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County of Santa Clara
Board of Supervisors
Supervisory District Four
Chairperson James T. Beall, Jr.



Trans-ID: BOS4-12.4.01bos1

DATE: December 4, 2001
TO: Board of Supervisors
FROM: *James T. Beall Jr.*
James T. Beall, Jr.
Supervisor, District 4

REFERRED
Approved Accepted Adopted Denied Presented
BY THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA
Thylla A. Papp, Clerk of the Board
By *Marlene O. Gayosa*
Deputy Clerk
Date: **DEC 04 2001**

SUBJECT: Recommendations from the Santa Clara County Housing Task Force

RECOMMENDED ACTION

On behalf of the Santa Clara County Housing Task Force, I am requesting the Board of Supervisors accept the attached report, and refer the recommendations to the Housing, Land Use, Environment and Transportation Committee and Budget Priorities Process for consideration prior to March 2002.

The recommendations of the Housing Task Force are as follows:

1. Accept Housing Task Force Report and approve only the following recommendations related to establishing the organizational infrastructure being forwarded to the Board for approval at this time. The remaining recommendations will be considered within the next three months by the Steering Committee and presented through HLUET for Board approval.
2. Adopt resolution recognizing the Housing Crisis and declaring a "State of Affordable Housing Emergency" in Santa Clara County.
3. Approve the creation of a Steering Committee under the direction of the HLUET Committee. The Steering Committee will be composed of the Housing Task Force Chairs plus

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DEC 04 2001

one representative from each Supervisorial office, a representative from the County Executive's Office, and will be administered by the Housing Coordinator.

The Steering Committee will develop the recommendations of the Housing Task Force into a feasible action plan. The Steering Committee will identify clear directives including but not limited to the possible reorganization of internal infrastructure, potential funding sources, and land banking. To develop the implementation plan the Steering Committee should use strategies as outlined in the attached Housing Task Force report.

4. Direct administration to report back for Board consideration by March 2002, a financial analysis of the use of up to 30% of the RDA tax increment for affordable housing. Three options should be compared including fiscal analysis and a cost-benefit comparison; on an annual basis – on a limited basis – up to five years. Included in the analysis should be a report on the potential advantages of a direct partnership between the County and the Housing Trust of Santa Clara County. Specifically, staff should identify leveraging opportunities for financing affordable housing through a partnership with the Trust. (See Attachment B)

5. Approve the creation of an Affordable Housing Unit within the County Executive's Office. Administration should report back in March 2002 identifying the scope, organization, and cost of an Affordable Housing Unit. This should include a cost-benefit analysis that considers a reduction of duplication, workload, and improved coordination among County Departments and Agencies. Further, this should include information on the best practices and organization of programs in similar counties.

6. Delegate authority to the County Executive to extend the current Housing Coordinator contract until the Office of Affordable Housing has been established. The Housing Coordinator position will be created upon establishment of the Office of Affordable Housing.

FISCAL IMPLICATIONS

1. The cost of extending the Housing Coordinators Contract for the rest of the fiscal year is \$45,000. This position has been paid for out of the SCC Housing Bond Trust Fund. If a position is established, it will be funded from the General Fund at a rate to be determined.

2. Implementation of this process would lead to the creation of 1FTE Housing Coordinator after Board approval on March 2002. Cost would be determined at that time. Consideration of additional support staff should be reviewed as part of the FY 2002–2003 budget planning process.

3. The Housing Task Force is requesting the County set aside up to 30% of the RDA tax increment funds for implementation of the Housing Task Force recommendations, pending a review by staff of the funding proposal submitted by the Housing Task Force. (See

recommendation #5)

BACKGROUND

During my State of the County Address, I called for an intensive 180-day community planning process to craft a countywide Housing Action Plan. This charge created the Housing Task Force, a broad based, countywide coalition of housing service providers, developers and advocates. The mission of the HTF was to prepare a report for the Board of Supervisors, documenting countywide housing needs, barriers to providing affordable housing, and proposed recommendations addressing the affordable housing crisis in Santa Clara County.

