



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 6  
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*Memorandum*

TO: Policy Advisory Council

DATE: December 1, 2015

FR: Pam Grove, Staff Liaison

W.I. 1114

RE: Brainstorming Session: Housing Issues

The Council's 2015-16 Work Plan identifies topics of interest that the Council could explore during the year. At the December meeting, the Council will hold a brainstorming discussion around the following topic from your work plan:

Discuss ways to incentivize housing development (including affordable housing and workforce housing), preservation and restoration of housing, and protection of existing residents.

MTC Planners Therese Trivedi and Vikrant Sood will give a brief overview of MTC's current efforts incentivizing housing development around transit and the protection of existing residents. Attached is their presentation for your review in advance of the meeting.

After the presentation, council members will have a brief chance to ask clarifying questions before breaking into smaller groups for a discussion. The discussion will center around market-rate housing, affordable housing (including very low, low, and workforce housing), and anti-displacement strategies.

During the small group discussions, we will solicit your ideas on these topics. Be thinking now about what works well and what can be done to improve things, both at the local and regional level. What new initiatives might encourage local governments to focus on housing development in their community? Are there other regional policies or legislation that MTC should consider? Do you know of any local success stories that you can share?

As always, please feel free to contact me if you have questions or need assistance.

Attachment: Housing Brainstorming Presentation



# Brainstorming: Housing

Policy Advisory Council

December 8, 2015

# Context-Setting Overview

- **PDA Assessment**

- Housing development constraints
- Interventions to improve PDA readiness for housing development

- **MTC Programs**

- TOD Policy
- PDA Planning, Technical and Staffing Assistance
- TOAH
- OBAG

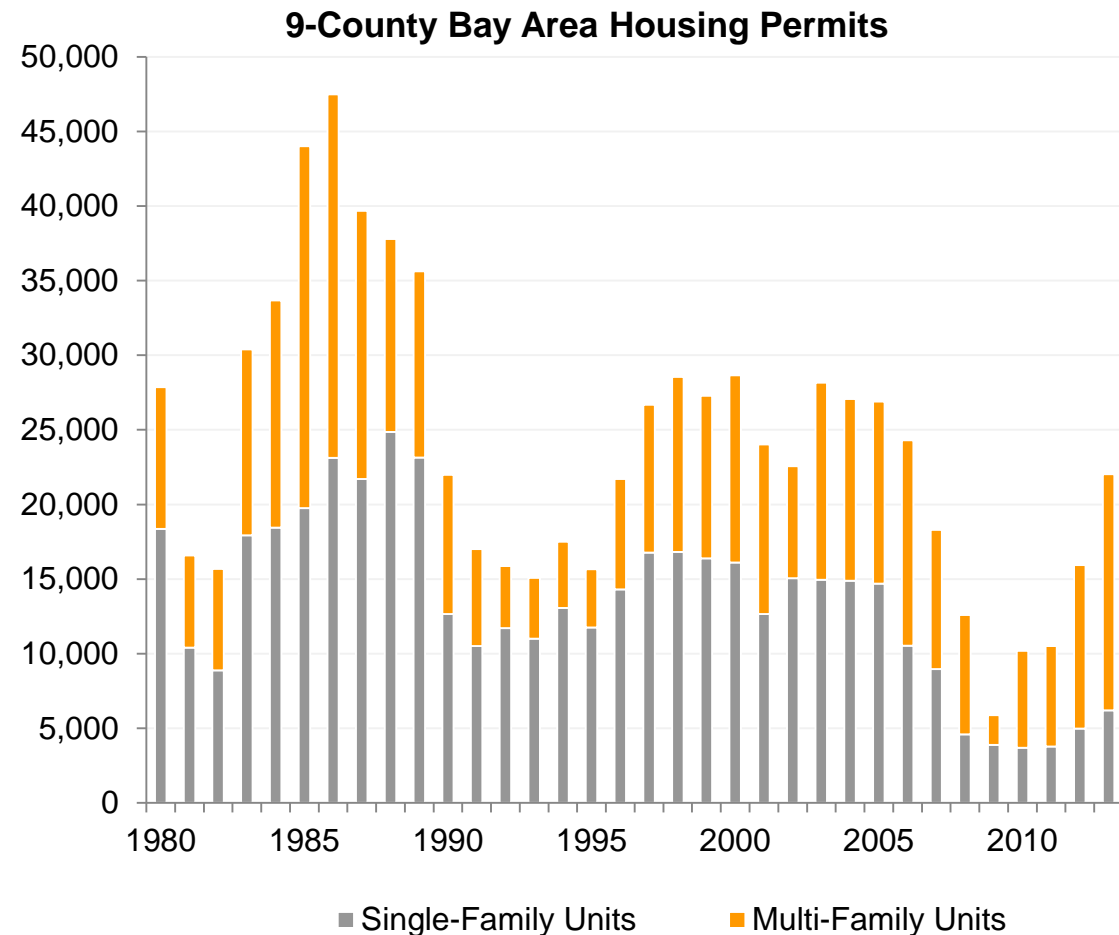
# PDA Assessment – 2015 Update

- **Estimate PDAs “readiness” to accommodate residential units projected in Plan Bay Area**
- **Determine policy and investment initiatives to improve feasibility for residential development**
- **For today’s discussion: Highlight PDA Assessment findings related to development constraints and policy or investment interventions to set context**

