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April 12, 2018

The Honorable Scott Wiener
California State Senate
State Capitol, Room 4066
Sacramento CA 95814

Re: SB 827 (Wiener): Planning and zoning: transit-rich housing bonus – Support as Amended on April 9

Dear Senator Wiener,

On behalf of our 750 plus members, the Non-Profit Housing Association of Northern California (NPH) is writing to offer our support of SB 827 (Wiener) as amended on April 9, as a bold approach to address our state's affordable housing crisis by promoting inclusive growth while combating restrictive and exclusionary zoning and protecting existing affordability.

Founded in 1979, NPH is the collective voice of those who support, build and finance affordable housing. We are 750 affordable housing developers, advocates, community leaders and businesses, working to secure resources, promote good policy, educate the public, and support affordable homes as the foundation for thriving individuals, families and neighborhoods.

As you know, California families are facing a harder time finding a place to live than at any point in our history. According to the National Low Income Housing Coalition, six of the Bay Area's nine counties place among the top ten most expensive in the nation. According to the latest rental data from Zillow (dated February 2018) the median asking rent in San Francisco is over \$4,300 while in San Mateo County it is over \$3,900 per month. Working families, many of whom are employed in San Francisco's and San Mateo's service industries simply cannot afford such rents forcing them to commute increasingly longer distances shutting them out of the Bay Area while worsening traffic congestion and further degrading our environment.

NPH appreciates and agrees with the smart-growth objectives of SB 827 to push California towards a more sustainable future. Too much valuable land around BART and Caltrain stations is currently zoned for single-family uses leading to lower ridership of our region's premier transit systems and placing pressure to grow in the greenbelt. SB 827 will help correct decades of underbuilding and underutilizing prime land that can promote more compact, sustainable, development. We firmly believe that such sites should be developed as housing affordable to people of all income levels, but especially low and very-low income families who sustain the Bay Area's economic engine.

SB 827 is a bold approach to address our state's affordable housing crisis by promoting inclusive growth and protecting existing affordability. In NPH's original "support if amended" letter dated January 18, we discussed that the bill as then written failed to take advantage of the tremendous opportunity to provide high-quality affordable homes near transit due to its lack of inclusionary provisions. Since then, the author made several amendments that assure NPH that the growth promoted by SB 827 will be equitable. The changes include:

- Ensuring that locally adopted mandatory inclusionary requirements still apply to SB 827 projects
- Establishing inclusionary requirements for all projects over 10 units within ½ mile of rail or ferry transit statewide

These two amendments will help ensure that California's transit-oriented sites are accessible to families at all income levels in a manner that is consistent with the inclusionary policies already adopted by many of our jurisdictions and our state's major transportation agencies. Further, by establishing inclusionary requirements for any project over 10 units within ½ mile of transit, SB 827 will greatly expand inclusionary housing throughout the state in places that previously had no such policies. For instance, had SB 827's inclusionary provisions been in place since 2014 in just one Oakland neighborhood (Broadway/Valdez), it would have added an additional 162 units affordable to households making less than 80% of area median income (or 89 units affordable to households making less than 50% of Area Median Income if using the bill's alternative affordability guidelines). Currently that same neighborhood has 812 market-rate units in the pipeline with no affordability requirements whatsoever. It also establishes an orderly process by delaying implementation for two years to allow for jurisdictions to update local policies to be consistent with the law.

In addition, SB 827 straddles the balance between promoting more housing growth while minimizing any potential displacement. The bill has been significantly amended to promote inclusive growth including banning the demolition of rent-controlled housing units, restricting demolitions on properties that have had recent Ellis Act evictions, establishing a right to remain guarantee for all displaced tenants, and establishing 1:1 replacement for any rent controlled or subsidized unit that is lost due to resulting development. These amendments will go a long way towards ensuring that existing affordability is maintained so that existing residents and newcomers alike can equally benefit from new transit-oriented development and have access to our state's tremendous economic growth and opportunity.

Further, by limiting height increases to 55' around just ¼ mile of high-quality rail and ferry transit and 45' within the next ¼ mile, SB 827 will promote more of the "missing middle" types of homes for families that make too much for traditional affordable housing and too little to afford what is available in the market. "Missing middle" housing types are now rarely built anywhere in the state and SB 827's height limits will help promote density that is consistent with neighborhood character as opposed to "towers in the park."

Finally, NPH supports SB 827 as a matter of principle in that it will be a major tool to combat restrictive and exclusionary zoning that has contributed to the Bay Area's and California's concentration of wealth and opportunity for the few to the detriment of the many. National Fair

Housing experts including John A. Powell and Richard Rothstein have called SB 827 a “laudable effort to attack the problem of racial and economic segregation both directly and indirectly” in that it works directly to turn the tide against exclusionary and restrictive zoning by significantly curtailing a jurisdiction’s ability to continue such practices. They also point out that when coupled with other legal remedies, such as SB 828 (Wiener) to strengthen California’s Regional Housing Need Allocation process, SB 827 moves the state in a direction that will combat decades of segregation and exclusion especially in wealthier suburbs.

NPH is committed to continuing to work with your office to strengthen SB 827 so that it can be most effective in promoting equitable growth. As the bill continues to make its way through the legislative process, NPH will seek to strengthen and clarify its inclusionary and anti-displacement provisions including:

- If a local jurisdiction already has an inclusionary policy in place, ensuring that the local ordinance results in the same or greater number of affordable units at the same or deeper levels of affordability as laid out in SB 827, or the bill’s inclusionary provisions will supersede the local ordinance
- Ensuring that the affordable units produced through the bill’s inclusionary provisions remain deed-restricted for at least 55 years with enforcement and strict penalties for building owners that do not comply
- Ensuring that the bill’s current tenant protections/anti-displacement provisions are not weakened in the bill’s final form

We affirm that major progress has already been made and, provided the final bill text reflects the conditions outlined above, are pleased to offer our strong support.

Thank you for your leadership in drafting legislation that takes a truly bold approach to address our state’s affordable housing crisis by promoting inclusive growth while combating restrictive and exclusionary zoning and protecting existing affordability.

We look forward to working with you to pass this significant legislation,

Sincerely,



Amie Fishman
Executive Director
Non-Profit Housing Association of Northern California (NPH)