



Service Matters

Affordable Homes for All: Myths and Reality

Housing affordability is considered one of the top economic and social challenges faced by state and local government because the current limited supply and high costs of housing impact our economy and quality of life. ABAG's Fall General Assembly "Affordable Housing: Myths and Reality – A Home for All," brought together 200 Bay Area elected officials, and business and community leaders to address this topic. As part of the proceedings two important regional plans addressing housing and homelessness were unveiled along with an array of affordable housing solutions for Bay Area communities.

ABAG President and Alameda County Supervisor Scott Haggerty

set the stage in his opening remarks in Oakland by pointing out that "over 76% of Bay Area residents suffer with a housing cost burden and almost 6% of Bay Area residents live in overcrowded housing." He added that those assembled, "Must work together to find solutions to our housing dilemma."

Featured speaker **Bruce Karatz**, KB Home Chief Executive Officer and a pioneer in the homebuilding industry, provided a portrait of recent changes seen in housing development and captured the challenges of Bay Area homebuilding. "Our development has evolved from building single homes to developing a wide variety of housing choices, built in different sizes featuring mixed use, multi-story, denser land use development. Costs, scarcity of land suitable for development, regulatory delays, and building approval uncertainty have

contributed to high costs and lack of housing." However, he added "pro development doesn't mean anti-environment. We must continue to be more efficient with our precious land and we must be environmental stewards. That is why urban infill development, the revising of urban neighborhoods, as well as our use of green building materials and practices, are important." He drew laughter when he

mentioned that another variation of NIMBY (Not In My Backyard) is BANANA (Build Anything Nowhere And Nothing Anywhere) or NOPE (Not On Planet Earth).

Luncheon keynote speaker **Larry Rosenthal**, Executive Director of the UC Berkeley Program on Housing and Urban Policy and an award winning author and researcher on the social, legal, and policy implications of housing, gave a wry, urbane look at the challenges of

housing. He cited three housing development concepts — Groucho Marx (planning and communication), Termite (partnership and collaboration), and Noah's Ark (first design and emblematic of flexible "meet the needs" design). His catchy titles belied his serious message about what housing stakeholders need to do and commit to in order to provide more affordable housing.

Expert panelists explored the economic and social challenges of expanding housing supply and affordability and shared best practices for meeting these needs. They engaged in a lively discussion about housing costs, inclusionary zoning, developer fees, prolonged permitting processes, and construction defect litigation. An afternoon forum of decisionmakers representing federal and state government, business, and housing developers



Left to right
John Coleman, KB Home; ABAG President and Alameda County Supervisor Scott Haggerty; and Keynote Speaker Bruce Karatz, KB Home CEO

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Fall General Assembly

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discussed how their roles and housing responsibilities intersect and the importance of their collaboration. They responded to questions of density, community acceptance and NIMBYs, limited funding, housing legislation, coordinated one-stop planning, and CEQA improvements.

Regional Plans Unveiled

Addressing one of the consequences of inadequate housing, the ABAG Regional Task Force to End Chronic Homelessness unveiled a regional policy agenda during their housing panel. The regional goals are to broaden public-private partnerships to end homelessness, remove statutory and regulatory barriers through public policy, and increase homeless funding avenues through public and private partnerships. Task Force Chair Berkeley Mayor Tom Bates with Task Force members Contra Costa Supervisor John Gioia and San Mateo County Supervisor Rose Jacobs Gibson, along with California Department of Mental Health Director Stephen Mayberg, examined the homelessness issue and regional problem solving proposals. Mutual coordination of county 10-year plans, better discharge plans, resource sharing, coordination of a region-wide information system on homeless, as well as designating creative fund sources for homeless programs were discussed.

Henry Gardner, ABAG Executive Director, closed the GA with the announcement that the region's Joint Policy Committee comprised of ABAG, the Metropolitan Transportation Commission (MTC), and the Bay Area Air Quality Management District (BAAQMD) will pursue a new consolidated work program with housing as its strategic emphasis. (see article on page 3) Attendees also had the opportunity to visit a broad array of community displays showcasing achievements in affordable housing and demonstrating best practices for cities, counties, housing developers, and advocates to emulate. Exhibit participants included the cities of **Oakland, San Jose, Corte Madera, Walnut Creek, Berkeley, Napa, and Hayward**, as well as Eden Housing, Ecumenical Association for Housing, ABAG Finance Authority, Build It Green, and the Home Builders Association of Northern California.



Left to right
top photo: Table of GA attendees; 2nd row: Panelist Supervisor John Gioia, Panelist Supervisor Rose Jacobs Gibson, Moderator Mayor Mark Green; 3rd row: Moderator Mayor Tom Bates, Panelist Joseph Perkins, Attendee Councilmember Jean Quan, Attendee Supervisor Susan Adams, Panelist Dr. Stephen Mayberg; 4th row: Luncheon Keynote Speaker Dr. Larry Rosenthal and reporter; 5th row: Panelist Robert Shoffner, Panelist Richard Rainey, Moderator Councilmember Gwen Regalia, Panelist Richard Loa, and Panelist Michael Covarrubias; Panelist Mary Murtagh and Panelist Councilmember Maria Alegría.