# PDA Assessment: Changes Since 2013 Assessment

## ■ Constraint Improvements:

- More Specific Plans/EIRs in place
- Housing permits have increased
- Prices have increased
- Density bonuses more viable
- New funding mechanisms (i.e. cap and trade)

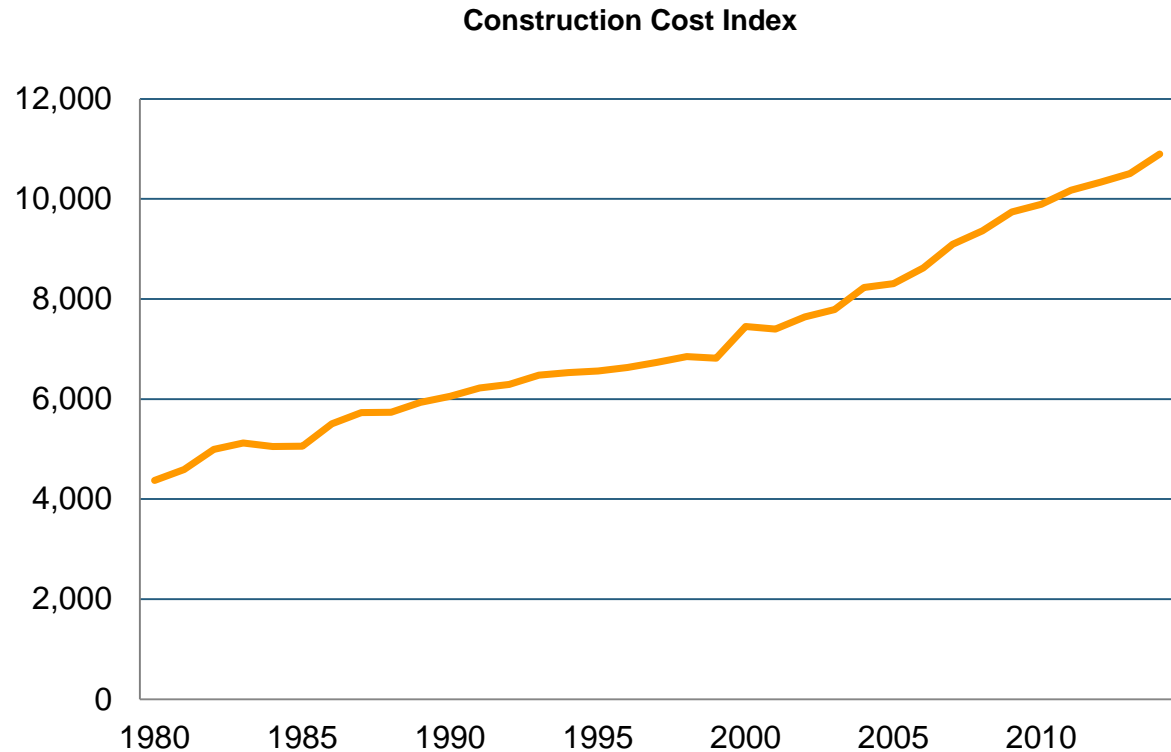


Source: Vital Signs, MTC

# Changes Since 2013 Assessment

## ■ Intensified constraints:

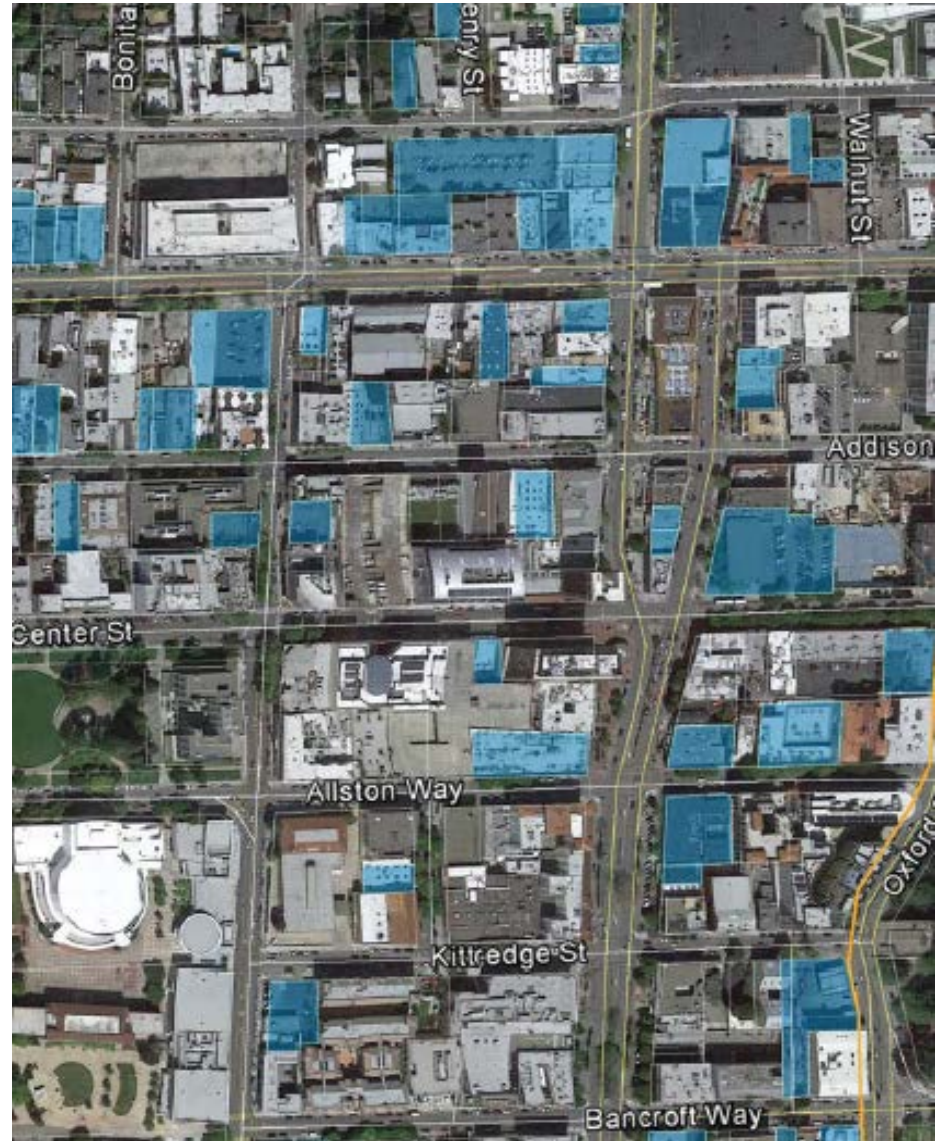
- Construction costs are up
- Fee and exaction increases in many communities
- Reductions in federal funding for affordable housing
- Concerns about displacement



