



Photo courtesy of Satellite Affordable Housing Associates

THE BAY AREA'S HOUSING EMERGENCY UPDATE



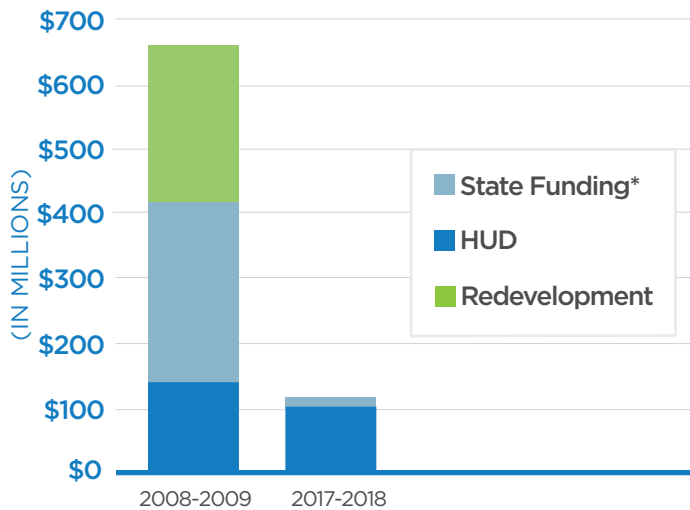
The California Housing Partnership calls on State leaders to take the following actions to provide relief to low-income families struggling with the high cost of housing:

- » Make permanent the \$500 million annual increase to the California Low Income Housing Tax Credit Program to jump-start affordable housing production and preservation;
- » Create a new Preservation Acquisition Capital Gains Tax Credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures;
- » Consolidate Department of Housing and Community Development rental housing funding programs in order to streamline the application and award process and reduce development costs; and
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67 percent to 55 percent as was done for educational facilities in 2000.

Regional solutions and recommendations offered on page 4 of this report ...

DECEMBER 2019

STATE AND FEDERAL LAWMAKERS CUT BAY AREA HOUSING PRODUCTION AND PRESERVATION FUNDS BY 82% FROM FY 2008-09 TO FY 2017-18

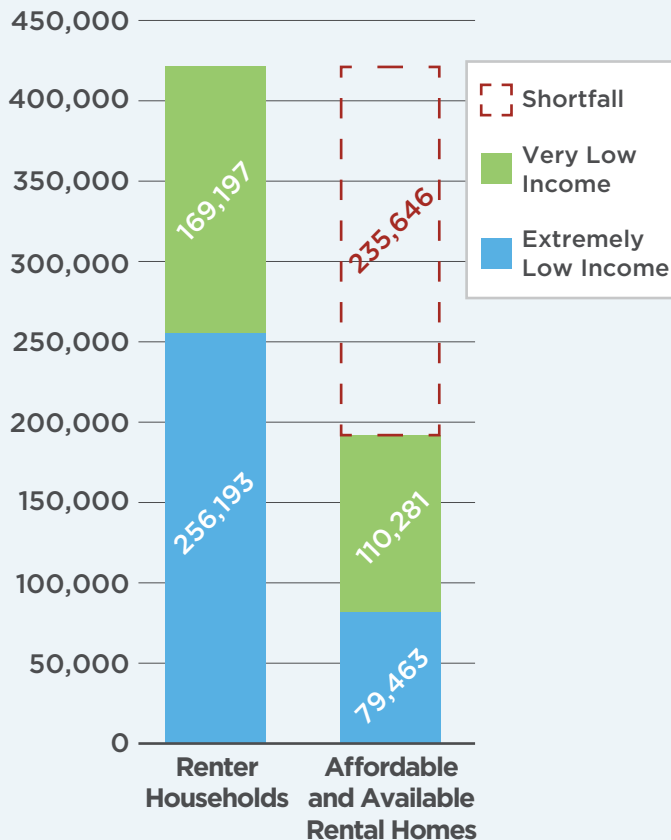


FUNDING SOURCE	FY 2008-09 (In Thousands)	FY 2017-18 (In Thousands)	% CHANGE
Redevelopment	\$253,597	\$0	-100%
State Housing Bonds and Housing Programs	\$278,231	\$15,697	-94%
HUD	\$132,495	\$105,040	-21%
TOTAL	\$663,323	\$120,737	-82%

Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.

