

Ending the Bay Area Housing Crisis

A Pathway for CASA

The Bay Area is in a moment of extreme housing crisis, and we have the opportunity to take bold steps that match the scale of this crisis—or fail if we do not. High housing costs and low wages are driving low-income communities and residents of color from their homes throughout the Bay Area;ⁱ more than half of our residents have considered moving out of the region because of housing costs.ⁱⁱ

This crisis hits some neighborhoods, low-income families, people of color, LGBTQ+ youth, seniors on fixed incomes, and other communities especially hard, creating a new era of regional racial resegregation and impeding fair housing.ⁱⁱⁱ Displacement separates people from their jobs and schools, forces low-income transit riders to switch to polluting cars, adds to congestion and impossible commutes, contributes to homelessness, creates health problems, and destroys community networks.

The Metropolitan Transportation Commission's recently adopted Plan Bay Area 2040 is projected to exacerbate this situation, exposing approximately 107,000 additional households to displacement risk.^{iv} It is up to CASA and strategies included in Plan Bay Area's Action Plan to stem this tide.

MTC's "fix it first approach" provides a model for how we should approach housing—prioritize investments that address immediate concerns by protecting current residents, and *then* invest in future needs by preserving existing housing and producing new affordable housing.

Stories of Displacement

"I've seen many families receive evictions and have to move to places where they don't know. This is especially impacting seniors and children. Our children are being uprooted and having to move from schools and leave their friends behind." - Reyna Gonzalez, a leader with Faith in Action Bay Area whose son and young granddaughters were forced to leave their community due to rising housing costs (2016 MTC/ABAG Regional Forum on Housing and Displacement).

"We know the history of segregation in our country and we see it now another cycle of segregation, moving people of color, particularly blacks, out of the city." - Theola Polk, a member leader with East Bay Housing Organizations who moved to Oakland to escape segregation in Arkansas (2016 MTC/ABAG Regional Forum on Housing and Displacement).

Solutions That Keep People in Their Homes and Plan for The Future

CASA presents an opportunity to create a new story for the Bay Area, a future where our region is characterized by equity, diversity and opportunity, and stable and affordable housing is a fundamental right. To do this, CASA must develop actionable political consensus around “the 3 Ps” — Tenant Protections, Housing Preservation, and Affordable Housing Production. *CASA should formally adopt, and pursue, the following goals:*

First, Protect People from Displacement

Committing to strong tenant protections before moving on to other strategies is critical to stop the hemorrhaging of our communities and stem the tide of displaced people and families.



Protection Goal: Protect more than 300,000 low-income renter households^v

How? \$400 million/year^{vi} and adoption of incentives and requirements.

Next, Preserve and Produce Affordable Housing

Preservation and production are necessary strategies but take a long time to implement. We need to stop displacement of families and communities now.



Preservation Goal: Take 66,500 homes occupied by and affordable to low-income renters off the speculative market.^{vii}

How? \$500 million/year for 10 years^{viii} and adoption of incentives and requirements.



Production Goal: Meet the region’s need for 13,000 new affordable homes per year^{ix}

How? \$1.4 billion per year^x and adoption of incentives and requirements.

We Have the Tools to Keep People in their Homes

Policies to help protect 800,000 low-income renters at-risk of displacement

- **Adopt universal rent control and just cause protections without vacancy decontrol:** Rent stabilization prevents mass displacement by helping tenants stay and invest in their communities^{xi}. While nearly half of Bay Area neighborhoods are affected by gentrification, displacement, and exclusion, or at risk of these occurring, only nine Bay Area cities are covered by rent control/rent stabilization laws.^{xii}
- **Repeal Costa-Hawkins:** Costa-Hawkins severely undermines the ability of local jurisdictions to protect their residents by limiting rent control to multi-family buildings and buildings built before 1995, and allowing rents to skyrocket whenever tenants move (vacancy de-control).
- **Adopt and fund right to free legal counsel for all low-income tenants facing eviction:** Many low-income tenants lose their homes simply because they cannot afford the cost of legal counsel. Investing in legal counsel has been shown to save money by keeping families from homelessness.^{xiii}
- **Adopt universal relocation and rental assistance:** Relocation expenses, health emergencies, and other unexpected expenses sometimes make it impossible for many families to make rent.
- **Fund, implement, enforce, and educate tenants about new protections:** Tenant protection policies need strong implementation, enforcement, and outreach efforts in order to be effective—especially in communities that may not speak English, or among people who face deportation, discrimination, and other barriers.
- **Condition transportation and infrastructure funding to localities on adoption and implementation of strong tenant protection policies:** MTC/ABAG have already created a successful program using transportation dollars to incentivize housing performance and have committed to exploring other opportunities in the Plan Bay Area Action Plan.

