

Sustainable Sonoma- Learning Lab

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MidPen Housing

Real Estate Development:

- 8,000 affordable homes in 105 properties;
1,002 units under construction.

Property Management:

- Self-manage all 105 properties

Resident Services:

- Invest \$7.3 million annually;
partner with over 200 service partners.
- **MidPen** Works in 11 counties:
Alameda, Contra Costa, Monterey,
Napa, San Benito, San Mateo,
Santa Clara, Santa Cruz, Solano,
Sonoma and Yuba



Failures of Past/Lessons Learned

Public Housing failures:

- Discriminatory zoning
- Poor design
- Over-concentration non-working poor
- Poorly managed
- Lack of services



MidPen Model

- Site near neighborhood amenities
- Great design matters



- Mix of income levels
- Quality property and asset management
- Services enriched housing



- Community outreach and engagement- **prior** to developing designs
- Ensure community member concerns are heard
- MidPen is a long term Owner, Property Manager, and Resident Service Provider

Aptos Blue



- 40 rental homes for families
- Aptos Rancho Rd., Aptos

- One of the six sites re-zoned by Santa Cruz County with the goal to provide affordable housing.



Fetters Apartments



- 60 family rental homes
- Hwy. 12, Sonoma Springs
- Provides services for families including after school programs for youth



