

# Housing Recovery Bond

A Housing Solution for Sonoma County

# What's the Need

On October 7<sup>th</sup>, the County of Sonoma needed to construct 17,000 housing units. Of which, 8,500 needed to be deed-restricted affordable housing. This criteria was determined by the Regional Housing Needs Assessment.



# What's the Need Continued

On October 15<sup>th</sup>, after the fires had stopped consuming homes and structures, **the County of Sonoma lost an additional 4,658 residential units, bringing the housing need to at least 21,658 housing units.**

Sonoma County ***MUST*** close the gap on these 8,497 homes if we are going to mitigate the negative effects of gentrification and out-of-control living costs, as well as the loss of our workforce.

# Many Fragile and Vulnerable Populations

Of the 1,240 homes lost in Coffey Park, 40% of families (496) were renters. Of them, 60% (298 families) did not have renters insurance.

Meaning, most of the families were low-moderate-income families who could be shut out from our community due to a lack of housing vacancies and increasing rents as a result of the fire.

This does not take into account vulnerable families in other fire-affected areas...

# We Don't Have the Tools to Fix the Housing Crisis!

Despite laudable efforts made by the City and County to roll back fees and regulations on new construction (elimination of SEADIF and SWADIF) and creating new incentives (ADU Ordinance, Master-planning with up-zoning, Density Bonus), the City and County simply have not armed themselves with the tools necessary to build the number of units that are required to maintain our community's diversity, preserve multigenerational families, and provide opportunities for the next generation wishing to put down roots in Sonoma County.



# We Don't Have the Tools Continued...

What we've been doing is the equivalent of setting a goal to build an entire house, given ourselves a hammer, but we lack the nails to bring it all together.

- ∅ We need a sufficient level of resources to build the affordable housing we keep promising to the public.



# Not Just Housing, Economic Development.

*Remember Tools?*

- No Place Like Home
- Cap and Trade
- HUD Grants
- Senate Bill 2
- CDBG-DR



# Not Just Housing, Economic Development.

**Question:** What do they all have in common?

**Answer:** Combined, they result in billions of dollars for affordable housing for communities throughout California, and they all require a “local match” to compete for the funds.

By not empowering ourselves with a local match source, our citizens are missing out on hundreds of millions of dollars to help us solve our housing crisis.

# What is Local Match?

Local match is the amount a city or county commits to a project in a proposal sent to the grantor entity. Local match must be an ongoing source of predictable funding. Meaning, if a city or county commits the funds, it must remain with that proposal beyond a single budget cycle.

Currently, the City of Santa Rosa infrequently uses department turn back to fund "Notice of Funding Availabilities" (NOFA's), which are one-time flash-in-the-pan monies to help projects get completed with an often times small affordability component.

# The Economic Multipliers of Local Match

To empower our community to develop large-scale affordable housing projects for the first time since redevelopment, and in order to capture hundreds of millions of state dollars in our local economy, we must provide our non-profit developers with a local match so that they can compete.

*Remember: Every \$1 in local match brings in at least \$4 additional dollars for affordable housing construction from competitive funding pools, such as Cap-and-Trade, No Place like Home, Senate Bill 2, and other sources.*

# The Economic Multipliers of Local Match

A \$230,000,000 bond could leverage up to \$690,000,000 *additional* affordable housing dollars from state and federal sources.

ü Money flowing from outside our jurisdiction to within it.  
That is, into the pockets of construction workers, local retail, local banks, etc.

# The Takeaway

- A \$150m Bond could leverage an additional \$450m for a total of \$600m.
- A \$230m Bond could leverage an additional \$690m for a total of \$920m.
- A \$310m Bond could leverage an additional \$930m for a total of 1b+.

\*Bond totals based on 10-year bonding.

# Regional Successes in the Bay Area

Alameda County: \$580m, Passed 72% to 28%

Oakland: \$600m, Passed 82% to 18%

Santa Clara: \$950m, Passed 67% to 33%

San Francisco: \$261m, Passed 75% to 24%

# Questions?

