Alameda County

10-Year Housing Plan

2025-2035

Alameda County Housing & Community Development Department

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Alameda County Health Committee

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Executive Summary

Due to historic patterns of investment from all levels of government, discriminatory practices baked into the market, and nationwide market forces, Alameda County is facing a severe housing crisis. While this housing crisis is experienced locally, there is also regional, statewide and national housing issues occurring simultaneously, elevating the housing issues to a crisis across the nation. ***Alameda County needs 92,833 new units of affordable housing for low-income households and 2,200 new shelter beds for a healthy housing ecosystem.***

Goal	New Affordable Units Needed	Capital Cost Estimate
Ending Homelessness	17,455	$5.05bn
Meeting RHNA Obligations	37,197	$10.75bn
Alleviating Severe Cost Burden	38,181	$11.04bn
Total Goal	**92,833**	**$26.8bn**

This Plan accounts for the root causes of the current crisis, and how it manifests today as persistent homelessness and cost-burden among lower-income residents, to craft a framework for response to this issue on a countywide scale. It is informed by community input and organized to reflect the following priorities:

1) Address Homelessness and the Risk of Homelessness
2) Build More Affordable Housing
3) Preserve Affordable Housing
4) Stabilize Families in Crisis and Protect Tenants
5) Promote Equity and Prevent Displacement
6) Expand Developer Pool and Create New Opportunities for Emerging Developers
7) Investigate Sustainable Funding Modes for Affordable Housing

Section I frames the crisis as a whole and HCD's role within it as the arm of County government best suited to provide affordable housing. Section II goes deeper into the context of the crisis including the history of racist housing practices, the financing environment for housing, and the impact of government action. This section also defines and quantifies our housing ecosystem, with a focus on how well households in that ecosystem can afford their housing and the impacts of housing instability or loss of housing on those households. This measure is used to quantify the need for investment by public sources to address housing instability, overly high housing costs, and homelessness for vulnerable populations.

Section III discusses the methodology used to construct this plan including the community input process used to gather feedback. Finally, Section IV outlines the action plan proposed based on the framework of need and discusses next steps.

Section I – Introduction

Chapter 1 - Purpose and Framing

Alameda County's Housing Crisis

A housing crisis exists across the nation, the state, in the nine-county Bay Area, and specifically here in Alameda County. As described in the California Department of Housing and Community Development's 2022 Statewide Housing Plan, A Home for Every Californian, California's housing production has failed to meet the demands of its growth every year but one for the past 40 years. This housing crisis, years in the making, impacts all Californians but disproportionately affects our most vulnerable and low-income community members in high-cost areas such as the Bay Area and Alameda County.

Figure 1 - New Permitted Units in California by Year and Structure Type

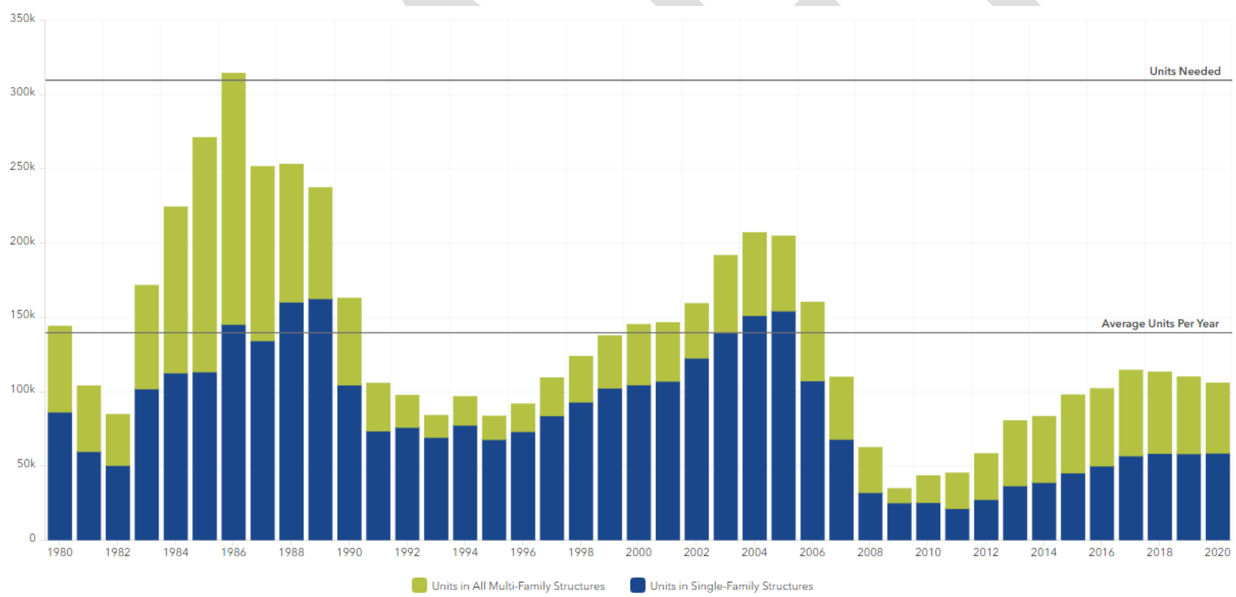


Figure 1 shows that historically, housing production in California has been cyclical following patterns of economic growth and downturns and that except for a brief period in the mid-1980's, California has never come close to producing enough housing annually to keep up with demand. Following the Great Recession in 2008 – 2009, in which the housing sector was especially hard hit, housing production nosedived to its lowest point in over 30 years.

In addition to a lack of sufficient housing production, Alameda County also faces a crisis of housing affordability. Whether measured by growing numbers of unhoused persons, sharply rising rents, or increasingly unaffordable ownership housing, demand for housing throughout Alameda County outstrips available affordable supply, severely impacting residents' lives. Since

2000, the County's population rose (from 1,450,086 to 1,622,188) and median income increased dramatically (from $67,600 to $147,900).

Figure 2, shows the 2023 income classification metric analysts use to understand income distribution and manage housing programs, known as Area Median Income, or AMI. Despite the increase in median wages, the number of households classified as very low- or extremely low-income (below $73,490 annually for a family of four) increased during the same period, reflecting relative stagnation of wages and subsistence benefits. Simultaneously, total housing production has fallen behind, particularly subsidized affordable housing for lower-wage workers and vulnerable populations. The result has been a dramatic increase in cost burden on vulnerable County residents leading to negative outcomes including, but not limited to, homelessness. These negative impacts are intrinsically linked to and exacerbated by past and current systems of discrimination.

Figure 2 – 2023 Alameda County Area Median Income by Household Size

	Number of Persons in Household:	1	2	3	4	5	6	7	8
Alameda County Area Median Income: $147,900	Acutely Low	15550	17750	20000	22200	24000	25750	27550	29300
	Extremely Low	31050	35500	39950	44350	47900	51450	55000	58550
	Very Low Income	51800	59200	66600	73950	79900	85800	91700	97650
	Low Income	78550	89750	100950	112150	121150	130100	139100	148050
	Median Income	103550	118300	133100	**147900**	159750	171550	183400	195250
	Moderate Income	124250	142000	159750	177500	191700	205900	220100	234300

A 10-Year Strategy to Turn the Tide

The Alameda County Community Development Agency's Housing and Community Development Department ("HCD") has prepared this Countywide 10-Year Housing Plan ("Housing Plan" or "Plan") as a realistic appraisal of Alameda County's housing ecosystem and a comprehensive forward-looking countywide plan to guide future programs and investments through 2035.

The Housing Plan lays out the unmet housing needs of Alameda County's residents who are unable to compete in the market economy due to their lower income, synthesizes and harmonizes existing housing and community development policies, presents the findings of HCD's 2023-24 countywide community engagement process, plans for resources needed to meet housing needs for all Alameda County residents and evaluates the regulatory and financing landscape for affordable housing.

Ultimately, the Plan presents the capital funding estimates necessary to create the full range of low-income housing units needed and includes associated resources, such as operating subsidy, needed to allow our most vulnerable residents to remain stably housed. The Plan also recommends a set of priorities to guide future investments and resources in housing solutions that meet the diverse needs of Alameda County cities and residents for the coming decade.

The Plan builds on AC Vision 2026, Plan Bay Area 2050, which aligns regional transportation planning with land use and housing, and with the Committee to House the Bay Area (CASA)'s

Three "P" Framework. This framework identifies a three-pronged approach to address the region's housing crisis:

1. **Produce** enough housing for residents at income levels that the market does not support;
2. **Preserve** the affordable housing that already exists; and
3. **Protect** current residents from displacement and homelessness where neighborhoods are changing rapidly.

While the largest part of this plan is devoted to production efforts—due to HCD's unique responsibility for this strategy and the primacy of production to reducing scarcity and high costs—preservation and protection must be pursued in parallel, especially in the shorter term. The Action Plan in Chapter 8 includes policies from each approach.

The Housing Plan is also aligned with County policies and practices that promote equitable outcomes for communities marginalized by historically rooted systems of neglect and oppression so that all people can thrive. This can be seen in the disparate housing outcomes in Alameda County, where Black and Brown households are less likely to own a home and are more likely to experience homelessness than White and Asian households. According to the Alameda County Continuum of Care (CoC) report on Centering Racial Equity in Homeless Response System Design, Black and Indigenous people experience homelessness at a rate four times higher than in Alameda County's general population.

The Housing Plan builds on the existing policies and analysis that HCD has been continuously implementing, such as the countywide 2020 Regional Analysis of Impediments to Fair Housing and Measure A1 Rental Housing Implementation Policies, which prioritize anti-displacement and anti-homelessness strategies and housing for special needs populations. Building on this existing work and guided by the draft racial equity principles developed by EveryOne Home, the Oakland-Berkeley-Alameda County Continuum of Care, (CoC) the Housing Plan summarizes these existing policies and programs, placing them within the framework of the CoC racial equity principles.

The Housing Plan incorporates the 14 cities' Housing Element data and programs, and staff incorporated feedback from city housing staff at the bi-monthly meetings held with all housing staff in the county. This plan also considers the Housing Elements of each city in the County, and their distinct housing ecosystems.

Beginning in October 2023, HCD began a process of public engagement and community outreach following the completion of the County-wide Housing Needs Assessment. HCD conducted public meetings throughout the County and in every supervisorial district, gathering feedback from a wide range of stakeholders and constituents. That feedback is detailed in Chapter 9.

Finally, HCD worked in partnership with Alameda County Health's Housing and Homelessness Services (H&H), consulted the [Home Together Plan](), and incorporated housing outcomes from the Care First, Jails Last task force recommendations when drafting this plan. In addition, this Plan references reports and data from multiple sources, which are referenced throughout the document, and summarized in the appendices.

Unmet Housing Needs

Alameda County needs 92,833 new units of affordable housing for low-income households and 2,200 new shelter beds for a healthy housing ecosystem.

'Housing ecosystem' refers to the full range of housing available to residents. The unmet housing need demonstrates the scale and scope of the issue in the County. As the general market is unable to respond to the needs of low-income residents and focusses primarily on market rate housing production, it is incumbent on government and its partners to provide the resources and subsidy needed to produce this housing. Unfortunately, there are insufficient resources currently available to address this housing need. This housing problem is not Alameda County's alone, it is one that all local governments are facing. For context, by one estimate prepared by the UCLA Lewis Center for Regional Policy Studies, the Bay Area as a whole needs around 700,000 new units, while the Governor's goal targets building at least 3.5 million new homes to address the statewide issue.

To better present the scale of need and activities discussed in this plan, this Plan uses three separate scopes to present the production housing need; the number of units needed to end homelessness as presented in the Home Together Plan; the total number of units that jurisdictions within the County are required to zone for under the State's Regional Housing Needs Allocation (RHNA); and finally, the remaining number of units that are needed to assist the severely cost-burdened low-income County residents. Altogether, these three scopes total a need for 92,833 new housing units for low-income households. These production scopes present a sequential roadmap leading from addressing homelessness, through meeting Alameda County's RHNA goals, to addressing the severe housing cost burden weighing on our most vulnerable residents:

1. *Ending homelessness* – 17,455 units for acutely low-income (0-15% AMI) and 2,200 new Homeless Shelter beds (Home Together plan) plus ongoing operations subsidy to support these households once housed.
    a. 4,195 Permanent Supportive Housing (PSH)
    b. 3,190 PSH for medically frail individuals
    c. 10,070 dedicated affordable units (0-20% AMI) plus ongoing operations subsidy
    d. 2,200 New shelter/interim housing beds
2. *RHNA Low-Income Units* – 37,197 units total
    a. 15,960 extremely low-income units (0-30% AMI) plus ongoing operations subsidy
    b. 7,646 very low-income units (31-50% AMI)

    c. 13,591 low-income units (51-80% AMI)
3. *Severely Cost Burdened* – 38,181 additional units total
    a. 28,878 extremely low-income units (0-30% AMI overlap with above) plus ongoing operations subsidy
    b. 13,834 very low-income units (31-50% AMI)

Total Needs: 92,833 new affordable units and 2,200 new shelter beds

The total number of new housing units needed was established through analysis of the Comprehensive Housing Affordability Strategy (CHAS) database housing cost burden statistics for 2015 - 2019 in Alameda County in tandem with RHNA and Home Together scopes.

- The CHAS database draws from the American Community Survey (ACS) 5-year estimates collected by the US Census Bureau on a sample of the American population. The CHAS data demonstrate the extent of housing problems and housing needs across American communities, and their primary purpose is to assess the number of households in need of housing assistance. This report uses CHAS data from the 2015 – 2019 ACS.
- The Home Together Plan was adopted by the Board of Supervisors on May 10, 2022. It lays out a five-year plan to end homelessness and identifies the costs of services needed to have an impact on the growing population of unhoused individuals and families in our community. The Home Together plan identifies the number of housing options needed but does not include the capital costs of developing the units needed. This Housing Plan includes those costs.
- Every community in California is required by law to plan for its share of the region's housing needs allocation ("RHNA") through the adoption and certification of a Housing Element of the General Plan. The planning horizon for the 6th and current Housing Element cycle extends through 2031. While the number of units is set by the RHNA process, the cost of developing low-income housing is not included in local government's Housing Elements as the purpose of the Housing Element process is to create the regulatory systems that provide opportunities for private market housing development. As discussed later in this Plan, the private market has not historically created housing for lower-income and vulnerable populations without a public subsidy. This Housing Plan encompasses the number of low-income units and lays out the costs to help create synergy with communities across Alameda County as each jurisdiction strives to meet their RHNA goals.

The Housing Plan extends beyond the State's 7-year Housing Element cycle and presents capital investment needs, operation needs to support ELI households, and programmatic priorities to regenerate our housing ecosystem by addressing housing needs and homelessness through the production and preservation of affordable housing and the protection of residents vulnerable to displacement.

Alameda County Housing Ecosystem

This Plans uses the term 'housing ecosystem' to refer to the current range of housing and shelter choices available to all residents, both market rate and publicly supported. Some housing options are healthy and sustainable – providing an affordable option that meet the needs of a given household for shelter, space, access to employment, and accommodation for health and lifestyle needs. Some housing situations are unhealthy and unsustainable –paying more than one can afford for housing, temporarily doubling-up with relatives or friends, living with the threat of domestic abuse, staying at a homeless shelter, living in a vehicle, or living on the street.

The range of housing ecosystem options reflects the range of incomes in our community, with market rate homeownership available to top earners, then shifts to rental housing, publicly subsidized housing, and finally, temporary shelter and interim housing options for those in emergency situations. Living on the street is never a sufficient housing situation. To maintain the health and stability of our communities, sufficient housing options should exist for the current needs of Alameda County's residents at all income levels. When these housing resources do not exist at the scale needed, the housing ecosystem is unhealthy, leading to a range of negative outcomes for the unhoused, renters, homeowners, and prospective homebuyers.

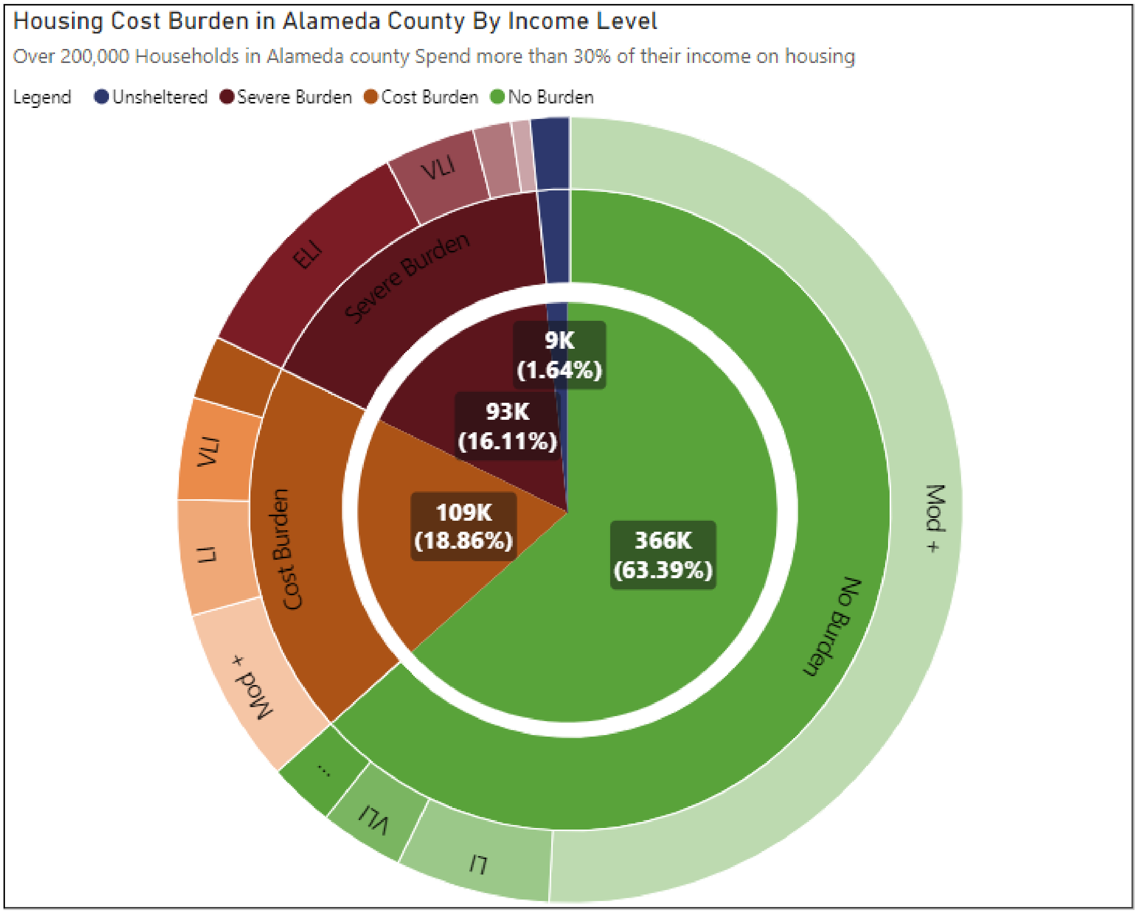
A functional housing ecosystem includes a mix of units adequate for each household's needs (health, safety, economic access) at a monthly payment around 1/3 of that household's monthly income, the current federal standard for housing affordability. When one part of the ecosystem is underdeveloped, it shifts the burden and demand to other segments of the ecosystem, making housing less affordable up and down the income ladder. Unfortunately, Alameda County's housing ecosystem is far from adequate for residents' needs. A primarily market driven production strategy has allowed the ecosystem to prioritize market rate and luxury construction. Nationwide, there has been a constant and accumulating gap between communities' growing need for new modestly priced units and actual production.

While Alameda County has seen an increase in production of market rate units since recovering from the Great Recession, those units are insufficient to meet the cumulative demand and are priced for above median-income households, making them financially inaccessible to the poorest third of county residents. Market rate producers necessarily seek the best return on their investments and, to the extent that the market will bear, price rents at a rate that will provide them with this return. As discussed later in this Plan, the private market has not historically created housing for lower-income and vulnerable populations without a public subsidy. Taken as a whole, housing production in Alameda County has not kept pace with demand, and when housing production is further broken down by household income level, the housing production gap for lower-income housing is especially acute.

In Alameda County's housing market, there has also been no evidence of 'filtering', shifting demand by higher income households from older housing stock to newer stock, which might lower costs of the older housing stock indirectly. Instead, the last decade has been marked by the opposite phenomenon, gentrification, where increasing rents in previously low-cost areas leads to displacement of low-income residents. According to the displacement risk model published by UC Berkeley's Urban Displacement Project in 2022, around 40% of census tracts in Alameda County were at some risk of displacement as of 2019, largely in the urban core of the County (see Chapter 4). Low-Income households must compromise their health, their safety, their access to opportunity, and their budgets. Low-Income households' options are further limited by family circumstances (income, age, other needs around children, work, having mental health, disabilities or other health needs) and limited by what the market does or does not provide. The result is a dysfunctional housing ecosystem where many households are left to choose from housing options that are not adequate to their needs, and some cannot find any housing at all. These conditions do not support safe and secure communities or a thriving and resilient population.

Alameda County's housing ecosystem is represented in Figure 2 below. While 63% of County households are living in housing that is affordable at their income level (including low-income residents who are living in either publicly subsidized affordable housing, who have access to housing vouchers or naturally occurring affordable housing), approximately 37% are not. Almost 19% are paying more than 30% of their income for rent (109,000 households) and an additional 16% (93,000 households) are paying more than 50% of their income on housing. Finally, 2% of our households are homeless.

Figure 2 – Housing Cost Burden in Alameda County by Income Level



The outer ring of the pie chart above includes the income levels of the households each section represents. The green section represents those households that are paying an appropriate amount of their monthly income for their housing costs (63% of households) with the outer ring denoting the AMI category of those households (ELI, VLI, LI, or Mod+). The light brown section represents the households paying between 30% and 50% of their income on housing costs (19% of households). The darker portion represents those households that are paying more than 50% of their income on housing costs (16% of Households). The dark blue section represents those who were not housed as of the 2024 Point In Time Count (2% of households). This 10-Year Housing Plan explores what it would take to support all the low-income households represented above. This County-wide chart will be referenced throughout the plan. See Appendix B for graphics that demonstrates the same information on a city-by-city basis.

Disparate Impacts of Systemic Discrimination

The data collected in the last decade reveal persistent issues such as increased segregation, notable disparities in homeownership rates among different racial groups, and significant challenges in housing affordability and availability. The community feedback specifically highlighted the challenges of staying housed and looking for affordable housing options. These insights have been pivotal in identifying the primary fair housing issues within the county, which include the displacement of residents due to economic pressures, the concentration of poverty in certain racial and ethnic communities, and the lack of affordable housing in areas with access to opportunity (2020 Regional Analysis of Impediments to Fair Housing).

The impact of historical housing discrimination in Alameda County disproportionately affects Black, Native American and Latino residents, who are among the most marginalized and vulnerable populations in our community. Historical systemic discriminatory housing policies such as the G.I. Bill and other redlining practices have perpetuated inequalities and hindered these communities' access to affordable and stable housing (2023 Measure A1 Report). Factors such as rent burdens, lack of affordable housing options, and limited access to resources have further exacerbated housing disparities for Black, Native American, and Latino residents.

Data on homeownership (HCD Housing Needs Assessment) shows how racial injustice was deeply integrated into the implementation of resources that was supposed to help all Americans achieve wealth equity in buying a home. Addressing these inequities through targeted interventions and policies is essential to rectifying the injustices faced by these communities and promoting housing equity for all. The Metropolitan Transportation Commission’s (MTC) Equity Priority Communities mapping project identifies areas where communities of color are disproportionately underserved with major barriers to accessing high quality housing, transportation, and services. Using this data to target and drive the County’s investments and resources, along with future assessments to measure impact, helps to leverage additional funds to make a bigger impact for those most marginalized residents.

The Housing Plan includes further implementation strategies to identify and address existing disparities including collecting disaggregated data and utilizing equity metrics to measure outcomes; promoting community participation in shaping solutions that most impact them; targeting interventions to address root causes of disparate outcomes; and a process of continuous quality improvement to achieve equity.

Homelessness is a Housing Problem

While there are many reasons for each individual’s propensity to experience of homelessness, structural forces in the housing market - cost and unit scarcity - explain Alameda County’s high rate of homelessness relative to other areas of the country.

In the report Homelessness is a Housing Problem, researchers Gregg Colburn and Clayton Page compare the 100 largest US cities and counties to examine what population level factors are correlated with high rates of homelessness. Their research convincingly demonstrates that high housing costs and low unit availability are the primary factors correlated with high rates of homelessness.

On an individual level, factors frequently cited as drivers of homelessness such as mental health and substance use disorder can make a person or household more susceptible to homelessness. However, these individual level risk factors need to be understood and addressed in the context of a housing market that is the true root cause of widespread homelessness in our community. Individuals struggling with mental health and substance use disorders can be found throughout the United States at significantly higher rates than in Alameda County and yet homelessness is far less common in these communities because housing prices are lower. The implication is clear, the most significant individual level risk factor for homelessness is living in a community with high housing costs and if rent levels were lower, there would be less homelessness.

This is demonstrated by the rapid increase in homelessness amongst people whose income is fixed, particularly seniors. Seniors are the single fastest growing group of unhoused persons. A June 2023 UCSF statewide study demonstrates that low income senior citizens' fixed incomes cannot keep pace with rising housing costs, particularly for those with medical health issues, and relates their growing rates of homelessness to the rising tide of housing costs. This is a population who, at high rates, are experiencing homelessness for the first time and who will not likely be able to increase their incomes through new opportunities or employment. The only solution to escalating rates of homelessness in this population is to increase the availability of housing that meets their distinctive needs and decrease the cost of that housing to levels that they can afford.

A Strong Housing Ecosystem Benefits the Entire Community

Systemic factors in our housing ecosystem create homelessness among at risk populations. Those with individual level risk factors such as mental heath and substance use disorders, justice involvement, victims of domestic violence, trafficked individuals, seniors, the permanently disabled, former foster youth, and permanently disabled persons are among those who suffer the most from high housing costs and are consequently overrepresented in the homeless population. Systemic changes to that ecosystem which lower costs will help alleviate pressure on those same populations. This connection is explored more fully in chapter 5, but research presented by Colburn and Page makes this connection clear. Evaluations of permanent supportive housing (PSH)—housing with long-term rental assistance and supportive services built in—have found that the model helps to promote housing stability and reduces the costs associated with hospital and institutional care across the spectrum. Permanent Supportive Housing as a Solution to Homelessness: The Critical Role of Long-Term Operating Subsidies demonstrates that the PSH model, which provides people with housing first, and then offers supportive services—including for mental health and substance use issues, as well as to support their personal development and financial well-being—has seen remarkable success in ending chronic homelessness, even among people facing significant barriers to housing security.

Individual level risk factors like substance abuse or mental health issues make it harder to maintain housing in a constrained housing ecosystem. At the same time, people cannot recover or move past addiction, mental health, or serious health care concerns without housing. "You cannot recover from a serious mental health issue while homeless" (Alameda County Cares First Jails Last Task Force Report). Our high-cost housing ecosystem compounds the difficulty and cost to them in terms of health, wellness, income, and stability.

Homelessness and housing instability also affect educational outcomes for school age children. Students' educational achievement is negatively associated with the experience of homelessness. Moreover, homelessness and high mobility are risk factors for lower achievement beyond that of poverty alone (Conditions and Outcomes of Homelessness Among California Students (2021), Learning Policy Institute). Stable housing is a key facilitator of academic success for students of all ages, and the lack of stable housing can create major disruptions to learning for students. Even a single eviction filing can have long-lasting effects for families and their children. Eviction filings have been found to decrease school attendance and this decline continues even up to two years after the initial filing. Frequent residence changes resulting from housing instability often result in frequent school changes that can make students less likely to complete high school on time and more likely to complete fewer years of school. (Housing Matters, Urban Institute).

These costs are borne by our community in the form of an overstressed emergency response system and high hospitalization and institutional care rates and poor educational outcomes for housing insecure youth. Apart from these concrete costs, prevalent homelessness also has a pervasive emotional impact as our community grapples with an ever-present and inescapable level of human suffering on our streets.

This Housing Plan is an actionable strategy that situates housing within the broader context of community well-being and self-determination, recognizing that housing, because of its link to the economic, social, and cultural well-being of a community is one of the key leverage points for systems change and social innovation that improve outcomes for those suffering and our community as a whole. In the action plan section of this document, specific programs are discussed which local government can invest in to have an impact.

Accomplishments

Addressing the scale of need in our housing ecosystem demands substantially more resources to ensure stable and affordable housing for the 37% of County households who are underserved by our housing market. Local government and mission-driven affordable housing developers are ready and able to apply additional funds to proven solutions and produce affordable housing at all income levels. As a community, Alameda County voters began to face this crisis in 2016 with the passage of the $580 million Measure A1 Property Tax Bond, passed with over 73% in support of the affordable housing investments.

Measure A1 exceeded its 3,800-unit production goal, financing the construction of more than 4,500 new affordable units. These new units provide housing options for people who need it the most in Alameda County: seniors, veterans, people with disabilities, people experiencing homelessness, and many in the workforce who we count on to deliver essential services. Measure A1 programs have helped people who struggle with housing costs, provided people experiencing homelessness and other vulnerable populations with long-term affordable housing, and helped families build and maintain wealth and financial stability through downpayment assistance.

MA1 Supported Housing Units (through FY 23-24)		
Program	**Income Group**	**Number of Units**
New Construction Affordable Housing	<80% - >20% AMI	2956
	<20% AMI	1221
Home Repair (AC Renew)	<80%AMI	86
Downpayment Assistance (AC Boost)	<120% AMI	234
Homeownership Construction	<80% AMI	10
Total		**4507**

The success of Measure A1 shows that with robust public investment and public private partnerships we can create housing opportunities for low- and moderate-income families and households across Alameda County. To meet Alameda County's housing needs now and going forward will require going above and beyond the investments in Measure A1 to support the 37% of Alameda County households that are housing cost-burdened or unhoused. Because the market and privately financed housing development are not meeting the needs of those households, significant public investment is needed to fill that gap.

Measure A1's impact can be measured both in terms of housing and investment in Alameda County's workforce. To date, Measure A1-funded projects have created over 2.7 million construction worker job hours, a number which will continue to grow as the last cohort of projects enters construction. This translates to the creation of over 20,000 total construction jobs created in the County on Measure A1 projects. The local hire goal was 30% of all job hours going to local Alameda County workers, which was exceeded by 11% (41% of all job hours filled by local workers). Measure A1 has helped ensure that these projects provide the opportunity to train the next generation of skilled workers, generating nearly 400,000 apprentice hours. Each of these jobs pays a prevailing wage, per Measure A1 standards, significantly raising the bar for construction job quality, resulting in the creation of over 20,000 construction jobs and over $219 million in subcontracts to over 120 local businesses. Over 5,300 of the construction jobs were filled with local Alameda County workers, and over 50 of the local subcontractors were small businesses.

