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
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
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.
Bay Area Local Programs and CDFI Initiatives

2014
San Francisco Small Sites Program

2016
San Mateo County Affordable Rental and Acquisition Program

2017
Oakland Measure KK Acquisition Programs

2019
Berkeley Small Sites Program Pilot*

2017
San Francisco Housing Accelerator Fund

2019
Housing for Health Fund

2019
Bay Area Preservation Pilot

2019
Partnership for the Bay’s Future Fund
Bay Area Local Programs and CDFI Initiatives

- **San Francisco Small Sites Program** (2014)
- **San Mateo County Affordable Rental and Acquisition Program** (2016)
- **Oakland Measure KK Acquisition Programs** (2017)
- **Berkeley Small Sites Program Pilot** (2019)
- **San Francisco Housing Accelerator Fund** (2017)
- **Housing for Health Fund** (2019)
- **Bay Area Preservation Pilot** (2019)
- **Partnership for the Bay’s Future Fund** (2019)
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

<table>
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<tr>
<th>AFFORDABLE RENTAL</th>
<th>LIMITED EQUITY HOUSING COOPERATIVE</th>
<th>COMMUNITY LAND TRUST</th>
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[Diagram showing buildings and people]
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

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
Thank You

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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