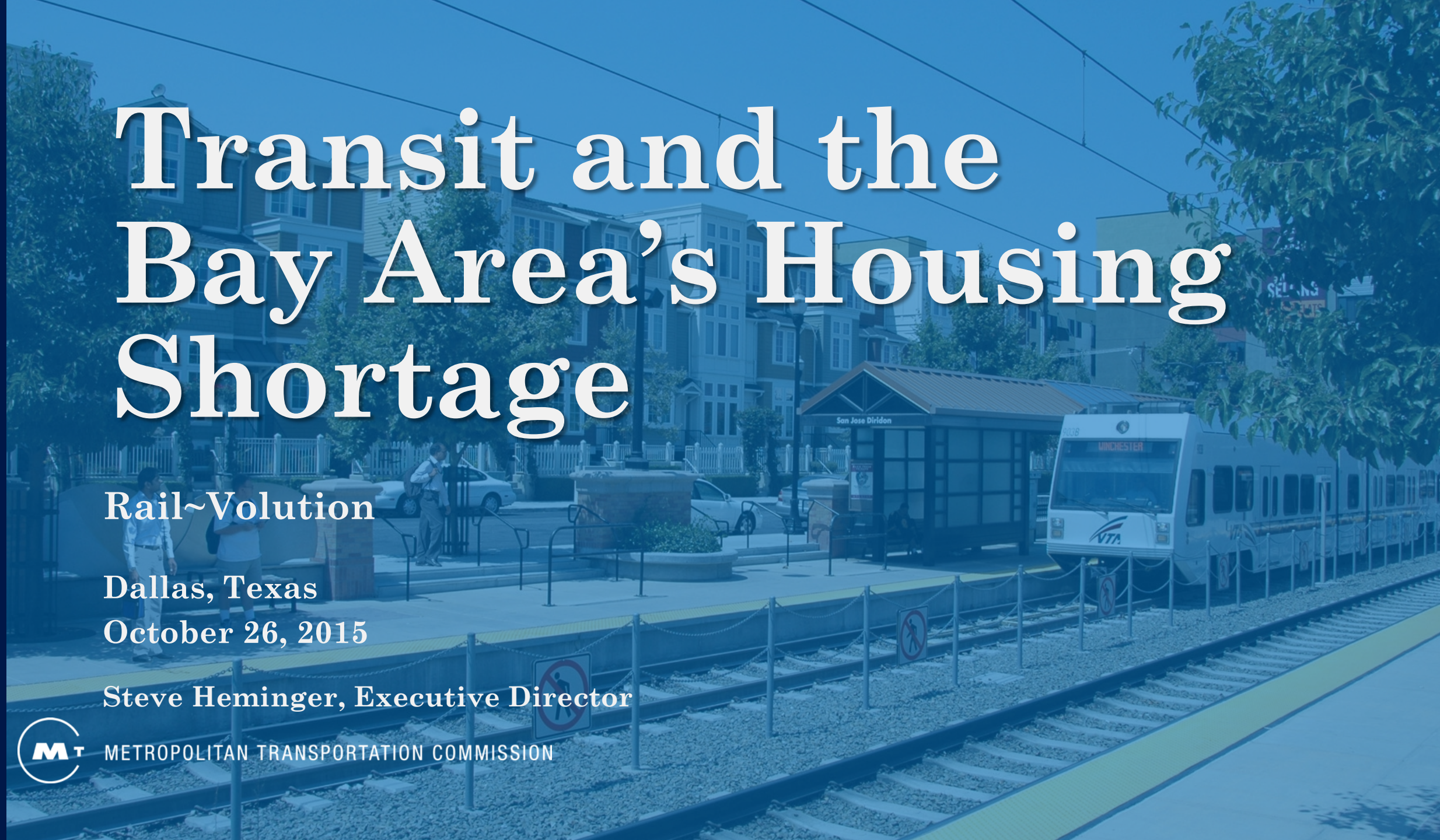
Transit and the Bay Area's Housing Shortage