Over 175 individuals and organizations participated in the 5-month process and presented the first draft of the Housing Task Force Report to the Board of Supervisors on August 28, 2001. Since that time, the Steering Committee, comprised of the chairs, project facilitator and Housing Coordinator, have organized the recommendations for addressing the housing crisis into three strategies identified in the report; Regional Leadership and Advocacy, Infrastructure and Organizations, and Resources and Allocation.

In addition, the Steering Committee has made several presentations of the Housing Task Report including a meeting with elected officials from around the County and before the State Assembly Select Committee on Silicon Valley Housing. All presentations have been received favorably and the Steering Committee has been encouraged to move forward.

The process has now reached a point where the Steering Committee should work with County administration and other local jurisdictions on developing specific implementation plans that best utilize County resources and makes significant strides towards addressing the housing crisis.

The Housing Task Force chairs are Alex Sanchez, Executive Director of the Housing Authority, Will Lightbourne, Director of SCC Social Services Agency, Bonnie Bamburg, Director of New Development for Community Housing Developers, Chris Block, Executive Director of the Housing Trust of Santa Clara County, Frank Motta, Program Officer for Corporation for Supportive Housing, Roger Barnes, Director of Education Partnerships for Santa Clara Unified School District, and Kristy Sermersheim, Executive Secretary-Vice President of SEIU Local 715. The Steering Committee will present monthly status reports to the HLUET Committee.

SANTA CLARA COUNTY HOUSING TASK FORCE

REPORT SUMMARY

INTRODUCTION

It has been the mission of the Housing Task Force to thrust the County into a new public leadership role as *"the countywide affordable housing champion."* Consideration of jurisdiction, protocol and tradition were recognized and respected, but the severity of the crisis and the lack of comprehensive, compelling solutions inspired committee members and took precedence above all else. The prevailing sentiment has been that, while the region's jurisdictions have done many things to address the housing crisis; it has not been enough, and it is time to coordinate land use and housing decisions with the greater interests of the region.

Housing advocates see the Housing Task Force process as an opportunity to create a countywide affordable housing "champion." Others see opportunities for the County to fill several major regional policy and planning deficiencies, while some see the County becoming more vocal at the state and federal levels. All however, envision groundbreaking policy that unites all jurisdictions, public institutions and agencies into a synergistic effort to mitigate the housing crisis.

THE HOUSING TASK FORCE PROCESS

The Housing Task Force (HTF) was created by Supervisor Beall in his State of the County address in January, 2001. After several months of planning by a Steering Committee, the HTF first met on May 17, 2001 and was comprised of over 150 professional, volunteer housing advocates, developers, service providers, city and county housing staff and elected officials. All areas of the county and all affordable housing interests were represented. The HTF was divided into 5 subcommittees: 1) Regional Housing Blueprint; 2) Special Needs Housing; 3) Public Employee Housing Assistance; 4) Government Surplus Land; and 5) Community Land Trust. Four committees met approximately every two-three weeks from late May through August, while the Countywide Housing Blueprint Subcommittee met until mid September.

Each Subcommittee was advised of the time constraints of the process and recognized their work was limited to developing broad policy and strategy recommendations that would be refined later. Within their subject area, the Subcommittees conducted the following analysis:

- Define the affordable housing problem and needs
- Identify barriers to affordable housing, especially in Santa Clara County
- Identify key stakeholders in affordable housing and resources
- Develop strategies using short, medium, and long term goals
- Objectives must be focused
- Recognize/redefine the County's role in housing production, creation, and preservation
- Recognize the work of others and if possible, build upon that

As work of the Subcommittees progressed, policy and strategy recommendations initially focused on the specific concerns of the group, but quickly grew into far-reaching recommendations. Many of the recommendations overlap and most are still in a very rough form, because again, the process and time constraints did not lend itself to developing a refined product. It is, however, the intention of the Steering Committee that the recommendations will be reworked and further developed through a "transition period".

