

INTRODUCTION – WHY HOUSING MATTERS

The first sentence in the 1990 edition of *Blueprint for Bay Area Housing* states: “The Bay Area is in the midst of a housing crisis.” Ten years later, that statement is still true, but an additional sense of urgency now applies.

Blueprint 2001 for Bay Area Housing, Housing Element Ideas and Solutions for a Sustainable Future was revised to reflect the significant economic and associated changes that have occurred since 1990. *Blueprint 2001* is designed to assist in resolving this regional crisis.

Housing affordability in the Bay Area is now at an all-time low. Recent estimates indicate that only 16 percent of Bay Area households can afford a median priced home here, with affordability dropping to as low as 12 percent in Contra Costa and San Mateo Counties and 10 percent in San Francisco.¹ All projections indicate that it is likely to remain a major regional issue for many years, with long-term economic repercussions and significant impacts on our quality of life.

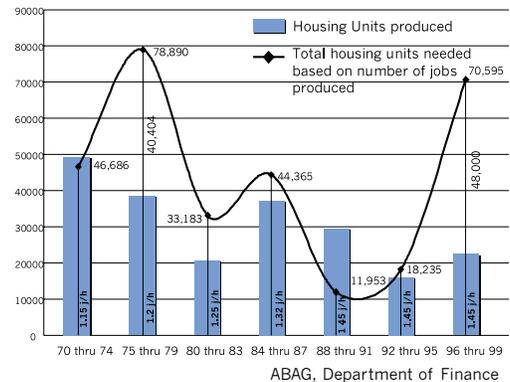
Already, both private businesses and government agencies are finding it increasingly difficult to fill vacant jobs; roadways are clogged with workers traveling increasingly long distances to get to work; and many young families, long-time residents, and other members of our communities are relocating because they can no longer afford to live here.

Anyone who has been living and working in the Bay Area during the past several years has a story to tell of astronomical rents, fruitless searches for a new home, out-of-control bidding wars, overcrowded living conditions, and horrendous commutes. If the crisis has not touched a family directly, it has affected friends, relatives, neighbors or co-workers. There is little need to convince anyone who lives here that the housing situation in the Bay Area constitutes a regional crisis.

How Did We Get Here?

The Bay Area’s economy has grown significantly since the mid-1990s; this region is one of the most dynamic and innovative regional economies in the world. This economic growth has provided opportunities for many Bay Area residents, created budget windfalls for many government jurisdictions, and resulted in a variety of other benefits for the region.

However, even as economic growth has soared, housing growth has not. While nearly 500,000 new jobs were created in the region between 1990 and 2000, less than 200,000 new housing units were built during that same period.² The imbalance has been particularly notable in job-rich centers such as northwest Santa Clara County, where nine jobs were produced for every new home built in the 1990s.³



Bay Area Housing Production Vs. Need

With demand continually outpacing supply, the competition for housing has sent rents and prices skyward. Between 1995 and 2000, the median price of a home in the Bay Area increased 112 percent, while rents have risen at similar or even higher rates due to the severe lack of new multi-family housing development in most communities.⁴

¹ California Association of Realtors, July 2000.

² Based on data from ABAG and the California Department of Finance.

³ Building Sustainable Communities: Housing Solutions for Silicon Valley. Prepared for Silicon Valley Manufacturing Group and Greenbelt Alliance by Strategic Economics, November 1999.

⁴ Based on data from the California Association of Realtors

A major contributing factor to the lag in housing production has been local policies related to land use and development. While few communities have sought to limit job growth (on the contrary, most have actively pursued job-generating growth), many jurisdictions have limited residential development, have favored non-residential land uses over residential uses, or have established relatively low-density limits on residential lands.

The cumulative impacts of our land use and development decisions aimed at protecting our quality of life have actually had the opposite effect. Our efforts to limit growth in centrally located areas and overall preference for predominantly low-density development patterns are resulting in an increasing loss of open space, ever higher housing costs, ineffective transportation systems, unbearable traffic congestion, underutilized downtown areas, and a significantly lower quality of life.