References

ⁱ San Francisco and San Mateo County data is based on 2000-2012 ACS data; Alameda and Santa Clara County data is based on 2005-2012 ACS data. All data has been adjusted for inflation. See the 2014 reports by the California Housing Partnership Corporation: *How San Francisco County's Housing Market is Failing to Meet the Needs of Low-Income Families*; *How Alameda County's Housing Market is Failing to Meet the Needs of Low-Income Families*; *How San Mateo County's Housing Market is Failing to Meet the Needs of Low-Income Families*; and *How Santa Clara County's Housing Market is Failing to Meet the Needs of Low-Income Families*.

ⁱⁱ UC Berkeley Institute of Governmental Studies. Release # 2017-16: Half say housing affordability an “extremely serious” problem in their area. Majority have considered moving because of high housing costs, 25% out of state. Available at: <http://escholarship.org/uc/item/65s716jf>.

ⁱⁱⁱ Urban Habitat's “Race, Inequality, and the Resegregation of the Bay Area” policy brief (November 2016)

^{iv} MTC and ABAG estimate that 160,000 “lower-income” households living in priority development areas, transit priority areas, and high-opportunity areas are at risk of displacement, and that by 2040, 267,000 such households will be at risk. MTC/ABAG, Final Environmental Impact Report , at 2-410, 2-415, 2-423 (July 2017), available at <http://bit.ly/2yant7M>.

^v Zuk estimates that 311,476 low-income renter households live in neighborhoods that are at risk of gentrification or displacement, undergoing displacement, or in advanced gentrification or exclusion. Zuk estimates 669,211 low-income renter households in the nine-county region. More detail available at <http://www.urbandisplacement.org/>. MTC and ABAG estimate that 160,000 “lower-income” households living in priority development areas, transit priority areas, and high-opportunity areas are at risk of displacement. MTC/ABAG, Final Environmental Impact Report , at 2-410, 2-415, 2-423 (July 2017), available at <http://bit.ly/2yant7M>.

^{vi} This number is a conservative estimate of the cost to provide legal counsel (approximately \$60 million per year); rent control, just cause, and anti-harassment protections (approximately \$92 million per year); tenant counseling, education, and outreach (approximately \$25 million per year); relocation assistance (approximately \$176 million per year); and rental assistance (approximately \$35 million per year). Calculation based on data from cities of Oakland, San Francisco, Fremont, Alameda, Union City, and New York City, and Alameda County, the U.S. Census Bureau, and UC Berkeley's Urban Displacement Project.

^{vii} Miriam Zuk from UC Berkeley's Urban Displacement Project estimates that 166,500 low-income renter households in the Bay Area are not rent-burdened, and that the Bay Area has approximately 100,000 subsidized units, leaving approximately 66,500 units to be acquired, rehabbed, and preserved as affordable, drawing on American Community Survey 2011-2015 data and subsidized housing data from HUD, TCAC, and USDA via California Housing Partnership Corporation.

^{viii} Generating \$5 billion, or \$500 million per year for 10 years, would produce approximately \$75,000 per unit, a very conservative estimate for the gap financing needed for acquisition and rehab.

^{ix} The RHNA for 2014-2022 for very low-, low- and moderate-income is 109,040, or 13,630 per year. The RHNA for very low- and low-income is 75,620, or 9,452 per year. ABAG, Regional Housing Need Plan: San Francisco Bay Area 2014-2022, at 5, available at <http://bit.ly/2x4JyWU>.

^x MTC and ABAG estimate a \$1.4 billion gap for low- and moderate-income housing. MTC/ABAG, Plan Bay Area 2040 5 (adopted July 26, 2017), available at <http://bit.ly/2f9OUdx>. The San Francisco Foundation found a \$1.45 billion gap for very low- and low-income housing. The San Francisco Foundation, Funding Affordable Housing Near Transit in the Bay Area, at 6 (May 2017), available at <http://bit.ly/2jt4TVj>.

^{xi} Tenants Together, “Communities Thrive With Rent Control: A Guide for California Cities” (2017)

^{xii} UC Berkeley Urban Displacement Project, Rent Control Policy Brief (2016), available at http://www.urbandisplacement.org/sites/default/files/images/urbandisplacementproject_rentcontrolbrief_feb2016_revised.pdf. Richmond and Mountain View have passed policies since publication.

^{xiii} The New York Bar Association. The Financial Cost and Benefits of Establishing a Right to Counsel in Eviction Proceedings Under Intro 214-A. This study found that establishing a right to counsel would keep more than 5,000 families from homelessness every year, and save between \$144 and \$320 million annually. Available at: http://www2.nycbar.org/pdf/report/uploads/SRR_Report_Financial_Cost_and_Benefits_of_Establishing_a_Right_to_Counsel_in_Eviction_Proceedings.pdf

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