

## HABITAT FOR HUMANITY EAST BAY/SILICON VALLEY

# Winning \$1.5 billion for affordable housing in the Bay Area

Habitat East Bay/Silicon Valley took the plunge into local advocacy in a big way in 2016. Faced with an unprecedented regional housing crisis and the elimination of California's largest source of funding for affordable housing, Habitat joined other housing organizations in supporting a pair of county-level "bond" measures that would raise significant new funds for affordable rental housing and homeownership housing. On election night, Habitat's investment paid off spectacularly, as voters approved \$1.5 billion in new funds for housing efforts in Alameda and Santa Clara counties.

## Background

The severe shortage of affordable homes in the San Francisco Bay Area has been a critical issue as far back as the late 1990s. But since 2012, a major tech boom has sent rents and home prices into the stratosphere, particularly in Alameda and Santa Clara counties, two of the communities served by Habitat East Bay/Silicon Valley.

In those two counties, only 15 percent and 20 percent of residents, respectively, can afford a median-priced home. When Habitat announced its Central Commons development in the Alameda County community of Fremont, it received 500 qualified applications for 30 homes. Rising rents have created a critical shortage of affordable rental options as well. In 2016, Santa Clara County was home to an estimated 6,500 homeless people — the third-highest total in the nation. Rents have risen more than 50 percent in Santa Clara County since 2010, leaving thousands who live below the poverty line on the verge of homelessness. In Alameda County, surging rents have led to displacement, housing instability for families with children, and growing traffic woes, as families locate far from jobs to find an affordable place to live.

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Governor Jerry Brown's elimination of \$1 billion in annual state housing funds to fill a budget deficit greatly impeded the ability of Habitat and other affordable housing providers to respond to the crisis. Habitat East Bay/Silicon Valley lost 40 to 45 percent of its development funding.

Before 2016, Habitat East Bay/Silicon Valley had never been involved in local advocacy during its 30 years serving Santa Clara, Alameda and Contra Costa counties. But the combination of a growing crisis and major cuts to state funding "made acting in our own backyard imperative," says Habitat East Bay/Silicon Valley CEO and President Janice Jensen. "With a problem this broad and at this scale, we knew we had to get involved in bigger advocacy to make a real difference in our local communities."

## Two county bond measures

Municipal bonds are debt issued by local governments to raise funds for public-serving projects such as affordable housing. General obligation municipal bonds, like the ones issued in Alameda and Santa Clara counties, are backed by the local government's credit and taxing authority. The bonds in Alameda and Santa Clara Counties are each accompanied by a plan to raise property taxes over a specified period to repay bondholders. In California, such tax increases require voter approval, so the bond proposals were placed on the ballot and required a two-thirds majority to pass, the highest voter threshold.

The Alameda County ballot measure, Measure A1, asked voters whether the county should issue up to \$580 million in general obligation bonds to fund affordable rental housing, supportive housing for the homeless, and home purchase and repair assistance for low- and moderate-income households. The similarly named Measure A in Santa Clara County — epicenter of Silicon Valley — proposed a \$950 million bond, with emphasis on “housing for vulnerable populations including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses.” The spending plan in Santa Clara was less defined than the one in Alameda County, but it included funding to help low- and moderate-income households purchase an affordable home.

To support bond repayment, both measures proposed a modest, supplemental property tax, ranging from \$10.76 to \$12.66 per \$100,000 of assessed valuation.

## Advocacy

Jensen became aware of opportunities to participate in the two affordable housing bond campaigns in early 2016 through her involvement with the campaign sponsors: a regional coalition; the Non-Profit Housing Association of Northern California, or NPH; and a coalition of affordable housing supporters in Santa Clara County called SiliconValley@Home.

Each group had been laying the groundwork for county-level bond measures for affordable housing since 2015. The coalitions undertook a variety of activities to identify funding solutions that could draw wide consensus. These included focus groups, conversations with county staff members and other stakeholders outside the housing world, discussions with elected “champions,” and research. Both campaigns drew leadership and endorsements from a mix of public health, business, civic, labor, housing and homeless advocacy, veterans, environmental, and faith organizations. Each campaign was managed by a professional consulting firm and staffed with field organizers.

