

# Maintaining Housing Affordability and Neighborhood Stability in the Bay Area

# Plan BayArea 2040

## Solution Categories

## Regional Housing Goals



Assure resident **protections** against **involuntary displacement**



**Build more new homes** — market-rate and affordable



Create and preserve **affordable housing** options and **access to opportunity**

**New Market-Rate Homes.** Build them!

**New Mixed-Income Communities.** Require below-market-rate homes within new market-rate projects, or charge fees to pay for building them elsewhere.

**New Affordable Homes.** Build new affordable homes—ownership, rental and supportive (includes on-site services).

**Convert Existing Homes to Permanent Affordability.** Acquire and rehabilitate existing affordably priced housing and make it permanently affordable.

**More Solutions Using Existing Housing.** Examples: apply or extend affordability contracts, build accessory units, manage “airbnb’s,” retrofits for safety and conservation.

**Resident Based Solutions Using Existing Housing.** Examples: home-sharing, tenant-based rental assistance, homebuyer loans, enforcement of fair housing laws, increase income.

**Resident Protections.** Adopt local policies (and enabling state and regional policies) that support residents’ “right to remain” via tenant protections and rent stabilization.

**Lower Development Costs.** Reduce entitlement and permitting costs and approve cost-saving construction methods while ensuring safe living conditions.

**More Funding.** Develop and expand funding sources -- local, regional, state, federal, private – to support all broad housing outcome goals and strategies.

**Community Plans that Get Built.** Support adoption of local land-use plans and policies that welcome new housing and assure that conforming projects get permits and get built.



# How to Use this Toolkit

For each of the categories listed in the cover sheet, “Maintaining Housing Affordability and Neighborhood Stability in the Bay Area,” is a series of policy recommendations that were gleaned from toolkits and reports published by a number of organizations. We list the specific organizations from which each of these policies originate for ease of obtaining more information about the policies in question. The inclusion of an organization on this list **does not constitute an endorsement by the organization from which the information was obtained**, only that the policy in question was listed in one of their publications.

## Sources

For more information about any of these policies please refer to the following sources:

Source	Specific Reports
Association of Bay Area Governments (ABAG)	<ol style="list-style-type: none"> <li>1. People Places and Prosperity: <a href="http://reports.abag.ca.gov/ppp/2015/index.php">http://reports.abag.ca.gov/ppp/2015/index.php</a></li> <li>2. Bay Area Housing Policy Database: <a href="http://www.abag.ca.gov/planning/housing/datasets.html#identifying">http://www.abag.ca.gov/planning/housing/datasets.html#identifying</a></li> <li>3. Fair Housing and Equity Assessment: <a href="http://www.abag.ca.gov/planning/housing/publications.html#equity">http://www.abag.ca.gov/planning/housing/publications.html#equity</a></li> <li>4. Bay Area Housing Opportunity Sites Inventory: <a href="http://www.abag.ca.gov/planning/housing/datasets.html#maps">http://www.abag.ca.gov/planning/housing/datasets.html#maps</a></li> </ol>
Regional Prosperity Plan (RPP)	<ol style="list-style-type: none"> <li>5. Various projects and reports please refer to: <a href="http://planbayarea.org/regional-initiatives/Bay-Area-Prosperity-Plan.html">http://planbayarea.org/regional-initiatives/Bay-Area-Prosperity-Plan.html</a></li> </ol>
Housing Leadership Council of San Mateo (HLC)	<ol style="list-style-type: none"> <li>6. “California Housing Element Policy Best Practices Toolkit”: <a href="http://abag.ca.gov/planning/housing/elements-strategies.html">http://abag.ca.gov/planning/housing/elements-strategies.html</a></li> </ol>
Office of Mayor Edwin Lee (San Francisco)	<ol style="list-style-type: none"> <li>7. Refers to the findings and recommendations of the housing working group created by Mayor Ed Lee: <a href="http://www.sfmayor.org/modules/showdocument.aspx?documentid=431">http://www.sfmayor.org/modules/showdocument.aspx?documentid=431</a></li> </ol>
Seattle Housing and Livability Agenda (HALA)	<ol style="list-style-type: none"> <li>8. Refers to Seattle’s Housing Affordability and Livability Agenda (HALA): <a href="http://murray.seattle.gov/wp-content/uploads/2015/07/HALA_Report_2015.pdf">http://murray.seattle.gov/wp-content/uploads/2015/07/HALA_Report_2015.pdf</a></li> </ol>
Bay Area Council Economic Institute (BACEI)	<ol style="list-style-type: none"> <li>9. “A Roadmap for Economic Resilience Report”: <a href="http://www.bayareaeconomy.org/wp-content/uploads/2015/11/BACEI-RES-Report.pdf">http://www.bayareaeconomy.org/wp-content/uploads/2015/11/BACEI-RES-Report.pdf</a></li> </ol>
Grand Boulevard Initiative (GBI)	<ol style="list-style-type: none"> <li>10. For more information please refer to: <a href="http://www.grandboulevard.net/">http://www.grandboulevard.net/</a></li> </ol>
State of California	<ol style="list-style-type: none"> <li>11. Affordable Housing and Sustainable Communities Program (AHSC): <a href="https://www.sgc.ca.gov/s_ahscprogram.php">https://www.sgc.ca.gov/s_ahscprogram.php</a></li> <li>12. AB 1335 (Atkins) which was not passed in the California Assembly’s 2015-2016 Regular Session: <a href="http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1335">http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1335</a></li> </ol>
21 Elements	<ol style="list-style-type: none"> <li>13. For more information please see: <a href="http://www.21elements.com/">http://www.21elements.com/</a></li> </ol>

