

Great Communities and Affordable Housing

Housing Opportunities for All Families

The Bay Area faces an acute affordable housing crisis:

- 5 of the top 10 least affordable counties in the nation are in the Bay Area.
- A worker must earn \$23 an hour to afford to rent a typical 2-bedroom apartment.
- Only 1 out of 10 Bay Area households can afford to buy the typical single-family home.
- 32,000 people are homeless each night in the Bay Area.



Sandra Vazquez with Andrea and Jesus were able to move out of a crammed apartment shared with extended family into their own place after their building was bought and renovated by Allied Housing Inc., non-profit housing developer.

Even though these statistics seem daunting, there are proven strategies that communities can use to create more affordable homes. Furthermore, with the recent passage of historic housing and transportation bonds, there is a unique opportunity to leverage these major investments by putting housing next to transit.

More homes located next to transit means more riders, and more riders help create a more efficient transit system. Studies show that people who live and work within a half mile of transit stations are ten times more likely to ride transit than others living further away. Transit corridors are ideal locations for affordable housing. Low-income residents, and particularly seniors, have the lowest car ownership rate of any residency group. Building affordable housing next to transit helps boost ridership.

Station area plans (along with a city's housing element) provide advocates with a key opportunity to promote policies for increasing the stock of affordable housing in

their communities. A station area plan sets the rules of development typically within a half-mile radius of a transit station. Station area plans also address the amount of housing, office, retail, parks, streets, sidewalks and parking allowed and where they should be built. As communities shape their station area plans, local governments should be informed that there are land use, funding and pro-housing policies that can get more affordable housing built to house a community's teachers, nurses, policemen, grocers, sales clerks and medical assistants.

At the onset of the station area planning process, advocates should create an affordable housing platform that meets the housing needs of their community. It is important to be aware that a range of policies that address the supply of land and funding are necessary to create truly mixed-income neighborhoods.

What is Affordable Housing?

Housing is considered "affordable" when it costs no more than 30% of the monthly household income for rent and utilities. Families qualify to live in affordable housing based on their incomes. Typically, families making less than 60% of the area median income can qualify to live in affordable housing.

2006 Median Incomes For a Family of Four In:

Alameda & Contra Costa Counties \$83,000

Santa Clara County \$105,000

Sonoma County \$75,000



Coggins Square is a successful affordable housing development in Pleasant Hill. Residents can easily walk to the BART station and surrounding shops and services.

Policy Tools for Building Mixed Income Communities:

INCLUSIONARY HOUSING

Inclusionary housing is one of the most powerful tools in creating affordable housing. It mandates that approximately 15% of new homes in residential development are set aside for moderate and low income households. In addition to citywide inclusionary requirements, cities can require greater amounts of affordable housing for station plan areas.

GETTING THE RIGHT ZONING

One of the biggest challenges affordable housing developers face is a lack of appropriately zoned land, particularly in suburban areas. Zoning for multi-family housing so that apartments and town homes can get built will increase affordable housing production.

LAND ASSEMBLY

Another action local governments can undertake to assist in affordable housing production is land assembly. In station areas where there is publicly owned land, local governments can set aside sites where only affordable housing is allowed.

Who Builds Affordable Housing?

Affordable housing is development by private developers, mostly non-profits, using a combination of rental income, private funding and government subsidies. The Bay Area is home to over 60 non-profit housing developers, which have produced over 60,000 affordable homes since the sixties. Between 2000 and 2005, annual average non-profit production of 2,800 units amounted to more than 70% of the estimated 3,900 units built each year for very-low and low-income households.

Local Affordable Housing Funding Sources:

- **HOUSING TRUST FUNDS** - An ongoing, dedicated revenue stream for affordable housing. Because of their flexibility, the administrative structure, programming and revenue sources are shaped to address local housing needs and are not necessarily subject to federal and state regulations.
- **JOBS HOUSING LINKAGE FEES** - One-time fee placed on commercial development to offset the increased housing need created by new employment.
- **CITY GENERAL FUNDS** - Monies from the general fund specifically set aside for affordable housing.
- **REDEVELOPMENT FUNDS** - Redevelopment agencies have special funding powers under state law, and the key financing mechanism is tax increment funding where the agency retains the tax increment. According to state redevelopment law, 20% of tax increment must be spent on affordable housing. Local governments can be encouraged to spend more than the required 20% for affordable housing especially adjacent to transit zones.
- **HOUSING INCENTIVE PROGRAM** - A regional source of funds which encourages the development of higher density housing next to transit. Local governments that entitle housing next to transit are awarded capital funds for transit infrastructure.

Check List to ensure Affordable Housing is in the Plan:

- How many of the homes will be affordable to people earning less than the area median income?
- Does your city have an inclusionary housing policy?
- Is your city pursuing funding mechanisms such as housing trust funds and commercial linkage fees to support affordable housing production?
- For cities with redevelopment areas, does your city set aside more than 20% of its tax increment for affordable housing?