

# SPUR

**Ideas + Action for a Better City**

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*#SouthBayAffordableHousing*

# Affordable Housing in the South Bay

SPUR SJ

April 28, 2015



Wayne Chen  
City of San Jose

















CARMEL  
THE VILLAGE  
apartments

Living

COURT



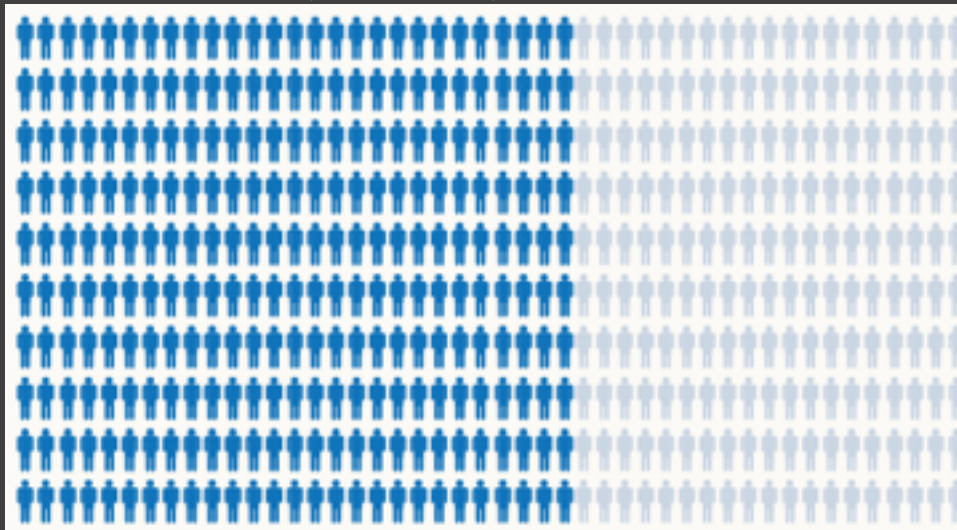


# Silicon Valley's Divided Workforce

 = 1,000 workers

**% of Workforce: 31%**

**Median Income: \$84,600 to \$144,000**

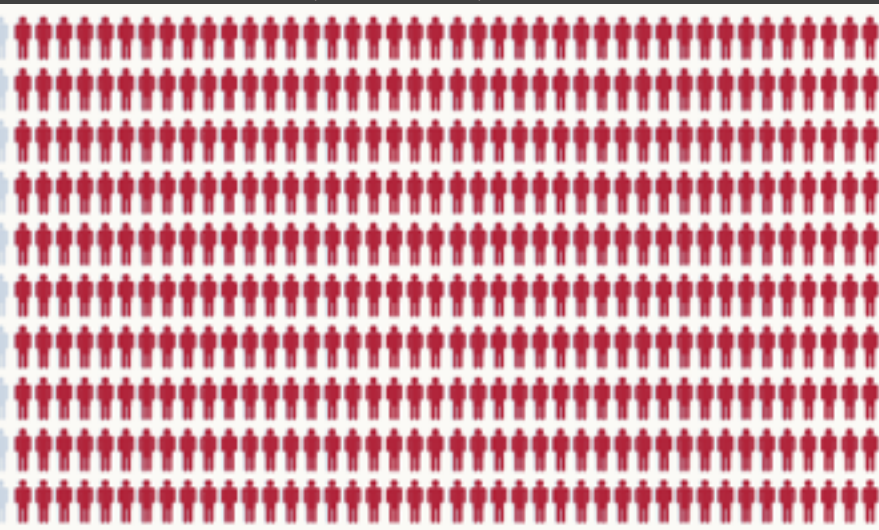


**Occupations:**

- Management
- Computer & Mathematical
- Architectural & Engineering
- Business & Financial Operations

**% of Workforce: 46%**

**Median Income: \$19,700 to \$55,700**



**Occupations:**

- Office, Education, Training, & Library
- Office & Administrative Support
- Production
- Transportation & Material Moving
- Sales & Related Occupations
- Food Preparation & Serving-Related

# Range of Need Not Addressed

	Very Low	Low	Moderate	Market
<b>Campbell</b>	16%	246%	42%	36%
<b>Cupertino</b>	11%	14%	24%	172%
<b>Gilroy</b>	9%	31%	19%	129%
<b>Los Altos</b>	22%	8%	14%	789%
<b>Los Altos Hills</b>	93%	53%	23%	362%
<b>Los Gatos</b>	1%	41%	4%	97%
<b>Milpitas</b>	49%	26%	60%	598%
<b>Monte Sereno</b>	46%	122%	27%	125%
<b>Morgan Hill</b>	31%	40%	15%	205%
<b>Mountain View</b>	37%	2%	1%	155%
<b>Palo Alto</b>	23%	2%	20%	78%
<b>San Jose</b>	23%	20%	2%	85%
<b>Santa Clara</b>	30%	9%	16%	148%
<b>Saratoga</b>	0%	19%	6%	35%
<b>Sunnyvale</b>	41%	56%	152%	95%
<b>Santa Clara County</b>	17%	206%	72%	91%
<b>Total</b>	<b>26%</b>	<b>27%</b>	<b>21%</b>	<b>120%</b>



