



# Organizing Statewide and Regional Coalitions

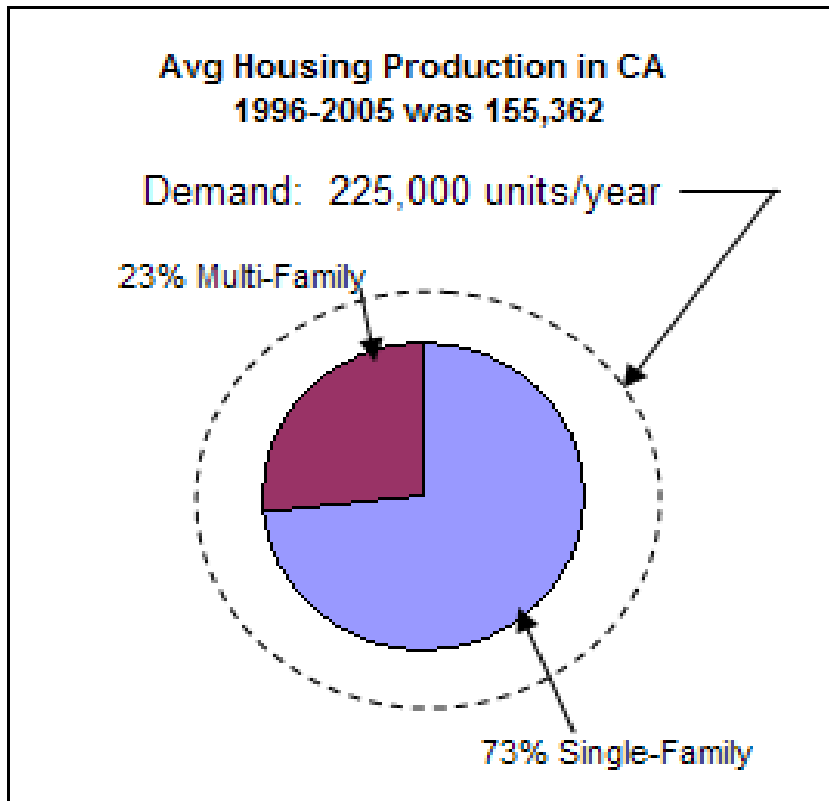
Solutions for Working Families

NATIONAL HOUSING CONFERENCE/CENTER FOR HOUSING POLICY  
2009 Learning Conference – Chicago – June 28, 2009

Jeff Loustau



# Goal: To Expand the Supply of Affordable Housing in California...



*California's population is increasing by 500,000 people annually...*



# ...meeting the challenge

## Production Impediments

- land costs
- construction costs
- contentious land use

## **INFRASTRUCTURE INVESTMENT**

## Investment Benefits

- maximize land utility – reuse fallow sites close to jobs and transportation
- address key dev't cost hurdles – utilities, transportation linkages, replacement parking
- improve CEQA performance – incentivize density, mixed-use/mixed-income, sustainable development patterns



# The Art of Political Compromise

## ...via Legislation

- Democrats & Republicans polarized
- Vision constrained by term limits
- 2/3's approval required on fiscal matters

## ...via Referendum

- \$10-20MM min. to gather signatures, run campaign
- State Attorney General controls ballot language
- Special interests shape message



