Affordable Housing Best Practices and Funding Study

Prepared For:
San Diego Housing Commission

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San Diego Housing Commission
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Seattle Office of Housing

Executive Summary

Introduction and Study Purpose

One of the most livable and vibrant big cities in the United States, the City of San Diego is also widely known as a model for innovation in both business and government. Like many strong market cities, however, San Diego has long struggled to balance economic growth with housing affordability.

The purpose of this study is to assist the San Diego Housing Commission (SDHC) and its partners in updating the information gathered in previous Task Force efforts and to recommend affordable housing policies and funding sources in light of prevailing best practices in 18 economically competitive regions. The Study serves to identify best practices and funding models for affordable housing programs, but unlike previous efforts it is based on a survey of policies and practices in 18 competitive benchmark regions. In keeping with San Diego's tradition of innovation, this Study seeks to provide expanded data and analysis from benchmark regions to ensure that San Diego's housing programs and policies remain at the leading edge of contemporary practice in economically similar metropolitan areas. The regions included in this study are listed below, with the principal central city indicated in parentheses.

- Atlanta-Sandy Springs-Marietta, GA (Atlanta)
- Austin-Round Rock, TX (Austin)
- Boston-Cambridge-Quincy, MA-NH (Boston)
- Dallas-Fort Worth-Arlington, TX (Dallas)
- Denver-Aurora-Broomfield, CO (Denver)
- Miami-Ft. Lauderdale-Pompano Beach, FL (Miami)
- Minneapolis-St. Paul-Bloomington, MN-WI (Minneapolis)
- Orange County, CA (Anaheim)
- Phoenix-Mesa-Scottsdale, AZ (Phoenix)
- Portland-Vancouver-Beaverton, OR-WA (Portland)
- Raleigh-Cary, NC (Raleigh)
- Sacramento--Arden-Arcade--Roseville, CA (Sacramento)
- Salt Lake City, UT (Salt Lake City)
- San Francisco-Oakland-Fremont, CA (San Francisco)
- San Jose-Sunnyvale-Santa Clara, CA (San Jose)
- Seattle-Tacoma-Bellevue, WA (Seattle)
- Tampa-St. Petersburg-Clearwater, FL (Tampa)
- Washington-Arlington-Alexandria, DC-VA-MD-WV (Washington, DC)

Comparative Demographic, Economic and Market Trends

San Diego stands apart from the other regions profiled in this study in several regards. First, although the City of San Diego ranks as the second largest central city among the comparison regions with a 2009 population of approximately 1.3 million, the overall metropolitan region is relatively small. Only in San Jose and Austin do the principal cities make up a larger share of the overall metropolitan population. Despite the fact that San Diego is relatively land constrained compared to many of the benchmarks regions, the City and the region have experienced consistent household and employment growth over the past decade and more. Housing rents and sale prices are relatively high, and despite the recent market downturn, housing cost burdens remain significant for a large number of individuals and families, and particularly for those at the lower end of the income scale.

Other key findings from the comparative analysis of demographic, economic and market trends include, as follows:

Population and Household Trends

- The number of households in San Diego grew by 0.8 percent per year between 2000 and 2009, falling somewhat below the study-wide average of 1.0 percent. At the extremes, Raleigh experienced an average annual growth rate of 3.3 percent, while Minneapolis actually lost a small number of households.

- In ten of the regions depicted, the surrounding metropolitan area grew at a rate more than double that of the urban core. By comparison, the City of San Diego grew about on pace with its metropolitan region.

- The City of San Diego has an above-average proportion of families and a below-average proportion of seniors—numbers corroborated by the City's relatively high median household income.

- The City of San Diego has enjoyed above-average income growth, becoming one of the most affluent central cities among its competitors. In 2009, median household income was $60,300, representing a robust 32 percent increase over 2000 levels. Only San Jose and San Francisco were more affluent. By contrast, median household income registered as low as $29,800 in Miami.

- The City of San Diego itself ranks relatively low in terms of poverty rates compared to comparable central cities. In 2009, 11 percent of households in the City of San Diego lived below the poverty line, which was set by the U.S. Census Bureau at $21,756 for a family of four. By comparison, the central cities considered in this study averaged 12 percent, led by Miami where 24 percent of households lived below the poverty line.

Housing Needs and Housing Market Trends

- As of 2009, 56 percent of households in the San Diego region owned their homes, representing the second-lowest owner tenure rate among its peer regions, which averaged 65 percent homeownership. At the high end, 74 percent of households in the Minneapolis-St. Paul-Bloomington MSA owned their homes. Only the San Francisco-Oakland-Fremont MSA, at 56 percent owner-tenure, had lower levels of homeownership. In the same year, 50 percent of households in the City of San Diego owned the homes in which they lived, positioning the City slightly above the study-wide average of 48 percent for core cities.

- In 2009, multifamily units accounted for only 40 percent of housing in the City of San Diego, falling below the study-wide average of 43 percent.

- In 2010, HUD estimates that median rent for a three-bedroom apartment in metro San Diego is $2,083, making it the fourth most expensive rental market considered in this study. Not surprisingly, the four most expensive regions are in California. Costs in the San Francisco and San Jose regions, as well as Orange County, all exceed the median rent in metro San Diego

- In the first quarter of 2010, the median sale prices for a home sold in the San Diego region was $310,000, making it the third most expensive for-sale housing market relative to its peer regions. As with rental housing, the coastal California jurisdictions crowd the top of the list, with the median sale price climbing as high as $585,000 along the San Francisco Peninsula. By contrast, the cost of housing was lowest in the Tampa region, where the median sale price was $120,000.

Development Conditions

- In 2010, multifamily construction costs in the City of San Diego are average relative to the comparison cities. While the exact figures differ depending on the housing product in question, San Diego consistently ties Seattle as the seventh highest cost construction market of the regions considered in this study. For example, building new low-rise housing in San Diego costs an estimated $159 per square foot. By contrast, it costs as much as $194 per square foot in San Francisco and as little as $120 per square foot in Austin to build this product type.

- According to a recent study from the University of Pennsylvania, 63 percent of land in the San Diego region is undevelopable due to geographic constraints, nearly double the study-wide average of 35 percent. By contrast, the Miami region suffers the worse loss of developable land, or 77 percent, to the surrounding environment, while metro Austin, at only four percent, suffers practically no loss at all.

- This same study from the University of Pennsylvania measured regulatory constraints in major metropolitan areas across the US. Using an index methodology to measure constraints, the Study author found an average score across all of the urban areas considered in his study of -0.10. The San Diego region, by contrast, scores 0.46, positioning it as a somewhat restrictive land-development market. However, when compared against the average score of the competitor regions considered in this study, San Diego earns average marks, nearly matching the study-wide mean of 0.43. With a score of 1.70, the Boston region is the most restrictive jurisdiction considered in this study and, with a score of -0.28, metro Austin is the least.

Employment

- Though the San Diego region experienced substantial fluctuations in the job market over the last ten years—most of them positive—the region ended the decade almost exactly where it started. Between 2000 and 2010, metro San Diego lost a total of 900 jobs, ending the period with total employment of 986,300. The overall economic development picture in San Diego, thus, compares favorably to its peer regions—particularly those in California.

The San Diego Hosing Policy Context

The San Diego Housing Commission (SDHC) is responsible for housing policy development and management of affordable housing programs in the City. Established in 1979, SDHC is governed by the San Diego Housing Authority, which is composed of the eight-member City Council. The Housing Authority has final authority over SDHC's budget and major policy changes. The Housing Commission is one of the few public housing agencies in the nation to have opted out of the federal government's public housing program and assumed full ownership of multifamily properties previously controlled jointly with HUD. This has provided SDHC with more autonomy and flexibility to own and manage rental units that are leased to low-income families, seniors, and disabled persons. In addition, SDHC allocates the City's federal community development entitlement grant funding, such as CDBG and HOME funds.

Through partnerships with the City of San Diego's redevelopment agencies and nonprofit/for-profit developers, SDHC continues to be an active developer of new affordable housing. SDHC provides incentives and financial assistance to developers to make affordable housing attractive and financially feasible. San Diego is one of very few cities in the country which combines all of the housing functions of the jurisdiction within one agency. Among the housing agencies surveyed in this report, only Sacramento has a similar structure. This consolidated departmental framework allows for the efficient delivery of services and centralized management of key housing policy initiatives and funding mechanisms. SDHC is widely considered a model for housing departments and housing authorities seeking new and more administratively efficient structures for working collaboratively to address housing needs in a given area.

City of San Diego	
Affordable Housing Production, 2000-2010	
Rental Units	8,301
Ownership Units	445
Total Units	8,746
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	x
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	-

Sources: San Diego Housing Commission, 2010; BAE, 2010.

At the municipal level, SDHC provides the full range of policies, programs and funding sources found across major cities surveyed in this Study with fee levels and regulatory requirements set at or below the average level. The major exception to this is the absence of a community land trust in the City or the region. This absence in turn highlights the major weakness of San Diego vis-à-vis its competitor regions: the lack of active engagement from the private for-profit and philanthropic sectors in partnering with SDHC and other local government agencies to address regional housing needs. In many other regions profiled in this Study, the major new housing policy and funding initiatives which are being launched involve leveraging Federal, State and local resources with private investment in the form of grants, low-interest loans or program-related investments from foundations. Strong philanthropic participation benefits affordable housing production by increasing and diversifying funding and resources available to developers.

Competitor Region Profiles

In consultation with staff from SDHC, BAE prepared a written survey instrument (see Appendix C) which was e-mailed to one or more key representatives in each of the 19 core cities (including San Diego) examined in this Study. Additional resources included information on city websites and various published reports such as housing elements and housing strategies. In addition, BAE referenced available HUD-mandated reports such as Consolidated Plans, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER). The profiles included in this report are intended to elucidate new approaches to housing policy and finance which San Diego may be able to emulate through the refinement of existing programs or the adoption of new programs or funding mechanisms.

A summary of affordable housing production and housing policies from the core cities surveyed is included on the following page. Appendix B provides a complete database of housing policies and programs based on the survey results and secondary research.

Affordable Housing Programs, Policies, and Production Summary

	Affordable Housing Production			Land Use, Zoning, Entitlements			Affordable Housing Financing						Other Programs and Policies		
	Rental Units	Ownership Units	Total Units	Inclusionary Zoning	Fee Reduction/ Waiver	Expedited Permit Processing	Housing Linkage Fee	Commercial Linkage Fee	Community Development Block Grant	Tax Increment Financing	Local Housing Trust Fund	Tax Exempt Bonds	Community Land Trust	Land Bank	Other
San Diego	**8,301**	**445**	**8,746**	**2003**	**2009**	**2003**	**-**	**1990**	**1996**	**Yes**	**1990**	**1989**	**2007**	**-**	
Atlanta (a)	NA	NA	**5,543**	2006	Yes	-	-	-	Yes	1998	1989	Yes	2009	1990s	
Austin (b)	1,314	NA	**NA**	2000	2000	2000	-	-	Yes	-	1999	Yes	-	-	
Boston	4,410	1,456	**5,863**	2000	-	-	-	1983	1973	-	1987	-	1988	-	One-time revenues from sale of municipal assets
Dallas	4,020	5,067	**9,087**	-	-	-	-	-	1992	1980	-	2003	-	2003	Certificates of Obligation, Tax Abatement Program, Local Foundations Program, LIHTC, Housing Finance Corporation Bond Programs, Section 108
Denver	NA	NA	**NA**	2002	2002	2002	-	-	1974	1974	-	1974	2002	2007	
Miami (c)	NA	NA	**3,591**	-	Yes	Yes	-	-	-	Yes	Yes	-	-	-	State Housing Initiative Partnership (funded by local documentary stamp collections)
Minneapolis	8,452	109	**8,561**	-	-	-	-	-	Yes	2005	Yes	Yes	2002	Yes	
Anaheim (d)	NA	NA	**1,830**	-	Yes	Yes	-	-	Yes	Yes	-	-	-	-	Developer Incentive Program; Density bonus program
Phoenix	6,663	3,838	**10,501**	-	-	Yes	-	-	1995	-	-	Yes	-	-	
Portland	2,264	949	**3,213**	-	Yes	-	-	-	Yes	Yes	-	Yes	Yes	-	Tax abatement
Raleigh	1,127	268	**1,395**	-	-	-	-	-	Yes	-	-	Yes	-	-	
Sacramento	NA	NA	**8,537**	2000	-	-	-	1989	Yes	Yes	1989	1983	-	-	
Salt Lake City	1,061	247	**1,308**	-	-	-	-	-	Yes	Yes	2000	-	-	-	
San Francisco	4,564	850	**5,414**	2002	1990s	2008	-	1987	Yes	1980s	1980s	Yes	2009	-	Downpayment Assistance Loan Program
San Jose	10,985	476	**11,461**	2013	Yes	-	-	-	1988	Yes	2000	-	-	-	
Seattle	4,796	650	**5,446**	1985	-	-	-	-	1974	-	Yes	-	2002	-	Senior Housing Program Bond & Voter approved housing levies fund Trust Fund
Tampa	NA	NA	**NA**	-	1987	Yes	-	-	Yes	1970s	-	-	2005	-	Infill Housing Development Program; State Housing Initiative Partnership (funded by local documentary stamp collections)
Washington, DC (e)	NA	NA	**10,399**	2006	-	-	-	-	Yes	-	1989	Yes	-	-	Property Acquisition and Disposition
TOTAL	**57,957**	**14,355**	**100,895**	**10**	**10**	**8**	**0**	**4**	**18**	**13**	**12**	**12**	**9**	**4**	

Notes:

(a) Affordable housing production reported for 2005-2009

(b) Affordable housing production reported for 2003-2010

(c) Reported for 2000-2007

(d) Affordable housing production reported for 1998-2005.

(e) Affordable housing production reported for FY 2004-present

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

Findings and Recommendations

San Diego has been moderately successful at producing affordable housing over the past decade compared to the other jurisdictions profiled in this study. Between 2000 and 2010, San Diego produced 8,746 affordable units, or 19 percent of total building permits. The City has been particularly effective at supporting the production of units targeted to households earning less than 50 percent of the area median income.

Still, the gap between housing need and affordable housing production remains significant and San Diego lags behind cities like San Jose and Dallas in terms of overall housing production. Although economic and market conditions have changed substantially since previous Housing Trust Fund Task Force efforts of 1989, 1995 and 2002, many of the same policy and funding recommendations remain relevant. The experience of other competitive regions across the United States suggests that communities with a broad and balanced set of policy and funding tools tend to perform better in terms of housing production than those which rely on just a few major programs or policies. The table below provides a complete set of recommendations based on the data and analysis conducted for this study. The most important recommendations which flow from this analysis are, as follows:

1. ***Engage civic leaders from the business and philanthropic community in a renewed effort to support affordable housing production.*** One of San Diego's weaknesses compared to other competitor regions is the lack of active engagement from the private for-profit and philanthropic sectors in community development and affordable housing. In many other regions, government funding for affordable housing developments is leveraged with private investments such as grants or low-interest loans. The City should outreach to leaders across the community to increase support for affordable housing efforts.

2. ***Form a regional land bank.*** Four comparison jurisdictions have land banks to acquire land for affordable housing development. A land bank could be an entity of the City or could be managed by a nonprofit organization independently or in conjunction with a City agency. In Atlanta, for example, the City and County have a joint land bank authority that facilitates the purchase of tax-foreclosed properties by CDCs and clears the back taxes. The land bank in Minneapolis, on the other hand, is a nonprofit entity that raised money for property acquisition and land banking. Land banks facilitate the conversion of vacant, abandoned, and tax-delinquent properties to productive uses and can reduce the land cost for affordable housing developers.

3. ***Increase the amount of CDBG funding dedicated to affordable housing.*** The City of

San Diego has allocated between eight and 10 percent of CDBG funding for affordable housing activities since 2000. San Diego's share of CDBG that is used for housing is the second lowest among all the comparison jurisdictions that use this federal funding source for housing activities. On average, the comparison cities dedicate 28 percent of CDBG funds for housing. All but three cities devote at least 15 percent of funds to housing, and eight cities allocate 20 percent or more. The City of San Diego should consider increasing the amount of CDBG funds it reserves for housing activities.

4. ***Increase the percent of redevelopment tax increment financing (TIF) dedicated to housing.*** Consistent with California Community Redevelopment Law (CRL), San Diego's redevelopment agencies set aside 20 percent of funding for low- and moderate-income housing. This 20 percent set-aside, however, is a just a minimum established by state law. The City could increase the set aside amount. Several other California cities dedicate more than the minimum 20 percent. In Anaheim and in certain redevelopment areas in Sacramento, 30 percent of tax increment is set aside for affordable housing. San Francisco's Redevelopment Agency also often exceeds the minimum contribution; in fiscal year 2009-2010, 40 percent of tax increment was set aside for housing.

5. ***Maintain and update the City's inclusionary housing program.*** The City will be undertaking a nexus study to update the citywide inclusionary housing program. San Diego should update the program, ensuring it the ordinance complies with recent case law regarding inclusionary housing, and continue to utilize it as a means to generate affordable housing in the City.

6. ***Maintain and regularly update the City's commercial linkage fee.*** San Diego is one of four cities considered in this study with a commercial linkage fee. Boston, Sacramento, and San Francisco also assess linkage fees on commercial development. San Diego's linkage fee is far lower than fee amounts assessed in other cities. For example, the per square foot fee for office development is $1.06 in San Diego, compared to $2.11 in Sacramento, $7.87 in Boston, and $19.96 in San Francisco. Part of the reason San Diego's fees are lower than other cities is that the linkage fee amount has not been updated since 1996. By comparison, Sacramento and San Francisco update their fees annually while Boston updates its fee every three years. Regular updates of the commercial linkage fee allow the fee amount and associated revenue for the cities to keep pace with the cost of construction. In San Diego, the City Engineer prepares an annual recommendation for fee revision based on the Building Cost Index for Twenty Cities. The City Council then determines whether to revise the fee amount. The City of San Diego is currently conducting a nexus study to update the commercial linkage fee. Once an updated fee amount is established, the City may want to consider revising the

ordinance to provide for automatic updates to the fee based on a cost index rather than requiring City Council approval of fee revisions.

7. ***Consider forming an affordable housing overlay zoning district in key parts of the City.*** An affordable housing overlay identifies areas within a city where the development of affordable housing is permitted-by-right. The zone guarantee's one's right to build affordable housing in areas of the city deemed most appropriate and can expedite the entitlement process for developers. Orange County and several jurisdictions in San Diego County have implemented such overlays.

8. ***Dedicate a percentage of transient occupancy tax (TOT) revenues to the Housing Trust Fund.*** When the City of San Diego first established the Housing Trust Fund in 1990, one of the dedicated revenue sources was a share of TOT increment beyond the amount collected in FY1990. However, TOT revenues have not been allocated to the Trust Fund since 1992. The City should resume TOT contributions to the Housing Trust Fund to diversify the Fund's revenue sources. Other cities across the country allocate TOT funds for affordable housing. For example, in the City of San Francisco, a share of the hotel tax goes to the local housing trust fund to support affordable housing for seniors and disabled persons.

9. ***Consider forming a "Leading Way Fund" along the Boston model to collect one-time city revenues to support affordable housing production.*** In addition to considering various ongoing sources for affordable housing, the City of San Diego should explore the feasibility of using one-time city revenues to support housing production. In Boston, some of the one-time revenue sources, such as the sale of surplus municipal properties or buildings, are made available to support new affordable housing. This revenue source would provide the City with funding that is not highly regulated like other federal, state, and local housing sources, providing for creativity and flexibility in disbursing the funds.

Policy and Funding Recommendations

	Prevalence	San Diego Status	Recommendation	Potential Impediments
Land Use, Zoning and Entitlements				
Inclusionary Zoning	Adopted in over 200 communities nationally, including in 50% of core cities in this survey.	Adopted 2003	Update ordinance to reflect recent changes in California Case Law (e.g.. Palmer and Patterson)	Current market downturn and lack of market-rate development pipeline.
Fee Reduction/Waiver	9 comparison cities offer a fee waiver	Adopted 2009	Maintain fee reduction/waiver	NA
Expedite Permit Processing	Available in 7 comparison cities	Adopted 2003	Maintain this program	NA
Affordable Housing Overlay Zone	Available in Orange County and various SD County jurisdictions	Not adopted	Consider creating an affordable housing overlay zone for key districts in San Diego to facilitate the production of market-rate and affordable housing at higher densities and deeper affordability levels.	Need to revisit existing land use and zoning policies and potential conflicts with existing overlay zone policies.
Affordable Housing Finance Sources				
Housing Linkage Fee	Not widely prevalent	Not adopted	Study the adoption of a housing linkage fee in light of recent case law affecting the ability of California jurisdictions to apply inclusionary requirements to new residential projects.	Current market downturn and lack of market-rate development pipeline; relatively few successful examples in operation.
Commercial Linkage Fee	Not widely prevalent nationally; California is the exception.	Adopted 1990	Of the four major jurisdictions with commercial linkage fees considered in this study, San Diego has the lowest fees. Update this program and adopt a policy framework for automatically adjusting the fees as market conditions change.	SDHC is currently studying options for updating this fee. In the absence of complementary revenue sources to supplement the Housing Trust Fund, this fee may generate political opposition.
Community Development Block Grant	Most jurisdictions use CDBG funds for affordable housing. The average across the cities studied is 28%.	CDBG used for housing as of 1996	In keeping with previous task force reports from 1995 and 2002, increase allocation of CDBG to affordable housing from current level to at least 30 percent.	Competing community development priorities and funding obligations; the lack of complementary community development support from the private sector.

Source: BAE, 2010.

Policy and Funding Recommendations

	Prevalence	San Diego Status	Recommendation	Potential Impediments
Tax Increment Financing	Widely utilized across the US for housing production, rehabilitation and preservation.	Extensively utilized in San Diego	Consider increasing the mandatory amount of housing tax increment set aside for housing from 20 to 30 percent.	Potential funding conflicts with other redevelopment priorities in the city.
Local Housing Trust Fund	Widely utilized across the US and in comparison jurisdictions.	Adopted 1990	Broaden the sources utilized to support the Housing Trust Fund to include Transient Occupancy Tax Revenues, one-time City revenues and other sources.	Implementing a broader set of funding tools for the Housing Trust Fund requires broad political consensus.
Tax Exempt Bonds	Widely utilized, including voter-approved general obligation bond issuances in San Francisco and Dallas.	Utilized since 1989	Revenue bonds are used extensively in project finance; San Diego has not issued a general obligation bond to support affordable housing production.	A general obligation bond issuance would require voter approval.
Levies, Fees and Tax Abatements	Widely utilized outside of California	Not utilized	Document recording fees, dedicated property tax levies, tax abatement and a variety of other related measures are widely utilized outside of California to generate revenues for affordable housing. California's unique fiscal context, stemming from the passage of Proposition 13 in 1978 and the current Statewide fiscal crisis, make the adoption of these types of measures unlikely in the short-run.	Some of these tools may not be legally available in California while others are not politically feasible given the current fiscal crisis affecting State and local government.
Other Programs and Policies				
Community Land Trust	Prevalent across large urban areas in the US.	Created 2007	Broaden support for this important collaboration.	NA
Land Bank	Increasingly important tool in revitalizing urban neighborhoods.	Not present	Consider forming a community land bank to facilitate the acquisition of distressed and/or underutilized properties; leverage private resources as well as federal sources such as the Neighborhood Stabilization Program (NSP).	Unlike many cities considered in this study such as Minneapolis and Atlanta, San Diego does not have a large number of foreclosed and/or abandoned properties.

Source: BAE, 2010.

Introduction

One of the most livable and vibrant big cities in the United States, the City of San Diego is also widely known as a model for innovation in both business and government[1]. Like many strong market cities, however, San Diego has long struggled to balance economic growth with housing affordability. The City has previously convened at least three separate Task Forces to formulate funding and policy solutions to address the perennial shortage of affordable housing and each of these groups have concluded that affordable housing is critical to San Diego's overall health as a community. Composed of representatives from a range of business, non-profit and civic organizations, the 1995 Housing Trust Fund Task Force, for example, described the need for affordable housing as follows:

The availability of affordable housing benefits the entire city. It helps make living in San Diego more manageable for families and individuals and encourages labor intensive businesses to expand or locate to San Diego.

The 1989 and 1995 Housing Trust Fund Task Forces along with the Affordable Housing Task Force of 2002 each proposed a number of funding sources and policy approaches to enhancing San Diego's capacity in the area of affordable housing production, preservation and rehabilitation. Most importantly, each group recommended a broad based approach to funding local housing programs relying on a mix of revenue generation sources such as a transit occupancy tax, commercial/industrial linkage fee and utility user's fee. For a variety of reasons, however, competing priorities and other fiscal constraints have resulted in a heavy reliance on the commercial/industrial linkage fee program to fund the City's Housing Trust Fund rather than the broad range of potential sources considered in 1989 and subsequently in 1995 and 2002.

Study Purpose

This Study revisits the issue of identifying best practices and funding models for affordable housing programs, but unlike previous efforts it is based on a survey of policies and practices in 18 competitive benchmark regions. The purpose of this study is to assist the San Diego Housing Commission (SDHC) and its partners in updating the information gathered in previous Task Force efforts and to recommend affordable housing policies and funding sources in light of prevailing best practices in economically competitive regions. In keeping with San Diego's tradition of innovation, this Study seeks to provide expanded data and analysis from benchmark regions to ensure that San Diego's housing programs and policies remain at the cutting edge of

[1] See, for example, Forbes.com, May, 2010.

contemporary practice in economically similar metropolitan areas.

Competitor Regions and Survey Methodology

The San Diego Regional Economic Development Corporation identified 18 "competitor regions" for benchmarking San Diego's economic competiveness along a variety of indicators. These 18 regions plus San Diego County are analyzed in detail in this report. The regions are defined as Metropolitan Statistical Areas (MSAs) per the U.S. Office of Management and Budget. The regions included in this study are listed below, with the principal central city indicated in parentheses.

- Atlanta-Sandy Springs-Marietta, GA (Atlanta)
- Austin-Round Rock, TX (Austin)
- Boston-Cambridge-Quincy, MA-NH (Boston)
- Dallas-Fort Worth-Arlington, TX (Dallas)
- Denver-Aurora-Broomfield, CO (Denver)
- Miami-Ft. Lauderdale-Pompano Beach, FL (Miami)
- Minneapolis-St. Paul-Bloomington, MN-WI (Minneapolis)
- Orange County, CA (Anaheim)
- Phoenix-Mesa-Scottsdale, AZ (Phoenix)
- Portland-Vancouver-Beaverton, OR-WA (Portland)
- Raleigh-Cary, NC (Raleigh)
- Sacramento--Arden-Arcade--Roseville, CA (Sacramento)
- Salt Lake City, UT (Salt Lake City)
- San Francisco-Oakland-Fremont, CA (San Francisco)
- San Jose-Sunnyvale-Santa Clara, CA (San Jose)
- Seattle-Tacoma-Bellevue, WA (Seattle)
- Tampa-St. Petersburg-Clearwater, FL (Tampa)
- Washington-Arlington-Alexandria, DC-VA-MD-WV (Washington, DC)

For each of the 18 competitor regions as well as for San Diego and its MSA, BAE first conducted an exhaustive analysis of economic, demographic, housing and market conditions based on secondary data sources such as the US Census, state and local housing and economic development agencies and private data providers such as Claritas, Inc. BAE also reviewed the full range of studies, reports and analyses on affordable housing programs and financing alternatives, focusing in particular on recent studies with relevance to San Diego and the 18 competitor regions.

In order to collect full housing production and program data from the principal city in each region, BAE prepared a survey (see Appendix C) which was sent to a key representative in the housing department and/or community development agency with lead responsibility for housing policy and finance. This survey was initially sent to the relevant agencies in August, 2010, with 14 of the 18 competitor regions completing surveys by the date of publication of this Report. For the four cities that did not respond to the written survey (Anaheim, Miami, Tampa Bay and Washington, DC), BAE relied on available secondary sources to gather information on local affordable housing policies and programs. Resources included information on city websites and various published reports such as housing elements and housing strategies. In addition, BAE referenced available HUD-mandated reports such as Consolidated Plans, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER).

In order to provide breadth to the range of policies and financing strategies considered in this Study, BAE also analyzed best practices in Housing Departments and Housing Authorities located outside of the largest core city in each competitor region. Local jurisdictions with particularly innovative or successful programs are profiled in a series of case studies included throughout the regional profile section of the report.

The findings from this survey are utilized to provide recommendations for housing policies, programs and funding strategies that can be successfully implemented in San Diego in the short-term.

Study Organization

Following this introductory section, the report first provides a comparative analysis of demographic, economic and housing market trends in San Diego and the competitor regions. Building on the comparative data provided in the first chapter, the report then provides an in-depth analysis of the housing policy context in the City of San Diego and San Diego County, including a description of municipal housing policy structure and key programs and policies. The heart of the report is an analysis of each competitor region examining housing trends, policies and programs based on background research conducted by BAE as well as on information gathered through a written survey of the housing departments in the core city of each region. The data and analysis from this section form the basis for the findings and recommendations that make up the final chapter of the report.

Comparative Demographic, Economic and Market Trends

The following chapter provides data and analysis on key demographic, economic and market trends in the San Diego region in comparison to the 18 competitor regions. This analysis draws on data sourced from the U.S. Census, HUD and information provided by Claritas, Inc., a private demographic data vendor. Comparisons are made at the regional scale between the San Diego-San Marcos-Carlsbad MSA and its peers. In addition, contrasts are drawn between the City of San Diego and its comparison cities, or the core city in each competitor region. Tables featuring all of the data discussed can be found in Appendix A.

