

Plan Bay Area 2050 Project Staff
Metropolitan Transportation Commission
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RE: Plan Bay Area 2050 Blueprint Comments

August 10, 2020

Dear Plan Bay Area 2050 Project Staff:

As Urban Habitat and the Bay Area Community Land Trust (BACLt), we thank you for your work on developing the Plan Bay Area 2050 Blueprint (2050 Blueprint) and offer our comments on the current draft of the plan. Our organizations work to provide stable and affordable housing to residents of the Bay Area, focusing on low-income communities of color, primarily through tenant protection and affordable housing preservation strategies.

The strategies outlined in the 2050 Blueprint are forecasted to increase our region's affordability, connectivity, vibrancy, diversity, and health by many metrics; our organizations wholeheartedly support these values and goals. However, the plan falls short as currently outlined with regards to several key housing issues. In particular, the plan does not adequately reduce displacement and gentrification risks for low-income communities of color, nor is it providing enough affordable housing to meet the forecasted regional need. Left as is, this blueprint is planning for gentrification and displacement.

The Blueprint can begin to correct these shortfalls by expanding the housing tools it draws from to include:

- Acquisition-rehabilitation (acq-rehab) of existing, unsubsidized affordable housing;
- Emphasizing growth in HRAs and explicitly away from PDAs and instead emphasizing acq-rehab preservation and affordable housing development in PDAs; and
- Using public land within HRAs and TRAs within HRAs for affordable and deeply affordable housing.

All of these recommendations are strengthened through explicit partnerships and resource set-asides for community land trusts (CLTs) and cooperatives. These community organizations are demonstrated to lend permanent affordability to housing with less government subsidy and greater community oversight relative to traditional affordable housing development.

Fund Affordable Housing Protection, Preservation, and Production

Under the strategy “**Fund Affordable Housing Protection, Preservation, and Production**,” only one percent of the budget is dedicated to preservation (and two percent to protections), while the remainder (97 percent) will go to new construction. Furthermore, preservation only includes the renewal of the deed restrictions on existing, subsidized affordable housing. In the nine-county Bay Area, more than 280,000 low-income households live in unsubsidized affordable housing.¹ These homes are currently affordable with no deed restrictions or subsidy. Loss of this housing stock as units revert to market rate fuels gentrification and displacement, and we lose approximately 32,000 of these homes each year.²

Cities across the region (for example: San Francisco, Oakland, Berkeley, San Jose, and East Palo Alto) have recognized that no housing affordability approach is complete without stabilizing this housing stock. An analysis of acq-rehab projects across San Francisco, San Mateo, and Oakland shows that affordable housing preservation costs 50 to 70 percent of what affordable housing construction costs in those jurisdictions.³ CLTs specialize in acquiring, rehabilitating, and preserving this housing as permanently affordable. They are particularly efficient in doing so with multifamily buildings of 25 units or fewer, which describes much of the regional urban housing stock (in Oakland, for instance, this comprises 88 percent of the existing housing stock). Furthermore, CLTs achieve permanent affordability with only a one-time government subsidy at the time of acquisition.⁴ This is in contrast to the traditional affordable housing development model that requires additional subsidy as deed restrictions expire, as this PBA 2050 Blueprint plans to provide. By incorporating CLT-led acq-rehab preservation, PBA can keep more low-income tenants in their homes by adding to the permanently affordable housing stock, reduce displacement pressures, and alleviate the need for re-subsidy 30 or 50 years from now.

Acq-rehab must be added as a preservation strategy in the 2050 Blueprint, and it must be funded beyond the one percent of housing money currently allocated to preservation. New revenues dedicated to this strategy must be structured such that they are accessible to -- or reserved for use by -- shared ownership models like CLTs and cooperatives.

Allow a Greater Mix of Housing Types and Densities in Growth Areas

This strategy should also be amended to reflect the insights drawn from more expansive preservation work and our understanding of the factors contributing to gentrification and displacement. Under the strategy “**Allow a Greater Mix of Housing Types and Densities in Growth Areas**,” growth is supported in Priority Development Areas (PDAs), select Transit-Rich Areas (TRAs), and select High-Resource Areas (HRAs). In order to slow gentrification and

¹ Enterprise Community Partners. “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area,” p. 2.

² *Ibid.*

³ *Ibid.*

⁴ Lincoln Institute of Land Policy. “The City-CLT Partnership: Municipal Support for Community Land Trusts,” p. 8.

displacement, growth must be emphasized in HRAs and TRAs within HRAs. Using public land for affordable and deeply affordable housing in HRAs and their TRAs will be an important tool in meeting this goal.

On the other hand, growth must be de-emphasized in PDAs and TRAs within PDAs. These are areas where communities of color live, and represent the highest risk of gentrification and displacement in the region. However, affordable housing is essential in PDAs. CLTs are a particularly critical tool in PDAs, where unsubsidized affordable housing can be made affordable in perpetuity through acq-rehab preservation. CLTs must be enabled to preserve affordable housing strategically near transit, so that transit-accessible areas remain affordable. Because lower-income people are more likely to ride public transit, this approach will also help PBA to meet its transit goals and greenhouse gas reduction target, while keeping community members in place.

In conclusion, we recommend elevating preservation within the 2050 Blueprint by expanding the range of preservation approaches used beyond stabilizing existing deed-restricted affordable housing, and crucially, by dedicating a greater share of resources to the essential and fiscally efficient form of preservation provided through CLTs. More broadly, we recommend shifting growth away from PDAs and towards HRAs and TRAs within HRAs, and using public land to do so, and focusing on affordable housing preservation and development in PDAs. We will be in touch to set up a meeting to discuss our recommendations in greater detail and look forward to that conversation.

Sincerely,

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Program Manager of Equitable Development, Urban Habitat