Regional Planning Through Local Actions

The Joint Policy Committee (JPC) will pursue a new consolidated work program with housing as its strategic emphasis. Made up of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), and the Metropolitan Transportation Commission (MTC), the JPC will work with cities and counties to identify priority housing areas for developing more housing. ABAG will play a lead role in implementing this joint planning effort.

The Vision

The Bay Area's regional Vision focuses on how to best accommodate future population growth in the Bay Area. In the Vision, a significant portion of future growth could be accommodated by increasing densities and infill development in a "network of neighborhoods" along the region's major transportation corridors. Concentrating new development near the Bay, in the cooler western parts of the region, would also conserve energy and water. A more intensive use of existing transportation infrastructure, particularly transit, would contribute to a more efficient and affordable transportation system.

Implementing the Vision

Implementation will be driven by the fundamental understanding that cities and counties have the primary responsibility for land-use planning. A focus will be to create specific development priority areas that have been negotiated locally. These will be locations where more housing can be accommodated, consistent with the region's collective Vision. Negotiations will also entail working with a broad range of other governmental and non-governmental partners to find ways that housing can actually get built and occupied.

The negotiated and adopted priority areas will demonstrate and document local commitment and will be knit together into a refined regional strategy. These efforts will also assist in the assignment of housing targets developed under a Vision-driven Regional Housing Needs Allocation (RHNA) process. This process will also help provide a geographic basis for determining eligibility for future smart-growth incentives (e.g., local planning grants, transportation and infrastructure funds, open-space acquisition dollars, brownfield remediation assistance, housing subsidies) to be distributed by the state or region.



Looming 40 Percent Increase in Water Demand by 2030

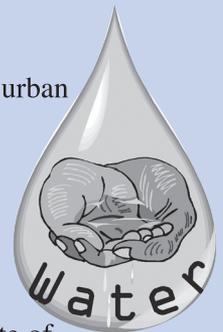
Will California have enough water to support the state's population that is expected to grow by another 14 million people in the next 25 years? On September 28, 2005, ABAG hosted a conference, *Parched Future? Are Local and Regional Planning Efforts the Answer to California's Rising Water Demand?* co-sponsored by the Public Policy Institute of California (PPIC) and the Bay Area Economic Forum. The conference served as a platform to discuss how California is faring in meeting the water supply challenges of growth and how local governments are integrating water supply concerns with land use planning.

ABAG Planning Director Janet McBride discussed the ABAG Regional Planning Committee's Study Group that was recently formed to examine the links between land use planning and water resources protection and enhancement. The committee plans to develop a workable regional model for water and land use planning that will incorporate watershed and smart growth planning principles. Some examples of "smart water" planning for consideration include using flood retention basins in open space and recreational areas, and selecting building

materials and design plans to discourage urban runoff into streams and rivers. The committee will also identify areas that could benefit from specific urban design and landscape practices.

Principal speaker and report author

Ellen Hanak of the Public Policy Institute of California, highlighted PPIC's newly released study, *Water for Growth: California's New Frontier*. According to the study, laws requiring new housing developments to demonstrate sufficient long-term water supplies have been effective. The report emphasized that better long-term water planning and streamlining the screening and approval process for new housing development are keys to success. The report identified the immediate need for planning to cope with vulnerable levees, sea level rise, poor wetland functions, and loss of habitat. The study also concluded that, despite the increased demand for water, there is great potential for meeting future water needs through conservation, recycling, and other sources.



MARK YOUR CALENDAR!

November 2005

November 17

Legislation & Governmental Organization Committee Meeting

3:30 p.m.
MetroCenter, ABAG Room 106B

Finance and Personnel

Committee Meeting 5:00 p.m.
MetroCenter, ABAG Room 106B

Executive Board Meeting 7:00 p.m.
MetroCenter, Auditorium

November 23

ABAG/BAAQMD/MTC Joint Policy Committee

9:00 a.m.
MetroCenter, Auditorium

December 2005

December 7

Regional Planning Committee Meeting

1:00 p.m.
MetroCenter, Auditorium

December 14

ABAG POWER Executive Committee Meeting

12 noon
MetroCenter, ABAG Room 106B

The Dedication of the West Oakland Bay Trail was part of the Cypress Freeway Memorial Park Ribbon Cutting Ceremony held October 17, 2005, at 14th Street and Mandela Parkway. Pictured below (left) city of Oakland dignitaries and Laura Thompson (far right), ABAG SF Bay Trail Project Manager, are dedicating the earthquake memorial (right).



Notable Numbers

Latest Housing Facts

\$545,910

is the median price of California homes and \$54,140 the median income of California households.

\$169,180

is the annual income required to qualify for the Bay Area median-priced home (\$721,850) with a 20 percent down payment and a monthly payment for principal, interest, taxes and insurance that is no more than 30 percent of a household's income.

(California Association of Realtors' Homebuyer Income Gap Index 2005)

\$68,520

is the median income in the San Francisco Bay Area.

30,766

is the average yearly housing development needed to house the Bay Area's population.

(Regional Housing Needs 1991-2006 Allocation)

50%

increase in the size of the average new house has been seen since 1950, but the number of residents per household has shrunk by one person.

(National Association of Realtors)

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