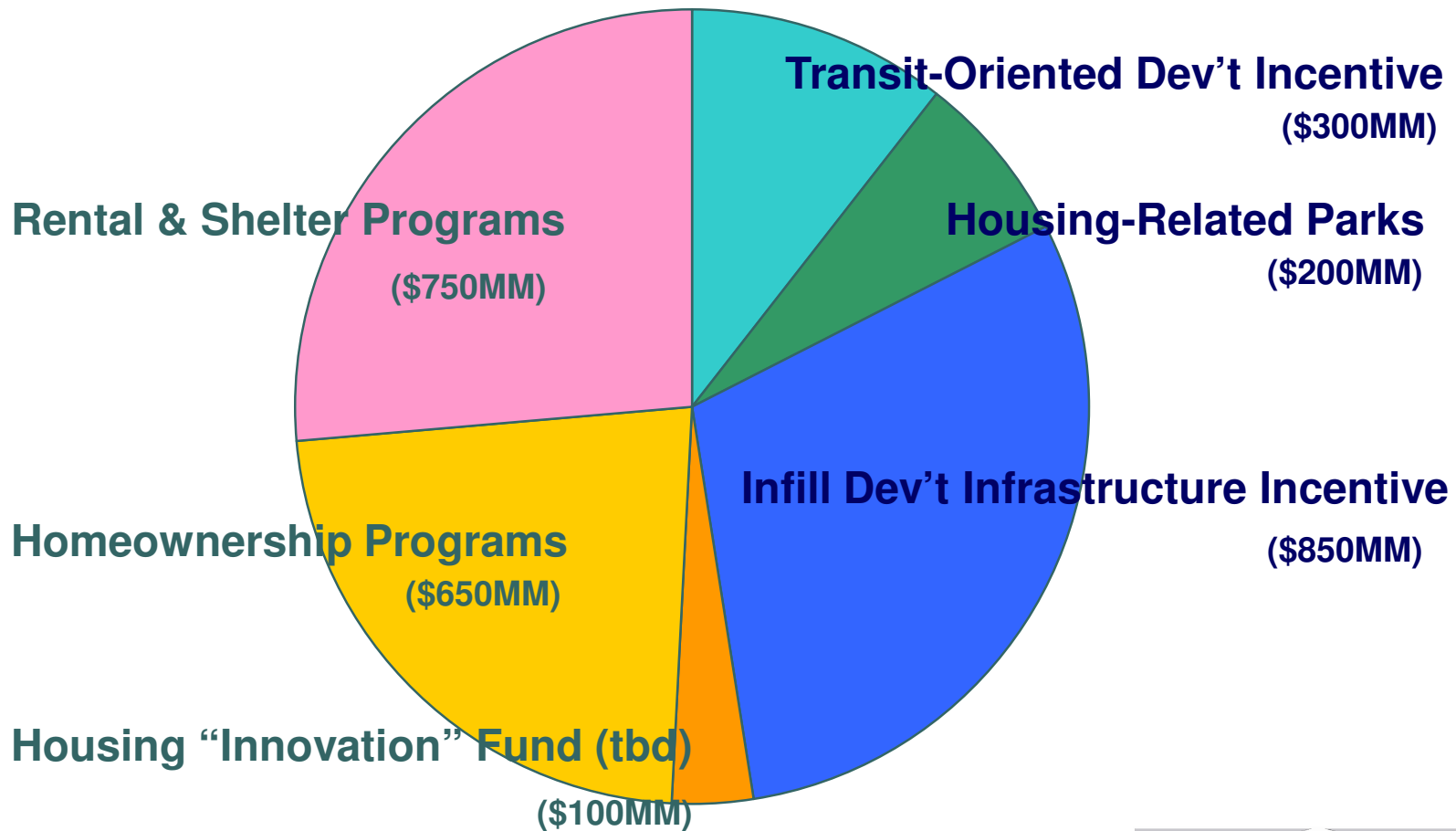
## INVESTMENT IN CALIFORNIA'S INFRASTRUCTURE