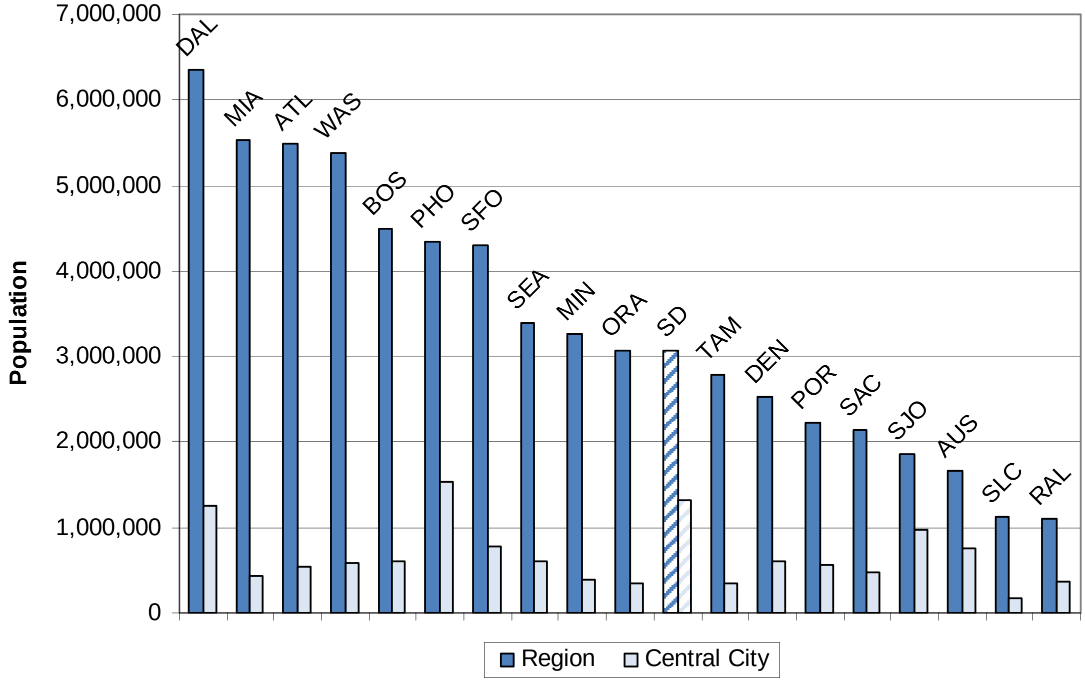
Demographic Trends

Population Characteristics

The population of the San Diego Region falls slightly below the average of its peer regions. In 2009, metro San Diego had nearly 3.1 million people, making it the eleventh largest region of among those considered in this study. The Dallas region was the most populous, home to over 6.3 million residents, while metro Raleigh, with only 1.1 million residents, was the least. The San Diego region's relatively moderate size can be attributed, in part, to the fact that it is hemmed in by other large metropolitan areas with their own distinct central cities, such as Orange and Riverside Counties. For this reason, the U.S. Office of Management and Budget, which delimits statistical areas, defines the San Diego-San Marcos-Carlsbad MSA as San Diego County alone. Therefore, the parameters of the San Diego region are far smaller, for example, than those of the Atlanta-Sandy Springs-Marietta MSA, which, in 2009, was home to 5.5 million people across 28 counties.

While metro San Diego is one of the less populous regions considered in this study, the City itself is relatively large. In 2009, the City of San Diego housed an estimated 1.3 million people—nearly twice the average population of the comparison cities, or 664,000. Only Phoenix, home to over 1.5 million people, was more populous. Correspondingly, the City of San Diego is home to an above-average proportion of the residents in its metro area. In 2009, 43 percent of San Diegans lived in the City proper, representing the third highest share of central city residents among the regions considered in this study, which averaged only 23 percent.

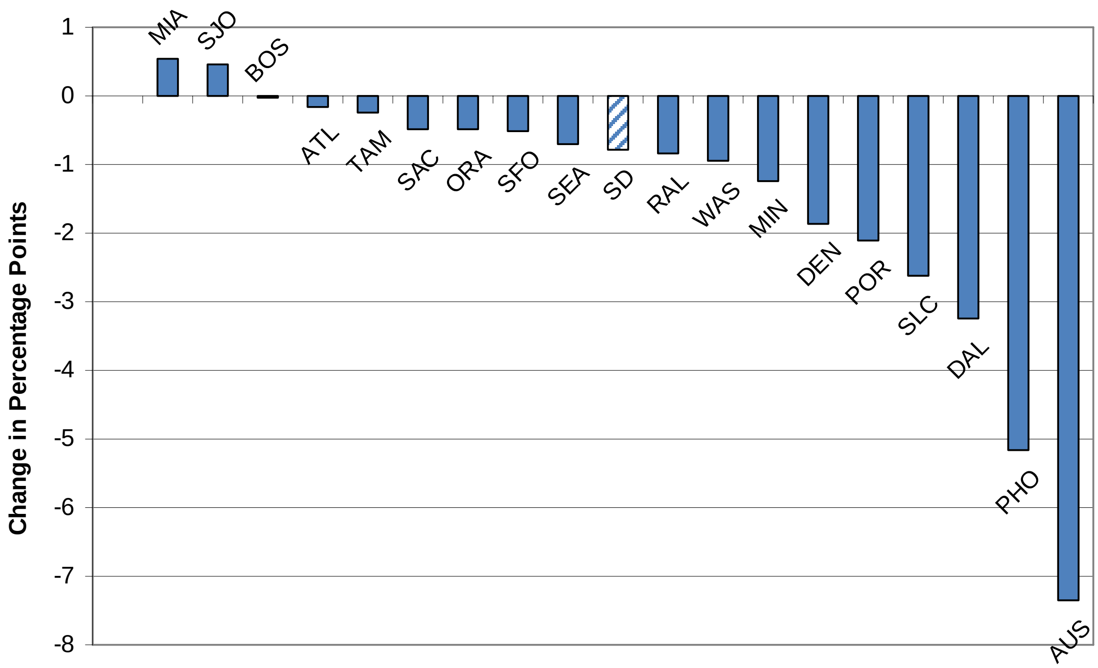
Figure 1: Population, 2009



Sources: Claritas, 2009; BAE, 2010.

Figure 2 displays the absolute change in the central city's share of the population in each competitor region between 2000 and 2009. The proportion of San Diegan's living in the urban core has remained relatively stable over the past decade, declining by just under one percentage point. Of the competitor regions, only two—Miami and San Jose—feature central cities that are growing faster than their metropolitan areas. As in the San Diego region, population growth skews toward the metropolitan area in most competitor regions. The Austin-Round Rock MSA exhibits this trend most forcefully. While the City of Austin still housed 45 percent of the region's inhabitants in 2009—the second largest share in this study—this figure represented an absolute decline of seven percentage points since 2000, when Austin's share totaled over 52 percent.

Figure 2: Absolute Change in the Central City's Share of Regional Population, 2000-2009

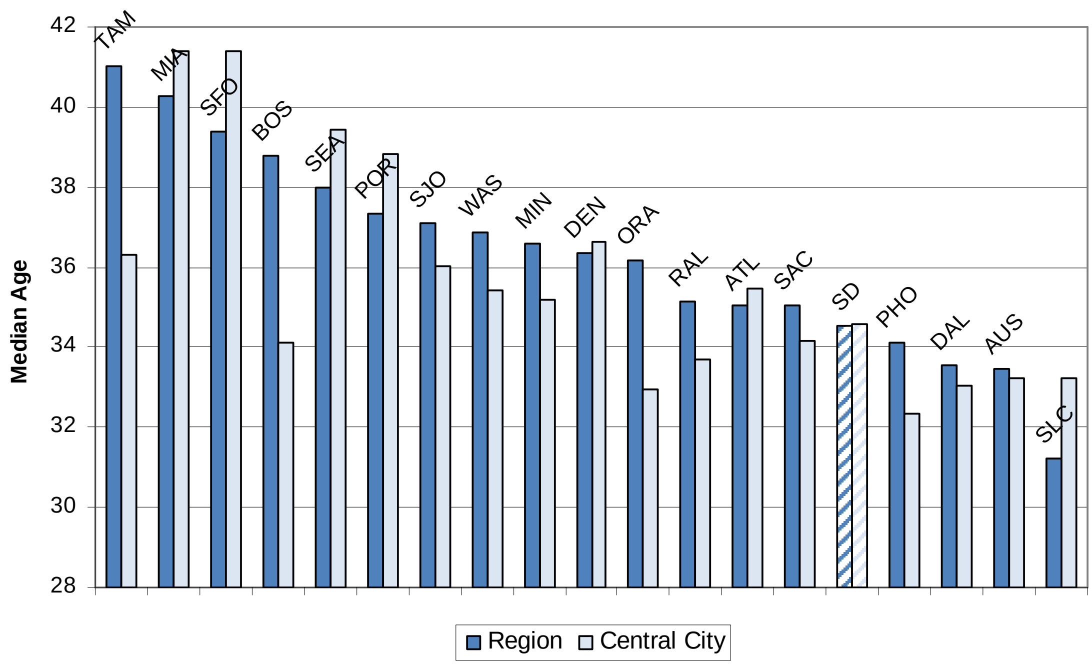


Sources: Claritas, 2009; BAE, 2010.

Age

In 2009, the median age in the San Diego region was 34.6 years old, giving it the fifth lowest median age among its peer regions, which averaged 36.3 years old. Not surprisingly, the Tampa and Miami regions had the highest median age due to their high proportions of retirees, while metro Salt Lake City, with its above-average number of children per family, ranked lowest. Interestingly, the City of San Diego had the same median age as its metropolitan region, reflecting, in part, the City of San Diego's relatively large share of regional population. Among the other regions considered in this study, median age tends to be higher among residents of the greater metro area than their urban counterparts. As of 2009, the median age was higher at the regional level in eleven of the comparison jurisdictions, while in the other seven, it was higher in the central city.

Figure 3: Median Age, 2000 and 2009

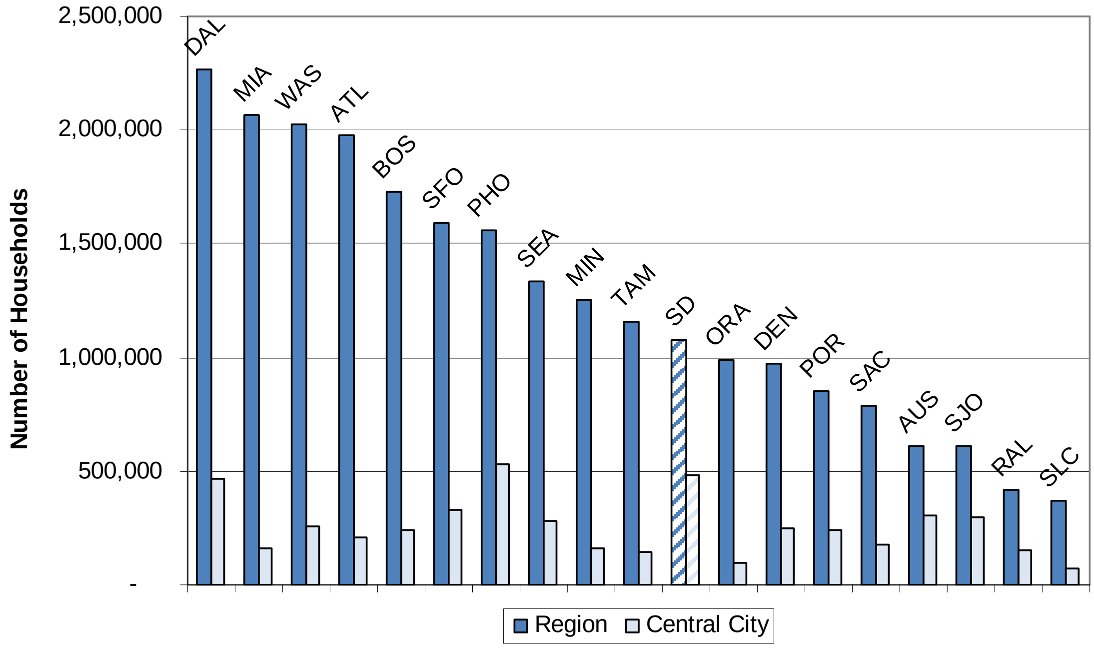


Sources: Claritas, 2009; BAE, 2010.

Households

In 2009, the San Diego region featured just over 1.0 million households, positioning it slightly below the study-wide mean of 1.2 million. As with population, the Dallas region had the greatest number of households, or nearly 2.3 million, while metro Salt Lake City, with only 370,000 households, had the fewest. The City of San Diego had over 483,000 households—again, ranking second among the comparison cities—or 45 percent of households in the metro region. Similar to its share of population, the City's proportion of regional households far exceeds the study-wide average of 24 percent. Only Austin and San Jose housed a greater concentration of the households in their respective regions. By contrast, Miami featured the smallest share, or just eight percent of regional households.

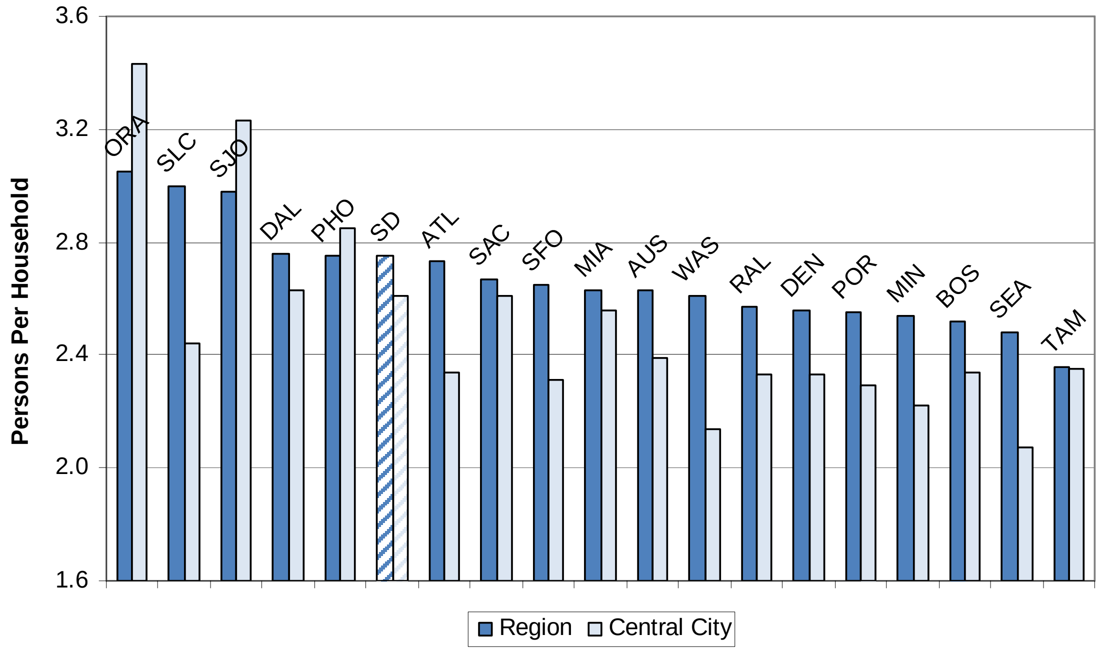
Figure 4: Households, 2009



Sources: Claritas, 2009; BAE, 2010.

According to 2009 estimates, the average household size in the San Diego region was 2.75 persons, slightly above the study-wide mean of 2.67 persons per household. Households were largest in Orange County, where the average household consisted of 3.05 persons. By contrast, due to the high proportion of senior households with no children, the Tampa region featured only 2.36 persons per household. That same year, the average household in the City of San Diego consisted of 2.61 persons. Though marginally higher than the study-wide average of 2.50, the City had the fifth largest household size of the central cities considered in this study, tying with Sacramento. This depicts San Diego as a city with an above-average proportion of families and a below-average proportion of seniors—numbers corroborated below by the City's relatively high median household income. At the extremes, the average household in Anaheim consisted of 3.34 persons, compared to only 2.08 in Seattle.

Figure 5: Average Household Size, 2009



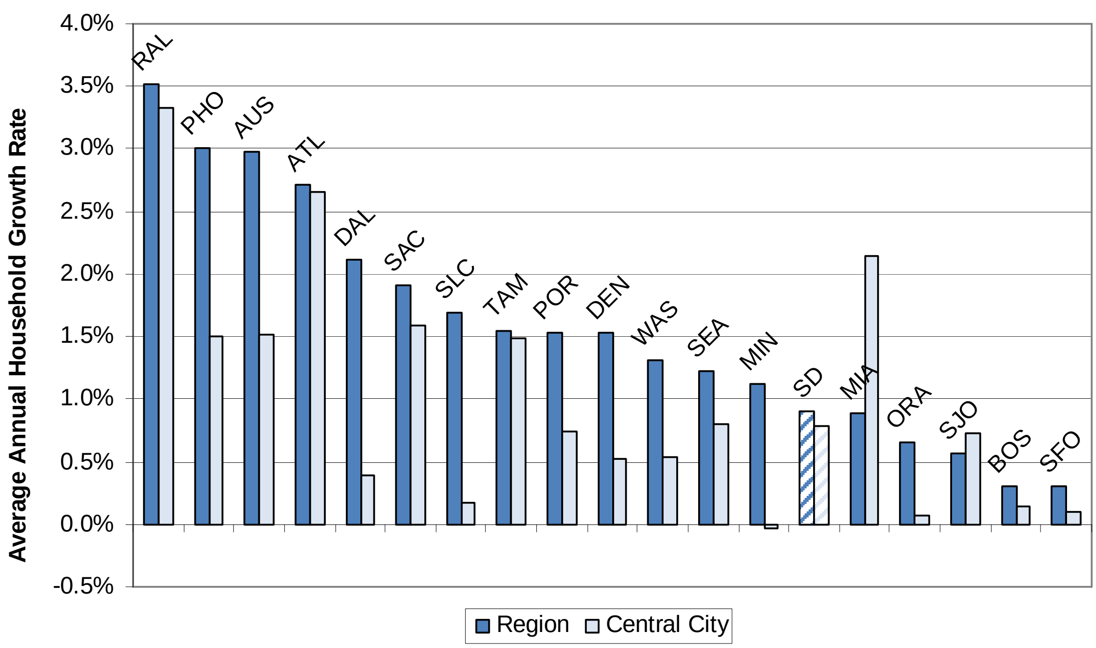
Sources: Claritas, 2009; BAE, 2010.

Since 2000, the San Diego region has grown somewhat slowly, experiencing an average annual household growth rate of 0.9 percent. Average annual household growth is the single most important indicator of the demand for housing in a given geography. When new households are added to an area, some will buy or rent existing units that are vacant, thereby absorbing excess supply. But once those units are exhausted, housing the remainder requires the construction of new units. The faster that households are added to a given geography, the more their need for shelter will exhaust existing supply and put upward pressure on the housing market. In this key regard, metro San Diego ranks fifth lowest among its peer regions, which averaged 1.6 percent annual household growth between 2000 and 2009. By comparison, the Raleigh-Cary MSA experienced a growth rate of 3.5 percent per year, while the San Francisco-Oakland-Fremont MSA grew by only 0.3 percent annually.

The San Diego region's trend in household growth over the last decade was likely skewed by the City of San Diego, which grew by only 0.8 percent per year, falling somewhat below, though not drastically, the study-wide mean of 1.0 percent. At the extremes, Raleigh experienced an average annual growth rate of 3.3 percent, while Minneapolis actually lost a small number of households.

Figure 6 demonstrates that, over the last decade, most regions considered in this study grew faster than their central cities, often by a significant margin. In ten of the regions depicted, the metropolitan area grew at a rate more than double that of the urban core. By comparison, the City of San Diego grew about on pace with its metropolitan region. Again, this may reflect the influence of the City's relatively large share of regional households on statistics at the regional scale.

Figure 6: Average Annual Household Growth, 2000-2009



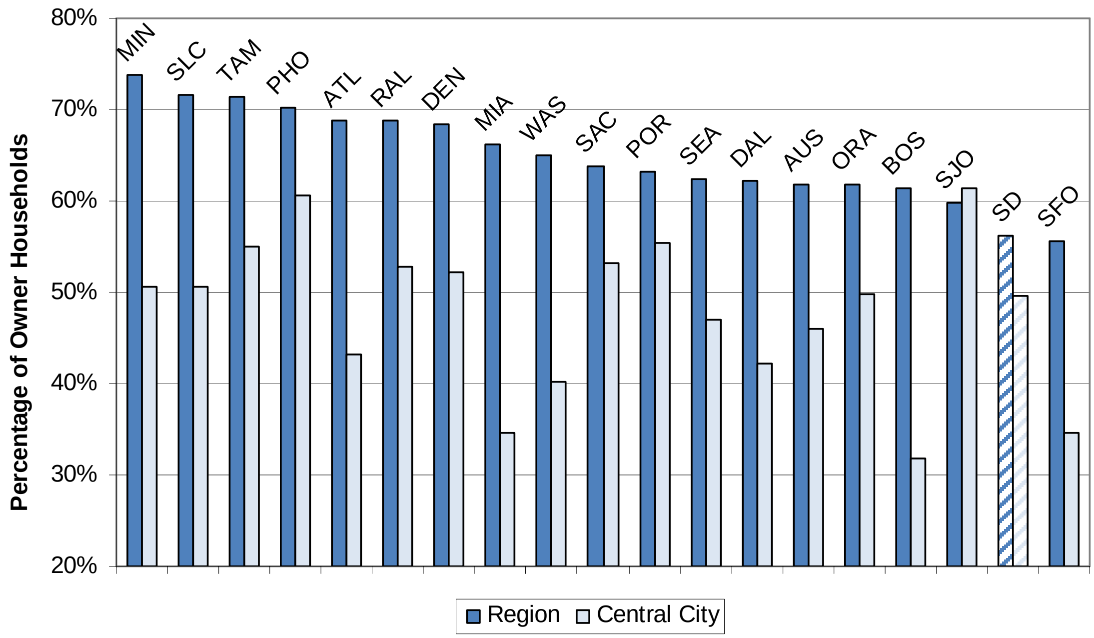
Sources: Claritas, 2009; BAE, 2010.

Housing Tenure

As of 2009, 56 percent of households in the San Diego region owned their homes, representing the second-lowest tenure rate among its peer regions, which averaged 65 percent homeownership. At the high end, 74 percent of households in the Minneapolis-St. Paul-Bloomington MSA owned their homes, owing, most likely, to the high degree of affordability in the Twin Cities' housing market (see "For-Sale Housing Market" below). Only the San Francisco-Oakland-Fremont MSA, at 56 percent owner-tenure, featured lower levels of homeownership.

In the same year, 50 percent of households in the City of San Diego owned the homes in which they lived, positioning the City slightly above the study-wide average of 48 percent. While only 32 percent of Boston residents owned their homes, the homeownership rate in San Jose was nearly double that, or 61 percent.

Figure 7: Homeownership, 2009



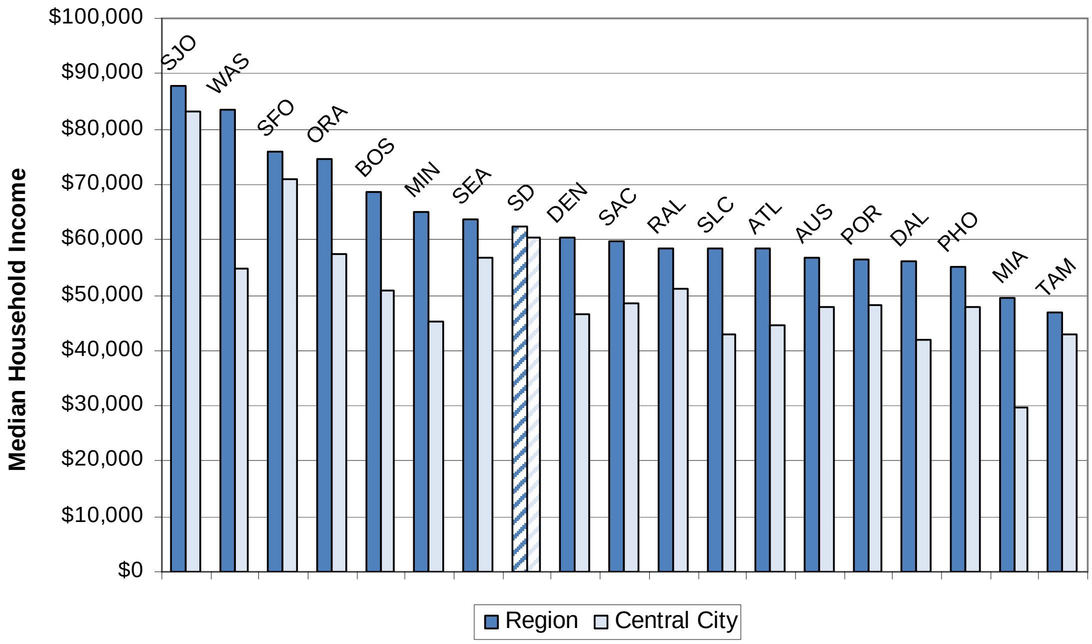
Sources: Claritas, 2009; BAE, 2010.

Household Income

Median household income in the San Diego region ranks slightly below-average relative to its peer regions, though it has grown considerably over the last decade. Claritas estimates that as of 2009, median household income in metro San Diego was $62,500, falling below the study-wide average of $63,000. While San Diego enjoyed robust household incomes compared to the State of California as a whole, in which median household income totaled $60,100, household income was higher in all but one of the California jurisdictions considered in this study. However, income in the San Diego region is growing at an extraordinary rate. Between 2000 and 2009, median household income increased by 32 percent—the greatest percent increase of any region considered in this study. By contrast, household income grew by only 12 percent in the Atlanta region.

Similarly, the City of San Diego has enjoyed above-average income growth, becoming one of the most affluent central cities among its competitors. In 2009, median household income was $60,300, representing a robust 32 percent increase over 2000 levels. Only San Jose and San Francisco were more affluent. By contrast, median household income registered as low as $29,800 in Miami.

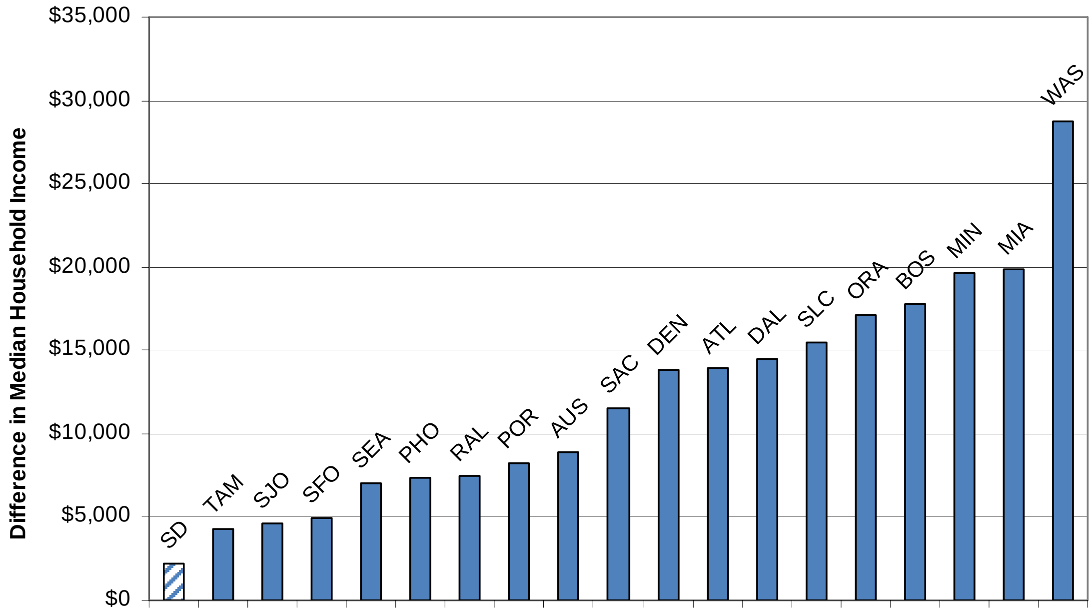
Figure 8: Median Household Income, 2009



Sources: Claritas, 2009; BAE, 2010.

Interestingly, income is balanced more evenly in the San Diego region than any other considered in this study. Though income at the regional level supersedes that of the central city across the board, the disparity is smallest in the San Diego region. In 2009, median household income in metro San Diego was only $2,150 greater than in the City itself, well below the average disparity of approximately $12,000. The Washington-Arlington-Alexandria MSA features the greatest income inequality, as median household income throughout the metropolitan area is around $28,700 greater than in the District. Figure 9 illustrates the wide variation in regional income disparity, ranking San Diego's peer regions according to the difference between median household income at the regional level and in the central city.

Figure 9: Difference between Median Household Income in the Region and the Central City, 2009

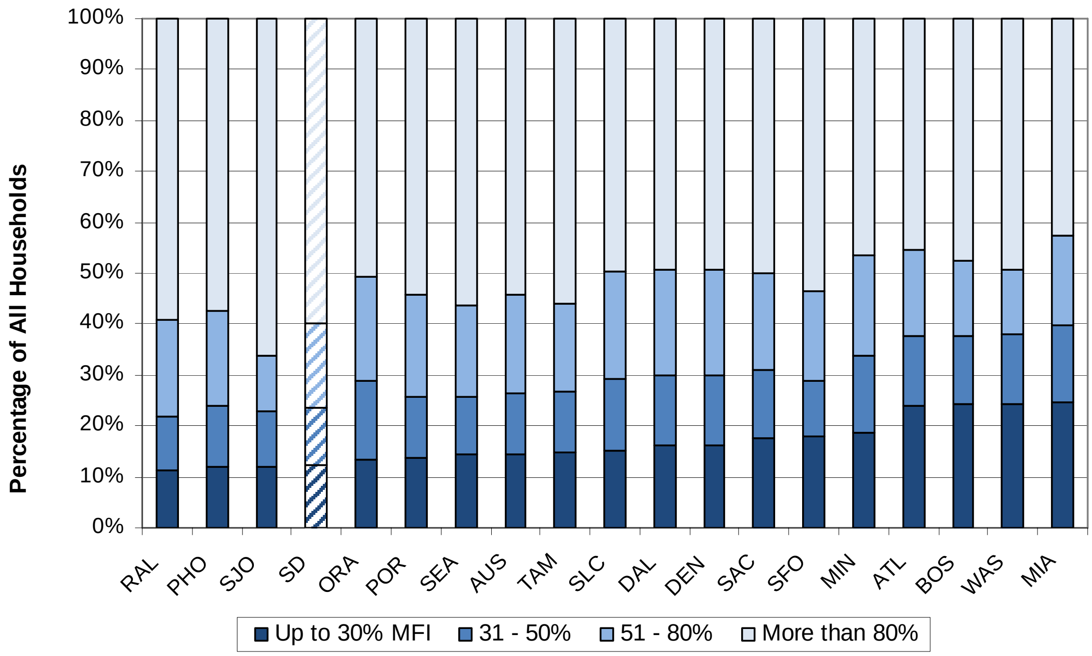


Sources: Claritas, 2009; BAE, 2010.

