

Preserving Unsubsidized Affordable Housing in the Bay Area and Beyond

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SPUR Digital Discourse
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Kensington Gardens, an EBALDC property in Oakland, CA



Enterprise Community Partners

VISION AND MISSION

OUR VISION: One day every person will have an affordable home in a vibrant community, filled with promise and the opportunity for a good life.

OUR MISSION: To create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities.

OUR ROLE: Policy, Financing, Convening and Technical Assistance

Context for Bay Area

- Increasing displacement, homelessness, and general housing instability
- Communities of color on the frontlines, compounded by Covid-19
- High-cost region, with rising construction costs
- “Three Ps” framework - Protection, **Preservation**, Production

The Mercury News

Bay Area gentrification displacing communities of color



Rising Housing Costs and Re-Segregation in the San Francisco Bay Area

URBANDISPLACEMENT
UNIVERSITY OF CALIFORNIA, BERKELEY | URBANDISPLACEMENT.ORG



The New York Times

CALIFORNIA TODAY

San Francisco's Homeless Population Is Much Bigger Than Thought, City Data Suggests

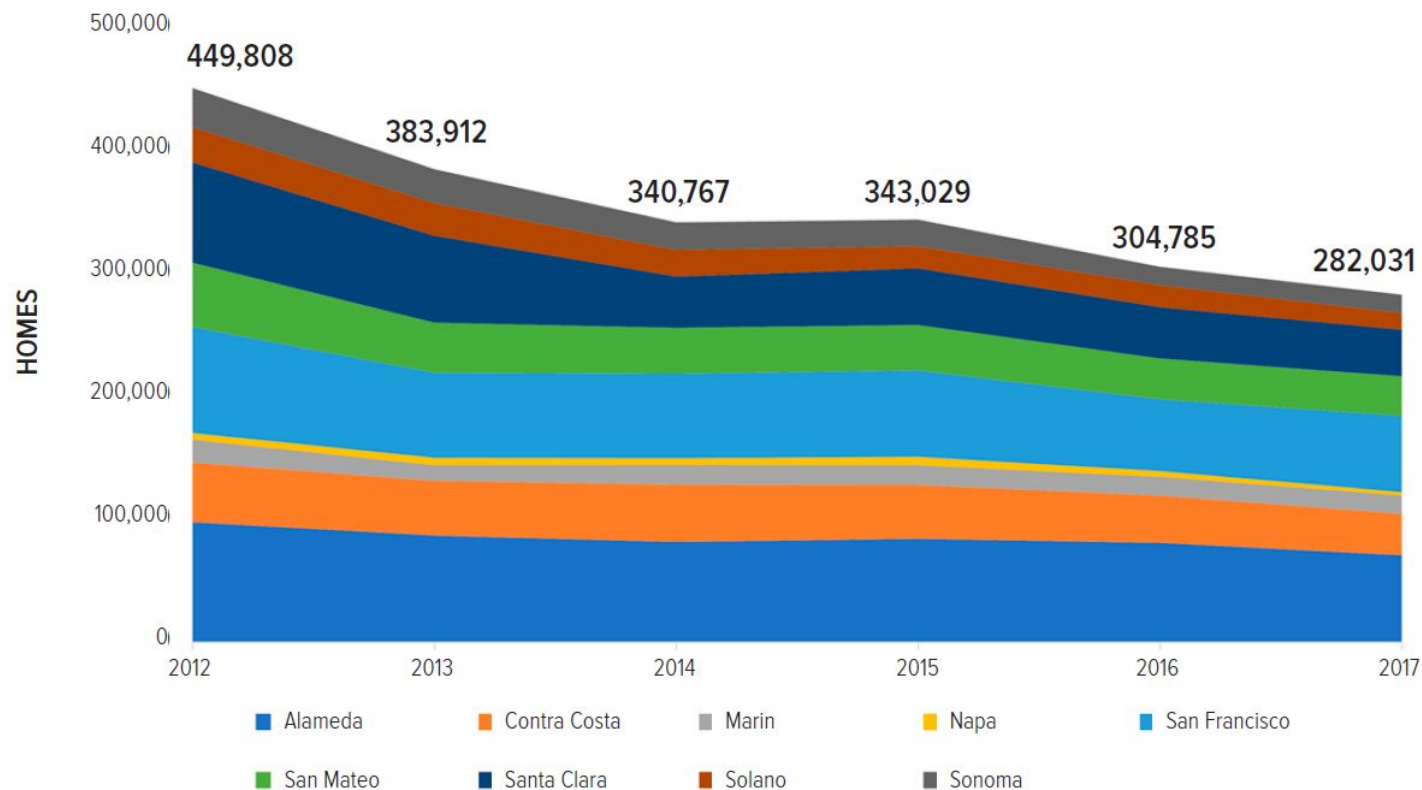
Housing Preservation: Three Broad Categories

