

PRESS CONTACT:
Diana Williams
Non-Profit Housing Association of Northern California
Cell: (510) 872-5551, or Paul Peninger at NPH, (415) 989-8160

EMBARGOED UNTIL 12 p.m. (*NOON*) TUESDAY AUGUST 14

One-Third of California Cities and Counties Now Have Inclusionary Housing Policies, New Study Says

Bay Area has 5 of the State's Top-Producing Cities: Dublin, Emeryville, Petaluma, Pleasanton and San Bruno

SAN FRANCISCO, AUGUST 14, 2007 -- Up and down the state, increasing numbers of California cities and counties are tackling shortages of affordable housing and mounting commutes by adopting inclusionary housing policies, according to a new report released today.

The report, *"Affordable By Choice: Trends in California Inclusionary Housing Programs,"* is the state's most detailed study to date on who lives in homes built through inclusionary housing programs. It shows that 170 jurisdictions large and small, rural and urban, now have inclusionary policies on their books. This amounts to 32% of the cities and counties in the state, up from 107 jurisdictions, or 20% of the state, in 2003.

Sometimes referred to as inclusionary zoning, inclusionary housing policies require builders to price a percentage of market-rate homes at "affordable" levels, so that people who work as school teachers, day-care providers, clergy and similarly paid professions can afford to live there and often be closer to their jobs.

"These policies are helping to create neighborhoods like the ones many of us grew up in, where people with different incomes can live side-by-side," said Dianne Spaulding, executive director of the Non-Profit Housing Association of Northern California (NPH), which authored the report with the California Coalition for Rural Housing, the Sacramento Housing Alliance and the San Diego Housing Federation.

Statewide, an estimated 30,000 long-term affordable homes have been built through inclusionary housing policies since 1999 alone, the study shows. Combined, these homes provide housing for at least 80,000 Californians -- roughly the population of the City of Livermore. About 90% of the homes produced through inclusionary policies were built alongside, and often indistinguishable from, market-rate housing, the study shows.

While not a panacea for the state's dire need for more affordable housing, inclusionary homes are serving the growing numbers of people who are priced out of decent, affordable shelter -- many of whom are being forced to move two or three hours away to find housing. For that reason, environmentalists hailed the report's results.

“The lack of affordable housing is bad for the environment,” said Tom Steinbach, executive director of Greenbelt Alliance. “Inclusionary housing is an important land-use tool for fighting sprawl and for responsibly managing our growth.”

The report examined the characteristics of eight “top-producing” cities with inclusionary housing. Five of these eight are in the Bay Area: Dublin, Emeryville, Petaluma, Pleasanton and San Bruno. The report also points out that compared to other regions, the Bay Area has the most jurisdictions with inclusionary policies, and has many of the oldest policies in the state. (Palo Alto was the first city in the state to adopt a policy, in 1973).

The report shows that middle-class and working people with a wide range of incomes are served by homes created through inclusionary policies:

- About half (47%) of the people who live in inclusionary housing statewide are low-income, which means they earn between \$42,000 and \$66,250 annually, for a family of four, in Alameda and Contra Costa counties
- About a quarter (21%) of residents in inclusionary housing statewide are moderate-income, earning between \$66,300 and \$100,600;
- Another quarter (25%) are very-low-income, earning between \$25,150 and \$41,900.

About three-quarters (71%) of all the housing created through inclusionary policies is rental stock, with the rest (29%) offered for homebuyers.

“California’s housing market is just broken, and while inclusionary housing won’t fix everything, at least it’s a start,” said Rob Weiner, executive director of the California Coalition for Rural Housing. Weiner said that California has racked up a housing deficit decades in the making, building too few homes for lower-income families. “In the simplest way,” he said, “it’s about supply and demand. That is why approaches like inclusionary housing are needed and why they work. Because you have to intervene in the market to make more of the housing we need.”

The study shows that market-rate developers are producing most of the housing built through inclusionary policies, either alone or in partnership with affordable housing developers. About one-third (32%) of the housing involved partnerships with affordable housing developers – and where partnerships occurred the housing was significantly more affordable.

The report’s five recommendations call for:

- 1) Cities and counties that don’t already have an inclusionary policy to adopt one and make it mandatory;
- 2) Cities and counties to offer strong incentives and flexibility so that inclusionary requirements are feasible to developers;
- 3) Cities and counties to track the use of their in-lieu fees;
- 4) The state to track inclusionary housing production throughout California, and for
- 5) Cities to support partnerships involving non-profit housing developers, whose expertise helps to create more homes that are more affordable.

###

A free and searchable database of all jurisdictions in California with inclusionary housing policies is available at: www.calruralhousing.org/housing-toolbox/inclusionary-housing-policy-search.

About the Non-Profit Housing Association of Northern California

The Non-Profit Housing Association of Northern California works to advance affordable housing as the foundation for thriving individuals, families and neighborhoods. As the collective voice of those who support, build and finance affordable housing, NPH promotes the proven methods of the non-profit sector and focuses government policy on housing solutions for low-income people who suffer disproportionately from the housing crisis.

About the California Coalition for Rural Housing

The California Coalition for Rural Housing, based in Sacramento, is a statewide nonprofit organization that works to ensure affordable housing opportunities for low income households in California.

About the San Diego Housing Federation

The San Diego Housing Federation is a coalition of nonprofit and other organizations and individuals working together to produce quality affordable housing and community development for lower income households.

About the Sacramento Housing Alliance:

The Sacramento Housing Alliance is a non-profit coalition promoting quality affordable housing and enhanced opportunities for lower income households and people who are homeless.