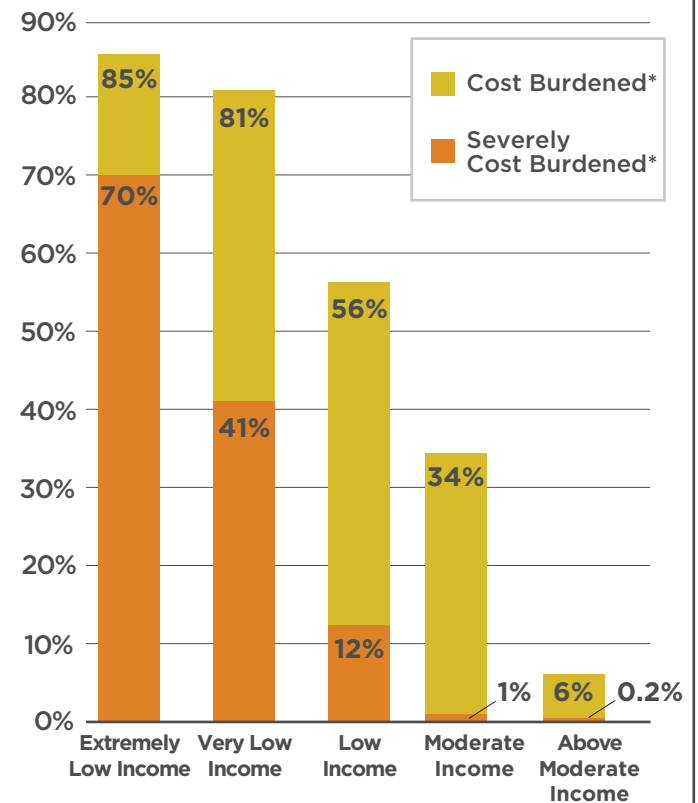
*FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.

THE BAY AREA NEEDS 235,646 MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2017 PUMS data for Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara and Sonoma counties. California Housing Partnership analysis of 2016-2017 PUMS data for Marin, Napa, and Solano counties.

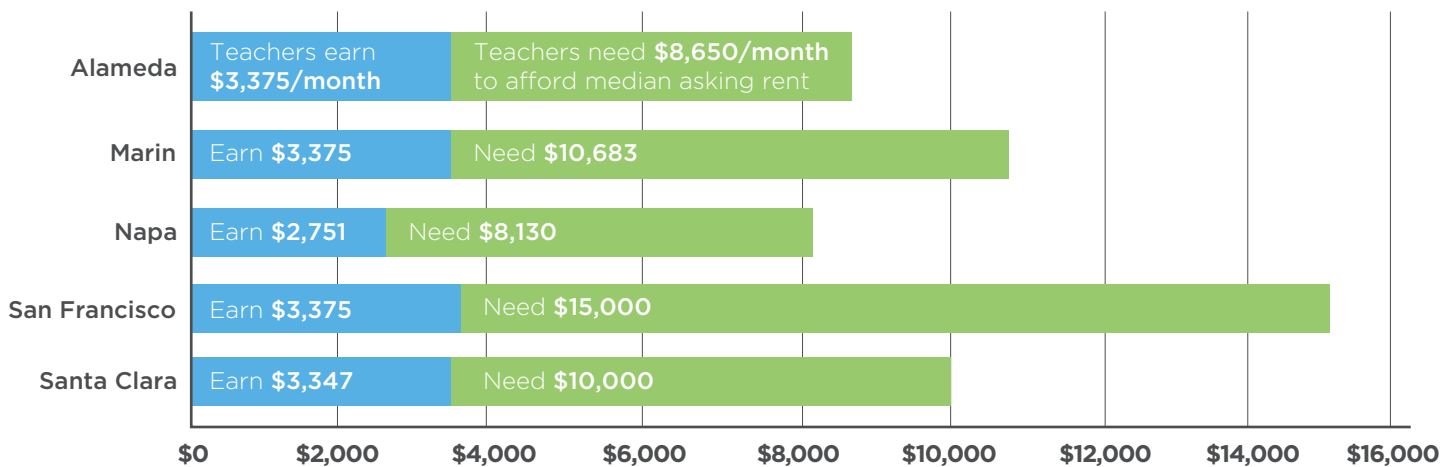
LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



Source: NLIHC analysis of 2017 PUMS data for Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara and Sonoma counties. California Housing Partnership analysis of 2016-2017 PUMS data for Marin, Napa, and Solano counties.