The City of San Diego's relative affluence is evidenced in the distribution of residents across income categories, as well. For planning purposes, HUD categorizes households as extremely low-income, very low-income, or low-income, based on percentages of the County's Median Family Income (MFI). The MFI is calculated annually by HUD for different household sizes. The HUD income categories are defined, as follows:

- Extremely Low-Income: up to 30 percent of County MFI
- Very Low-Income: 31 percent to 50 percent of County MFI
- Low-Income: 51 percent to 80 percent of County MFI

Figure 10: Households in the Central City by Income Category, 2000 (a)

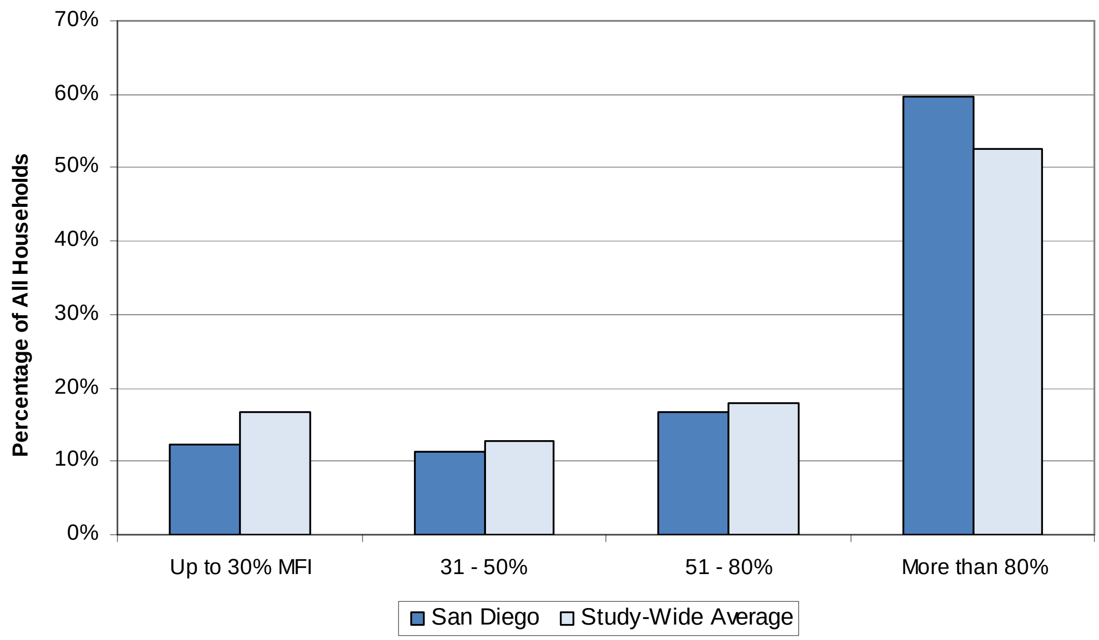


Note: (a) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

Using these definitions, HUD publishes housing data from the 2000 Census in the Comprehensive Housing Affordability Strategy (CHAS). CHAS data reveals that as of 2000, 60 percent of households in central San Diego earned more than 80 percent of County MFI. Only San Jose, at 66 percent of households, had a higher proportion earning at that level. By contrast, San Diego's comparison cities averaged 52 percent in this regard. In addition, San Diego was home to a below-average proportion of extremely low-, very low-, and low-income households. Relative to the central cities considered in this study, the City housed the fourth lowest proportion of households in each of these income categories.

Figures 11 to 13 display the percentage of households in the City of San Diego that fell into the above-mentioned income categories in 2000, broken down by tenure. Each data point is juxtaposed with the study-wide average in order to give a sense of how San Diego relates to the other central cities considered in this study. For more specific data on the comparison cities, see Appendix A.8.

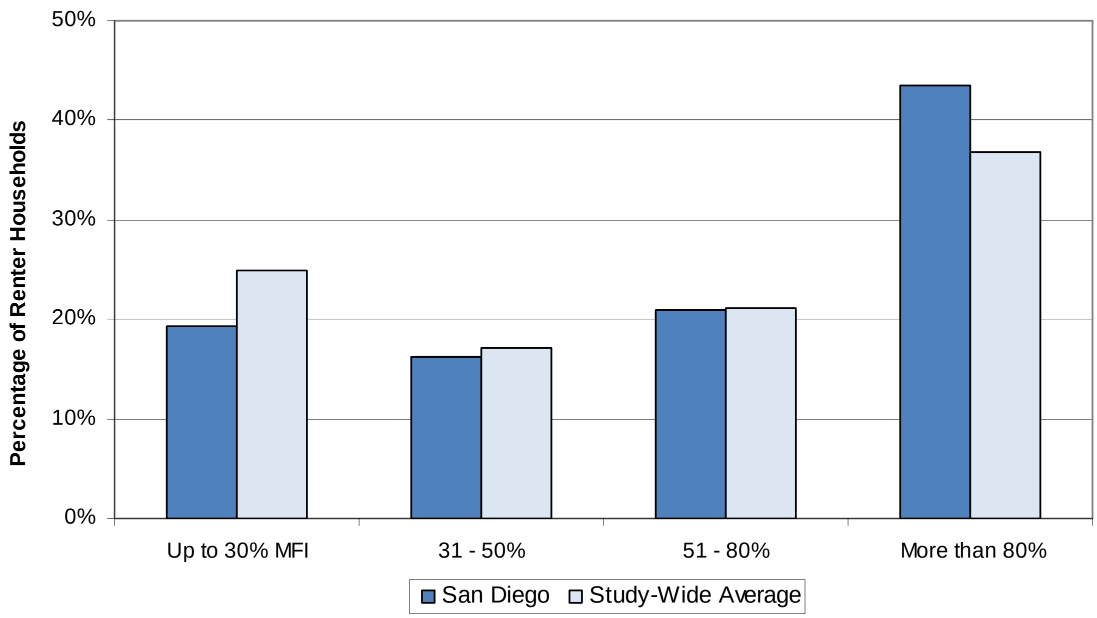
Figure 11: Distribution of Households in San Diego by Income Category, 2000 (a)



Note: (a) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

Renter Households. In 2000, 44 percent of renter households in San Diego earned more than 80 percent of County MFI, totaling the third highest proportion of renter households in this income category, behind San Jose and San Francisco. Though San Diego featured a below-average proportion of extremely low-, very low-, and low-income households that rented their homes, the City's proportion of extremely low-income renter households diverged most widely from group trends. On average, 25 percent of renter households in the comparison cities earned less than 30 percent of County MFI, while only 19 percent did in San Diego. Of the competitor regions, only Raleigh contained a comparable share of households at that income level. By contrast, numbers soared as high as 34 percent in Atlanta. In the low- and very low-income categories, San Diego parallels the study-wide averages more closely. In 2000, very low-income households composed 16 percent of the City's renter population, compared to the average of 17 percent, and low-income households composed 21 percent, hitting the study-wide average on the mark.

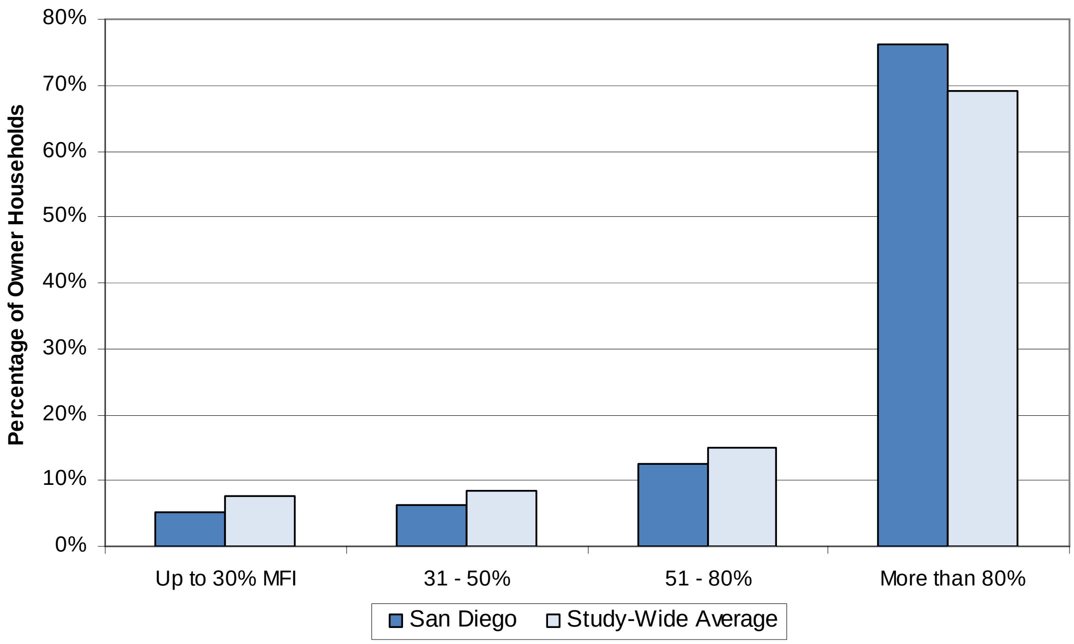
Figure 12: Distribution of Renter Households in San Diego by Income Category, 2000 (a)



Note: (a) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

Owner Households. In addition to San Diego's relatively affluent class of renters, its owner households buoy the City's overall income profile. In 2000, 76 percent of owner households earned 80 percent or more of County MFI. Only Raleigh and San Jose featured larger proportions of owner households in this income category. Furthermore, San Diego was home to the second lowest proportion of extremely low-, very low-, and low-income owner households, relative to the comparison cities. This strong skew towards affluent homeowner households makes sense given the prohibitive cost of owning one's home in metro San Diego (see "For-Sale Housing Market" below).

Figure 13: Distribution of Owner Households in San Diego by Income Category, 2000 (a)

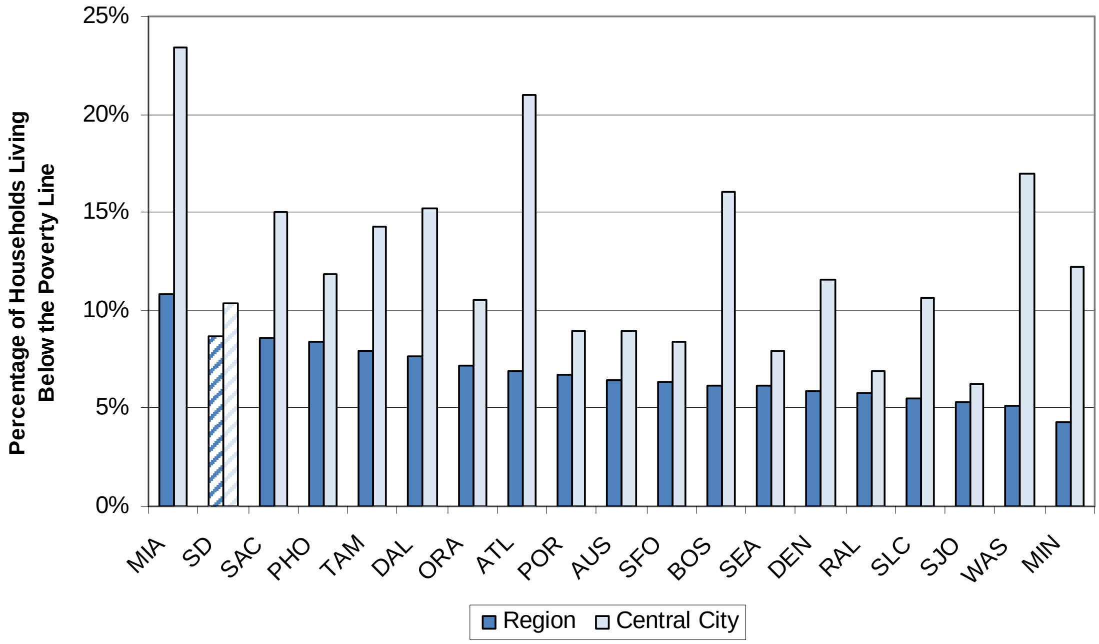


Note: (a) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

Finally, San Diego's relatively low percentage of impoverished households confirms the above-mentioned trends. In 2009, 11 percent of households in the City of San Diego lived below the poverty line, which was set by the U.S. Census Bureau as $21,756 for a family of four. By comparison, the central cities considered in this study averaged 12 percent, crowned by Miami, where 24 percent of households lived below the poverty line. At the low end, only six percent of households in San Jose were impoverished according to government standards.

At the regional scale, San Diego compares less favorably. As of 2009, nine percent of households living in metro San Diego fell below the poverty line, making it the second most impoverished region considered in this study. However, the region's relatively high proportion of households living below the poverty line is likely skewed by the City of San Diego's disproportionate share of the regional population. Furthermore, metro San Diego's poverty rate is still within the range of the study-wide average of seven percent.

Figure 14: Percentage of Households Living Below the Poverty Line, 2009



Sources: Claritas, 2009; BAE, 2010.

Housing Needs and Housing Market Analysis

The following section discusses San Diego's housing market, drawing comparisons to those competitor regions defined above. Utilizing data from Claritas, HUD, and the National Association of Home Builders, the section assesses critical factors affecting the affordability of housing, including: existing housing stock, the cost of housing relative to area incomes, and new construction activity. The section ends with an analysis of key factors that directly affect the cost of housing development in a given locale, and thereby affect the affordability of that housing market. Detailed tables displaying all of the data discussed can be found in Appendix A.

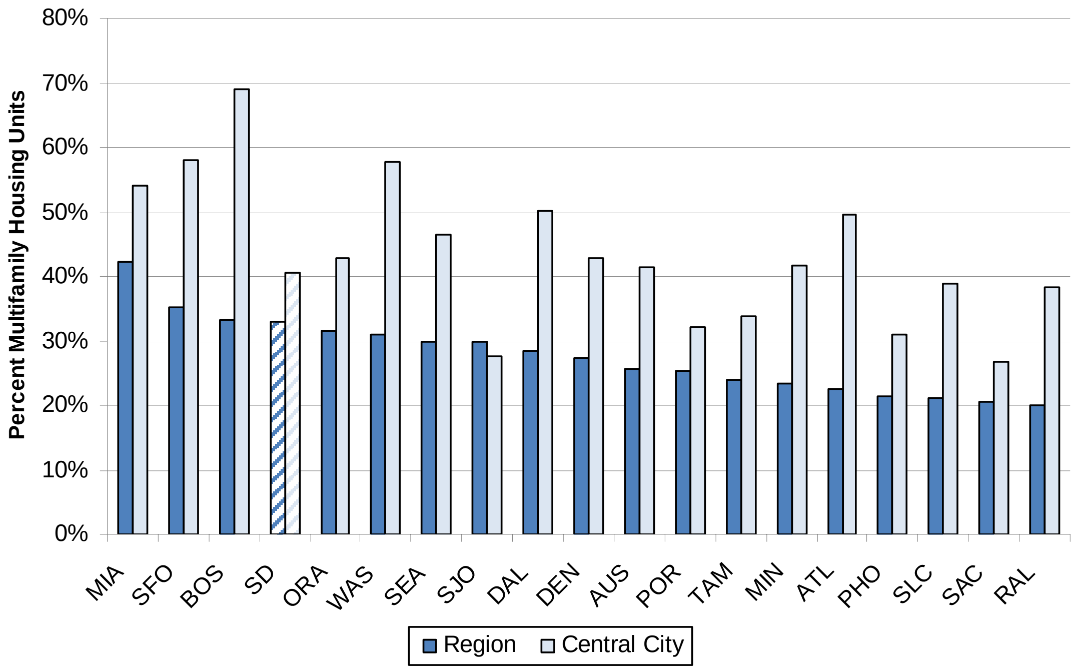
Housing Stock

As of 2009, metro San Diego had a larger share of multifamily units, or 33 percent, than all but three of its peer regions, which averaged 28 percent multifamily. At 42 percent, the Miami region had the largest share of multifamily units, while only 20 percent of housing units in the Raleigh region were multifamily.

While this above-average proportion of multifamily units likely improves housing opportunities for low-income households throughout the San Diego region, the City itself features a relatively scarce supply of rental options. In 2009, multifamily units accounted for only 40 percent of housing in the City of San Diego, falling below the study-wide average of 43 percent. This reflects the fact that the majority of San Diego's urbanization occurred during the era of the automobile, especially compared to older urban centers such as Boston, in which 69 percent of units were multifamily in 2009.

As shown in Figure 15, the distribution of multifamily units throughout metro San Diego is more balanced than in most of its peer regions. In other words, the proportion of multifamily units in the City of San Diego—though low, relative to the comparison cities—is only eight percentage points greater than in the metro region as a whole. Therefore, while a relatively limited supply of rental housing opportunities exist for low-income households in the San Diego region, they are spread somewhat equally between city and suburb.

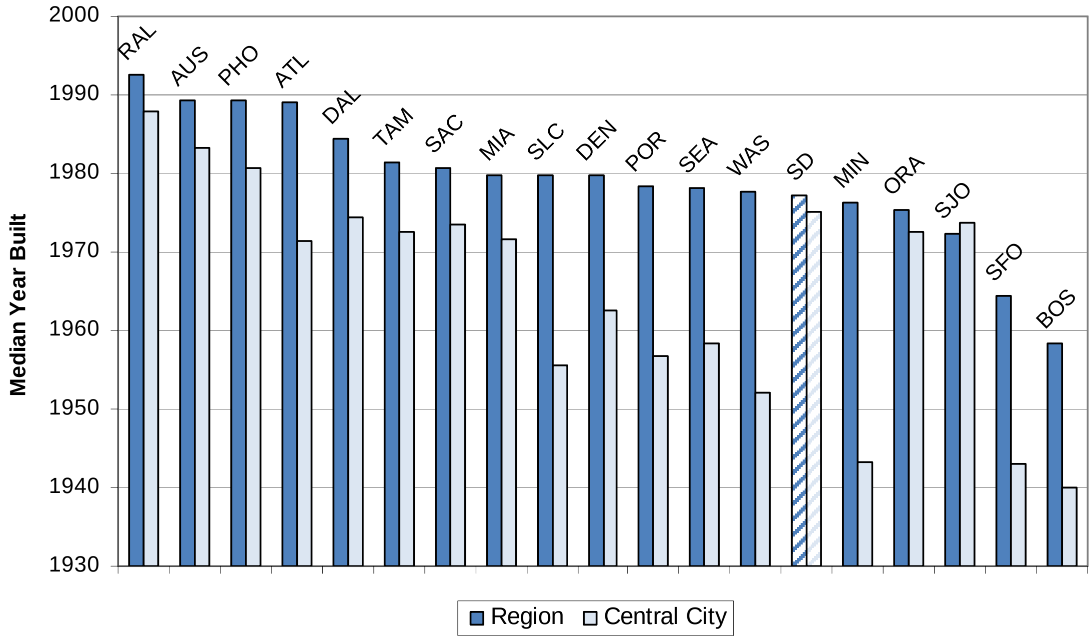
Figure 15: Multifamily Units as a Percentage of Overall Housing Stock, 2009



Sources: Claritas, 2009; BAE, 2010.

Similarly, the age of the housing stock throughout the San Diego region closely parallels that of the urban core. This means that, in the context of this study, metro San Diego's housing stock is somewhat old, relative to its peer regions, while in the City proper, it is comparatively new. As of 2009, the median year of construction of an individual housing unit in the San Diego region was 1977, falling slightly below the study-wide mean of 1979. The newest housing stock was located in metro Raleigh, where the median year of construction was 1993, and the oldest was found in greater Boston, where it was 1958. But while the housing stock throughout the San Diego region is somewhat old by the standards of the competitor regions, it is relatively new in the City proper. As of 2009, the median year of construction of a residence in the City of San Diego was 1975, making its housing stock the fourth newest among the central cities considered in this study.

Figure 16: Median Year Built, Housing Units, 2009



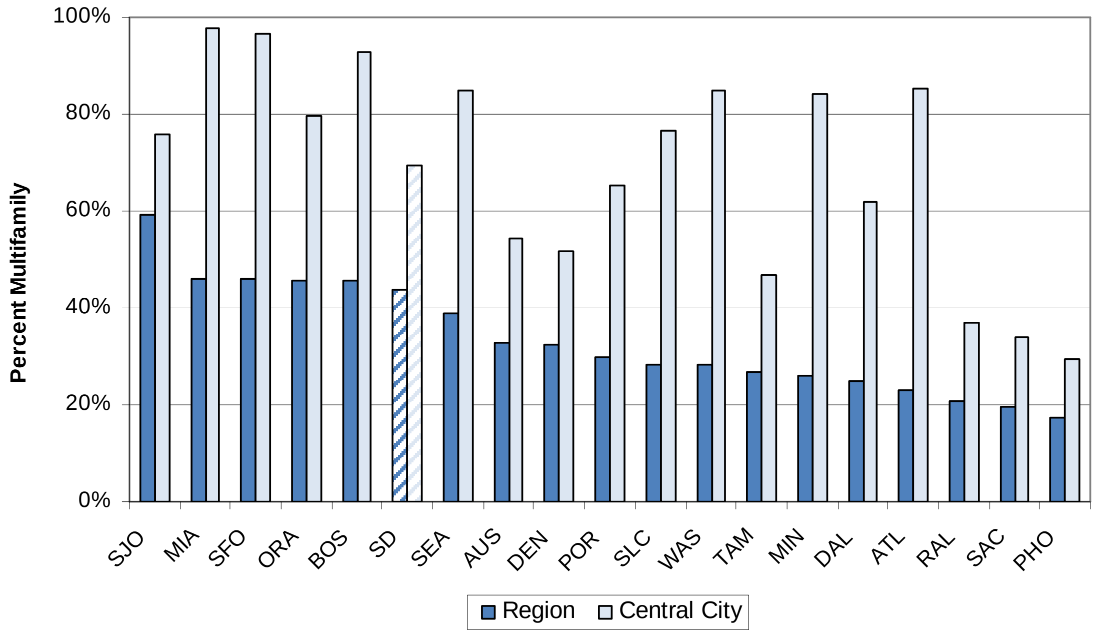
Sources: Claritas, 2009; BAE, 2010.

Building Permit Trends

Over the last decade, an above-average proportion of the new housing built in the San Diego region has consisted of multifamily units. HUD records show that, of the new units permitted between 2000 and 2009, 44 percent authorized the construction of multifamily ones, well above the study-wide average of 33 percent. At 59 percent, the largest share of new multifamily units was authorized in the San Jose region, reflecting the high cost of housing in that jurisdiction (discussed below). By contrast, in metro Phoenix, only 17 percent of housing permits were for multifamily units.

While this data reflects a strong regional trend in metro San Diego toward densification in a desirable, yet constrained, housing market, the construction of new multifamily units in the City proper has been average relative to the other central cities considered in this study. Between 2000 and 2009, 70 percent of new residential permits in the City of San Diego authorized the construction of multifamily units, only slightly outpacing the study-wide mean of 69 percent. By contrast, almost all of the new units permitted in Miami and San Francisco were in multifamily developments (though, in these cases, new multifamily construction did not *increase* affordability; see Appendix A.15).

Figure 17: Percentage of Residential Building Permits Issued for Multifamily Housing, 2000-2009



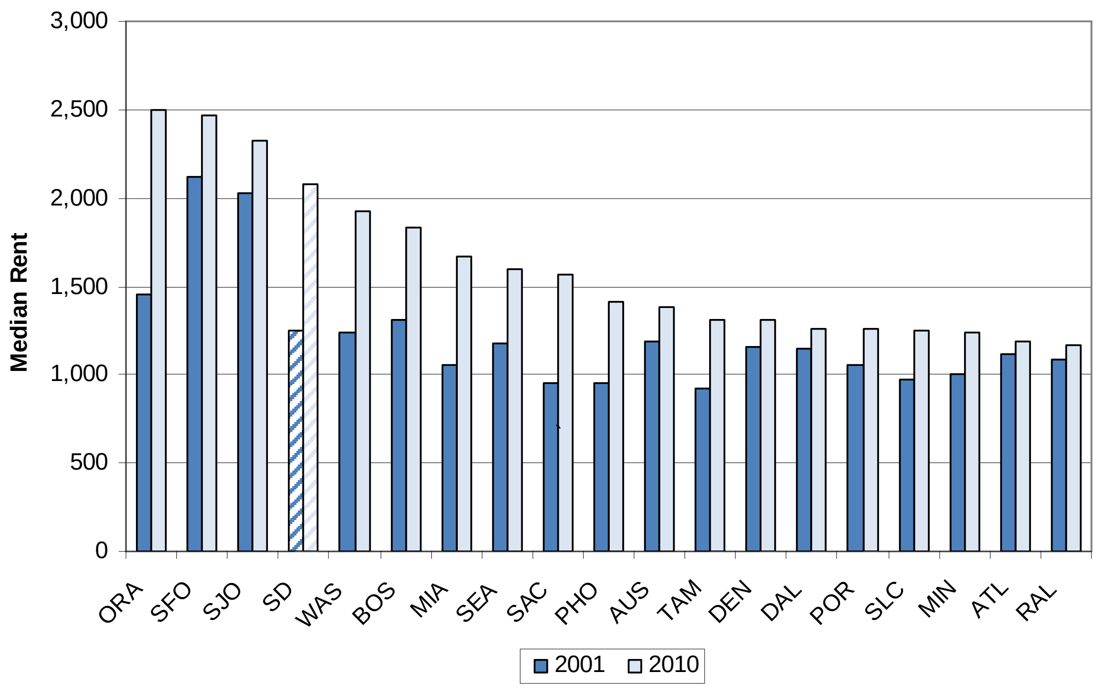
Sources: HUD, Building Permit Database, 2010; BAE, 2010.

Rental Housing Market

As part of the process to determine payment standards for the Housing Choice Voucher Program, HUD estimates the median rent for apartments in most metropolitan areas by the number of bedrooms. For the purposes of this study, median rents for three-bedroom units—apartments in which four household-members could live comfortably—are compared as a metric for the cost of rental housing across regions.

In 2010, HUD estimates that median rent for a three-bedroom apartment in metro San Diego is $2,083, making it the fourth most expensive rental market considered in this study. Not surprisingly, the four most expensive regions are in California, where housing costs are generally higher. Costs in the San Francisco and San Jose regions, as well as Orange County, all exceed the median rent in metro San Diego. Therefore, while San Diego's median rent is above-average compared to the study-wide mean of $1,618, it is lower than every other California region considered in this study, save Sacramento. By contrast, with a median rent of only $1,170 for a three-bedroom unit, the Raleigh region features the least expensive rental housing.

Figure 18: Median Rent, 3BR Unit, 2001 and 2010 (a)



Note: (a) Some geographies differ from the MSAs listed according to HUD methodology. In some cases, geographies are not identical from 2001 to 2010 due to a shift in HUD definitions.
Sources: HUD, 50th Percentile Rent Estimates, 2010; BAE, 2010.

Interestingly, as of 2001—the first year for which HUD data is available—San Diego was an average-cost rental market, compared to its peer regions. In 2001, the median three-bedroom apartment in metro San Diego rented for $1,247, closely matching the study-wide average of $1,220. Since then, however, rents have skyrocketed, growing by an estimated 67 percent over the past decade—the second largest increase of any region considered in this study, after Orange County. On the whole, San Diego's peer regions averaged a 34 percent increase in the median rent for a three-bedroom unit. Therefore, San Diego's above-average inflation has made rental housing significantly more expensive for those residents who either cannot or choose not to purchase their own homes amidst what is a relatively expensive for-sale housing market, as well.

For-Sale Housing Market

In the first quarter of 2010, the median sale prices for a home sold in the San Diego region was $310,000, making it the third most expensive for-sale housing market relative to its peer regions. As with rental housing, the coastal California jurisdictions crowd the top of the list, with the median sale price climbing as high as $585,000 along the San Francisco Peninsula. By contrast, the cost of housing was lowest in the Tampa region, where the median sale price was $120,000.

