

Steve Heminger, Executive Director  
Lisa Klein, Senior Planner  
Metropolitan Transportation Commission  
101 Eighth St.  
Oakland CA 94607

October 5, 2010

Dear Mr. Heminger and Ms. Klein,

This letter follows recent RAWG and RAWG Ad Hoc Committee meetings in which affordable housing performance targets were discussed. We write to underscore the importance of a clearly articulated method to integrate affordable housing goals into the Sustainable Communities Strategy process and outcomes. Based on the leadership committee meeting in San Francisco with the Directors of ABAG and MTC, we further understand that the intent is to have a single, integrated visioning process for the region as opposed to parallel processes of the RHNA and the SCS/RTP. Given this relationship between the SCS and the RHNA, we think it is critical that the SCS incorporate affordable housing analysis about supply and location in the formative stages of this process.

In sharing our perspective here, we hope to further the efforts of the Ad Hoc Committee in defining targets related to affordable housing. We understand that there are various affordable housing goals which cannot be included in the list of targets due to forecasting limitations and we appreciate staff's commitment to pursue additional analysis outside of the target assessment. However, for the SCS and the RHNA to be realistic and successful policy documents, affordable housing goals must be considered when comparing alternative land use and transportation investment scenarios. If affordable housing needs are relegated to post-hoc discussion only, we risk selecting an initial policy and investment scenario that ignores the core premise of SB375: that housing prices, growth patterns and green house gas emissions are interdependent.

### **AFFORDABLE HOUSING GOALS**

We believe the SCS ought to further three goals with regard to housing in the Bay Area region. (1) create more affordable housing, (2) preserve existing affordable housing, and (3) ensure very low, low, and moderate income families access to communities of opportunity.

#### **1) Maximize growth in the overall stock of housing affordable to people at very low, low, and moderate income levels.**

Increasing the stock of affordable housing, particularly in TOD's, is critical to attain GhG reductions. High housing prices in transit rich neighborhoods force low wage workers to reside in outer ring suburbs, resulting in longer commutes and more GhG emissions. However, development of new deed-restricted affordable housing is currently dependent on a discrete set of funding assistance: State funding, Federal Low Income Housing Tax Credits, and HUD funds. While the RHNA and SB375 require regional land use plans to accommodate adequate housing for all income levels<sup>1</sup>, it has historically been infeasible to

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<sup>1</sup> Senate Bill 375 states that the Sustainable Communities strategy must "identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the regional transportation plan, taking into account net migration into the region, population growth, household formation and employment growth."

construct all of the desired housing at very low, low, and moderate income levels due to funding limitations. Only 44% of the 1999-2006 regionwide RHNA for very low income units was built. The result: market forces and public sector budget battles could obstruct progress on equity and environment goals unless the SCS addresses, head on, how to maximize growth of affordable housing.

**2) Preserve the existing supply of housing currently affordable to very low, low, and moderate income households**

PDAs and other transit-rich locations are likely to be among the most affected by increased development pressure and increased consumer demand. As the desirability and accessibility of TOD neighborhoods rises, housing and land prices will increase, potentially creating an outmigration of the low and moderate-income labor force and undermining the core goal of the SCS: to reduce vehicular GhG emissions. Acquisition and preservation of existing buildings is typically a more cost efficient way to preserve and even create new deed-restricted affordable housing than exclusive reliance on new construction, and it can help stabilize neighborhoods in the face of other changes, thereby furthering economic and environmental goals of the SCS.

**3) Ensure that very low, low, and moderate income households have increased access to healthy neighborhoods with opportunities for jobs and education.**

Research demonstrates that the quality of a neighborhood can effect individuals and families including physical and emotional health, educational attainment, income, exposure to violence, and criminal justice system involvement. That is why, according to state law, the regional housing needs plan must “increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner.”<sup>2</sup>

For the SCS and the RHNA to advance statutorily required equity goals, the visioning should include an emphasis on zoning for and funding of affordable housing in neighborhoods where children have access to quality education in the community as well as decent air quality, freedom from violence and accessible green space. While there are many urban locations that meet these criteria, the SCS and RHNA need to explicitly consider that these opportunities are not always present in transit rich locations.

## **AFFORDABLE HOUSING STRATEGIES, OUTCOMES, & INDICATORS**

In the table below, we have identified SCS strategies and measureable targets and indicators for each of the above core goals. We look forward to further discussion of these suggestions with agency staff, the Ad Hoc Working Group, and the RAWG.

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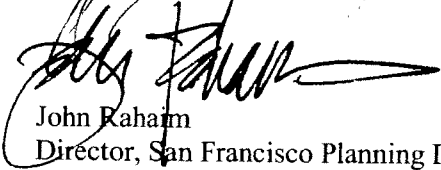
<sup>2</sup> SF Bay Area Housing Needs Plan 2001-2014 (<http://www.abag.ca.gov/planning/pdfs/SFHousingNeedsPlan.pdf>).

<b>GOAL</b>	<b>(1) Maximize growth in the overall stock of housing affordable to people at very low, low, and moderate income levels.</b>	<b>(2) Preserve the existing supply of housing currently affordable to very low, low, and moderate income households in transit accessible neighborhoods.</b>	<b>(3) Ensure that very low, low, and moderate income households have increased access to healthy neighborhoods with opportunities for jobs and education.</b>
<b>STRATEGIES</b>	Increase funding for development of deed-restricted affordable housing.	Preserve existing deed restricted and unrestricted but affordable housing through acquisition and rehabilitation efforts.	Ensure a regional distribution of housing responsibility that is based on expanding access to communities of opportunity
	Reduce the cost/unit of affordable housing production by building in lower-cost construction types.		
<b>TARGETS &amp; INDICATORS</b>	% of very low, low, and moderate income households with reduced housing + transportation cost burdens. (Goal: Maximize)	# of low-income households residing in transit rich environments. (Goal: Maintain)	% of housing affordable to very low, low, and moderate income households in neighborhoods of opportunity (could be defined by above average health outcomes, educational attainment amongst residents, and average household income. (Goal: Increase)
	% of the RHNA allocation for very low and low income housing that is accommodated in areas zoned for 2-5 stories (townhouses /apartments). (Goal: 100%)	# of deed-restricted affordable housing units in transit rich environments. (Goal: Increase)	
	# of new deed-restricted affordable housing units constructed annually. (Goal: Increase)		

Thank you for your careful consideration of affordable housing priorities in the regional growth strategy.

Sincerely,

  
Douglas Shoemaker  
Director, San Francisco Mayor's Office of Housing

  
John Rahaim  
Director, San Francisco Planning Department