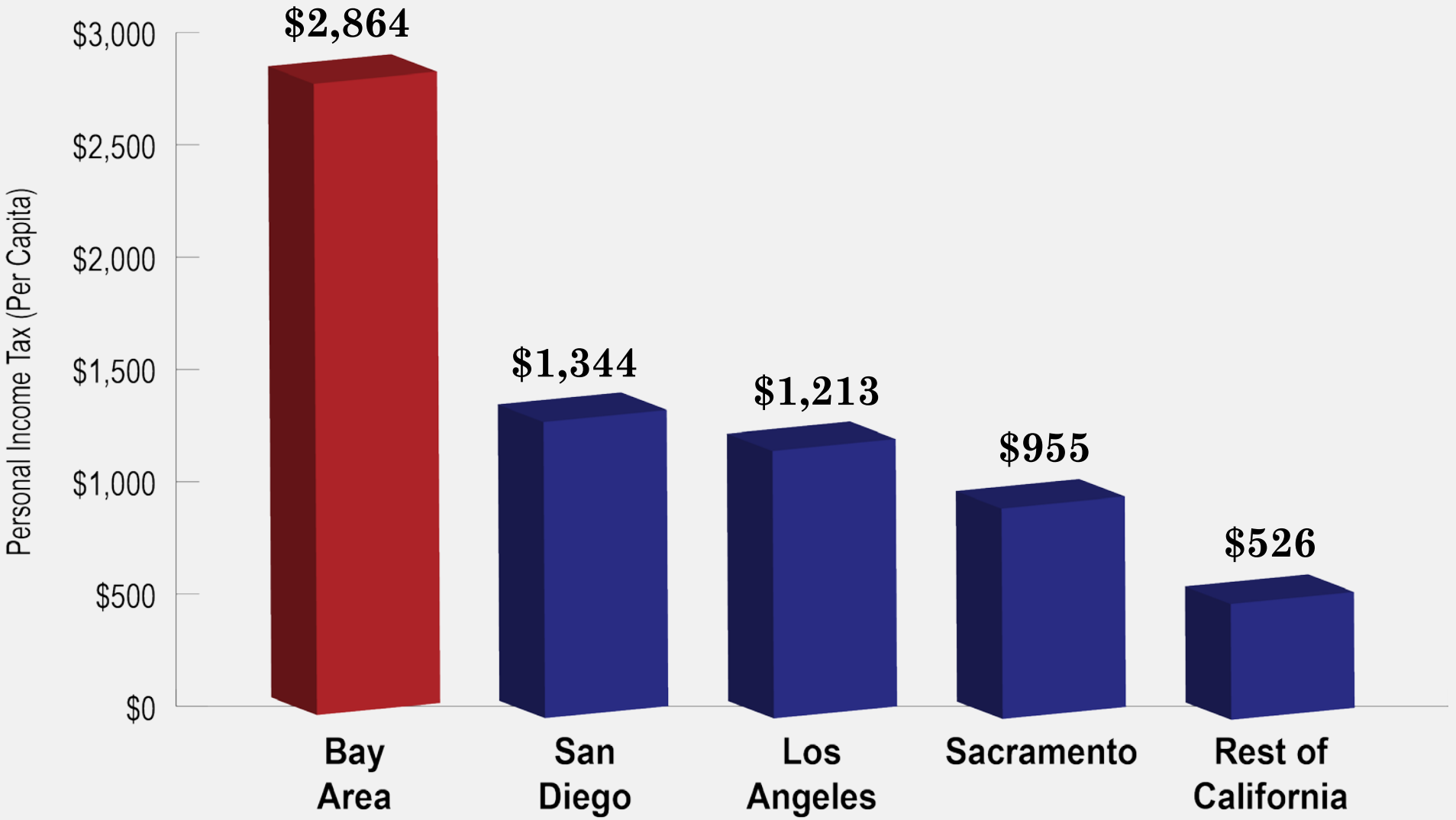
Rail~Volution

Dallas, Texas
October 26, 2015

Steve Heminger, Executive Director

