

Affordable Housing and Basic Needs Strategic Conversation Proceedings October 4, 2007

Italian Garden Apartments, Community Room
1524 Almaden Expressway
San José, California 95125

This document summarizes key themes and discussion points shared during the Affordable Housing and Basic Needs strategic conversation held as part of Silicon Valley Community Foundation's Community Input Project. This was the fifth of nine strategic conversations convened by the community foundation as part of this project. A total of 28 participants attended the convening, representing commercial developers, community advocates, public agencies, social sector representatives and others working on the issues of affordable housing and basic needs in the region. In addition, various representatives of the community foundation's board of directors and leadership team attended this convening, including CEO and President, Emmett Carson, Chief of Donor Engagement and Giving, Eleanor Clement Glass, Vice President, Community Initiatives, Convening and Research, Erica Wood and Vice President, Grantmaking, Ellen Clear.

Overview of the Community Input Project

Silicon Valley Community Foundation is committed to the best ideas and most effective solutions—at the local and the regional levels. With those goals in mind, the community foundation has initiated the Community Input Project, a series of strategic conversations, data review, and community surveying around needs and issues that matter most. The issues were selected based on a review of local data, the many excellent assessments available about the health, social and environmental concerns in the region, and issues community members and leaders have raised.

The community foundation anticipates this process will spur a greater interest in regional partnerships as well as strategic solutions for meaningful, lasting and transformative change. The community foundation's board of directors will take the results into consideration when making decisions about future directions and strategies.

This project focuses on the following nine issue areas:

- Arts and Culture
- Child and Youth Development
- Civic Engagement
- Community Economic Development
- Education
- Environment
- Health
- Housing and Basic Needs
- Immigration

Structure of the Strategic Conversations

Each strategic conversation follows a similar model, designed to provide participants with a common context and framing for productive discussion. Community foundation staff opens the session with a welcome and overview, and then introduces a keynote speaker who delivers an inspirational presentation with the goal of creating a sense of energy and purpose for the group's conversations to follow.

Participants engage in direct conversation with each other and the community foundation through facilitated small-group discussions organized around the key issues identified in the issue briefs prepared in advance of the conversation. Issue briefs are available for download at www.siliconvalleycf.org. These small-group discussions are generative in nature, as participants respond to two key questions:

- What are the most pressing issues in the region?
- What are the most promising solutions and ripe opportunities for significant impact?

Participants reconvene as a large group following the small-group discussions to engage in integrative thinking. As a large group, participants share “big ideas” and strategies to impact the region's most critical issues.

All aspects of the conversations are recorded and synthesized for the community foundation to take under consideration.

Keynote Presentation and Subject Matter Experts

Carl Guardino, president and CEO of the Silicon Valley Leadership Group provided the keynote address for the housing and basic needs conversation. In February 2007, Governor Arnold Schwarzenegger appointed Guardino to a four-year term on the California Transportation Commission. He also serves on numerous other boards and is actively involved in a wide range of community organizations and projects.

Guardino framed his comments with several points:

- Affordable housing is an issue not only for families and communities but for employers as well who need a stable workforce.
- In the region, the median price for home resale is \$795,000 and only one in 14 families can afford such a price; nationally, the figure is \$227,000.
- The average home price in other competitive technology regions such as North Carolina is \$187,000, making it very difficult to compete and attract employees to the Silicon Valley.

He suggested the following three-pronged approach:

- ▶ Funding – Creativity is needed when identifying and securing financial resources to support efforts and mission, such as seed money, taxation and voluntary contributions. If one approach does not work, be prepared to try something else.
- ▶ Advocacy – Policy decisions affect resources. Get engaged in politics. Make voices heard, engage others, work with elected officials to increase their understanding of the issue and provide them with solutions to address it.
- ▶ Convening – Bring people and different constituencies together. Conversation can lead to increased understanding and creative solutions to address complex and related needs.

Issues for Discussion: Pressing Needs and Opportunities for Impact

The three issues for discussion that participants engaged with in the community economic development conversation were:

1. Affordable Rental Housing
2. Home Ownership Pathways for Middle Income Workers
3. Permanent Supportive Housing

The following summarizes the top-level themes from the small-group discussions on these topics.

Affordable Rental Housing

Pressing Needs

- ▶ Need for greater and more focused advocacy across sectors that includes a community-organizing component
- ▶ Need for active asset management to sustain buildings (preservation of existing supply, renovation, etc.)
- ▶ Difficulties some communities face in balancing the costs of housing and other basic needs (e.g., food) as their resources are scarce
- ▶ The need to get disparate groups working on the same issue “in the same room and at the same table” for productive dialogue
- ▶ Lack of available and coordinated funding for supportive services
- ▶ Need to streamline reporting and compliance guidelines by government agencies
- ▶ Need to broaden eligibility for funding sources to provide access to more income levels and populations
- ▶ Need for senior housing (affordable assisted living units are in short supply)
- ▶ Need a permanent source of funding at the state level for local efforts as well as education on the importance of affordable housing

- Need for better local zoning policies, particularly at the city level
- Need to explore if home ownership is a viable and feasible goal for everyone