Source: Engineering News-Record

# Persistent Conditions

- **Site configuration/  
small parcels**
- **Existing uses**
- **Neighborhood  
adjacencies**
- **Some unproven  
markets for more  
dense development**
- **Infrastructure  
needs**

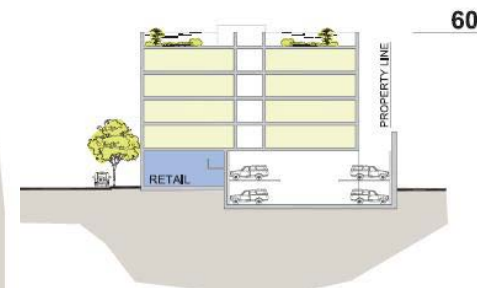
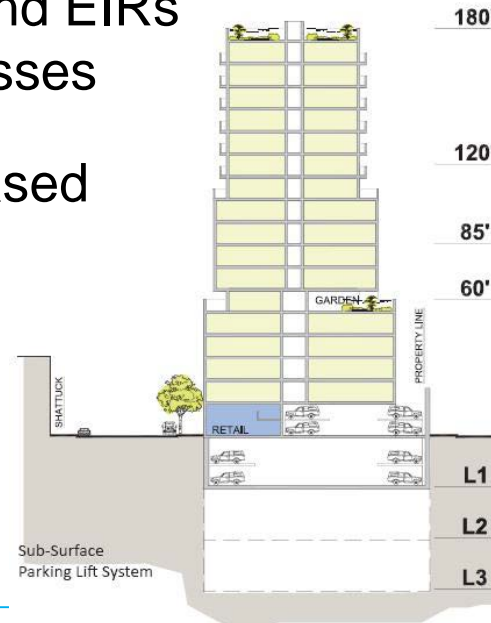




# Interventions to Improve Readiness

- **Included in Amended Results**

- Infrastructure financing/  
funding mechanisms
- Parcel assembly tools
- Selected upzoning or other  
capacity increases
- Completing plans and EIRs  
to streamline processes
- Removing policy-based  
constraints





# Current MTC Programs

- **TOD Policy**
- **PDA Planning, Technical and Staffing Assistance**
- **Transit-Oriented Affordable Housing (TOAH) Fund**
- **OneBayArea Grant program**



