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July 12, 2016

Honorable Chair Wiener and Members of
the Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale Street, San Francisco, CA

Dear Chair Wiener, Vice Chair Glover, and Commissioners Baker, Bates, Campos, Luce,
Sartipi, Schaaf, Tissier and Worth:

**Re: July 13 Meeting Agenda Items 6b (OBAG 2 Update) and 5a (Regional Priorities for
FY15-16 AHSC Program)**

On behalf of Silicon Valley at Home (SV@Home), I write today to support the staff's
proposed recommendations for the One Bay Area Grant (OBAG) Program and the
regional priorities for the Affordable Housing and Sustainable Communities (AHSC)
Program, with the requested amendments detailed below. These recommendations,
along with our proposed changes, will ensure that the programs support Santa Clara
County's efforts to address the housing needs articulated in Plan Bay Area.

One Bay Area Grant Program (Item 6b)

We applaud the Commission and MTC staff for your continued leadership in linking
housing, transportation, and land use goals through the OBAG Program. We support
staff's proposals to: leverage the OBAG program as a reward to jurisdictions producing
their fair share of affordable housing, dedicate \$10 million to the NOAH fund for the
preservation of existing affordable housing, and provide an additional \$32 million to
the OBAG County program.

However, to ensure that the OBAG program is effectively positioned to support the
level of affordable housing production needed, we also recommend the following
revisions:

- 1. Link transportation funding to the production of deed-restricted affordable
housing units for very low-, low- and moderate-income households.** SV@Home
supports the staff's proposal to incentivize affordable housing production through
the 80K by 2020 challenge among local jurisdictions. To ensure the challenge
provides a lasting supply of affordable housing, we recommend that units credited
to jurisdictions be permanently deed-restricted for households earning 80% of Area
Median Income (AMI) and below. Without this stipulation, these newly produced

units would likely become unaffordable as they turn over to new tenants or owners. To further encourage production of units for low-income households through the 80K by 2020 challenge, we also recommend that units restricted to households earning 80% AMI and below receive two to three times the credit toward jurisdictions' production totals, in alignment with the method of crediting units under the current OBAG program.

2. **Ensure that affordable housing development is prioritized on publicly-owned land.** At the very least, SV@Home requests that MTC condition OBAG funding on compliance with the State Surplus Land Act (AB 2135) requirements to provide affordable housing developers the right of first refusal when selling or leasing public land. The Surplus Land Act applies broadly to every local jurisdiction and district empowered to acquire and hold real property seeking to sell or lease publicly-held land, yet there have been several instances of Bay Area jurisdictions issuing requests for proposals (RFPs) for development of public land that were out of compliance with AB 2135. Similar to the OBAG requirement that awarded jurisdictions must comply with State housing element law, OBAG should be leveraged to ensure compliance with AB 2135.
3. **Create an affordable housing requirement.** Additionally, we strongly recommend that OBAG awardees be required to follow the exemplary practice established by the Valley Transportation Authority (VTA) through its recently updated Affordable Housing Policy, which stipulates a 20% minimum of affordable housing for developments built on its land. While this threshold is higher than the 15 percent minimum required by AB 2135 we believe that the Bay Area's housing crisis requires our public agencies to dedicate a greater proportion of their public lands to affordable housing.

Regional Priorities for FY15-16 AHSC Program (Item 5a)

We strongly support staff's recommendation to endorse projects in Santa Clara County: St. James Station TOD (San Jose), Edwina Benner Plaza (Sunnyvale), and the Renascent (San Jose).

However, we ask for the following revision:

1. **Support the Morgan Hill Family Scattered Site Development.** EAH has been asked by the California Strategic Growth Council to submit a full application for the AHSC Program. SV@Home requests that the Commission support this project by recommending it for funding. This project will result in 41 new permanent housing units for very low-income families (60% AMI or below), chronically homeless individuals, and Transitional Aged Youth (TAY) in the City of Morgan Hill-- a place with few affordable housing options. In the last RHNA cycle, Morgan Hill exceeded its above-moderate unit allocation, permitting 205% of its market-rate requirement, while permitting only 35% of its very low- and low-income unit allocation. This project contributes to the City's effort to rectify this imbalance and build much-needed homes for very low-income households. Moreover, MTC's endorsement of EAH's AHSC application would promote an effective use of public funds since the project seeks to leverage \$1.8 million in funding from Santa Clara County as well as State Low Income Housing Tax Credits.

SV@Home appreciates the opportunity to provide feedback on these items, and we look forward to working with you to create a more equitable region. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pilar', with a long horizontal flourish extending to the right.

Pilar Lorenzana-Campo
Policy Director
Silicon Valley at Home (SV@Home)

Cc: Ken Kirkey, Planning Director
Doug Johnson, Principal, Transportation and Land Use Development
Anne Richman, Programming and Allocations Director
Craig Bosman, Program Manager

SV@Home is a new nonprofit organization that is driving the creation of affordable housing for a more vibrant and equitable Silicon Valley. SV@Home represents a broad range of interests, from leading employers who drive the Bay Area economy, to labor and service organizations, to local government agencies, to nonprofit and for-profit developers who provide housing and services to those most in need.