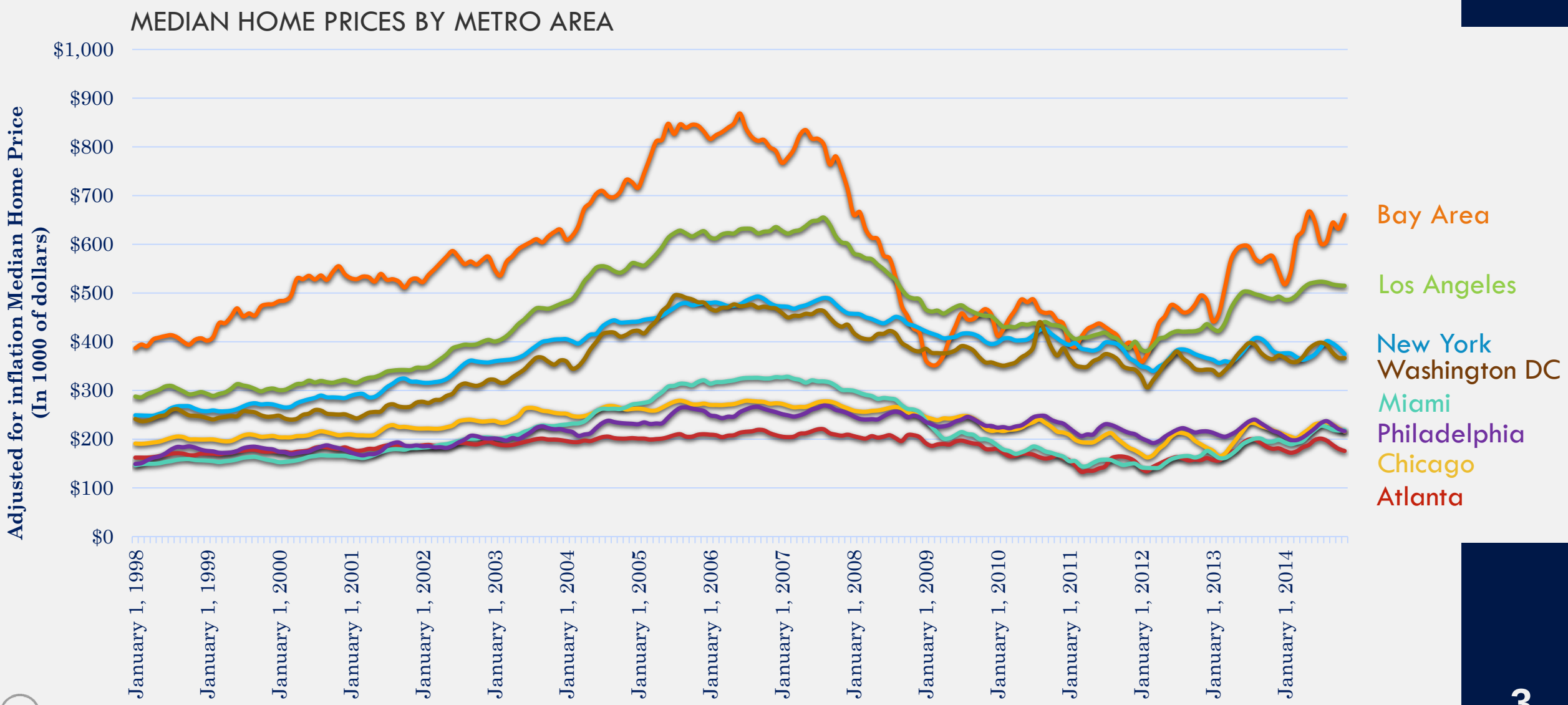
METROPOLITAN TRANSPORTATION COMMISSION

How Hot Is the Bay Area Economy?