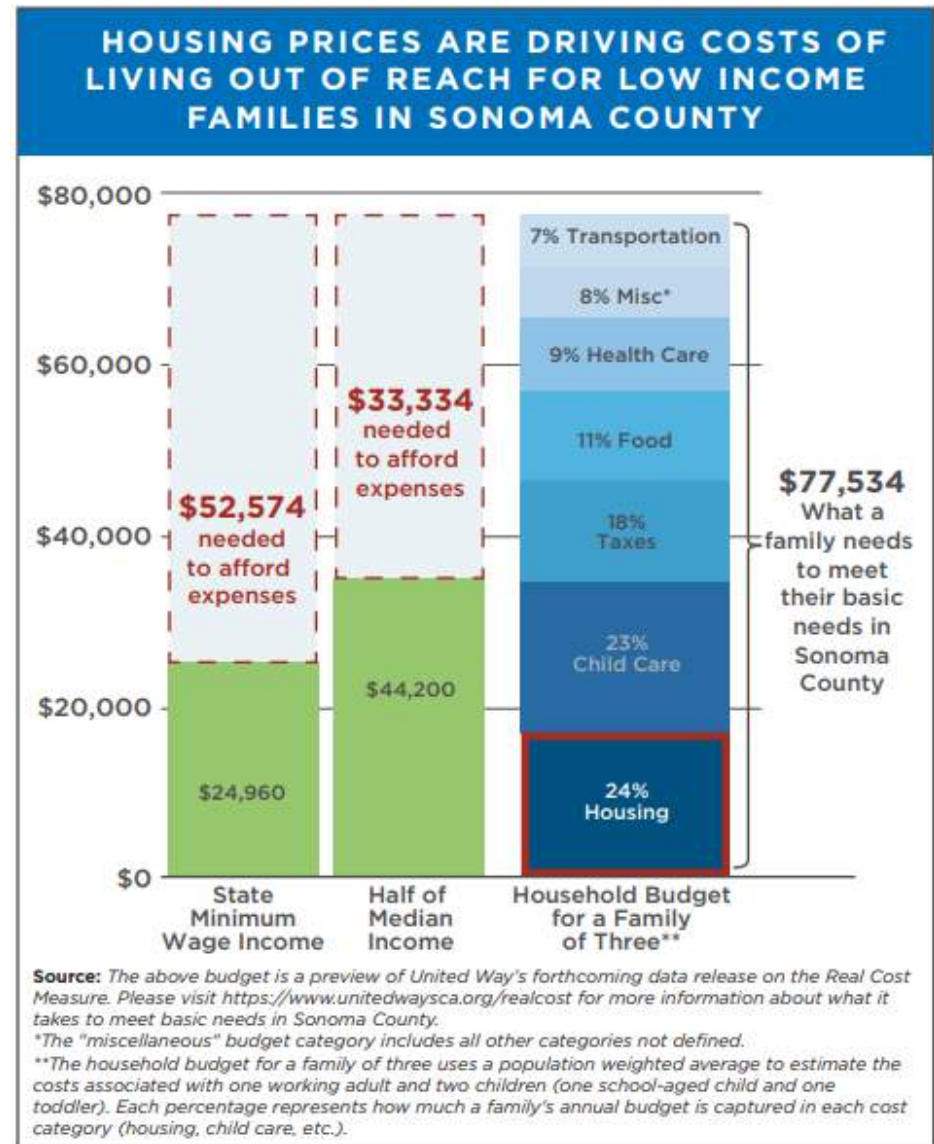
Kottinger Gardens



- Demolition of 90 existing outdated senior affordable units, replaced with development of 131 new senior affordable units on 6.5 acres
- Three of four parcels owned by City of Pleasanton, fourth parcel owned by Pleasanton Gardens, Inc., a non-profit entity
- Kottinger Drive, Pleasanton

Sonoma- Jobs and Housing

- Most rapid job growth in low-wage, low skill jobs, including service sector
- Projected median wage for top ten occupations with the most job openings between 2014-2044 is \$13.09
- One in three Sonoma County households earn less than \$50K annually.
- Job growth outpaces housing production by 9:1



Solutions

- Land Use Planning and Policy
- Local Priorities
- Funding



Policies- Tenant Protections

- Tenant protections three bills in legislature now.
 - Just Cause for Eviction (AB 1481)
 - Anti-rent gouging (AB 1482)
 - CPI plus 5%
 - Rental Assistance and Right to Counsel (SB 18)

Particularly important in Sonoma after wildfires and floods

Policies- Accessory Dwelling Units

- Change existing state law to remove regulatory barriers to ADU's (AB 68 and 69)
 - In residential zones
 - Allowance for multiple ADU's in multi-family homes
 - Creation of a small homes building code
- Technical assistance will be needed to implement effectively



Accessory Dwelling- Technical Assistance



Bright in your Backyard



- There are 1.5 million single family homes in the Bay Area.
- A Bay Area Council poll said 25% of Bay Area homeowners would be interested in adding a second unit to their home.
- Hello Housing and San Mateo County are launching a pilot to increase production of second units to (1) stabilize homeowners or (2) create affordable housing.
- Hello Housing will provide free project management to help homeowners turn “someday” into “today” and work with participating cities to create “right-sized incentives” to deliver public benefits.
- **Cost** to construct is a **barrier** to homeowners- good place for philanthropy to fill in

Affordable Home Ownership



stewardship

balancing the public and private good



“To us, homeownership means independence, accomplishment, community and family.”

- Carla & Jason, Novato BMR Homeowners

- Primary focus is on affordable homeownership
- Hello Stewardship manages affordable ownership & rental programs on behalf of 9 cities and two counties
- Stewards 1,100+ deed-restricted homes and 800+ apartments
- Designs and manages down payment assistance programs including AC Boost, its newly launched \$50 million program in Alameda County funded by Measure A1

Policies- Land Use

- Encourage more dense development near transit
 - Contain growth in infill areas
- Protect “sensitive communities”
- Thoughtful discussions about where and how increased density makes sense
- Unlocking Public Lands for Affordable Housing
 - Maintaining a database of “surplus land” (AB 1486)
 - Including COG’s as “local agencies”

Funding

- Creation of a Regional Housing Agency for 9 county Bay Area
 - Could levy tax measures and fund Affordable Housing
- Eliminate Supermajority for Taxation (ACA 1)
 - Constitutional amendment to allow city or county to levy an ad valorem tax for housing if approved by 55% of voters



Funding

- Veterans and Affordable Act of 2018
 - Prop 1 provides \$4 billion to create homes for veterans, seniors, and low income working families
 - Prop 2 provides \$2 billion to create permanent supportive housing for homeless and mentally ill
- Successful Examples of Local Funding Measures
 - Measure K San Mateo County (\$300M)
 - Measure A Santa Clara County (\$950M)
 - Measure E Alameda County (\$580M)
 - Napa Valley TOT measures (\$5M annually)
- Federal Resources Managed Locally
 - CDBG/HOME
 - Project-Based Section 8 Vouchers

Capital Financing Available

Donated Land / or Below-Market Groundlease

Soft Debt

- Public funding in the form of 55-year loans, 0%-3% simple interest repayment due only if cash flow is available