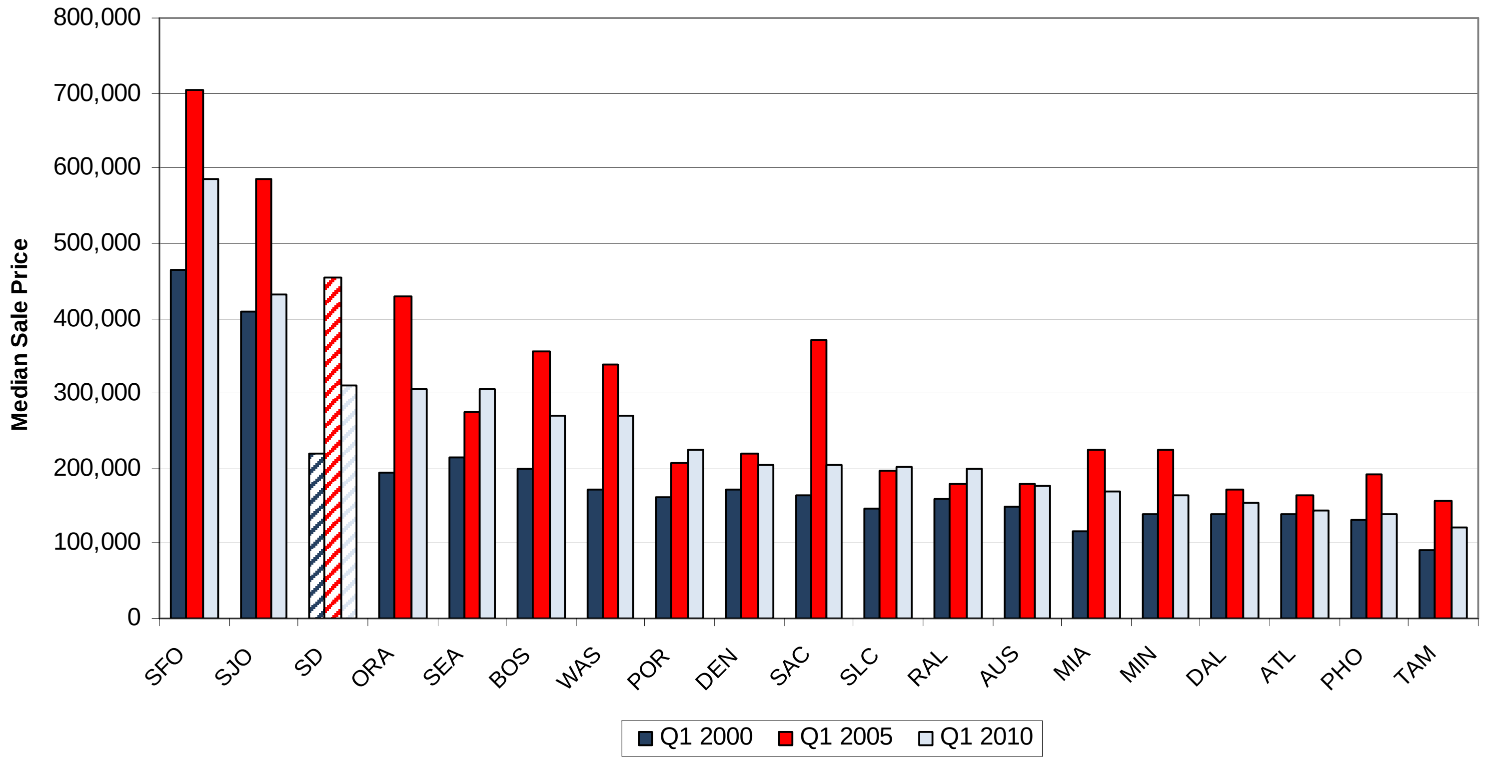
Over the last decade, the median sale price in metro San Diego increased by 41 percent, well above the study-wide mean of 29 percent. Looking at end-of-decade figures, however, obscures the unprecedented spike in value realized at the pinnacle of the housing bubble, encapsulated in Figure 19 below. (The median sale price in the San Diego region peaked in the fourth quarter of 2005 at $500,000; in many other jurisdictions, the peak came in 2006 or 2007.) While housing prices fluctuated greatly in most of the comparison jurisdictions over the last ten years, the San Diego region both entered and exited the decade as one of the most expensive for-sale housing markets considered in this study.

But while the cost of housing in a given region may by high, housing may not be *unaffordable* if incomes in that region are correspondingly high. The National Association of Home Builders attempts to account for this potentiality with the Housing Opportunity Index (HOI), which indicates what percentage of homes sold in a given geography are affordable to a household earning the local median income.

As of the first quarter of 2010, the San Diego region had an HOI score of 46.6, meaning that the majority of homes sold in the area were unaffordable to households earning the median income, let alone those earning less. Figure 20 depicts the San Diego region as an outlier in this regard. Averaging an HOI score of 66.2, most of San Diego's peer regions featured housing costs that were far better aligned with area incomes. The Minneapolis-St. Paul-Bloomington MSA led the trend with a score of 86.0. Therefore, metro San Diego—along with the other coastal California jurisdictions—is not only one of the highest cost housing markets considered in this study, but also one of the most unaffordable.

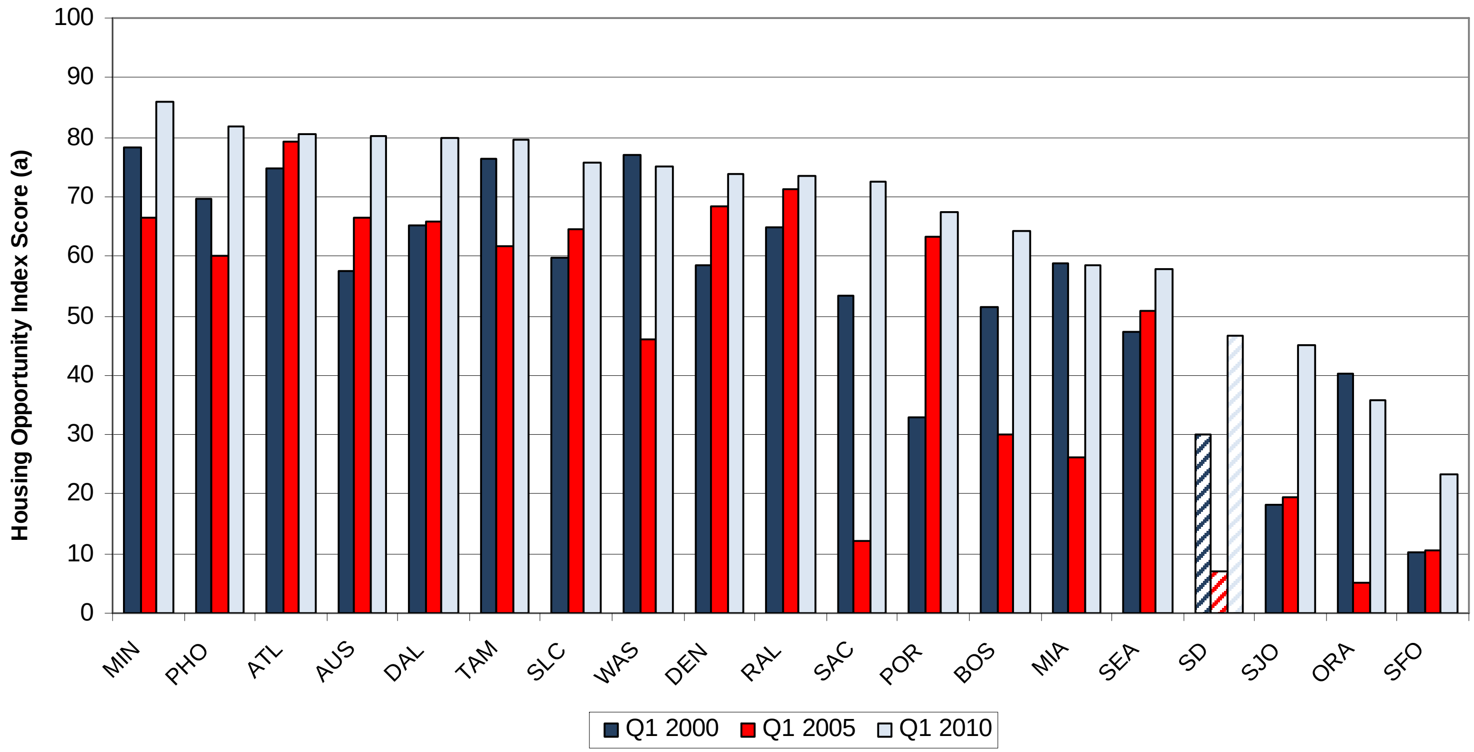
But despite the high costs, for-sale housing has become relatively more affordable to San Diego area households over the last decade. As of the first quarter of 2000, metro San Diego had an HOI score of 30.1. Therefore, even though the median sale price in the San Diego region grew between 2000 and 2010 at an above-average rate, household income grew even faster, actually increasing the buying power of a household in the San Diego region. (At the peak of the housing bubble, however, home prices spiraled upwards without regard for household income; in the fourth quarter of 2005, San Diego's HOI score dropped to a staggering 3.6.)

Figure 19: Median Home Sale Price, First Quarter 2000, 2005 & 2010 (a)



Notes: (a) Some geographies differ from the MSAs listed according to the methodology of the National Association of Home Builders.
Sources: National Association of Home Builders, Housing Opportunity Index, Q1 2000, 2005 & 2010; BAE, 2010.

Figure 20: Housing Opportunity Index, First Quarter 2000, 2005 & 2010 (a) (b)



Notes: (a) Housing Opportunity Index is defined as the percentage of homes sold in a given geography that are affordable to a household earning the local median income; (b) Some geographies differ from the MSAs listed according to the methodology of the National Association of Home Builders.
Sources: National Association of Home Builders, Housing Opportunity Index, Q1 2000, 2005 & 2010; BAE, 2010.

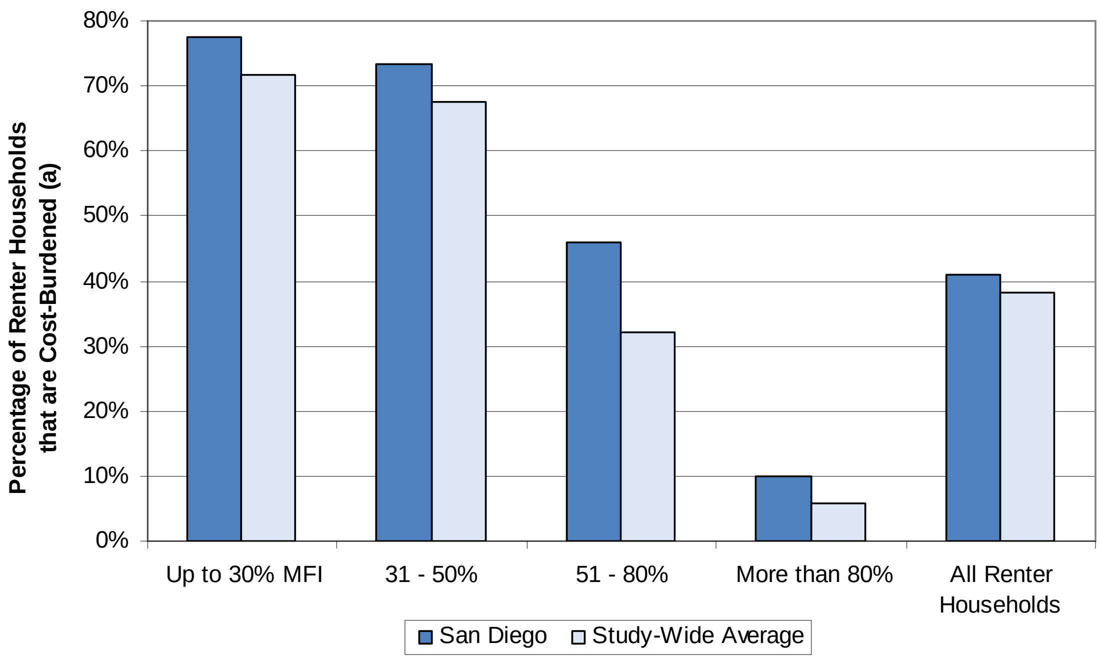
Overpayment

Overpayment presents another way to understand the cost of housing relative to area incomes. According to HUD standards, a household is considered "cost-burdened" (i.e., overpaying for housing) if it spends more than 30 percent of gross income on housing-related costs. Figures 21 and 22 display the percentage of households in the City of San Diego that overpaid for housing in 2000, broken down by HUD income categories (see "Household Income" above for definitions of income categories). Each data point is juxtaposed with the study-wide average in order to give a sense of how San Diego relates to the other central cities considered in this study. For more specific data on the comparison cities, see Appendix A.15.

HUD's overpayment data confirms the assessment of housing affordability offered above. In 2000, 41 percent of renters in the City of San Diego were overpaying for housing, making San Diego the third most cost-burdened rental market in this study, though still within the orbit of the study-wide average of 38 percent. Extremely low- and very low-income renter households faced a high degree of overpayment in San Diego, as well as in the comparison cities, with study-wide averages of 72 and 68 percent, respectively. But while low-income households experienced some relief—overpaying for rental housing at a lower rate of 32 percent, on average—in San Diego, the figure remained high. Low-income San Diegans overpaid for rental housing at a rate of 46 percent, making it the most unaffordable city in this study for renters in this income category.

It is important to note that conditions may have gotten worse since 2000, when HUD last collected data on overpayment, as rents in metro San Diego have grown at an above-average rate over the past decade (see "Rental Housing Market" above).

Figure 21: Cost-Burdened Renter Households in San Diego by Income Category, 2000 (a) (b)

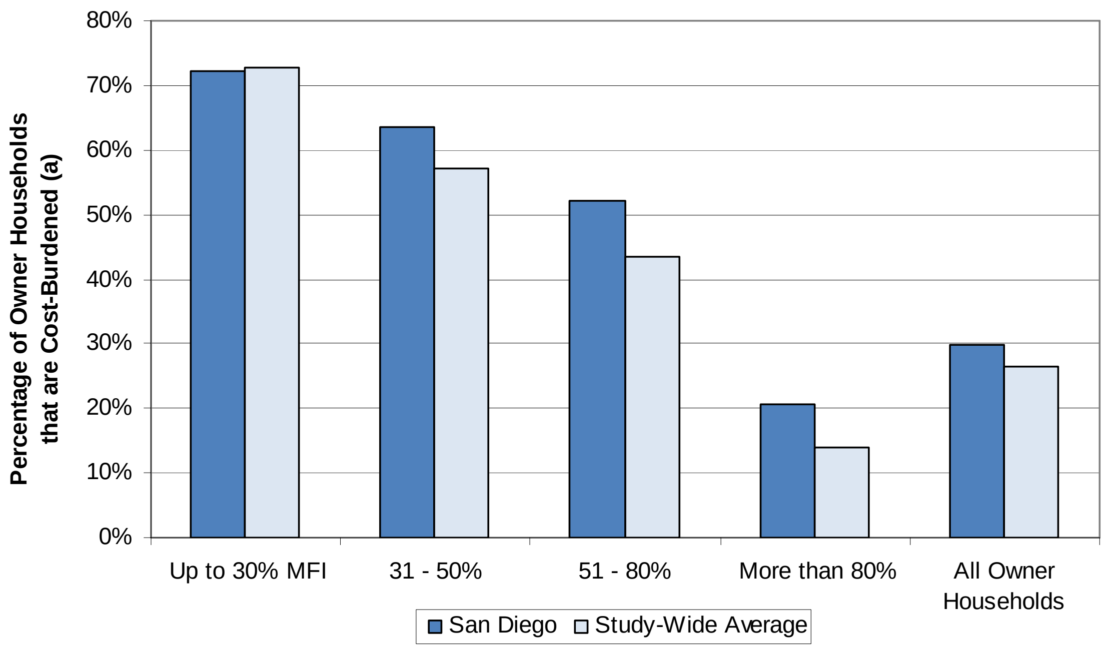


Notes: (a) A household is considered "cost-burdened" if it spends more than 30% of gross income on housing-related costs; (b) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

Similarly, owner households in the City of San Diego overpaid for housing at an above-average rate, or 30 percent. HUD data reveals that, as of 2000, San Diego was the second and fourth most unaffordable city for very low-income and low-income owner households, respectively, relative to the comparison cities. Though extremely low-income owner households ranked more favorably—even falling below the study-wide mean—at 72 percent, these households still faced severe levels of overpayment.

During the current economic downturn, the rate of overpayment may have increased due to rising unemployment. Unfortunately, more recent data on overpayment is unavailable.

Figure 22: Cost-Burdened Owner Households in San Diego by Income Category, 2000 (a) (b)



Notes: (a) A household is considered "cost-burdened" if it spends more than 30% of gross income on housing-related costs; (b) "Income category" determined by HUD as a percentage of County Median Family Income (MFI).
Sources: HUD, Comprehensive Housing Affordability Strategy, 2000; BAE, 2010.

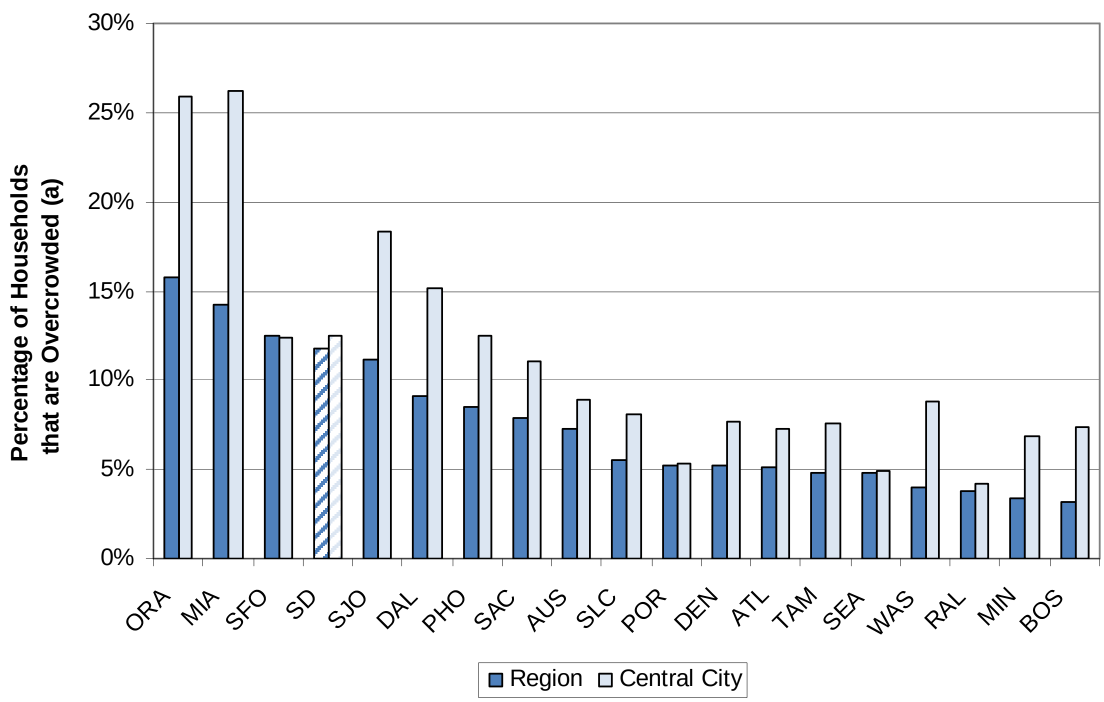
Overcrowding

A lack of affordable housing can result in overcrowding when households reduce the cost burden of housing by purchasing or renting units that are sized for smaller numbers of people. The U.S. Census defines a household as "overcrowded" when there is more than one resident per room, excluding bathrooms and kitchens. The degree of overcrowding, therefore, can be viewed as a metric for the overall affordability of a given housing market.

In 2000, 12 percent of households in the San Diego region lived in overcrowded situations, making it the fourth most overcrowded housing market relative to the comparison cities, in which, on average, eight percent of households suffered overcrowding. By contrast, 16 percent of households in Orange County faced overcrowding, while only three percent in the Boston region did. As of 2000, 13 percent of households in the City of San Diego lived in overcrowded situations. Though this figure closely matches the study-wide average of 11 percent, that number is skewed upward by data from Miami and Anaheim, in which a staggering 26 percent of residents of both cities lived in overcrowded situations. When compared to the study-wide median of nine percent, instead, it becomes clear that the City of San Diego faces a relatively high degree of overcrowding. This corresponds to the fact that, as shown above, housing there is relatively unaffordable.

As with overpayment, rising unemployment and foreclosures during the ongoing recession may contribute to greater overcrowding rates. However, more current data on overcrowding is unavailable.

Figure 23: Percentage of Households Living in Overcrowded Situations, 2000 (a)



Note: (a) A household is defined as "overcrowded" when the average number of persons per room exceeds 1.0. Room count excludes bathrooms and kitchens.
Sources: U.S. Census, 2000; BAE, 2010.

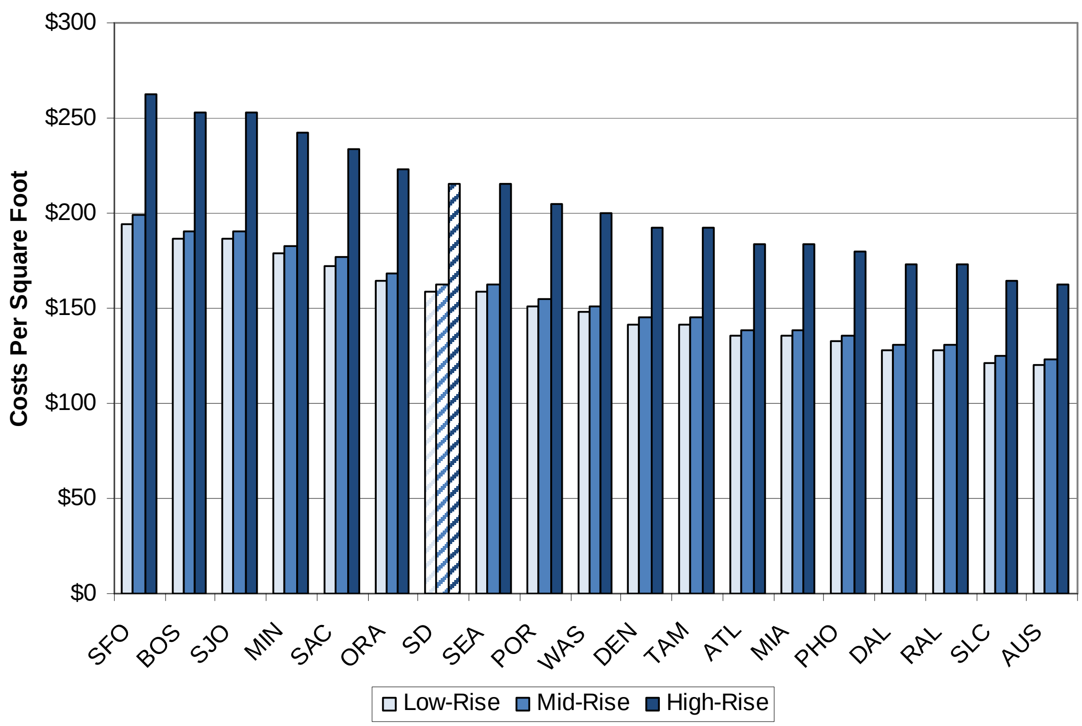
Development Conditions

Several factors affect the cost of housing in a given place, as well as that jurisdiction's ability to provide all segments of the community with affordable housing options. The following section discusses three such factors, including: construction costs, undevelopable land, and government regulation.

Construction Costs. The cost of building new multifamily housing varies by region depending on the price of raw materials, the price of labor, and various development fees levied by local governments, among other variables. Because of the need to create a return on investment, high construction costs translate to high costs of housing, making it difficult for low-income households to take advantage of new housing development.

RSMeans, a private company that analyzes construction data, publishes information on the cost of constructing new housing and how that cost varies by region. Figure 24 compares the per square foot cost of bringing new low-, mid-, and high-rise multifamily housing onto the market in each of the comparison jurisdictions. (See Appendix A.17 for historical information regarding how these costs have changed over the last five years.)

Figure 24: Multifamily Housing Construction Costs in the Central City by Building Type, 2010

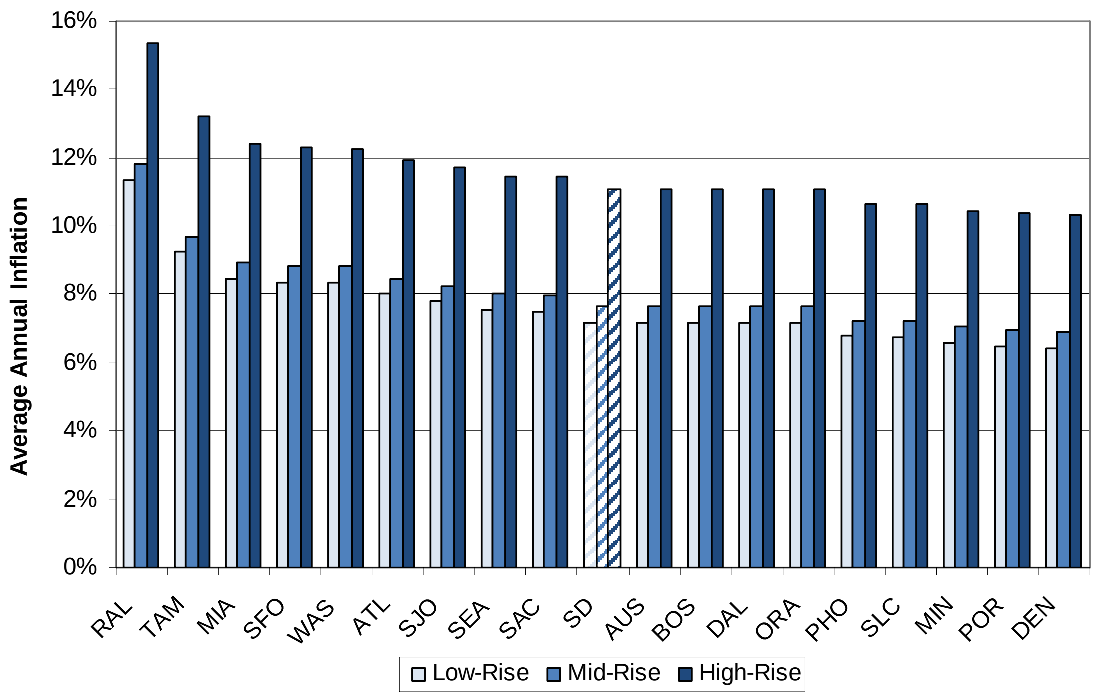


Sources: RSMeans, 2006-2010; BAE, 2010.

In 2010, multifamily construction costs in the City of San Diego are average relative to the comparison cities. While the exact figures differ depending on the housing product in question, San Diego consistently ties Seattle as the seventh highest cost construction market of the nineteen considered in this study. For example, building new low-rise housing in the City costs an estimated $159 per square foot. By contrast, it costs as much as $194 per square foot in San Francisco and as little as $120 per square foot in Austin to build this product type.

Figure 25 shows the average annual inflation of multifamily construction costs in each central city between 2006 and 2009, at which point costs hit their peak and began to decline. The RSMeans data shows that the City of San Diego experienced slightly below-average inflation during this high-volume period, relative to the comparison cities. Within the local market, the cost of building low-rise housing grew slowest—by seven percent annually, on average—while the cost of building high-rise housing increased at a faster rate—11 percent annually, on average. The most severe inflation occurred in Raleigh, where high-rise construction costs grew by around 15 percent annually. But this is largely attributable to the fact that costs were lowest in Raleigh at the onset of the study period.

Figure 25: Average Annual Inflation, Multifamily Housing Construction Costs in the Central City by Building Type, 2006-2009



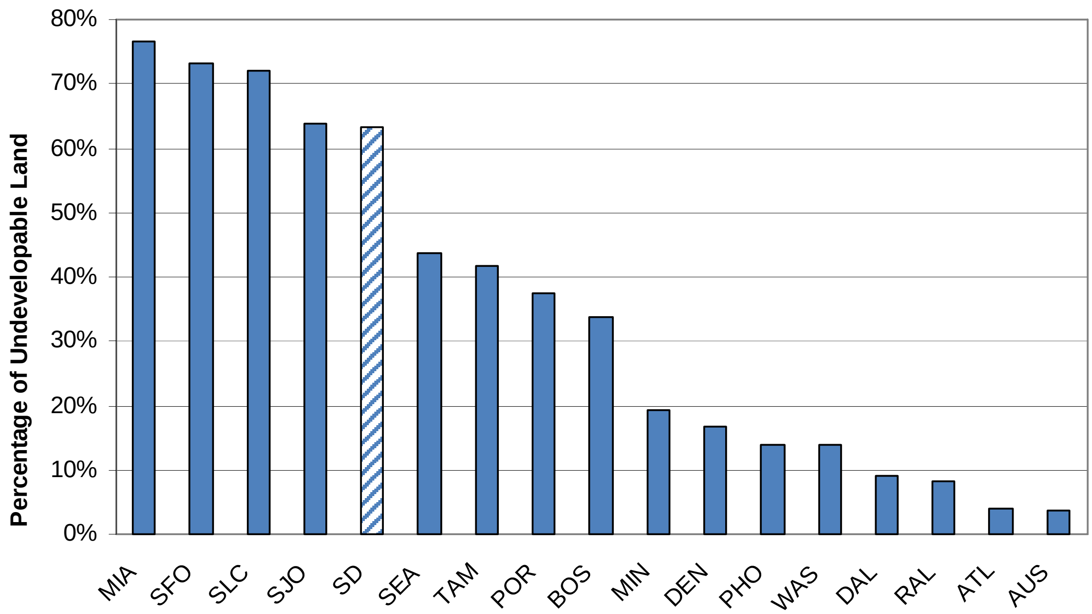
Sources: RSMeans, 2006-2010; BAE, 2010.

Undevelopable Land. As with other commodities, the price of land varies, in part, as a result of supply. While some cities are blessed with large quantities of developable land, others are hemmed in by geographic constraints. Surrounded by water or mountains—or sometimes both—these cities must achieve their development goals within a tightened framework, putting a premium on developable land. As with construction costs, this premium passes through to the eventual residents of new housing in the form of higher rents and prices.

In early 2010, Albert Saiz—a real estate economist at the University of Pennsylvania's Wharton School—published a study of geographic constraints in urban areas in the United States with more than 500,000 inhabitants. Using satellite-generated data, he compares the percentage of land that is undevelopable as a result of water and steep-sloped terrain in each of these regions. Figure 26 displays this data for those regions considered in this study, which Saiz defines as the land encompassed within a 50-kilometer radius of each central city. Unfortunately, he does not provide information on the Orange County and Sacramento regions due to a lack of available data.