STRATEGY AND POLICY RECOMMENDATIONS

This summary briefly groups the major recommendations of the Subcommittees by overall project objectives that the Steering Committee intends to accomplish during the "transition phase." The overall project objectives as formulated by the Steering Committee are as follows:

- 1) Regional Leadership and Advocacy
- 2) Infrastructure and Organization
- 3) Acquisition and Allocation of Resources

I. Regional Leadership and Advocacy

- 1) The Board of Supervisors should adopt a resolution declaring a **"State of Affordable Housing Emergency"** and announce a number of major action steps to be taken along many fronts. Possible action steps may include but are not limited to the following and the final resolution has not yet been approved by the Steering Committee.
- 2) In partnership with local jurisdictions and institutions, the County should establish a countywide Housing Advisory Commission (HAC) for planning and implementing a regional housing action plan. Key issues the regional forum will address include:
 - The use of publicly owned surplus land for affordable housing
 - Creating affordable housing opportunities for all public employees
 - Creating affordable housing opportunities for special needs persons and families
 - Developing comprehensive, consistent favorable land use and affordable housing policies throughout the county
 - Addressing the jobs/housing imbalance in the county
- 3) In partnership with local public jurisdictions and institutions the County should initiate a countywide Housing Education and Finance Assistance Program for all public employees.
 - This multi-jurisdictional program will establish a revolving loan program and provide rental and home buying assistance to public employees in Santa Clara County.

- 4) The County should take a proactive, local leadership role becoming the affordable housing advocate throughout the county. In this capacity, the County should facilitate the following:
 - Bringing together developers, service providers, city, state and federal agencies and resources for the purpose of developing affordable housing projects
 - Advocate for favorable land use policies and set asides for affordable housing developments
 - Advocate for cities to allocate 50% of their redevelopment funds to affordable housing
 - Further develop existing lobbying resources
- 5) The County should become an active and visible advocate at the state and federal levels of government. The County should work for the following:
 - Prepare an analysis of how state and federal housing programs in the county work or do not work here
 - Advocate for funds, tax incentives and programs (i.e., National Housing Trust) aimed at developing affordable housing in high cost counties throughout the state
 - Advocate (on behalf of local nonprofits and service providers) developing flexible conditions and consistent reporting requirements on the use of state and federal funds for affordable housing
 - Advocate for Housing Element reforms
 - Advocate for construction defect legislation
 - Encourage our state delegation to lead a large-scale effort to review and reform state licensing requirements and code
 - Advocate for legislation establishing Housing Redevelopment Zones
 - Advocate for reform of Proposition 13 and its many variants

II. Infrastructure and Organization

- 1) The County should redefine what constitutes surplus land and compile an inventory of all vacant or surplus land owned by local, state and federal governments, institutions and agencies in the county.
- 2) The County should create an Affordable Housing Unit to coordinate the development of new County housing service efforts, as well as support existing efforts, including but not limited to the following:
 - Facilitate coordination of current housing efforts of County departments
 - Gather critical data and determine housing needs of County special needs clients and public employees
 - Establish affordable housing information services (Housing Education Assistance Program) for special needs clients and public employees

- Seek and acquire new resources
 - Provide resource acquisition assistance to developers and service providers
 - Use County resources to facilitate local projects
 - Develop marketing strategies and materials directed towards the county in support of affordable housing
 - Advocate for affordable housing issues at the local, state and federal levels of government
- 3) The County should establish a Special Needs Housing Education and Assistance program for special needs clients and housing service providers.
- Services provided by the County would include ongoing rental and down payment assistance, as well as emergency assistance and life skills training.
- 4) The County should establish "best practices" policies in Special Needs Housing management, including:
- Developing ways to encourage and reward successful programs
 - Facilitating the development of new community based special needs housing models and developing innovative designs that would be effective in Santa Clara County
- 5) The County should establish a County Housing Department for building very low and extremely low-income housing for special needs clients and public employees. The County Housing Department should:
- Issue building permits for affordable housing projects on County surplus lands
 - Work with cities on building affordable housing projects on County unincorporated lands
 - Become an insurer or guarantor of financing for affordable housing projects
 - Establish a temporary loan fund for developers of affordable housing projects
 - Establish a rental housing assistance program to buy down rents
 - Utilize and/or leverage service contracts to facilitate the development of affordable housing
 - Provide "catalyst financing" to assist nonprofit developers