- Extending affordability restrictions and addressing the physical needs of the existing subsidized housing stock
- Proactively addressing habitability issues, largely in unsubsidized properties, through local programs and policies
- **Acquiring and rehabbing unrestricted, unsubsidized buildings and attaching long-term affordability restrictions**

Why Acq-Rehab? Because it is:

- A direct **anti-displacement strategy** that advances **racial and economic equity** through a place-based approach.
- A **fast** and **cost-effective** strategy.
- A **long-term, environmentally sustainable** strategy.
- A **flexible** strategy that expands housing choices.

Loss of Unsubsidized Affordable Housing

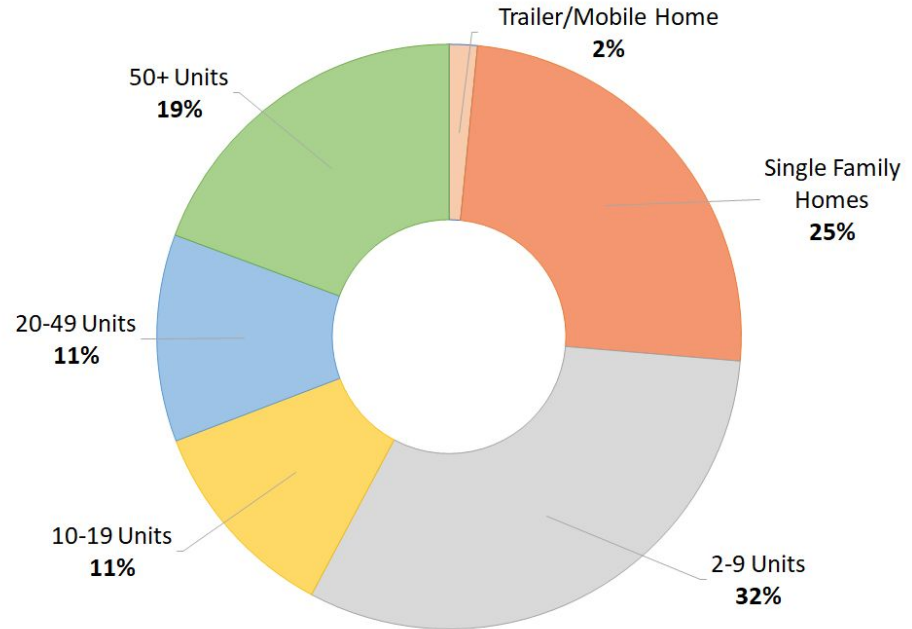


Average decrease of **~32,000** unsubsidized affordable homes per year between 2012 and 2017