Promising Solutions and Opportunities for Impact

- Engage in advocacy at local and state level to support regulatory change, providing financial resources for supportive services as well as providing builders and developers with incentives to create affordable housing
- Provide technical assistance to nonprofit housing developers on asset management
- Opportunity to bring constituencies and their funders together that represent different special needs populations
- Develop and implement more inclusionary housing ordinances and practices such as multi-generational and mixed use
- Create new network of social investors
- Identify, research and disseminate information on successful models
- Centralize process by which families access affordable housing to maximize efficiency
- Develop common reporting and site visits for compliance for funders

Home Ownership for Middle-Income Workers

Pressing Needs

- Lack of housing options, including town homes, condominiums and studios
- Need clarification on definition of “middle income”
- Lack of alignment between affordable housing and employment options
- Barriers to home ownership include financial literacy, mortgage support and education debt
- Lack of options regarding fair and equitable mortgage practices and products
- Length of time it takes to entitle affordable home
- Lack of financial assistance at lower (below 40%) income levels which is not aligned with housing prices
- Need to disaggregate retirement planning from home equity

Promising Solutions and Opportunities for Impact

- Opportunity for unions to work with members to provide housing assistance
- Advocate for below-market-rate products and diverse and sustainable housing options
- Rethink home design to increase affordability
- Promote socially responsible investments
- Provide training and supports to increase financial literacy, including corporate mentorship trainings
- Develop broader array of home purchase options such as lease-to-buy, equity sharing, co-investment models

- Support cross-sector partnerships and collaboratives around affordable housing and financial literacy
- Research and disseminate zoning best practices and other successful models that could be replicated or brought to scale
- Develop regional approaches to affordable development such as transfer taxes, urban land development and student loan interest being tax deductible
- Develop inclusionary housing ordinance organizing
- Convene regional community foundations to provide down payment assistance
- Identify and build on current working loan program models

Permanent Supportive Housing

Pressing Needs

- Need a comprehensive, responsive system that has a holistic approach and a set of guiding principles reflecting a shift from emergency to permanency
- Need a variety of solutions and models, including prevention and crisis intervention to address issues such as dual diagnosis and homelessness
- Convene around best practices around different populations such as homeless, older adults, transition age youth, recent incarcerates, sex offenders, etc.
- Lack of set-asides and other dedicated funding and supports for housing developments
- Need to develop a regional policy platform and resource allocation approach
- Lack of affordable, safe and quality facilities

Promising Solutions and Opportunities for Impact

- Establish a Blue Ribbon Commission on funding homelessness – comprehensive effort for one-stop service delivery
- Provide multi-year funding commitments
- Identify effective wrap-around strategies and models and incorporate in planning
- Develop and support a national housing trust fund
- Provide permanent “transitional” housing and supportive service opportunities
- Leverage redevelopment resources across multiple municipalities
- Engage in public policy and advocacy efforts
- Use current planning efforts and funding sources such as Proposition 63 and 1C to build and maintain supportive housing infrastructure
- Support First Community Housing efforts
- Utilize incentives to encourage sectors and communities to work differently

Participants’ Overarching Suggestions

Building on the ideas and discussions generated during the facilitated small group rotations, participants shared their overarching suggestions that are at the intersection of critical issues, ripe opportunities and potential for meaningful impact. The following provides a summary overview

of these suggestions. Please note that there may be overlap with ideas generated in the small-group discussions summarized above, and that some ideas may have been subsumed or categorized with others to reduce redundancies. It is also important to bear in mind that these overarching suggestions are not only for Silicon Valley Community Foundation's consideration, but also for all those who are interested in and support affordable housing and basic needs efforts in the region.

Summary of Overarching Suggestions

- Pursue the passage of a percentage of the county's real estate transfer tax to be deposited into a housing trust fund for affordable housing development
- Fund community planning efforts that promote smart growth and affordable housing general plan revisions
- Fund initiatives/policies that develop public-private partnerships to create a permanent source of affordable housing and related services
- Push for smart growth, higher density zoning that will incentivize affordable rental housing - both market rate and affordable
- Promote research that makes the case for affordable housing (e.g., impacts on education and health)
- Provide capitated funding leveraged with public funds to providers to cover comprehensive services
- Support technical assistance for asset management to maintain the existing affordable housing stock for the next 50 years
- Convene asset manager peer group for sharing and disseminating best practices
- Convene large sources of investment (e.g., Community Development Financial Institutions, pension funds, union groups) to explore how to increase community investing (lower financial returns) in affordable and supportive housing
- Establish a program-related investment fund at the community foundation to leverage additional resources for housing programs
- Convene stakeholders to develop political campaigns to institute permanent sources of public financing for affordable housing and development operations
- Work with the housing trust to champion social investment: lower cost loans, credit enhancement, distributed risk pools that spread potential risk out to ultimately lower cost and risk

Next Steps

Silicon Valley Community Foundation staff is reviewing and analyzing content from all nine strategic conversations, alongside results from a community survey and comprehensive review of local studies, to provide recommendations for the Board of Directors to consider in determining future community impact work. These recommendations will encompass the variety of ways in which the community foundation can achieve impact, including grantmaking, initiatives, convening, research, donor engagement and policy/advocacy efforts.

For more information, to download the issue brief for the conversation or archived webcast presentation of the keynote address, please visit our website at www.siliconvalleycf.org. You can also email questions, comments or suggestions to Charu Seth, administrative assistant at cseth@siliconvalleycf.org.