III. Resources Acquisition and Allocation

- 1) The County should move immediately to initiate the establishment of a countywide "Affordable Housing Land Bank" (AHLB), to hold and manage "gifted" or purchased lands for the purpose of developing affordable housing.
- 2) The County should make available all vacant or surplus lands owned by the County to the Affordable Housing Land Bank and urge all public jurisdictions, institutions and agencies in Santa Clara County to do the same.

- 3) The County Housing Department should be engaged in an on going effort to acquire resources including permanent funding for countywide affordable housing programs. Potential new resources and funding could include but not be limited to the following:

- Surplus Government Land for building affordable housing units
- Units/Land acquired through Inclusionary Zoning, Density Bonuses
- Special Tax districts
- Bond Financing
- Housing development/Commercial development fees
- Local taxes
- Local foundations
- Pension Funds
- Redevelopment Funds
- Additional state and federal assistance

CONCLUSION

The Housing Task Force Steering Committee is recommending the Board of Supervisors appoint the Steering Committee to oversee the refinement and implementation of the recommendations of the Housing Task Force report. The Steering Committee will report to the Board of Supervisors and the HLUET Committee of its progress on a regular basis as well as take direction from the Board, Committee, and County Administration.



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investing in our community with vision, compassion and innovation

Date: November 27, 2001
To: Supervisor James T. Beall, County of Santa Clara
Fr: Chris Block, Housing Trust of Santa Clara County
Re: County of Santa Clara/Housing Trust of Santa Clara County Matching Program

In response to the persistent affordable housing crisis in our valley, many community leaders and institutions have identified the critical need for more resources dedicated toward strategic housing investments. Through an expanded partnership with the Housing Trust of Santa Clara County (HTSCC), the County of Santa Clara can facilitate the creation of significantly more resources while expanding the County's role as a leader in the provision of affordable housing. Specifically, HTSCC is willing to work with the County to develop a program that will match ongoing investments by the County of Santa Clara for the purpose of meeting common objectives for the development of more affordable housing. As the County contemplates strategies for enhancing our leadership role in addressing housing concerns, we propose that the County allocate 30% of the settlement with the Redevelopment Agency of the City of San José toward such a matching program.

In so doing, the County may leverage ongoing investments in the Trust to create the opportunity for the implementation of prioritized policy objectives such as land banking and the production and targeting of affordable housing to meet critical County needs. For example, investments could be made in greater levels of homeownership assistance, with a component targeting County employees on the one hand, while bolstering resources toward the Trust's extremely low-income component to meet the housing needs of the County's clients on the other.

The County of Santa Clara has traditionally been a key player in the provision of affordable housing through the Housing Authority, the office of the Homeless Coordinator, Housing and Community Development and numerous other county departments such as Mental Health, Drug and Alcohol and Social Services. The County is by far the largest affordable housing supplier throughout the county and houses people that are the most difficult to serve due to their income levels and special needs.

The concept is to provide additional resources for the provision of affordable housing by continuing the great partnership established between the HTSCC and the County that has resulted in the initial capitalization of the Trust in excess of \$20 million.

Now is the right time to expand this partnership for a number of different reasons:

- HTSCC has recently completed its initial fundraising goal and as a result of the County's strong leadership has shown that we can greatly leverage the monies provided by the County as a result of a strong partnership with the Housing Trust.
- As a result of the settlement with the Redevelopment Agency of the City of San José, the County will be receiving millions of dollars on an ongoing basis. Redevelopment law stipulates that each city use twenty-percent of its tax-increment funding for affordable housing. (30% beginning next year). Although the County is legally not required to do so, it is as concerned and impacted by the affordable housing crisis as any other government entity, and could set a moral and ethical high tone by creating a permanent source of funding for affordable housing.