Workforce Goals	Measured in Hours	Attainment
Prevailing Wage	All Projects	Goal met
Local Hire	30% of hours	41% of hours
Equity Priority Worker Hire	5% of hours	12% of hours
Business Goals	**Measured in Dollars**	**Attainment**
Local Contracting	25% of Measure A1 investment = $32.1 million for completed projects	$219,127,782 million in construction contracts awarded to 120 Alameda County businesses for these completed projects.
Small Local Contracting	20% of Measure A1 investment = $25.6 million for completed projects	Nearly $74.5 million was awarded in construction contracts to 52 Small Local businesses on completed projects

Even with these accomplishments, there is still much more to do to help solve the housing crisis and to meet the housing needs of Alameda County communities. To address this challenge and reverse the tide of growing cost burden and homelessness, Alameda County will need to invest in growing a county housing ecosystem that has a scale appropriate to the actual need, as quickly and efficiently as is feasible.

The Housing and Community Development Mission

HCD's mission is to support vulnerable residents in securing affordable, safe, and dignified housing in vibrant, diverse neighborhoods where all residents feel they belong. This is accomplished through collaboration and partnership with community-based organizations, other County agencies, philanthropic funders, and the cities within our County. The majority of HCD's funding programs are focused on low-income members of our community, and through program design and implementation, HCD focusses its efforts on supporting those whose voice is often not heard.

Figure 4 – Alameda County HCD Core Values

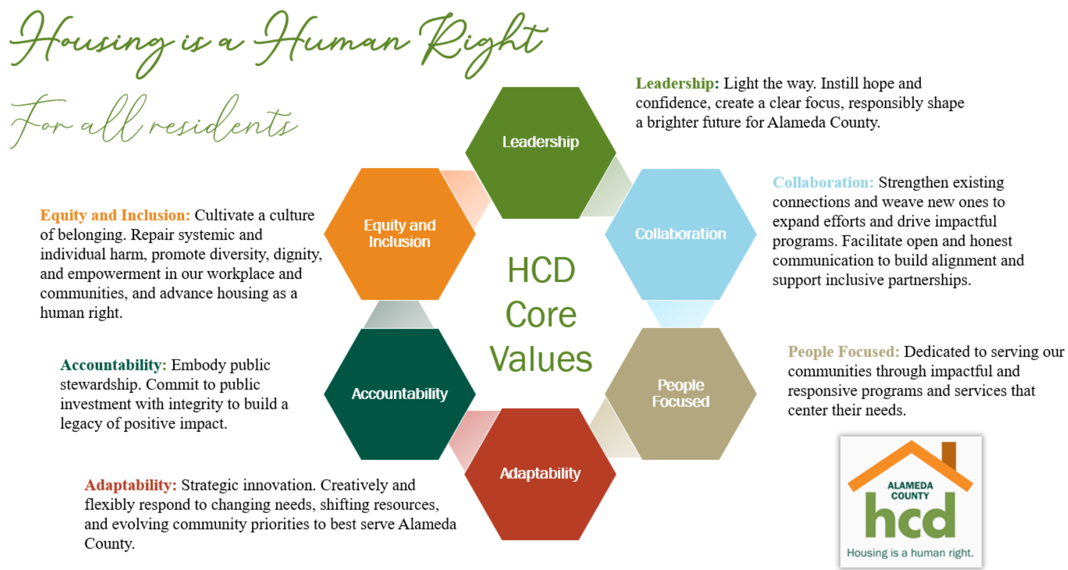


Figure 4 shows the core values that drive HCD's work toward creating a housing ecosystem in which everyone has access to an affordable home. In keeping with Visio n 2026, HCD envisions Alameda County as a community of opportunity, equity and well-being, providing its residents with affordable housing in vibrant neighborhoods, enabling residents to live healthy and thriving lives. HCD is committed to Alameda County's Vision 2026 foundational principles and to realizing the vision of safe and livable communities through the goal of eliminating homelessness.

HCD works towards this mission across Alameda County in several roles that vary depending on the context:

- HCD serves the County as a community development lender, providing and administering capital investments in new affordable housing construction, the preservation of existing affordable homes, and community infrastructure.
- HCD promotes access and investment in housing, prevents homelessness and displacement, protects residents' housing rights, reinvests in community facilities and infrastructure, and builds the capacity of our community institutions.
- HCD is a primary funder of countywide housing support programs designed to prevent displacement, prevent homelessness, and support housing stability.
- HCD is a County and regional leader capable of coordinating and facilitating efforts across county agencies and jurisdictions. This position provides the opportunity to innovate and pilot novel housing and community development programs and policies individual jurisdictions could not implement alone.

HCD provides institutional knowledge and capacity through staffs' experience and expertise, its connection to community networks, and its history to fulfilling numerous critical roles in support of Alameda County's housing system. The Department's knowledge of the housing ecosystem as critically informed by community stakeholders, allows it to design and target these programs to the areas of greatest need and impact.

High housing costs have created a crisis in Alameda County, impacting the economic well-being of every resident. This impact falls most sharply by those with the fewest resources, often precipitating devastating personal crises which reverberate throughout our communities. The following chapters of the Housing Plan explore what it means to address the issues, deploy public investment, and build a housing ecosystem that can meet our community's needs. Such an investment program will require expertise in residential development, asset management, community capacity building, and management of complementary programs. It will require community connection, compassion, and accountability. HCD's mission, values, and experience position it to administer that investment program efficiently, equitably, and effectively. Solving our complex housing crisis will be a team effort and HCD plans to do its part.

Section II – Context

Chapter 2 Rooting the Housing Strategy in Racial Equity

Households of color, especially Black households, are overrepresented among households facing housing challenges due to a persistent history of segregation, wealth inequality, discriminatory policy, and racism in both the private housing market and government.

Dispossession and Denial of Resources

The roots of housing discrimination, particularly as it affects Black, Native Americans, and Latinos, extend deep into the nation's history. The Ohlone people were the first inhabitants of Alameda County but were forcibly displaced to make room for settlement and urbanization, leading to the near destruction of this people by starvation, disease, slavery, attack, and denial of the resources they had come to rely on. California and the Bay Area were then occupied by Spanish and eventually Mexican settlers, many of whom were themselves forcibly displaced by white settlers when California declared its independence and was subsequently made a state. While some Black Americans were brought to California as slaves during the Gold Rush, the largest migration of Black Americans into California came during WWII. These new residents faced severe institutional and economic limitations on where they could live and their ability to purchase housing.

Redlining and Discrimination

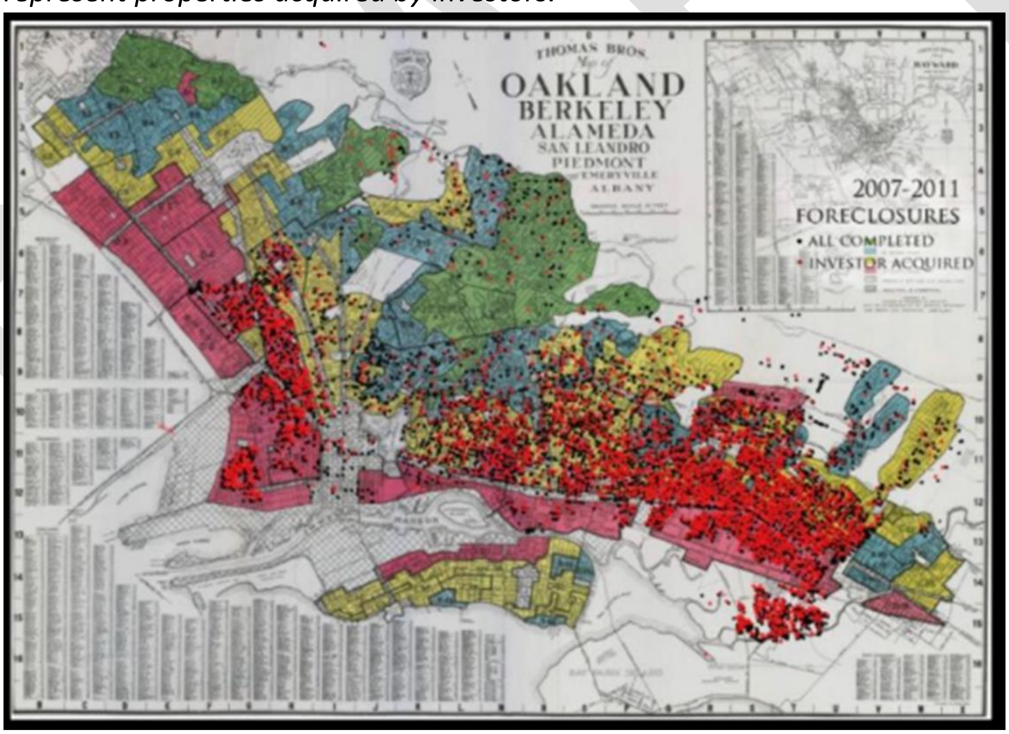
Eventually land grabs and outright violence gave way to slightly more subtle forms of discrimination. One of the most powerful and pernicious policies that shaped our current housing ecosystem was redlining, a practice pioneered by the Home Owners Loan Corporation (HOLC). The HOLC was a government agency created in the 1930's to prevent foreclosures during the Great Depression and expand opportunities for homeownership. Redlining coded neighborhoods of real estate by their level of "security." All-White neighborhoods were colored green and deemed to be the least risky, while nonwhite neighborhoods were colored red and deemed to be least desirable for financial investment, resulting in Black households being systematically denied home loans in many areas. Between 1934 and 1962, the federal government backed $120 billion in home loans—98% of which went to Whites *(The Possessive Investment in Whiteness*, George Lipsitz, 1998), effectively denying people of color the chance to gain generational wealth by buying a home.

Real estate agents also adopted practices like block busting—telling White homeowners that Blacks are moving into the neighborhood in order to get them to sell at a loss so that homes could be resold to Blacks at a profit—to further foster segregation. The Federal government further encouraged racial segregation and broke up nonwhite communities through urban renewal projects—which cleared out and “revitalized” predominantly Black and Brown neighborhoods to build highways or housing for white Americans—and targeted disinvestment in nonwhite urban centers. These policies devastated existing non-White communities through displacement, disinvestment and removal of core services in favor of suburban growth for higher-income white residents.

Lingering Effects of Housing Discrimination

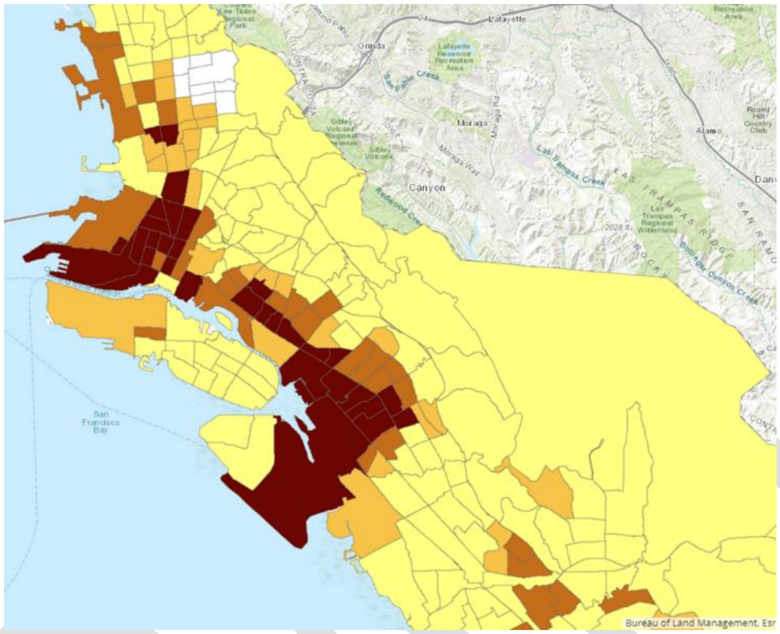
While these policies have largely ended, their effects are still strongly felt. Figure 5 below shows that in Oakland during the foreclosure crisis of 2007 – 2011, foreclosures were highest in communities that were historically redlined. Throughout East and West Oakland, these foreclosed properties were frequently acquired by investors, making this a massive transfer of wealth from predominantly Black and Hispanic households to corporate entities.

Figure 5 - 1930’s Map of Oakland Redlining
Black Dots represent 2007-2011 foreclosures.
Red Dots represent properties acquired by investors.



In Alameda County, persistent poverty—defined as 5 decades or more of a single census tract having high rates of poverty— is also highest in communities that were historically redlined. As Figure 6 below demonstrates, there is a strong correlation between the redlining practices that prevented many Black and Hispanic households from accessing homeownership in the 1940's to the neighborhoods that today are defined by long-term poverty.

Figure 6 – Persistent Poverty Census Tracts in Alameda County

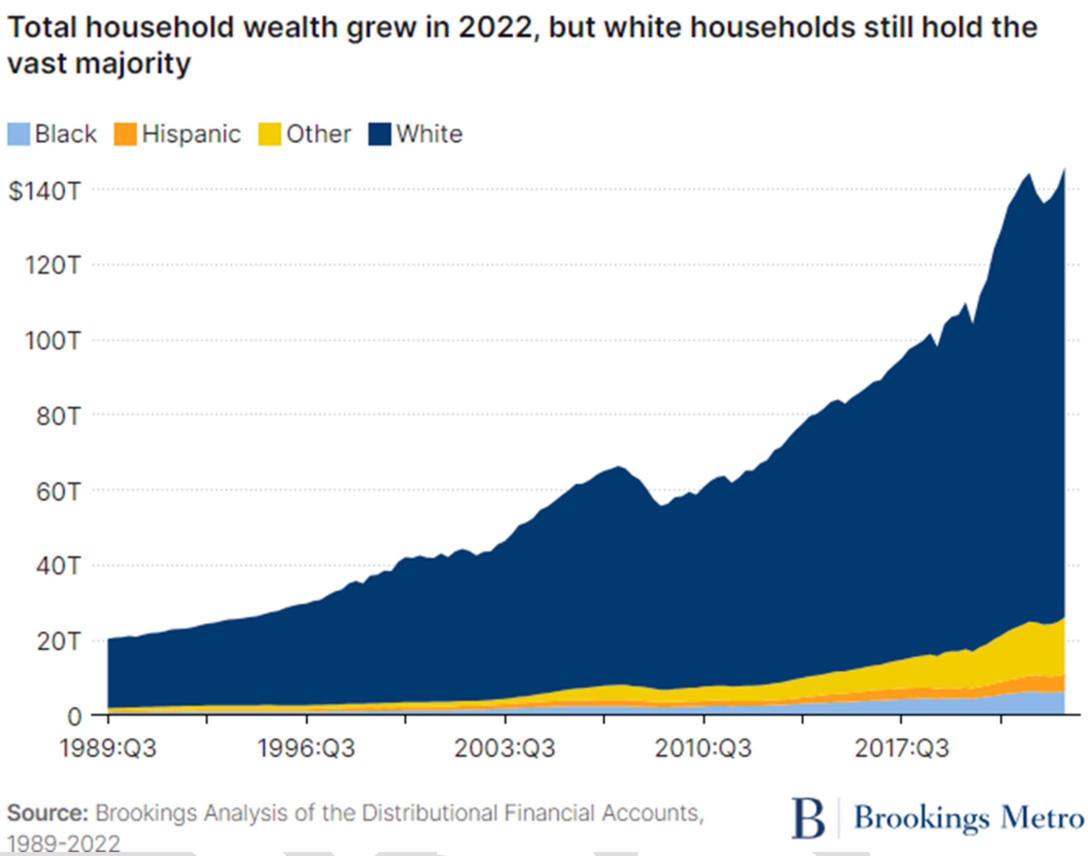


Historically, communities that have faced discrimination in the housing market have had higher rates of housing cost burden and severe housing cost burden. These patterns have been exacerbated in many ways over the last two decades as housing costs have increased dramatically across Alameda County. As of 2019, 75% of Black renter households in Alameda County were low-income, and 41% were extremely low-income. By comparison, only 44% of White renter households were low-income, and only 18% were extremely low-income. Further, while housing costs have increased across the board, homeowners, who, due to the legacy of segregationist policies like redlining, are whiter than renter households, routinely face lower rates of cost-burden and benefit from Federal tax relief in the Mortgage Interest Deduction program.

Unfortunately, this bifurcation in who owns homes shows no sign of reversing; overall, Black households have a homeownership rate of 46.4% compared to 75.8% of White families.[i] Compounding matters, homes in predominately Black neighborhoods across the country are valued at $48,000 less than predominately White neighborhoods for a cumulative loss in equity of approximately $156 billion nationwide.[ii]

Homeownership is one of the primary ways that households build wealth. Figure 7 below illustrates the wealth gap between White, Black, and Hispanic communities. Past discriminatory practices in the housing market reverberate today in the disparities in wealth accumulation for Black and Latino families.

Figure 7 – Total Household Wealth by Race, Nationwide



As with disparities in homeownership, there are significant racial disparities in who experiences homelessness in Alameda County. In the 2022 PIT Count, 48% of those surveyed identified as Black or African American, while only 9.9% of Alameda County residents are Black or African American. Similarly, while the overall number of Native American's experiencing homelessness is relatively small, there is a disproportionate number in comparison to their percent of the total county population. For more information on the [bi-annual point in time count](#).

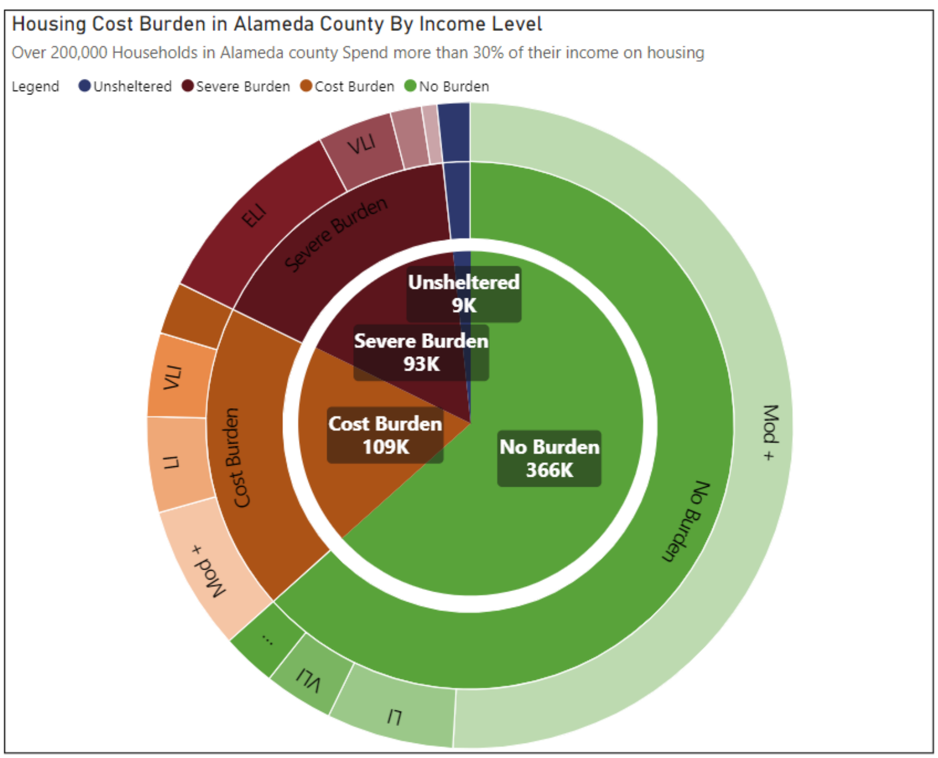
Chapter 3 – The Alameda County Housing Ecosystem Explained

Because housing intersects with so many areas of personal, social, economic, and historical need, addressing housing issues is tremendously complex. To do so, we must adopt a systemic approach that accounts for the root causes of the crisis as well as the interactions of a person's housing with their sense of self and belonging within a wider community.

Households Served by the System

Alameda County's housing ecosystem houses for approximately 1,640,000 persons in 577,000 households as of January 2024 [source: County 23-24 Budget Overview). As Figure 8 below shows, as of 2019 (the most recent year for which cost burden data is available), 366,000 households, or about 63% of all households, are well served within the current housing ecosystem and face no cost-burden relative to their household income. The majority of these households have incomes at or above moderate levels, but more than 70,000 lower-income households are also able to afford housing via housing vouchers, income support programs, and deed-restricted or naturally occurring affordable housing.

Figure 8 – Housing Cost Burden in Alameda County by Income Level



The remaining 36% of households either spend more than a third of their income to afford housing or are without housing altogether. 109,000 households spent between 1/3 and ½ of their income on housing payments, while 93,000 households spent more than half their income on housing and more than 9,000 were without permanent housing during the 2024 Point In Time Count. For the moderate- and above moderate-income households in this sector of the ecosystem, this difficulty is avoidable: most of these households have the resources to change their circumstances. For the vast majority of burdened households who are lower-income, there is not an alternative or path out of this situation without public assistance.

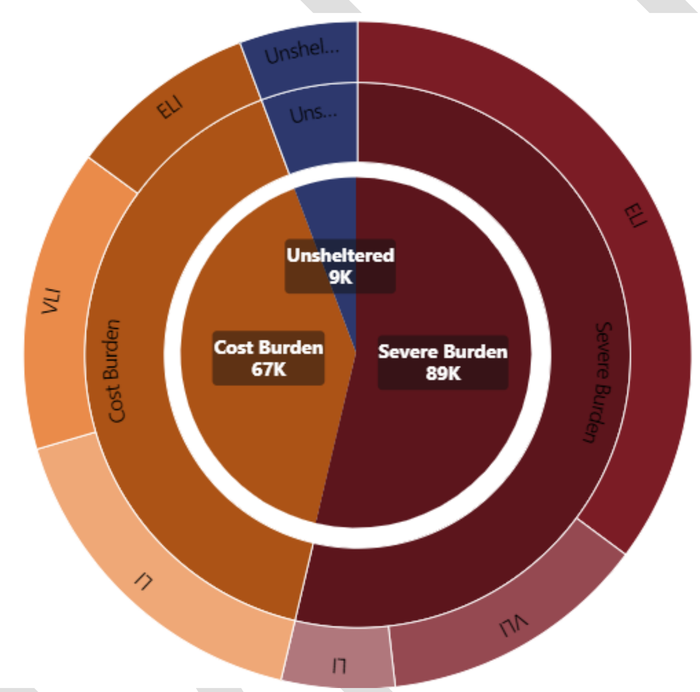
As discussed in the previous section, high costs and low vacancy rates are largely responsible for pushing people into homelessness. The concentration of lower-income households in the red and orange parts of the County's housing ecosystem highlights exactly why this is. Over 60% of those experiencing severe housing cost burden are extremely low-income. A family of 4 in this range with an income of $46,700 will have to pay 60% of their income to afford the $2,351 median rent for a two-bedroom apartment. For this family and families like them, the high cost of rent and the lack of alternatives means any illness, loss of income, or accident will require forgoing food, medical care, school costs, or losing housing altogether.

While it is important to take the entire housing ecosystem into account, HCD's focus, and the focus of this plan, is on the households whose needs cannot be met by the private market due to their inability to pay market rates. Each of the 3 P's outlined in Chapter 1 has an important role to play addressing the needs illustrated by this ecosystem:

> **Production** of new affordable housing can eventually turn the whole chart green by creating enough subsidized units that each resident has a home they can afford to live in regardless of their income. Alameda County and its cities need 93,000 new affordable low-income units.
>
> **Preservation** ensures that those lower-income households that are in the green area do not become cost-burdened or experience homeless as their homes age or lose affordability restrictions. Alameda County and its cities need 1,600 units preserved over the next 7 years, and an additional 1,000 over the following ten years.
>
> **Protection** measures slow or stop already burdened households from slipping further past what they can afford or losing housing altogether—essentially preventing red and orange households from becoming blue—by providing stopgap resources and preventing evictions or unaffordable rent hikes. Alameda County and its cities have x number of very low income (and lower) tenants that need protection.

Figure 9 below is a sub-section of the full housing ecosystem, focusing on lower-income households to emphasize the households at the focus of HCD's programs. HCD's mission to serve lower-income households began when Alameda County's housing and community development program was started in 1974, after the Federal Department of Housing and Urban Development (HUD) allocated resources to local governments for the purpose of serving households making 80% AMI or less. The chart below represents those households who are severely cost-burdened (paying more than 50% in rent), Cost burdened (paying more than 30% in rent) divided by their income status (low-, very low- and extremely low-income), or unsheltered status homeless.

Figure 9 - Cost Burdened and Unsheltered Lower-Income Households in Alameda County by Income Level



Historically, HUD funded public housing and rental payment vouchers to support low-income households nationally. In the 1980's, the HUD budget was cut by over 70%, which has left the subsidized housing system insufficiently funded. It has taken time for the impact of these cuts to be felt, but in connection with the significant increases to the value of real estate, the result is our current crisis.

According to the Western Center on Law and Poverty:

> "There is little chance the state can remedy the affordable housing shortage without a significant increase in federal resources.... Rather than ensuring families are stably housed so that they can focus on improving their economic well-being, the (Administration} remains focused on tearing families apart and punishing them for using the public assistance intended to prevent the many harms caused by poverty."

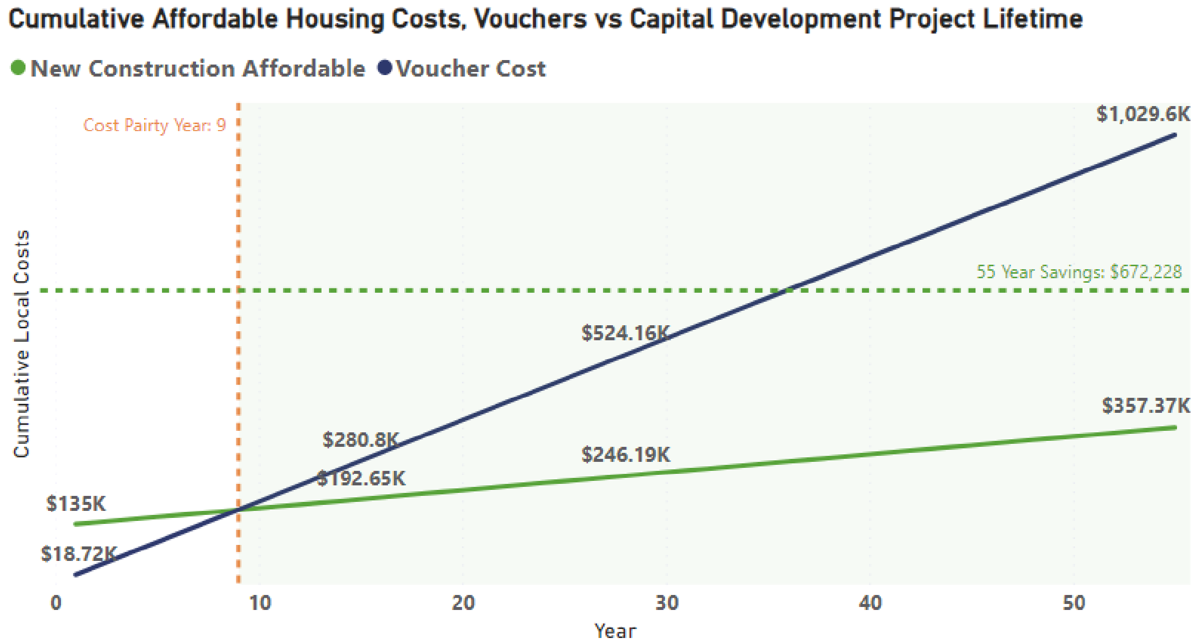
If HUD were to fully fund the five Alameda County Housing Authorities (the City of Alameda, Berkeley, Livermore, Oakland and the County Housing Authority) with sufficient rental vouchers to turn the entire housing ecosystem pie chart green, it would require that $800 million to $1.2 billion be added annually to the five Housing Authorities budgets. This rental voucher assistance would essentially pay the difference between what these residents can afford to pay and market rent. This annual subsidy gap is an insurmountable number for state and local governments to fund without substantial federal assistance. Even limiting the scope to just those households experiencing or at deepest risk of homelessness would require $388 million in annual rent annual rental subsidy as shown in Figure 10 below.

Figure 10 – Total Current and Needed Housing Choice Voucher Investment

Cost Benefit Analysis of Capital Funding for Production and Preservation

The County can invest in building capacity in the housing ecosystem much more efficiently. Vouchers provide subsidy to county residents at a 1-1 ratio, every dollar spent goes directly to expenditure. Construction of new affordable rental housing, while more expensive up-front, creates much more value; every dollar spent on production generates $5.7 in subsidy to households who rent new units over its lifetime. This means that, to end homelessness, the County could spend almost $20 billion in direct rental subsidy over 55 years or invest $3.5 billion to create 18,000 new affordable housing units providing permanent affordability over the same time period, as shown in Figure 11 below.

Figure 11 – Cumulative Affordable Housing Costs, Vouchers vs Capital Development



Maximum impact for the housing funds Alameda County does have will be especially important as, in the absence of significantly increased federal assistance—which is not likely—responsibility for solving this crisis will continue to fall on state and local governments whose total budgets are dwarfed by the scale of the need.

Shortfall in the Ecosystem

According to the Association of Bay Area Governments (ABAG), Alameda County's cities and the County must produce 441,176 new housing units that are affordable to very-low-income households between 2023 and 2031 (see Table 1). The Regional Housing Need Allocation (RHNA) targets are incorporated into the Housing Elements of the County's and each cities' General Plans. RHNA methodology has been updated to partially account for existing housing production shortfalls as well as future needs. The RHNA process also includes the housing production needs for extremely low and acutely low-income households within the very low income (VLI) unit targets. RHNA figures are widely accepted as indicators of each community's housing needs and, ideally, their housing production goals. Figure 12 below shows how much housing affordable to different income levels each jurisdiction in Alameda County is required to produce from 2023 through 2030.