# New Market-Rate Homes



The solutions listed here are focused on increasing the supply of market-rate homes available in the Bay Area. For more information on each of these policies please refer to the source number (a more detailed listing can be found in the **“How to Use this Toolkit”** section).

## Solutions

Policy	Sources
Provide zoning incentives that promote both affordable and market-rate development such as graduated density bonus to help with parcel assembly and enhanced density bonuses to promote higher affordable housing production	2
Form-based codes that allow for “as of right” development of land for residential purposes	2, 6
Increase amount of land in a city zoned for multifamily housing	7
Establish housing overlay zones that allow for residential uses on top of other conventional uses	2, 6
Create and update searchable inventories of sites available for residential development	4, 10
Use “Universal Design” to increase access and habitability for senior and persons with disabilities	2, 6
Encourage larger family rental units (tax credits, bond set asides, etc)	8
Encourage energy and water conservation by providing financial incentives	8
Provide zoning incentives that promote affordable housing development such as graduated density bonus to help with parcel assembly and enhanced density bonuses to promote higher affordable housing production	2, 6

# New Mixed-Income Communities

Adopt policies to designate some new private-market homes as below-market-rate (BMR) rental or ownership units.



## Solutions

Policy	Sources
Provide zoning incentives that promote affordable housing development such as graduated density bonus to help with parcel assembly and enhanced density bonuses to promote higher affordable housing production	2, 6
Encourage jurisdictions to negotiate community benefits agreements in new market-rate residential developments that create new units of affordable housing or generate new revenue for that purpose	5
Capture and reinvest value created from upzonings into affordable housing programs	6, 10
Change state legislation to allow local jurisdictions to designate new market-rate units as affordable to low-income residents (Palmer Fix)	5

# New Affordable Homes

Build new 100% affordable or mixed-income homes, including options for ownership, rental, or permanent supportive housing.



## Solutions

Policy	Sources
Concentrate affordable housing investments in areas of greatest displacement risk	8
1 to 1 replacement for deed restricted affordable housing converted to market rate	5
Convert historic, nonresidential structures to housing	8
Develop publicly-owned land for affordable housing	5, 10
Set aside surplus public property for affordable home ownership programs	8
Provide zoning incentives that promote affordable housing development such as graduated density bonus to help with parcel assembly and enhanced density bonuses to promote higher affordable housing production	2, 5

# Convert Existing Homes to Permanent Affordability

Acquire and rehabilitate existing affordably-priced housing, convert to deed-restricted affordable and retrofit for safety and conservation.