Source: Franchise Tax Board, 2013

Home sale Prices: National Context



Source: Zillow (1996-2014); **inflation-adjusted** to November 2014 dollars

Bay Area Housing Shortage – A 2+ Decade Crisis

- **Bay Area has underbuilt housing for low and moderate income households since the 1980s**
  - **Since 1990** – just 35% of the Region's Moderate Income Housing and only 40% Low Income Housing Need has been built
- **Limited supply of Greenfield Sites**
- **State eliminated Redevelopment and Affordable Housing Funding**
- **Rapid Job Growth, Technology Boom and Foreign Investment**
- **Bay Area is the Nation's most expensive housing market**

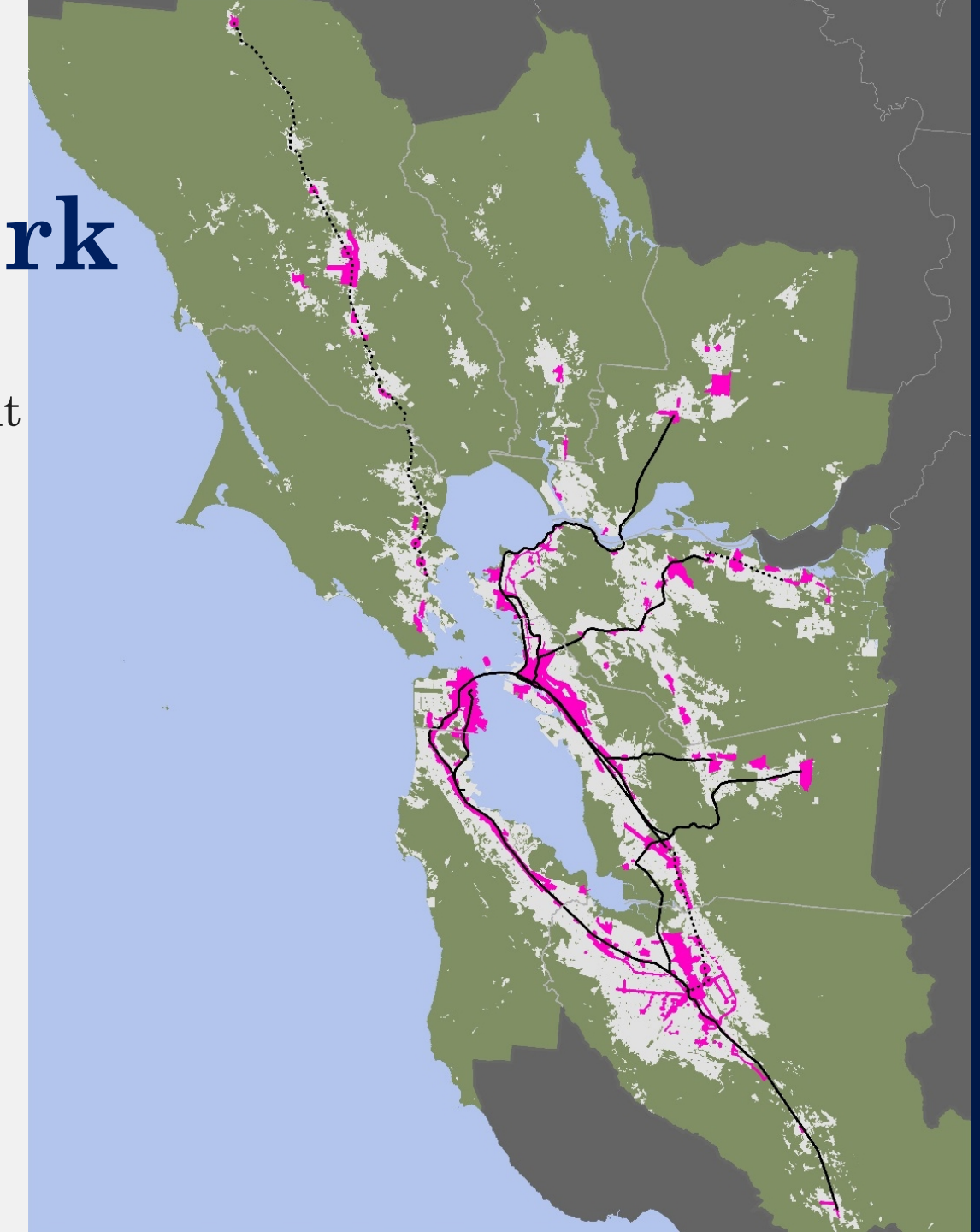
Build on an Existing Framework

- **Priority Development Areas**
  - Locally-nominated areas for development
  - Frequent transit service
- **Nearly 200 PDAs in the region**
- **No change to local authority over land use decisions**