Example of OBAG-type project



Downtown San Leandro TOD Strategy

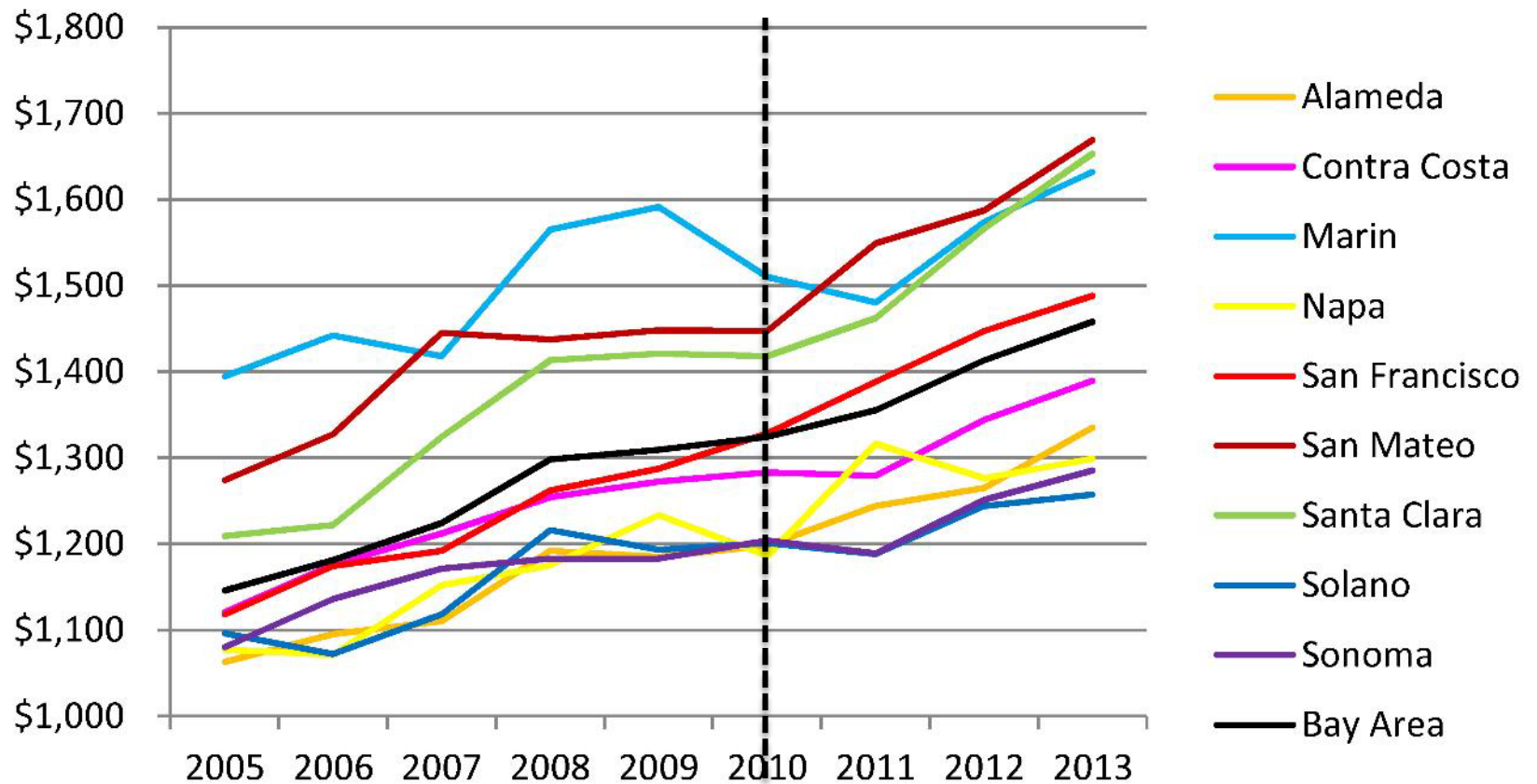


Architect's rendering of the Eddy + Taylor Family Housing (TOAH) project slated for construction in San Francisco