A major strategy of both campaigns was helping affordable housing providers engage their renters and homeowners in speaking opportunities, and in turning them out to vote. Habitat chose not to engage its homeowners directly, but was able to contribute previously prepared homeowners’ success stories to campaign communications.

In Santa Clara County, general messaging focused on the alarming rise in homelessness. Policy prescriptions focused on affordable housing for chronically homeless families and residents. In Alameda County, a major issue was evictions, displacement and home loss, which Measure A1 proposed to address through the creation of more affordable rentals and a first-time homebuyer program to help low- and middle-income households purchase homes in their communities.

In mid-2016, the local Habitat board voted to contribute \$25,000 to each campaign, totaling \$50,000. “This was unprecedented for us,” said Erin Spaulding, Habitat East Bay/Silicon Valley’s communications director. The staff expected to see resistance from the board. “It’s not like we had extra dollar bills lying around,” Jensen says. But the board “understood the issues and our place in the continuum. They swallowed hard, because it was a lot of money. But they wanted Habitat to be a player and a leader in this initiative.”

Each county campaign found there was “quite a lift in voter support” when they mentioned Habitat for Humanity in polling, Spaulding says. Habitat was asked to be one of the primary faces of the campaigns, including serving as a ballot signer and prominent endorser in both counties, and an op-ed author.

Habitat East Bay/Silicon Valley does not have a dedicated advocacy staff. So for the three months before November, Habitat assigned Spaulding to work nearly full time on campaign activities. This included managing Habitat’s campaign communications, creating Habitat web and social media content related to the campaign, producing op-eds, overseeing the use of Habitat’s brand, and coordinating involvement by Habitat staff members and volunteers. The underlying mechanics of advocacy communication were familiar to Spaulding, even if the advocacy part was new. “Totally in our wheelhouse,” she says. “It was no different than holiday events and other campaigns we’ve had before.”

Habitat volunteers were initially slow to respond to campaign invitations, so Habitat focused on encouraging staff members to volunteer for campaign activities such as coalition-organized phone banks and precinct walks. Participation was voluntary, occurring after work, on weekends or during lunch breaks. Habitat also organized “Habitat nights” at coalition phone banks. Dozens turned out.

## Impact

On election eve, both measures were victorious, surpassing the necessary two-thirds vote threshold. In Alameda County, Measure A1 passed with 73.3 percent. In Santa Clara, it was much closer, with 67.88 percent voting yes — a margin of just over 8,000 votes.

With such a narrow victory, Jensen believes Habitat’s role made a significant difference in Santa Clara County. “People said they believed one of the reasons we won in Santa Clara County was Habitat’s brand, because they plastered us everywhere.” Also decisive, according to NPH political director Sharon Cornu, were the votes of 14,000 affordable housing residents in Santa Clara.

## MAJOR FUNDING BOOST FOR AFFORDABLE RENTAL AND SUPPORTIVE HOUSING

The vast majority of the \$950 million to be raised in Santa Clara will help create housing opportunities for the county’s most vulnerable community members. Of that total, \$700 million will support housing for extremely low-income households, including permanent supportive housing. Also supported are rapid rehousing and transitional housing for those experiencing homelessness for briefer periods, including victims of human trafficking and domestic abuse. An additional \$100 million is set aside for rental housing for very low-income households.<sup>1</sup>

In Alameda County, bond proceeds will help create and preserve affordable rental housing for vulnerable and displaced households. The majority of new housing units are expected to serve very low-income households with incomes between 30 and 60 percent of area median income, or AMI. A sizable share of units will serve extremely low-income households at or below 20 percent of AMI.<sup>2</sup>

## A BOOST TO AFFORDABLE HOMEOWNERSHIP

In Alameda County, \$120 million will be allocated to affordable homeownership. Of this, \$25 million will be available as loans to support construction and acquisition/rehabilitation. These homes must stay affordable for 99 years. An additional \$45 million will be set aside for home repair and preservation to help low-income homeowners remain safely in their homes. Habitat will manage this program. The remaining \$50 million will support loans for down payment assistance. The Santa Clara County bond measure will provide up to \$150 million for affordable housing for moderate-income individuals and families, including \$50 million for moderate-income first-time homebuyers. Details are thin regarding how these funds will be spent. Habitat is working now with county supervisors to ensure funding supports the *construction* of new affordable homes, not just down payment assistance.