According to Saiz's methodology, 63 percent of land in the San Diego region is undevelopable due to geographic constraints, nearly double the study-wide average of 35 percent. By contrast, the Miami region suffers the worse loss of developable land, or 77 percent, to the surrounding environment, while metro Austin, at only four percent, suffers practically no loss at all. Therefore, as a result of its picturesque location between coastal mountains and the Pacific, land is a relatively rare, and therefore valuable, commodity in San Diego that likely increases the cost of new housing production.

Figure 26: Percentage of Land that is Undevelopable Due to Geographic Constraints (a) (b)

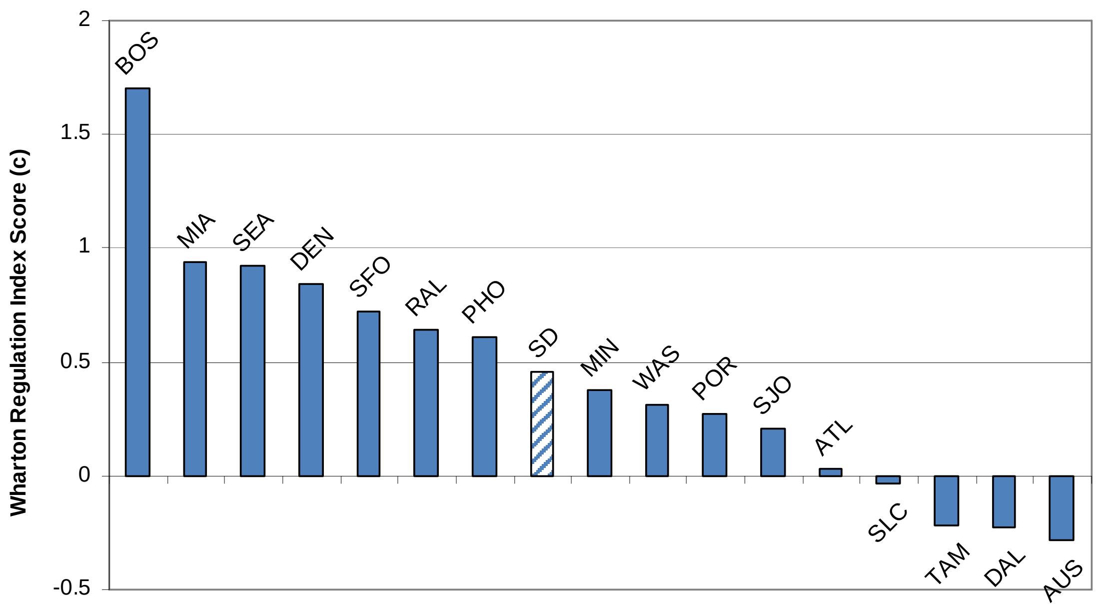


Notes: (a) Each metro region is defined as the area encompassed within a 50 km radius of its central city; (b) Information not available for Anaheim and Sacramento.
Sources: Albert Saiz, 2010; BAE, 2010.

Land Regulation. The same study provides information on the degree of land regulation in each region using the Wharton Regulation Index (WRI). Overly stringent regulations can affect the cost of housing by making it more difficult and more expensive to produce enough new units to satisfy demand, thereby reigning in inflation of housing costs. The WRI incorporates several factors that affect the stringency of local land-development procedures. These factors include, but are not limited to, the number of agencies that influence land-use decisions, the veto power of those entities, and such common land-use rules as minimum lot sizes, development fees, and open-space requirements. Urban areas with lower WRI scores are, in effect, less restrictive, while those with higher scores are more so.

Using this methodology, Saiz finds that the average score across all of the urban areas considered in his study is -0.10. The San Diego region, by contrast, scores 0.46, painting it as a somewhat restrictive land-development market. However, when compared against the average WRI score of the competitor regions considered in this study, San Diego earns average marks, nearly matching the study-wide mean of 0.43. With a WRI score of 1.70, the Boston region is the most restrictive jurisdiction considered in this study and, with a score of -0.28, metro Austin is the least. Therefore, while housing developers in the San Diego region face a somewhat restrictive land-use environment when compared to the country as a whole, in the context of its peer regions, these hurdles are not extraordinary.

Figure 27: Degree of Land Regulation (a) (b)



Notes: (a) Each metro region is defined as the area encompassed within a 50 km radius of its central city; (b) Information not available for Anaheim and Sacramento; (c) Wharton Regulation Index is a measurement of the degree to which local zoning and entitlement practices constrain housing development. Positive values indicate more stringent constraints.
Sources: Albert Saiz, 2010; BAE, 2010.

Economic Development Trends

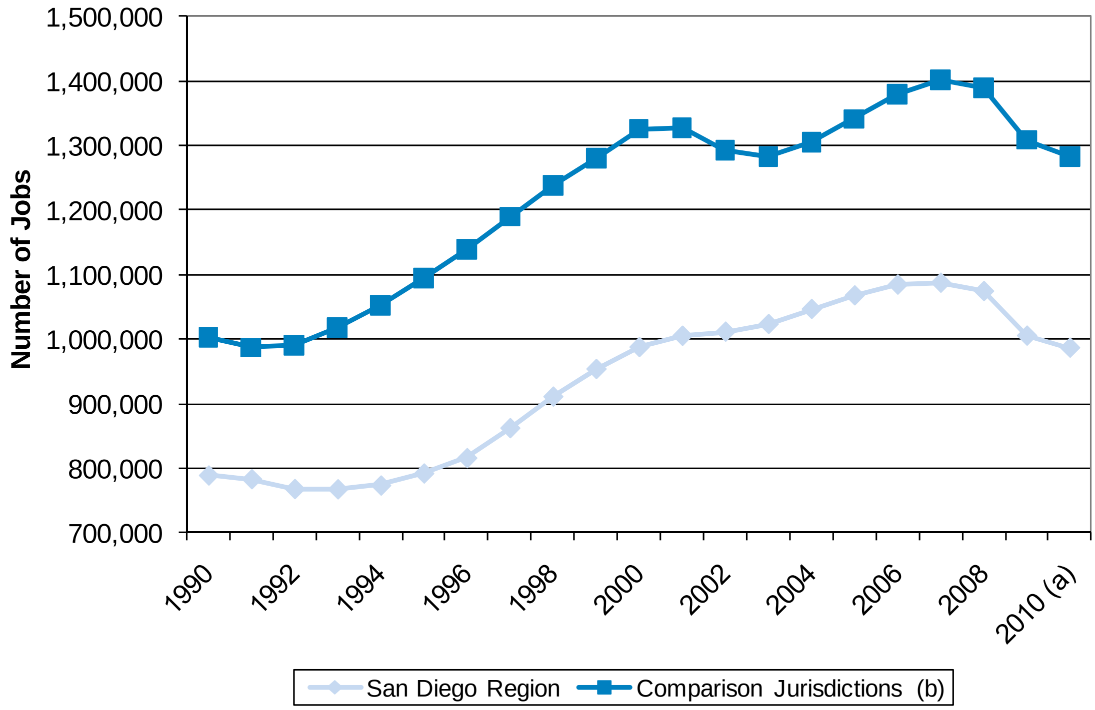
The following section discusses San Diego's job market, utilizing data from the U.S. Bureau of Labor Statistics (BLS) in order to draw comparisons to the competitor regions defined above. The authors compare the historical change in the number of jobs in the San Diego region to the average trajectory of the comparison jurisdictions before taking a closer look at job trends over the last decade. Tables featuring all of the data discussed can be found in Appendix A.

Employment

Figure 28 presents a picture of how the number of jobs in the San Diego region has fluctuated over the last 20 years. This data is compared to the average number of jobs across all of the comparison jurisdictions. While the difference in magnitude between these two groups is meaningless—the sheer number of jobs depends on the size of the jurisdiction and says nothing of its relative performance—the direction of each graph speaks to how jobs increased or decreased over time, and at what rate.

In general, employment trends in metro San Diego have mirrored those among its peer regions. After recovering from the economic recession at the onset of the 1990s, albeit on a slight delay, the San Diego region experienced steady employment growth through the remainder of the decade. Interestingly, when its peer regions saw a dip in employment between 2001 and 2003, the San Diego region continued to grow, though less vigorously than before. Both San Diego and its peer regions peaked in 2007, and have since suffered the most rapid decline in employment seen over the past two decades.

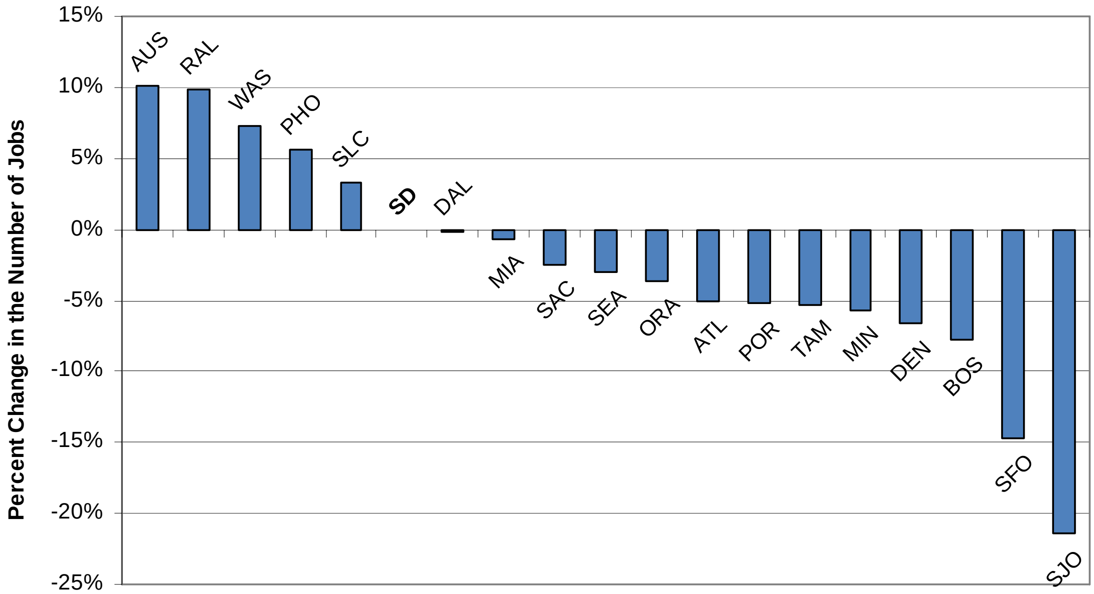
Figure 28: Annual Regional Employment, 1990-2010 YTD (a)



Notes: (a) 2010 YTD data represents the average of monthly figures from Jan. through May; (b) The comparison jurisdictions data represents the average of annual employment across all of San Diego's competitor regions.
Sources: U.S. Bureau of Labor Statistics, 2010; BAE, 2010.

Though the San Diego region experienced substantial fluctuations in the job market over the last ten years—most of them positive—the region ended the decade almost exactly where it started. Between 2000 and 2010, metro San Diego lost a total of 900 jobs, just a miniscule fraction of 2000 levels. While these figures fail to paint a positive picture of the region's economic development, San Diego made it through the tumultuous decade somewhat unscathed, relative to its peer regions—particularly those in California. The San Jose region, for example, fared worst among the comparison jurisdictions, suffering a 21 percent decrease in the number of regional jobs between 2000 and 2010. At the other end of the spectrum, the Austin region grew steadily, increasing employment by ten percent over the decade. Overall, the regions considered in this study saw a two percent decline in the number jobs, on average, making San Diego's regional economy somewhat resilient compared to its peers. Importantly, the region retained a considerably higher percentage of jobs than the State of California, which saw an overall decrease of seven percent.

Figure 29: Percent Change in the Number of Jobs in the Region, 2000-2010 YTD (a)



Note: (a) 2010 YTD data represents the average of monthly figures from Jan. through May.
Sources: U.S. Bureau of Labor Statistics, 2010; BAE, 2010.

Summary and Key Findings

San Diego stands apart from the other regions profiled in this study in several regards. First, although the City of San Diego ranks as the second largest central city among the comparison regions with a 2009 population of approximately 1.3 million, the overall metropolitan region is relatively small. Only in San Jose and Austin do the principal cities make up a larger share of the overall metropolitan population. Despite the fact that San Diego is relatively land constrained compared to many of the benchmark regions, the City and the region have experienced relatively strong household and employment growth over the past decade and more. Housing rents and sale prices are relatively high, and despite the recent market downturn, housing cost burdens remain high for a large number of individuals and families, and particularly for those at the lower end of the income scale.

Other key findings from the comparative analysis of demographic, economic and market trends include, as follows:

Population and Household Trends

- The number of households in San Diego grew by 0.8 percent per year between 2000 and 2009, falling somewhat below the study-wide average of 1.0 percent. At the extremes, Raleigh experienced an average annual growth rate of 3.3 percent, while Minneapolis actually lost a small number of households.

- In ten of the regions depicted, the surrounding metropolitan area grew at a rate more than double that of the urban core. By comparison, the City of San Diego grew about on pace with its metropolitan region.

- The City of San Diego has an above-average proportion of families and a below-average proportion of seniors—numbers corroborated by the City's relatively high median household income.

- The City of San Diego has enjoyed above-average income growth, becoming one of the most affluent central cities among its competitors. In 2009, median household income was $60,300, representing a robust 32 percent increase over 2000 levels. Only San Jose and San Francisco were more affluent. By contrast, median household income registered as low as $29,800 in Miami.

- As of 2009, nine percent of households living in metro San Diego fell below the poverty line, making it the second most impoverished region considered in this study. However, the region's relatively high proportion of households living below the poverty line is likely skewed by the City of San Diego's disproportionate share of the regional population. Furthermore, the city of San Diego itself ranks relatively low in terms of poverty rates compared to the comparable central cities. In 2009, 11 percent of households in the City of San Diego lived below the poverty line, which was set by the U.S. Census Bureau as $21,756 for a family of four. By comparison, the central cities considered in this study averaged 12 percent led by Miami where 24 percent of households lived below the poverty line.

Housing Needs and Housing Market Trends

- As of 2009, 56 percent of households in the San Diego region owned their homes, representing the second-lowest owner tenure rate among its peer regions, which averaged 65 percent homeownership. At the high end, 74 percent of households in the Minneapolis-St. Paul-Bloomington MSA owned their homes. Only the San Francisco-Oakland-Fremont MSA, at 56 percent owner-tenure, had lower levels of homeownership. In the same year, 50 percent of households in the City of San Diego owned the homes in which they lived, positioning the City slightly above the study-wide average of 48 percent for core cities.

- In 2009, multifamily units accounted for only 40 percent of housing in the City of San Diego, falling below the study-wide average of 43 percent.

- In 2010, HUD estimates that median rent for a three-bedroom apartment in metro San Diego is $2,083, making it the fourth most expensive rental market considered in this study. Not surprisingly, the four most expensive regions are in California, where housing costs are generally higher. Costs in the San Francisco and San Jose regions, as well as Orange County, all exceed the median rent in metro San Diego

- In the first quarter of 2010, the median sale prices for a home sold in the San Diego region was $310,000, making it the third most expensive for-sale housing market relative to its peer regions. As with rental housing, the coastal California jurisdictions crowd the top of the list, with the median sale price climbing as high as $585,000 along the San Francisco Peninsula. By contrast, the cost of housing was lowest in the Tampa region, where the median sale price was $120,000.

Development Conditions

- In 2010 multifamily construction costs in the City of San Diego are average relative to the comparison cities. While the exact figures differ depending on the housing product in question, San Diego consistently ties Seattle as the seventh highest cost construction market of the regions considered in this study. For example, building new low-rise housing in San Diego costs an estimated $159 per square foot. By contrast, it costs as much as $194 per square foot in San Francisco and as little as $120 per square foot in Austin to build this product type.

- According to a recent study from the University of Pennsylvania, 63 percent of land in the San Diego region is undevelopable due to geographic constraints, nearly double the study-wide average of 35 percent. By contrast, the Miami region suffers the worse loss of developable land, or 77 percent, to the surrounding environment, while metro Austin, at only four percent, suffers practically no loss at all.

- This same study from the University of Pennsylvania measured regulatory constraints in major metropolitan areas across the US. Using an index methodology to measure constraints, the Study author found an average score across all of the urban areas considered in the U Penn study of -0.10. The San Diego region, by contrast, scores 0.46, positioning it as a somewhat restrictive land-development market. However, when compared against the average score of the competitor regions considered in this study, San Diego earns average marks, nearly matching the study-wide mean of 0.43. With a score of 1.70, the Boston region is the most restrictive jurisdiction considered in this study and, with a score of -0.28, metro Austin is the least.

Employment

- Though the San Diego region experienced substantial fluctuations in the job market over the last ten years—most of them positive—the region ended the decade almost exactly where it started. Between 2000 and 2010, metro San Diego lost a total of 900 jobs, ending the period with total employment of 986,300. The overall economic development picture in San Diego, thus, compares favorably to its peer regions—particularly those in California.

The Housing Policy Context in San Diego

This chapter provides a detailed examination of the housing policy context in the City of San Diego and San Diego County. Building on the comparative regional data described in the previous chapter, a more in-depth analysis of demographic and economic factors is provided followed by a description and analysis of the housing policy structure in the City of San Diego compared to surrounding municipalities in San Diego County.

Geographic Context

The City of San Diego is located in the southwestern corner of California in the San Diego-Carlsbad-San Marcos, CA MSA, which consists solely of San Diego County. Though the City of San Diego is the County's largest, as one of the most populous counties in the United States, the region includes several other large cities with populations in excess of 100,000, including Chula Vista, Oceanside, and Escondido. In total, there are 18 cities in the San Diego-Carlsbad-San Marcos, CA MSA.

Population and Household Trends

In 2009, the region was home to nearly 3.1 million residents, placing it on par with, though slightly below, the average population of the comparison regions considered in study. Of those living in metro San Diego, 1.3 million, or 44 percent of regional inhabitants, lived in the City of San Diego itself.

Between 2000 and 2009, the population of the City of San Diego grew on par with the county as a whole at an average annual rate of 0.7 percent. Among local jurisdictions, San Marcos experienced the most rapid population growth, adding new residents at an average annual rate of 4.7 percent. In general, the county's larger cities grew faster, while some of the smaller ones experienced lagging growth, or even lost population. Imperial Beach, El Cajon, Coronado, and Lemon Grove all saw their populations decline. Lemon Grove underwent the sharpest drop, experiencing an average annual population decrease of -0.5 percent.

These trends were mirrored in terms of the number of households, a key indicator of housing demand. The City of San Diego added new households at an average rate, relative to the county, while San Marcos, Carlsbad, and Chula Vista all experienced robust household growth in excess of 2.5 percent annually. Again, Lemon Grove suffered the greatest contraction, or an average annual decline of -0.5 percent in the number of households. As a whole, household growth in the San Diego region lagged behind the comparison regions, growing at 0.9 percent annually, compared to a study-wide mean of 1.6 percent. This is not surprising, given that the San Diego region is comprised of just one county—most of which is either heavily urbanized or too mountainous to yield new development.

Table 1: Population Trends by City in San Diego County, 2000-2014 (a)

	2000	2009 (a)	2014 (Projected)	Avg. Annual % Change 2000-2009	Avg. Annual % Change 2009-2014
San Diego	**1,223,400**	**1,308,416**	**1,375,635**	**0.7%**	**1.0%**
Chula Vista	173,556	228,411	258,900	3.1%	2.5%
Oceanside	161,029	173,022	182,447	0.8%	1.1%
Escondido	133,559	139,123	145,008	0.5%	0.8%
Carlsbad	78,247	99,526	111,705	2.7%	2.3%
El Cajon	94,869	94,254	95,792	-0.1%	0.3%
Vista	89,857	92,934	96,439	0.4%	0.7%
San Marcos	54,977	83,215	98,232	4.7%	3.4%
Encinitas	58,014	61,929	65,061	0.7%	1.0%
National City	54,260	60,174	64,180	1.2%	1.3%
La Mesa	54,749	55,243	56,712	0.1%	0.5%
Santee	52,975	54,320	56,189	0.3%	0.7%
Poway	48,044	49,567	51,440	0.3%	0.7%
Imperial Beach	26,992	26,854	27,373	-0.1%	0.4%
Lemon Grove	24,918	24,407	24,654	-0.2%	0.2%
Coronado	24,100	23,848	24,042	-0.1%	0.2%
Solana Beach	12,979	12,961	13,269	0.0%	0.5%
Del Mar	4,389	4,529	4,708	0.3%	0.8%
Unincorporated County	442,919	471,886	496,200	0.7%	1.0%
San Diego County	2,813,833	3,064,619	3,247,986	1.0%	1.2%

Note:
(a) Information ranked according to the population of each city in 2009, from largest to smallest.
Sources: Claritas, 2009; BAE, 2010.

Table 2: Household Trends by City in San Diego County, 2000-2014 (a)

	2000	2009 (a)	2014 (Projected)	Avg. Annual % Change 2000-2009	Avg. Annual % Change 2009-2014
San Diego	**450,691**	**483,267**	**509,579**	**0.8%**	**1.1%**
Chula Vista	57,705	72,904	81,423	2.6%	2.2%
Oceanside	56,488	59,802	62,664	0.6%	0.9%
Escondido	43,817	44,850	46,350	0.3%	0.7%
Carlsbad	31,521	39,868	44,696	2.6%	2.3%
El Cajon	34,199	33,496	33,814	-0.2%	0.2%
Vista	28,877	29,461	30,366	0.2%	0.6%
San Marcos	18,111	27,535	32,464	4.8%	3.3%
La Mesa	24,186	24,345	25,010	0.1%	0.5%
Encinitas	22,830	24,308	25,538	0.7%	1.0%
Santee	18,470	19,125	19,914	0.4%	0.8%
National City	15,018	16,261	17,173	0.9%	1.1%
Poway	15,467	15,958	16,573	0.3%	0.8%
Imperial Beach	9,272	9,156	9,308	-0.1%	0.3%
Lemon Grove	8,488	8,112	8,092	-0.5%	0.0%
Coronado	7,734	7,518	7,564	-0.3%	0.1%
Solana Beach	5,754	5,821	6,010	0.1%	0.6%
Del Mar	2,178	2,285	2,401	0.5%	1.0%
Unincorporated County	143,871	153,748	162,133	0.7%	1.1%
San Diego County	994,677	1,077,820	1,141,072	0.9%	1.1%

Note:
(a) Information ranked according to the number of households in each city in 2009, from greatest to least.
Sources: Claritas, 2009; BAE, 2010.

Employment Trends

The City of San Diego serves as the region's major economic center. The San Diego Association of Governments (SANDAG) estimates that there were 822,000 jobs in the City of San Diego in 2008, making it the largest job center in the region with 55 percent of total jobs in the County. Other job centers in the region include the cities of Chula Vista, Carlsbad, and Escondido. However, the employment base in these cities was much smaller, with 70,000 jobs or less in each city in 2008[2].

Employment in the City of San Diego is projected to grow at a slightly slower pace than the region as a whole between 2008 and 2020. According to SANDAG, the number of jobs in the City will increase by seven percent during this time period, compared to eight percent throughout the County. Coronado is slated to experience the largest percent increase in the number of jobs, or 18

[2] These employment data vary somewhat from the employment figures included above in the comparative analysis section. They are included here primarily as in indication of long-term employment trends in San Diego versus the remainder of the County.

percent, while Del Mar will maintain its quality as a slow-growing beach town, experiencing the smallest percent increase in employment, or two percent.

Table 3: Job Trends by City in San Diego County, 2008-2020 (a)

	2008 (a)	2020	% Change 2008-2020
San Diego	**821,521**	**874,606**	**6.5%**
Chula Vista	70,230	82,146	17.0%
Carlsbad	61,999	70,228	13.3%
Escondido	61,143	66,803	9.3%
Oceanside	43,977	48,464	10.2%
El Cajon	41,686	44,463	6.7%
Vista	41,315	44,693	8.2%
San Marcos	37,383	40,830	9.2%
Poway	31,176	32,386	3.9%
National City	28,743	29,677	3.2%
Coronado	27,994	33,093	18.2%
La Mesa	27,579	28,813	4.5%
Encinitas	26,985	28,711	6.4%
Santee	15,304	16,949	10.7%
Lemon Grove	7,640	7,890	3.3%
Imperial Beach	7,543	8,835	17.1%
Solana Beach	7,533	7,823	3.8%
Del Mar	4,065	4,149	2.1%
Unincorporated County	137,264	149,056	8.6%
San Diego County	1,501,080	1,619,615	7.9%

Note:
(a) Information ranked according to the number of jobs in each city in 2008, from greatest to least.
Sources: SANDAG, 2010; BAE, 2010.

Housing Market Trends

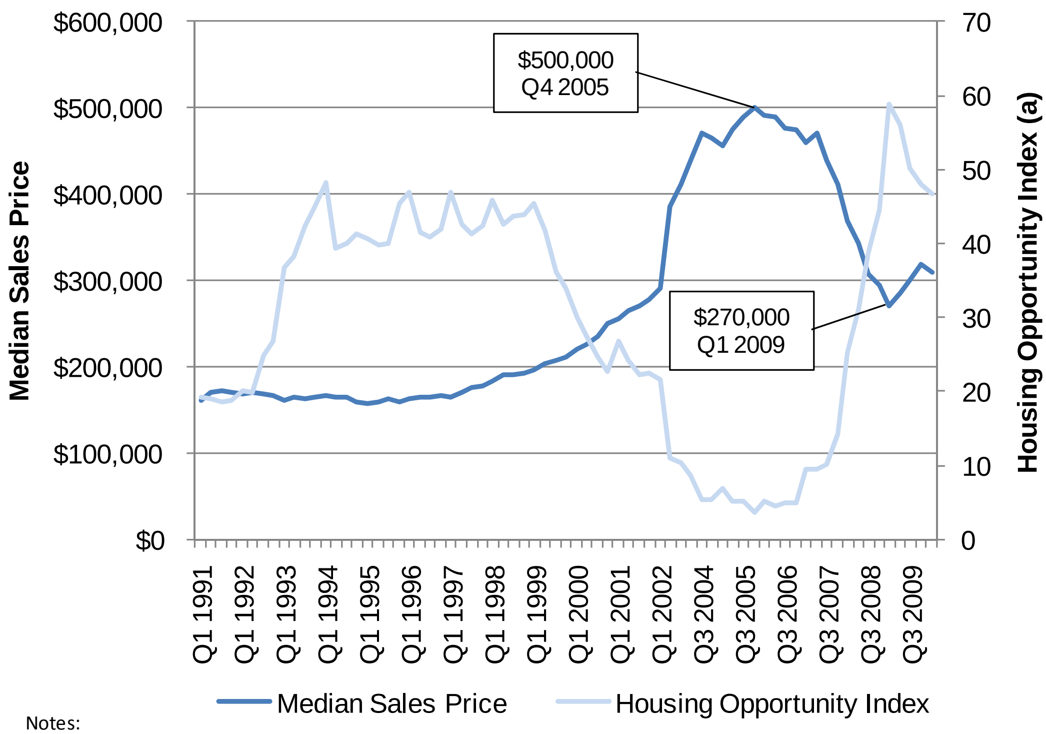
While the City of San Diego is a relatively affluent place, local residents face high housing costs. In 2000, 60 percent of households in the City earned more than 80 percent of County MFI. Only San Jose, at 66 percent of households, had a higher proportion earning at that level. In addition, San Diego was home to a below-average proportion of extremely low-, very low-, and low-income households. Relative to the central cities considered in this study, the City of San Diego housed the fourth lowest proportion of households in each of these income categories. Since then, household income has grown at an above-average rate. Between 2000 and 2009, median household income in both the City of San Diego and San Diego County increased by 32 percent, more so than in any other central city and metropolitan region considered in this study, save Washington DC. In 2009, the median household income in the City and County stood at $60,300 and $62,500, respectively. However, the cost of housing has increased as well, outpacing the gains in household income.

For-Sale Market. Over the past decade, the San Diego region has consistently ranked as one of the least affordable housing markets among peer regions considered in this study; only the San Francisco and San Jose regions had higher median sale prices. Like regions across the country, home prices in the San Diego region experienced drastic fluctuations during the housing boom and bust over the past decade. Figure 30 illustrates the median sale price in the San Diego region between 1991 and 2010, along with the Housing Opportunity Index (HOI), an affordability index which measures the percent of homes sold that would be affordable to median-income households. As shown, housing affordability fell as home prices rose.

In addition to being one of the costliest housing markets in this study, the San Diego region experienced greater fluctuation in sales prices over the past decade than most peer regions. Between the first quarter of 2000 and the first quarter of 2005, the median sale price in the San Diego region increased by 107 percent to $455,000. Only two other regions, Sacramento and Orange County, experienced more rapid sales price escalation during that time period. Median sale prices continued to rise in San Diego through the fourth quarter of 2005, peaking at $500,000. Homeownership was out of reach for the vast majority of San Diego households at that time; the HOI averaged just five percent in 2005 and 2006.

During the first quarter of 2010, the median sale price for homes in San Diego was $310,000, which is 32 percent lower than the median price in the first quarter of 2005. Only Salt Lake City saw a more drastic decline in sales prices during this period. Despite this decline, San Diego home sale prices still ranked as the third highest among peer regions, and much higher than the study-wide average of $241,200. Affordability has improved as a result of declining home values. Approximately 47 percent of homes sold on the market during the first quarter of 2010 were affordable to median-income households in the San Diego region. Nevertheless, the percentage of homes sold in San Diego that would be affordable to the median-income household remains much lower than the study-wide average of 66 percent.

Figure 30: Housing Market Trends, San Diego-Carlsbad-San Marcos, CA MSA Q1 1991-Q2 2010



Notes:
(a) Housing Opportunity Index is defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: NAHB, 2010; BAE, 2010.

Rental Market. At the onset of the decade, San Diego was an average-cost rental market, compared to its peer regions. In 2001, the median rent for a three-bedroom apartment in metro San Diego was $1,247, closely matching the study-wide average of $1,220. Since then, the median rent has grown by an estimated 67 percent—the second largest increase of any region considered in this study, after Orange County—to $2,083, making San Diego the fourth most expensive rental market among the comparison jurisdictions.