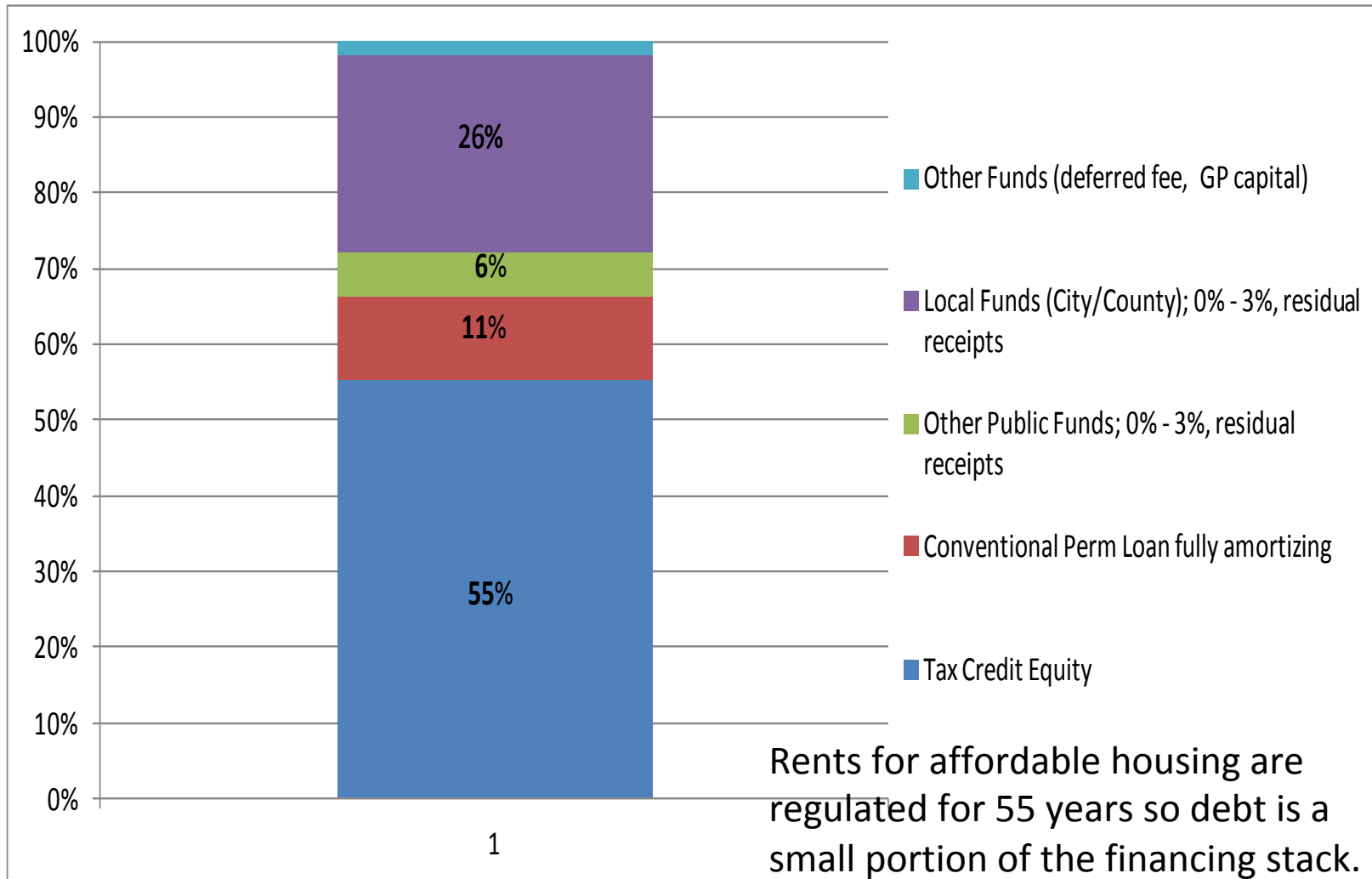
Conventional Hard Debt

- Construction loan
- Permanent mortgage with mandatory debt service

Low-Income Housing Tax Credit Equity

- Competitive process to qualified sponsors
- Sold to investors for up front equity in exchange for 10 year stream of tax credits

The Capital Stack



QUESTIONS