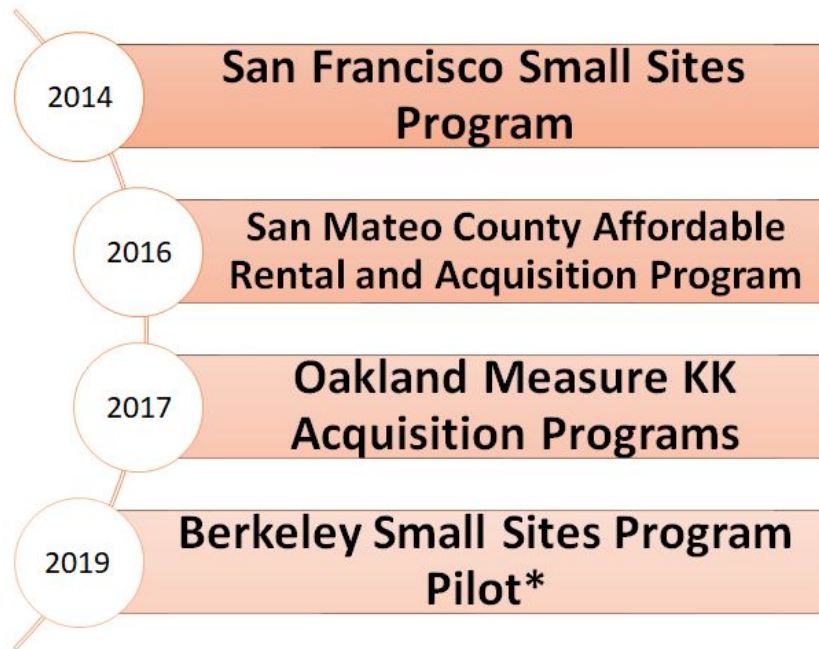
Importance of Smaller Buildings

More than 50% of affordable homes occupied by low-income households, including subsidized and public housing, are in **buildings with nine or fewer units**

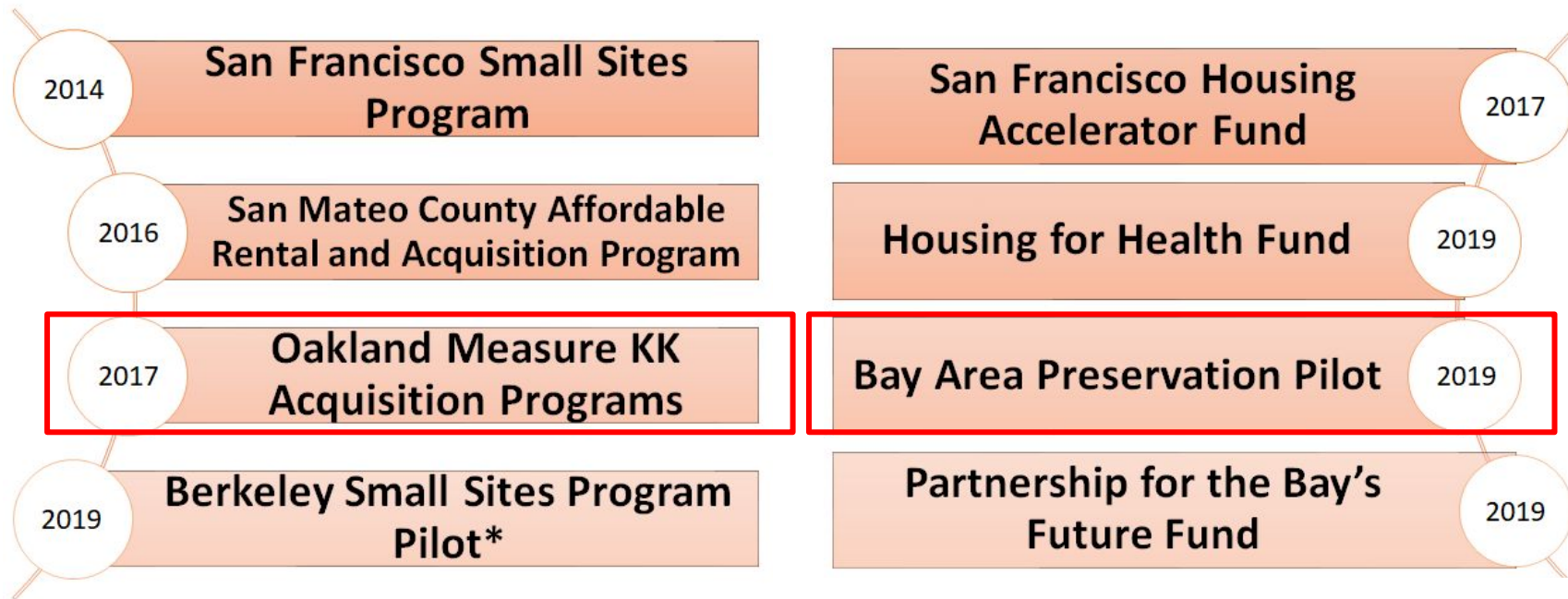
All Affordable Homes Occupied by Low-income Households by Building Size, 9-County Bay Area, 2017



