



Memorandum

TO: Commission

DATE: July 20, 2016

FR: Executive Director

W. I. 1131

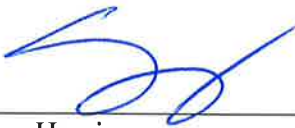
RE: Santa Clara County Affordable Housing Bond

Background

At last month's Legislation Committee, Chair Cortese noted that the staff memo describing Santa Clara County's affordable housing bond was based on an earlier version than the one approved by the Santa Clara Board of Supervisors. Instead of what is shown in the original memo (attached), the measure proposes to distribute the funds as follows:

- \$700 million for Extremely Low-Income housing (below 30 percent of area median income), including Permanent Supportive Housing and Rapid Rehousing.
- \$100 million for Very Low Income housing (31 to 50 percent of the area median income);
- Up to \$100 million for housing assistance for Moderate Income households;
- Up to \$50 million for Moderate Income first-time homebuyers.

The key change was to provide \$150 million towards moderate-income households by reducing the funding provided for housing to serve very low-income and extremely low-income households. This change does not modify staff's recommendation and was described by Chair Cortese prior to the Legislation Committee's vote recommending that the commission support the measure.



Steve Heminger



Agenda Item 3g

METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Legislation Committee

DATE: July 1, 2016

FR: Executive Director

W. I. 1131

RE: Santa Clara County Affordable Housing Bond

Background

Last month the Santa Clara County Board of Supervisors unanimously approved placing on the November 2016 ballot a \$950 million affordable housing bond to address the county's significant homelessness and affordable housing challenges. The proposed measure would distribute the funds as follows:

- \$855 million (90 percent) for extremely low-income households (below 30 percent of area median income), permanent supportive housing and rapid rehousing.¹
- \$95 million (10 percent) for housing affordable to very low-income families (between 30 percent to 50 percent area median income).

Recommendation: Support

Discussion

The idea for the housing bond emerged from the County Board of Supervisor's Housing Task Force, which recommended finding a new source of revenue to provide shelter for the homeless. Polling conducted in April 2016 found that housing is a top concern among Santa Clara County voters, outranking other concerns — including traffic/transportation — by a 2:1 margin or more. In fact, the poll found voters rank building affordable housing equal to education and crime as a priority. Of particular concern among voters is the need for additional funding to build housing for the county's most disadvantaged residents, including the homeless, seniors, and veterans.

Santa Clara has a large number of homeless individuals — more than 6,500 according to a 2015 census — due largely to its extremely high (and rapidly growing) home purchase prices and rents according to the Santa Clara Board of Supervisors staff report on the measure. To address this major concern, the bond proposal would invest the vast majority of funds towards housing for homeless individuals and families or others with an income at or below 30 percent of the median area income.

¹ "Permanent Supportive Housing" targets chronically homeless, or those who have been homeless for more than a year and need such services as mental health, substance abuse or medical care. "Rapid Rehousing" is generally for those who experience homelessness for brief periods, have an income and need transitional housing for up to 18 months in order to get stable and move into permanent housing.

According to the staff report:

Even though housing for homeless and populations with very low income is currently being built, the number of units available to these special needs populations does not satisfy the projected demand and falls far short of the demand within our community. In fact, the California Housing Partnership has reported that 67,576 additional homes are needed to meet the needs of individuals and families that are very low income (VLI) (31% to 50% of the area median income) or extremely low income (ELI) (below 30% of area median income) renters.

The report also noted that the Regional Housing Needs Allocation for Santa Clara County, covering the 2014 – 2022 time period, estimates that the county needs an additional \$220 million annually to meet the affordable housing needs of ELI and VLI households. The Community Plan to End Homelessness in Santa Clara County estimates that over the next five years the county needs an additional 3,600 supportive housing units and 2,400 rapid rehousing units to address the complex needs of the homeless populations in the county.

The measure is estimated to cost Santa Clara County voters \$12.66 per \$100,000 in assessed value for a maximum duration of 38 years. In terms of how the bond funds would be used, cities and nonprofit developers seeking funding would compete for funding, with priority given to projects that demonstrate readiness and are able to leverage matching funds. The measure requires annual audits and a bond oversight committee.

SB 375 (Steinberg, 2008) requires that regions plan (and zone) for enough housing to meet the needs of the existing and forecast population, consistent with the Regional Housing Needs Allocation, within the region during the horizon of the long-range plan. There is no question that the Bay Area is failing at this task, and this failure is felt most acutely by the homeless and other ELI households. Accordingly, staff recommends a support position on Santa Clara County's housing bond measure to assist in the construction of thousands of new units of affordable housing.

Known Positions

Support

Destination: Home
Nonprofit Housing Association of Northern California
Santa Clara County Senior Care Commission

Opposed

None on file



Steve Heminger

SH: rl

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