# Displacement Context

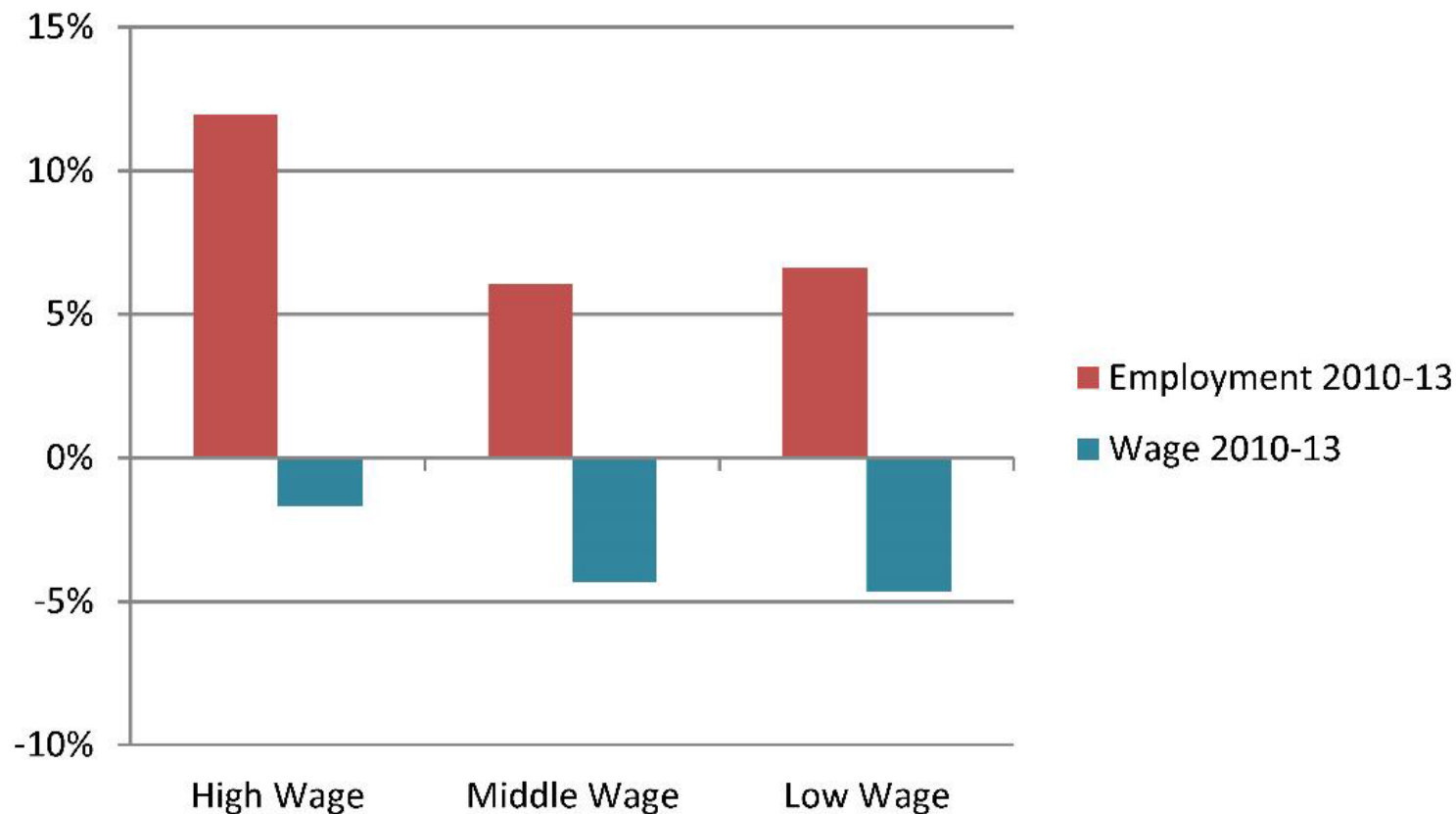
# Rising Housing Costs

## Median Gross Monthly Rent (2005-2013)



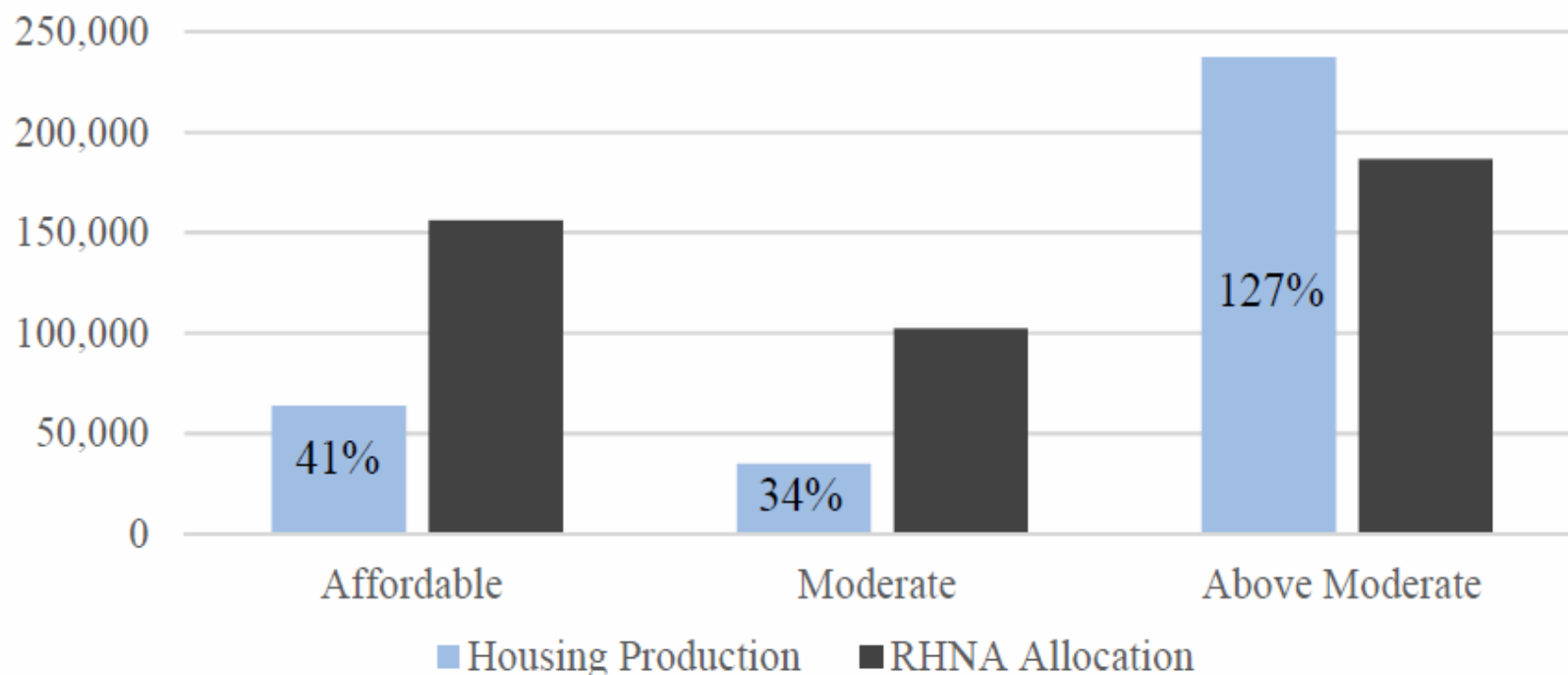
# Job Growth, Declining Wages

**Bay Area Employment and Wage Change by Job Category (2010-2013)**



# Low Affordable Housing Production

**Figure 1. Bay Area Housing Production and Regional Housing Needs Assessment (RHNA) Allocation\* | 1999-2014**





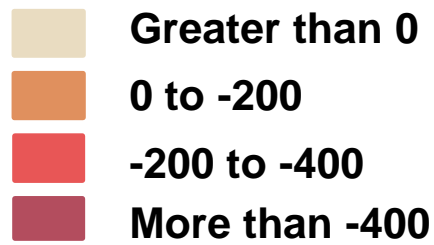
# Global Investment



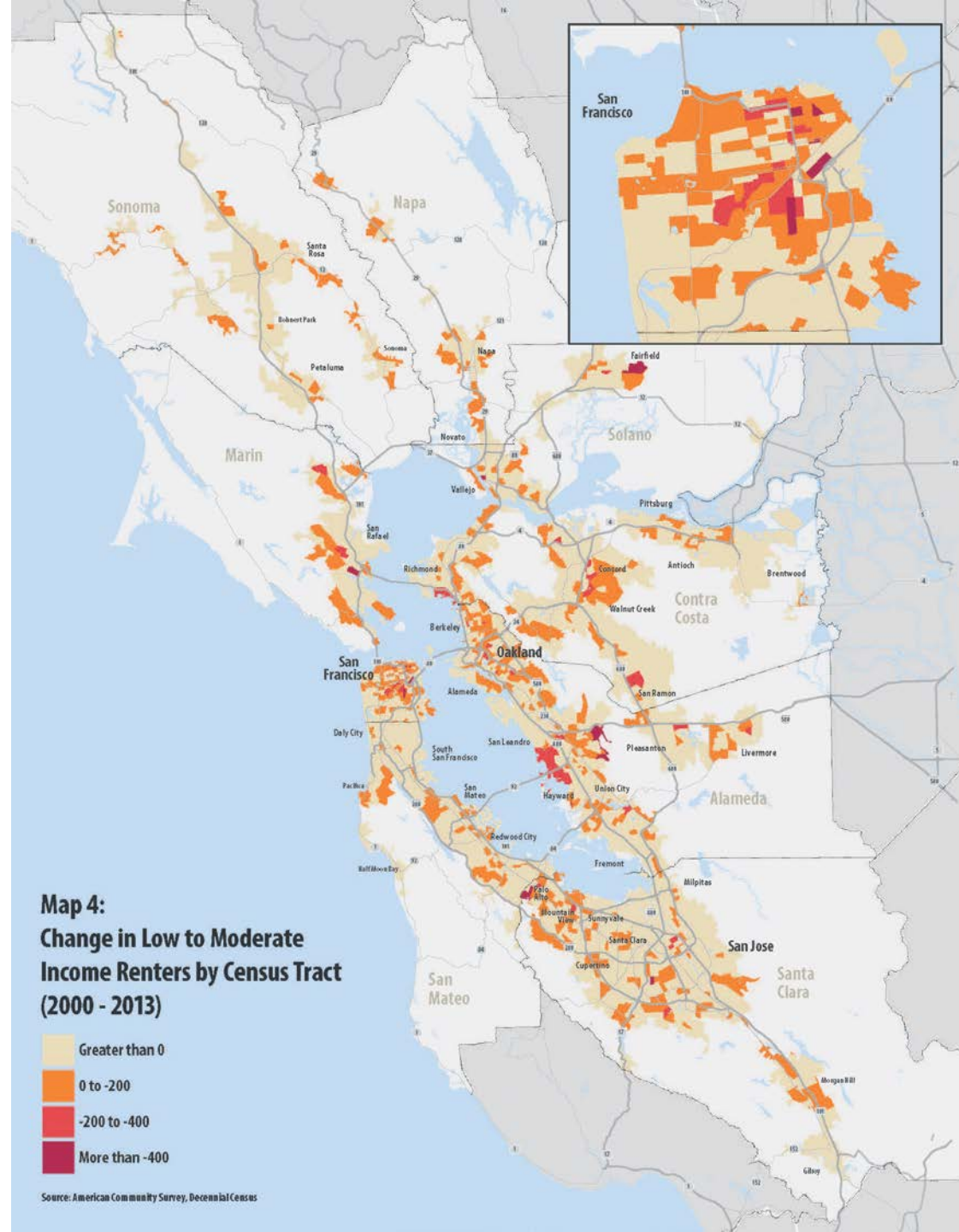
Plan  
BayArea  
2040



# Change in Low to Moderate Income Renters by Census Tract (2000-2013)



Source: American Community Survey, Decennial Census





# Risk of Displacement in the Bay Area

## Low-Income Households At Risk of Displacement (2000-2013)

	Low-Income*** Renters and Owners	Low-Income Renters
Region-Wide	566,477 53%	311,476 60%
Within PDAs**	415,607 64%	245,302 69%
Outside PDAs	150,870 36%	66,174 41%

Source: Regional Early Warning System for Displacement (REWS) Study, 2015, UC Berkeley

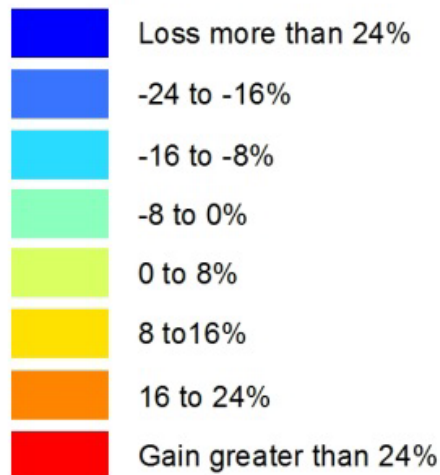
\*\*\* Households earning less than 80% of the county median income