- These difficult economic times have precipitated the stabilization and/or decline in land and housing prices, which provides a strong window of opportunity to make strategic investments that will help stretch resources. Such priorities as land banking and building affordable housing are more cost effective now than in recent memory.
- It is also a critical time to build as much affordable housing as possible because factors like increased unemployment and limits on welfare make the situation particularly urgent for many families who are directly served by the County.

Potential advantages of a County of Santa Clara/HTSCC Partnership:

- The County can significantly leverage its investment in affordable housing through a partnership with the Housing Trust.
- This program can be targeted toward County priorities.

Examples:

- A. *Acquisition of land currently owned by the County and other public agencies that would be suitable for affordable housing.*
Such an investment would greatly advance a number of different policy objectives: effective utilization of publicly owned land for the provision of affordable housing; land banking so that land purchased today could be utilized over time for the production of affordable housing, etc. Utilizing Redevelopment funds in this way could create greater flexibility for the use of such funds while appropriately compensating the County for disposal of its assets.
- B. *The creation of housing specifically targeted to County employees.*
An expanded HTSCC first-time homebuyer program could also include specific targeting toward County employees.
- C. *The creation of housing specifically targeted to County clients.*
Through investment in the HTSCC extremely low-income component, which spearheads the development of units accessible to families making less than 30% of area median Income, the County could help align development to the needs of County clients.

Next Steps & Considerations

With the approval of the Board of Supervisors of the County of Santa Clara to dedicate 30% percent of the San Jose Redevelopment Agency settlement to the SCC/HTSCC matching program the next step would be to put together a legal/financial team to develop a program that would maximize the use of County dollars.

Such a team would present the most effective method to transfer funds to the program, considering the implications of:

- Direct transfer of Redevelopment settlement funds as pass through monies.
- Transfer from the County's general fund after Redevelopment funds are initially utilized for expenditures that conform to state redevelopment law.
- Use of Redevelopment settlement funds for the direct purchase of County-owned land within the City of San Jose, which would allow these post-purchase funds to be transferred directly into the County's general fund.
- If Redevelopment settlement funds are used to cover expenditures currently drawn from the County's general fund, general fund resources directed at the matching program could be used outside of San Jose.

Of course, these options and others require both a financial and legal determination.

**AFFORDABLE HOUSING NETWORK**
of Santa Clara County

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B/S Chair ☒BD of Supv. ☒Clerk ☐

November 26, 2001

To the Santa Clara County Board of Supervisors
FAX 298-8460

Honorable James T. Beall, Chairperson,
and members of the Santa Clara County Board of Supervisors:

Subject: Agenda 12/4/01 Housing Task Force Recommendation.

The Affordable Housing Network urges you to vote for the establishment as soon as possible of the Community Land Trust that is recommended in the Report.

This is an opportune time to obtain land for housing. In the current economic recession many companies are reducing their level of production and as a result have excess land and excess buildings. For example, Hewlett-Packard property at Mayfield and Central in Mountain View across from the CalTrain station, is scheduled to be excess property.

Buildable land is the first requirement for affordable housing. A Community Land Trust could acquire land as a donation for public benefit or by other means.

Your positive action is needed now. Take advantage of the current economic situation so that communities can have affordable housing as soon as possible.

Thank you for your consideration of our recommendation.

Sincerely,

Phyllis A. Ward

Phyllis A. Ward
President

cc: each sup ✓ 11-27-01 eg

**AFFORDABLE HOUSING NETWORK**
of Santa Clara County

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B/S Chair ☒BD of Supv. ☒Clerk ☐

November 27, 2001

To the Santa Clara County Board of Supervisors
FAX 298-8460

Honorable James T. Beall, Chairperson
and members of the Santa Clara County Board of Supervisors:

Agenda: December 4, 2001 Housing Task Force Report

The Affordable Housing Network of Santa Clara County requests
appointment to the Steering Committee of the Housing Action Plan.

Members of AHN participated in Task Force committees during the past
six months and want to serve on the Steering Committee to help implement Task
Force recommendations. Thank you for your consideration of our request.

Phyllis A. Ward

Phyllis A. Ward
President