Building the Foundation for Livable and Sustainable Communities

The good news is that we don't have to sacrifice the quality and livability of local neighborhoods to address the issue of housing availability and affordability.

We are beginning to recognize that high quality, higher density housing can fit in with existing neighborhoods, improve the quality and livability of local communities, and address affordable housing needs as well as a host of other issues. We are transforming run-down shopping centers, vacant building sites, and other community 'eyesores' into attractive, livable neighborhood-enhancing residential developments.

We are finding that traditional patterns of mixed-use—locating housing close to shops and jobs—actually makes a lot of sense, and is desired by residents. We are realizing that many people would prefer to leave their cars at home, if they have convenient access to safe, frequent, and reliable transit. We are beginning to appreciate that the people who live and work in our communities need a variety of housing options that they can afford. Saying no to housing development in general and affordable housing, in particular, will only hurt us all in the long run.

These trends are part of a substantial and growing movement in the Bay Area to find ways to “grow smart”—to encourage development patterns that are more compact, transit-oriented, well-designed, and highly livable. A central focus of the *smart growth* movement—the very foundation for achieving a more sustainable and livable Bay Area—is rethinking the way in which we plan, design, rehabilitate, preserve and manage housing.



Swan's Market

Russell Abraham



Wisteria Housing

Burbank Housing



Continuum Apts

Kearey Smith

Bay Area Housing Options

Smart Growth and Housing: Meeting the Challenge

In the coming year, every county, city, and town in the Bay Area will undertake a process to update the Housing Element of its General Plan. This represents an opportunity to consider and address the Bay Area's housing crisis in a coordinated and meaningful fashion, and to establish a clear link between housing and community planning strategies that emphasize smart growth principles.

The Housing Element process can and should be a strategic opportunity to develop real solutions to local housing needs while also contributing to community livability and sustainability. It is an opportunity to engage local residents, housing advocates, developers, environmentalists, elected officials, and other stakeholders in a constructive dialog to define and evaluate potential strategies and solutions. By establishing a local framework for smart growth and affordable housing, and focusing community attention and energy on these critical areas of need, the Housing Element can help relieve or remove restrictions on the housing supply, overcome local barriers to affordable housing, establish a foundation for local smart growth policies, and ensure that future development proposals respond to community concerns and priorities.



Community Involvement, San Mateo Marcia Pagels

Making a Difference

Blueprint 2001 for Bay Area Housing describes 46 different policy and program strategies for addressing housing needs, and nearly 100 “success stories” from communities throughout the Bay Area.

While these success stories can be valuable and instructive, the part of the story that often gets lost is that *the driving force behind every success story is an individual or group that is committed to making things happen*. The real story-behind-the-story is about people who make a difference in their community—who are willing to take risks, who have the creativity to envision new ways of doing things, and who have the energy and stamina to dissuade opponents, build alliances, and overcome obstacles to implement housing solutions.

What Is “Smart Growth?”

The term “smart growth” refers to a set of planning principles that relate development decisions to community quality of life based on three broad areas of concern: a prosperous economy, a quality environment and social equity (often referred to as ‘the three E’s’). In general terms, smart growth promotes city-centered growth and revitalization of older core neighborhoods that are pedestrian- and transit-oriented, and discourages low-density suburban development that leads to sprawl, loss of open space, and traffic congestion.

Housing is the linchpin of sustainable development and smart growth in the Bay Area. It is the common connecting element or “intersection” of the three E’s, inextricably linked with issues such as traffic, open space and jobs. For *Blueprint 2001*, smart growth principles provide a framework for understanding and responding to the relationships between housing and other issues that are critical to the long-term livability of our communities.