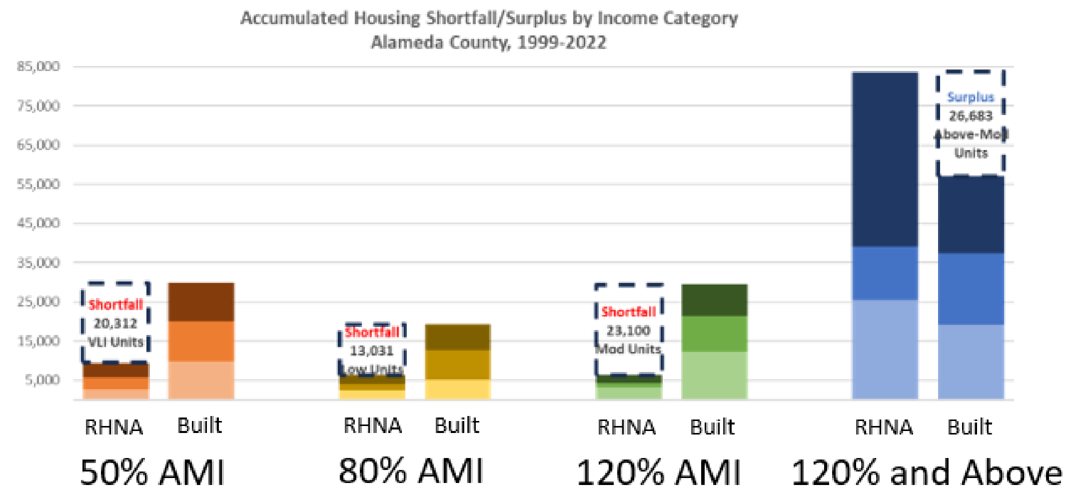
Figure 12 – Alameda County RHNA Goals by Jurisdiction, 2023 – 2030

2023-2030 RHNA

Jurisdiction	Very Low-Income <50% AMI	Low-Income 50-80% AMI	Moderate-Income 80-120% AMI	Above Moderate >120% AMI	Total
Alameda	1,421	818	868	2,246	5,353
Albany	308	178	175	453	1,114
Berkeley	2,446	1,408	1,416	3,664	8,934
Dublin	1,085	625	560	1,449	3,719
Emeryville	451	259	308	797	1,815
Fremont	3,640	2,096	1,996	5,165	12,897
Hayward	1,075	617	817	2,115	4,624
Livermore	1,317	758	696	1,799	4,570
Newark	464	268	318	824	1,874
Oakland	6,511	3,750	4,457	11,533	26,251
Piedmont	163	94	92	238	587
Pleasanton	1,750	1,008	894	2,313	5,965
San Leandro	862	495	696	1,802	3,855
Unincorporated Alameda County	1,251	721	763	1,976	4,711
Union City	862	496	382	988	2,728
Total	**23,606**	**13,591**	**14,438**	**37362**	**88,997**

Housing demand in Alameda County is affected by both current and new residents. A host of factors underlie demand for housing including population growth, household size and income, life stages, tenure preferences, and economic cycles. As shown in Figure 13 below, additional need for housing from new residents is compounded by existing shortfalls; like most jurisdictions across the State, Alameda County has underproduced lower-income housing in past RHNA cycles while exceeding our goals for market rate housing. This leaves a durable lack of affordable units.

Figure 13 – Accumulated Housing Shortfall/Surplus by Income Category, Alameda County 1999 - 2022

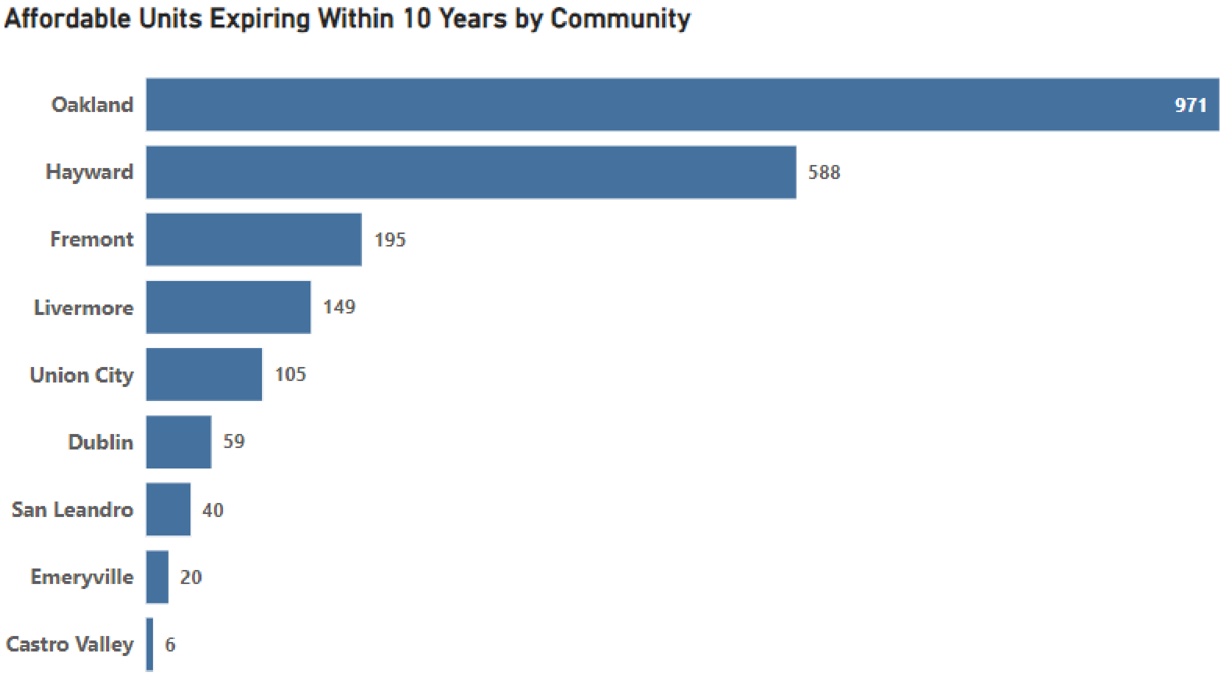


Preservation

In addition to production of new units to build affordable capacity in housing ecosystem, Alameda County will need to preserve the affordable units already serving its residents. Typically, the agreements which ensure that affordable units are provided at below-market rates have finite terms from 25-55 years. Those terms reflect the up-front investment of public funding and the costs of providing below-market rates over long terms. Renewing and extending that expiring affordability requires the investment of additional funding. Preserving current capacity is a predictable and cost-effective strategy which builds on the success of past affordable housing efforts.

HCD tracks 29,471 deed-restricted affordable units currently housing County residents. Of those, 2,133 units' affordably restrictions will expire within the 10-year scope of this Plan. As shown in Figure 14, these units are concentrated in Oakland and Hayward, though there are significant numbers located throughout the rest of the County. Without significant investment, the loss of affordability in these units will offset approximately 50% of the affordable capacity added by new Measure A1-funded construction.

Figure 14 – Alameda County Affordable Housing Unit Expirations through 2034 by Community



Elements of the Ecosystem

Housing Types in our Ecosystem

The absence of sufficient housing opportunities and resources leaves vulnerable residents to either go without shelter or choose from unsustainable housing options that can damage their physical, mental, and financial health. These unstable housing situations may keep households from becoming visibly homeless but provide none of the benefits of the stable and affordable housing situation described above. The scarcity of alternatives also ensures that those who lose even unstable and damaging housing face severe difficulties finding replacements that may be even worse. The intervention and support of public institutions provide these disadvantaged households with a pathway from precarity in to stable and sustainable housing situations where they may once again have the opportunity to thrive. For a typology of housing within our ecosystem, see Appendix A.

Chapter 4 - Understanding Inequities and Current Housing Needs

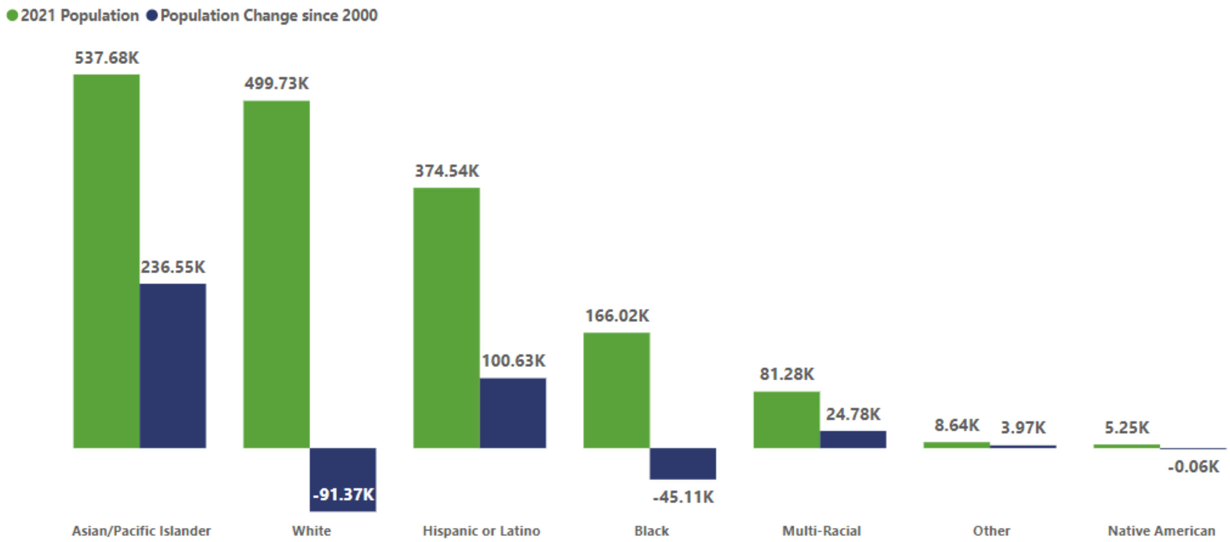
Housing costs in Alameda County have been elevated for a long time, but the intensification of those costs to crisis levels is a recent phenomenon. As recently as 2014, County residents were 20% less likely to be severely burdened by their housing costs and rates of homelessness were trending downwards. Stagnant and mismatched housing supply, growing housing demand, and changes in the County's demographic composition have combined to shift our housing ecosystem further out of balance. This new ecosystem still provides most County residents with sufficient opportunities for housing, but these changes have left our most vulnerable residents progressively more exposed to the worst housing outcomes and impacts. This Chapter shows how changes in relative purchasing power and increased demand interact with constrained housing supply and historic discrimination to disproportionality impact certain communities.

Countywide Demographic Changes' Impact on Housing Needs

Alameda County has experienced strong population growth in the 21st century, as the County's population increased 15.9% from 2000 – 2021. Growth has been strongest in cities that have proactively planned for new housing, including Dublin, which saw a 132% population increase, and Emeryville, where population increased by 85%. Multiple communities, including Livermore and Pleasanton, also increased in population by more than 20% over this time.

While, more recently, Alameda County has seen a slight decrease in population, this decrease has leveled out in line with similar trends across the Bay Area and California in the wake of the COVID-19 pandemic. By one estimate, in total, since 2020, Alameda County lost approximately 60,000 individuals as remote work, COVID-19 mortality, and other demographic shifts caused outflows. With an increase in immigration, return to in-office work, and lower mortality rate, this decrease shows signs of reversing, as it already has in 5 of the 9 Bay Area counties. Compared to the County's total population and the backlog of needed units to stably and affordably house the County's existing burdened households, this loss will have a minimal impact on the amount of investment needed to build out our housing ecosystem.

Figure 15 – Population Change of Different Racial/Ethnic Groups, 2000 - 2021



During this same period of uneven income growth, Alameda County underwent a series of demographic shifts, as shown in Figure 15 above. The share of Latino and Asian households increased while the share of White and Black households decreased. Asian households now account for a plurality of Alameda County households at 31.4% while White households make up 29.9% and Black households make up 9.9%. This largely mirrors trends in the Bay Area and California as a whole.

Alameda County is also following the larger trend across California and the Bay Area of a gradually aging population. From 2000 – 2021, the share of households that include a senior increased from 20.5% of all households to 27.9%. Meanwhile, the share of households with children under age 18 decreased from 36.5% of all households to 32.9%.

Between 2000 and 2021, median household income increased by 12.2%, however, these gains were not distributed evenly. Between 2000 and 2022, the number of households with incomes below 30% AMI increased by approximately 26% and the number of high-income households with incomes over 140% AMI increased by approximately 20%. Meanwhile the number of middle-income households (defined as those with incomes between 80 – 120% AMI) only increased by 3%.

In essence, this means the County is increasingly bifurcated between the haves and the have-nots; those at the top of the income spectrum with high paying jobs in tech, finance, or other high-skilled growth industries can afford high housing costs. Those at the bottom working in service industries have seen their wages stagnate while housing costs increase quickly. Between these two extremes is a smaller middle class. Overall, these demographic shifts have concentrated a growing portion of our society towards the bottom of the ladder and ensured that they face housing insecurity and high housing cost burdens, leading to increased homelessness and displacement.

Figure 16 – Alameda County Household Income Distribution

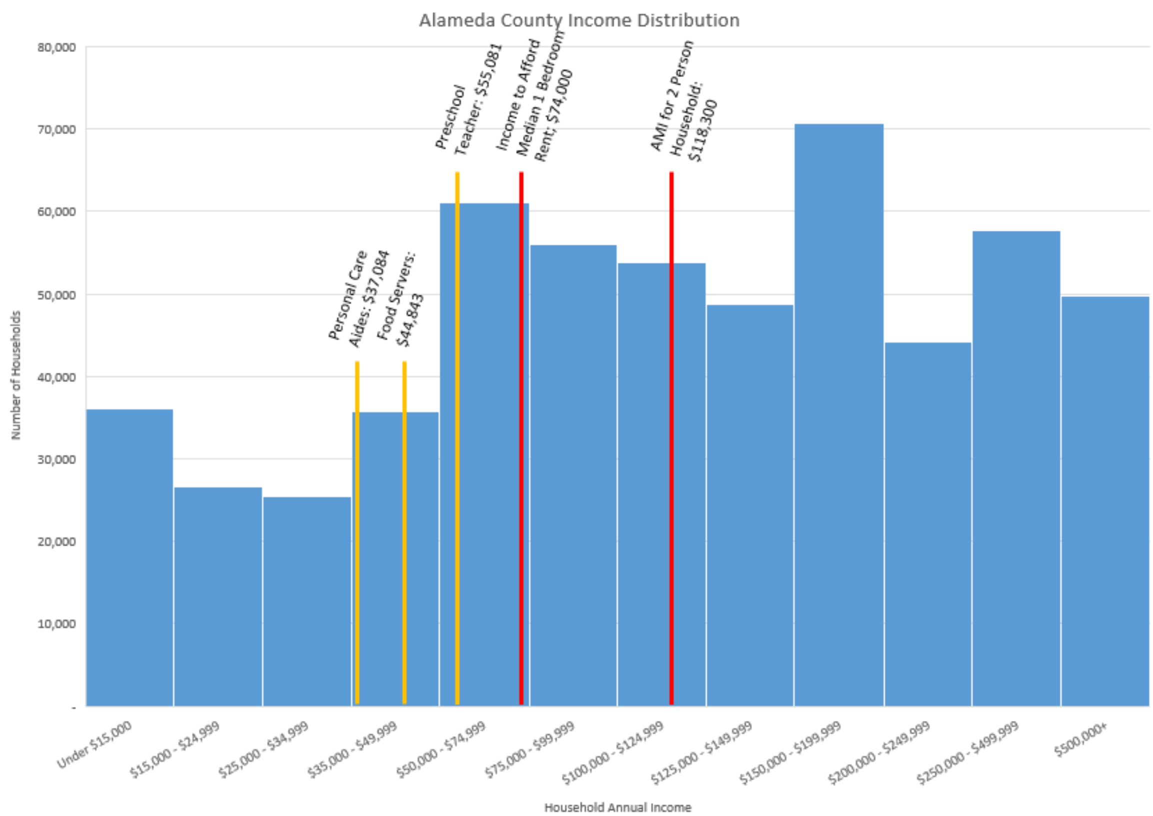
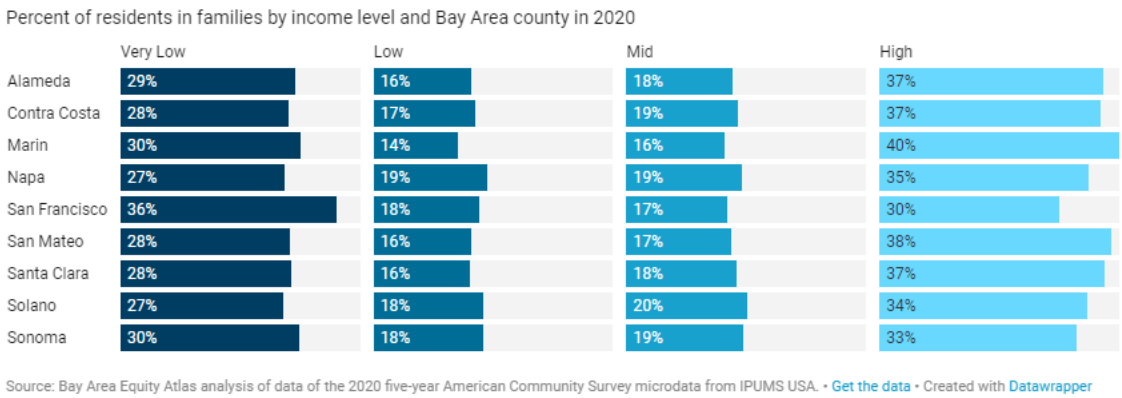


Figure 16 above reflects that, in Alameda County, housing costs are unaffordable for many working-class professionals including those who work in personal care, food service, and early education. Across the Bay Area, every county shows a polarization of income towards the extremes at the top and bottom, as shown in Figure 17 below from the Bay Area Equity Atlas. This trend has coincided with national wage stagnation for the average worker, while the highest income workers have seen marked increases to their pay and the lowest have seen decreases relative to the cost of living.

Figure 17 – Income Distribution of Bay Area Counties, 2020



Housing Rent Level

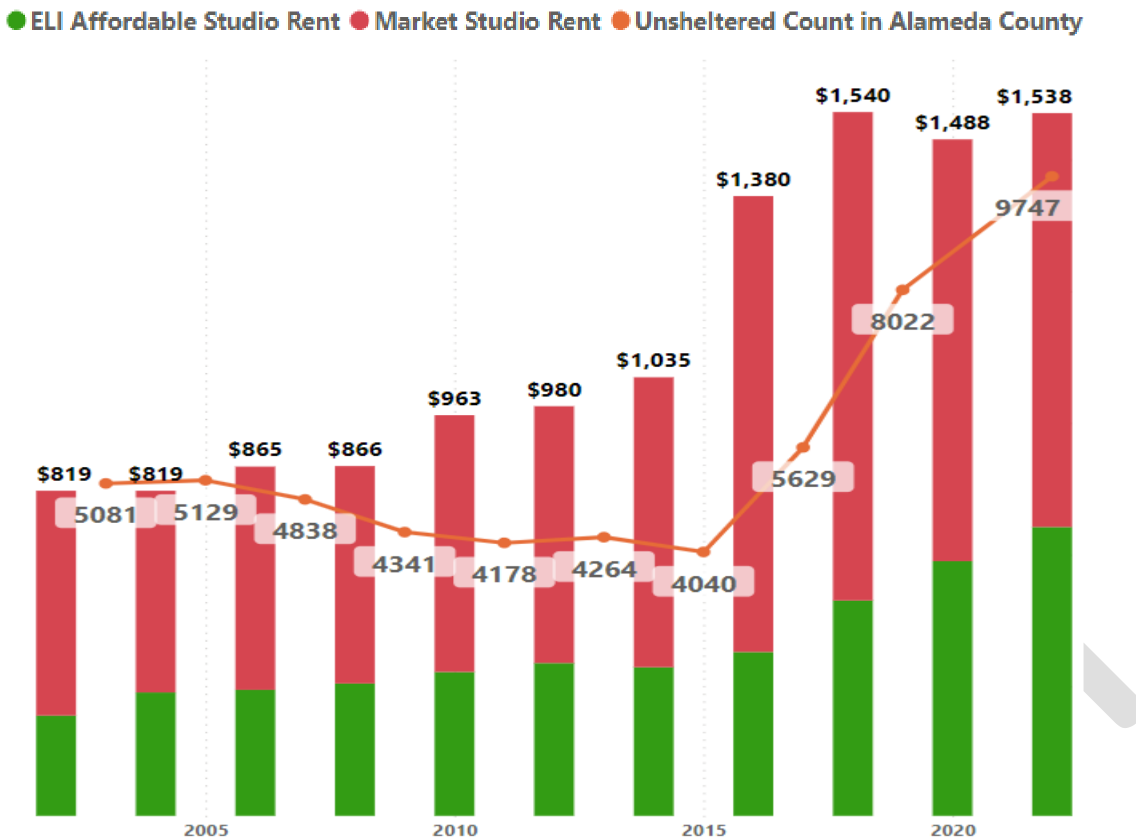
There are numerous widely used methods for comparing rent levels across time in Alameda County.

Fair Market Rent, a long running HUD metric generally considered conservative, show nominal rents for one-bedroom apartments increasing from $734 a month in 2000 to $1,854 in 2022, a increase of 253%. Nationally, that increase was only 180% over the same time period.

Effective Rent, a metric which adjusts for inflation, rent control, and other factors, shows that the average County resident was paying 42% more for housing in 2023 than they were in 2000, while their income only grew by 12.2%. Statewide, rents had increased by only 26.6%.

These patterns clearly reflect a constrained housing market in Alameda County. Rents have risen faster and higher in Alameda County than the California average and much faster than the rest of the country. Income growth has not kept pace, most renters have seen their rents take a significantly larger share of their paychecks every month. This dynamic is most pronounced for lower income households, who now see housing costs displacing other necessities like food, education, and transportation in their fixed budgets. As shown in Figure 18 below, these rising rents mean that market rate rents for even studio apartments are increasingly out of reach for those with the lowest incomes, a trend which closely correlates to rising homelessness.

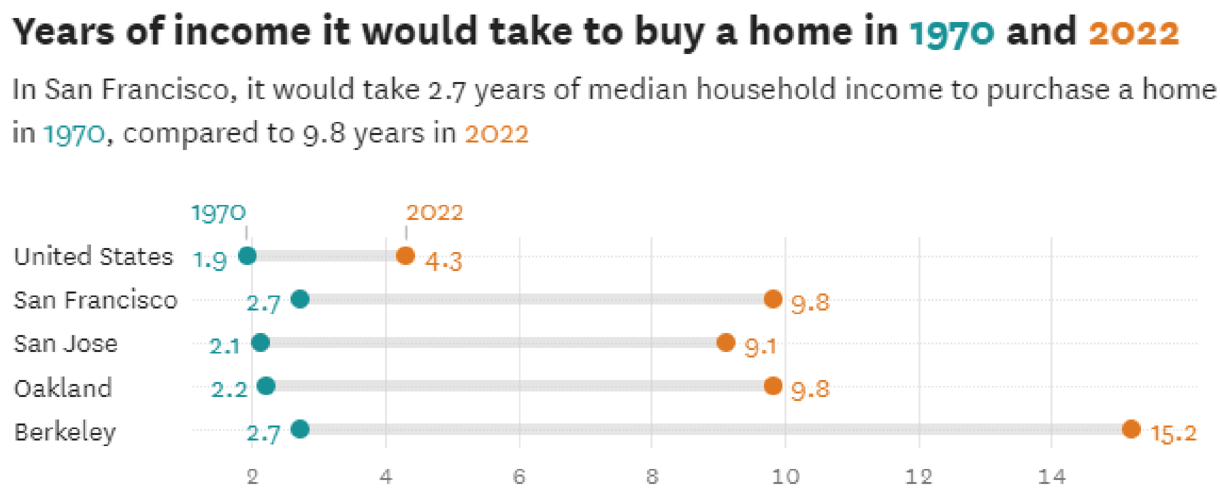
Figure 18 – Rising Rents and Homelessness



Rising Unaffordability of Homeownership

While rental housing in Alameda County has become increasingly unaffordable in the 21st century, a more extreme pattern exists in the unaffordability of homeownership. Since the year 2000, the Zillow Index Sales Price of Single-Family homes has more than quadrupled, from $311,527 to $1,251,500 in 2022, meaning owning a home is unaffordable for 3/4s of the County's households. Figure 19 below, from a 2023 San Francisco Chronicle article, demonstrates this growth, comparing the years of median income needed to purchase a home in 1970 compared to 2022.

Figure 19 – Years of Income Needed to Buy a Home in 1970 and 2022

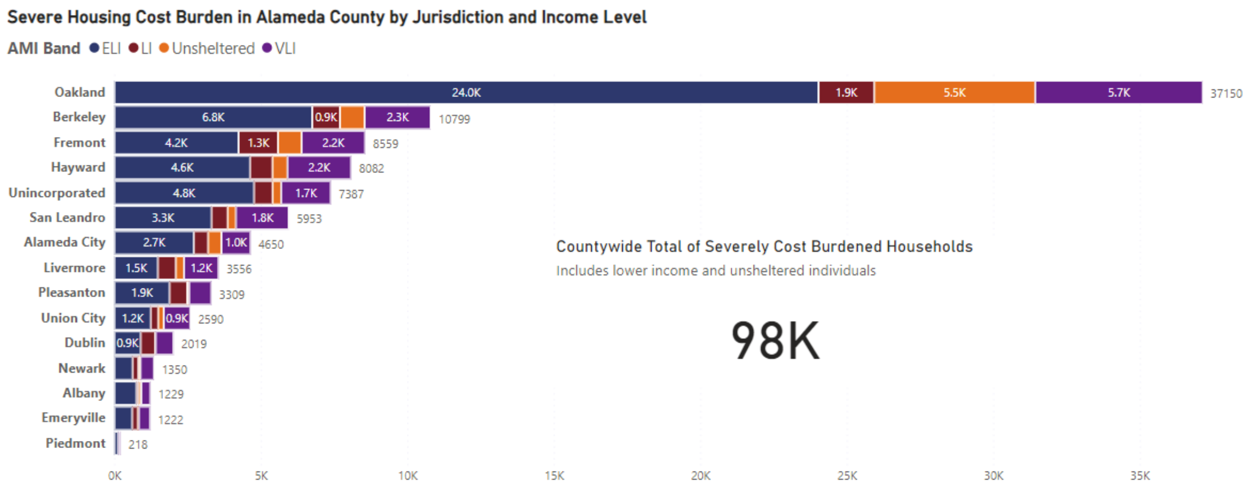


Housing Cost Burden

The number of cost-burdened households, defined as those spending at least 30% of their gross income on housing, has increased by 15% from 2000 to 2019. That increase has been driven primarily by severely cost-burdened households paying 50% or more of their income, with 23% more households facing severe housing cost burdens. This increase has been primarily driven by cost burden increases among very low- and extremely low-income households.

Figure 20 below illustrates the scale and scope of the severe housing cost burden by city for lower-income households. In every jurisdiction, the largest portion of those with severe cost-burden is made up of those with the lowest incomes. While the largest portion of this entire population is in Oakland, every City has a significant share of their population in need to increased resources to become housing secure.

Figure 20 – Severe Housing Cost Burden in Alameda County by Jurisdiction and Income Level



Across Alameda County, 45 percent of all renter households are considered cost burdened while 23 percent are severely cost burdened. This trend is especially pronounced for extremely low- and low-income renters, 80% and 70% of whom are cost-burdened, respectively, and 60% and 40% of whom are severely cost-burdened, respectively. This is a much higher rate of cost burden than experienced by homeowners as only 26 percent of owner-occupied households are cost-burdened. Most of these renters face a constrained market; in 2021, Alameda County had a housing vacancy rate of 5.7%, lower than the Bay Area or California, indicating lower supply relative to demand than in the rest of the region or the state. Vacancy rates vary widely by jurisdiction across the County, with some communities having less than 3% of housing units vacant and others having vacancy rates over 10%.

The Impacts of a Constrained Ecosystem

Overcrowding

When housing becomes increasingly expensive and unaffordable to low-income households, individuals and families will often resort to doubling up, leading to overcrowded housing conditions, endangering health and well-being. The US Census defines overcrowding having more than one person per room in a housing unit. In a recent survey of Alameda County residents conducted by HCD, 30 percent of respondents reported having an adult child or other family member cohabitating due to housing costs. In addition, from 2000 to 2019, the average household size increased from 2.71 to 2.82 persons despite the share of households with a child under the age of 18 decreasing from 36.5 percent to 32.9 percent.

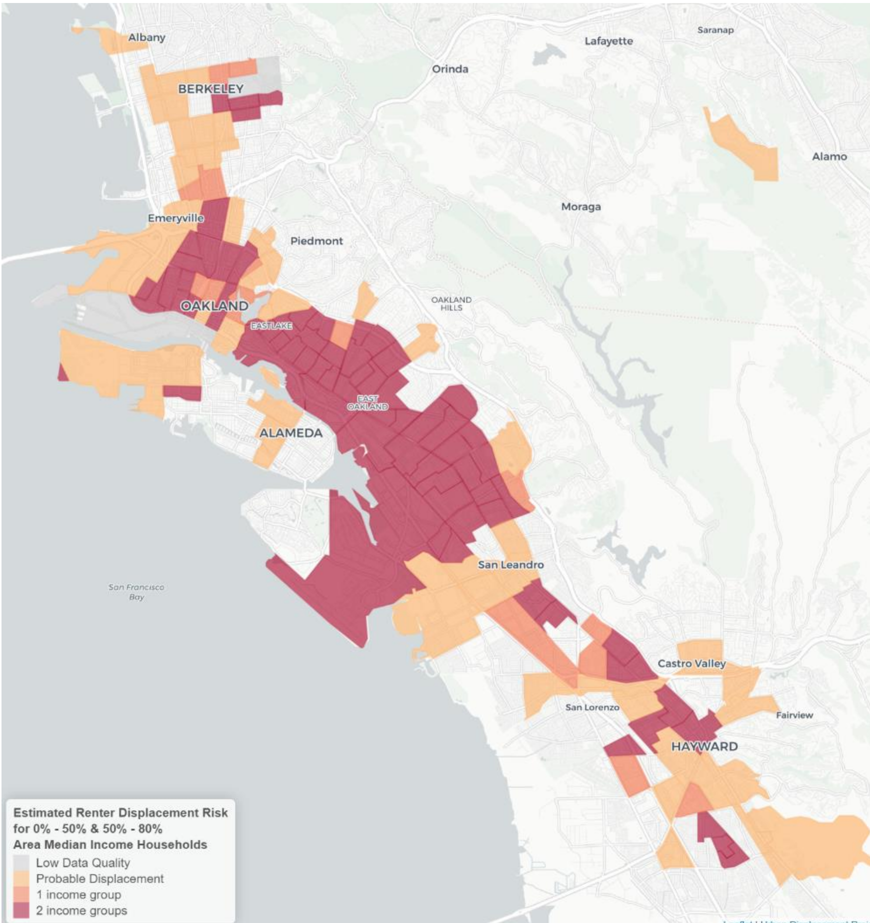
Homelessness

Households unable to afford housing run the risk of losing their homes altogether. Most unhoused persons, more than two-thirds surveyed, have lived in Alameda County for more than 10 years. Prior to becoming unhoused, two-thirds of unhoused residents also lived in a home that either they owned or rented or was owned or rented by friends or relatives. In addition to the obvious negative impacts of experiencing homelessness, there are a variety of secondary impacts. Youth experience lower educational attainment and exhibit more antisocial behavior as a result of experiencing homelessness. Everyone experiencing homelessness faces greater challenges to accessing care, which can be particularly harmful to those with conditions that require regular treatment, and overall worse health. People experiencing homelessness may also find it harder to engage with local services and government, may be separated from familial support networks, face higher incidences of violence, theft, and sexual assault, and experience a variety of other knock on effects due to not having stable housing.

Displacement & Housing Instability

Displacement is the process by which rising cost of living pushes individuals and families to leave a community to live somewhere more affordable. In some cases, those households continue to work in the communities where they used to live and choose to commute longer distances which has negative impacts on the environment and quality of life. When asked as part of the AC Housing Needs Survey, 84% of respondents said they were either very concerned or somewhat concerned about finding or maintaining affordable housing for their household. Additionally, half of respondents reported a friend or family member was moving out of the area due to housing unaffordability and 53 percent reported that they were strongly considering relocating out of Alameda County themselves due to housing unaffordability. Additionally, in a survey of Alameda County residents that participated in the Emergency Rental Assistance Program (ERAP), 60% of respondents reported experiencing one or more threats to their housing stability, including 34% who had previously been homeless, 27% who were concerned about being locked out of their home, 15% who received an eviction threat during the eviction moratorium, and 10% who experienced landlord harassment. In addition, 65% of survey respondents went on to fall behind on rent again after receiving financial assistance through ERAP, indicating longer-term risks to housing stability beyond those they experienced most acutely during the pandemic. As shown in Figure 21 below, according to the UC Berkeley study and the displacement risk model published by the Urban Displacement Project in 2022, around 40% of census tracts in Alameda County were at some risk of displacement as of 2019, largely in the urban core of the County.

