramento, CA: California Air Resources Board. *Available at:* <https://www.urbandisplacement.org/wp-content/uploads/2021/08/19RD018-Anti-Displacement-Strategy-Effectiveness.pdf>.
- Chapple, Karen, Jackelyn Hwang, Jae Sik Jeon, Iris Zhang, Julia Greenberg, and Bina P. Shrimali. 2022. "Housing Market Interventions and Residential Mobility in the San Francisco Bay Area." Federal Reserve Bank of San Francisco Community Development Working Paper 2022-1. *Available at:* <https://www.frbsf.org/community-development/publications/working-papers/2022/march/housing-market-interventions-and-residential-mobility-san-francisco-bay-area/>
- Urban Displacement Project (UDP) Bay Area (local government) Anti-displacement Policy Map <https://www.urbandisplacement.org/maps/sf-bay-area-policy-map/>
- UDP Bay Area Gentrification and Displacement Maps <https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>
- California Department of Housing and Community Development (HCD). 2021. Affirmatively Furthering Fair Housing: Guidance for All Public Entities and for Housing Elements. *Available at:* [https://www.hcd.ca.gov/community-development/affh/docs/affh\\_document\\_final\\_4-27-2021.pdf](https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf) (includes list of sample AFFH Actions on pp. 72-74)
- HCD Housing Planning Hub Site <https://www.hcd.ca.gov/community-development/planning-grants-ta.shtml>
- Additional HCD Guidance Memos <https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>
- Grounded Solutions Network. What about Housing? A Policy Toolkit for Inclusive Growth. *Available at:* <https://groundedsolutions.org/sites/default/files/2018-11/17%20What%20About%20Housing%20-%20A%20Policy%20Toolkit%20for%20Inclusive%20Growth.pdf>.

**Attachment B: Sample Approach for Evaluating Local Housing Policy Adoption**

This attachment illustrates a potential approach for CTAs to integrate housing policies into their OBAG 3 County & Local Program project evaluations. ABAG/MTC staff can assist with the development of an evaluation approach for individual CTAs, upon request.

In this sample approach, the CTA has included a table of Tier 1 housing policies as an attachment to their overall project application form. The CTA has also established a scoring rubric which provides 2 points for each policy that the local jurisdiction as adopted, or is in process of adopting, out of a maximum total of 20 points.

Example CTA: OBAG 3 Application Form – Housing Policy Attachment  
**Housing Policies (2 points per policy, 20 points maximum)**

Category	Tier 1 Policy	Adopted?			If anticipated, expected date of adoption	Link* to adopted or draft policy
		Yes	Anticipated	No		
1	Protection	"Just Cause" Eviction				
2	Protection	Legal Assistance for Tenants	X		02/2018	<a href="#">Link</a>
3	Protection	Rental and Foreclosure Assistance Programs		X	02/2018	<a href="#">Link</a>
4	Protection	Rent Stabilization				
5	Preservation	Funding to Preserve Unsubsidized Affordable Housing	X		02/2018	<a href="#">Link</a>
6	Preservation	Tenant/Community Opportunity to Purchase				
7	Preservation	SRO/Condominium Conversion				
8	Preservation/Production	Public/Community Land Trusts				
9	Production	Inclusionary Zoning	X		02/2018	<a href="#">Link</a>
10	Production	Affordable Housing Funding				
11	Production	Affordable Housing Overlay Zones				
12	Production	Accessory Dwelling Units	X		02/2018	<a href="#">Link</a>
13	Production	Public Land for Affordable Housing				
			<b>4</b>	<b>1</b>	<b>Total Policies</b>	
			<b>5 x 2 = 10 pts</b>		<b>Total Points (2 points per policy)</b>	

\*Weblink to municipal code section, City Council or Board of Supervisors resolution, or other evidence of adoption.