Non-urbanized land

Urbanized land

PDAs
- < 5% of region's land
- 80% of new homes
- 66% of new jobs



PDA Planning Program

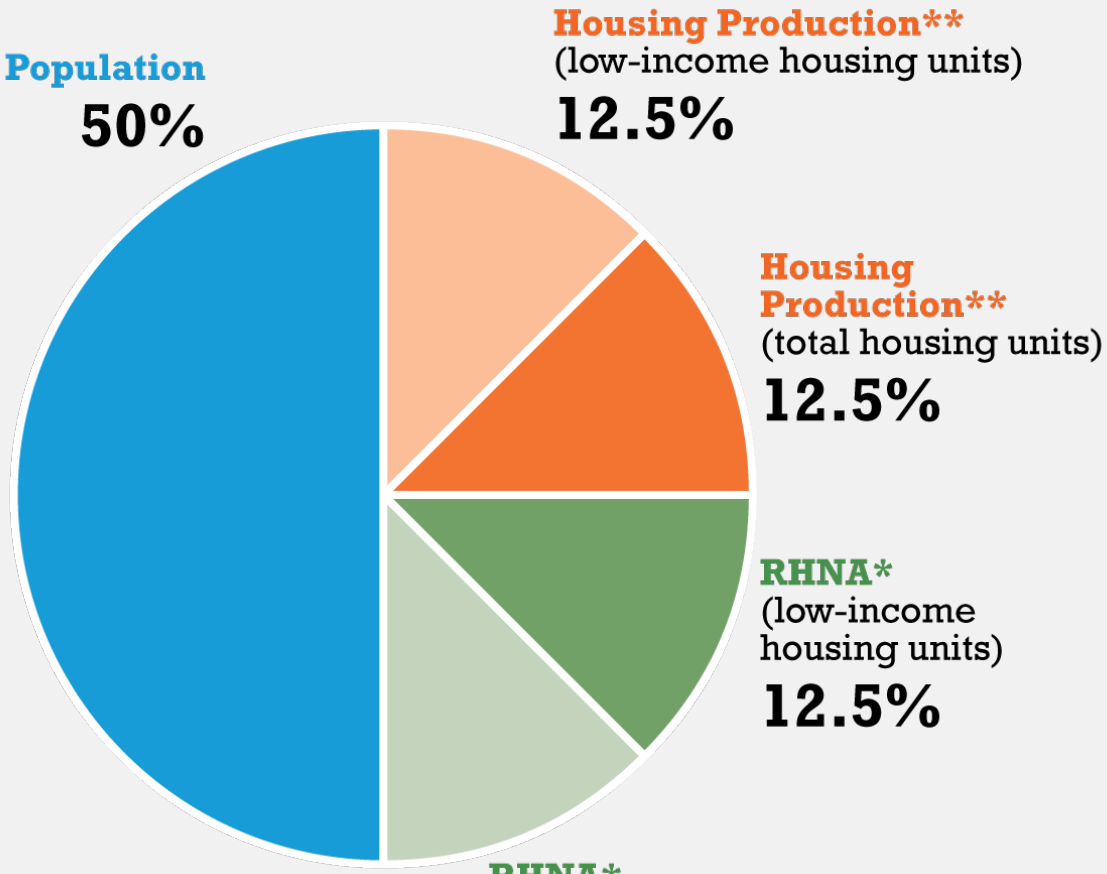
- **Comprehensive neighborhood-level planning**
- **Links local community aspirations and regional objectives**
- **Include programmatic EIRs to simplify development process**
- **51 projects funded to-date**
  - 60,000 + housing units
  - 103,000 + new jobs
  - 26 million sq. ft. commercial development

OneBayArea Grant (OBAG) Program

Rewards jurisdictions that produce housing near transit and create healthy communities