**Steve, Shop Technician & Metalworker**



**Robert, Artist & Former Machinist**



**Monica, Food Concessions**



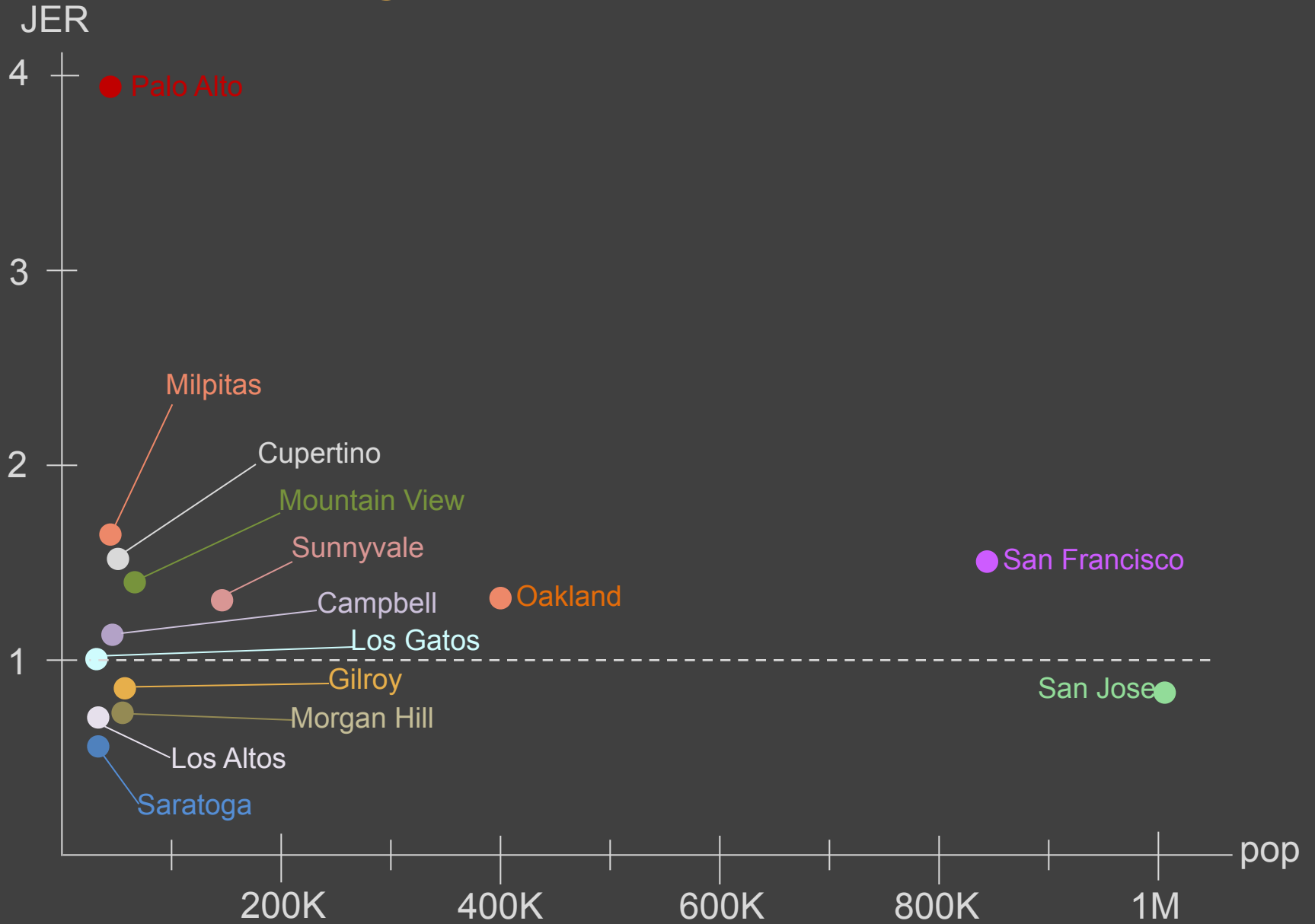
# Challenges

- Economy continues to grow but bifurcated
- Market has not responded to continuum of need
- Supply necessary, not sufficient
- Limited public/non-profit resources
- Special needs most vulnerable
- High rents and displacement concerns
- Costs: increase faster than incomes, largest share
- Market infallibility v. recognition of tradeoffs