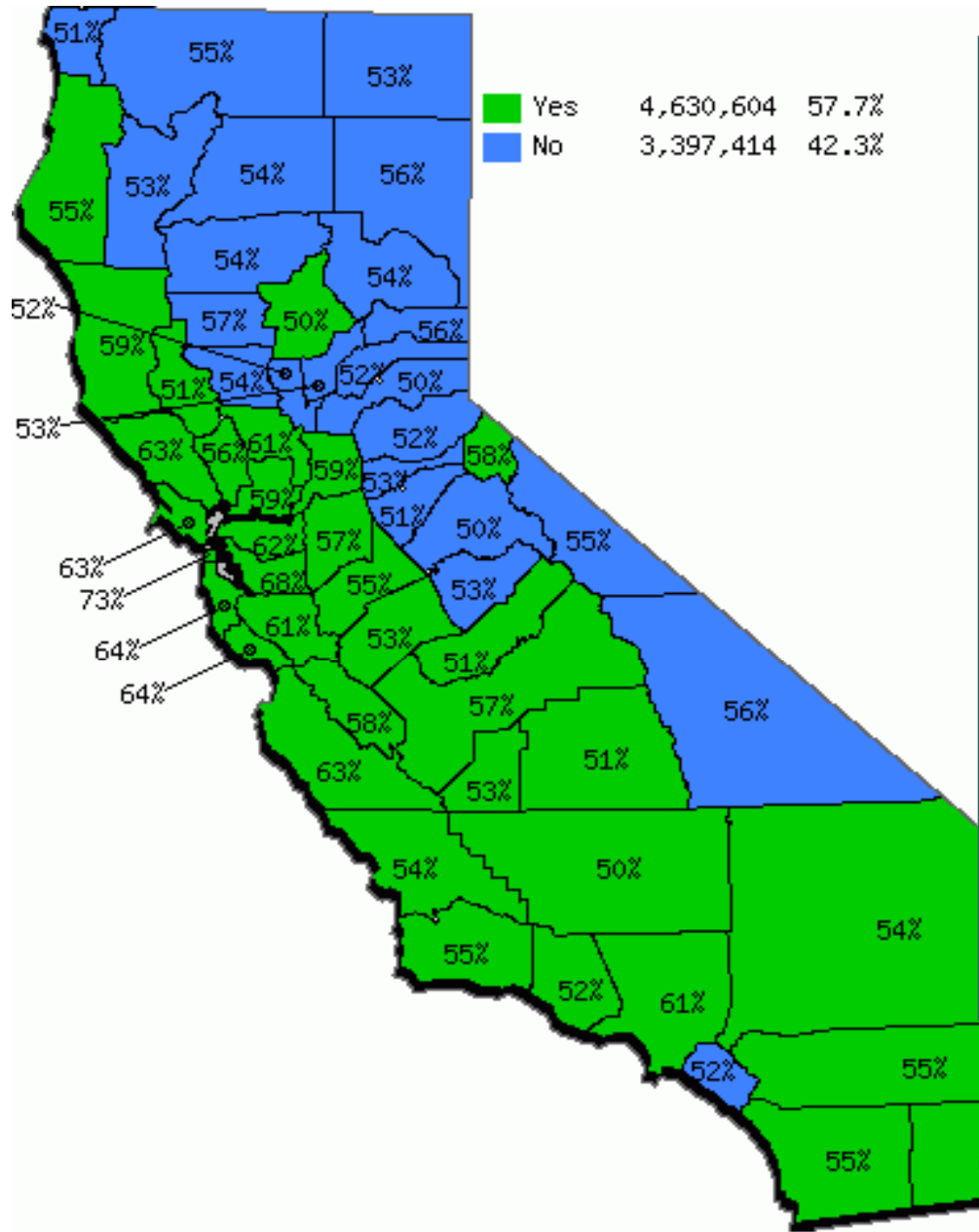
“Protect the California Dream Tour” – June-October 2006

- |   |                    |
|---|--------------------|
| • 1A – TRANSPORTATION -- Protect Gas Tax                | \$5 billion        |
| • 1B – TRANSPORTATION – Hwy Constr/Port Security        | \$20 billion       |
| • 1C – HOUSING – Affordable Rental, Ownership Programs  | \$3 billion        |
| • 1D – EDUCATION – Expand K-12, Colleges & Universities | \$10 billion       |
| • 1E – WATER – Storage, Flood Control                   | <u>\$4 billion</u> |
|   | \$42 billion       |



# CA Prop 1C Breakdown – 2006





# 1C Yes

Housing for those in need














- A summary of the voting results:
- 55.6% of electorate turned out
  - Democrats supported 69-31%
  - Independents supported 57-43%
  - Republicans opposed 60-40%
  - (7) counties previously against Prop 46 in 2002 now support 1C
  - Of the (23) counties against 1C, opposition less than 1,000 votes in all but (6)



*Successful housing initiatives require a broad coalition of stakeholder groups...*

- Housing Advocates
- Government Entities
- Transportation Advocates
- Environmentalists
- Business
- Labor
- Homebuilders
- Realtors

# CALIFORNIA'S PROP 1C COALITION -- 2006

Housing Advocates	Government Entities	Transportation Advocates	Environmentalists
      	  		 
Business	Labor	Homebuilders	Realtors
 	 		

Prop 1C's Winning Strategy: appealing to the voters' sense of compassion...

## Proposition 1C









### Emergency Shelters & Affordable Homes for Californians in Need

Today in California, too many of our most vulnerable community members cannot find housing and shelter. Battered women and children, homeless families, and veterans all need a solution.

Proposition 1C provides an answer. Without raising taxes, Prop 1C will bring housing and shelter to the Californians who need it most.