- **Eligible Projects**
  - Streetscapes
  - Bicycle and pedestrians
  - Safe routes to schools
  - Local streets and roads

OBAG County Distribution Formula



* *Draft RHNA 2014-2022*

** *Housing Production Report 1999-2006, ABAG*

OBAG Requirements

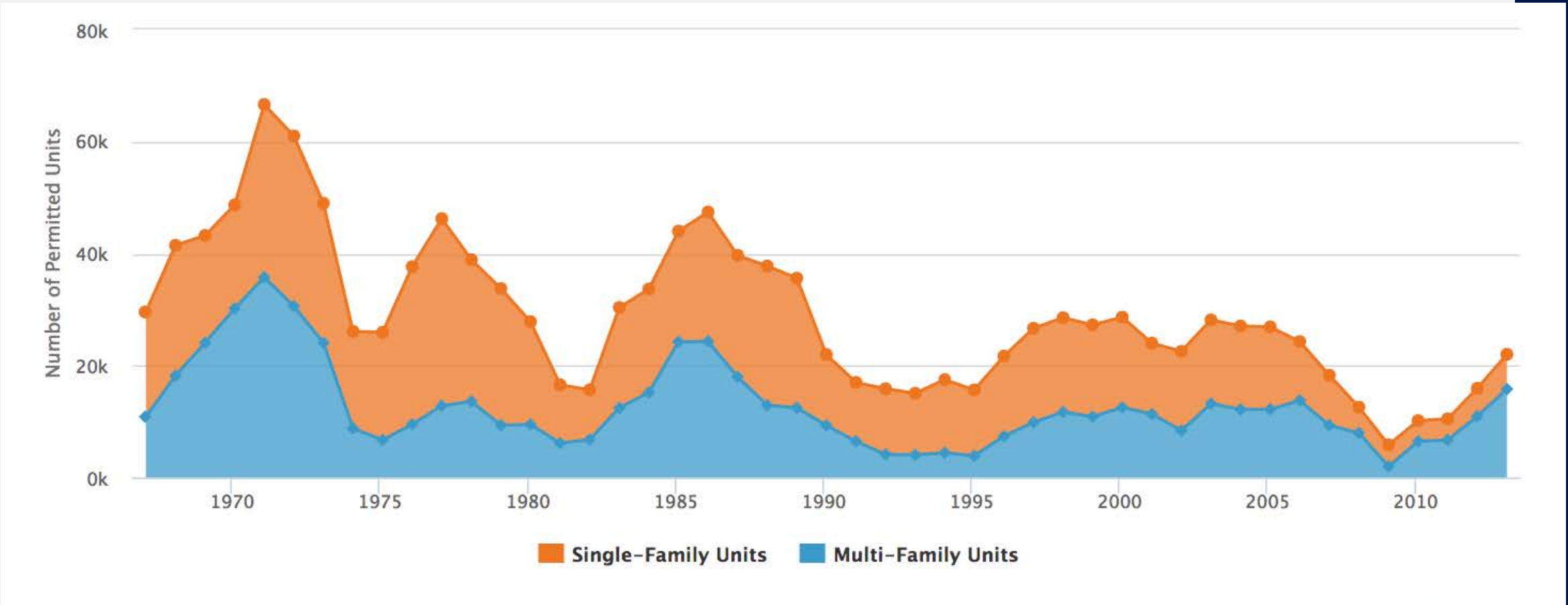
- **Flexibility in distribution, but OBAG requires:**
  - **Counties**
    - 70% of funds to be spent in PDAs
    - Development of PDA Investment and Growth Strategies
  - **Cities**
    - Housing element adoption
    - Complete streets resolution or consistency with general plan

Transit Oriented Affordable Housing Program (TOAH)

- **$90 million revolving Loan Fund**
- **Projects located in PDAs, transit accessible**
- **Loan products for affordable housing, mixed income & mixed-use projects**

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

Historical Trend for Housing Growth in the Bay Area



Source: Source: Construction Industry Research Board (1967-2010); California Homebuilding Foundation (2011-2013)