Figure 21 – Alameda County Displacement Risk by Census Tract, 2022



Chapter 5 - The Root Cause of Homelessness is a Systemic Housing Problem

In a high cost housing market like the Bay Area's, housing problems are widespread and varied, particularly for low-income households but even for moderate income households as well. Three of the dominant issues that impact low-income households are listed above: overcrowding, homelessness and housing instability. While all of these problems are important, homelessness is the most visceral result of a housing ecosystem that does not support low-income households. Unsheltered homelessness is dangerous for those who experience it, a source of frustration for many residents and elected officials, and is expensive for local governments to manage. There are also many theories as to what the root causes of the Bay Area's high levels of homelessness are, including substance abuse, mental health, and good weather making it easier to live on the streets. However, emerging research shows that instead the critical driver of homelessness in the Bay Area and across the Country is instead the housing market- particularly the cost and availability of housing.

In 2022, Alameda County released its Home Together Plan, which described the scope and scale of a homelessness response system adequate to serve Alameda County's needs and therefore reduce homelessness to 'functional zero'. The Home Together Plan estimates that Alameda County needs 24,340 additional housing units and subsidy slots by 2026 to end homelessness. Of these, the report estimates that 7,385 new permanent supportive housing units are needed, and 10,070 new dedicated permanently affordable housing units or rental subsidies are needed. Supportive housing units require a particularly high level of subsidy because they are unlikely to have rents that can support operating costs and require extensive social services on site. The homelessness response system includes a mixture of health and housing services based on the number of households who require housing solutions in a given year. The Home Together Plan calls for 17,455 brand new housing solutions to be added to the housing system specifically for homeless individuals. Critically, this number reflects only the capacity needed to serve those who lose shelter and would not serve the remaining 80,000 severely cost burdened households who spend more than ½ of their income on housing payments.

In addition, homelessness prevention is a critical component of addressing the immediate need to reduce the number of unhoused people throughout Alameda County since in recent years new entries into homelessness have consistently exceeded exits from homelessness. This is happening even as spending on homelessness has increased, and the homelessness response system has been able to move more people out of homelessness and into housing. Since 2019, the County's homelessness response system has moved 13,982 people into housing but in that time 14,959 people have become newly homeless leading to a net increase of almost 1,000 unhoused individuals. The system will continue to be challenged in making tangible progress if entries into homelessness outpace exits from homelessness. Reducing aggregate inflows to homelessness, as covered earlier, will rely on investment in housing supply that lowers rents and increases the availability of units, both of which point to the second part of HCD's goal.

Housing Prices Impact Housing Stability

As described in the introduction, evidence shows two most salient drivers of homelessness in the Bay Area, compared to other metropolitan areas, are high absolute rent prices—meaning the actual dollar amount charged for rent—and low vacancy rates. Put another way, while lower-income residents in other areas of the country may be able to stretch fixed incomes, minimum wage work, or government benefits to meet their monthly housing cost, this is much more difficult in the Bay Area, and when someone loses housing or has to move there are few alternatives affordable price. For instance, $946 or $1,371, the monthly Supplemental Security Income (SSI) benefit for an individual or a couple, goes much further towards median rent in Detroit ($735) or Chicago ($1,161), than in Alameda County ($2,046). Without an alternative, someone on SSI or similarly cost constrained is much more likely to become homeless here in the Bay Area. While other measures of the housing market are important, the Bay Area's highest in the nation rents explain a great deal of the current homeless crisis.

Both systematic drivers are, at their core, indicators of scarcity in the broader housing market. More units would ensure vacancy rates conducive to tenants finding replacements for homes. More units would also eventually bring supply into line with demand and thus bring down absolute rents. Both drivers impact everyone in the housing market, but they are especially impactful on homelessness because the lowest income and most disadvantaged are the ones who are squeezed out of that market.

While individual risk factors of homelessness are vitally important in understanding who suffers from homelessness and how services can best be designed to rehouse them, the systemic driver of high levels of homelessness overall is scarcity in our housing market. Put another way, when rents are high and units hard to find, more people cannot find housing and become homeless because they have fewer options; the fact that those who become homeless because of this are already disadvantaged should not be surprising. Due to exceptionally high costs and low supply, our housing market is essentially without a safety net, meaning anyone already hanging on by their fingers—who, for instance, is on a fixed income that does not meet rent or faces an unexpected shock that makes them lose their housing—is going to lose their grip.

A fundamental component of any solution is to add housing supply, however, simply adding market rate housing units will not address the problems faced by those who already cannot afford market rates. Market rate production is financed and targeted at the current market rate, for-profit developers cannot bear sub-optimal returns on investment nor should they. New market rate construction can stabilize rent increases by ensuring supply expands at the same rate as demand, but absent a significant decline in population, there is no precedent for a market driven sustained decline in the rent level. Additionally, other systemic barriers—most centrally, the limited quantity of undeveloped land in the County, regulatory hurdles, and historically high construction costs—make it doubtful market rate housing can meet even at the current levels of demand. As a result, HCD's role as funder of affordable housing is vital to meeting the needs of 98,000 households who already cannot compete in our housing market. Serving those households and addressing the root cause of the crisis requires capital investment/subsidy by federal state and local government to cover the costs for-profit development cannot. This is the only pathway to increasing the supply of desperately needed low-cost housing. More broadly, investment in long-term resources like affordable housing supply offers the best chance to build a housing system that ensures everyone has the resources and opportunities to pursue happiness without worrying about housing insecurity. In the shorter term, while we build the capacity of the housing ecosystem, protection measures will play a vital role giving at-risk residents the resources to prevent homelessness, like emergency rental assistance, and lowering the pressure placed on them by the market.

Lack of Deep Subsidy for ELI Households

As discussed previously, market rate development is incapable of providing housing at a low enough cost to serve lower-income renters. The federal assistance which provides low-income renters access to market rate units, the tenant-based voucher section 8 program, has not kept pace with the increasing housing costs or the population of low-income households. On the production side, federal and state Tax Credit supported affordable housing development provides capital subsidy for lower income development. This up-front subsidy allows for the production of buildings which are financially sustainable with minimal rental support for up to 55 years provided that the households' incomes across each of its units average to about 40% of AMI. Essentially, higher income residents in affordable buildings, while still paying below market rates, subsidize the lowest income residents with their rental payments. Unfortunately, this model lacks the flexibility to prioritize housing those with the lowest or with no incomes. It fixes the proportion of affordable units in Almeda County that can serve ELI households or homeless individuals at ~35% AMI. To increase the proportion of ELI, interim, permanent supportive housing and dedicated affordable housing for extremely and acutely low-income persons, Alameda County must provide on-going operating funding to ensure long-term sustainability in addition to capital investment.

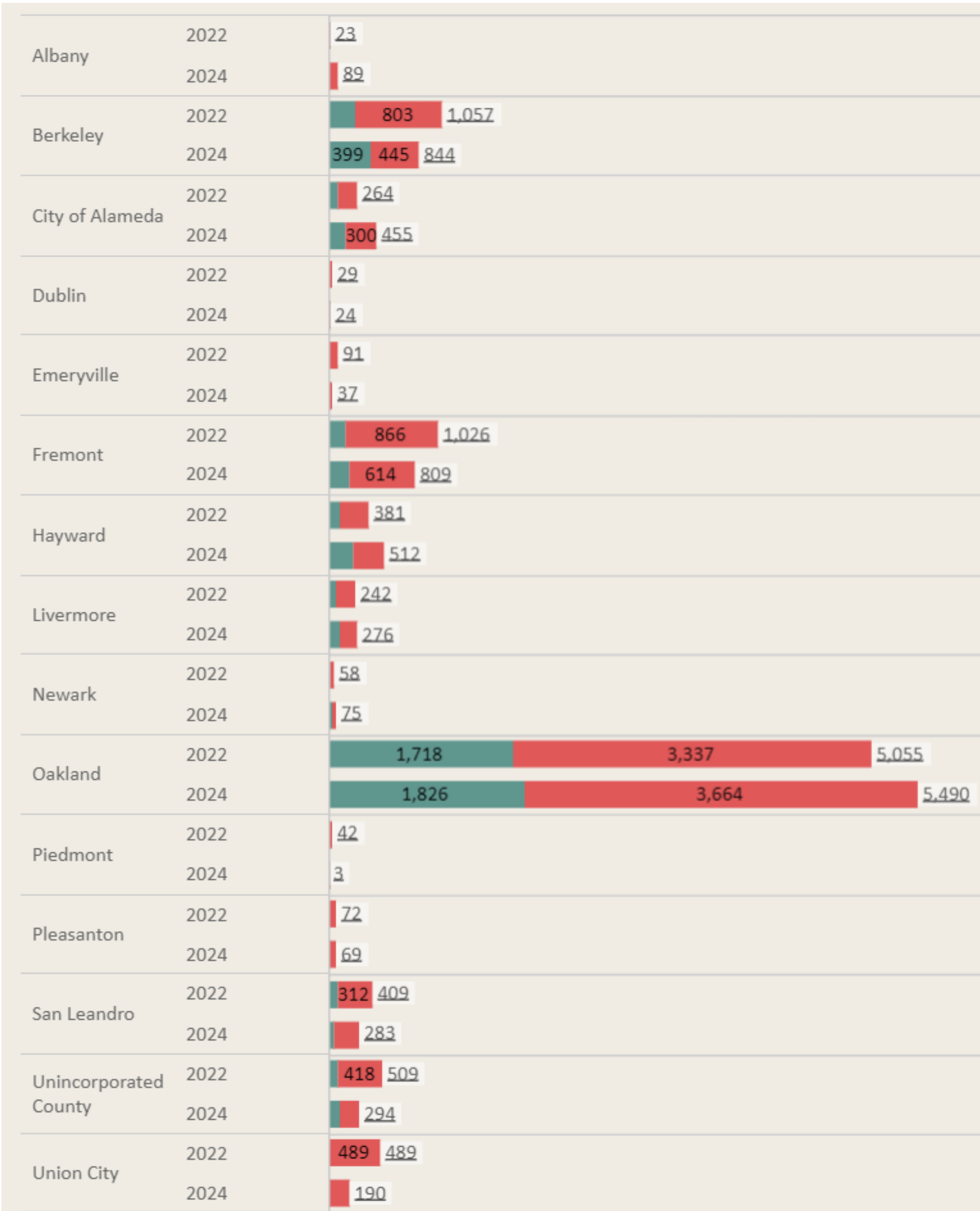
HCD and H&H have collaborated to produce the Local Housing Support Program framework, LHSP. This program facilitates the distribution and monitoring of long-term funding arrangements which are fundamental components of building deeply affordable housing. Currently, resources which can support this program have not been confirmed and until this support is forthcoming only one in three County produced units can sustainably serve this highest needs population.

Point In Time Data

From 2007 – 2015, homelessness in Alameda County, as measured in the bi-annual homeless point-in-time count, decreased from 4,838 people experiencing homelessness to 4,040, a 16% reduction. However, since 2015 homelessness has more than doubled to 9,747 people experiencing homelessness in 2022, the highest number on record. The increase in unsheltered homelessness- meaning individuals who are neither in emergency shelter nor transitional housing- has nearly tripled, increasing from 2,397 unsheltered people experiencing homelessness in 2015 to 7,135 in 2022.

The 2024 Homeless Point in Time Count (PIT Count), conducted over one night in January 2024, counted 9,450 persons experiencing homelessness, a 3% decrease in homelessness from the last PIT Count in 2022. While the number of people experiencing homelessness has still significantly increased over the past 10 years, it appears that the investments the County has made in reducing homelessness have begun to have an impact on homelessness in Alameda County. Notably, unsheltered homelessness declined by 11% from 7,135 persons in 2022 to 6,343 persons in 2024 and sheltered homelessness increased from 2,612 to 3,107, indicating that more people are using the shelter resources that have come online over the last two years. Homeless shelters offer a safer place for persons experiencing homelessness and a chance to connect with other community resources including mental health and drug treatment, as well as permanent housing.

Figure 22 – Homeless PIT Count Totals by Jurisdiction, 2022 and 2024



Our current homeless system supports 3,163 homeless shelter beds, which is not sufficient to provide a safe place to sleep for all those who become or remain homeless in a given year. Most unhoused persons, more than two thirds surveyed in 2022, have lived in Alameda County for more than 10 years. Prior to becoming unhoused, two thirds of unhoused residents also lived in a home that either they owned or rented or was owned or rented by friends or relatives. The largest population of unhoused persons is in Oakland, where more than 58 percent of unhoused persons lived in 2024. The next largest populations were in Berkeley, Fremont, and Hayward.

Additional capital investment is needed to enhance the County's interim housing and shelter capacity. The Home Together Plan estimates that Alameda County needs an additional 2,200 shelter beds to meet the needs of unhoused residents throughout the County. Investments in shelter or interim housing capacity are often pitted against and seen as detracting from investments in longer term solutions such as Permanent Supportive Housing (PSH). However, this need not be the case. When the County acquires land for PSH, it can use that land prior to construction as a site for forms of interim housing such as Safe parking sites or temporary interim housing. Such implementation strategies can create synergies which will maximally leverage public resources.

PIT Count data and statewide survey results point to the same conclusion: while many individuals without a lease in their previous living arrangement left their prior housing for social reasons—due to a dispute or inability for others to house them—the majority of all individuals experiencing homelessness believe relatively small levels of direct assistance could have prevented them losing their housing. Shallow rent subsidies, one-time lump-sum payments, and housing vouchers can thus have a significant impact in keeping people from becoming homeless in the first place.

Cost of Ending Homelessness

According to the County's Home Together plan, responding to homelessness in the County will cost approximately $2.5 billion over the five-year plan period (2021 – 2026) for annual services and operation expenses (none for capital development).

- $430 million of this would go towards operations and services at interim and emergency shelters,
- $388 million to homeless prevention services, rapid rehousing programs, and shallow subsidies to keep housing insecure households from losing their housing.
- The remaining $1.68 billion would be spent on operations and services at Permanent Supportive Housing (PSH), permanently affordable housing with wrap-around services for Extremely Low-Income (ELI) households experiencing homelessness.[iii]

The vast majority of the funds outlined above go towards housing, which highlights the systematic drivers of homelessness; while services are incredibly important to help individuals become permanently housed, significant investment in funding to keep people in their housing is the only thing that can permanently turn back the tide. As mentioned earlier, investing in permanent new affordable supply will reduce the ongoing annual cost to keep ELI households housed.

Chapter 6 – Funding and Financing Environment

While HCD's focus is on the low income portion of the housing ecosystem, the overall supply of housing in the entire ecosystem, and availability of financing to build that housing impacts the price and quantity of housing available. This means that private investment in for-profit, market rate housing is the largest part of the system. In the affordable space, the market does not meet this need, which requires Federal, State, Regional, and local government, as well as private and philanthropic investment to build affordable housing.

Making Housing 'Affordable'

In the Bay Area, the high cost of land, development, and financing are such that new market-rate housing is out of reach for many residents who cannot pay the rents or home prices needed to make private developments pencil out. While many households struggle to pay these costs anyway—and are cost-burdened as a result—some are able to access either naturally occurring or government supported affordable housing.

Subsidized affordable housing includes deed-restricted affordable housing, housing paid for with vouchers or other rental assistance, and any other housing supported with public funding and restricted to certain income levels. As discussed in Chapter 5, reaching the extremely low-income and acutely low-income households is not achievable without ongoing operation subsidy. Building more subsidized affordable housing is the primary method HCD uses to alleviate the strain of market conditions on households who cannot afford to pay market prices. The affordability of such housing is created by investment of public funds and tax credit equity from the federally authorized Low Income Housing Tax Credit (LIHTC) program, which offsets the difference between low-income rents and the level of operating revenue needed to sustain operating costs and debt service. Tax Credit projects serve a range of income levels from 20-60% of area median income, with the average affordability of the project generally around 40% of area median income. There is some amount of cross subsidy between units within a project that naturally occurs, however this is not sufficient to meet the needs of the growing ELI population. This housing model provides privately-owned and managed housing that is sustainable and stable over the long-term for households in need.

Naturally occurring or unsubsidized affordable housing is housing with rents below the overall market rate even though they have no deed-restriction or government subsidy ensuring they stay affordable. Nationally, naturally occurring affordable housing makes up about a third of all multifamily housing. These units are usually older and lack the amenities of newer developments, allowing them to maintain lower rents so long as the cost of operating or maintaining the property does not increase. Unfortunately, such units also come with two substantial risks. First, their age and low cost can mean these units are in need of substantial rehabilitation, and while such investment would benefit tenants living in possibly unsafe conditions, many are wary of drawing attention to such needs for fear of rents increasing or being evicted. Second, in the Bay Area these units typically have lower rents than the market is able to bear, creating a substantial incentive for investors to purchase them and increase rents quickly. This adds to displacement risk of lower income renter households.

The Landscape of Affordable Housing Finance

Historical Trends: Historically, there have been many sources of funding for subsidized affordable housing. Until the 1980's, the largest of these was the federal government's direct funding for public housing authority owned "public housing." However, since the 80's, HUD's investment has been all but eliminated and replaced with federal Housing Choice Vouchers, which give assistance to individuals to find housing on the private market.

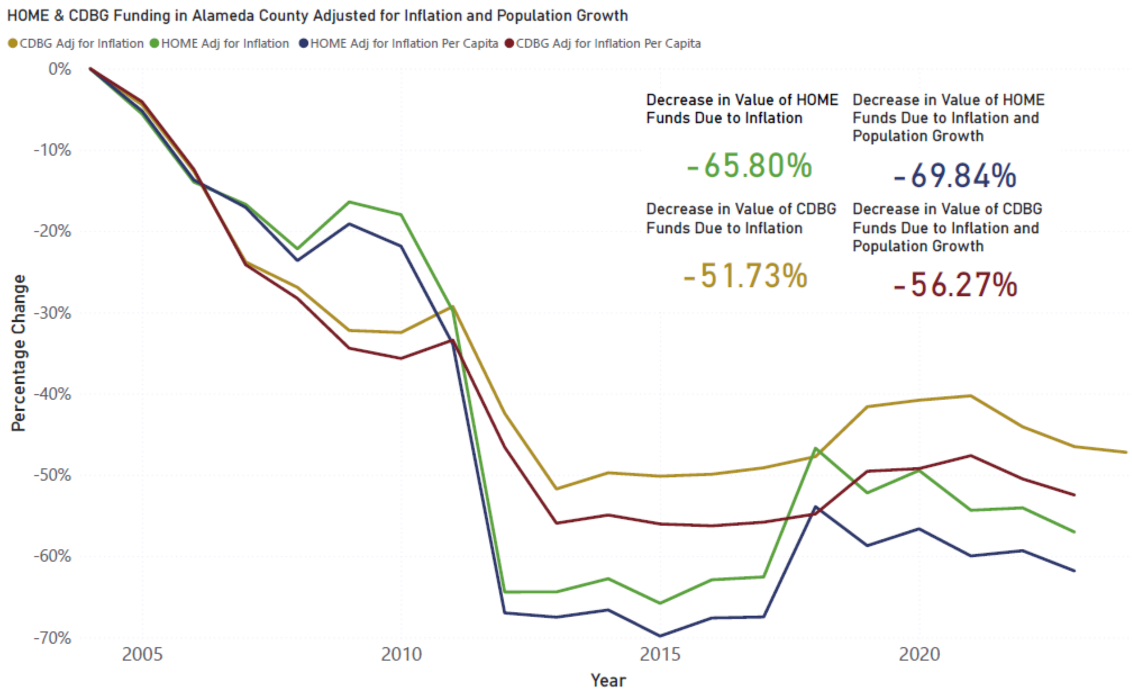
The Low-Income Housing Tax Credit (LIHTC) program is the most important resource for creating new affordable housing in the United States today. Created by the Tax Reform Act of 1986, the LIHTC program gives State and local LIHTC-allocating agencies the equivalent of approximately $10 billion in annual nationwide budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. The State of California will receive approximately $100 million of that funding. In comparison, the Mortgage Interest Deduction for homeowners who are largely middle income costs taxpayers approximately $70 billion per year nationwide.

While federal funds decreased for rental housing, California created or expanded the State Low-Income Housing Tax Credit program, redevelopment agencies, and statewide general obligation bonds to make up some of the difference. However, in 2012, the State disbanded redevelopment agencies, leaving another large gap between the public financing needed and that available.

State and Federal Funds

The Federal government, through its Department of Housing and Urban Development (HUD), and the State of California, through its Department of Housing and Community Development (Cal HCD), offer multiple programs which support the development of affordable housing. While federal funding sources have not kept pace with need and declined over time, as shown in Figure 23 below, they are still important sources of community development funding. Some of the main federal funding sources include CDBG and HOME, both of which direct development funds towards affordable housing and community development via local governments who receive an annual grant of funds.

Figure 23 – Declining Value of Federal Housing Funding



The State operates similar programs like the Permanent Local Housing Allocation (PLHA) to direct money to local governments to disperse. The largest federal source of funds, the Housing Choice Voucher program, is distributed through local Housing Authorities, and is often used as operating subsidy to offset the cost of the actual operation of below-market rent units. Alameda County has five housing authorities; City of Alameda, City of Berkeley, City of Livermore, City of Oakland and the County Housing Authorities. The other largest program run by the State and federal government is the Low-income Housing Tax Credit Program which is described below.

In recent years, the State has been a significant investor of affordable housing through the programs created by the 2018 Proposition 1 general obligation bond. General Obligation Bonds are one-time funds, and while they are important, they are not ongoing. State investments in affordable housing provided by Proposition 1 have been fully awarded as of 2023. Since the loss of redevelopment, the State has only two permanent on-going sources of funding for the development of affordable housing: the so-called Senate Bill 2 programs, including PLHA, and the Affordable Housing and Sustainable Communities (AHSC) program. These programs are not at the scale of the State’s prior investments.

Local and Regional Government

With declining federal and state resources, local and regional governments have stepped forward to create new sources of affordable housing funding. Local housing agencies, such as Alameda County HCD, use mortgage insurance programs, CDBG funds, HOME funds, access to state and local subsidies (such PLHA, Affordable Housing Trust Fund and local general obligation bond measures, like Alameda County Measure A1), and any other available resources to make the creation, preservation or operation of housing more affordable for low- and moderate-income residents. These are other potential sources of local housing funding are explored later in this section. Often, there is a dual purpose served in that funding affordable housing and community development projects also generates investment in historically underserved neighborhoods as well as providing important construction jobs.

While cities and counties are responsible for documenting housing needs and planning to provide for adequate housing, they typically do not act as the developer or owner of affordable housing. Local governments tend to provide financial and technical assistance to affordable housing development organizations. Financial assistance is typically provided in the form of subordinate debt—meaning that these funds are paid back only after other senior debts are paid off—and, if a public agency has land to contribute, in the form of a land contribution at a discounted value in exchange for the long-term affordability of the project.

Affordable Housing: Public-Private Partnerships

> *"Making the economics of an affordable housing project work involves strong partnerships between local, state and federal governments, housing developers, community leaders, and private financial institutions. Creating and preserving affordable housing requires many different stakeholders to work together in order to provide the various incentives and benefits needed on all sides. Economic policy on both the local, state and federal level plays a critical role in competing for and retaining affordable housing private capital."* (Forbes, "Public Private Partnerships are Crucial to meet the Demand for Affordable Housing," April 20, 2022.)

Affordable housing projects seeking to fill the gap will often use funding from many different levels of government as well as private banks. These projects can often have as many as ten different sources as each entity involved tries to stretch their dollars as far as possible. Because of this complex financing structure, affordable housing development is a partnership between local, state, and federal governments, housing developers, community leaders and groups, and private financial institutions. Housing developers, the organizations who own, manage, and build affordable projects, are one of the most important members of this partnership. Affordable housing development organizations are often, but not always, non-profit mission driven organizations whose charitable purpose is to create, own and manage affordable housing and promote community development. In the Bay Area, non-profit developers tend to specialize in multifamily urban infill construction and rehabilitation. But there are non-profit developers who focus on single-family or small site homeownership development. For-profit developers also create affordable housing, with the majority doing so via the Tax Credit program.

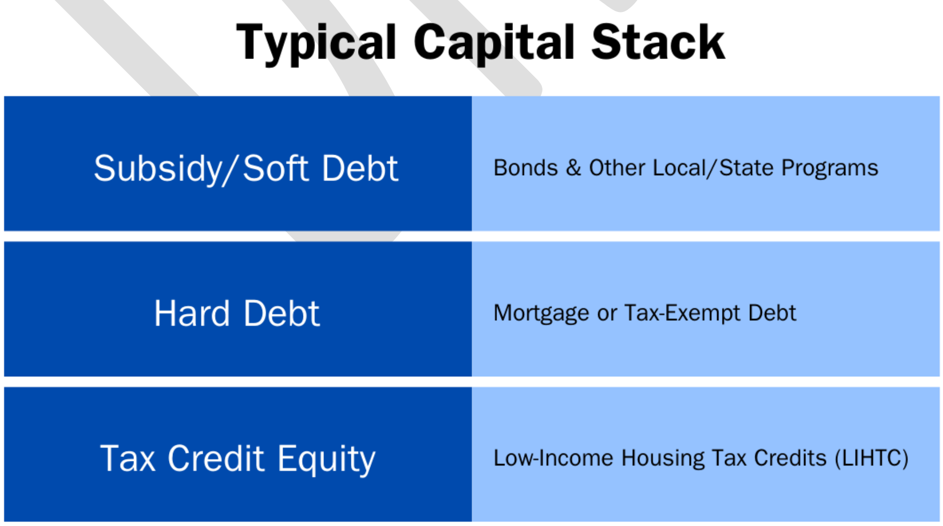
Affordable Housing Finance Today:

Developing housing that is affordable to households at very low (50%)- and low (80%)-income requires some amount of public investment. Just like market rate development, affordable housing development will be considered financially feasible if:

i. The developer can secure financing for the total costs of acquiring and developing the housing facilities (TDCs) during the development and construction phase; and
ii. The operating income (primarily from rents) from the project will be sufficient to cover the operating costs of the property (utilities, insurance, property taxes and maintenance) and paying debt service once construction is completed and the property is leased up and operational. footnote: (California Housing Consortium, Affordable Housing 101: How Is it Built?)

Unfortunately, targeting households at less than 35% of Area Median Income generally requires an ongoing source of subsidy to cover the operations of the units. This is why it is so important to have sufficient voucher type programs that will cover those. Affordable housing development generally requires multiple funding sources to fully finance construction. This financing includes conventional commercial financing from a bank that must be repaid, tax-exempt bonds are also a typical source and must also be repaid from project revenues, private equity from the sale of Low-Income Housing Tax Credits, and various sources of subsidy or "soft debt", that is also called gap funding. These three sources as shown in Figure 23 below - hard debt, tax credit equity and subsidy/soft debt - comprise the typical capital stack of affordable housing development.

Figure 23 – Typical Capital Stack for Subsidized Affordable Housing Projects



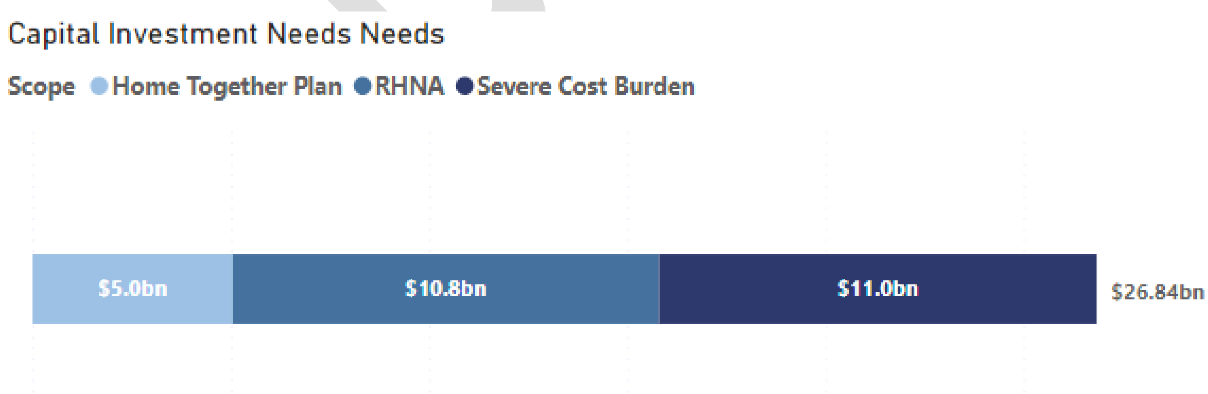
Local, regional, and state governments provide subsidy, which is often the first funding committed to a development and allows the development to then be competitive for additional financing. Local subsidy is critical, especially since the elimination of important local sources such as the RDA Low Moderate Income Housing Set-Aside.

In addition to capital needs, eliminating homelessness also requires us to innovate around operating and supportive services costs. Balancing long-term affordability with the operational sustainability of a housing property gets more difficult as we try to serve persons with extremely low and acutely low incomes and supportive service needs. At extremely low incomes, the gap between the cost of building and maintaining a unit and the rental revenue generated from the amount a household can pay increases to the point where the costs exceed the revenues. When the cost of providing supportive services is added in, this gap grows. This gap is called an operating deficit. Even when capital is available to fund development, in order to create more Permanent Supportive Housing (PSH) units, it is key to find more sources to address the operating deficit in a project. Operating deficits are typically addressed not by additional capital, but by layering in additional operating subsidy, such as federal rental housing assistance, primarily in the form of project-based vouchers (PBVs). (Permanent Supportive Housing as a Solution to Homelessness: The Critical Role of Long-Term Operating Subsidies, Terner Center, June 2023.) Operating subsidies are typically committed for a 10- or 15-year term at the start of the project, at the time that local capital subsidy is committed, so that the developer can plan for a sustainable project and attract hard debt and tax credit equity – the other key elements in the capital stack.

The Housing Finance Forecast & Potential New Local Sources

Building affordable housing units commensurate with Alameda County's needs will require $27 billion of local capital investment (see Figure 24 below). HCD's current cost estimates for the three scopes project $5 billion needed to address homelessness from the Home Together plan; $10.8 billion to meet low-income housing needs through build out of the Regional Housing Needs Allocation; and an additional $11 billion in housing investments to provide solutions to Alameda County residents with Severe Cost Burden.