City of San Diego Housing Policy Framework

The San Diego Housing Commission (SDHC) is responsible for housing policy development and management of affordable housing programs in the City. Established in 1979, SDHC is governed by the San Diego Housing Authority, which is composed of the eight-member City Council. The Housing Authority has final authority over SDHC's budget and major policy changes.

SDHC administers a wide variety of programs, including federal programs funded by HUD. For example, the Rental Assistance Department is responsible for the Housing Choice Voucher Program (Section 8), which is SDHC's largest single program. SDHC also owns and manages over 1,800 affordable rental units. The Housing Commission is one of the few public housing agencies in the nation to have opted out of the federal government's public housing program and assumed full ownership of multifamily properties previously controlled jointly with HUD. This has provided SDHC with more autonomy and flexibility to own and manage rental units that are leased to low-income families, seniors, and disabled persons. In addition, SDHC allocates the City's federal community development entitlement grant funding, such as CDBG and HOME funds.

Through partnerships with the City of San Diego's redevelopment agencies and nonprofit/for-profit developers, SDHC has been and continues to be an active developer of new affordable housing. SDHC provides incentives and financial assistance to developers to make affordable housing attractive and financially feasible.

Key Policies and Programs

Since 2000, over 8,700 units of affordable housing have been produced in the City of San Diego. The vast majority of these units (8,079 units) were affordable rental housing serving very low- and low-income households. However, 222 units of rental housing for moderate-income households and 445 units of affordable homeownership units were also developed.

The City of San Diego has implemented a variety of programs and policies to encourage the development and preservation of affordable housing. Current programs and policies include an inclusionary zoning ordinance, fee reductions, and expedited permit processing. The City also uses a commercial linkage fee program, CDBG funds, tax increment financing (TIF), a local housing trust fund, and tax-exempt bonds to finance affordable housing programs and provide financial assistance to developers.

City of San Diego	
Affordable Housing Production, 2000-2010	
Rental Units	8,301
Ownership Units	445
Total Units	8,746
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	x
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	-

Sources: San Diego Housing Commission, 2010; BAE, 2010.

Land Use, Zoning, and Entitlement Programs. In 2003, the San Diego City Council adopted a mandatory, citywide inclusionary housing ordinance for both rental and ownership housing. The ordinance applies to projects with two or more units, including condominium conversions, and requires that 10 percent of units be affordable. Rental units must be affordable to households earning 65 percent of area median income (AMI) or less while ownership units must serve households at or below 100 percent of AMI. The inclusionary ordinance provides for long-term affordability for rental units, with a 55-year affordability covenant. For ownership units, the City requires equity sharing with the homebuyer for the first 15 years. However, the vast majority of developers choose to pay an in-lieu fee rather than provide actual units. Between 90 percent and 95 percent of projects pay the in-lieu fee, which currently stands at $4.98 per square foot for projects with 10 or more units and $2.49 for projects with fewer than 10 units. The fee is updated annually, calculated as 50 percent of the difference between the median housing cost and the housing price affordable to median income households. Developers also have the option to provide inclusionary units off site, but this alternative is used only on a limited basis. It should be noted that the City will be making adjustments to its citywide inclusionary housing ordinance as a result of recent case law (*Palmer/Sixth Street Properties v. City of Los Angeles* and *BIA v. City of Patterson*).

A portion of the city is subject to a higher inclusionary requirement. In 1992, a decade before adopting the citywide ordinance, San Diego created an inclusionary housing program for the North City Future Urbanizing Area (NCFUA), a 12,000-acre area that was largely undeveloped at the time. The NCFUA Framework Plan established a requirement for residential developers to provide a set-aside of 20 percent for affordable housing at a level of 65 percent of AMI.

In addition to the inclusionary ordinances, San Diego incentivizes affordable housing production by offering fee waivers and expedited permitting for these developments. New extremely low- to moderate-income units are eligible for a waiver of the Regional Transportation Congestion Improvement Program fee, which amounts to $1,940 for multifamily units and $2,425 for single-family units. Affordable housing developments, along with military housing and sustainable buildings, are also eligible for expedited permitting. While the length of the standard review process varies depending on the types of permits needed, expedited projects are generally reviewed twice as fast.

The City of San Diego also offers a coordinated project management system meant to steer housing development projects through the complicated, multi-stage entitlement process. In addition, the City has exempted housing developments with less than 100 units from the guidelines of the California Environmental Quality Act (CEQA), which requires that developers of larger projects study the various environmental impacts of land development in-depth. Compliance with CEQA can slow down the development process, increasing costs and causing housing supply to lag behind growth in demand.[3]

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[3] City of San Diego, *Housing Element FY2005-2010*, Adopted December 5, 2006.

Financing Programs. The City of San Diego established a local housing trust fund in 1990. The Trust Fund was established upon recommendations provided by the 1989 Housing Trust Fund Task Force, which identified the administrative structure, allocation guidelines, and revenue sources for the Trust Fund. At the time the Fund was established, there were two revenue sources – a portion of the Transient Occupancy Tax (TOT) and a Commercial Linkage Fee. The original TOT allocation for the Trust Fund was one half of the TOT increment beyond the amount collected in FY90. However, TOT revenues have not been allocated to the Trust fund since 1992.

The Commercial Linkage Fee remains the only dedicated revenue source for the Housing Trust Fund. Established in 1990, the Commercial Linkage Fee is assessed on all commercial development. The fee amount ranges from $0.27 per square foot for warehouse developments to $1.06 per square foot for office space. The linkage fee ordinance provides that the City Engineer shall provide an annual recommendation to the City Council for revision of the fee based on a percentage increase or decrease in building costs based on McGraw-Hill's Index of the Cost Indices for Twenty Cities. However, the Commercial Linkage Fee amount has not been updated since 1996. Nevertheless, the Linkage Fee has generated $25,983,706 for the Housing Trust Fund since 2000, which helped to create 3,525 rental units and assisted 319 first-time homebuyers.

In addition to the Housing Trust Fund, the City of San Diego provides financial assistance for affordable housing through CDBG and TIF, as well as tax-exempt bonds. Since 2000, the City has allocated between eight percent and 10 percent of its CDBG dollars to housing programs, a lower percentage than many other peer jurisdictions. The City's Redevelopment Agency also dedicates at least 20 percent of tax increment for low- and moderate-income housing. In addition, tax-exempt bonds issued by the Housing Authority of the City of San Diego have provided $452,744,868 of financing to support the creation of 4,326 affordable housing units.

Programs and Policies across the San Diego Region

The City of San Diego has a relatively strong set of affordable housing programs and policies compared to many of its neighbors. Other jurisdictions have implemented some of the same mechanisms that San Diego has, but few have the full range of policies and programs in place in the City of San Diego. This section highlights some of the key policies and programs implemented by jurisdictions in the San Diego region in order to support the development of affordable housing. Information for the other cities in the county is based on an analysis of each of their Housing Elements for the 2005 to 2010 planning period. Tables 4 and 5 display the programs implemented by each local jurisdiction. Both the tables and the following discussion are broken down into three categories: land-use policies, financing programs, and other methods for encouraging affordable housing development.

Land Use Policies. Many of San Diego's neighboring cities have made a concerted effort to lessen the burden of local land use regulations and the entitlement process on affordable housing development. Of all of the affordable housing policies discussed herein, the expedited processing of development permits is the most common. Thirteen cities in San Diego County—as well as the County—prioritize the permit applications for projects that include affordable housing. Of those, ten cities and the County either reduce or waive standard development fees in order to offer a small financial subsidy to these projects. In addition, ten cities—including La Mesa, which has not implemented either of the aforementioned programs—apply flexible development standards to affordable housing projects. In other words, by relaxing some of their regulatory demands—such as height, setback, and parking requirements—these cities attempt to address certain aspects of their zoning codes that can serve to discourage affordable housing production. As discussed earlier, the City of San Diego has implemented all of these policies.

Of all the land use policies documented in San Diego County, the least common is an affordable housing overlay. The overlay delimits a zone within which the development of affordable housing is permitted by-right. While building high-density multifamily housing is often either prohibited or subject to a conditional use permit, which can be difficult to obtain, the establishment of an overlay zone guarantees one's right to build affordable housing in those areas of the city deemed most appropriate. Though this guarantee serves to expedite the pre-development process, an overlay zone can include additional development incentives such as density bonuses and/or other incentives discussed above. In San Diego County, Escondido, Oceanside, and Poway have implemented affordable housing overlays. The City of San Diego has not.

A small majority of the cities in San Diego County have inclusionary housing ordinances. These policies have proven to be a useful tool for either mandating the development of affordable units as a component of market-rate projects or raising money to finance the construction of dedicated affordable housing projects. However, similar to the City of San Diego, some jurisdictions may be updating their policies as a result of recent California case law regarding inclusionary zoning.

Nevertheless, ten cities in San Diego County have inclusionary housing policies. Each ordinance differs according to several parameters, including the percentage of units that must be affordable and whether or not a fee can be paid in lieu of developing the affordable units on-site. On the whole, the inclusionary ordinances in metro San Diego are relatively robust. The policies in most jurisdictions mandate an on-site affordable component equaling 10 to 20 percent of the total number of units. Coronado has the highest inclusionary requirement, at 20 percent, followed by Carlsbad and Poway, which require 15 percent of units to be affordable. Other jurisdictions in the region with inclusionary ordinances have provisions that match or are less than the City of San Diego's citywide policy, which requires 10 percent of units to be set-aside for affordable housing.

In addition strong inclusionary percentages, the trigger thresholds for programs across the region are relatively low. In other words, even small developments necessitate an affordable component or an in-lieu fee. The policies of Coronado, Poway, San Diego, and Solana Beach all mandate that any housing development with two or more units is subject to an inclusionary component. By contrast, many major cities surveyed for this study have trigger thresholds in the range of 10 to 30 units. In San Diego County, none of the cities with an inclusionary ordinance have a trigger threshold in excess of 10 units.

In total, eight of the inclusionary ordinances in San Diego County specify that a developer may pay a fee in lieu of developing affordable units on-site alongside market-rate ones. In-lieu fees are valuable options, as they provide housing developers with the flexibility to address the mandates of an inclusionary ordinance in a way that makes their projects most feasible.

Financing Programs. Few cities in San Diego County have strong, ongoing programs meant to finance the construction of affordable housing. Some cities use CDBG funds to provide subsidy to low-income housing developments. While many urban jurisdictions receive CDBG allocations, which offer a limited source of financial assistance for community development activities, most disperse the grants as either operating subsidies or limited capital improvement funds to community-serving nonprofits engaged in non-housing community development activities. In San Diego County, however, seven cities, including San Diego, and the County authorize the use of CDBG funds for the direct financing of affordable housing development. An even smaller number of jurisdictions—Carlsbad, Coronado, San Diego, and the County—have established housing trust funds.

Other Policies and Programs. Beyond providing direct financing, a few jurisdictions attempt to incentivize the construction of new low-income units by providing desirable building sites to affordable housing developers. Carlsbad and Chula Vista have land banks, through which they actively seek to set aside sites suitable to the construction of high-density housing. By eventually leasing or transferring this land to local affordable housing developers, these cities help to lower the land costs of building new affordable housing. In addition, six cities in the county have land assembly programs, through which they combine several small parcels in order to create larger sites that are more suitable for high-density housing. These sites, which create the economies of scale needed to build affordable housing, are eventually leased or transferred to local nonprofits. The City of San Diego has not implemented either of these practices.

Beyond the policies and practices discussed above, several cities have implemented unique programs in order to incentivize affordable housing development, or simply streamline the housing development process, in general. Oceanside, for example, has established a dedicated Affordable

Housing Task Force, which inventories sites around the city that are suitable for low-income housing development and expedites zoning changes, when necessary, to encourage their build-out. Carlsbad has a real property transfer tax, which supports the local housing trust fund. In addition, Carlsbad has established an “excess dwelling unit bank.” Dwelling-unit densities are established for each zone of the city. When new projects fail to achieve the specified densities, the “excess dwelling units” are deposited into the bank, allowing other projects to draw upon the unused units in order to build higher-density housing elsewhere.

Other unique programs, as well as a summary of all of the land-use and financing programs discussed above, can be found in the following tables.

Table 4: Affordable Housing Incentives by City in San Diego County, Land Use Policies

City	Affordable Overlay (a)	Expedited Permit Processing	Fee Reduction/ Waiver	Flexible Regulations (b)	Inclusionary Zoning Ordinance	Inclusionary Zoning Details
San Diego		x	x	x	x	Citywide: 10% on-site if 2+ units, optional in-lieu fee North City: 20% on-site or close to site if 10+ units; optional in-lieu fee if < 10 only
Carlsbad		x	x	x	x	15% on-site if 7+ units; in-lieu fee or land set-aside if < 7
Chula Vista		x	x	x	x	10% on-site if 5+ units, optional off-site or in-lieu fee
Coronado		x	x	x	x	20% on-site if 2+ units, optional in-lieu fee
Del Mar		x			x	1 in 10 lots in subdivisions of 10+ lots, optional in-lieu fee
El Cajon		x	x	x		
Encinitas	x	x			x	10% on-site if 10+ units; applies to subdivision
Escondido						
Imperial Beach		x	x	x		
La Mesa				x		
Lemon Grove		x	x			
National City						
Oceanside	x	x		x	x	10% on-site if 3+ units, optional in-lieu fee
Poway	x	x		x	x	15% on-site if 2+ units, optional in-lieu fee
San Marcos (c)						
Santee		x	x	x		
Solana Beach					x	10% on- or off-site if 5+ units
Vista		x	x		x	6% on-site for 2+ units; city can opt for in-lieu fee or land set-aside
Unincorporated County		x	x			
TOTAL	**3**	**14**	**10**	**10**	**10**	

Note:
(a) Overlay permits affordable housing development by-right within the zone. Overlay zoning may include a density bonus, fee waiver, and/or relaxed development standards.
(b) Flexible regulations can extend to height and setback requirements, on-site parking requirements, and/or design review, among other aspects of the entitlement process.
(c) Housing Element for the City of San Marcos not available.
Sources: Local Housing Elements, 1999 & 2004-2010; BAE, 2010.

Table 5: Affordable Housing Incentives by City in San Diego County, Financial Programs and Other

	Financial Programs		Other		
City	CDBG (a)	Local Housing Trust Fund	Land Assembly	Land Bank	Unclassified
San Diego	x	x			Coordinated project management system through entitlement process; CEQA exemption for projects with < 100 units
Carlsbad	x	x		x	Transfer tax; Excess dwelling unit bank (b)
Chula Vista	x		x	x	
Coronado		x			
Del Mar					Second units allowed by-right in single-family zones, if deed-restricted
El Cajon			x		
Encinitas					
Escondido					
Imperial Beach					
La Mesa	x		x		Multifamily housing allowed by-right in commercial zones
Lemon Grove					
National City			x		
Oceanside	x				Affordable Housing Task Force inventories sites and expedites zoning changes
Poway	x		x		Capacity building grants for CHDOs; Deferred second mortgage for owner housing
San Marcos (c)					
Santee					
Solana Beach					
Vista	x		x		
Unincorporated County	x	x			
TOTAL	**8**	**4**	**6**	**2**	

Note:
(a) Refers to the use of Community Development Block Grant funds for the direct financing of affordable housing development.
(b) When a project fails to achieve dwelling-unit density specified for its site, excess dwelling units are deposited into a bank, allowing other projects to draw upon the unused units in order to build higher-density housing elsewhere.
(c) Housing Element for the City of San Marcos not available.
Sources: Local Housing Elements, 1999 & 2004-2010; BAE, 2010.

Competitor Region Profiles

This Chapter provides detailed demographic, housing and policy profiles of each of the competitive benchmark regions with a focus on identifying unique and or innovative housing policies and programs that have the potential to inform new affordable housing funding strategies in San Diego. The basis of the information presented in this chapter is extensive background research conducted by BAE in combination with data and policy information collected through written surveys sent to housing and community development departments in each of the regional core cities.

Survey Methodology and Limitations

In consultation with staff from SDHC, BAE prepared a written survey instrument (see Appendix C) which was e-mailed to one or more key representatives in each of the 19 core cities (including San Diego) examined in this Study. For the four cities that did not prepare written responses in time for the publication of this Report (Anaheim, Miami, Tampa Bay and Washington, DC), BAE relied on available secondary sources to gather information on local affordable housing policies and programs. Resources included information on city websites and various published reports such as housing elements and housing strategies. In addition, BAE referenced available HUD-mandated reports such as Consolidated Plans, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPER). Appendix B provides a complete database of affordable housing programs and policies based on survey results and secondary research.

In order to provide breadth to the range of policies and financing strategies considered in this Study, BAE also analyzed best practices in Housing Departments and Housing Authorities located outside of the largest core city in each competitor region. Local jurisdictions with particularly innovative or successful programs are profiled in a series of case studies included below.

The analysis in this chapter focuses on innovative or unique approaches to housing policy and housing finance, and thus typical sources of affordable housing funding such as HOME, HOPWA, Project –Based Section 8, Section 202 or other commonly utilized sources are not included in the survey data and discussion. Instead, the profiles presented below are meant to elucidate new approached to housing policy and finance which San Diego may be able to emulate through the refinement of existing programs or the adoption of new programs or funding mechanisms.

Atlanta-Sandy Springs-Marietta, GA MSA

The Atlanta-Sandy Springs-Marietta, GA MSA consists of 28 counties in northern Georgia anchored by the City of Atlanta, the state capital. Atlanta is by far the region's largest city—and the largest in the state, for that matter—though the region also includes the major edge cities of Cumberland and Perimeter Center. In total, there are 139 cities and towns in the Atlanta-Sandy Springs-Marietta, GA MSA. For the purposes of this study, the City of Atlanta is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to nearly 5.5 million residents. Of those, nearly 529,000 residents lived in the City of Atlanta itself. Between 2000 and 2009, both the City and metro Atlanta experienced an average annual household growth rate of 2.7 percent, placing them among the fastest growing cities and regions considered in this study. During this period, the Atlanta region gained an average of over 42,000 new households a year—more than any other comparison region.

Atlanta Region Overview (a)

	Central City	Region
Residents	529,440	5,494,339
Households	212,885	1,978,507
Avg. Annual HH Growth, '00-'09	2.7%	2.7%
Homeownership Rate	43.1%	68.9%
Median Household Income	$44,400	$58,300
Median Rent, 3BR Unit, 2010		$1,183
Median Sale Price, Q1 2010		$143,000
Housing Opportunity Index, Q1 2010 (b)		80.4

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Housing costs in the Atlanta region are significantly lower than in San Diego. This reflects, in part, the geography of northern Georgia, which presents few development constraints, and the below-average construction costs. In 2010, the median rent for a three-bedroom unit in the metropolitan area is estimated at $1,183, the second lowest among the comparison regions. Similarly, as of the first quarter of 2010, the median home sale price was only $143,000, less than half that of San Diego, and a household earning the local median income could afford 80 percent of homes sold. As a result, the Atlanta region has the fifth highest homeownership rate among the regions considered in this study despite having a below-average median household income. This is consistent with the distribution of housing types in the region, where single-family homes comprise an above-average 71 percent of regional housing units. The City of Atlanta, however, has a much lower homeownership rate, at just 43 percent in 2009. Notably, approximately 21 percent of households in the City of Atlanta were living in poverty in 2009, giving the City the second highest poverty rate among its peer regions. At the other end of the income scale, as of 2000, the City had the lowest proportion of households earning more than 80 percent of County MFI of any region considered in this study. Even still, both renter- and owner-households residing in the City of Atlanta overpaid for housing at an average rate relative to the other central cities considered in this study, reflecting the relatively low cost of housing.

City of Atlanta Housing Policy Framework

The City of Atlanta's Bureau of housing is responsible for affordable housing policies and programs. In addition, the Atlanta Development Authority, which is the City's official economic development agency, has a housing finance division known as the Urban Residential Finance Authority (URFA). The URFA focuses on the creation of affordable housing by providing bond financing to developers. The Atlanta Housing Authority also provides affordable housing opportunities through the public housing and Section 8 voucher programs.

City of Atlanta	
Affordable Housing Production, 2005-2009	
Rental Units	NA
Ownership Units	NA
Total Units	5,543
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	x

Sources: City of Atlanta, 2010; BAE, 2010.

Key Policies and Programs

Over 5,500 units of affordable rental and ownership housing have been produced in the City of Atlanta between 2005 and 2009 as a result of a variety of programs and policies. The City has a voluntary inclusionary housing program that provides density bonuses to developments that reserve at least 10 percent of units for affordable housing. In addition, Atlanta provides financial assistance for affordable housing development through CDBG funds, tax-exempt bonds, and local housing trust funds. Atlanta actually has three different housing trust funds – a citywide fund resulting from a $35 million bond issuance in 2007 and two trust funds that focus on specific areas in the City.

There are also multiple efforts focused on land acquisition for affordable housing. Over 30 public, private, nonprofit, and community organizations collaborated to create the Atlanta Land Trust Collaborative in 2009, an organization that will support the creation of community land trusts (CLTs) across the City and perform stewardship functions for CLTs in neighborhoods where local capacity does not exist. In addition, the City and Fulton County jointly administer a land bank that facilitates the acquisition of tax-foreclosed properties for affordable housing.

Fulton County/City of Atlanta Land Bank Authority

Managing Tax Delinquent Properties, Fulton County and the City of Atlanta, GA

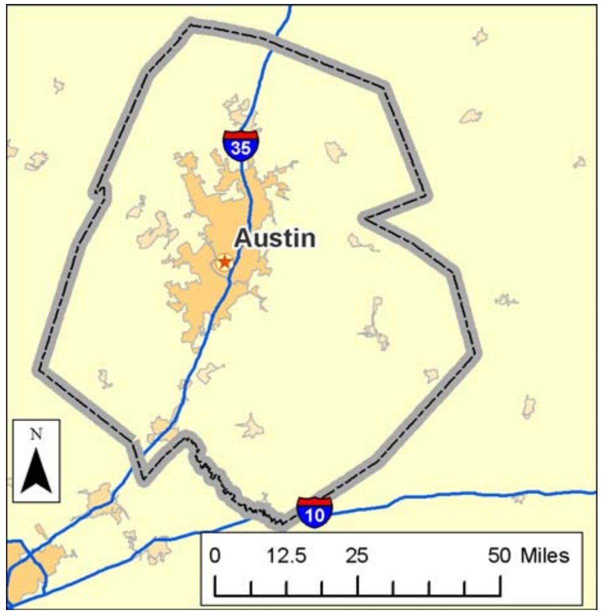
Over the past 20 years Fulton County and its county seat of Atlanta, located in northwestern Georgia, have experienced faster population increases than in many other metropolitan areas. Since the early 1990's, one of the main goals of officials in both Fulton County and the City of Atlanta has been to reduce the number of tax delinquent properties in their jurisdictions. They have used several different methods to attempt to improve the tax base of the County, including maintaining an inventory of properties in arrears, changing the structure of the tax foreclosure process, ensuring coordination among local stakeholders in a Regional Housing Forum, and most notably, creating the Fulton County/City of Atlanta Land Bank Authority.

The Fulton County/City of Atlanta Land Bank Authority was established in 1991. The Land Bank Authority is a quasi-governmental agency that helps CDCs acquire properties that will eventually become affordable housing. A CDC can purchase (or negotiate an option to purchase) a property that is delinquent on its taxes. The property's title is then transferred to the Land Bank Authority, which has the power to waive all back taxes from the property, and then transfer the cleared title back to the CDC. The CDC is then required to create new affordable units on the property within three years, or the title must be transferred back to the Land Bank Authority.

From 1991 to 2009, the Land Bank Authority generally facilitated the transfer of 50 to 100 property titles per year. The Land Bank Authority's powers have been utilized to assist major redevelopment efforts throughout Atlanta and Fulton County, including such projects as the Orchard and Ware Estates.

Sources: Frank S. Alexander and Audrey Atkan, *Atlanta Case Study Summary: Model Practices in Tax Foreclosure and Property Disposition*, 2003; Sage Computing, *Revitalizing Foreclosed Communities with Land Banks*, July 2009, p. 16 and 17.

Austin-Round Rock, TX MSA



The Austin-Round Rock, TX MSA consists of five counties residing on the eastern edge of Texas's Hill Country in the central part of the state. The region encompasses the counties of Bastrop, Caldwell, Hays, Travis, and Williamson, as well as the City of Austin, the state capital. Though Austin is far and away the largest city, Round Rock and San Marcos form two other regional centers. In total, there are 48 cities and villages in the Austin-Round Rock, TX MSA. For the purposes of this study, the City of Austin is considered the central city.

Regional Economic and Market Context

In 2009, the Austin region housed nearly 1.7 million residents. With almost 750,000 residents, or 45 percent of the regional population, the City housed a proportion of regional inhabitants that was double the study-wide average. Adding new households at an average annual rate of 3.0 percent between 2000 and 2009, the Austin region tied metro Phoenix as the second fastest growing region considered in this study. Though the City of Austin grew at only half the rate of the region, it nevertheless grew at an above-average rate of 1.5 percent. The Austin region has grown rapidly as a result of the low cost of housing and a booming economy that has seen the number of jobs grow by 10 percent since 2000—the greatest percent increase of any of the regions considered in this study, which, on the whole, averaged a two percent *decline* in the number of jobs over the same period.

Austin Region Overview (a)

	Central City	Region
Residents	749,861	1,659,847
Households	304,006	614,635
Avg. Annual HH Growth, '00-'09	1.5%	3.0%
Homeownership Rate	45.9%	61.7%
Median Household Income	$48,000	$56,900
Median Rent, 3BR Unit, 2010		$1,383
Median Sale Price, Q1 2010		$176,000
Housing Opportunity Index, Q1 2010 (b)		80.2

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Despite the Austin region's robust job and population growth, housing costs are markedly more affordable than similarly desirable innovation centers, such as San Francisco, San Jose, and Boston. In 2010, the median rent for a three bedroom apartment falls below the study-wide average at $1,383 per month. Similarly, the median home sale price in the first quarter of 2010 was only $176,000 and a household earning the local median income could afford around 80 percent of homes sold. Though one might expect a jobs center experiencing strong population growth to run up against housing inflation, the median sale price in the Austin region grew by only 17 percent between 2000 and 2010, compared to the study-wide average of 29 percent.

Home prices remained low over the past decade, in part, due to the rapid and cheap production of new housing. Located in the middle of the Texas plains, the local developers face fewer geographic hurdles to development than any other region considered in this study. In addition to an abundance of developable land, local homebuilders face less governmental regulation than in any other comparison jurisdictions. On top of it all, the City of Austin has the lowest multifamily housing construction costs of any region considered in this study. As a result, the region has added new housing units at a rate fast enough to meet new demand. Between 2000 and 2009, the City of Austin permitted almost 67,000 new units of housing, the third largest amount of any central city considered in this study.

City of Austin Housing Policy Framework

Affordable housing programs, policies, financing, and implementation in the City of Austin are managed by two entities. The City of Austin's Neighborhood Housing and Community Development (NHCD) Office serves as the primary policy maker for affordable housing and community development. NHCD offers a variety of housing programs including homeless and special needs programs, homebuyer assistance, homeowner assistance, renter assistance, and housing developer assistance. The Austin Housing Finance Corporation (AHFC), a public, nonprofit corporation established in 1979, facilitates the construction of new homes and implements City policies. The AHFC is an instrumentality of the City of Austin, with the City Council serving as the Board of Directors. AHFC administers the City's federally funded affordable housing programs and serves as the lead agency for the S.M.A.R.T. Housing Program, Austin's voluntary inclusionary housing program that incentivizes the production of housing that is safe, mixed-income, accessible, reasonably priced, and transit oriented. AFHC also facilitates the financing of affordable housing through the issuance of single-family and multifamily bonds. Separately, the Housing Authority of the City of Austin manages 19 public housing communities and provides more than 5,000 housing choice vouchers.

Key Policies and Programs

Local funding from the City of Austin has helped to create 1,314 units of affordable rental housing between 2003 and 2010. These units were created through the City's Rental Housing Developer Assistance Program, which provides financial assistance for pre-development, acquisition, rehabilitation, new construction, and debt relief, using federal HOME and CDBG funds and other local funds such as bond financing and the Housing Trust Fund. The Housing Trust Fund was established in FY 1999-2000, when the City Council pledged $1 million of general fund money in each of the next three years to support affordable housing. The Council continued to provide $8.8 million of local funding through FY 2008-2009, making Austin one of the few cities to use general fund money for affordable housing. However, the City Council has not contributed general fund dollars to the Housing Trust Fund since that time, highlighting the challenge of relying on scarce discretionary funds. While the State of Texas does not require a percentage of TIF revenues to be used for affordable housing, the City does dedicate 40 percent of property tax increment from developments built on City-owned land to the Housing Trust Fund.

City of Austin

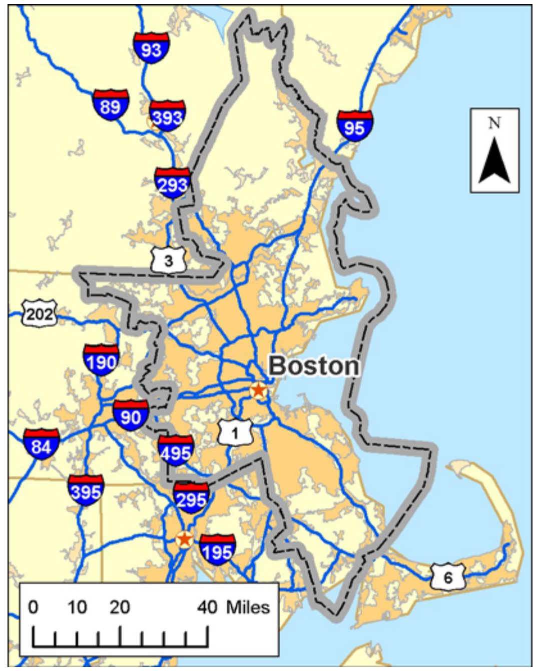
Affordable Housing Production, 2003-2010	
Rental Units	1,314
Ownership Units	NA
Total Units	NA
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: City of Austin, 2010; BAE, 2010.