# Causes

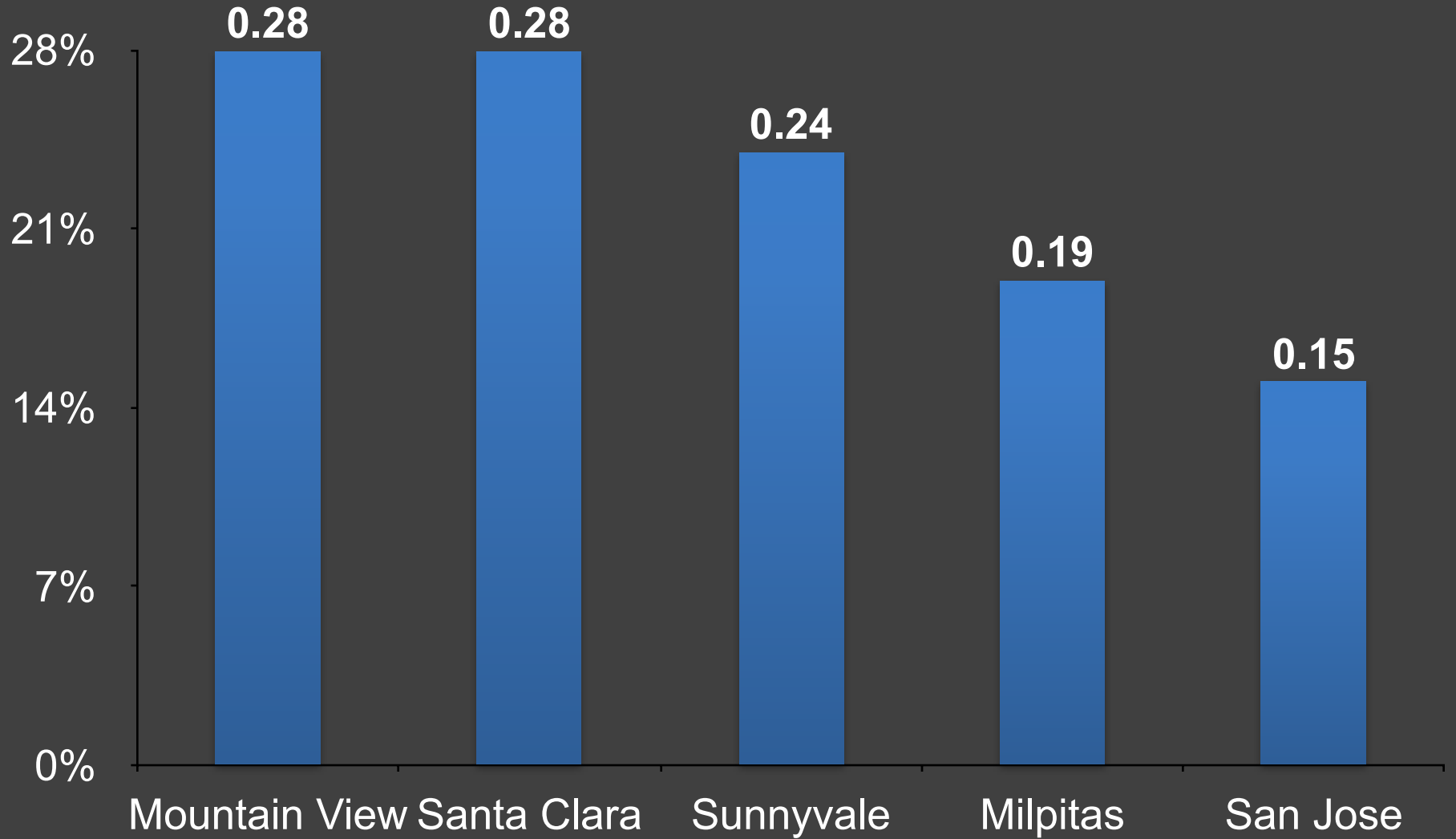
- Labor market disconnected from housing market
- Has not been part of market logic
- Other sectors cannot outbid market
- Income inequality
- Interjurisdictional coordination is challenging

# Jobs-Employed Resident Balance



Data source: US Census Longitudinal Employer-Household Dynamics; CA Department of Finance

# % of Land for Employment Uses



# Lower Sales Tax Per Capita

Palo Alto

**\$370**

Cupertino

**\$338**

Mountain View

**\$186**

Santa Clara

**\$320**

Sunnyvale

**\$192**

Fremont

**\$172**

San Jose

**\$142**



# Lower Property Tax Per Capita

Palo Alto

**\$407**

Cupertino

**\$285**

Mountain View

**\$213**

Santa Clara

**\$260**

Sunnyvale

**\$237**

Fremont

**\$172**

San Jose

**\$140**



# Challenges

- Growth → Conflict of land use, values
- Fiscalization of land use
- Lack of regional mechanism
- NIMBYism, schools
- Self-reinforcing disparities
- Siloes
  - private v. public
  - cities v. cities
  - residents v. outsiders

# Potential Responses

- Cities need to figure out how to work together
- Collaborate w/other public agencies: transit, health
- Corporate housing
- Zoning/public policies
- Linking infrastructure funding to housing production
- Space for conversations



# Recent Leadership

- LinkedIn expansion w/affordable housing
- SF Giants propose affordable housing
- LAUSD for teacher housing
- Cities approving commercial/housing fees
- Big 3 Cities regional housing platform
- Employers increasing minimum wage
- Tipping Point *SF Gives Playbook*