## Solutions

Policy	Sources
Enable the full utilization of 4% tax credit programs for acquisition and rehab of smaller residential buildings	5
Tax incentives/low-cost loans/tech assistance to private owners agreeing to affordable covenants	8
Encourage the creation of Acquisition/Rehabilitation/ Conversion Programs for the acquisition of naturally affordable housing units, rehabilitation and conversion to deed-restricted affordable housing	1, 10

# More Solutions Using Existing Housing

Using existing housing in innovative ways to preserve the region’s existing housing supply; examples of this could include apply or extend affordability contracts, build accessory units, manage “airbnb’s,” retrofits for safety and conservation.



## Solutions

Policy	Sources
Refinance existing affordable housing complexes at-risk of reverting to market-rate because affordability restrictions are due to expire	1
Create amnesty programs to legalize existing undocumented Accessory Dwelling Units (ADUs) and Detached Accessory Dwelling Units (DADUs)	8
Create pre-approved standard plans for backyard cottages	8
Promote short-term rental regulations (i.e. “airbnb” regulations)	10
Draft model legislation to amend existing State law in order to expand/simplify approval of accessory dwelling units (ADUs) and Detached Accessory Dwelling Units (DADUs) and junior/studio units without kitchens (JDUs)	1

# Resident-Based Solutions Using Existing Housing

These types of solutions to the Bay Area’s housing affordability problem are based on the region’s existing residents and present housing supply.



## Solutions

Policy	Sources
Refine/deploy “early warning for displacement” tool to help identify most at-risk places	5
Promote Home sharing programs	2, 10
Pass Source-of-Income Ordinance to prevent denial of housing based on source of income	6
Create Tax incentives for private owners building affordable Accessory Dwelling Units (ADUs)/Detached Accessory Dwelling Units (DADUs)	1
Ensure that jurisdictions enforce existing fair housing laws at the state and federal levels through providing further resources at the state and/or federal level	3
Promote Tenant-based rental assistance programs	2, 6, 10
Increase tenant counseling/tenant services and Landlord Education	5
Create down payment assistance programs (e.g. Napa’s Work Proximity program)	1
Provide homeownership workshops/technical assistance for first-time homebuyers	1

# Resident Protections

Adopt local policies (and enabling state and regional policies) that support residents' "right to remain" via tenant protections and rent stabilization.



## Solutions

Policy	Sources
Redevelopment Agency (RDA) protections – Continue compliance with RDA relocation and replacement housing protections	6
Set requirements before multi-family rental units could be converted to for-sale condominiums	2, 6, 10
Pass ordinances that preserve existing Single Room Occupancy (SRO) units – SRO Preservation Ordinances	2, 6
Provide education/technical assistance/loans to help low-income homeowners preserve their homes and stay in place	8
Rent Stabilization ordinances	2, 6
Just Cause Eviction ordinances	2, 6
Preservation of Mobile Home Parks and limit annual rent increases	2, 6, 10
Relocation Benefits and First Right of Return for tenants	6
Open up affordable housing opportunities and services to ex-offenders	8
Use Community Land Trusts to attract funding and ensure long-term affordability	5, 8
Preservation of Mobile Home Park affordability through resident ownership coops and/or community land trusts	2, 6, 10
Refine/deploy "early warning for displacement" tool to help identify most at-risk places	5

# Lower Development Costs

Reduce residential development and construction costs.



## Solutions

Policy	Sources
Streamline environmental, permitting and approval process to reduce time and costs	5
Streamlined Permitting Process that establishes an expedited system for affordable housing and improves internal coordination among city departments, and with special districts	2, 10
Support use of manufactured and modular housing for multifamily housing and detached Accessory Dwelling Units (ADUs)	9
Fee Waivers or fee deferrals for affordable housing	2, 10
Create greater flexibility with regards to building codes, minimum lot size, etc.	2
Dedicate surplus public land suitable for housing to primarily affordable housing including allowing for sale/lease of surplus city land at less than fair market for affordable housing	5
Reduced Parking Requirements	2, 6, 10
Modify building/fire codes to allow 5-6 stories of wood frame construction over concrete	8
Property tax exemption for nonprofit and for-profit developers that build affordable housing	8
Cap the amount of housing fees a jurisdiction can assess to a unit of housing	9
Consistent permitting and regulations across jurisdictions	5

# More Funding

Develop and expand funding sources – local, regional, state, federal, private – to support all housing outcome goals and strategies.