In addition to providing direct financial assistance to affordable housing developers, the City incentivizes the production of affordable housing through its S.M.A.R.T. Housing program. Implemented in 2000, the this voluntary inclusionary housing program offers fee reductions or waivers and expedited permitting for residential developments that provide at least 10 percent of units as affordable and meets other green building, accessibility, and TOD standards. Fee reductions are offered on a sliding scale, depending on the amount of affordable housing provided; projects that provide 40 percent of units as affordable have fees waived completely. The S.M.A.R.T. program has been well recognized as a strategy to encourage affordable housing production. Through 2005, 4,900 units in S.M.A.R.T. projects were completed, 78 percent of which served households at or below 80 percent of area median income (AMI).[4] However, it should be noted that the program requires only short-term affordability, limiting the number of households that benefit from the affordable housing produced. Rental units must remain affordable for five years while ownership units must be affordable for one year.

[4] S.M.A.R.T. Housing: A Strategy for Producing Affordable Housing at the Local Level. http://www.lakecountyfl.gov/pdfs/2025/SMART_Housing.pdf

Boston-Cambridge-Quincy, MA-NH MSA



The Boston-Cambridge-Quincy, MA-NH MSA consists of seven counties emanating outward from Boston Harbor into central Massachusetts and the southern reaches of New Hampshire. The Counties of Norfolk, Plymouth, Suffolk, Middlesex, and Essex lie within Massachusetts, while Rockingham and Strafford Counties form a metropolitan division in New Hampshire. Boston—the Massachusetts state capital, and one of the oldest cities in the nation—lies at the heart of the region. Cambridge and Lowell, MA are the second and third largest cities, though the region contains many sizeable population centers—both historical hubs of industry and newer edge cities. In total, the Census identifies 31 cities in the Boston-Cambridge-Quincy, MA-NH MSA, though the region contains as many as 90 more urban places that are classified as Minor Civil Divisions. For the purposes of this study, the City of Boston is considered the central city.

Regional Economic and Market Context

In 2009, the metro area was home to 4.5 million residents, including approximately 602,000 residents who lived in the City of Boston. Between 2000 and 2009, both the City and its region grew at an extremely slow pace. The City of Boston added new households at an average annual rate of only 0.1 percent, while metro Boston grew at just 0.3 percent annually.

Boston Region Overview (a)

	Central City	Region
Residents	601,787	4,495,827
Households	242,671	1,727,074
Avg. Annual HH Growth, '00-'09	0.1%	0.3%
Homeownership Rate	31.9%	61.3%
Median Household Income	$50,900	$68,600
Median Rent, 3BR Unit, 2010		$1,835
Median Sale Price, Q1 2010		$270,000
Housing Opportunity Index, Q1 2010 (b)		64.2

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Home to some of the nation's first suburbs, the Boston region is significantly older than most other regions considered in this study. In 2009, the median year of construction for a housing unit in the region was 1958, more than 20 years earlier than the study-wide average. In the City proper, the median year of construction was 1940, the earliest of any central city considered in this study. Therefore, the majority of the central city and even much of its inner suburbs were developed before the advent of the automobile. As such, when duplexes and multifamily housing are tabulated together, the Boston region has the highest proportion of non-single-family dwellings among the comparison jurisdictions. As of 2009, such dwellings accounted for 83 percent of the housing units in the City proper, leaving only 17 percent of units as single-family homes, far below the study-wide average of 50 percent.

In part due to the region's history—which manifests itself in both preservation regulations and irregular structures and sites—home builders in the area face the highest degree of governmental regulation of any of the comparison jurisdictions, as well as most of the nation (the Boston region scores 1.70 on the Wharton Regulation Index, compared to a study-wide average of 0.43 and a national average of -0.10). In addition, multifamily housing construction costs in the City of Boston tie those in San Jose as the second highest of any central city considered in this study. As a result, regional housing costs are above-average, though they are lower than in metro San Diego. In 2010, the median rent for a three-bedroom apartment in greater Boston is $1,835 and the median home sale price during the first quarter was $270,000.

With a median household income of $68,600, households throughout the Boston region can generally support the higher costs of housing. Nevertheless, an above-average proportion of regional residents rent rather than own their homes. In the City of Boston, however—in which 16 percent of households were living below the poverty line in 2009—a greater percentage of households overpaid for housing. As of 2000, owner-households in the City of Boston overpaid for housing at the third highest rate among the central cities considered in this study. Among renters, households earning more than 51 percent of County MFI overpaid at an above-average rate, as well. Interestingly, despite the City's high poverty rate, extremely low- and very low-income households experienced lower rates of overpayment than most of the central cities considered in this study. This can likely be attributed to the City of Boston's robust supply of federally funded public housing.

City of Boston Housing Policy Framework

Boston's Department of Neighborhood Development is responsible for the City's affordable housing programs and policies. The Department houses the Boston Home Center, which provides affordable housing opportunities, homeownership counseling, and first-time homebuyer assistance. In addition, the Neighborhood Housing Development division works with nonprofit and for-profit developers to create and preserve affordable housing. The Boston Redevelopment Authority also works with the Department of Neighborhood Development to create affordable housing opportunities in the City. Separately, the Boston Housing Authority manages the City's public housing units and Section 8 Voucher Program. The Housing Authority is the largest landlord in Boston and the largest public housing authority in New

England, housing approximately 10 percent of the City's residents through its programs.

City of Boston

Affordable Housing Production, 2000-2010	
Rental Units	4,410
Ownership Units	1,456
Total Units	5,863
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	x
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	x
Land Bank	-
One-time revenues from sale of municipal assets	x

Sources: City of Boston 2010; BAE, 2010.

Key Policies and Programs

Since 2000, nearly 5,900 units of affordable housing have been developed in the City of Boston, including over 4,400 rental units. The City implemented an inclusionary housing policy in 2000 to encourage affordable housing development. Although the voluntary program is only triggered when developers request a variance from the Zoning Code, over 90 percent of multifamily require some variances from existing zoning for developers to achieve financially optimal densities.

The City of Boston is one of just four cities considered in this study that has a commercial linkage fee. Developed in 1983, the commercial linkage fee serves as a dedicated revenue source for the City's Housing Trust Fund. The fee is assessed on commercial, industrial, and office developments that are 100,000 square feet or more and require a zoning variance. The fee amount of $7.87 per square foot applies to all commercial development and is updated every three years based on the consumer price index (CPI). San Diego's commercial linkage fee is much lower, at just $1.06 per square foot for office development, and has not been updated since 1996. Since 1986, Boston's commercial linkage fee has generated $81.5 million in revenues and assisted in the development of 6,159 units of affordable housing.

In addition to the commercial linkage fee, the City provides financial assistance to affordable housing developers through CDBG funds and the Leading the Way Fund. The Leading the Way Fund is comprised of one-time city revenues that are made available for new affordable housing production. The City of Boston has a standing policy of not using one-time revenues to balance its regular operating expenses (e.g. personnel costs). These one-time revenues are generally tied to single year non-recurring expenses. Some of the one-time revenue sources (e.g. sale of surplus municipal buildings) are made available to support new affordable housing production. In this way, the one-time revenue source is supporting the creation of a longer-term income stream to the City in the form of new taxable residential real estate that is exempt from the property tax cap that otherwise limits property tax revenues in Boston. Depending on the number of assets sold, income from the LTW fund can range from zero to $10 million per year, averaging $3 to 5 million annually. Although this funding source usually represents less than 10 percent of the City's funding for affordable housing in a given year, LTW monies provide critical funding that are not highly regulated like most other federal, state, and local housing funds.

Community Preservation Act

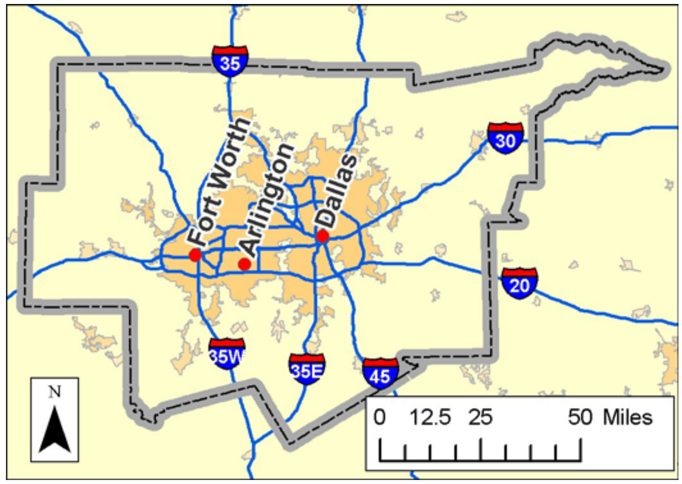
Local Property Tax Surcharge, Cambridge, MA

The City of Cambridge, located in the Greater Boston Area, is home to Harvard University and the Massachusetts Institute of Technology. In 2001, the City of Cambridge enacted the Community Preservation Act (CPA) by a majority vote of the City Council and approval by a majority of local voters. The CPA is a financing tool for Massachusetts communities to expand the supply of affordable housing, protect historic sites, and preserve open space by allowing towns and cities to levy a property tax surcharge of up to three percent. The State provides matching funds to communities that have enacted CPAs. The Cambridge City Council and local voters approved the maximum three percent property tax surcharge, which is levied against the tax amount, not the value of the property. The State provides matching funds through a $20 surcharge on most filings at the Registry of Deeds and land filings at the Land Court and a $10 surcharge on municipal liens. Ten percent of funds must be reserved each for open space, historic preservation, and affordable housing while the remaining 70 percent can be spent at the City's discretion on these three purposes.

CPA funds for affordable housing are directed to the City's Affordable Housing Trust. In FY06, the City Council appropriated $9.6 million generated from the CPA to the Housing Trust. The Housing Trust also receives funds from the City's Incentive Zoning Ordinance, which requires certain non-residential projects to contribute a per square foot fee for affordable housing, and from Harvard University, which committed funding to support affordable housing in Cambridge and Boston. Between 1986 and 2006, the combined revenues for the Affordable Housing Trust supported the development of 1,802 units of affordable rental and ownership housing.

Sources: City of Cambridge, Community Preservation Act Frequently Asked Questions,
http://www.cambridgema.gov/CityOfCambridge_Content/documents/Community%20Preservation%20Act.pdf
City of Cambridge, Affordable Housing Trust Report, 2006,
http://www.cambridgema.gov/cdd/hsg/caht/hsg_caht_2006.pdf

Dallas-Fort Worth-Arlington, TX MSA



The Dallas-Fort Worth-Arlington, TX MSA consists of 12 counties in northern Texas. The region is one of the largest metropolitan areas in the US, both in terms of population and geography. Though anchored by two major cities—Dallas and Fort Worth—as of the 2000 Census, the region included 11 other cities with populations greater than 100,000. In total, there are 202 cities, towns, and villages in the Dallas-Fort Worth-Arlington, TX MSA. For the purposes of this study, the City of Dallas is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to over 6.3 million residents. Around 1.3 million of those residents lived in the City of Dallas. Though the City added new households at the below-average rate of 0.4 percent per year between 2000 and 2009, the greater region grew at one of the fastest rates of any metropolitan area considered in this study.

Dallas Region Overview (a)

	Central City	Region
Residents	1,256,858	6,348,826
Households	468,055	2,270,328
Avg. Annual HH Growth, '00-'09	0.4%	2.1%
Homeownership Rate	42.1%	62.3%
Median Household Income	$41,800	$56,200
Median Rent, 3BR Unit, 2010		$1,263
Median Sale Price, Q1 2010		$155,000
Housing Opportunity Index, Q1 2010 (b)		79.9

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Household incomes in both the City of Dallas and the surrounding region are relatively low. In 2009, the median household income in the City was $41,800, lower than all other central cities considered in this study, except Miami. Though at $56,200, the median household income throughout the Dallas region was somewhat higher, it still ranked fourth lowest among peer regions. However, the below-average incomes in the region do not necessarily put local households under duress, as housing costs are correspondingly low.

Similar to other Southern regions considered in this study, metro Dallas faces relatively few hurdles to new housing development. Behind Austin, the Dallas region features the second lowest degree of land-use regulation and the third lowest multifamily housing construction costs among the comparison jurisdictions. Further, less than ten percent of its land mass is considered undevelopable due to geographic constraints, allowing for rapid horizontal expansion. As a result, the region features below-average housing costs. In 2010, the median rent for a three-bedroom apartment is $1,263—several hundred dollars below the study-wide average. During the first quarter of the year, the median home sale price was $155,000, the fourth lowest among peer regions. This is consistent with 2000 Census data on housing overpayment, which indicates that renter-households in the City of Dallas overpaid for housing at a lower rate than in any other central city considered in this study. Owner-households overpaid at a below-average rate, as well.

City of Dallas Housing Policy Framework

Housing programs and policies in the City of Dallas are overseen by the Housing/Community Services Department. The Department administers federal entitlement grant funds such as CDBG and HOME funds and oversees the City's land bank. The Dallas Housing Finance Corporation, which is a City entity, also provides funding to affordable housing developments through tax-exempt bond issuances. In addition, the Dallas Housing Authority (DHA) owns and operates nearly 3,900 public housing units in the City. DHA also operates the City's Section 8 and Family Self Sufficiency Program.

Key Policies and Programs

City of Dallas	
Affordable Housing Production, 2000-2010	
Rental Units	4,020
Ownership Units	5,067
Total Units	9,087
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	-
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	x

Sources: City of Dallas, 2010; BAE, 2010.

The City of Dallas' primary effort to support affordable housing is to provide financial assistance through CDBG, TIF, and tax-exempt bonds. Dallas dedicates a large share of its CDBG funds to affordable housing. Approximately 56 percent of the City's allocation supports affordable housing, a far higher percentage than San Diego and most other peer cities. In addition, another nine percent is used to fund infrastructure improvements in support of affordable housing. Since 2000, Dallas has dedicated between $110 million and $130 million of its CDBG dollars to affordable housing. TIF revenue has also generated between $5 million and $10 million since 2000. While Texas state law does not require an affordable housing set-aside, redevelopment areas in the City average a 10 percent set-aside for affordable housing. The City supplements CDBG and TIF funds with bond financing. The City issued two voter-approved General Obligation bonds for affordable housing in 2003 and 2006 for a total of $50 million. The Dallas Housing Finance Corporation also issues bonds for affordable housing, including a 2004 multifamily bond and a recent Housing and Economic Recovery Act (HERA) bond.

In addition to financial assistance, Dallas has a Land Bank that acquires tax-foreclosed properties for affordable housing. The City contracts with the Dallas Housing Acquisition and Development Corporation to operate the Land Bank. Since 2005, 574 properties have been acquired. Forty-five homes have been developed on land bank properties since 2007.

Denver-Aurora-Broomfield, CO MSA

The Denver-Aurora-Broomfield, CO MSA consists of the nine counties emanating outward from the City and County of Denver, the state capital. Like Denver itself, the metropolitan area bridges from the western edge of the Great Plains to the eastern edge of the Rocky Mountains. In total, there are 46 cities and towns in the Denver-Aurora-Broomfield, CO MSA, including five places with over 100,000 inhabitants, not including the City of Denver, which, for the purposes of this study, is considered the region's central city.

Regional Economic and Market Context

In 2009, the region was home to 2.5 million residents, including some 597,000 residents who lived in the City proper. Between 2000 and 2009, the City grew at a below-average rate, adding new households at an average annual rate of only 0.5 percent. Greater Denver, however, which grew by 1.5 percent annually, added new households about on pace with the study-wide average.

Denver Region Overview (a)

	Central City	Region
Residents	596,565	2,528,842
Households	250,586	976,666
Avg. Annual HH Growth, '00-'09	0.5%	1.5%
Homeownership Rate	52.1%	68.3%
Median Household Income	$46,500	$60,200
Median Rent, 3BR Unit, 2010		$1,308
Median Sale Price, Q1 2010		$205,000
Housing Opportunity Index, Q1 2010 (b)		73.8

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The demographic, economic, and housing indicators covered in this study paint metro Denver as middle-of-the-road region, relative to its peers. In 2009, the median household incomes in the central city and broader region were $46,500 and $60,200, respectively, both slightly below the study-wide averages. As of 2000, the City of Denver featured average proportions of extremely low- and very low-income households. But along with Salt Lake City, it had the highest proportion of households earning between 51 and 80 percent of County MFI, portraying the City as a more working-class place than many of its peers. Housing costs generally complement local incomes. As of 2000, owner- and renter-households in all income categories overpaid for housing at a below-average rate, though not drastically. More recently, during the first quarter of 2010, the median home sale price in the Denver region fell below the study-wide average at $205,000 and a household earning the local median income could afford 74 percent of homes sold. As a result, both the City and its metro region feature slightly above-average levels of homeownership.

City of Denver Housing Policy Framework

The Denver Office of Economic Development includes a Housing Assistance division, which encourages the preservation, rehabilitation, and development of affordable housing in the City. The Housing Assistance division oversees the City's affordable rental and homeownership programs and provides developer assistance. Separately, the Denver Housing Authority owns and operates 3,800 public housing units and administers up to 5,625 Housing Choice Vouchers.

Key Policies and Programs

City of Denver	
Affordable Housing Production, 2000-2010	
Rental Units	NA
Ownership Units	NA
Total Units	NA
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	-
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	x

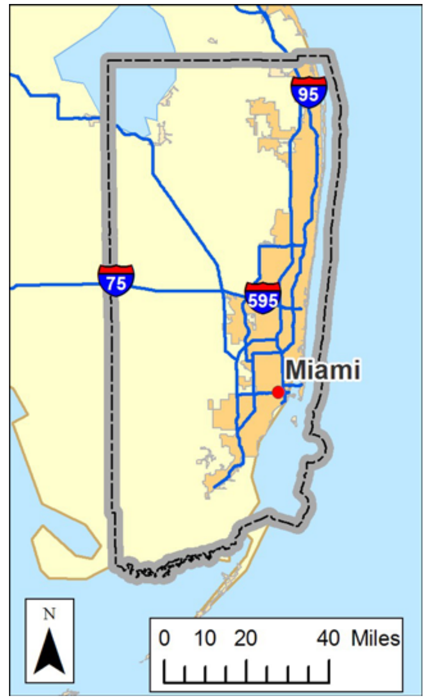
Sources: City of Denver, 2010; BAE, 2010.

The City of Denver has a number of affordable housing programs and policies, including an inclusionary housing ordinance, funding mechanisms, and land acquisition tools. Instituted in 2002, the City's inclusionary policy is voluntary for rental projects and mandatory for ownership developments. The City offers incentives to developments that meet the inclusionary requirements, including fee rebates, density bonuses, parking bonuses, and expedited review. The City also provides financial assistance to affordable housing developers through in-lieu fees, CDBG funds, and tax-exempt bonds.

In addition to City-led affordable housing initiatives, Denver has a growing Community Land Trust managed by the nonprofit Colorado Community Land Trust (CCLT) and a Land Bank. CCLT was originally created to meet affordable housing requirements in the development agreement for the Lowry Air Force Base and has since expanded to include the entire Denver metro area. Since 2000, CCLT has created 186 units of affordable housing. The Land Bank is a partnership between the Urban Land Conservancy (ULC), Enterprise, and the City, and was established in 2007 with a $15 million TOD Acquisition Fund that was created with the help of a MacArthur Foundation grant. The three partner organizations provide oversight through a seven-member committee. ULC is responsible for land acquisition based on the criteria established by the partnership. Since 2007, the Land Bank has acquired two properties.

Miami-Fort Lauderdale-Pompano Beach, FL MSA

The Miami-Fort Lauderdale-Pompano Beach, FL MSA consists of three densely-populated counties wedged between the Atlantic Coast and the Everglades in the southeastern part of the state. The region encompasses Miami-Dade, Broward, and Palm Beach counties. Though the City of Miami is the region's largest population and jobs center, South Florida contains smaller metropolitan divisions anchored by the Cities of Fort Lauderdale and West Palm Beach. In total, there are 104 cities, towns, and villages in the Miami-Fort Lauderdale-Pompano Beach, FL MSA. For the purposes of this study, the City of Miami is considered the central city.



Regional Economic and Market Context

In 2009, the region housed 5.5 million residents, making it the second largest metropolitan area considered in this study behind Dallas. Of those, only 430,000 residents lived in the City of Miami. While the central cities considered in this study comprised 23 percent, on average, of their metropolitan areas, the City of Miami makes up only eight percent of the regional population of South Florida. Therefore, though culturally and economically significant, the City lies at the southern end of a long, continuous blanket of urbanized land stretching over 100 miles along the coast. Between 2000 and 2009, the region added new households at an average rate of 0.9 percent annually. The City of Miami, however, experienced an average annual household growth rate of 2.1 percent, the third highest of any central city considered in this study. Most of this new growth can likely be attributed to a boom in downtown residential construction, discussed below.

Miami Region Overview (a)

	Central City	Region
Residents	429,888	5,526,833
Households	162,469	2,063,242
Avg. Annual HH Growth, '00-'09	2.1%	0.9%
Homeownership Rate	34.6%	66.3%
Median Household Income	$29,800	$49,600
Median Rent, 3BR Unit, 2010		$1,671
Median Sale Price, Q1 2010		$170,000
Housing Opportunity Index, Q1 2010 (b)		58.5

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The Miami region contains more land that is off-limits due to geographic constraints—namely water—than any other considered in this study. Concerned about the relative scarcity of this key resource, state and local jurisdictions have established relatively stringent development regulations, giving metro Miami the second highest score on the Wharton Regulation Index among the comparison jurisdictions. Yet, the region has attracted a relatively large population, including a substantial number of Latino immigrants, putting upward pressure on the housing market that has pushed costs beyond the reaches of local incomes. As of 2009, the median household income in the City of Miami was only $29,800, the lowest figure among the competitor cities by more than $10,000. This phenomenon was not limited to the urban core. Of the regions considered in this study, metro Miami had the second lowest median household income at $49,600.

As of 2000, both renter- and owner-households in the City of Miami overpaid for housing at a higher rate than in any other comparison city. While the median home sale price of $170,000 during the first quarter of 2010 fell below the study-wide average, the Miami region registered a Housing Opportunity Index score of only 58.5. In other words, for-sale housing was more unaffordable to South Floridians than the residents of any other low-cost region considered in this study. In response to this affordability crisis, local households have cut costs wherever possible, often squeezing large numbers of people into smaller housing units. In 2000, a staggering 26 percent of households in central Miami lived in overcrowded situations—the highest percentage of any central city considered in this study, and more than double the study-wide average. Similarly, at the regional level, 14 percent of households lived in overcrowded situations, second only to Orange County.

In this tightly constrained housing market, an above-average proportion of housing units are multifamily. In fact, as of 2009, metro Miami had a higher percentage of multifamily units than any other region considered in this study. Between 2000 and 2009, when over 300,000 units of housing were permitted in the greater region, 46 percent of them were for multifamily housing, well above the study-wide average of 33 percent. During the same period, a staggering 98 percent of building permits issued in the City of Miami was for multifamily housing, reflecting a boom in downtown high-rise living. But as this flurry of construction activity was largely oriented toward the luxury market, it has done little to ease the cost burden shouldered by the City's large low-income community.

City of Miami Housing Policy Framework

Miami-Dade County, which includes the City of Miami, operates under a unique system of government known as a "two-tier federation." In this system, the County and the 35 municipalities remain separate entities. The cities are the lower tier of government and provide police and fire protection, zoning and code enforcement, and other local functions including housing and community development. The County is the upper tier and provides metropolitan-level services such as emergency management, airport and seaport operations, public housing and health care services, transportation, environmental services, solid waste services, etc.

The City of Miami administers housing programs locally through the Department of Community Development's Housing Division. The Housing Division allocates state and federal housing funds and also administers the City's Section 8 voucher program. The Miami-Dade Public Housing Agency, a Miami-Dade County department, is responsible for 9,000 public housing units, including developments located in the City of Miami.

Key Policies and Programs

City of Miami	
Affordable Housing Production, 2000-2007	
Rental Units	NA
Ownership Units	NA
Total Units	3,591
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	-
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	-
Land Bank	-
State Housing Initiatives Partnership (documentary stamp revenues)	x

Sources: City of Miami, 2010; BAE, 2010.

City investment in affordable housing resulted in the creation of 3,591 affordable units between 2000 and 2009 in Miami. The City of Miami's Affordable Housing Trust Fund generated $15 million in financing between 2000 and 2007. The Fund is capitalized by contributions from private developers wanting to take advantage of floor area bonus provisions allowed in the Zoning Ordinance. Trust Fund monies are spent on affordable rental and ownership developments as well as homebuyer assistance programs. The City also supports affordable housing through the State Housing Initiatives Partnership (SHIP), the first permanently funded state housing program in the nation to provide funds directly to local governments to increase affordable housing opportunities. SHIP funds are used to produce and preserve affordable homeownership and multifamily rental housing for lower- and moderate-income households and may also fund other housing-related programs. Unfortunately, the approved State FY2011-2012 budget redirected SHIP funds ($166 million) and no monies were allocated to local jurisdictions.

Beyond financial incentives, the City also encourages affordable housing developments by offering impact fee deferrals and expedited permit processing for affordable units.

Miami-Dade Documentary Stamp Surtax Program

Dedicated Localized Funding, Miami-Dade County, FL

Miami-Dade County's population is estimated by the U.S. Census to have increased by almost 150,000 between 2000 and 2008, and several of Florida's major cities are located in the County, including the county seat of Miami. In 1984, Miami-Dade County established a Housing Assistance Loan Trust Fund. The Trust Fund is funded through the Documentary Stamp Surtax Program, which generates proceeds from a surtax that is placed on documents which transfer interest in all types of real property, with the exception of single-family residences. Residential sales are taxed at $.60 per $100 of value, instead of the state tax of $.70 per $100 of value. Proceeds from the surtax program are intended to benefit very low- to moderate-income families (families earning 140 percent or less of AMI), and has resulted in millions of dollars being allocated to the Trust Fund.

Between 1984 and 2008, revenue from the surtax totaled $461 million. Over 50 percent of the funds have benefitted low-income families, and County officials have been able to provide financing to facilitate the construction of over 15,000 affordable rental units. Surtax funds have been used to assist over 7,000 low- to medium-income families with obtaining secondary mortgages. The program also funds homebuyer counseling, which has resulted in a 1.1 percent default rate for participants. While the program originally experienced increases in revenue during the real estate boom in 2003 and 2004, in 2005 it began to experience declining revenues. Originally set to expire in 2011, the program was recently reauthorized through 2031.

Sources: Broward County, *Thinking Outside of the Box*, November 2008, p. 12 and 13; Miami-Dade County, *Affordable Housing Surtax Program*, 2010.

Minneapolis-Saint Paul-Bloomington, MN-WI MSA

The Minneapolis-Saint Paul-Bloomington, MN-WI MSA spans 11 counties in Minnesota and two counties in Wisconsin. Though centered around Minnesota's Twin Cities of Minneapolis and Saint Paul, the region extends to include 177 cities in Minnesota and 20 cities and villages in Wisconsin. For the purposes of this study, the City of Minneapolis—Minnesota's largest—is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to nearly 3.3 million residents, making it comparable in size to the San Diego region. The City of Minneapolis, however, is much smaller, consisting of only 379,000 residents. Between 2000 and 2009, the region grew at an average rate, relative to the comparison jurisdictions, increasing its number of households by 1.1 percent annually. The City, however, lost a small number of households during the same period, making it the only central city considered in this study to contract over the course of the decade.

Minneapolis Region Overview (a)

	Central City	Region
Residents	379,319	3,258,197
Households	161,862	1,256,490
Avg. Annual HH Growth, '00-'09	0.0%	1.1%
Homeownership Rate	50.5%	73.9%
Median Household Income	$45,400	$65,000
Median Rent, 3BR Unit, 2010		$1,243
Median Sale Price, Q1 2010		$165,000
Housing Opportunity Index, Q1 2010 (b)		86.0

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The Minneapolis region, where relatively low housing costs are complemented by sturdy household incomes, is one of the most affordable considered in this study. In 2009, the median household income was $65,000, making it far more affluent than any other low-cost region considered in this study. During the first quarter of 2010, the median home sale price was only $165,000. With a Housing Opportunity Index score of 86.0, for-sale housing was more affordable in the Minneapolis region than any other comparison jurisdiction.

The affordability of for-sale housing has produced a region in which, as of 2009, 71 percent of housing units were single-family homes, compared to a study-wide average of 65 percent. In fact, metro Minneapolis had a higher homeownership rate than any other region considered in the study. Though housing conditions differ in the City of Minneapolis, where single-family homes comprise a below-average proportion of the housing stock, it is still relatively affordable. In 2000, both owner- and renter-households in the City of Minneapolis overpaid for housing at a below-average rate.

City of Minneapolis Housing Policy Framework

The City of Minneapolis Community Planning and Economic Development Department administers housing programs across the entire housing continuum, from emergency shelters and transitional housing to affordable and market-rate rental and ownership opportunities. In addition, the Minneapolis Public Housing Authority (MPHA) is responsible for the public housing and Section 8 programs in the City.

City of Minneapolis	
Affordable Housing Production, 2000-2010	
Rental Units	8,452
Ownership Units	109
Total Units	8,561
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	x
Land Bank	x

Sources: City of Miami, 2010; BAE, 2010.

Key Policies and Programs

Since 2000, over 8,400 units of affordable rental housing have been produced in Minneapolis. In addition, over 100 affordable homeownership units have been created through the local community land trust. The City's primary affordable housing activity is to provide financial support through CDBG, TIF, a local housing trust fund, and tax-exempt bonds. Minneapolis reserves 62 percent of CDBG funds for housing activities, one of the highest percentages among peer cities. These CDBG funds, along with federal HOME dollars and other local funds are deposited into the local housing trust fund, which supports affordable rental housing. Since 2000, the fund has expended $68 million in support of affordable housing.