Many of the policy and program strategies included in *Blueprint 2001* promote both affordable housing and smart growth principles. These strategies are marked with the “Smart Growth Strategy” symbol to help identify them as particularly useful strategies for meeting local housing needs in more livable and sustainable ways.



Smart Growth Symbol

You, the reader of this document, are one of the most valuable resources available for responding to the Bay Area's housing crisis. Whether you are an elected representative, local government staff person, housing developer, service provider, or local resident, you need to be involved in the Housing Element process. Through collaboration, creativity, and commitment you can make a difference in helping to make the Bay Area a more livable and affordable place for everyone.

Ten Commitments for a Sustainable Bay Area

The Bay Area Alliance for Sustainable Development is a coalition of business groups, government agencies, environmentalists, developers, and neighborhood interests working together to develop and promote a shared vision for how the region can grow in a more sustainable manner. The Alliance has developed a “Compact for a Sustainable Bay Area” to define a region-wide consensus for sustainability. The following “ten commitments” are taken from a draft version of the compact, now under review and discussion by elected officials, business leaders, and residents throughout the region.

1. Enable a diversified, sustainable and competitive economy to prosper and provide jobs in order to achieve a high quality of life for all Bay Area residents.
2. Accommodate sufficient housing affordable to all income levels within the Bay Area to match population increases and job generation.
3. Target transportation investments to achieve a world-class, comprehensive, integrated and balanced multi-modal system that supports efficient land use and decreases dependency on single-occupancy vehicle trips.
4. Preserve and restore the region’s natural assets, including San Francisco Bay, farmland, open space, other habitats, and the region’s air and water quality.
5. Use resources efficiently, eliminate pollution, and significantly reduce waste.
6. Focus investment to preserve and revitalize neighborhoods.
7. Provide all residents with the opportunity for quality education and lifelong learning to help them meet their highest aspirations.
8. Promote healthy and safe communities.
9. Implement local government fiscal reforms and revenue sharing.
10. Stimulate civic engagement.

In addition to these “ten commitments,” other important statements of smart growth planning principles can be found in the Ahwahnee Principles (available on the Local Government Commission’s website as part of its Center for Livable Communities—www.lgc.org/clc) and in the Charter of the New Urbanism (available from the Congress for the New Urbanism—www.cnu.org/charter.html).



How to Use Blueprint 2001

Who Is It For?

Blueprint 2001 for Bay Area Housing has been developed by and for people involved in the Housing Element process, including jurisdictional staff and officials, residents, housing advocates, developers, consultants, and neighborhood groups.

What Does It Contain?

Blueprint 2001 outlines the State's requirements for Housing Elements, sets forth a process for addressing those requirements, emphasizes the critical importance of community participation, and highlights a wide range of programs and strategies for addressing community housing needs.

It is organized into four main sections:

- **Section One: How to Prepare an Effective Housing Element.** Outlines the process for developing a Housing Element that meets state legal requirements and considers and responds to local housing needs.
- **Section Two: Community Participation Strategies.** Provides ideas for ensuring that community residents and key stakeholders are involved in the housing element process in a meaningful way, helping to build long-term community support for local housing activities.
- **Section Three: Directory of Housing Strategies and Programs.** Provides an overview of 35 different housing programs and strategies for responding to local housing needs. It also provides dozens of "success stories" from communities throughout the Bay Area.
- **Section Four: Directory of Financial Resources.** Summarizes nearly a dozen different financial programs and resources available to local jurisdictions to support affordable housing efforts. It also provides an overview of state and federal program resources and describes where to get updated information on available funding, selection criteria, and application procedures.

There are also a number of valuable resources provided in the Appendices, including an *Overview of State Housing Element Law*, key resources from the California Department of Housing and Community Development (HCD), including the checklist used by HCD in reviewing Housing Elements and responses to commonly asked questions, and a *Directory of Contacts and Resources*.

How Can It Be Used?