Figure 24 – Total Capital Investment Needs to End Housing Crisis



The capital investment need presented here is an obviously significant number which is not currently available from existing affordable housing resources. While the goal and objective of local government housing agencies might be to house everyone adequately, there is not sufficient resources to do so. If we approach the need (both numbers of units and the subsidy required to build them) incrementally, local government can make progress towards these goals and have a continued impact over time on our community. These efforts must be done in coordination and collaboration with our city partners as well as other partners in the larger public-private partnership. We must also remember that doing nothing has a cost – most notably in the anticipated increase in the number of unhoused persons in our community.

The need for local housing subsidy continues to be critical to access additional financing from federal, state and private sources. Given the significant difference between existing levels of available local subsides and the need, it is also important to acknowledge that local governments and their partners must advocate for more federal and state resources to solve the housing and homelessness crisis.

Where would this housing investment come from?

Over the past few decades, affordable housing development in the Bay Area has relied on the LIHTC program as the largest single source of financing for affordable housing production and preservation, ensuring more scarce local sources could spread funding over a number of projects in smaller amounts. However, as the need for affordable investment keeps growing, the federal LIHTC allocation has not kept pace.

As mentioned above, the State's subsidy programs have been spent down and on-going sources are not enough to maintain the prior level of investment. Unless the State increases annual budget appropriations or creates an on-going or one-time investment in affordable housing development at the scale of Proposition 1, the forecast is that the State's share of soft debt invested in affordable housing projects will shrink, leaving regional and local governments to cover a greater share of the soft debt gap in the capital stack. In light of this financing landscape, HCD and its regional and local partners will need to develop alternate financing models and sources. Most centrally, these models will likely have to consider using local subsidy to finance a larger portion of a project's capital stack.

The landscape of affordable housing finance is further complicated by increasing development costs. The cost to build any housing, but especially infill multifamily housing, has increased significantly in the last 10 years. There are many macro- and micro- economic causes for these increases, but the cost of land, labor, construction materials and financing have all grown over the last few years. While different development strategies like modular construction, tiny homes, and accessory dwelling units (ADUs), can help bring down these costs to some extent, all involve significant tradeoffs.

There are some sites that are not appropriate to multi-family housing, and small-scale solutions will be needed. However, since LIHTC focuses on large, multi-family units, these small projects will require a higher source of local investment to be developed. LIHTC-funded multifamily development remains the most scalable and fiscally sustainable mode to develop low-income affordable units to meet the existing need.

As discussed previously, in additional to capital investment, interim, permanent supportive housing and dedicated affordable housing for extremely and acutely low-income persons all require on-going operating subsidies to ensure long-term sustainability. Operating subsidy commitments are needed at the onset of housing development for a 10- to 15-year term. The operating subsidy needed to sustain the Home Together Plan goals are described in that document. The extremely low-income housing units included the RHNA and Severe Cost Burden scenarios will also likely require some level ongoing operational subsidy.

Potential Revenue Sources to Fund the County's Housing Needs:

Despite HCD's and its partners' recent achievements in leveraging local funds in its capital programs, the scale of available funds is insufficient to meet the County's housing needs and take advantage of current opportunities. To meet even a portion of production and preservation goals, new sources of dedicated revenue would need to come online. While advocacy at the federal and state level for more funding for affordable housing opportunities is critical, this section of Housing Plan also explores the potential to generate more resources at the local level.

There are several potential methods that Alameda County and other jurisdictions in the Bay Area have used in recent years to generate revenue to fund investments in housing development and related programs. As previously mentioned, state law dictates how these revenue sources can be raised. A brief overview is included below which surveys approaches for creating on-going revenues to support Alameda County's affordable housing needs. Appendix E provides additional information regarding these potential sources. Potential revenue sources are ordered according to their revenue-generating potential.

- Affordable Housing General Obligation Bonds (G.O. bonds): voter-approved, County-issued bonds secured by an ad valorem tax, the proceeds of the bond are used to fund capital projects related to affordable housing, such as new construction and rehabilitation. Examples: Alameda County Measure A1, Santa Clara County Measure A, City of Oakland Measure U Housing Infrastructure Bond, City of Berkeley Measure O Housing Bond. Scope: G.O. bond measures may be regional, countywide or city by city, depending on which governing body (MTC, county board of supervisors or city council) places the measure on the ballot. *Revenue potential: High – a modest countywide ad valorem tax could generate $1-2 billion in proceeds.*

- Sales Tax Ballot Measure: voter-approved measure for either a general tax (50% =1 to pass) or special tax (67% to pass) for designated purposes including affordable housing programs. Scope: sales tax measures may be statewide, regional, countywide or city by city, depending on which governing body places the measure on the ballot. Examples: Alameda County Measure A (2016) and Measure W (2020), San Mateo County Measure K. *Revenue potential: Moderate – a half-cent sales tax in Alameda County could generate approximately $150 million annually.*

- Enhanced Infrastructure Financing Districts (EIFDs): a form of tax increment financing, similar to Mello-Roos, in which the County's share of incremental property tax revenue from development in a defined area could be set-aside for housing programs. Requires approval by affected property owners in the district. Scope: Limited, as could only be applicable within City or County-defined new development in unincorporated areas. Examples: Treasure Island IRFD, San Francisco, Otay Mesa EIFD, San Diego. *Revenue potential: Low – limited by the geographic size of the financing district and potential growth in property assessed value, takes years to generate sufficient incremental tax revenue to either bond against or directly fund activities.*

- Affordable Housing Impact/Linkage Fees: a fee, pursuant to the Mitigation Fee Act, on new commercial development to defray the cost of developing affordable housing. Scope: Fee limited to projects in unincorporated areas of the County. Examples: San Mateo County Affordable Housing Impact Fee, San Francisco Jobs-Housing Linkage Fee. *Revenue potential: Low.*

- Inclusionary Housing In-Lieu Fees: while primary purpose of an inclusionary housing zoning program is to produce lower income housing units alongside market-rate housing development, these programs also typically provide a developer with the option to pay a fee in lieu of building the lower-income units. These fees are paid into a local housing trust fund to support affordable housing programs. Scope: Program would be limited to development in unincorporated areas of the County. Examples: City of Berkeley Inclusionary Housing Ordinance, Contra Costa Inclusionary Housing Ordinance, Marin County Inclusionary Housing Ordinance. *Revenue potential: Low.*

- Transient Occupancy Tax (TOT): voter-approved increase to existing county TOT, proceeds of increased tax used to support affordable housing programs. Examples: Marin County Fund for Community Housing (Measure W). Revenue potential: Very low.
- Residential Vacancy Tax: a new tax on certain types of residential space that is held vacant for longer than a designated period of time; proceeds used for affordable housing programs. Examples: City of Berkeley Empty Homes Tax, San Francisco Empty Homes Tax. *Revenue potential: Low.*

The most viable approach to generating revenues at the local level at a scale that can positively impact the need for housing capital and operating subsidy would likely be a combination of a regional or countywide high revenue source, such as a GO bond or a sales tax measure, and implementing one or more lower revenue-generating "best practices" programs such as inclusionary zoning and affordable housing linkage fees within the unincorporated county. Many cities in Alameda County have already implemented such programs.

In addition to the insufficient funding from the federal government, the state and local governments have constraints on the ability to raise revenue for needed services and infrastructure. Article XVI, Section 18 of the California Constitution generally prohibits cities, counties, and school districts from incurring any debt or liabilities exceeding any year's revenues without 2/3 voter approval. One of the most common reasons local agencies incur debt is to raise sufficient capital for a project or cost that the local agency does not have sufficient cash on hand to immediately finance, such as a public infrastructure project, and promise to pay off the principal and interest on that debt over time. General obligation (GO) bonds, in the local government context, refer to bonds payable from ad valorem property tax revenue. These typically require 2/3 voter approval. However, Proposition 39 (2000) amended the Constitution to decrease the 2/3 approval requirement to 55% for school districts, community college districts, or county offices of education, to issue GO bonds for the construction or rehabilitation of school facilities. The California Constitution states that local governments may levy taxes, which are either general taxes, subject to majority voter approval, or special taxes, subject to a 2/3 vote (Article XIII C), which local agencies use for specified purposes. Proposition 13 (1978) required a 2/3 vote of each house of the Legislature for state tax increases, and a 2/3 vote for local special taxes. Proposition 62 (1986) prohibited local agencies from imposing general taxes without majority approval of local voters. Proposition 218 (1996) extended those vote thresholds to charter cities and limited local agencies' powers to levy new assessments, fees, and taxes. Housing is a critical part of California's infrastructure, and given the significant housing need numbers statewide, efforts should be made to identify new funding sources for affordable housing.

Understanding the Funding Needed: Capital Planning to Meet the Demand for New Affordable Housing

Affordable housing development generally requires multiple funding sources to fully finance development costs. The number of affordable housing units that can be built is driven by factors including project costs and the availability of tax credits, private activity bonds (which generate the 4% tax credit), and subsidy loans to fill funding gaps. While critical constraints exist regarding access to tax credits, as tax equity raised from the sale of tax credits typically funds over 40% of a project's total development costs, the 4% and 9% tax credit programs remain, currently, the principal vehicles by which the Bay Area can meaningfully fund needed housing at the scale required. (BAHFA Business Plan)

Local subsidy is typically the first funding committed to a housing development and allows the project to attract additional financing in the capital stack. On average, Measure A1 invested a little over $90,000 per unit, and it unlocked seven times that investment from a variety of other funding sources. However, based on limited availability of tax credits, which are constrained under federal law, and anticipated decreased levels of state subsidy, HCD is forecasting a more conservative average local subsidy investment going forward of around $200,000 per unit.

Figure 24, above, presents local capital subsidy needs under several build-out scenarios based on what HCD considers to be a reasonable local share of the needed investment. In the first scenario, to build just the most critically needed, deeply affordable and service-enriched housing identified in the with similar financing, we need more than $5 billion, which would be just a fraction of what it would take to build all of the countywide lower-income RHNA units, housing for the entire portion of our housing ecosystem that is severely cost-burdened or experiencing homelessness, or housing to meet the entirety of current and predicted lower-income housing needs. There are a variety of ways to generate local revenues for housing development, but it is likely none of these strategies alone will be sufficient.

The need for local housing subsidy continues to be critical to access additional financing from federal, state and private sources. Given the significant difference between existing levels of available local subsides and the need, it is also important to acknowledge that local governments and their partners must advocate for more federal and state resources to solve the housing and homelessness crisis.

Creating a Sustainable Financing Model

To build a housing ecosystem that supports Alameda County’s residents, it is important for the County to highlight the value of our investment in affordable housing in terms that make sense. This means presenting our programs not only in terms of units created, but money saved for residents who do not have to pay market rate rents, households kept out of the homeless response system or off the street, and long-term reductions to the number of residents who are cost-burdened or displaced.

As discussed previously, while bonds and tax measures can create funding for new affordable development, they rely on regular approval by voters. Other agencies across the country, notably the New York City Housing Development Corporation (NYCHDC) and the Montgomery County Housing Opportunities Commission in Maryland, have successfully created renewable funding models that do not rely on regular voter approval. Both agencies function similarly to public banks by offering low-interest loans in exchange for affordable housing. They provide a source of “hard debt” financing in the capital stack. Funds paid back from these loans are reinvested in additional housing units, avoiding the need to regularly ask voters for more money. This approach also results in affordable units staying in the hands of local governments that will ensure they remain affordable, as it gives the agency financing the project an ownership interest. However, it is important to note that this approach would compliment and leverage, but not replace, the capital investment needed in “soft debt” subsidy in the capital stack.

Currently this approach is being developed in the Bay Area by BAHFA, which is based largely off of the NYCHDC model. However, there may be additional opportunities to implement programs on the County level if funds are programmed to stand up a revolving loan fund—essentially using a similar approach to BAHFA by capitalizing such a fund with a one-time voter approved bond or tax measure. Such an approach has several advantages over our current financing strategy apart from its renewability. First, it is counter cyclical: meaning that when interest rates in the market are low, making construction costly and unattractive, public financing can provide an extremely attractive alternative to spur building and keep us on track to meeting our housing goals. Second, while most of our current funds are programed towards gap funding—smaller loans that are paid back with residual receipts, meaning only when there is money available after other loans are paid back—revolving loans can be made in larger amounts with the guarantee that they will be paid back. Repayments and whatever interest is gained can then be reinvested without going back to the voters for more funding. Finally, such a funding method expands the pool of partners who will work with government to build affordable housing.

This approach may be especially necessary in California, where public investment from the State and Federal governments has not kept pace with the growing need for affordable units. As discussed earlier, the federal government’s role in providing public housing and funding for housing development was once much larger. Similarly, the State’s commitment to funding affordable housing has not increased in line with the crisis and faces boom and bust budgeting cycles that make it difficult to ensure consistent availability of financing. Without significant changes at multiple levels of government, HCD and BAHFA are the only ones capable of filling the gap left by this lack of investment. In light of these trends, the standard approach used by HCD and other local housing development agencies—leveraging local funds with several sources of State and Federal investment—should not be our only approach. Instead of spreading funds across many projects in a shallow subsidy reliant on a complex capital stack, we should explore deeper investments that are repaid sooner, allowing for reinvestment in many projects over time.

Chapter 7 – County's Role in the Countywide Housing Ecosystem

The County and its cities all must play a role in solving this housing and homeless crisis. None will be effective alone, and working in partnership is the only way to achieve the scale needed to make a difference. Each local government (city and the county in the unincorporated areas) is responsible for siting and development of affordable housing and homeless housing through land use decisions, planning and building permits, which must be obtained before housing can be built. The County and cities share roles around capital fundraising and operations support, especially when applications to the state or federal government are involved. The County must also ensure that the homeless services is available to those who need it most once the permanent supportive housing is built.

Leader, Lender, Partner, & Innovator

Housing departments, like Alameda County's HCD and city housing departments, play multiple roles in creating and supporting a sustainable housing ecosystem. HCD proactively intervenes upstream, before homelessness occurs, to help create investments in healthy communities to prevent eviction and displacement, create long-term affordable housing stock, preserve existing affordable housing, and help guide capital investments in housing towards assisting the most vulnerable in our communities. This work requires coordination between the County, City housing departments, local non-governmental stakeholders, regional governments, and State and Federal legislators and housing departments and private partners - such as housing developers and community development financial institutions.

Direct Service Provider & Funder

While individual cities handle the majority of their housing programs, County HCD is responsible for a number of countywide services. These include Renew AC and AC Boost, programs offering countywide rehabilitation and down payment assistance services, respectively, funded by Measure A1. For example, HCD also administers the County's AC Housing Secure program, a collaborative of legal service providers working to prevent tenant displacement, the Alameda County Affordable Housing Portal, and Landlord Foreclosure Prevention Program, offering financial assistance to low-income property owners at risk of foreclosure. HCD also acts as a countywide housing funder, directly investing funds into new affordable housing project, with the largest source of funds being the Measure A1 General Obligation Bond. As a lender, HCD has developed the capacity to underwrite loans for rental housing development as well as build and maintain partnerships with affordable housing developers and community development financial institutions (CDFIs). For other federal sources of funding, HCD administers HOME, CDBG, and other federal grant programs, on behalf of a subset of cities within the County.

For the unincorporated county, HCD has an even larger role as a direct service provider. Despite being collectively equivalent to the County's fourth largest city with 147,000 residents, the unincorporated areas of Alameda County have no direct municipal services apart from the

County. HCD's role in these areas is especially important given the persistent need for housing services, affordable housing funding, and tailored housing policy. Given the lack of other local government, HCD is responsible for a wide variety of services in the unincorporated areas and administers all housing funding.

County Facilitator & Coordinator

HCD, as the only housing department with some purview over the entire County, has an important coordination role, helping city housing departments work together, share resources and best practices, providing high level strategic direction, alignment across jurisdictions, and ensuring standards are consistent. Every month, HCD facilitates meetings of Housing staff from every city in the County, providing a vital space to discuss issues that impact the entire County, introduce new County lead programs, and share updates and best-practices across cities. Outside of this meeting, the County frequently acts as a partner to local housing departments, either by providing services or funding that HCD is better suited to administer directly in their communities, or coordinating with local programs.

Partner

Some funding sources also create sub-county coordination groups or housing agencies, like the Continuum of Care—which provides coordinated homeless response across the County—and Housing Authorities—which administer Federal Section 8 Housing Choice Vouchers and other voucher programs that offer long-term rental assistance—both of which provide services and funding complimentary to HCD's. Similar to these bodies within the County, there are a variety of regional governments and non-governmental organizations (NGOs) that provide housing funding, implement services, or coordinate housing action. The largest two examples of these are ABAG—a regional government that, among other duties, assigns each jurisdiction's Regional Housing Needs Allocation (RHNA) prior to each Housing Element Cycle—and MTC—another regional government that sets overarching planning policy for transportation and development across the Bay Area.

Innovator

County HCD's scale, partnerships, and expertise position it uniquely to support innovative solutions Alameda County's housing related challenges. The department is able to develop and fund pilots in the unincorporated county, review and refine them, and then bring them countywide or provide technical assistance to our partners. During the past decade HCD has leveraged its funding and position to pursue numerous high value programs that municipalities would have been ill-equipped to pursue alone. In this role HCD has developed a Countywide Affordable Housing Portal to act as a one-stop shop for affordable housing seekers, an Accessory Dwelling Unit (ADU) resource center to assist residents in the Unincorporated Areas of the County adding more units to their homes and helped develop and grow a variety of community-based organizations and emerging developers, among other programs. The Measure A1 Rental Housing Development Program Implementation Polices, and its allocation system of Base and Sub-Regional funding allocations has been well-received by cities and affordable housing developers and looked to as a model by other local governments in the Bay Area.

HCD In Context

Across all of HCD's roles, the department works with, funds, receives funding from, or otherwise coordinates with a wide variety of Federal, State, Regional, and Local government bodies as well as nongovernmental groups that all work in the same housing ecosystem. The below system map, while not exhaustive of everything HCD does, presents the major connections between our department and our main partners. Each entity listed has some part in funding either the construction or preservation of affordable housing, rental subsidies for lower-income tenants, or the provision of homeless response housing and services. Funds that flow throughout this system are appropriated by each entity to their clients, which may be individual households, housing developments, or service providers. For instance, CDBG funds from the Federal government flow through HUD to HCD, who administers that funding on behalf of the Urban County to produce new housing units and fund housing service programs.

Maximizing Opportunities: Other Methods to Leverage Housing Resources

Leveraging Local Funding: Opportunities and Challenges

There are opportunities and challenges in aligning the policy objectives of federal, state, local and private funding sources. Currently, at the State level, there are conflicting policy objectives depending on the program. Many of the current set asides and scoring criteria of the State's LIHTC programs (the 9% credit, 4% credit and associated tax-exempt debt) align well with the County's equity goals, including prioritization of lower income and special needs households and proximity to transit. However, some criteria have created negative consequences for many Bay Area communities, including:

- prioritizing investments in "high opportunity" census tracts, which disadvantage lower-income communities and communities of color.
- prioritizing projects with low development costs in the interest of creating more units across the state overall. For high-cost Bay Area communities, this has resulted in a resource allocation drought.

HCD will continue to monitor, collaborate, and evolve as needed to help provide funding to projects that will successfully receive tax credits and bonds, or new programs while also meeting HCD's equity objectives.

While pursuing new local funding sources and external leverage opportunities is necessary to increase available resources, HCD needs to also work with its County, city and housing developer partners to invest in efforts such as entitlement and procurement process streamlining and alternative housing construction types, such as factory-built housing, that reduce development timeframes and lower project costs.

Long term capital investment presents the best opportunity to leverage scarce local dollars to generate public benefit. Over the long term, affordable development generates approximately 3x the subsidy value of a pay-as-you-go annual voucher program, primarily due to the ability to leverage federal and private capital dollars.

The Increasing Importance of the Housing Element

While most State and Federal money is available to all jurisdictions, some new sources of housing and transportation funding are being made contingent on local governments fulfilling certain obligations, many of which rely on having a compliant Housing Element of the General Plan. In order to access One Bay Area Grant (OBAG) funds, Priority Development Area (PDA) Planning Grants, Homeless Housing and Assistance Program (HHAP) Funds, and PLHA funds—which together total more than $35 million in FY 2024-25 funds specifically earmarked for the County— the County must have a State-certified Housing Element and maintain certification throughout the current RHNA Cycle by implementing the programs and policies promised. Additionally, a compliant Housing Element would make the County eligible for other competitive funds like the Access to Housing incentive Pool (HIP) program, which rewards the top 15 jurisdictions in the Bay Area with OBAG and Regional Transportation Improvement Program funds. While Alameda County, as a whole, qualifies for this funding as a top producer of housing, our lack of a certified Housing Element may impact access to these funds.

In the future, there will likely be more sources of funds reliant on Housing Element passage or continued progress on implementation. As proven this cycle, this has not been a low bar, as many jurisdictions in the Bay Area have struggled to comply with new Housing Element requirements and receive State certification. A central challenge in this cycle has been the new Affirmatively Furthering Fair Housing (AFFH) rule that State HCD has used to ensure jurisdictions use their Housing Elements to address Tenant **Protection** needs as well as **Production** and **Preservation**. The next cycle will likely raise the bar even higher given the addition of Acutely Low-Income (15% of AMI and below) and Extremely Low-Income (30% of AMI to 15%) population housing needs as required portions of RHNA.

Managing Assets to Sustain Investment and Preserve Affordability

As a Lender, HCD manages an investment portfolio of over 130 loans in affordable housing development assets with over 6300 units. As a “soft debt” lender, the majority of HCD’s loans are typically structured as residual receipts or deferred payment loans. The primary performance measures for the asset management portfolio are that these assets continue to be well managed for the purpose of serving low-income residents and well maintained as long-term affordable housing stock. Over time, a housing development will need to be recapitalized in order to finance the replacement of older building systems. HCD’s asset management team works with borrowers as they seek to refinance and extend the useful life and affordability term of an affordable housing development. This is another expression of HCD's fiscal stewardship as we work upstream in the housing ecosystem to preserve the County's affordable housing stock.

HCD's loan portfolio historically generates modest revenues from loan repayments, which is in keeping with each loan program's public purpose at the time of loan origination. Currently, these repayment revenues are minimal and subject to fluctuation. In the future, HCD could consider offering additional types of loan products, such as short-term "bridge" loans and fully amortizing loans that could support a revolving loan fund to reinvest in the production, preservation and protection of housing opportunities.

The financial landscape presented here – from the sources that comprise the capital stack, potential additional sources of local revenue for housing, the County's opportunities to attract and leverage outside funding, to the funding challenges in creating interim housing and supportive housing, like PSH, for chronically homeless population – is critical for assessing the total capital needs and operating subsidy needs for the 10-Year Housing Plan, presented later in this Plan.

Section III: Methodology

Chapter 8 – Evidence Based Policy Making

From Inadequate and Inequitable to Targeted and Accountable

The Housing Plan presents a dynamic and responsive menu of policy interventions designed to address both the symptoms of inequity and the structural conditions that perpetuate them. By focusing on equitable outcomes, actively engaging with the communities most affected by housing issues and using data-driven strategies to guide our actions, we are committed to creating a more just, inclusive, and thriving Alameda County. This comprehensive approach is fundamental to breaking the cycles of poverty and discrimination, while building a future where all residents have equal opportunities to secure and stable affordable housing.

In this Housing Plan, HCD stives to address both the inadequacies in the scale and scope of the housing crisis response and the inequities imbedded in the current housing system that lead to the disparate outcomes described above. The Department draws on years of experience monitoring, evaluating, and reporting on equity issues to embed targeting and accountability in each of its programs. In order to take advantage of its past work, HCD has aligned the metrics and strategy described in this plan, key processes tied to current programs, partnerships, and funding sources. This will allow HCD to ground understanding of programs' impacts in long term contexts and track progress to specific and quantifiable and performance goals in the Department's equity focus areas:

- Disparate Impacts of Housing Cost Burden
- Disproportionate Rates of Chronic Homelessness
- Housing Segregation and Access to Opportunity
- Community Investment and Wealth Building

Recognizing the urgent need for equitable solutions, this plan uses the data available and informs HCD to focus on providing support for low-income families and individuals facing homelessness. Strategies include building more affordable units with deeper affordability levels, address barriers to accessing an affordable unit, and expanding support for more strategies that address economic upward mobility through homeownership and other educational opportunities. By prioritizing equity-based solutions, such as anti-discrimination policies and inclusive housing programs, we aim to break down barriers and create pathways to housing stability for all residents, regardless of their economic status.

Key Performance Indicators

Alameda County has implemented targeted decision-making processes to ensure its current programs and policies has equity opportunities for those most affected by systemic injustice in housing. Through HCD's capacity building programs for Emerging Developers, requiring new affordable projects provide deeper affordability levels for units at 20% Area Median Income through Measure A1 Bond funds program, and supporting a robust legal aid assistance for tenant protections during the 2020 COVID pandemic; critical strides were made to prevent further displacement of residents. By incorporating a racial equity lens into policy development and resource allocation, the county aims to continue to create a more inclusive, functioning, and thriving housing ecosystem that addresses the specific needs of marginalized communities. Through intentional outreach, community engagement, and data-driven decision-making, Alameda County will prioritize initiatives that directly benefit Black and Latino residents, low-income households, and other vulnerable populations. This targeted approach will foster greater equity and fairness in housing outcomes, promoting a more just and inclusive housing landscape for all residents. In evaluating needs and impacts, HCD is informed by the following equity performance indicators:

- Demographics of unsheltered households
- Demographics of severely cost burdened households
- Demographics of HCD program beneficiaries
- Relationship between program outcomes and demographic
- Geographic access and distribution of services

Systems of Accountability

HCD's commitment to equity is longstanding and indicated by the numerous regular reports and processes in which it participates. These important documents are the source of new indicators and techniques as well longitudinal data. We can measure how Alameda County residents are accessing our programs, how our programs are improving their quality of life, and how their housing choices continue to change over time.

Chapter 9 – Informing our Strategy with Community Feedback

Beginning in October 2023, HCD undertook a robust public engagement process to hear from and communicate to the general public in the context of the 2023 Housing Needs assessment and the potential for new housing program revenue. Our efforts took two approaches, engaging the general public and specialized stakeholders simultaneously. The first was organized in collaboration with members of the Board of Supervisors and their staff which led to seven public meetings taking place across the County supported by an online survey. The online survey is available on the HCD-created website, HousingNeedsAC.org, and has been promoted via social media, engagement with the Board of Supervisors and the efforts of community stakeholders. To date it has received over 900 responses. The second approach was to engage development partners, service providers, governmental organizations, community groups, and advocacy organizations through eleven focused feedback sessions. These meetings were leveraged to collect information about current services and funding gaps, potential opportunities, and lessons and best practices learned from Measure A1 and ARPA

The feedback process was designed to generate qualitative information about the state of Alameda County's housing ecosystem and the impacts high housing costs were having on county residents. HCD's engagement was structured around four questions:

1) How have high housing costs impacted you personally?
2) How do you perceive high housing costs have impacted your community?
3) What solutions would you like prioritized?
4) Which populations should be prioritized for service?

Responses painted a clear and consistent picture; high housing costs are impacting Alameda County households profoundly, pervasively, and negatively. Finding solutions that address the high cost of housing and its negative impacts are a top priority in every community. Below are the key takeaways from the general public:

- High housing costs are negatively impacting most Alameda County households, finding a solution is a top priority, and residents believe that current solutions to the housing crisis are inadequate.
    - 49.5% of respondents say that rent is rising faster than their income, placing stress on their household budget.
    - 52.9% of respondents are strongly considering relocating outside of Alameda County due to the cost of housing.
    - 14.2% of respondents are at risk of losing their home due to foreclosure or eviction.
    - 45.6% of respondents are facing difficulty finding or affording a home for purchase.
    - 76% of respondents said that the increase in housing prices is either very negatively or somewhat negatively impacting their household.

- There is broad consensus that addressing rising costs will require building more housing, both market rate and affordable, in most communities.
    - 74.5% of respondents support new housing construction in their neighborhoods.
- Residents repeatedly stated that housing senior and unsheltered populations is a basic responsibility of government.
    - Housing the unhoused (46%) and preventing displacement of long-term community residents (26%) were the top priorities for respondents.
- Within Alameda County, there are significant regional differences in the way high housing cost impacts are felt and, consequently, the solutions communities would like to prioritize. Those priorities reflect the demographic composition, history, and built environment of those areas.
- Residents accept that there is no 'silver bullet solution', that this problem took many decades to develop, and solutions will take substantial time and investment.
    - 60.3% of respondents support increasing property taxes to invest in affordable housing.

In its parallel process, HCD reached out to former, current, and potential partners in the housing field to receive feedback and develop new and innovate strategies. Below are the key takeaways from those meetings:

- Emerging faith based and BIPOC Developers are eager to support new construction of affordable housing, but need assistance in navigating the financing and permitting process
- Alameda County is uniquely positioned to support innovative strategies such as Community Land Trusts (CLT) and mobile home park preservation.
- Upstream/predevelopment funding is needed to get more projects off the ground.
- Accessible and regular sources of funding are necessary to support consistent production of affordable housing.
- Deep need for operating subsidy to support on-site services and building maintenance.
- The County is positioned to support and fund these community priorities.

In developing the housing strategy below, HCD Staff integrated the public's sense of urgency, considered their priorities for services, and made sure that programmatic approached were available that could serve every community. Alameda County is lucky to have a wide-reaching ecosystem of established and emerging housing stakeholders. Their feedback was especially valuable in identifying improvements in HCD's processes, updating program designs, and identifying innovative opportunities that might be pursued if and when new resources become available.

In brief, this Plan was drafted to reflect the top five priorities as received from the public during the feedback window:

8) Address Homelessness and the Risk of Homelessness
9) Build More Affordable Housing
10) Preserve Affordable Housing
11) Stabilize Families in Crisis and Protect Tenants
12) Promote Equity and Prevent Displacement
13) Expand Developer Pool and Create New Opportunities for Emerging Developers
14) Investigate Sustainable Funding Modes for Affordable Housing

The public engagement resources, relationships, working groups, and communications tools HCD developed during this process are durable resources that will continue to inform HCD's decision-making and program administration moving forward.

Section IV - Findings and Action Plan

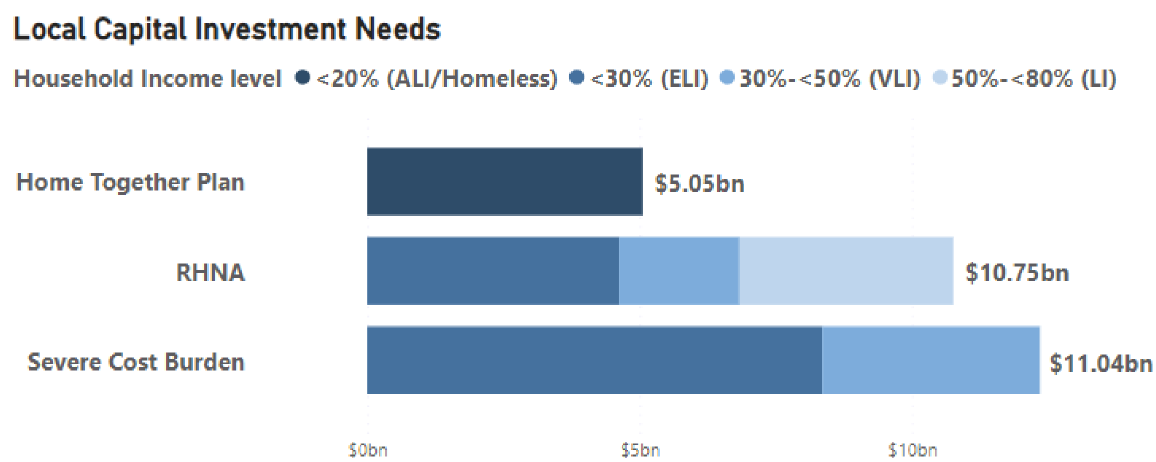
Chapter 10 – Action Plan

What is Success?