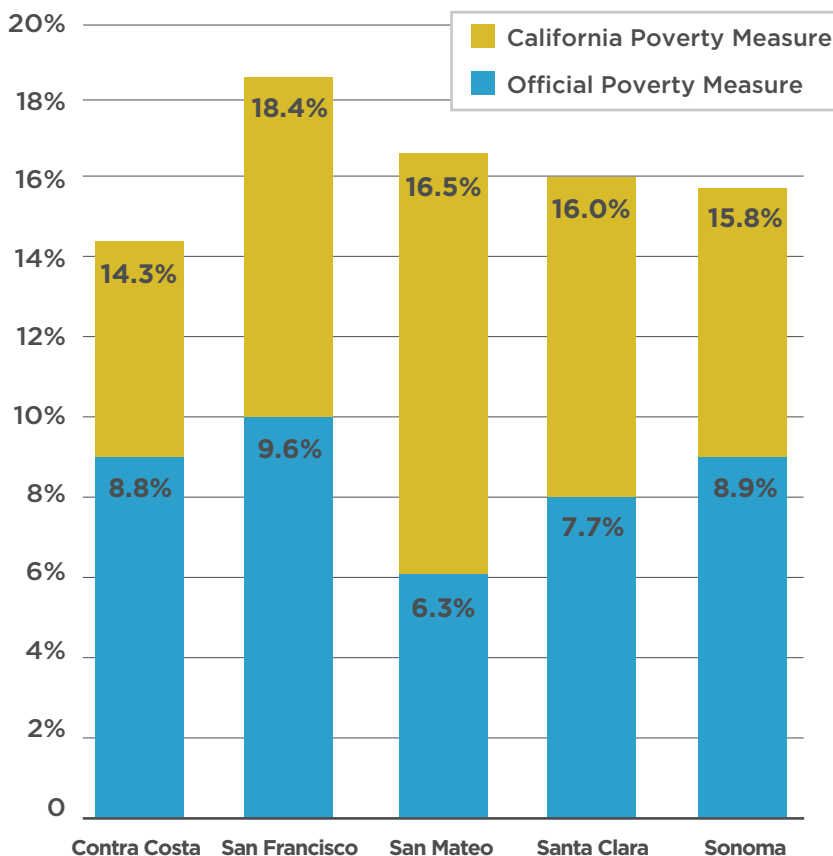
*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

WITHOUT NEW POLICIES OR INVESTMENTS, BAY AREA RENTAL MARKETS ARE INACCESSIBLE TO REGION'S TEACHERS



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in February 2019. Bureau of Labor Statistics Median Annual Wage Data for CA Occupations, 2018.

HIGH HOUSING COSTS EFFECTIVELY DOUBLE THE REAL POVERTY RATE IN BAY AREA COUNTIES



Source: Public Policy Institute of California (PPIC), California Poverty by County and Legislative District, 2015-2017.

THE BAY AREA'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION DECREASED BY 32% FROM 2016-2018

STATEWIDE

TYPE	2016	2018	% Change
New Construction	9,285	9,373	1%
Acquisition & Rehab	15,032	9,430	-37%
All	24,317	18,803	-23%

BAY AREA REGION

TYPE	2016	2018	% Change
New Construction	3,055	2,856	-7%
Acquisition & Rehab	5,016	2,630	-48%
All	8,071	5,486	-32%

*Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

Source: California Housing Partnership analysis of 2016-2018 CA Tax Credit Allocation Committee data.

Note: The data does not include manager or market rate units created through the LIHTC program.

REGIONAL RECOMMENDATIONS FOR THE BAY AREA

Shared Responsibility for Addressing Our Housing Need

- » Empower the Bay Area to raise new revenue for affordable housing by authorizing a regionwide ballot measure to fund the protection of tenants, production of new affordable housing and preservation of existing affordable housing.
- » As the region considers new governance models for MTC/ABAG, maintain a shared commitment to leveraging transportation dollars to incentivize affordable housing production and condition future transportation investments on building more affordable homes throughout the region.

Transit-Oriented Development

- » Align investments in rapid transit infrastructure with population growth, housing and job needs through an updated regional transit-oriented development policy at MTC/ABAG.
- » Condition discretionary transportation funds to cities on progress in providing affordable housing and preventing displacement and properly zone existing, developable land located next to rapid transit in high-opportunity areas for density and affordable housing.

Regional Housing Needs Allocation

- » Increase jurisdictional accountability for a fair distribution of affordable housing through the region's next Regional Housing Need Allocation.
- » Enforce new requirements to affirmatively further fair housing and not concentrate future housing development in high-poverty areas.

Plan Bay Area 2050

- » Update the Plan Bay Area Action Plan to include actions to prioritize the 3Ps of housing (Production, Preservation, and tenant Protections) and encourage the adoption of local housing preservation ordinances and tenant protection measures.
- » Expand MTC/ABAG's use of discretionary transportation funding to incentivize affordable housing production and promote the use of public land for affordable housing by offering larger One Bay Area Grants and establishing similar programs.

This report was produced by the California Housing Partnership.

Regional policy recommendations provided by:

Non-Profit Housing Association of Northern California (NPH)

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