Blueprint 2001 can be adopted to:

- **Develop an Effective Housing Element Work Program.** Use the guidelines and suggestions in *Section One* to make sure that your Housing Element Work Program defines appropriate work tasks and establishes a logical process for identifying and responding to community concerns and priorities as well as state requirements.
- **Organize and Manage a Meaningful Participation Program.** Use the ideas in *Section Two* to develop a community participation process that is integrated with the Housing Element's technical work program and helps to build a community consensus in support of local housing solutions.

- **Identify Potential Housing Policies and Programs.** Use the list of strategies, programs, and resources in *Sections Three and Four* to identify and evaluate potential responses to local housing needs and to define policies and programs for inclusion in your revised Housing Element.
- **Support Community Education.** Use the information from *Blueprint 2001* to support community education, providing the public with copies of various program or issue descriptions so that they can participate in a more meaningful manner in the Housing Element process.
- **Learn What Other Communities Are Doing.** Use the “Success Stories” found throughout *Blueprint 2001* to learn from the experiences of other Bay Area communities.
- **Write a Successful Housing Element.** Use *Blueprint 2001* to make sure your Housing Element goes beyond the minimal requirements and provides a successful housing strategy that establishes clear and concise goals and policies linked to effective programs and a mechanism for ongoing monitoring and evaluation.
- **Connect with Resources for Ongoing Implementation Activities.** Use *Blueprint 2001* as a guide to the rich diversity of housing-related resources in the Bay Area. Get in touch with housing staff from adjacent jurisdictions, local nonprofit housing developers, and other housing specialists who could provide valuable input and expertise for addressing your local housing issues.



Ten Keys to a Successful Housing Element

- 1. Ensure Meaningful Participation.** Use the Housing Element process to identify and understand community housing needs, challenge people's stereotypes about affordable housing, engage residents and stakeholders in identifying housing opportunities, and build a community consensus in support of local housing programs.
- 2. Agree on the Goals.** Local land use controls, development regulations, and procedural requirements often result in unintended obstacles to achieving community goals. Begin by understanding and documenting your community's housing needs. Then agree on what it is you want to accomplish, and make sure that local controls, regulations, and requirements will help achieve your goals, providing as much flexibility as possible to support creative solutions.
- 3. Identify Sites.** One of the most important roles of local government is to ensure that adequate and appropriate sites are designated for residential use, including infill sites, reuse/redevelopment sites, mixed use sites, and vacant land.
- 4. Increase Densities.** The number of units that can be built on a unit of land has a significant impact on housing affordability. Increase residential densities to promote housing affordability for all income levels, especially in and around commercial centers and in areas served by transit.
- 5. Focus on Design.** Design is a critical component in successful affordable housing developments. The many "success stories" presented in *Blueprint 2001* all have one thing in common, regardless of their density: they are well-designed and "fit in" with their surroundings.
- 6. Learn from the Past.** Build on past successes, and learn from past mistakes. Draw upon the experiences and "best practices" of other communities, and make sure that each Housing Element update is an improvement on the previous.
- 7. Develop Partnerships.** Successful housing solutions require working partnerships with community residents, non-profit and for-profit housing developers, housing advocates, financial institutions, and other interest groups. Solutions increasingly require multi-jurisdictional coordination and cooperation to address sub-regional issues and provide real, workable strategies. Involve partners in collecting data, identifying needs, and developing strategies for action.
- 8. Provide Financial Support.** A number of financial tools are available to local governments and private developers to support affordable housing development. Explore the options, seek assistance from regional housing experts, and identify the funds to support local affordable housing efforts.
- 9. Call on the Experts.** The Bay Area is home to some of the country's most successful and innovative nonprofit housing developers and affordable housing groups. Pick up the phone and give them a call—they're more than happy to help! A resources list is located in *Appendix D*.
- 10. Be Persistent.** No single housing strategy will be successful in and of itself, and almost every strategy will have some opposition. Adopt a comprehensive approach and be committed to long-term implementation.