Using the Produce, Preserve and Protect framework, Alameda County and its cities need 93,000 new units of affordable housing, 2,133 number of units to preserve, and x number of low-income tenants to protect.

Production of new units and shelter beds will cost approximately $27 billion in local investment, as shown in Figure 27 below. In order to better present the scale of need and activities discussed in this plan and align them with County priorities, three **Production** scopes have been presented. These goals are cumulative, with the Home Together plan serving the most acute needs and the Severe Cost burden proposal providing the most comprehensive solution.

Figure 27 – Local Capital Investment Needs for Production



Impacting the housing needs must be accomplished in collaboration with our partners in city governments across Alameda County which zone and permit new construction. Appendix B of this plan breaks down the housing needs by city. In the past, local capital investment contributions have originated from both the County and from cities. Reaching these levels will cities to identify some portion of these funds.

Total Capital Needs for Production

The total cost of development is broken out into the three scopes previously mentioned.

1. *Ending Homelessness* – $5.05 billion plus ongoing operations support.
    a. $1.21 billion for Permanent Supportive Housing
    b. $0.922 billion for medically frail Individuals

   c. $2.9B for dedicated affordable housing for acutely low-income households (0-20% AMI) plus ongoing operations subsidy
2. *RHNA Low-Income Units* – $10.75 billion
   a. $4.6 billion extremely low-income units (0-30% AMI) plus ongoing operations subsidy
   b. $2.2 billion very low-income units (31-50% AMI)
   c. $3.92 billion low-income units (51-80% AMI)
3. *Severely Cost-Burdened* – $11.04 billion
   a. $8.35 billion extremely low-income units (0-30% AMI overlap with above) plus ongoing operations subsidy
   b. $1.69 billion very low-income units (31-50% AMI)

Total Needs: $26.8 Billion

Creating a Permanent Solution to Homelessness (Home Together)

The most immediate need in the County is to move currently unhoused people living on the streets into emergency shelters and ultimately into safe and habitable housing while also slowing the tide of people becoming newly unhoused. This investment will generate the housing infrastructure required to permanently end the crisis of elevated chronic homelessness on the streets of Alameda County.

Annual Operating Needs for Homeless and Acutely Low-Income Units

As noted above, in additional to capital investment, interim, permanent supportive housing and dedicated affordable housing for extremely and acutely low-income persons all require operating subsidies to ensure long-term sustainability. Operating subsidy commitments are needed at the onset of housing development for a 10- to 15-year term. The Home together plan estimates the operating support needed to sustain the 17,455 units of additional affordable units to end homelessness is approximately $280 million per year.

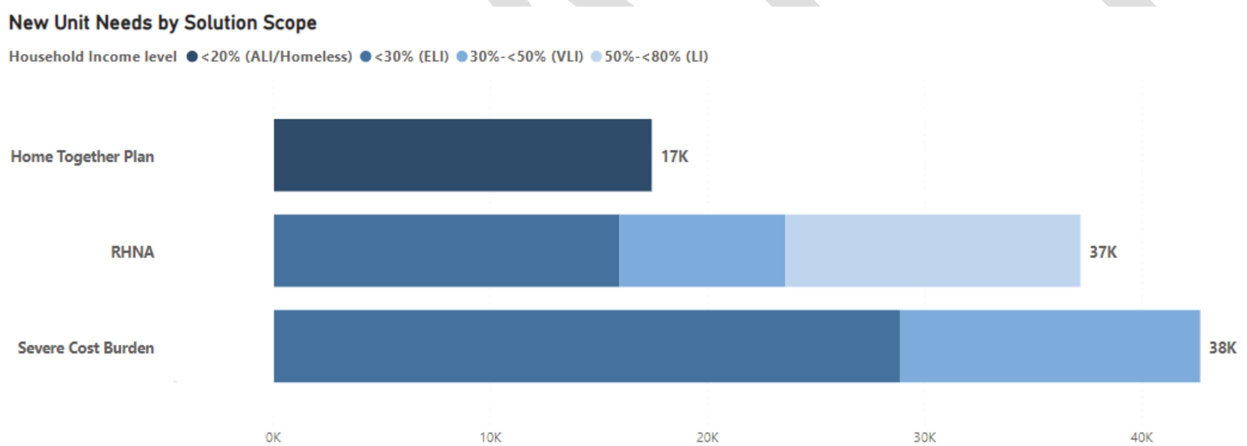
Meeting Regional Production Obligations (RHNA)

California and Alameda County's high housing costs stem from long term and chronic underproduction of housing affordable to lower and middle- income households. Meeting RHNA production targets is an essential component of any long-term plan to stem the rising tide of homelessness and displacement. In the 6th RHNA cycle, covering the years 2023 - 2031, communities across Alameda County need to support the construction of 37,197 housing units for low-income households. This includes 15,960 housing units affordable to extremely low-income households which will also require ongoing operations subsidy for on-site services and maintenance.

Housing Security for All (Severe Cost Burden)

Even if the County were to meet its RHNA goals for households with incomes between 0 – 50% AMI, there would still be over 30,000 extremely low and very low-income households facing severe housing cost burdens. Severely cost burdened households pay more than half of their gross (pre-tax) income in housing costs and are at high risk of homelessness if they experience a sudden loss of income or other financial crisis that impacts their ability to make housing payments. Producing new housing affordable to households making between 0 – 50% of AMI is critical to preventing homelessness going forward while we work to solve the current crisis of unsheltered homelessness in Alameda County. From 2000 – 2019, the number of severely cost burdened households increased by 23% from 76,260 households to 93,650 households. From 2007 - 2024, homelessness as measured by the bi-annual homeless PIT count increased by 95% from 4,838 persons to 9,450 persons. While there are many factors that influence increasing homelessness within a particular region, high numbers of housing cost burdened households are certainly strongly correlated with high rates of homelessness.

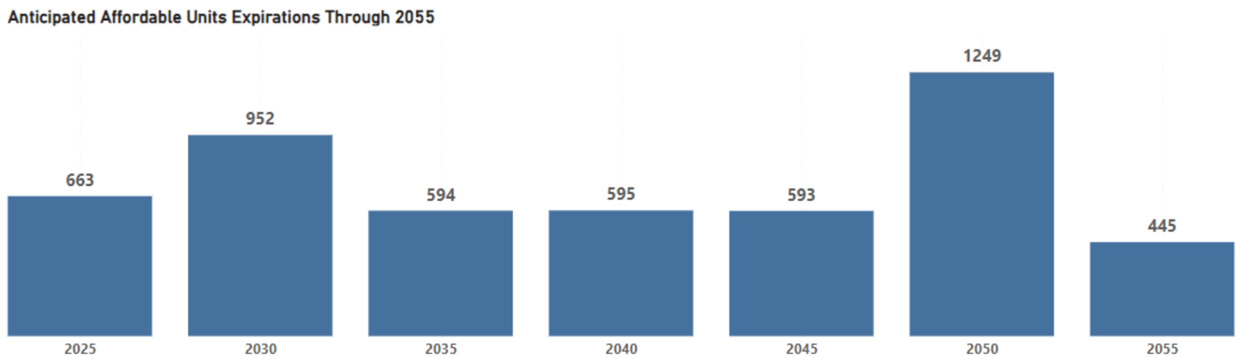
Figure 28 - Number of Units Needed



Total Needs for Preservation

As described above, HCD has identified 2,133 affordable units with affordability covenants which will expire through 2034. Significant funding will need to be set aside to syndicate and potentially rehabilitee these projects to ensure that this affordable housing capacity is not lost. The per-unit cost of such preservation efforts can be difficult to estimate since the capital needs of legacy buildings vary greatly based on their physical condition, the affordability mix, and the duration of the desired extension. Figure 29, below, shows the number of affordable units that will need to be preserved over the next 30 years. It should be noted that this preservation scope does not include units whose rents are currently set at affordable levels but are not subject to government restriction. These ‘naturally occurring’ affordable housing units are at risk of reverting to market rate as building tenancy and ownership changes over time.

Figure 29 – Minimum Housing Preservation Needs



Community Need for Protection

Housing production and preservation are critical components to meeting Alameda County’s housing needs and creating a more stable housing ecosystem for all Alameda County residents. However, too many low-income residents of Alameda County are at risk of displacement or becoming homeless right now, and it will take time and investment to build enough affordable housing to meet the County’s housing needs. HCD estimates that there are 56,800 households making below 50% of AMI that are severely housing cost-burdened. These are the households facing the highest at risk of becoming homeless in the event of a rent increase or eviction. Due to their income level, should they lose their current housing they would very likely be unable to find a new place to live in Alameda County.

Protection most frequently takes the form of programs that assist low-income households facing housing instability and policies meant to reduce the risk of housing instability for low-income households. Currently, the County funds multiple programs providing legal assistance, education, and case management to low-income tenants. These programs serve roughly 1,300 households per year, a significant amount but also not close to serving every household facing housing instability. Tenant protection policies include rent control/stabilization, which limits the amount that a tenant’s rent may be increased annually, and just cause eviction protections, which protects tenants from eviction except for specified reasons such as non-payment of rent or owner move-in to the rental unit. Unfortunately, Alameda County is unable to pass such policies at the countywide level, so the level of protection that a tenant has depends on which city they live in. Statewide, the Tenant Protection Act of 2019 limits rent increases and provides just cause eviction protections for residents of older multi-family rental housing, however many tenants across the state still have no protections against unjustified evictions or large rent increases.

Prioritizing Housing Interventions/Investments to Meet Housing Needs

The Housing Plan organizes programmatic investments around the Committee to House the Bay Area (CASA)'s Three "P" Framework. This framework identifies a three-pronged approach to address the region's housing crisis: Produce, Preserve and Protect

Generally, housing activities that correspond to one of the three categories, could be funded from a variety of sources, but some funds must be spent on specific things – for instance general obligation bonds can only be spent on capital improvements (sticks and bricks). In some areas, including policies such as rent stabilization, that protect residents from displacement, programs would need a funding source that is eligible to cover services (non-bond source of funding). Chapter 5 details possible funding sources for a variety of programs.

HCD proposes a coordinated approach, across departments, agencies and funding sources, to focus the County's housing investments to have the greatest impact. This means that multiple county agencies would have to work with the HCD to focus investments where they would have the highest impact.

GOALS AND OBJECTIVES	HOUSING ECOSYSTEM INTERVENTION OBJECTIVES
PRODUCE	Create the conditions to develop enough affordable housing of many types to meet the unhoused, RHNA and severe cost burden need in Alameda County
PRESERVE	Ensure that the existing housing stock of affordable deed-restricted units, emergency and interim housing units for the homeless, and naturally occurring affordable housing remains stable and affordable for low-income residents
PROTECT	Protect residents, especially vulnerable populations, from evictions, displacement and housing discrimination

HCD's role of ensuring long term oversight and regulatory compliance as well as technical assistance for sustainability and operation of affordable housing ensures the County's investment (from all sources) is appropriately spent. Working with other county departments, HCD's operating principles are listed below:

AC VISION 2026 OPERATING PRINCIPLES	HCD ACTIONS
FISCAL STEWARDSHIP	1. Pursue all opportunities to leverage funding sources and maximize the leveraging of resources

	2. Refine housing strategies to integrate development cost reduction approaches to make the most of public investment in affordable housing 3. Manage loan portfolio assets and program income to preserve existing affordable investments and to generate sustainable revenues to help fund HCD's activities and programs 4. Advocate for federal funding commensurate with need and past commitments
EQUITY	1. Base all decisions and processes in equity goals and priorities 2. Promote community participation in shaping solutions that most impact them 3. Provide leadership opportunities for people with lived experience of housing instability to shape how we address housing solutions in our community 4. Analyze available data and track over time to measure impact of housing programs on racial disparities and vulnerable populations 5. Create accessible dashboards that show our progress and hold our systems accountable.
COLLABORATION	1. Continue to convene and collaborate with cities and housing authorities across Alameda County to align and coordinate on best practices, innovative approaches, and advocacy efforts 2. Collaborate with Alameda County agencies and regional partners to advance regional transportation, land use and housing goals to meet Plan Bay Area 2050 targets 3. Expand partnerships with community development funders (businesses, banks, philanthropic institutions) and community-based organizations seeking to support cost-burdened communities and create housing opportunities 4. Collaborate with Alameda County jurisdictions and Housing Authorities to complete the Regional Analysis of Impediments to Fair Housing Choice
ACCESS	1. Continue to increase transparency and reduce barriers to low-income persons seeking to access affordable housing
INNOVATION	1. Continue to expand coordination between systems, increase the use of data to improve programs, and increase training opportunities for all partners

	2. Implement evaluation and monitoring strategies 3. Find opportunities to reduce development costs and timeframes
SUSTAINABILITY	1. Create a county-wide education campaign that increases awareness of the housing needs and ongoing efforts to solve the housing crisis 2. Build capacity in partner organizations and staff (train and retain) 3. Advocate for ongoing sources of capital and operating funding for affordable housing, especially supportive housing 4. Leverage HCD's position to demonstrate the need for increased federal support for housing prodcution

As housing resources become available, HCD proposes the following potential programs to address the range of critical affordable housing needs and community priorities expressed to date.

Like the Measure A1 Rental Housing Implementation Policies, HCD proposes an investment structure that provides for local autonomy in project selection and other factors, while also incentivizing that funding be used to:

1. Meet RHNA goals, especially those serving extremely low income and acute need populations;
2. Prevent displacement; and
3. Leverage non-local resources to the greatest extent possible.

STRATEGIES	IMPLEMENTING ACTIONS & PROGRAMS
PRODUCE	1. Increase affordable rental housing opportunities for low income, very-low income and extremely low-income households and individuals of all types (multi-family to tiny homes). 2. Add operating subsidies to affordable rental units for Extremely Low and Acutely Low-Income households, to serve those who are homeless or at risk of homelessness, including those with domestic violence history, developmental disabilities, physical impairments, medical needs, mental health, substance abuse and justice involvement. 3. Build new homeless shelters and interim housing sites. 4. Create a “Small Sites” program to help emerging developers, community land trusts, faith and community-based organizations and other nonprofit landowners to develop affordable housing so as not to compete with larger multifamily sites and ensure that we have funds to scale non-multifamily sites. 5. Create affordable homeownership opportunities through first-time homebuyer programs or developments 6. Create a rapid-response Site Acquisition Fund to secure high opportunity properties for future affordable rental housing 7. Offer technical support and financial assistance for the creation of Accessory Dwelling Units.
PRESERVE	1. Homeless Housing Inventory; including homeless shelters, permanent and transitional housing and other interim housing models that need repair and replacement. 2. Preserve the existing stock of deed restricted affordable housing and ensure continued reinvestment and extended affordability of those units. 3. Naturally Occurring Affordable Housing / Welfare Tax Exemption Program - Implement a voluntary program to convert affordable market-rate units to deed-restricted affordable housing units in existing residential buildings to ensure permanent affordability 4. Implement a mobile home revitalization program to acquire and rehabilitate sites and preserve them for low-income households
PROTECT	1. Support the further strengthening of renter protections beyond state law.

	2. Provide assistance to severely rent-burdened low-income households. 3. Continue HCD's on-going programs to affirmatively further fair housing, including implementation of policies and programs in Alameda County's Housing Element of the General Plan.

HCD's standard programs will continue should new funding be made available:

- Rental Development Program
- Local Housing Support Program
- Down Payment Assistance Program
- Housing Preservation Program
- Homeownership Development Program
- Acquisition and Opportunity Fund
- Innovations Fund

New and expanded programs could be created if funds are made available and could be targeted towards specific populations depending on the funding requirements. See Appendix F for more details.

Chapter 11 – Next Steps & Conclusions

Implementation Considerations

Following Housing Plan adoption by the Board, HCD will prioritize identification of possible funding sources and partnerships to support the plan and meet its goals and return to the Board to report out on findings. Achievement of any of these goals is dependent upon new sources of financing, some of which will be tied to specific outcomes. For instance, any new funding achieved by the County through Proposition 1 (MHSA Reform) will be tied to housing people with Serious Mental Health (SMI) issues. Over the longer term, HCD will build out the implementation steps of the Housing Plan, including financing resources, strengthening partnerships, opportunities to leverage resources, additional approaches to increase efficiency (time and cost) in housing production and preservation and developing performance metrics to measure the impact of HCD programs on eliminating disparities and increasing racially equitable outcomes.

As Measure A1 is winding down, County housing resources and investment must renew or increase to maintain the level of impact to house our communities and eliminate homelessness. In addition to increasing investment, HCD will seek to strengthen partnerships and explore opportunities with financing partners where non-governmental funding partners may be better positioned to act more quickly to support land acquisition or housing preservation opportunities and/or to offer more flexible funding terms. While HCD will continue to explore ways to streamline its processes, HCD is constrained both on required procurement processes and financing terms. For example, HCD is limited in its ability to provide grant funds or forgive indebtedness due to the requirements of its funding sources, such as general obligation bonds.

Impact and Evaluation

HCD will continue to seek input and refine the evaluation and impact of its housing programs. As presented in Section III of this plan, HCD draws on years of experience monitoring, evaluating, and reporting on equity issues to embed targeting and accountability in each of its programs. To take advantage of its past work, HCD has aligned the metrics and strategy described in this plan, key processes tied to current programs, partnerships, and funding sources. This will allow HCD to ground understanding of programs' impacts in long term contexts and track progress to specific and quantifiable and performance goals in the Department's equity focus areas.

HCD's key metrics include:

1. Number of new housing units produced, as well as affordability levels, locations, vulnerable populations served, and units in the pipeline
2. Number of housing units preserved and/or rehabilitated

3. For housing counseling (AC Housing Secure), number of contacts and key issues identified

Regular reporting occurs through the following:
1. Consolidated Annual Performance and Evaluation Report (CAPER) for federal CDBG, HOME and Emergency Solutions Grant (ESG) funds for the Alameda County HOME Consortium and the Urban County
2. The Alameda County Measure A1 Annual Report
3. The Measure A1 Labor Compliance Program Report
4. The Housing Element Annual Progress Report for the Unincorporated County, developed in partnership with the CDA Planning Department.

HCD will continue to bring regular reporting on these metrics to stakeholders and the communities we serve and is committed to improving the accessibility and transparency of this reporting.

Conclusion

Over the long term, Alameda County must plan for and facilitate the construction of housing at all income levels, but particularly for our most vulnerable, low-income residents with incomes less than 80% of AMI.

Creating more units at more affordable levels will help create stability for those in our community most at risk of losing their housing due to high rents, lack of alternative housing, or other common stressors. Meeting the existing demand for below-market units ensures everyone can stay securely housed without fear of displacement or slipping into homelessness. Creating a housing ecosystem that provides for everyone may mean redefining what we normally think of as the housing market and introducing more diverse options to build, own, and rent housing. Especially in relation to HCD’s role, this will mean investing time and resources in housing solutions that provide for a variety of options for residents near the bottom of the income spectrum.

Appendices

Appendix A: Typology of the Housing Ecosystem

Unsheltered Homelessness

Homelessness is the most visible and tragic result of a housing ecosystem with insufficient interim housing or emergency shelter, transitional or subsidized rental housing options. For obvious reasons, homeless individuals and families face significant health and safety challenges day in and day out. Many cases of homelessness are caused by traumatic and sudden events that push someone outside of their home – including rent hikes and a loss of income. Many low-income tenants are just one crisis away from homelessness. While low-income people across the country are often precariously close to losing their housing or experience struggles with mental health and substance use disorders, high-cost areas like the Bay Area are unique in how often loss of housing leads to street homelessness, particularly chronic homelessness. Moreover, street homelessness tends to exacerbate lack of income, mental health conditions, or substance use disorder. What primarily differentiates high-cost communities is the lack of affordable options available to people experiencing a crisis that leads to them losing their current housing, leading to elevated levels of homelessness.

Unstably Housed

Unstable housing, including couch surfing, living in a motel, living in an unsafe home because someone has no other choice, or many other forms of unsustainable and informal living arrangements, is a less well appreciated form of homelessness. People living in these types of situations are often just as in need of housing assistance as those experiencing unsheltered homelessness, even if they have short term resources or social networks that can help them avoid the street. This population is also extremely difficult to quantify, as they are not immediately visible, like those without shelter, or engaged with the homeless response system, like those in emergency shelters. Similar to homelessness writ large, unstable housing is the result of a housing ecosystem unable to provide sufficient and affordable housing for lower-income households, who end up being pushed out of traditional and stable housing as a result.

Housing serving people experiencing homelessness can be transitional, interim, or permanent and is often referred to as "supportive housing," or "permanent supportive housing (PSH)" in the case of properties where the residents are tenants with the rights of tenancy. Supportive housing is an innovative and proven solution that combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity. The housing may have no time limit on residency and is usually for those lacking housing who face a multitude of complex medical, mental health and/or substance use issues that are co-occurring [Citation: Corporation For Supportive Housing website, CSH.org].

Interim Housing/Emergency Shelter

Interim housing is intended as an emergency solution, short in duration and resulting in a permanent housing placement. Interim Housing includes Emergency Shelters (congregate/semi congregant), Navigation Centers (with higher level of housing and employment services) and Medical Respite (60-90 day stays with onsite nursing support designed to provider shorter term recuperative care to homeless individuals existing hospitals). Households use emergency shelters as a last resort, because they have lost access to safe and stable housing. These individuals may have been evicted, involved with a family dispute, subject to domestic violence, aging out of foster care, seeking short or long-term hospital care, and re-entry after a period of incarceration. The Housing Ecosystem should have sufficient supply of Interim Housing placements to house people as they become unhoused or are at risk of losing their housing. In a housing ecosystem which does not have sufficient access to interim housing/emergency shelter options, end up in or remain in unsafe and unstable housing (the hardly housed or precariously housed), or become unhoused - and therefore increasing the downstream negative health impacts of losing housing. Interim Housing/Emergency Shelters require funding from government and donations. They are geared towards those who have insufficient income to support the operations and services, and therefore residents who access these options are unable to support the cost of the programs.

Transitional Housing

Transitional, sometimes labeled bridge housing, is temporary housing set up to transition residents from an unhoused and/or unsafe living situations into permanent, affordable housing that can also provide support services as needed. Forms of services can include security offerings for victims of domestic violence, behavioral health care, employment training and transitional support from incarceration back into the community, and support for those attempting to overcome addictions.

Permanent Supportive Housing

Permanent Supportive Housing (PSH) is deeply affordable housing units that are targeted to people at risk of or experiencing homelessness with no or extremely low incomes, and that include the provision of mental health and other supportive services and where residents are tenants with the rights of tenancy – meaning the housing solution is "permanent" and not interim.

Subsidized Affordable Rental Housing.

These multifamily properties are generally funded by Federal programs including through Public Housing Authorities and Federal Low Income Housing Tax Credits. *Affordable rental housing can be public or privately owned by a nonprofit and have long-term deed restrictions ensuring "permanent" affordability of the property, typically for 55 years.* Because of the high cost of development in California, also require funding by State programs like the Multi-Family Housing Program (MHP) and local government. These properties can offer services and include apartments for permanent supportive housing for formerly homeless and for families. The sizes of the apartments can vary from single room occupancy to four bedrooms. The funding sources can include rent subsidies like the Section 8 Voucher program that allow for deeply affordable rents at 30% of actual income, best suited to our extremely (30% AMI) or acutely (10-15% of AMI) low-income neighbors. In addition to LIHTC-funded multifamily rental development, there are a range of other affordable rental housing types that, while not produced at the same scale a LIHTC multifamily development, help meet a diversity of needs. For example, tiny homes are small-scale unit housing suited for smaller lots.

When the federal, state or local government subsidizes a rental housing project, those units are defined as "affordable," and the rents are held to annual increases that are limited by either Federal or State law, and further restricted by local housing funders. Public funding sources (whether they are local, state, or federal) will record a regulatory agreement on the property that limits the property to providing the affordable rents and maintaining standards of habitability, safety, and security for terms that typically range from 30 to 55 years. While this is the expectation, very few programs subsidize housing costs at this level. For instance, HUD funds Public Housing Authorities (PHAs) (five operate in Alameda County) for the Section 8 Voucher program, where tenants pay 30% of their actual income in rent and the PHA covers the balance of the rent up to the "Fair Market Rent" standard published by HUD annually.

Affordable rents are affordable to households at multiple income levels, generally no higher than 60% of Area Median Income and as low as 30% of Area Median Income. The State of California has recently proposed a new income category "Acutely Low Income" which is 12-20% of Area Median Income. In order to house households at Extremely Low Income or Acutely Low Income, the rents received for those units requires additional ongoing operations subsidy, as the income from rents does not cover the cost of the operations for those units. Critical to solving the homelessness crisis and stabilizing those households at extremely low-income levels is a substantial increase in operation subsidy or rental assistance county-wide.

Market Rate Rental Housing

Unsubsidized market rate rental housing is the standard "normal" rental housing that is available to anyone with sufficient income and credit scores to rent a unit. As of 2023, more than 90% of Alameda County rental housing units fall into this category. In 2024, the "Housing Wage" according to the National Low Income Housing Coalition is $46 per hour – the income needed to afford a Fair Market Rent for a two- bedroom apartment. Individuals or families with this income can find housing in the marketplace. Those whose incomes fall below this level resort to other options, including living with roommates, doubling up with friends or family, or other non-traditional living arrangements leading to unstable housing.

- **Housing instability** is an unhealthy result of a housing ecosystem in which too many households are living in units that cost more than 30% or even 50% of their income, are deteriorated properties that are not being invested in, overcrowding/doubling up in order to afford rent, or couch-surfing. In the absence of safe, affordable subsidized rental housing, households will resort to paying exorbitantly high rents or living in otherwise unstable situations that leave them one crisis away from having to choose between paying for household essentials like food, medicine, or rent.

Market Rate Homeownership

Owner-occupied housing makes up most Alameda County housing units, with 54% of housing units being owner-occupied as of 2019. Most owner-occupied homes are purchased through a conventional loan, typically a fixed-rate or adjustable 30-year mortgage. This type of housing is purchased through a conventional loan, with no subsidies or assistance. The price of housing is often determined by different factors, like location, available local amenities, local schools, housing supply, and overall area desirability. A more affordable purchase price can be traded for less amenities or transitional neighborhoods.

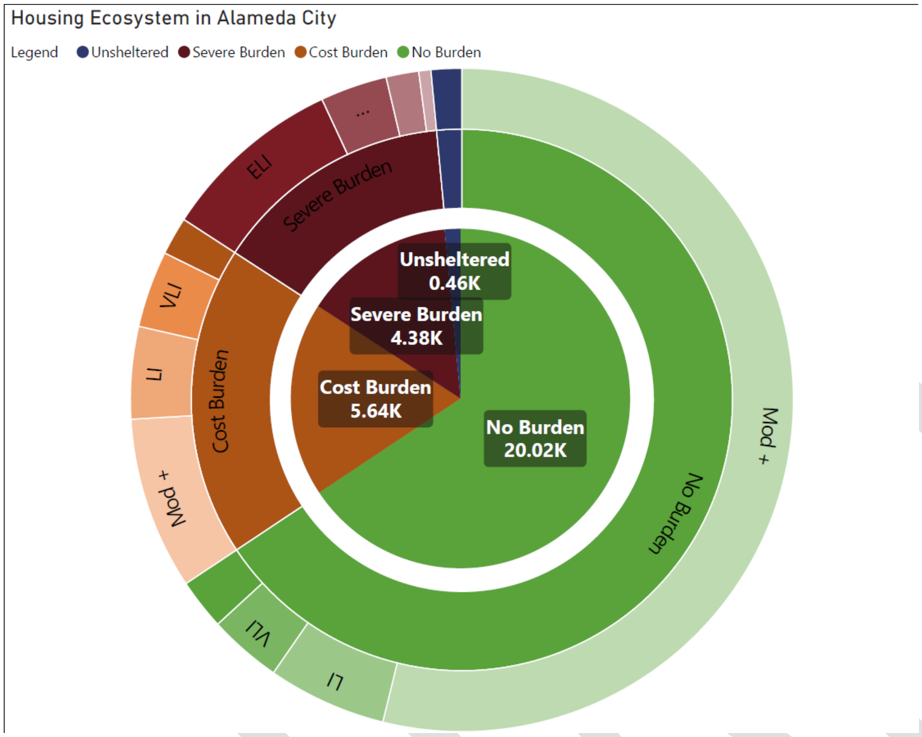
The benefits of homeownership to household wealth can be substantial. According to the US Census Bureau, the average homeowner has a net-worth that is one hundred times greater than that of a renter: $200,000 for homeowners compared with $2,000 for renters. Homeownership is also subsidized by the Federal government through the Mortgage Interest Tax Deduction, allowing for middle- and upper-income Americans access to a streamlined subsidy program resulting in a tax refund for each year that they pay interest on the mortgage.

Affordable and Subsidized Homeownership

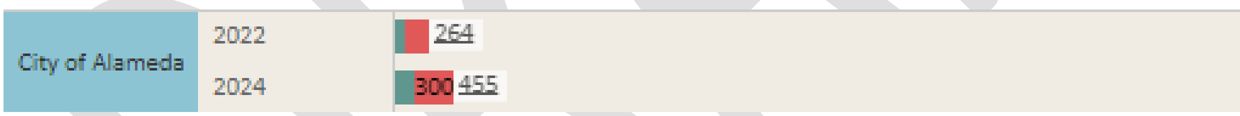
The last group of the housing ecosystem is subsidized affordable homeownership. The reason why affordable homeownership is successful is that it creates a lasting positive impact on the health, income, and overall well-being of individuals and families. This impact extends into other generations through wealth accumulation. Affordable homeownership closes the gap between those without wealth and those with wealth. Down-payment programs in California like CalHome and WISH also help make affordable homeownership possible.