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NON-PROFIT HOUSING ASSOCIATION  
OF NORTHERN CALIFORNIA

The Voice of  
Affordable Housing

# Affordable Housing: Santa Clara and Beyond

Pilar Lorenzana-Campo  
SPUR and NorCal APA  
May 14, 2015

# 214,500 new households

Growth projections for 2007 to

2014

**26%** of affordable housing needed  
**84%** of luxury housing needed

Actual housing production from 2007 to  
2014

shortfall of  
54,000  
homes

santa clara county, chpc, 2014



**+187,900  
new households**

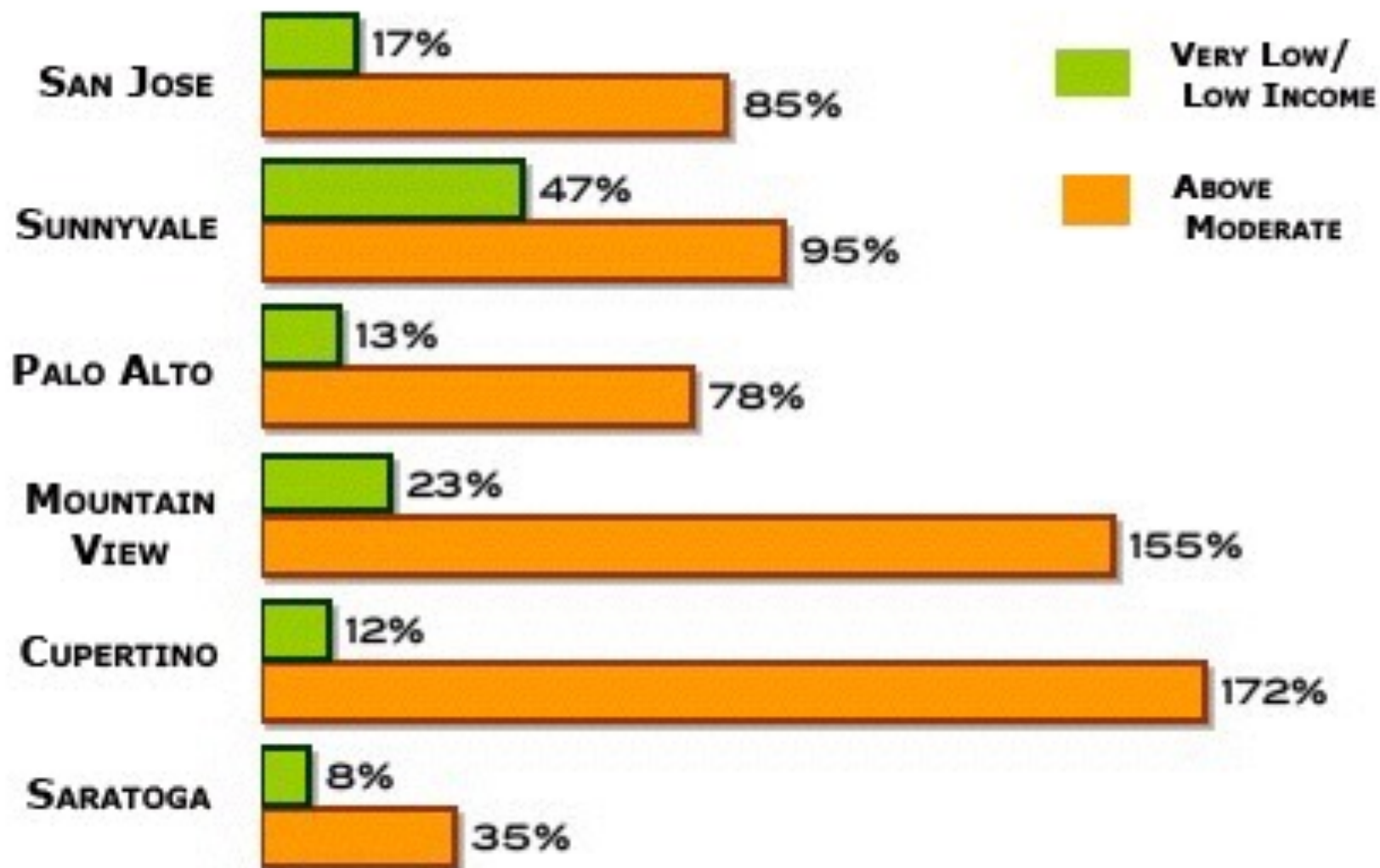
Growth projections for 2014 to 2022

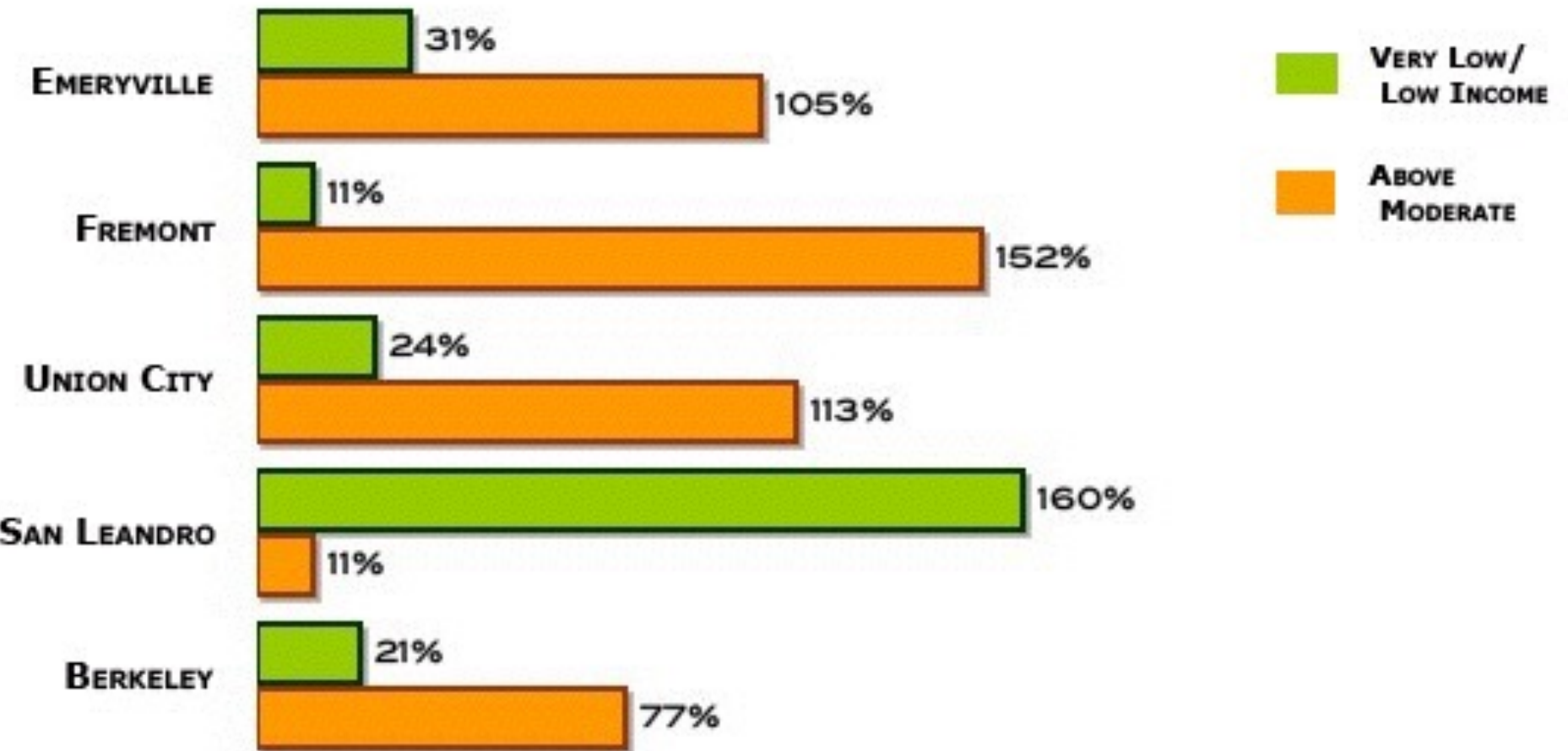




# housing has not kept pace!

- Decreased and lost funding
- Legal challenges to crucial tools
- Market failure





**we're all missing the  
mark!**

**we've created the  
perfect storm!**

# innovate!

- **build a foundation**

# innovate!

- build a foundation
- create new tools

# innovate!

- build a foundation
- create new tools
- improve the way we work



# innovate!

- build a foundation
- create new tools
- improve the way we work

collaboration  
instead of  
competition

problems *and*  
*solutions* are not  
bound by geography



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**THANK YOU**

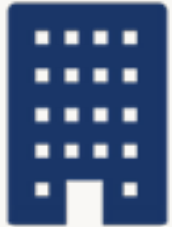