## Solutions

Policy	Sources
Real estate transfer/excise tax	5
Hotel tax for affordable housing	8
Real estate document fee to fund affordable housing	12
Federal and State low income housing tax credit (LIHTC) expansion	5
Use state/federal health care funds to finance assisted living/supportive housing	5
Reform Prop 13 to increase local discretionary revenue, capture community-created value and reduce the fiscalization of municipal land use decisions	5
Use Cap & Trade (AHSC) funds to help finance affordable housing and related infrastructure	11
Link seismic and energy retrofit to affordable housing financing programs	1
Use CA State Infrastructure Bank to help finance affordable housing and related infrastructure	5
On sale of public land not used for housing, use unrestricted proceeds for affordable housing	5
Use hotel taxes generated by Airbnb/VRBO units to fund housing policy enforcement	13
Leverage city credit rating to provide developers with more favorable financing terms	5
General Fund Allocation Incl. former Redevelopment Agency “Boomerang” Funds	2, 6, 10
In-Lieu Fees (Inclusionary Zoning)	2, 6, 10
Housing Development Impact Fee	2, 6, 10
Commercial Development Impact Fee	2, 6, 10
Regional/sub-regional Housing Trust Fund	5
Create regional and/or subregional funds for funding critical infrastructure	9, 2, 5
Other taxes or fees dedicated to housing	2, 6, 10
Promote investments in affordable housing from Tech Companies	5
Support lowering voter threshold for county infrastructure and housing tax measures to 55%	9, 5
Use city, corporate and foundation fund balances to provide low-cost short-term loans	8
Diversified funding sources and taxes to pay for infrastructure	5
Private capital for public infrastructure projects	5
Long-range capital improvement plans that project a local jurisdiction’s infrastructure needs over a decade or more and project funds necessary to meet affordable housing targets	5



# Community Plans that Get Built

Support adoption of local land-use plans and policies that welcome new housing and assure that conforming projects get permits and get built.



## Solutions

Policy	Sources
Encourage “By right” and “deemed approved” housing development where plan-conforming projects can be built with ministerial review (subject only to safety & building code standards)	9
Authorize a regional hearing body to override a local jurisdiction denial of a housing development proposal that conforms to regional and state policy guidelines if local fees and policies are overly restrictive	9
Sub-regional planning for low-and moderate-wage jobs and affordable housing fit and balance, including more RHNA sub-regions	5
Tie future OBAG (and other transportation funding) to housing production (not zoning for housing)	9
Within each county, give cities the authority to trade their RHNA obligations - and connected OBAG funding - to neighboring municipalities that may be more receptive to new development	9
Specific Area Plans/Precise Plans/Master Plans promoting housing	10
Build community support for the creation and preservation of affordable housing	5
Replace tools lost with dissolution of California’s Redevelopment Agencies, especially land assembly and tax increment financing, housing trust fund revenue	9, 1
Provide zoning incentives that promote both affordable and market rate development such as graduated density bonus to help with parcel assembly and enhanced density bonuses to promote higher affordable housing production	1, 2
Form-based codes that allow for “as of right” development of land for residential purposes	2
Increase amount of land in a city zoned for multifamily housing	7
Encourage jurisdictions to establish housing overlay zones that allow for residential uses on top of other conventional uses	2, 6
Regionally Prioritized Development Areas -- PDAs with potentially major region-scale contribution to improving jobs/housing imbalance	6

# More Household Income

Promote policies that enable households to earn more and thus afford more of the region's existing housing.

## Solutions

Policy	Sources
Local enforcement of existing wage and hour laws	5
Support programs/services (such as workforce development programs) that help residents move from minimum wage to middle wage	5
Entrepreneurship and ownership opportunities for lower-wage workers to form new businesses	5
Living and prevailing-wage ordinances at the local or sub-regional level for government contracts	5
Social and economic impact assessment tool for major planning projects and policies to ensure that public investments create good jobs and benefit for all workers in addition to benefitting the environment	5
Transit-oriented job centers	5
Online training programs for job search and application	5
Apprenticeship programs and paid internships to provide experience through on-the-job learning and training opportunities	5
Self-sufficiency wage measure for targeting training programs and evaluating job placement	5
Community benefits and project labor agreements	5