Appendix B: Housing Ecosystem and Needs By City

City of Alameda



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
1,421	818	868	2,246	5,353

Total Severely Cost Burdened (4.7% of County total)

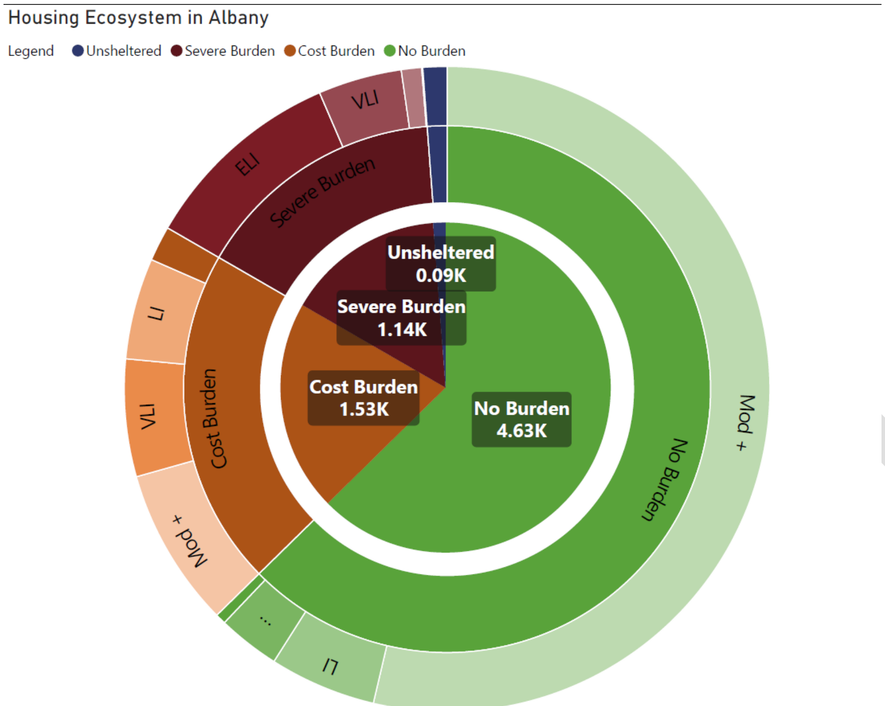
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
2715	995	485	180	4,375

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	48%	52%
ELI (percent of tenure)	9%	20%
VLI (percent of tenure)	7%	13%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0
Tenant Protections Above State Law: Y
Number of Housing Choice Vouchers (City of Alameda Housing Authority): 1,633

City of Albany



2022 & 2024 PIT Count (Unsheltered in Red)

Albany	2022	23
	2024	89

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
308	178	175	453	1,114

Total Severely Cost Burdened (1.2% of County total)

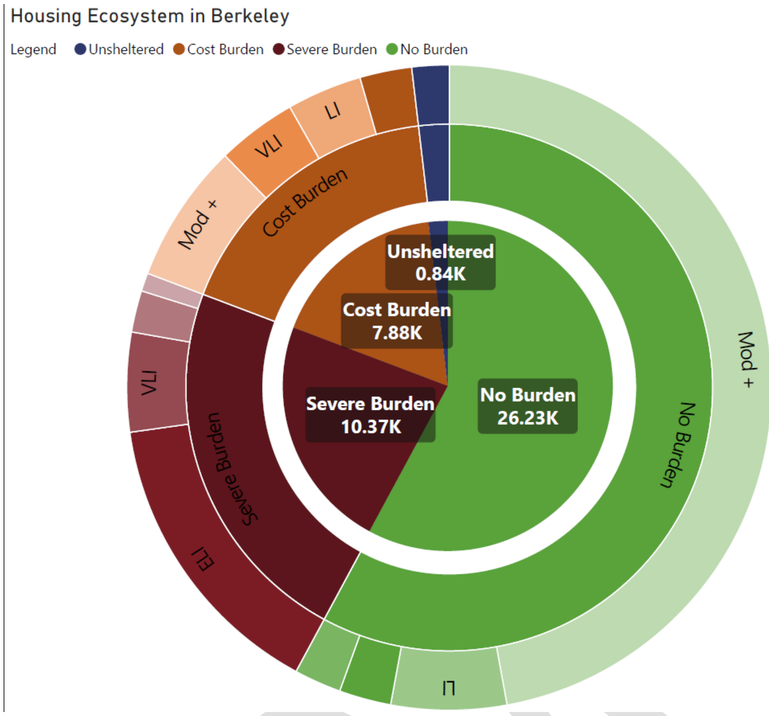
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
755	310	75	4	1,144

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	51%	48%
ELI (percent of tenure)	7%	19%
VLI (percent of tenure)	7%	13%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0
Tenant Protections Above State Law: N
Number of Housing Choice Vouchers (HACA): 11

City of Berkeley



2022 & 2024 PIT Count (Unsheltered in Red)

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
2,446	1,408	1,416	3,664	8,934

Total Severely Cost Burdened (11.1% of County total)

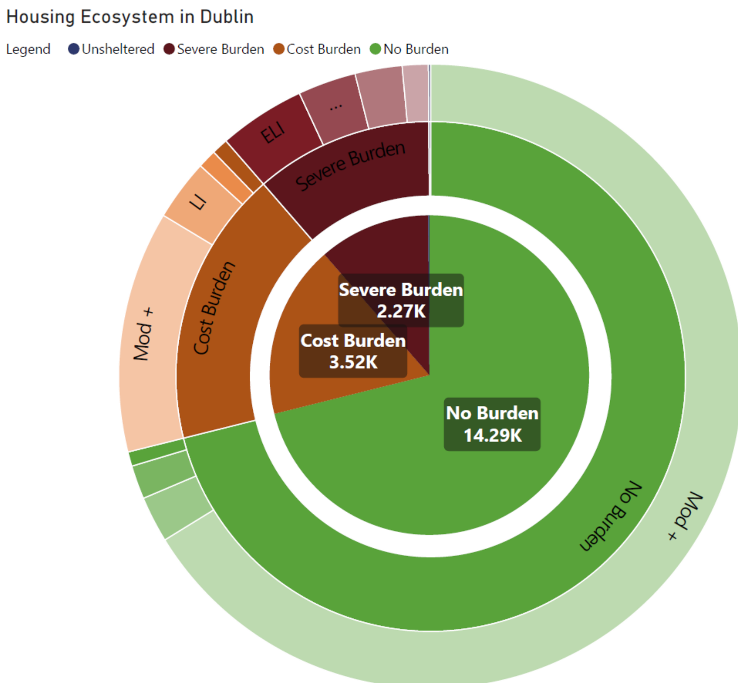
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
6,755	2,255	945	415	1,144

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	43%	57%
ELI (percent of tenure)	8%	34%
VLI (percent of tenure)	7%	16%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0
Tenant Protections Above State Law: Y
Number of Housing Choice Vouchers (City of Berkeley Housing Authority): 1,501

City of Dublin



2022 & 2024 PIT Count (Unsheltered in Red)

Dublin	2022	29
	2024	24

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
1,085	625	560	1,449	3,719

Total Severely Cost Burdened (2.4% of County total)

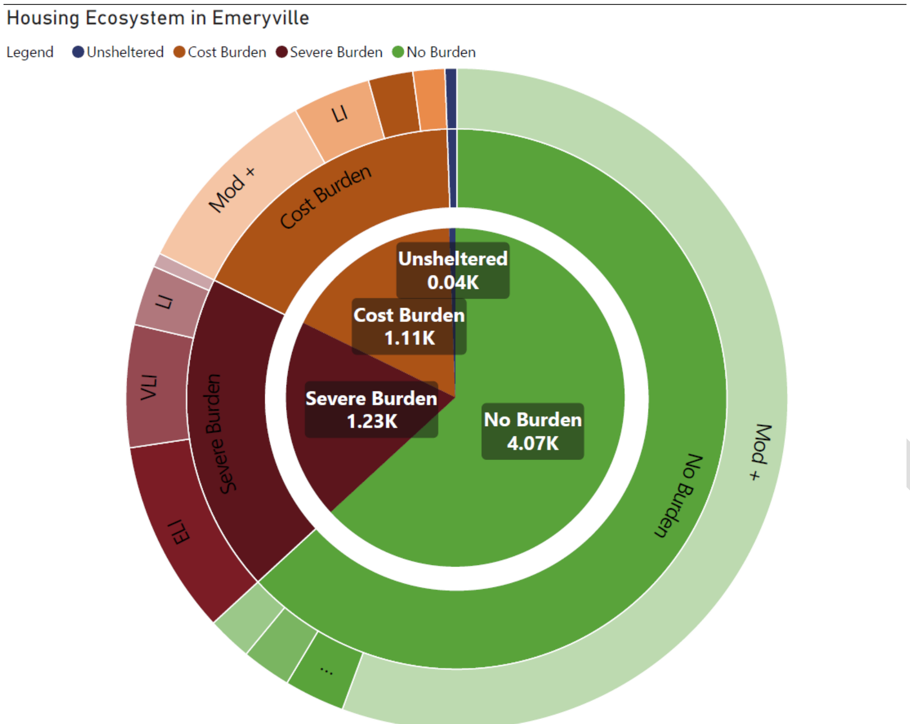
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
900	605	490	270	2,265

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	64%	36%
ELI (percent of tenure)	5%	12%
VLI (percent of tenure)	4%	9%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 59
Tenant Protections Above State Law: N
Number of Housing Choice Vouchers (HACA): 442

City of Emeryville



2022 & 2024 PIT Count (Unsheltered in Red)

Emeryville	2022	91
	2024	37

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
451	259	308	797	1,815

Total Severely Cost Burdened (1.3% of County total)

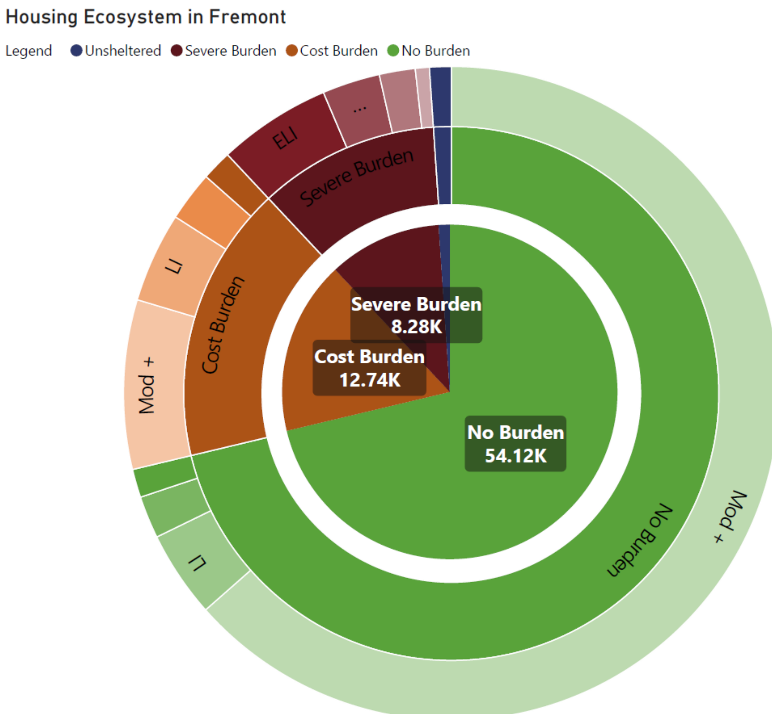
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
610	385	190	44	1,229

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	30%	70%
ELI (percent of tenure)	11%	18%
VLI (percent of tenure)	7%	13%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 20
Tenant Protections Above State Law: Y
Number of Housing Choice Vouchers (HACA): 164

City of Fremont



2022 & 2024 PIT Count (Unsheltered in Red)

6th Cycle RHNA

Very-Low Income	Low Income	Moderate Income	Above Moderate Income	Total
3,640	2,096	1,996	5,165	12,897

Total Severely Cost Burdened (8.9% of County total)

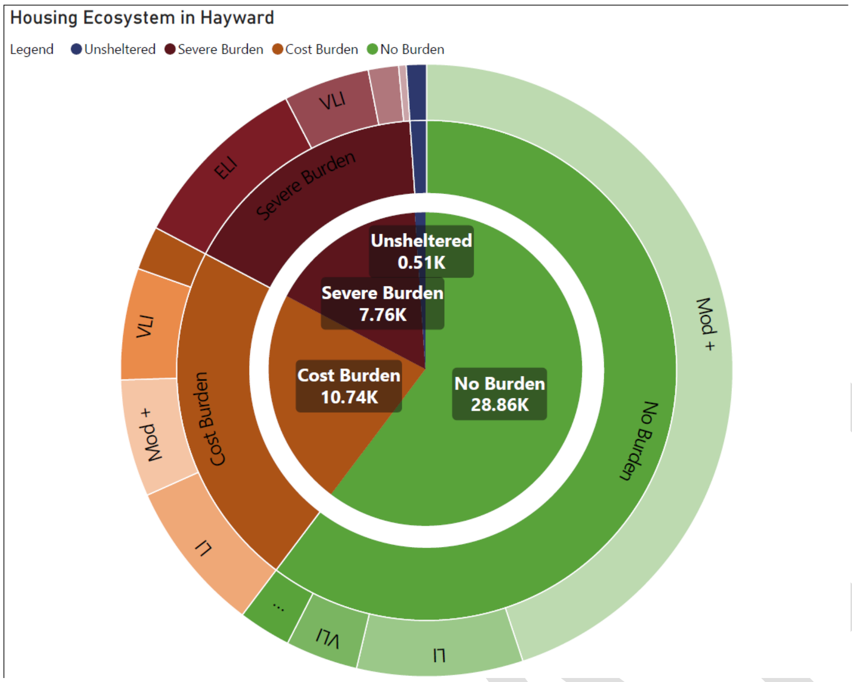
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
4,240	2,165	1,345	525	8,275

Housing Tenure and Lower Income Levels

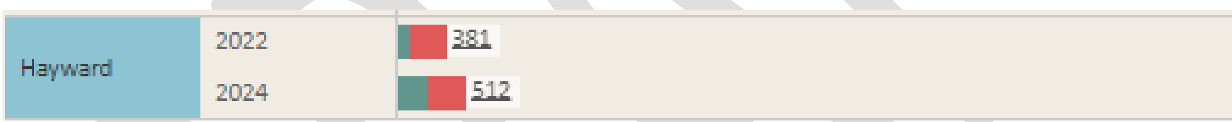
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	61%	39%
ELI (percent of tenure)	8%	13%
VLI (percent of tenure)	5%	10%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 195
Tenant Protections Above State Law: N
Number of Housing Choice Vouchers (HACA): 1,251

City of Hayward



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
1,075	617	817	2,115	4,624

Total Severely Cost Burdened (8.3% of County total)

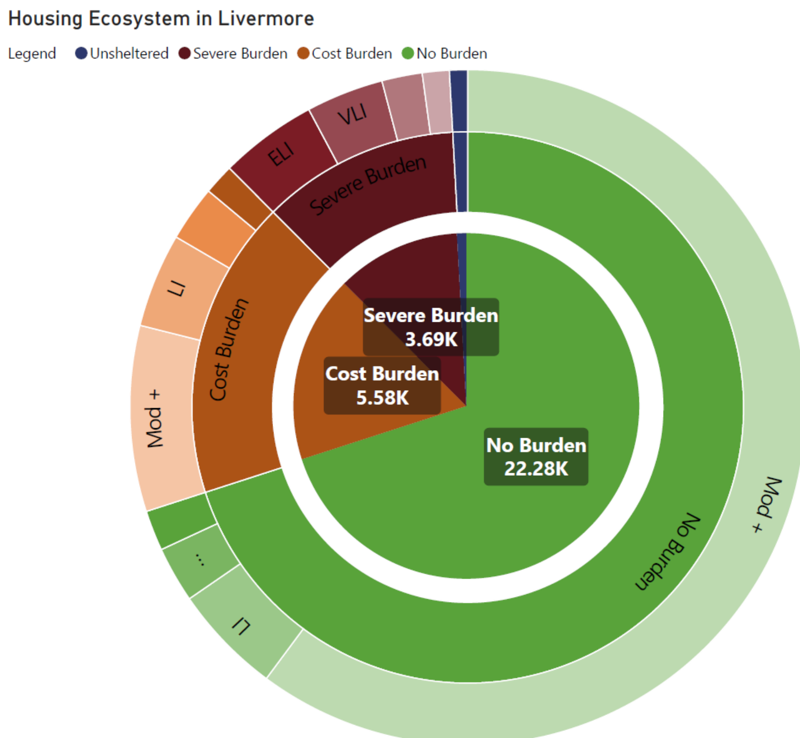
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
4,630	2,175	765	190	7,760

Housing Tenure and Lower Income Levels

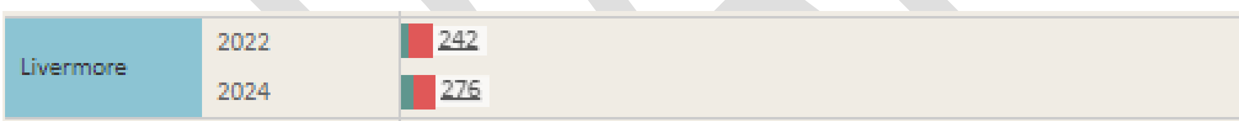
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	57%	43%
ELI (percent of tenure)	10%	23%
VLI (percent of tenure)	10%	15%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 588
Tenant Protections Above State Law: Y
Number of Housing Choice Vouchers (HACA): 1,955

City of Livermore



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very Low Income	Low-Income	Moderate Income	Above Moderate Income	Total
1,317	758	696	1,799	4,570

Total Severely Cost Burdened (4% of County total)

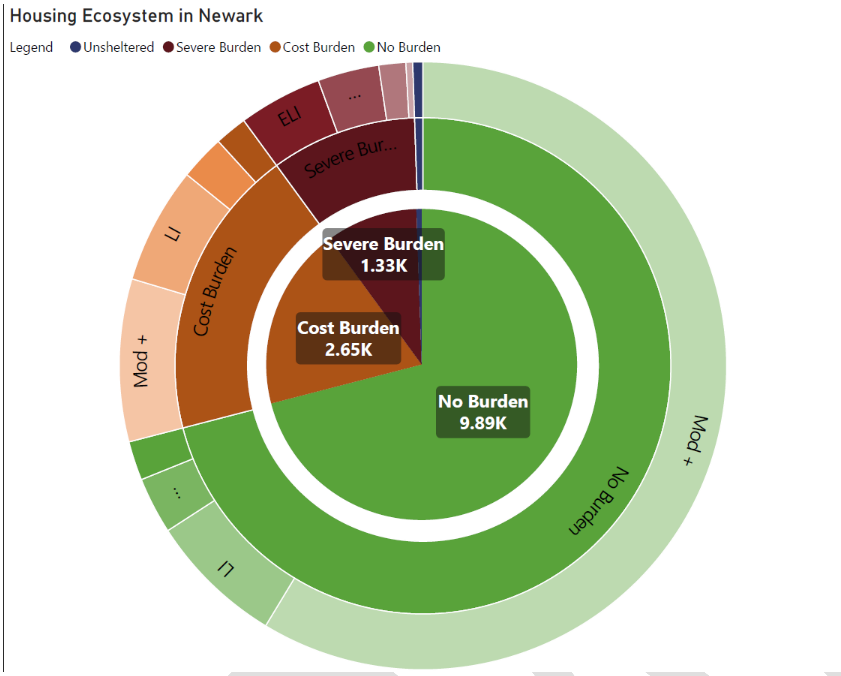
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
1,485	1,180	615	410	3,690

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	73%	27%
ELI (percent of tenure)	7%	20%
VLI (percent of tenure)	6%	14%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 149
Tenant Protections Above State Law: N
Number of Housing Choice Vouchers (Housing Authority of the City of Livermore): 625

City of Newark



2022 & 2024 PIT Count (Unsheltered in Red)

Newark	2022	58
	2024	75

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
464	268	318	824	1,874

Total Severely Cost Burdened (1.4% of County total)

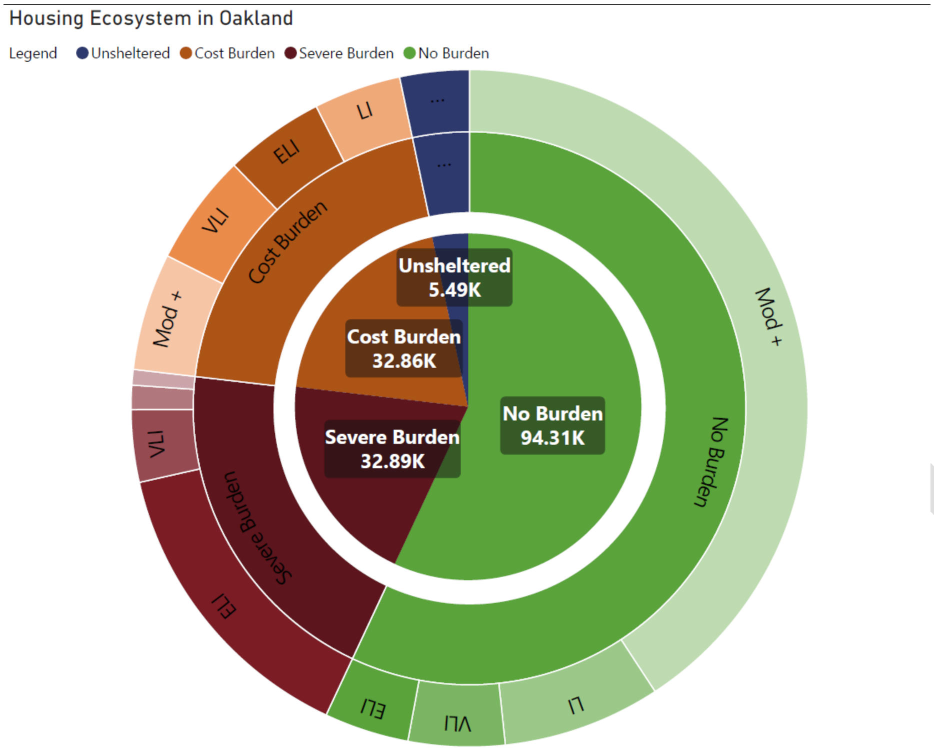
Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
620	455	200	50	1,325

Housing Tenure and Lower Income Levels

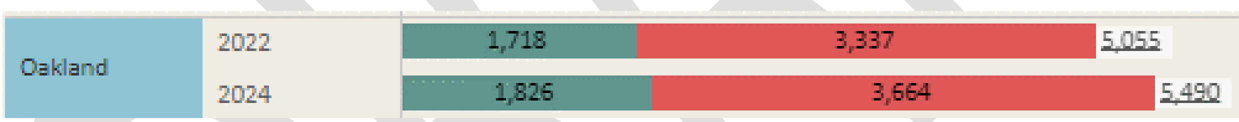
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	70%	30%
ELI (percent of tenure)	5%	14%
VLI (percent of tenure)	6%	11%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0
Tenant Protections Above State Law: 0
Number of Housing Choice Vouchers (HACA): 283

City of Oakland



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
6,511	3,750	4,457	11,533	26,251

Total Severely Cost Burdened (35.4% of County total)

Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
24,035	5,720	1,905	1,230	32,890

Housing Tenure and Lower Income Levels

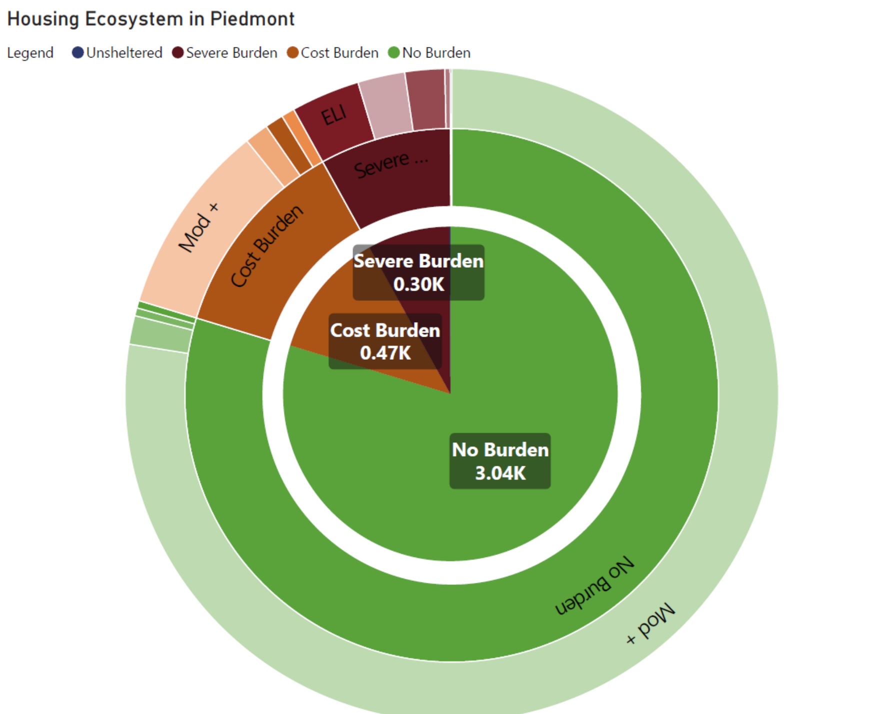
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	42%	58%
ELI (percent of tenure)	10%	32%
VLI (percent of tenure)	10%	15%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 971

Tenant Protections Above State Law: Y

Number of Housing Choice Vouchers (Oakland Housing Authority): 11,443

City of Piedmont



2022 & 2024 PIT Count (Unsheltered in Red)

Piedmont	2022	42
	2024	3

6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
163	94	92	238	587

Total Severely Cost-Burdened (0.3% of County total)

Extremely Low Income	Very Low Income	Low Income	Mod+	Total
130	75	10	89	304

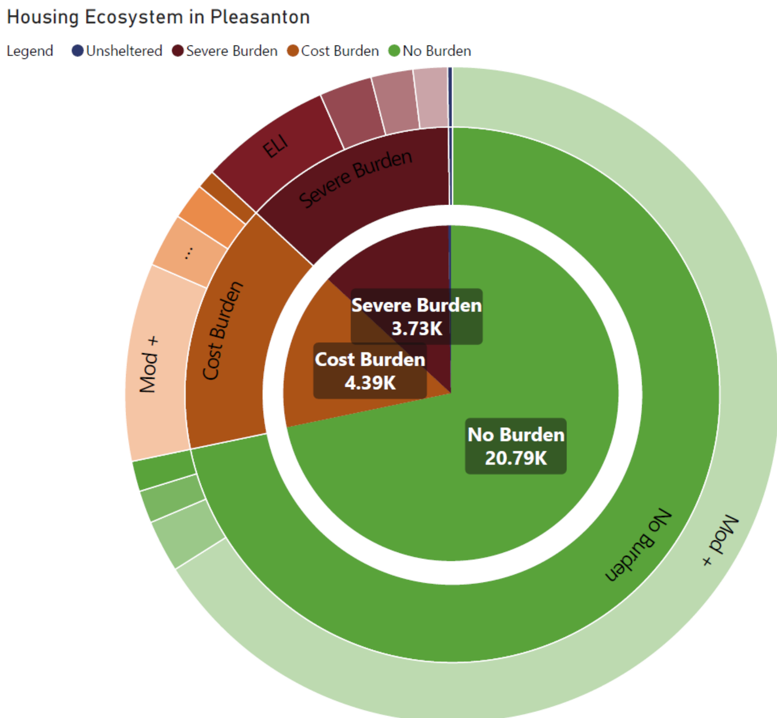
Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	89%	11%
ELI (percent of tenure)	5%	4%
VLI (percent of tenure)	3%	3%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0

Tenant Protections Above State Law: N
Number of Housing Choice Vouchers (HACA): 0

City of Pleasanton



2022 & 2024 PIT Count (Unsheltered in Red)

Pleasanton	2022	72
	2024	69

6th Cycle RHNA

Very Low Income	Low-Income	Moderate Income	Above Moderate Income	Total
1,750	1,008	894	2,313	5,965

Total Severely Cost Burdened (4% of County total)

Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
1,885	755	600	490	3,730

Housing Tenure and Lower Income Levels

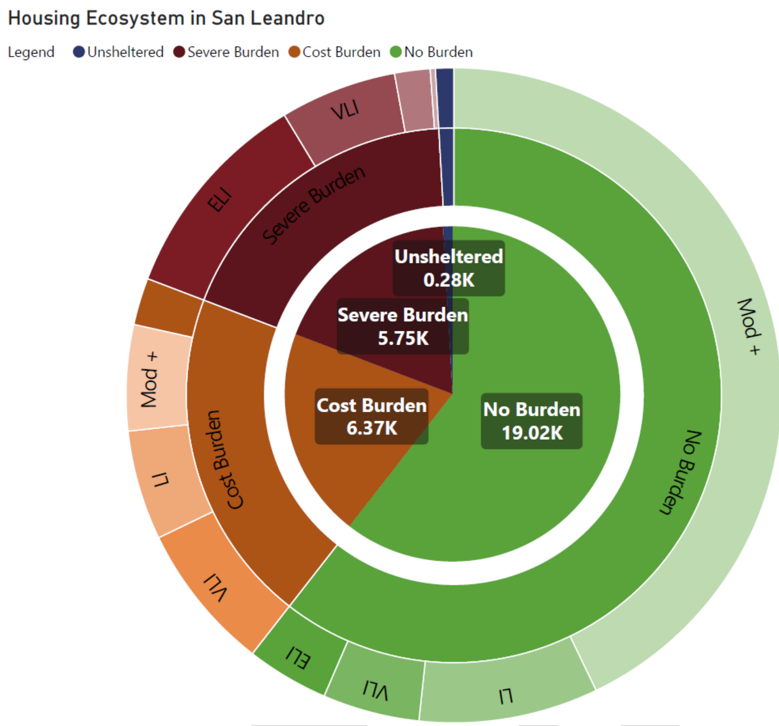
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	68%	32%
ELI (percent of tenure)	6%	19%
VLI (percent of tenure)	5%	9%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 0

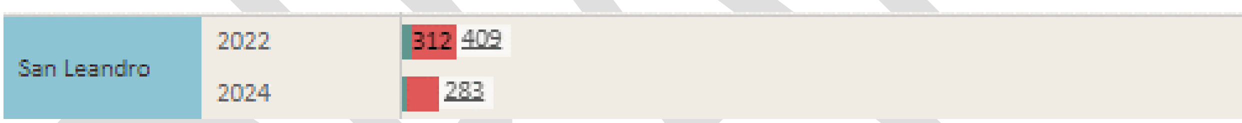
Tenant Protections Above State Law: N

Number of Housing Choice Vouchers (HACA): 315

City of San Leandro



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
862	495	696	1,802	3,855

Total Severely Cost Burdened (6.2% of County total)

Extremely Low Income	Very Low Income	Low Income	Mod+ Income	Total
3,315	1,805	550	80	5,750

Housing Tenure and Lower Income Levels

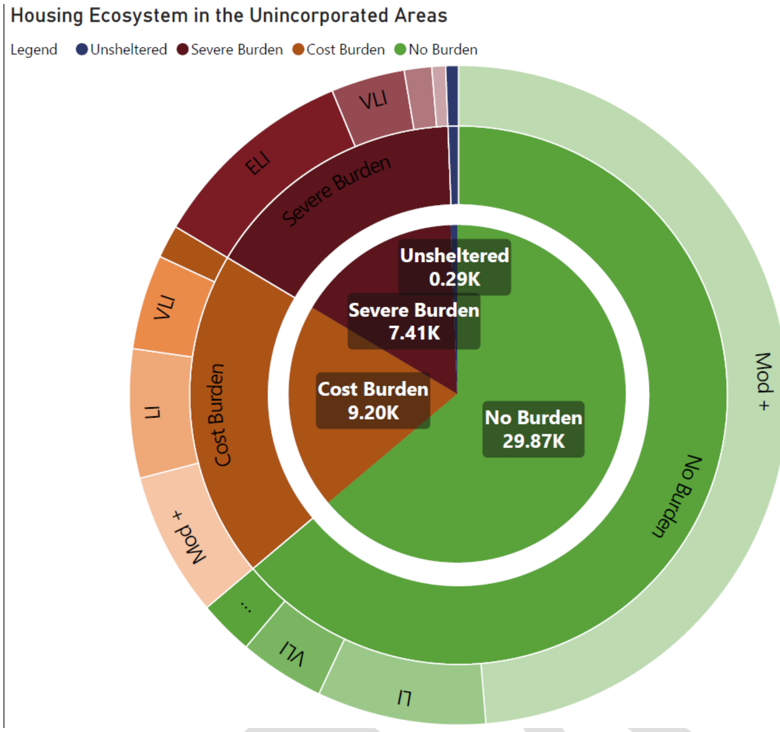
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	58%	42%
ELI (percent of tenure)	16%	26%
VLI (percent of tenure)	10%	15%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 40