Pilar Lorenzana-Campo

[pilar@nonprofithousing.org](mailto:pilar@nonprofithousing.org)

@NPHANC



# Housing Trust Silicon Valley



Multifamily  
Lending



Homeownership  
Assistance

Homelessness  
Prevention &  
Assistance



Education and  
Public Policy

# State of Housing in the South Bay

- # 1 Housing Costs
- # 1 Year Over Year Rent Increases
- Highest Percentage of Unsheltered Homeless Residents
- 57% of Bay Area Household Growth in Next 25 Years Will be Lower Income
- +50% New Jobs to Pay  $\leq$ \$11/Hour in Next 5 Years
- 34% of Affordable Housing Construction Goals met in 2007-2014 timeframe
- North San Jose- Just 7% of 8,000 Units Affordable

# Cost of Housing (Nov 2014)

## Ownership

## Average Price

## Minimum Income



\$614,507

\$140,459

\$ 122,901 Down



\$1,163,065

\$265,843

\$232,613 Down

## Rental

## Average Rent

## Minimum Income

Studio

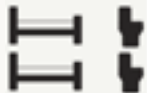
\$1,712

\$68,417



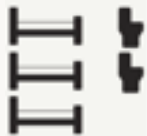
\$2,133

\$85,235



\$2,686

\$107,333



\$3,335

\$133,267



**\$269 million** is needed annually just to create the government-recommended number of **1,482 new affordable units**.

Last year, only **\$47 million** was available to affordable housing developers, which equals only **313 new affordable homes**.