**Proposition 1C will:**

- Expand the number of shelter beds for battered women and homeless families with children
- Provide stable homes for homeless foster youth
- Provide clean, safe homes for seniors and low-income families
- Help working families afford homes
- Create 87,000 new jobs
- Be funded out of existing state resources **without raising taxes**



**INDEPENDENT AUDITS AND ACCOUNTABILITY**

"This measure requires independent audits, limits administrative expenses, and contains strict accountability provisions to ensure the funds are used as promised."

— CALIFORNIA CHAMBER OF COMMERCE

**HELP FOR BATTERED WOMEN**

"Most cities in California don't have adequate shelters for women and children who have been beaten and abused. Proposition 1C begins to fix this bad situation."

— CA STATE FIREFIGHTERS ASSOCIATION

**HOMES FOR FOSTER YOUTH**

"Tragically, 65% of foster youth are at risk of homelessness on the day they leave foster care. Proposition 1C will help them find stable homes."

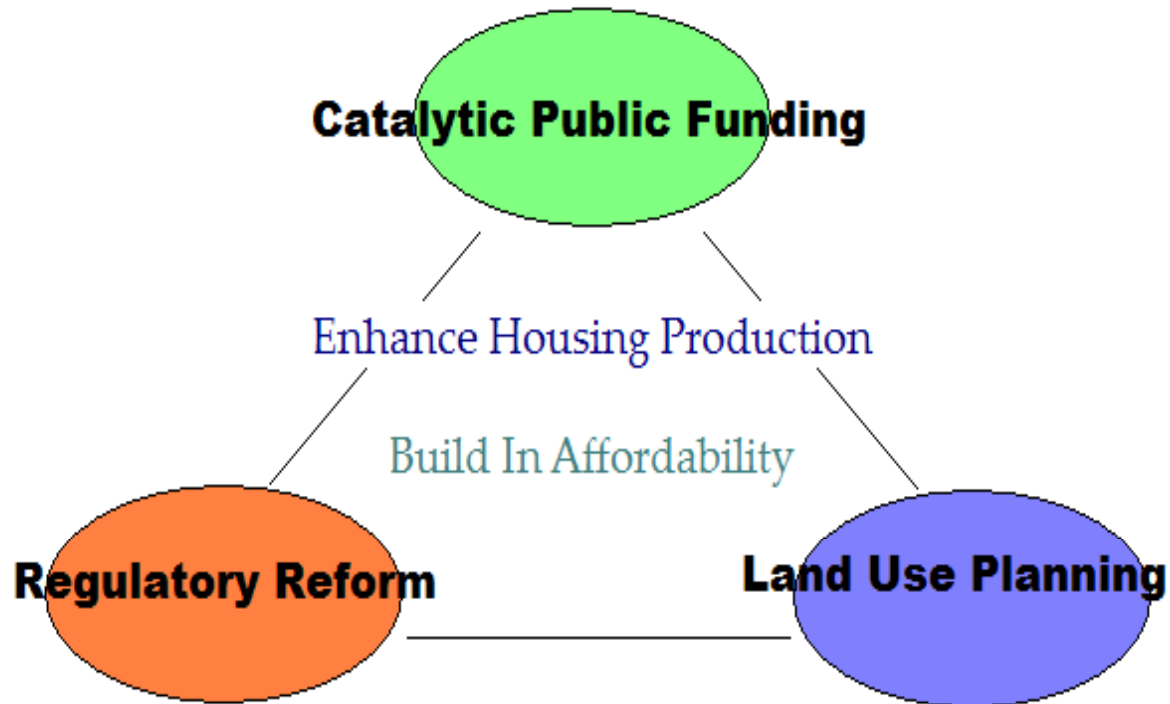
— ALAMEDA COUNTY FOSTER YOUTH ALLIANCE

**SHELTER FOR THOSE IN NEED**

"Proposition 1C will provide shelter for those who need help the most—battered women, homeless families with children, and seniors with disabilities."