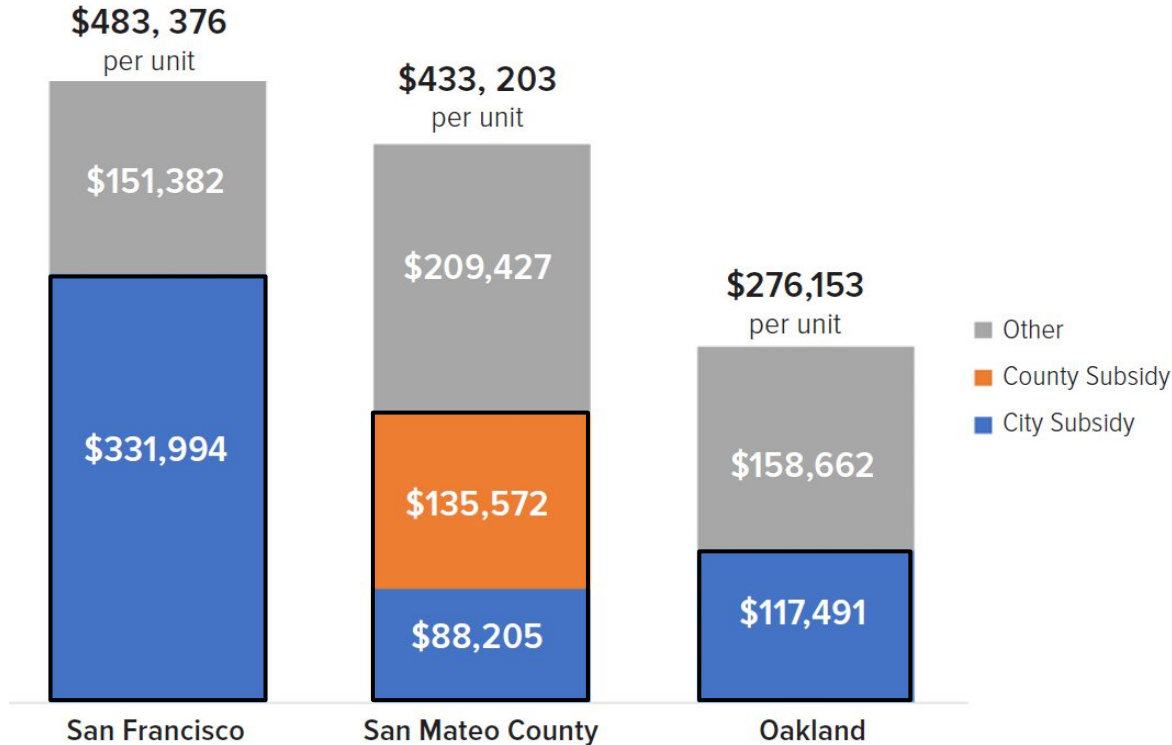
Bay Area Local Programs and CDFI Initiatives



Bay Area Local Programs and CDFI Initiatives



Average Project Costs and Subsidy in Three Localities



- 50 - 70%* of the per-unit cost of new construction in respective counties
- Highly reliant on local subsidy (with exceptions)

Range of Models, Shared Goals



Project Examples



1514 STAFFORD STREET, Redwood City

Built in 1950

7 residential units, 1 community-serving commercial space

Sources:

- First mortgage
- Redwood City soft debt
- County soft debt
- Sponsor equity



EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION

KENSINGTON GARDENS, Oakland

Built in 1928

41 units, mix ranging from studios to two-bedroom

Sources:

- First mortgage
- Housing for Health equity
- Sponsor equity



Gaps and Challenges

- Unpredictable and limited public subsidy
- Mismatch between available funding and local needs
 - Pre-development
 - Acquisition capital
- Existing building stock: working with smaller, older properties



**PRESERVING AFFORDABILITY,
PREVENTING DISPLACEMENT**

ACQUISITION-REHABILITATION OF UNSUBSIDIZED
AFFORDABLE HOUSING IN THE BAY AREA

Thank You

Contact: jyelen@enterprisecommunity.org

Report available here:

<https://www.enterprisecommunity.org/resources/preserving-affordability-preventing-displacement-acquisition-rehabilitation-unsubsidized>

Bay Area Housing Finance Authority (BAHFA) - key terms defined:

- **ABAG:** Association of Bay Area Governments
 - Our regional agency that works mostly on housing planning
- **MTC:** Metropolitan Transportation Commission
 - Our regional agency that works mostly on transportation planning
- **BAHFA:** Bay Area Housing Finance Authority, created by AB 1487 (Chiu - 2019) governed by MTC and ABAG to raise funds for the 3 Ps across the region
- **3 Ps:** protect tenants, preserve affordable housing, produce affordable housing