# The Four Affordable Housing Crises

Market Rate

Affordable

Supply



120,000 new jobs were created last year, but only 8000 new homes.

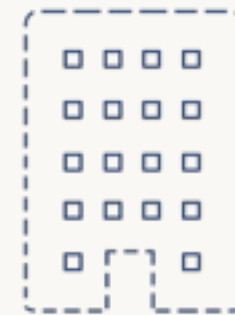


Planning and zoning decisions are made on the local level. Affordable housing consumers have little influence.

Demand



High rent prevents would-be homeowners from saving up for down payments on increasingly expensive homes.



Developers lack capital to develop affordable housing. Working families can't afford \$2,000-\$4,000 rents.

# Solutions to the Four Affordable Housing

Market Rate **Crises**

Affordable

Supply



Strong and sustained civic push for more housing



Strong and sustained civic push for more affordable housing policies, funding, education

Demand



\$\$\$\$

Everyone needs their own "rich uncle" or IPO windfall



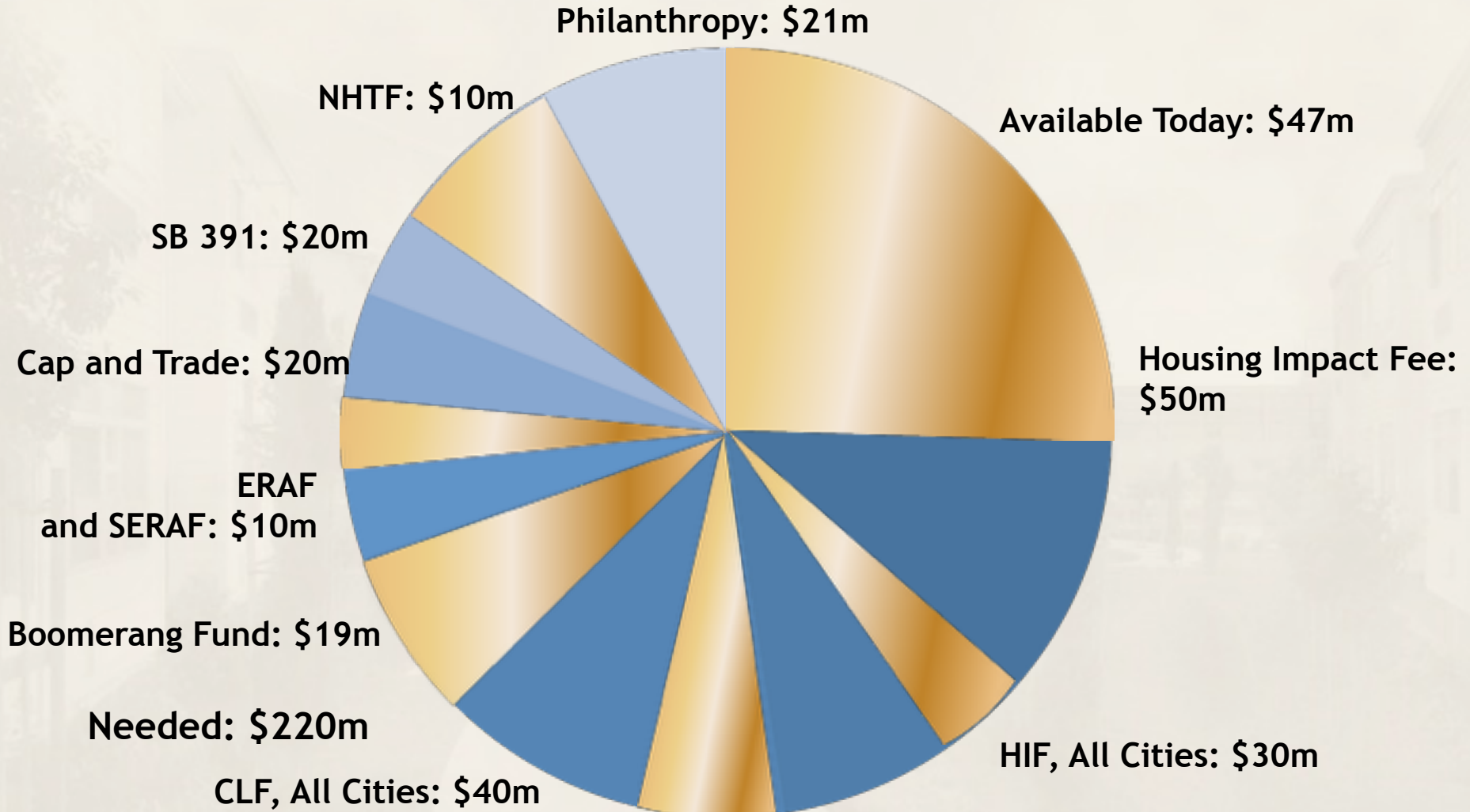
Capital for more affordable housing

# What the Housing Trust is Doing to Address the Four Affordable Housing Crises

- Creating a local housing advocacy organization with Silicon Valley Leadership Group; Non-Profit Housing; Business, Labor, environmentalists, developers, housing advocates, community members to push for better housing policies
- Launching a bond fund to create a more affordable loan option for moderate-income homebuyers, along with down payment assistance
- Creating two new affordable venture funds of \$15M each
  - one to provide loans throughout the Bay Area to create 1500 new affordable homes
  - one for only Santa Clara County to focus on housing the homeless