\*\* Based on analysis of census tracts that intersect with PDA boundaries

\* Includes areas that have already undergone displacement, but are at risk of losing more low income households

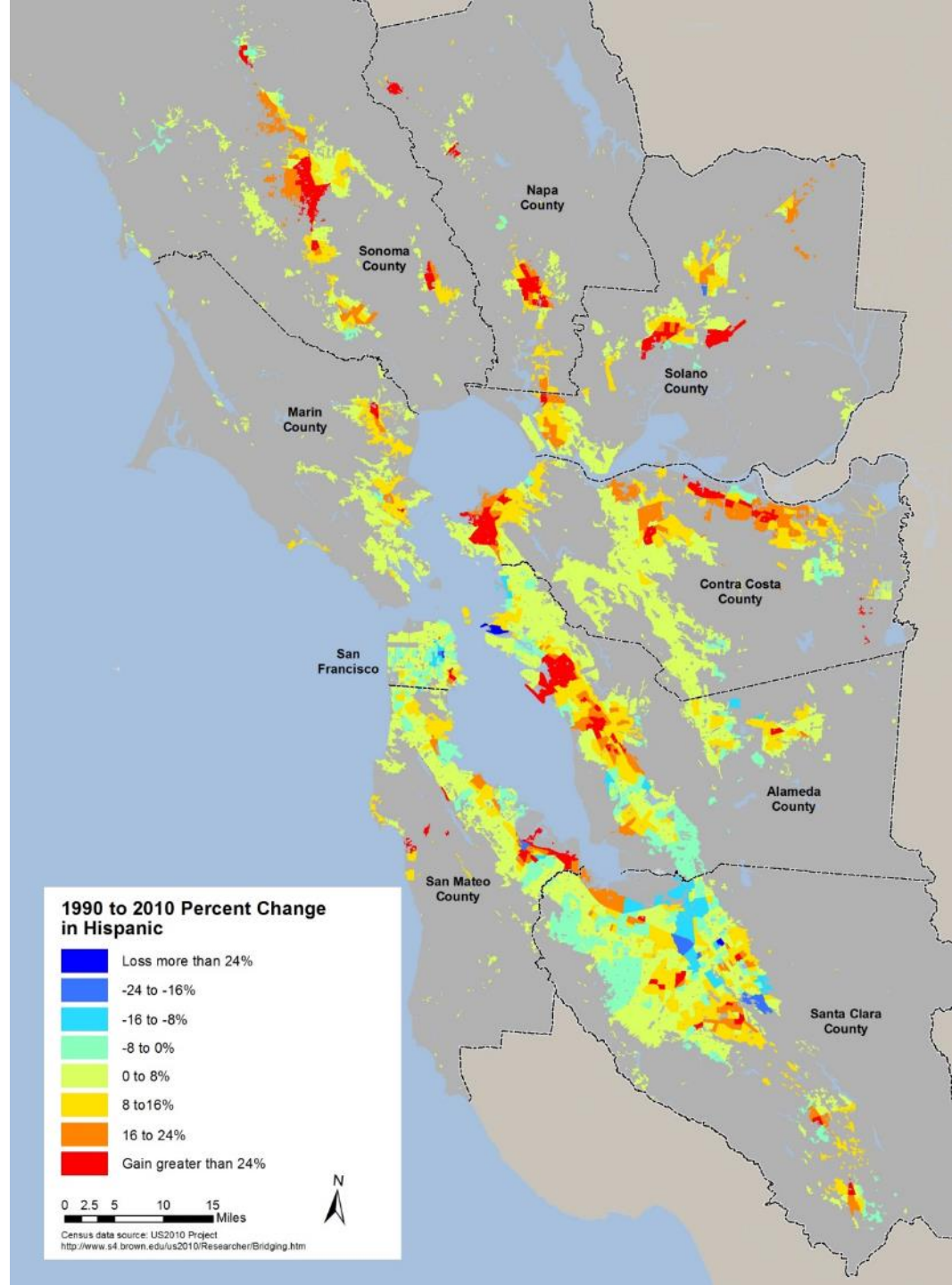
# Latino Population

## 1990 to 2010 Percent Change in Hispanic



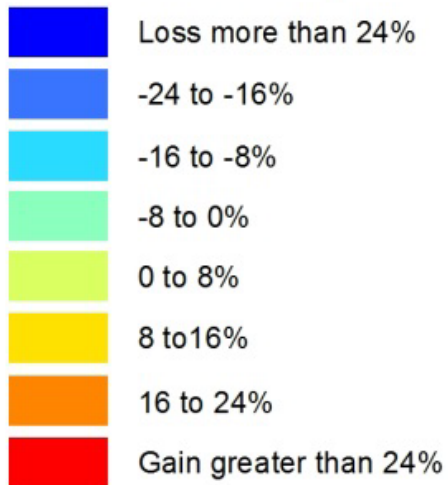
0 2.5 5 10 15 Miles

Census data source: US2010 Project  
<http://www.s4.brown.edu/us2010/Researcher/Bridging.htm>