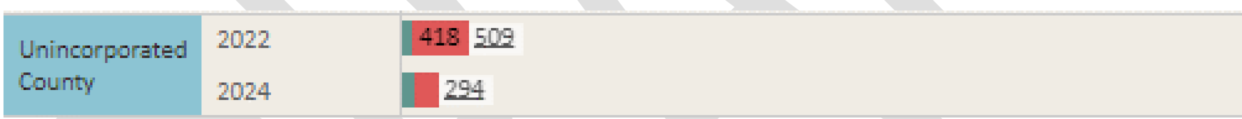
Tenant Protections Above State Law: N

Number of Housing Choice Vouchers (HACA): 1,458

Unincorporated Areas of Alameda County



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very-Low Income	Low-Income	Moderate Income	Above Moderate Income	Total
1,251	721	763	1,976	4,711

Total Severely Cost-Burdened (7.9% of County total)

Extremely-Low Income	Very-Low Income	Low-Income	Mod+	Total
4,760	1,680	630	294	7,364

Housing Tenure and Lower Income Levels

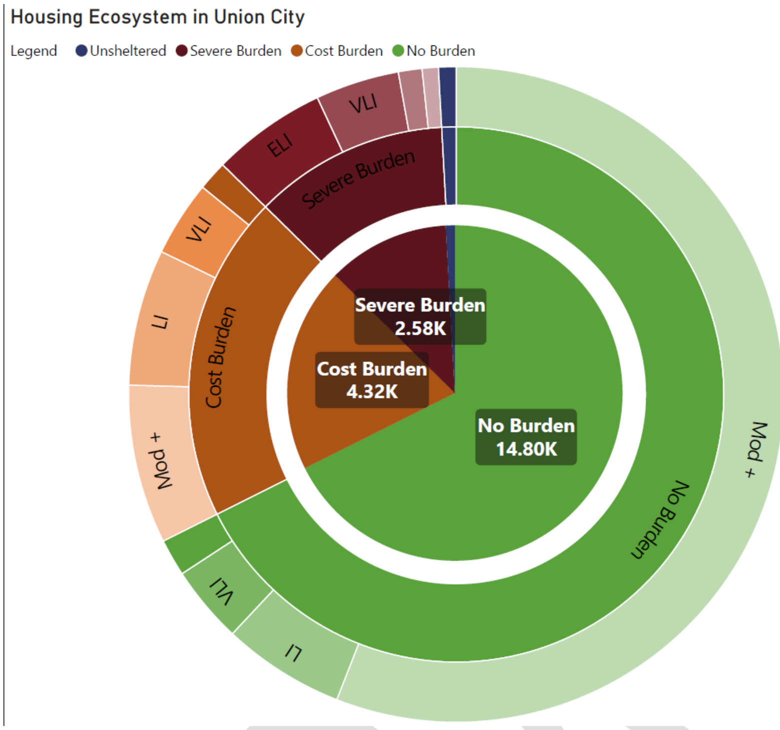
Income	Owner-Occupied Units	Renter-Occupied Units
All (percent of total)	62%	38%
ELI (percent of tenure)	12%	22%
VLI (percent of tenure)	9%	15%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 6

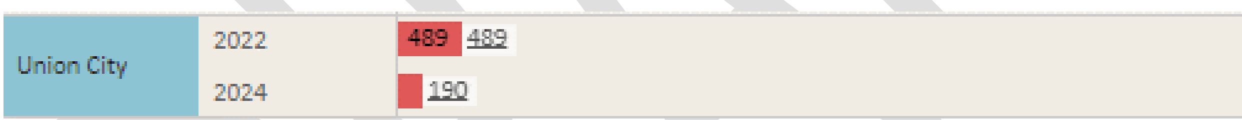
Tenant Protections Above State Law: N

Number of Housing Choice Vouchers (HACA): 422

City of Union City



2022 & 2024 PIT Count (Unsheltered in Red)



6th Cycle RHNA

Very-Low Income	Low-Income	Moderate Income	Above Moderate Income	Total
862	496	382	988	2,728

Total Severely Cost Burdened (2.8% of County total)

Extremely-Low Income	Very-Low Income	Low-Income	Mod+	Total
1,240	905	255	175	2,575

Housing Tenure and Lower Income Levels

Income	Owner-Occupied Units	Renter Occupied Units
All (percent of total)	66%	34%
ELI (percent of tenure)	9%	15%
VLI (percent of tenure)	8%	10%

Deed Restricted Affordable Units at Risk of Conversion Within 10 Years: 105
Tenant Protections Above State Law: Y
Number of Housing Choice Vouchers (HACA): 699

Appendix C: Regional Growth by City

Regional Growth Comparison: Comparison of population trends from 1990 to 2017 in Alameda County and the broader region, showcasing the cities with the most significant growth.

GeoName	Population 2000	Population 2010	Population 2021	% Pop Change 2000-2010	% Pop Change 2010-2021	% Pop Change 2000-2021
Alameda County	1,443,741	1,510,271	1,673,133	4.6%	10.8%	15.9%
Bay Area Region	6,783,760	7,150,739	7,740,331	5.4%	8.2%	14.1%
California	33,871,648	37,253,956	39,455,353	10.0%	5.9%	16.5%
Alameda	72,259	73,812	78,320	2.1%	6.1%	8.4%
Albany	16,444	18,539	19,958	12.7%	7.7%	21.4%
Berkeley	102,743	112,580	119,607	9.6%	6.2%	16.4%
Dublin	29,973	46,036	69,818	53.6%	51.7%	132.9%
Emeryville	6,882	10,080	12,747	46.5%	26.5%	85.2%
Fremont	203,413	214,089	231,502	5.2%	8.1%	13.8%
Hayward	140,030	144,186	162,254	3.0%	12.5%	15.9%
Livermore	73,345	80,968	88,403	10.4%	9.2%	20.5%
Newark	42,471	42,573	47,815	0.2%	12.3%	12.6%
Oakland	399,484	390,724	437,548	-2.2%	12.0%	9.5%
Piedmont	10,952	10,667	11,368	-2.6%	6.6%	3.8%
Pleasanton	63,654	70,285	79,558	10.4%	13.2%	25.0%
San Leandro	79,452	84,950	91,176	6.9%	7.3%	14.8%
Union City	66,869	69,516	70,828	4.0%	1.9%	5.9%
Ashland CDP	20,793	21,925	23,640	5.4%	7.8%	13.7%
Castro Valley CDP	57,292	61,388	66,324	7.1%	8.0%	15.8%
Cherryland CDP	13,837	14,728	15,552	6.4%	5.6%	12.4%
Fairview CDP	9,470	10,003	11,050	5.6%	10.5%	16.7%
San Lorenzo CDP	21,898	23,452	30,420	7.1%	29.7%	38.9%
Sunol CDP	1,332	913	799	-31.5%	-12.5%	-40.0%
Unincorporated Balance	11,148	8,857	4,446	-20.6%	-49.8%	-60.1%

Appendix D: Vulnerable & Special Needs Populations

Low Income and Frail Seniors

Across California, seniors, especially seniors who rent, face increased costs and difficulty achieving housing stability. 6 out of ten older renter households in the State are rental cost burdened and as they age, renters are more likely to struggle to pay for housing.[i] Part of this struggle is due to the inadequacy of Supplemental Security Income (SSI) benefits that many seniors rely on; the $1,415 monthly SSI payment for a couple is simply not enough to afford housing in California's rental market. Locally, almost half of single older adults and a third of seniors total cannot cover their basic living expenses.[ii] As seniors grow as a proportion of the County's population—they are slated to reach 25% in just a few years—the need for senior housing resources will expand as more seniors face growing costs and fixed incomes. Additionally, seniors face much higher rates of disabilities, especially physical disabilities, making it more difficult to find housing that meets their needs at affordable rates.

TAY

Transition Aged Youth, meaning those transitioning from the Foster Care and Adoption systems between 18 and 24, face a variety of challenges to stable housing including frequent early-life moves, interruptions to education, and a high preponderance of childhood trauma.[iii] Low rates of education and graduation contribute to lower earnings and a higher incidence of joblessness, while frequent mental illness, substance abuse, or a physical or developmental disability can make it difficult to keep housing and stay out of the criminal justice system.[iv] Additionally, the nature of this population means they often lack the familial support others rely on to stave off entering homelessness. These factors together are likely why of the 23,000 Transition Aged Youth exiting the foster system every year, between 11 and 37% will experience at least one night of homelessness while between 25 and 50% will struggle with housing instability.[v]

Fortunately, despite these stressors, homelessness among Transition Aged Youth has decreased substantially in Alameda County: between 2019 and 2022 the proportion of those experiencing homelessness decreased from 9% to 4.7%.[vi] One reason for this may be the programming of funds from both the State and County level. The State administers the Housing Navigation and Maintenance Program, Transitional Housing Program, and Transitional Housing Plus Housing Supplement Program. Alameda County's Home Together plan further plans for the allocation of resources through specific Transition Aged Youth focused pathways within the overall County Homeless Response model.

HIV/AIDS

While it is difficult to find conclusive data on the housing needs of those with HIV/AIDS in Alameda County, general trends illustrate the special housing needs of this population. HIV rates are significantly higher among homeless populations than generally, and people with HIV are at an increased risk to experience inadequate or instable housing.[1] This national trend is reflected in Alameda County's Homeless population, 2% of which has HIV/AIDS, the majority of whom say their condition negatively impacts their housing, employment or living status.[2] For those with HIV/AIDs, this housing insecurity or homelessness is especially deleterious, as it significantly increases the difficulty to access the primary and continuous care needed to treat their condition, and may even delay or stop the initiation of Antiretroviral treatment.[3] Nationwide, 12% of those with HIV have current unmet needs, 44% of which needed ongoing rental assistance and 36% of which needed supportive housing placement.[4]

Developmentally Disabled

Developmental disabilities are those that are severe, chronic, and attributable to a mental or physical impairment that begins before a person turns 18. The exact nature of this type of disability is varied, but in terms of housing needs, there is a distinct throughline; the most common living arrangement for individuals with developmental disabilities is in the home of a parent, family member, or guardian. Because of the need for specialized care, often provided by the family, long term housing for this population will need supportive services, aging in place accessibility improvements, and additional housing resources with age as parents become unable to provide primary care.

Physically Challenged

Nationwide, 1 in 7 adults have some kind of mobility issue, while around 10% of households in California include someone with a physical disability.[vii] Unsurprisingly, incidences of mobility disabilities increase significantly with age, resulting in 60% of households with someone 80 years or above having a physical disability.[viii] Nationwide, 13% of households have at least one resident who uses a crutch, manual wheelchair, or electric wheelchair long-term.[ix] Those with physical disabilities are more likely to be women, minorities, or lower on the income spectrum.[x] Nearly half of all ELI households nationwide include someone with a physical disability or over the age of 62.[xi]

All these factors make housing much more difficult to afford, keep, and enjoy. For many with physical disabilities, especially given the correspondence of these individuals with lower-income households, the cost of housing is a significant burden. For disabled seniors, SSI payments are often unequal to the burden they face affording housing.[xii] In 2022, 33% of individuals experiencing homelessness in Alameda County had a physical disability, a much higher rate than the overall rate of physical disabilities, pointing to the increased risk this population faces of losing housing.[xiii] Even those who can afford housing often struggle to find housing that meets their needs; 6.8 million households, or 5% of national households, have trouble navigating or using their homes.[xiv] Without significant investment in both new housing production and renovations making existing housing more accessible, households with disabilities will continue to be unable to afford housing better suited to their needs or, in extreme cases, any housing at all.

Behavioral Health Issues and Substance Abuse Disorders

According to the 2022 Alameda County PIT Count, the proportion of respondents suffering from PTSD or another psychiatric or emotional condition were 42% and 49%, respectively.[xv] On important subset of this population is those who struggle with substance abuse issues. Nationally, 32% of individuals entering a substance abuse treatment program report being marginally housed in the 30 days prior to entering that treatment.[xvi] Several studies have shown that, similar to most housing insecure populations and people experiencing homelessness, housing first service methodologies produce long-term improvements in housing stability and health.[xvii]

Veterans

Compared to many other special needs populations, veterans have a relatively large number of specific services or sources of funding for housing dedicated to them, and concerted effort over the last two decades has substantially decreased veteran housing insecurity and homelessness. The Federal Government provides a variety of programs through the VA and HUD, including specific Veterans housing vouchers through Section 8, grants for nonprofits serving veterans through the Supportive Services for Veterans Families program, wraparound services and housing through the Domiciliary Care for Homeless Veterans Program, construction and acquisition funding for veteran housing through the Grant and Per Diem Program, service direction through the National Call Center for Homeless Veterans, and foreclosure and mortgage assistance.

In 2008, California's voters approved Proposition 12, the Veteran's Bond Act of 2008, which authorized $900 million in bonds to help veterans purchase homes, farms, and Mobile Homes through the California Department of Veterans Affairs Home Loan Program.[xviii] In 2013, the State restructured the Veteran's Bond Act, authorizing $600 million in bond authority for multifamily housing for veterans in a program implemented by state HCD, the California Housing Finance Agency (CalHFA) and CalVet.[xix] These programs may explain the lower share of veteran households that are housing cost burdened than nonveteran ones, and the higher homeownership rate among veterans than nonveterans households.[xx] However, these benefits are not evenly distributed; veterans who served after September 11, 2001 and female veterans face higher housing cost burden and housing instability than older and male veterans, respectively.[xxi] Veterans are also more likely overall to experience homelessness and have a higher lifetime prevalence of homelessness than nonveterans.[xxii]

Still, overall, the share of homeless veterans is decreasing; the 2022 national Point in Time Count by HUD showed 33,000 veterans experiencing homelessness in 2022, a 50% reduction since 2009. Though California has the highest number of homeless veterans of any state, a fact closely linked to the fact that we have the largest population of people experiencing homelessness of any state, we have reduced that population at one of the highest rates in the

Country.[xxiii] In Alameda County, the number of people experiencing homelessness who are veterans has decreased from 550 in 2022 to 335 in 2024.[xxiv]

Survivors of Domestic Violence

Survivors of domestic violence often require specialized housing resources as a result of their living situations. Without these resources and the outreach to make them available, many are in danger of experiencing homelessness. In 2022, 12% of those surveyed in the PIT count pointed to domestic or family violence as the primary cause of homelessness, while 31% had experienced some form of domestic violence or abuse in their lifetime.[xxv] Results from across the State show similar trends: 8% of respondents to a statewide study had experienced domestic violence in the six months prior to experiencing homelessness, 40% of which said that this violence was one of the reasons they left even though many of these individuals had some form of rental subsidy they had to give up.[xxvi] Domestic Violence can thus be an especially difficult risk factor for homelessness as the need to protect oneself from danger at home can supersede the need to stay housed.

While resources exist to help house this population, they are not always accessible. Many do not know about the specialized resources available, while others faced barriers such as the need for child care, fear that intimate partners would find them, and discrimination based on gender, LGBTQI+ identity, and race.[xxvii] Even for those who can successfully access services, there is often not enough of the right kind of assistance. Despite 70% of national domestic violence support programs providing some sort of emergency shelter and 52% providing some other housing related support, 54% of national unmet need requests were for emergency shelter, hotels, motels, transitional housing, or other housing related services.[xxviii] Housing First methodology has been shown to have better long term results for participants to achieve independent safe and stable housing, experience less abuse, improve mental health, and encourage prosocial behavior in effected children.[xxix]

Appendix E: Housing Financing

Low Income Housing Tax Credit (LIHTC)

How the LIHTC Program Works: Congress created the federal LIHTC program in 1986 to enable low-income housing developers to raise equity for their projects. Each year, the U.S. Department of the Treasury issues tax credits to states for allocation to low-income housing projects. In 2023, each state received a maximum of $2.90 per resident or $3,360,000, whichever is higher, which amounted to $107,904,049 in federal housing credit for California.

Projects developed with the federal housing credits can be either new constructions or renovation of existing rental buildings but must meet certain rent and income limits. The state agency charged with administering the credit (i.e., California Tax Credit Allocation Committee) develops additional regulations for allocating the credits. In California, priority is given to projects that are located near amenities such as public transit, public parks, public libraries, schools, senior centers, etc. and provide services such as adult education, health and wellness, and skill building classes, childcare, and after school programs.

Because the amount of tax credits generated through a typical project far exceed most developers' tax liability, other for-profit entities with large tax liabilities ("investors") or syndicators who act as a broker between the developer and the investors, form a limited partnership with the developer. The partnership then allocates nearly all of the tax credits to the non-developer partners in exchange for equity in the project. The amount of equity generated per dollar of federal housing credit fluctuates with financial market conditions. In recent years in California, the equity "pay-in" can range from [$0.90 to $1.16]. [Footnote: ibid]

In the absence of other significant federal investment, the LIHTC program has the principal vehicle by which Alameda County, and the Bay Area, can produce affordable housing at the scale needed. This includes the 9% LIHTC and 4% LIHTC programs, and related tax-exempt bonds. Tax credit equity typically funds over 40% of a project's total development costs. Unfortunately, demand has vastly outpaced supply of these funds, and the program is consistently oversubscribed.

The typical process by which most multifamily affordable developments are financed and built includes the developer applying to the California Tax Credit Allocation Committee ("CTCAC") for an award of 9% tax credits; or to the California Debt Limit Allocation Committee ("CDLAC") for an allocation of tax-exempt private activity bonds, which come with 4% tax credits as-of-right.

Private activity bonds awarded by CTCAC are a form of "project revenue bond" – bonds whose repayment is secured by the revenue from a specific project or pool of projects. For projects receiving PABs, a public agency (e.g., a city, county, housing authority or other entity with the authority to issue project revenue bonds) issues the bonds on behalf of the project, typically on a conduit basis. In the Bay Area, affordable housing projects are often directed to use the city or county in which they are located, or a specific local agency, as their bond issuer; alternatively, other state financing agencies can issue bonds on behalf of a project. Typically, in what is known as a “private placement,” conduit bonds are purchased directly from the issuer by a bank, which lends the bond proceeds to the developer; less commonly, bonds can also be sold pursuant to a public offering.

Private Debt

While affordable developments rely on public funding to offset the cost of construction and operation, they still rely on traditional private debt for some portion of the funding needed. New affordable housing projects are typically first financed with an acquisition and construction loan. These are short-term loans that mature in 12 to 36 months. They are sized based on a percentage of the TDC and typically include reserves, developer guarantees, and other additional security for the lender. Once the project is fully constructed and has been occupied at a certain level and for a certain period of time (“stabilized”), the construction loan is typically paid off from a combination of sources, including some or all of the following: a senior permanent loan, typically with a maturity of 15-30 years, one or more subordinate loans, and tax credit equity.

Private Financial Institutions—banks—are the most common partner providing the debt portion of the capital stack. Community Development Financial Institution (CDFI) banks are federally insured and regulated depository institutions with a primary mission of community development and provide an alternative to the private financial institutions described above. What distinguishes CDFI banks from other financial institutions is their community development mission and the requirement that at least 60 percent of their financing activities be targeted to one or more low- and moderate- income (LMI) populations or underserved communities. The requirement of being accountable to their target market(s) is usually fulfilled by community representation on boards of directors or advisory boards. [Footnote: FDIC.gov, CDFI Guide Overview]. More traditional private banks are required to invest in CDFIs by the Community Reinvestment Act which established a community investment standard for all banks to follow.

Table of Potential Local Revenue Sources:

Potential Approach	Description	Implementation Procedure/Timing	General Fund Impact	Financing Costs	Potential Revenue	Spending Restrictions	Overall Pros/Cons	Examples
Affordable Housing General Obligation Bonds	County could issue bonds secured by an ad valorem override tax and use the proceeds to fund affordable housing dev't	• Requires ballot measure subject to 2/3 voter approval in an election • Next opportunity following November 2024 election is May 2025 • Typical planning time prior to election is 8-12 months	None	In addition to cost of ballot measure, for each issue, ~$650k + $1.50 per $1k of proceeds for UW discount.[vi]	**VERY HIGH.** $2B of bonds could be supported by ad valorem tax of ~$21/$100k.[vii]	Capital Projects only. Proceeds cannot be used for equipment purchases, operations, maintenance, etc.	**PROS:** New dedicated revenue stream; Potential to support majority of housing program funding needs **CONS:** 2/3 voter approval could be challenging (However, proposed 2024 state constitutional amendment would reduce approval threshold to 55%)	In addition to Alameda County Measure A-1 (2016): San Francisco G.O. Bond (2019) Santa Clara County City of Berkeley G.O. Bond (2018) City of Oakland Measure U
Inclusionary Housing In-lieu Fees	County could enact an inclusionary housing ordinance allowing developers to pay a fee in lieu of providing affordable units in new residential dev'ts	• Requires passage of the ordinance and inclusion of new requirements in the planning code • Inclusionary housing ordinance would require a percentage of units in all new residential developments in the unincorporated county to be reserved for lower-income households (e.g., 15% of units at 50% of AMI) • Units can be rental or for-sale • Ordinance would further allow	None	N/A. Funds raised via imposition of a fee.	**LOW.** Assuming average fee of $250/square foot on 15% of project, possibly $3-6MM annually.[viii]	In-lieu fees typically paid into housing trust fund used for range of related purposes. Restrictions on use set by ordinance.	**PROS:** New dedicated revenue stream; Very low cost of implementation **CONS:** Fee limited to projects in unincorporated areas of the County; Fees on dev't increase the cost of building, potentially contributing to the affordability crisis; Overall potential revenue LOW compared to	**City of Berkeley Inclusionary Housing Ordinance** Contra Costa County Inclusionary Housing Ordinance Marin County Inclusionary Housing Ordinance

		developers to pay a fee to the County in lieu of providing such units					housing program needs	
Affordable Housing Impact/ Linkage Fees	County could impose a fee on new commercial development to defray the cost of developing affordable housing	• May be implemented as an "impact" or "linkage" fee pursuant to the Mitigation Fee Act • Will likely require the County to demonstrate a nexus (e.g., via a nexus study) between the proposed fee and the effects of new developments on affordable housing supply	None	N/A. Funds raised via imposition of a fee.	**LOW.** Assuming average fee of $25/square foot, possibly $4-7MM annually.[ix]	Impact/linkage fees must be deposited into a separate capital facilities account per the Mitigation Fee Act.	**PROS:** New dedicated revenue stream; Very low cost of implementation **CONS:** Fee limited to projects in unincorporated areas of the County; Fees on development increase the cost of building, potentially contributing to the affordability crisis; Overall potential revenue LOW compared to housing program needs	Los Angeles Affordable Housing Linkage Fee San Mateo County Affordable Housing Impact Fee San Francisco Jobs-Housing Linkage Fee
Enhanced Infrastructure Financing Districts (EIFD)	County's share of incremental tax revenues from new development in geographically designated areas could be set aside for housing programs and surplus revenues allocated back to the general fund	• Requires landowner vote (may be imposed as condition of approval for new development) • Typically, 40-year term • County would need to decide type of new development to be subject to possible EIFD annexation • Board of Supervisors appoints governing body (including two BOS members) • County funds housing on pay-	Revenue in District allocated for housing versus County general fund	~$100-200k of district set-up costs; Bond issuance costs ~$300k per issuance	**VERY LOW.** County share of 1% ad valorem taxes is ~30-35% (i.e., every $10MM of new incremental assessed value would yield ~$32.5k of annual revenue, subject to inflationary increase)	Public improvements and affordable housing	**PROS:** No voter approval required **CONS:** Would be complicated to implement; Direct cost to general fund; Cannot leverage until sufficient increment is generated to bond against; Potential revenue limited by	Otay Mesa EIFD (San Diego) Treasure Island IRFD (San Francisco)

		go basis or issues tax increment revenue bonds to leverage incremental income stream					size of district and potential increment; Only applicable to County-defined new development in unincorporated areas; Overall potential revenue VERY LOW compared to housing program needs	
Sales Tax Ballot Measure	If litigation surrounding County Measure W (2020) is not resolved in the County's favor, County could place another general or special sales tax on the ballot for general or designated purposes including affordable housing programs	• Requires tax measure subject to voter approval • General Tax: Subject to *majority voter approval*; County issues lease revenue bonds • Special Tax: Subject to *2/3 voter approval*; County issues sales tax bonds	None. GF could benefit if designed for additional GF purposes.	In addition to cost of election preparation, for each issue, ~0.40% to 0.50% of bond proceeds	**MODERATE.** Based on estimates for Measure W, assuming a half-cent increase, County could generate ~150MM annually	General tax revenues are unrestricted. Special tax revenues are collected and earmarked for a specific purpose (which may include some program administration).	**PROS:** New dedicated revenue stream; MODERATE amount of potential revenue compared to housing program funding needs **CONS:** 2/3 voter approval for special tax could be challenging, but numerous jurisdictions have been successful with general tax measures; Sales tax rates in the County are already among the highest in the state; Lease revenue bonds require County-	In addition to Alameda County Measure W (2020): [Los Angeles County Measure H Sales Tax] [San Mateo Measure K Sales Tax]

							secured asset of relative equal value to borrowing amount	
Residential Vacancy Tax	County could impose a new tax on keeping certain residential space vacant for longer than a designated period and allocate proceeds to affordable housing programs	• For example, San Francisco's Empty Homes Tax is $2,500-$5,000 per unit for certain residential units that remain vacant for more than 182 days in a calendar year • Requires tax measure subject to voter approval • General Tax: Subject to *majority voter approval*; County issues lease revenue bonds • Special Tax: Subject to *2/3 voter approval*; County issues sales tax bonds	None. GF could benefit if designed for additional GF purposes.	In addition to cost of election preparation, for each issue, likely >1% of bond proceeds (given likely bond sizing)	**LOW.** New Berkeley tax expected to raise $3.9MM to 5.9MM annually.	General tax revenues are unrestricted. Special tax revenues are collected and earmarked for a specific purpose (which may include some program administration).	**PROS:** New dedicated revenue stream **CONS:** 2/3 voter approval for special tax could be challenging, but numerous jurisdictions have been successful with general tax measures; Lease revenue bonds require County-secured asset of relative equal value to borrowing amount; Overall potential revenue LOW compared to program needs	[City of Berkeley Vacancy Tax] [San Francisco Empty Homes Tax]
Transient Occupancy Tax (TOT)	County could increase existing voter-approved Transient Occupancy Tax (currently 10%) and use additional funds for affordable housing	• Requires tax measure subject to voter approval • General Tax: Subject to *majority voter approval*; County issues lease revenue bonds • Special Tax: Subject to *2/3 voter approval*; County issues TOT revenue bonds	None. GF could benefit if designed for additional GF Purposes.	In addition to cost of election preparation, for each issue, likely >1% of bond proceeds (given likely bond sizing)	**EXTREMELY LOW.** *Total* TOT revenue in 2021-2022 was $2.5MM (and any increase would produce a fraction of that amount annually)	General tax revenues are unrestricted. Special tax revenues are collected and earmarked for a specific purpose (which may include some program administration).	**PROS:** New dedicated revenue stream; Current 10% TOT is equal to/lower than 6 other Bay Area Counties (San Francisco = 14%, Marin = 14%, Napa = 13%, Sonoma =	[Marin County Fund for Community Housing (Measure W)]

							12%, Contra Costa = 10%, San Mateo = 10%, Santa Clara = 8%, Solano = 5%) **CONS:** 2/3 voter approval for special tax could be challenging, but numerous jurisdictions have been successful with general tax measures; Lease revenue bonds require County-secured asset of relative equal value to borrowing amount; Overall potential revenue EXTREMELY LOW compared to program needs	

NB: Property transfer tax omitted because only charter cities may impose such taxes, and the county equivalent—the documentary transfer tax—is limited by state law to $1.10/$1,000 of property value.

Source: CSG Consultants, 2024

Appendix F Housing Program Design Matrix

HOUSING INVESTMENT PROGRAMS	
Program	**Program Description**
Production – New Construction	
Affordable Rental Housing Development Programs	Development of new affordable rental housing of all types. (including units for homeless (Home Together Plan: PSH, medically fragile and dedicated units) faith-based lands Act-SB4, land trust and non-profit ownership).
Emergency Shelter and Interim Housing for Homeless	Development of new emergency shelters and interim/transitional housing sites for homeless individuals and families.
Homeownership Development	Development of new ownership units affordable to low- and moderate-income households.
Site Acquisition Fund	Quick turnaround funding to enable future high-impact developments.
Affordable Accessory Dwelling Unit Loan Program	Funds to enable ADU construction in lower-income households along with technical assistance.
Preservation	
Homeless Housing Portfolio	Funds to rehabilitate existing homeless shelters and interim housing sites which have significant need for repair and replacement of infrastructure.
Affordable Rental Housing Preservation Program	Funds to extend operational life and affordability restrictions of existing affordable units.
Naturally Occurring Affordable Housing	Funds to acquire and rehabilitate existing rental properties.
Mobilehome Park Acquisition and Revitalization Program	Funds to acquire and rehabilitate naturally occurring affordable mobile-home housing.
Flexible	
Homeownership Downpayment Assistance Program	Down payment assistance for lower income households buying their first homes via shared appreciation loans that are only repaid upon the home being sold.
Home Preservation Rehabilitation Program	Very low interest loans for lower income homeowners, especially seniors and those with disabilities, to make quality of life and safety improvements.
Low-Income Housing Support Program	Funds to ensure affordable housing projects are financially secure through operating subsidy.

Naturally Occurring Affordable Housing (NOAH) Preservation Program	Funds to convert existing NOAH into deed-restricted affordable units.
Protection*	
Anti-Displacement & Homelessness Prevention Program	Rental assistance and other assistance to help low-income households who are at risk of displacement to remain housed.
** Use not currently eligible under State general obligation bond regulations. Contingent on future legislation and/or future funding sources becoming available.*	

[i] "Quarterly Residential Vacancies and Homeownership, First Quarter 2021." U.S. Census Bureau, April 27, 2021. https://www.census.gov/housing/hvs/files/currenthvspress.pdf.
[ii] Perry, Andre. 2020. *Know Your Price: Valuing Black Lives and Property in America's Black Cities*. Brookings Press: Washington DC.
[iii] "Home Together 2026." Alameda County, n.d. https://homelessness.acgov.org/homelessness-assets/docs/reports/Home-Together-2026_Report_051022.pdf.