— HABITAT FOR HUMANITY, SACRAMENTO

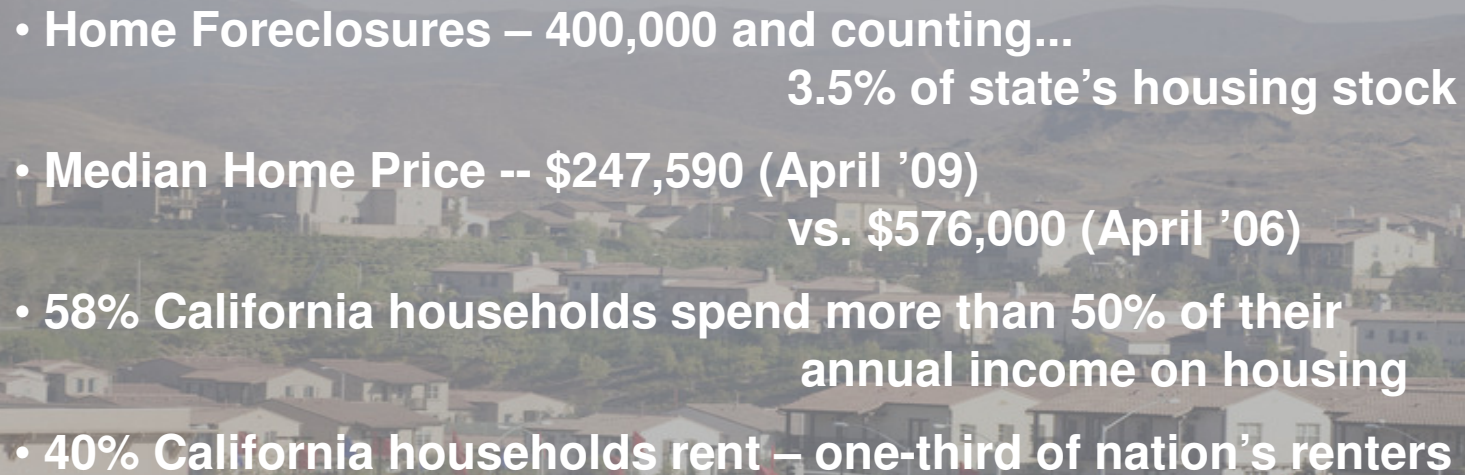
*Nurturing interest & investment from diverse stakeholders is critical...*



<p><b>SB375</b> <b>Steinberg</b> <b>2008</b></p>	<ul style="list-style-type: none"><li>• <u>Sustainable Development</u>: expanded statutory exemption for in-fill housing, land planning to incorporate reduced carbon targets;</li><li>• <u>8-yr synchronized cycle</u>: regional transportation planning, local land use planning, statewide housing element process</li></ul>
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# CALIFORNIA'S SB 375 COALITION – 2008

Housing Advocates	Government Entities	Transportation Advocates	Environmentalists
      	     	   	    
Business	Labor	Homebuilders	Realtors
			

- 
- Home Foreclosures – 400,000 and counting...  
3.5% of state's housing stock
  - Median Home Price -- \$247,590 (April '09)  
vs. \$576,000 (April '06)
  - 58% California households spend more than 50% of their  
annual income on housing
  - 40% California households rent – one-third of nation's renters

## **CALIFORNIA IN CRISIS – 2009**

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- California budget deficit \$28 billion through June 2010
  - California credit rating plunges in 2008 – no general  
obligation bonds issued for 9 months
  - California issues \$6.5 billion tax-exempt bonds in March  
'09, \$6.85 billion taxable bonds in April '09
  - Of \$13 billion issued only \$540MM for affordable housing –  
to begin to make good on \$800MM in Prop 1C '08 awards



# Holy Grail: Permanent Source of Catalytic Public Funding

- Document Recording Fee  
*+ \$50 fee per recorded document could net \$642MM annually*
- Transient Hotel Occupancy Tax  
*+ a 3% statewide tax could generate nearly \$300MM annually*
- Sales Tax Measures  
*+ increase 7.25% by .002-.005; local measures may dampen appeal*
- Lower CA Mortgage Interest Deduction;  
*+ reduce \$1MM cap to \$500k = \$370MM raised; to \$700k = \$220MM*
- Property Tax Levy  
*+ small additional assessment would have to be approved locally*
- Commercial Linkage Fees  
*+ viable in certain urban jurisdictions only; Chamber opposition likely*

# CALIFORNIA HOUSING TRUST FUND COALITION – a wish list...

Housing Advocates	Government Entities	Transportation Advocates	Environmentalists
      	      	      	    
Business	Labor	Homebuilders	Realtors
     	   	  	   



# Out of challenges, opportunities...

CA Constitutional Convention?

55% Majority = Functional Gov't

Land Use/Regulatory Reform?

Transit Link = Sustainable Growth

Housing as Infrastructure?

Jobs Link = Renewed Community

Dedicated Revenue Source?

\$1 billion/year = 75,000 units

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