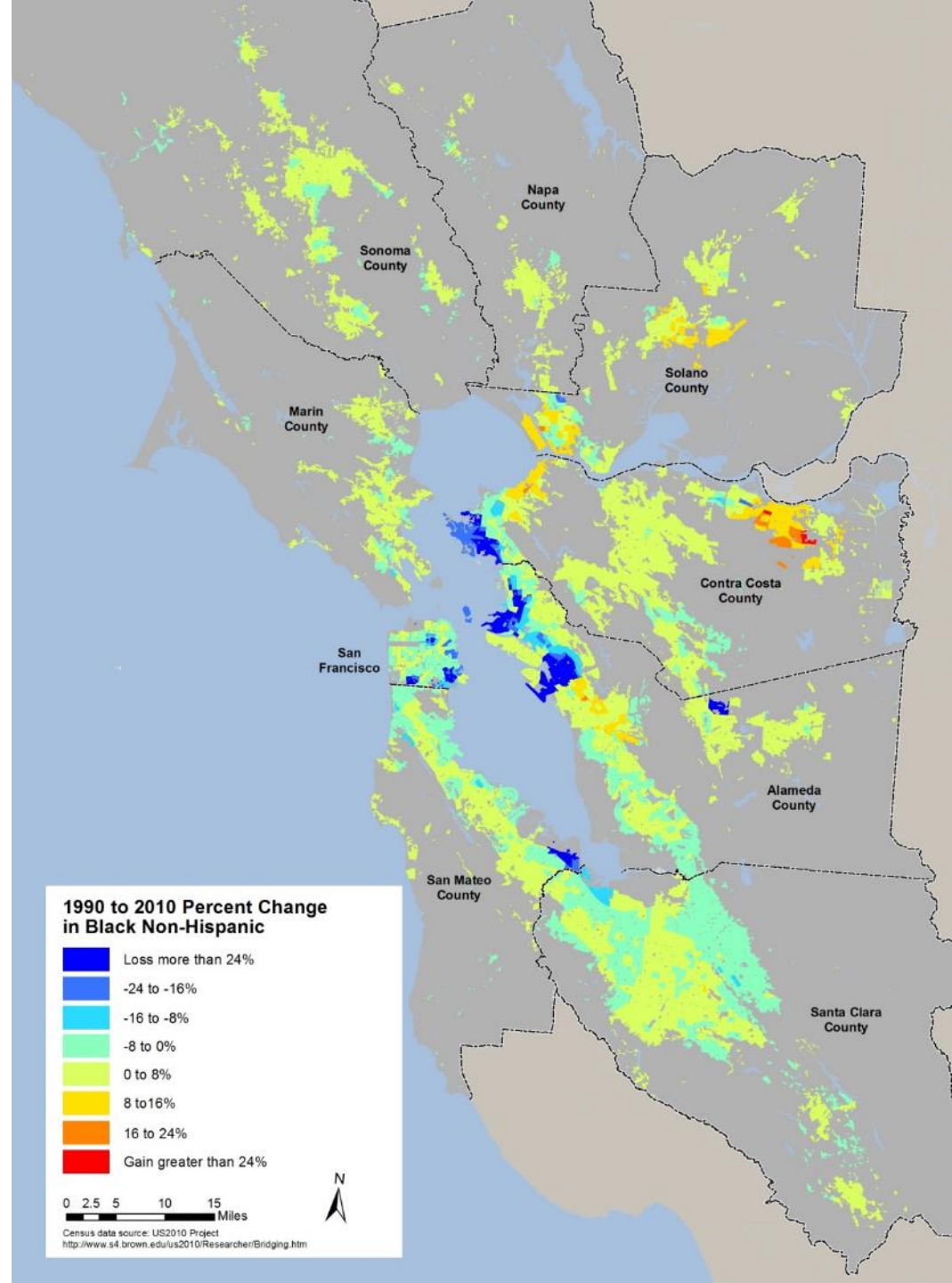
# African-American Population

## 1990 to 2010 Percent Change in Black Non-Hispanic

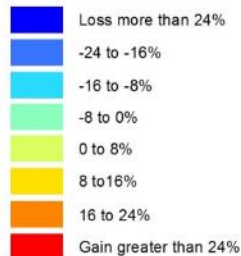


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# Local and Regional Policy Tools

Local Anti-Displacement and Affordable Housing Policies	Share of Jurisdictions
Inclusionary Zoning / Below Market Rate Program	71%
Condominium Conversion Ordinance	67%
In-Lieu Fees to Fund Affordable Housing	58%
Reduced Fees or Waiver for Affordable Housing	56%

Regional Initiatives
Transit-Oriented Affordable Housing
One Bay Area Grants
Regional Housing Needs Allocation
PDA Planning & Technical Assistance

# Next Steps: Potential Plan Bay Area 2040 Initiatives

## ■ **Regional Investments**

- Eligibility requirements for One Bay Area Grants (OBAG) in jurisdictions with high displacement risk;
- More resources for Transit-Oriented Affordable Housing (TOAH) with more emphasis on areas with high risk;
- Regional initiatives to raise new revenue for affordable housing to meet high need;
- A strong policy platform to advocate for support at the state and federal level; and
- Fund a robust technical assistance effort through the PDA and Community Based Transportation Plan (CBTP) programs to support local jurisdictions.