## BIGGER ROLE FOR HABITAT AHEAD

Perhaps the most valuable thing won on election eve was a much bigger seat at policy decision-making tables. Says Jensen: “There’s an expectation now that Habitat will be at the table and a big player. This is huge. It didn’t used to be the case. In the state Capitol, we weren’t even a glimmer in people’s eyes. Now people ask: ‘What does Habitat think about this?’ — not just at the state level, but also locally. It’s put us in a different playing field, and into a new circle of advocates and decision-makers.”

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<sup>1</sup> Alameda Housing and Community Development, Measure A1 Implementation Policies: Rental Housing Development Fund & Innovation and Opportunity Fund, Nov. 7, 2017.

<sup>2</sup> Alameda Housing and Community Development, Nov. 7, 2017.

Soon after the election, State Senator Jim Beall from Santa Clara County asked Jensen and a couple of other housing leaders to his office to discuss the outlines of a new state housing bond that would raise \$4 billion for affordable housing statewide. Beall asked for help from Jensen and the other advocates in guiding the language and application of the bond. In its final form, the bond includes more than \$300 million for self-help ownership housing. “We were definitely a voice in that decision,” Jensen says.

## Lessons

1. **Habitat has a lot to bring to advocacy coalitions.** In both counties, Habitat’s name measurably boosted voter support. Habitat also had an important impact in other ways, including turning out dozens of Habitat staff members for phone banking, appearing as a ballot signer, and authoring an op-ed. Furthermore, staff members and supervisors from both Alameda and Santa Clara counties relied on Habitat’s help in designing the final bond (Alameda County) and in allocating space in the implementation plan for actual construction of affordable homes for purchase (Santa Clara County). No other organization could have played these roles.
2. **Participating in advocacy circles is crucial.** As Jensen explains, “When there are hundreds of priorities facing you, it’s really hard as a CEO to say: ‘I wonder where public policy is going?’ But the more you put yourself into advocacy circles, the more you get a sense of what’s coming down the road.” Furthermore, being “at the table,” with a recognized willingness to contribute financial resources and volunteers, is helping Habitat shape future affordable housing funding decisions in the region and state.
3. **Make advocacy an organization-wide priority.** Spaulding says that regular communication from affiliate leadership about the organization’s campaign activities and message helped make it easier for her to mobilize other staff members and volunteers.
4. **Internal education is necessary.** Bond issues can involve controversy. Early in the Santa Clara County campaign, a taxpayer group submitted an opposing argument for the ballot. This caused Habitat to pause, as it had avoided controversial issues in the past. But as Spaulding explains, “We just had to take a step back and breathe and realize, yeah, we’re still doing the right thing.” That said, it was necessary to educate internally to help staff and board members feel comfortable with the campaigns. Spaulding believes that Habitat East Bay/Silicon Valley will have more luck engaging larger numbers of nonstaff volunteers next time if it makes the same educational investment.

## Resources

- Janice Jensen, President and CEO, Habitat for Humanity East Bay/Silicon Valley, [JJensen@habitatebsv.org](mailto:JJensen@habitatebsv.org).
- Alameda County adopted bond: [acgov.org/cda/hcd/housing/election.htm](http://acgov.org/cda/hcd/housing/election.htm).
- Alameda County Measure A1 Final Implementation Policies: *Homeowner Housing*: [acgov.org/cda/hcd/documents/FINALHomeownerHousingDevelopmentPolicies.pdf](http://acgov.org/cda/hcd/documents/FINALHomeownerHousingDevelopmentPolicies.pdf).
- Alameda County Measure A1 Final Implementation Policies: *Rental Housing*: [acgov.org/cda/hcd/documents/FINALRentalDevelopmentPolicies.pdf](http://acgov.org/cda/hcd/documents/FINALRentalDevelopmentPolicies.pdf).
- Santa Clara adopted bond: [yesonaffordablehousing.org/wp-content/uploads/2016/09/Final-Board-adopted-Housing-Bond-2.pdf](http://yesonaffordablehousing.org/wp-content/uploads/2016/09/Final-Board-adopted-Housing-Bond-2.pdf).
- Santa Clara County campaign website: [yesonaffordablehousing.org](http://yesonaffordablehousing.org).



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19-67584/GRA/PDF/5-2019

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