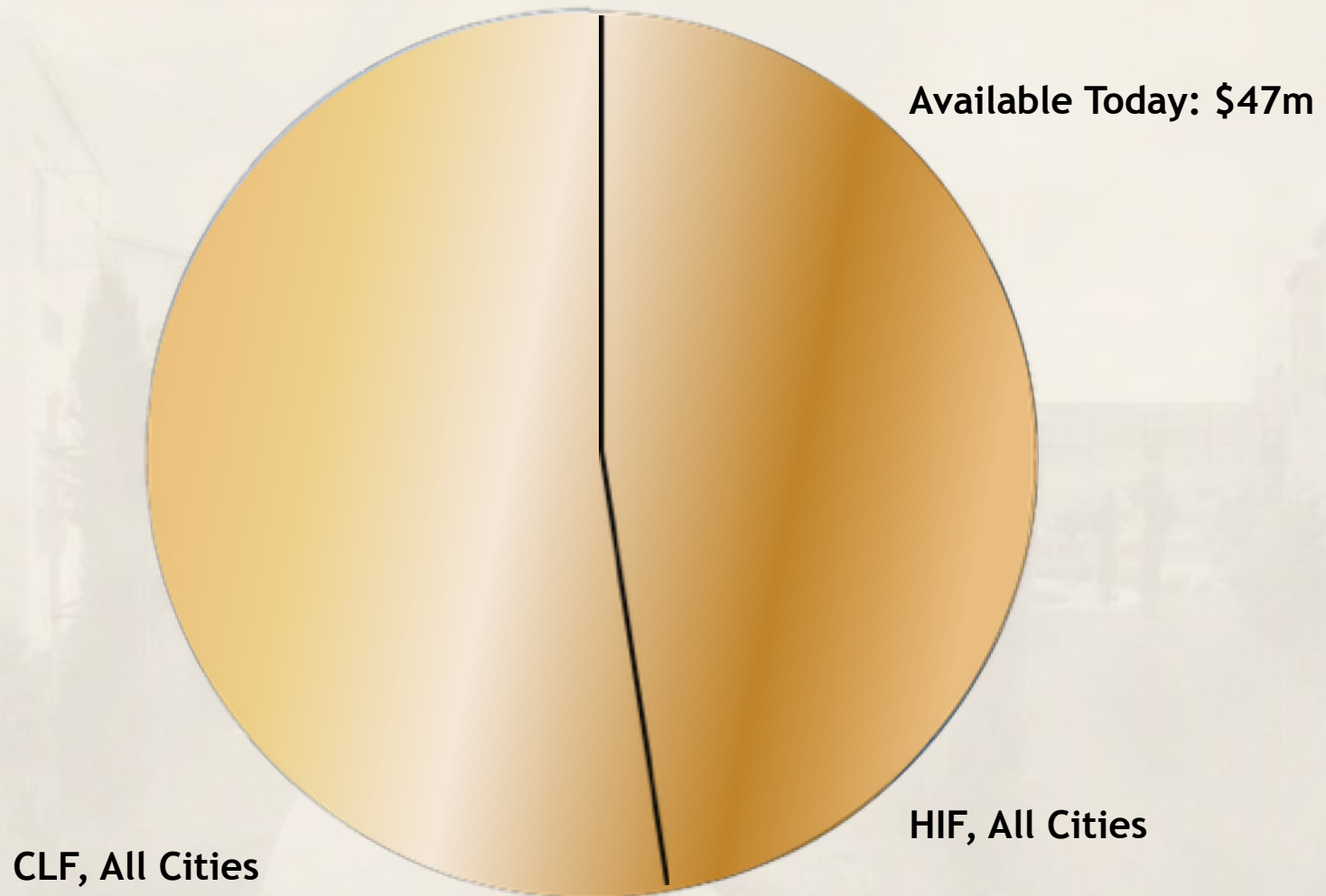


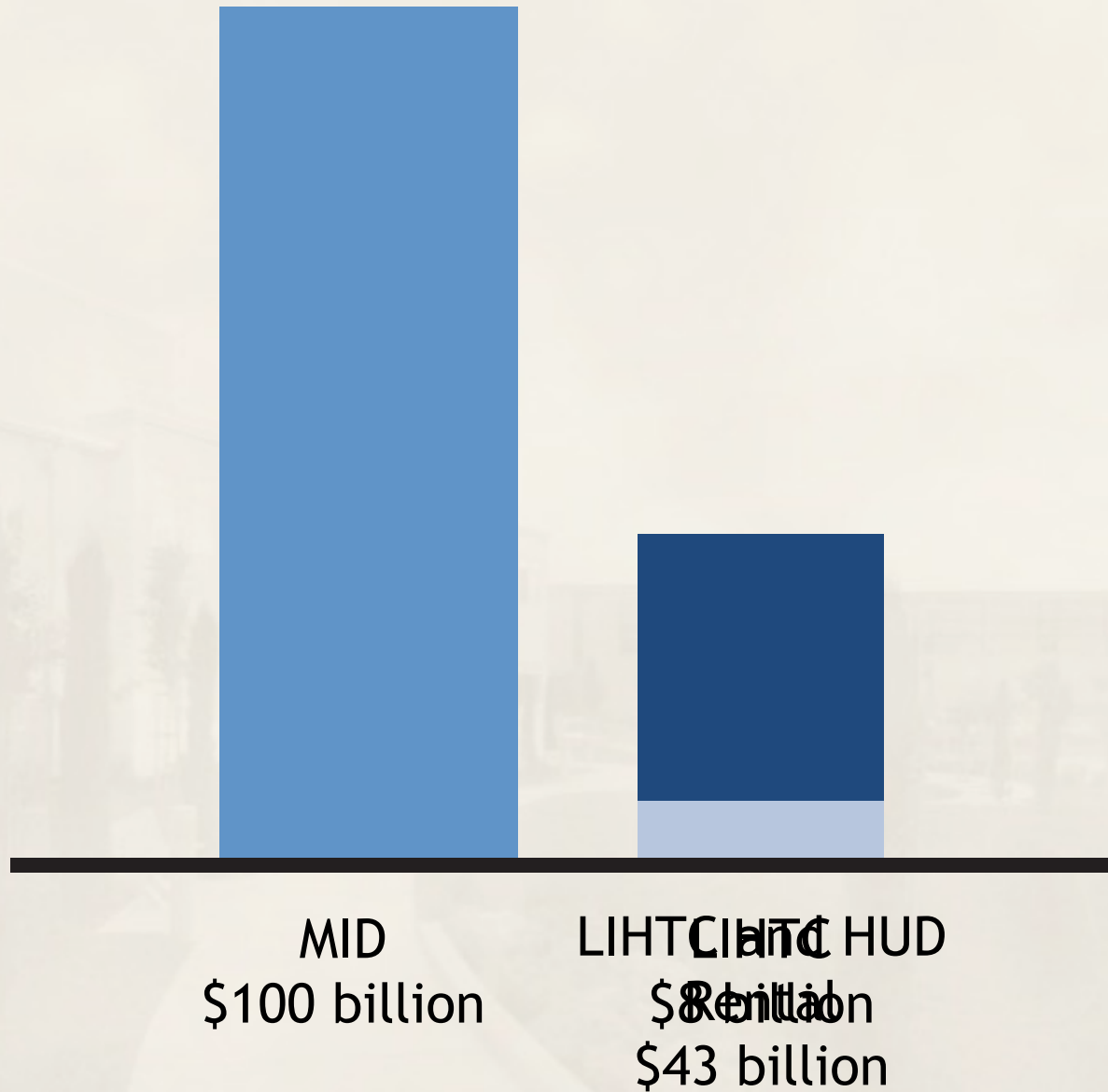
# Total Funds Needed - \$267 Million





## Total Funds Needed - \$267 Million





# Upcoming events

- Affordable Housing Week - May 14 to 21
  - Fri. 8am - Habitat4Humanity @ 1801 Palm St, SJ
  - Tue 5/19 - noon - Studio 819 (819 N. Rengstroff)
  - Wed 5/20 - Escape the Jungle - SPUR
  - Thurs 5/21 -
    - Happy Housers - SP2 - 5.30
    - Hotel 22 movie - 6.30p - SV Chamber - 101 W Santa Clara

# Questions?

Contact info:

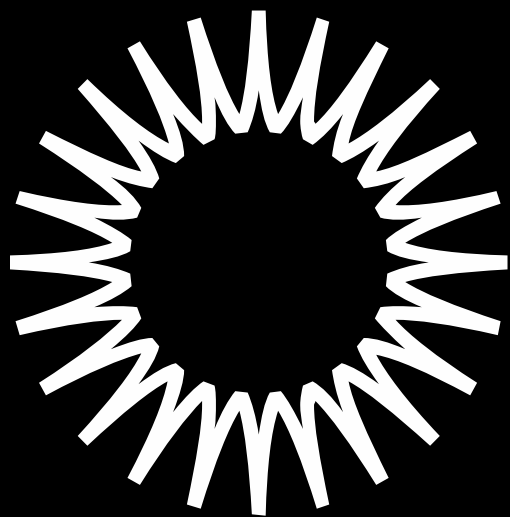
Kevin Zwick

CEO

Housing Trust Silicon Valley

[kevin@housingtrustsv.org](mailto:kevin@housingtrustsv.org)





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