In addition to City-led efforts, Minneapolis has a strong philanthropic community that supports affordable housing through a Community Land Trust and Land Bank. The City of Lakes Community Land Trust (CLCLT) was formed by a collaboration of residents, neighborhood associations, and community development corporations in 2002. The CLCLT acquires properties through its Homebuyer Initiative Program (HIP) by providing subsidies to households purchasing homes on the open market and bringing it into the CLT. Recently, the HIP has been used by CLCLT buyers to identify and purchase previously bank foreclosed homes and short sale homes. Between fall 2004 and summer 2010, CLCLT acquired 109 affordable homeownership units. The City also has a nonprofit-led Land Bank. The Twin Cities Community Land Bank operates in the seven-county metropolitan area and has raised and committed $30 million for property acquisition, rehabilitation/redevelopment, and holding costs for properties that are banked for varying terms based on market absorption.

Regional Community Land Bank

Twin Cities Community Land Bank, Minneapolis-Saint Paul Region, MN

The Twin Cities metropolitan region has earned a national reputation as a leader in policy innovation, including in the area of affordable housing. One notable example of this innovative policy environment is the Twin Cities Community Land Bank which was formed by the Family Housing Fund as a partnership between local governments, neighborhood based organizations and nonprofit and for-profit developers. Initially capitalized through a program-related investment from the Family Housing Fund and structured as a nonprofit limited liability company, the Land Bank has raised a total of $30 million from public and private sources to support affordable housing and neighborhood revitalization efforts by acquiring, rehabilitating and holding properties that are "banked" for varying terms based on market absorption.

The Twin Cities regional land banking model has won recognition from HUD as a leader in neighborhood stabilization efforts nationally and was recently awarded an additional $20 million from the second round of the Neighborhood Stabilization Program. What is particularly notable about this structure is the close collaboration between the public and private sectors to facilitate the acquisition, redevelopment and disposition of distressed properties in an efficient manner consistent with the land trust's guiding principles.

Source: Twin Cities Communities Land Bank, www.tcclandbank.org.

Orange County, CA

Orange County, CA is the only comparison region in this study that is defined in terms of a county for statistical purposes, rather than an MSA (though the San Diego-Carlsbad-San Marcos, CA MSA consists solely of San Diego County). This is because the U.S. Office of Management and Budget treats Orange County as a subset of the Los Angeles-Long Beach-Santa Ana, CA MSA, which, by including Los Angeles County, significantly obscures statistical data pertaining to Orange County as a distinct metropolitan entity. Though it lacks a traditional urban center typical of most metropolitan areas, Orange County contains several sizeable cities, including Anaheim, Santa Ana, Garden Grove, Irvine, and Huntington Beach. While the County includes 34 cities, in total, for the purposes of this study, Anaheim is considered the central city.

Regional Economic and Market Context

In 2009, nearly 3.1 million people lived in Orange County, making it one of the most populous counties in the nation. Of those, an estimated 339,000 lived in Anaheim. Between 2000 and 2009, both Anaheim and Orange County grew at a slower pace than the City of San Diego and San Diego County, respectively. With an average annual household growth rate of just 0.1 percent, Anaheim ranks among the slowest growing central cities considered in this study.

Orange County Overview (a)

	Central City	Region
Residents	338,880	3,068,575
Households	97,532	991,611
Avg. Annual HH Growth, '00-'09	0.1%	0.7%
Homeownership Rate	49.9%	61.7%
Median Household Income	$57,500	$74,600
Median Rent, 3BR Unit, 2010		$2,497
Median Sale Price, Q1 2010		$306,000
Housing Opportunity Index, Q1 2010 (b)		35.9

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

While housing has historically been more expensive along the California coast than anywhere else in the nation, during the last decade, Orange County experienced significant inflation that pushed costs even higher. In 2010, the median rent for a three-bedroom apartment is nearly $2,500, representing a 72 percent increase since 2001. Similarly, as of the first quarter of 2010, the median home sale price was $306,000, the fourth most expensive among the comparison jurisdictions. This value represented a 58 percent increase over the first quarter of 2000, more than double the study-wide average rate of inflation. As a result, for-sale housing was more unaffordable to households earning the local median income in Orange County than any other region considered in this study, save San Francisco. In addition, when the last count of cost-burdened households was conducted in 2000, both owner- and renter-households in Anaheim overpaid for housing at a higher rate than in any of the other central cities in California. Though median household income in Orange County has since grown by a relatively robust 26 percent, this increase has not been substantial enough to temper the inflation of housing costs. Therefore, the proportion of cost-burdened households in places like Anaheim has likely grown over the last decade, rather than subsided. Cost-burdened households may squeeze into inappropriately small housing units. In 2000, 16 percent of households in Orange County lived in overcrowded situations—a higher percentage than in any other region considered in this study, and more than double the study-wide average. The problem of overcrowding may be compounded by the County's relatively large households. In 2009, the average household in Orange County numbered 3.05 persons, more than any other region considered in this study.

City of Anaheim Housing Policy Framework

Anaheim's Community Development Department oversees the City's affordable housing and housing development programs. The City's Redevelopment Agency and Housing Authority are also housed within the Community Development Department.

Key Policies and Programs

City of Anaheim	
Affordable Housing Production, 1998-2005	
Rental Units	NA
Ownership Units	NA
Total Units	1,830
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	-
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	-
Land Bank	-
Density Bonus Program	x
Developer Incentive Program	x

Sources: City of Anaheim Housing Element, 2009; BAE, 2010.

Between 1998 and 2005, over 1,800 units of affordable rental and ownership housing has been produced in the City of Anaheim. The City has fewer affordable housing programs and policies than many other peer cities considered in this study. Anaheim's primary affordable housing activity is to provide incentives and financial assistance to developers using HOME and TIF funds. In 2006, per state law, the Anaheim Redevelopment Agency increased the amount of TIF housing set-aside from 20 percent to 30 percent when it extended the life of the Anaheim Merged Redevelopment Project Area. Housing set-aside funds, along with federal HOME dollars, fund the Developer Incentive program, which offers incentives and concessions to promote affordable housing development. Developer incentives are primarily supplied through land write-downs and ground leases of Redevelopment Agency owned properties. Approximately $60 million of land acquisition occurred between 2002 and 2009. Other incentives offered through the program include financial assistance to cover development fees, pre-development loans or grants, provision of off-site improvements, density bonuses, and bond financing. In addition, the City offers expedited permit processing for very low- and low-income residential developments.

The City also has a Density Bonus Ordinance that goes beyond bonuses for general affordable housing required by California state law. Anaheim offers density bonuses for senior housing developments, land transfers for affordable housing, condominium conversions that reserve a certain percentage of units for low- or moderate-income households and developments that include or are adjacent to child care facilities.

Housing Opportunities Overlay Zone

Affordable Housing Overlay Zone, Orange County, CA

Orange County, which includes cities such as Anaheim, Irvine, and Santa Ana, is among the top 10 least affordable metropolitan markets in the nation. In June 2006, the County Board of Supervisors amended the General Plan to include a Housing Opportunities Overlay Zone. The goal of the Overlay Zone is to facilitate the development of affordable housing on non-residentially zoned land in the unincorporated County. The Housing Opportunities Overlay Zone allows affordable housing development by-right (i.e., without a conditional use permit) in the Local Business, General Business, Commercial Highway, Commercial Neighborhood, Professional and Administrative Office, and Light Industrial Zones. Eligible projects include rental developments that are 100 percent affordable to low- and very low-income households for at least 55 years. The County offers several incentives if necessary to make projects economically feasible, including density bonuses, setback reductions, increased maximum lot coverage, and/or increased building height. In addition, the County offers alternative or reduced parking requirements for residential developments within the Overlay Zone.

The first two projects to be approved in the Overlay Zone were Cornerstone and Palm Court Apartments, with a total of 180 lower-income units. The projects achieved densities of 33.8 and 56.2 units per acre, respectively, and included affordable units at 30 percent, 50 percent, and 60 percent of AMI.

Source: County of Orange, *Housing Element*, December 9, 2008, p. X48-X-49, X54-X55, B3.

Phoenix-Mesa-Scottsdale, AZ MSA

The Phoenix-Mesa-Scottsdale, AZ MSA is located in central Arizona, consisting of Maricopa and Pinal counties. Arizona has relatively large counties and a harsh dessert landscape. As a result, much of the MSA is rural or completely uninhabited. The core part of the MSA is centered around the City of Phoenix. Other major urban areas include the cities of Mesa and Scottsdale, which are both located less than 20 miles from Phoenix. In total, there are 34 cities and towns in the Phoenix-Mesa-Scottsdale, AZ MSA. For the purposes of this study, the City of Phoenix is considered the central city.

Regional Economic and Market Context

In 2009, the Phoenix region was home to 4.4 million residents. Nearly 41 percent of residents, or 1.5 million people, resided in the City of Phoenix. Over the past decade, the region has experienced substantial population and household growth. Annual household growth averaged 3.0 percent in the region between 2000 and 2009, the second fastest growth rate among peer regions. While household growth in the City was more moderate at an average rate of 1.5 percent per year, growth still outpaced the City of San Diego and the average comparison city.

Phoenix Region Overview (a)

	Central City	Region
Residents	1,543,310	4,351,309
Households	532,483	1,558,268
Avg. Annual HH Growth, '00-'09	1.5%	3.0%
Homeownership Rate	60.6%	70.2%
Median Household Income	$47,700	$55,000
Median Rent, 3BR Unit, 2010		$1,409
Median Sale Price, Q1 2010		$140,000
Housing Opportunity Index, Q1 2010 (b)		81.9

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Phoenix is characterized by a high homeownership rate on both a City and regional level. In 2009, 61 percent of City households and 70 percent of households in the region were homeowners. The high homeownership rate is consistent with the large proportion of single-family residences in the City's and region's housing stock. Single-family homes represent 63 percent of homes in the City and 66 percent of units in the County. While many cities and regions have exhibited a shift towards more multifamily construction over the last decade, new residential construction continues to be largely dominated by single-family homes in Phoenix. Single-family residences represented 71 percent of building permits issued in the City and 83 percent of permits issued regionally between 2000 and 2009, the highest proportion among all comparison cities and regions.

Housing prices in the Phoenix region are largely affordable in today's market due to the Great Recession and burst of the housing bubble. In fact, Phoenix was the second most affordable region in this study in the first quarter of 2010, when the median sale price in the region stood at $140,000, making 82 percent of homes sold on the market affordable to households earning the median income. While Phoenix's housing market was never as unaffordable as high-cost markets such as San Francisco, San Jose, and San Diego, housing was less affordable in the earlier part of the decade before sales prices declined during the recession. In 2005, over a year before the peak in Phoenix's housing market, the median sale price was $193,000 and only 60 percent of homes sold on the market were affordable to median-income households.

City of Phoenix Housing Policy Framework

The City of Phoenix's Housing Department guides the affordable rental and homeownership programs as well as affordable housing development programs. The Housing Department functions as the City's Housing Authority, and owns 3,500 units of public and affordable housing and manages over 5,000 housing choice vouchers.

Key Policies and Programs

City of Phoenix	
Affordable Housing Production, 2000-2010	
Rental Units	6,663
Ownership Units	3,838
Total Units	10,501
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	-
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	-
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	-

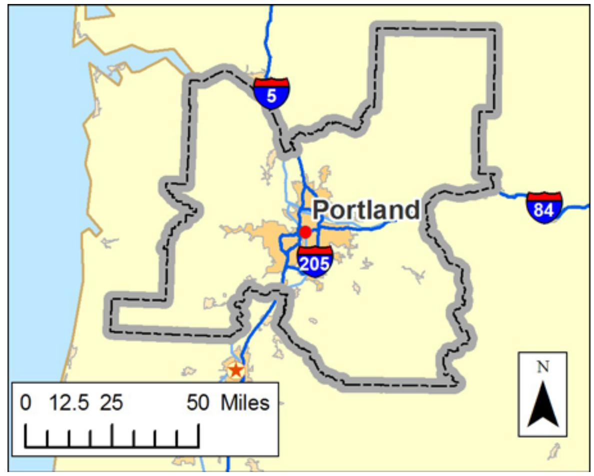
Sources: City of Phoenix 2010; BAE, 2010.

Approximately 10,500 units of affordable housing have been produced in the City of Phoenix since 2000. The City's primary affordable housing activity is to provide financial assistance through CDBG and bond financing. As the fifth largest city in the country and the largest city considered in this study, Phoenix receives a large CDBG allocation each year. The City allocates approximately 30 percent of its CDBG dollars to affordable housing. In addition, the City has issued two voter-approved bonds for housing. The five-year bond initiatives passed in 2001 and 2006 created $33.7 million and $29.8 million in financing, respectively. Phoenix does not, however, use TIF funds for affordable housing as Arizona is the only state in the country without tax increment financing law.

In addition, affordable housing developments that receive public funding are eligible for the

City’s Priority Expedited Plan Review program.

Portland-Vancouver-Beaverton, OR-WA MSA



The Portland-Vancouver-Beaverton, OR-WA MSA emanates outward from the City of Portland. The region includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon and Clark and Skamania counties in Washington. In addition to Portland, other major cities in the region include Beaverton, Gresham, and Hillsboro in Oregon and Vancouver in Washington. In total, there are 50 cities in the Portland-Vancouver-Beaverton, OR-WA MSA. For the purposes of this study, the City of Portland is considered the central city.

Regional Economic and Market Context

Over 2.2 million people resided in the region in 2009, including 563,000 residents in the City of Portland. Although regional growth in the MSA has outpaced the San Diego region, the City of Portland grew at a slightly slower rate than the City of San Diego. Between 2000 and 2009, household growth in the City averaged 0.7 percent per year while the region grew twice as fast, with an average annual growth rate of 1.5 percent.

Portland Region Overview (a)

	Central City	Region
Residents	562,077	2,218,761
Households	239,084	855,117
Avg. Annual HH Growth, '00-'09	0.7%	1.5%
Homeownership Rate	55.4%	63.3%
Median Household Income	$48,100	$56,400
Median Rent, 3BR Unit, 2010		$1,261
Median Sale Price, Q1 2010		$225,000
Housing Opportunity Index, Q1 2010 (b)		67.3

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Households in the Portland City and region were less affluent than those in San Diego and the average comparison region. Nevertheless, lower housing costs in the Portland region allow for greater affordability. During the first quarter of 2010, the median sale price in the Portland-Vancouver-Beaverton, OR-WA MSA was $225,000 and 67 percent of homes sold on the market would be affordable to households earning the median income. Median rents in the region are also lower than rents in the majority of the comparison regions. In 2010, median rent for a three-bedroom unit in the Portland region was $1,261 per month, compared to over $2,000 per month in San Diego and a study-wide average of $1,618 per month.

Portland's housing stock on both a City and regional level is characterized by an above-average proportion of single-family homes. While multifamily development comprised a majority of residential construction in the City of Portland between 2000 and 2009, single-family homes continued to represent a larger share of new residential construction in both the City and region than in San Diego and the average comparison city and region. Single-family residences accounted for 35 percent of building permits issued in the City of Portland and 70 percent of permits issued regionally.

City of Portland Housing Policy Framework

The Portland Housing Bureau (PHB) was created in July 2010, merging the former Portland Development Commission's Housing Department and the Bureau of Housing and Community Development. PHB is responsible for the City's affordable housing, homeownership, and homeless prevention programs and policies. Separately, the Housing Authority of Portland (HAP) administers the public housing and Section 8 program for all of Multnomah County, which includes the City of Portland. HAP oversees 6,200 housing units and administers 8,800 vouchers.

Key Policies and Programs

City of Portland	
Affordable Housing Production, 2000-2010	
Rental Units	2,264
Ownership Units	949
Total Units	3,213
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	x
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	-
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	-
Tax Abatement	x

Sources: City of Portland, 2010; BAE, 2010.

Affordable housing policies and programs in Portland have encouraged the creation of 3,213 affordable rental and ownership units in the City since 2000. The City provides financial assistance through CDBG, TIF, and tax-exempt bonds. Portland dedicates approximately 75 percent of CDBG funds to housing activities, the highest proportion among peer cities, and 30 percent of TIF revenue for affordable rental and homeownership programs. The City also has a community land trust administered by the nonprofit Proud Ground, which has produced 122 units between 1999 and 2008.

Portland is one of the few cities considered in this study to encourage affordable housing through tax abatements. The City has several tax abatements in place, including ones for rental rehabilitation and TOD. The Rental Rehabilitation Tax Abatement offers a 10-year abatement on the increase in assessed value that results from the rehabilitation or conversion for developments with a certain percentage of units affordable to households at or below 60 percent AMI. The TOD tax abatement offers eligible mixed-use TOD projects that have an affordable housing component an abatement of up to 10 years on the improvement value of the residential component of the development. Portland also offers limited tax abatements for single-family owner-occupied rehabilitation and single-family new construction in designated areas.

Portland Regional Housing Strategy Plan

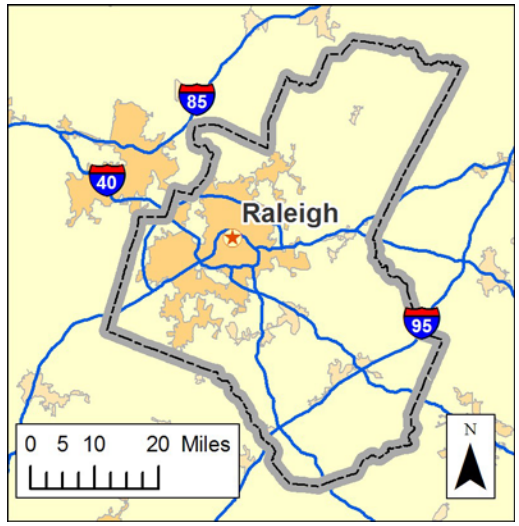
Portland, OR Metropolitan Region

Portland's regional system of governance and urban planning has been widely studied as a model for managing urban growth and coordinating land use policies across a variety of jurisdictions. Within this overall regional planning framework, the Portland Metro government also prepared a Regional Housing Strategy Plan which calls upon all jurisdictions in the region to address affordable housing needs and recommends a series of land-use and financing strategies. The strategies include: 1) allowing density bonuses; 2) providing for replacement housing; 3) encouraging voluntary inclusionary zoning; 4) allowing for transfer of development rights; 5) addressing elderly/disabled housing need; 6) correcting existing regulatory constraints; 7) reviewing surface parking requirements.

Jurisdictions across the region from Tigard to Beaverton have adopted many of these policies as part of their comprehensive plans and there is an ongoing regional effort to track and coordinate housing production, preservation and rehabilitation activities.

Source: Portland Metro, 2007.

Raleigh-Cary, NC MSA



The Raleigh-Cary, NC MSA is part of the larger "Research Triangle" region in North Carolina, which is anchored by the three major research universities of North Carolina State University (Raleigh), Duke University (Durham), and University of North Carolina at Chapel Hill.[5] The City of Raleigh is the state capital and the second largest city in North Carolina. The MSA consists of Johnston, Wake, and Franklin counties. In total, there are 27 cities and towns in the Raleigh-Cary, NC MSA. For the purposes of this study, the City of Raleigh is considered the central city.

Regional Economic and Market Context

Raleigh Region Overview (a)

	Central City	Region
Residents	371,092	1,097,673
Households	151,138	418,203
Avg. Annual HH Growth, '00-'09	3.3%	3.5%
Homeownership Rate	52.9%	68.7%
Median Household Income	$51,100	$58,500
Median Rent, 3BR Unit, 2010		$1,170
Median Sale Price, Q1 2010		$200,000
Housing Opportunity Index, Q1 2010 (b)		73.5

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Approximately 1.1 million people resided in the Raleigh region in 2009, making it the smallest region included in this study. One-third of the region's residents, or 371,000 people, lived in the City of Raleigh. Although the City and region are among the smallest in this study, they are also the fastest growing. Between 2000 and 2009, annual household growth rates averaged 3.3 percent in the City and 3.5 percent in the region. By comparison, no other central city or region experienced average annual growth rates that exceeded 3.0 percent. This rapid growth is expected to continue, with average annual growth rates of 2.9 percent projected for both the City and region between 2009 and 2014.

The housing market in the Raleigh region is relatively affordable compared to San Diego and other peer regions. The median rent for a three-bedroom unit in 2010 was $1,170, the lowest

[5] The Raleigh-Cary MSA and the Durham-Chapel Hill MSA, along with the Dunn Micropolitan Statistical Area comprise the Raleigh-Durham-Cary Combined Statistical Area (CSA).

monthly rent in this study. During the first quarter of 2010, the median sale price stood at $200,000, with 74 percent of homes sold affordable to households earning the median income. Unlike San Diego and other metropolitan regions, home prices in Raleigh did not fluctuate as substantially during the most recent housing boom and bust. While the median home sale price in comparison regions increased by an average of 57 percent between 2000 and 2005, in Raleigh, it rose by just 12 percent. Although the median sale price in Raleigh has declined since the peak in 2007, home prices during the first quarter of 2010 were higher than 2005 levels. The relative affordability of housing in Raleigh is aided by low multifamily construction costs; estimated per square foot construction costs in Raleigh ranked as the third lowest in this study.

Due to rapid growth in recent decades, Raleigh's housing stock is the newest among all comparison regions. The median year homes were built in the City and region are 1988 and 1993, respectively. The City of Raleigh has seen a larger share of the region's new residential development compared to other peer regions. Between 2000 and 2009, residential building permits issued in the City represented 40 percent of permits issued in the region as a whole. New residential construction in both the City and region have been largely dominated by single-family development, which represented 63 percent of building permits issued in the City and 79 percent of permits issued regionally during this time period.

City of Raleigh Housing Policy Framework

Raleigh's Community Development Department is responsible for the City's affordable housing program. The Raleigh Housing Authority owns and manages nearly 2,000 public housing units and administers over 3,500 Section 9 vouchers.

Key Policies and Programs

City of Raleigh	
Affordable Housing Production, 2000-2010	
Rental Units	1,127
Ownership Units	268
Total Units	1,395
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	-
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: City of Raleigh, 2010; BAE, 2010.

Approximately 1,395 units of affordable housing have been developmed in the City of Raleigh since 2000. The City supports affordable housing developments through CDBG funding and General Obligation (GO) bonds. Raleigh reserves approximately 16 percent of CDBG funds for land assembly for affordable housing. Since 2000, this has amounted to $8.4 million and has produced 88 units. The City also issues GO bonds on an as-needed basis. Funding raised through each bond issuance has a seven year maximum spend-out. Approximately $34 million of GO bond funding has been generated for affordable housing since 2000, supporting the creation of 456 units.

Community Housing Trust

Community Land Trust, Orange County, NC

In Orange County, NC, over 160 units of permanent affordable housing have been created through the Community Home Trust (CHT). CHT operates on a community land trust model, retaining title to the property and conveying ownership of homes through a 99-year ground lease. In addition to CHT ownership of land, homes are subject to resale restrictions to ensure they remain affordable for future generations. The organization's operations are funded primarily by Orange County and the towns of Chapel Hill, Carrboro, and Hillsborough. Developers participate by building and conveying homes to CHT at below-market values.

Over the past ten years, CHT has provided affordable homeownership opportunities for many workforce households. The first CHT home was purchased in June 2000 and today there are more than 160 homes in the Trust, with another 50 scheduled for completion by July 2011. Homes include single-family residences, townhouses, and condominiums, selling for between $90,000 and $150,000, which is 30 percent to 50 percent below appraised value. Households at or below 80 percent of AMI are eligible to purchase CHT homes. CHT homebuyers typically earn between $30,000 and $50,000 a year and include workforce households such as teachers, social workers, housekeepers, police officers, postal workers, nurses, and University of North Carolina or local government employees.

Source: Community Home Trust, About the Home Trust, http://www.communityhometrust.org/

Sacramento—Arden-Arcade—Roseville, CA MSA

The Sacramento—Arden-Arcade—Roseville, CA MSA consists of four counties in the heart of California's Sacramento Valley and extending into the Sierra Nevada foothills. The region encompasses the counties of El Dorado, Placer, Sacramento, and Yolo, and is anchored by the City of Sacramento, the state capital. Other large cities in the region include Elk Grove and Roseville, both of which are located less than 20 miles away from Sacramento. In total, there are 19 cities and towns in the Sacramento—Arden-Arcade—Roseville, CA MSA. For the purposes of this study, the City of Sacramento is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to 2.1 million residents, including approximately 475,000 residents who lived in the City of Sacramento. Both the City and region grew more rapidly than San Diego and the average peer city and region between 2000 and 2009. The City of Sacramento grew by an average annual rate of 1.6 percent, adding 2,400 new households over the past decade, while the region grew at a slightly faster rate of 1.9 percent annually.

Sacramento Region Overview (a)

	Central City	Region
Residents	475,422	2,143,806
Households	178,244	788,739
Avg. Annual HH Growth, '00-'09	1.6%	1.9%
Homeownership Rate	53.2%	63.7%
Median Household Income	$48,400	$59,900
Median Rent, 3BR Unit, 2010		$1,562
Median Sale Price, Q1 2010		$204,000
Housing Opportunity Index, Q1 2010 (b)		72.5

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Although the households in the Sacramento City and region are less affluent than those in San Diego, the regional housing market is more affordable in today's market as a result of the decline in sale prices associated with the economic recession. The median sale price for homes in the Sacramento—Arden-Arcade—Roseville, CA MSA during the first quarter of 2010 was $204,000, making approximately 73 percent of homes sold affordable to households earning the local median income. Sacramento's housing market has experienced the greatest fluctuation in housing prices over the past decade of any region considered in this study, and current affordability levels are much improved over prior years. Between the first quarter of 2000 and 2005, the median sale price in the Sacramento region increased by 127 percent to $370,000, the fastest appreciation rate among all peer regions. During the first quarter of 2005, just 12 percent of homes sold on the market were affordable to median-income households. Since that time, housing prices declined by 45 percent and affordability increased substantially.

In 2009, approximately 64 percent of households in the Sacramento region owned their home, while 53 percent in the City of Sacramento did, representing an increase of three percentage points over 2000 levels, the largest increase among all peer cities. The growth in owner-occupied housing was present in the County as well, where the homeownership rate increased by two percentage points during the same time period. This is consistent with the trend in residential construction over the past decade, which was dominated by single-family housing. Multifamily housing units comprised just 34 percent of residential building permits issued in the City and 20 percent issued in the region, the second lowest percentage among peer cities and regions.

City of Sacramento Housing Policy Framework

The housing program and policy landscape in Sacramento is unique, with housing authority, redevelopment agency, housing policy, and community development functions for both the City and County managed by a single agency. The Sacramento Housing & Redevelopment Agency (SHRA) is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community development needs. As the housing authority for both jurisdictions, SHRA manages 3,500 units of affordable housing and administers 11,000 rental assistance vouchers every month. The Agency also oversees the residential and commercial revitalization activities in 14 redevelopment areas throughout the City and Sacramento County. SHRA utilizes a variety of financing tools to expand housing opportunities through rehabilitation and preservation, new construction of rental and ownership housing, and homebuyer assistance programs.

City of Sacramento	
Affordable Housing Production, 2000-2010	
Rental Units	NA
Ownership Units	NA
Total Units	8,537
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	x
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: SHRA, 2010; BAE, 2010.

Key Policies and Programs

Over 8,500 units of affordable rental and ownership housing has been produced in the City of Sacramento since 2000. The City has a number of programs and policies to support affordable housing production, including a mandatory inclusionary zoning ordinance that applies to developments in designated New Growth areas.[6] The City provides financing for affordable housing through the CDBG program, dedicating approximately six percent of funds to housing activities, and TIF funds from the six redevelopment project areas in the City. Between 2006 and 2008, an average of $6.8 million per year of TIF revenue has been spent on affordable housing.

In addition, the City of Sacramento has a commercial linkage fee that serves as a dedicated revenue source for its Housing Trust Fund. The fee, which was adopted in 1989, is assessed on most new commercial development and ranges from $0.58 per square foot for warehouses to $2.11 per square foot for offices. The fee amount is subject to automatic annual increases based on changes to a construction cost index. The Housing Trust has generated over $28.6 million in linkage fees, interest, and loan income since 1989.

Yolo County General Plan Jobs Housing Balance Policies

Land Use Planning, Yolo County, CA

Yolo County, located immediately west of Sacramento County, includes the City of Davis and suburban areas surrounding the City of Sacramento. In 2009, Yolo County completed its General Plan Update, setting a high bar for affordable housing through three key land use policies:

1. Strive to achieve a minimum jobs/housing balance of 1.2 jobs for every dwelling unit on average within each unincorporated community, to the greatest extent feasible.
2. Strive to achieve a match between the prices of dwelling units and the salaries of the jobs provided within each unincorporated community, to the greatest extent feasible.
3. Ensure that jobs are created concurrent with housing to the greatest extent feasible.

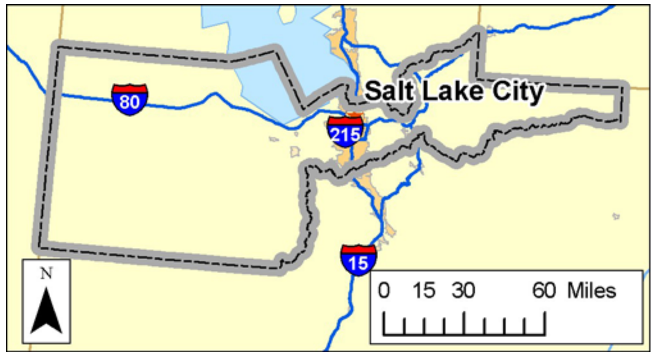
The County identifies a number of ways to implement these policies. For areas within Specific Plans, the amount of land designated for residential and job generated uses should be evaluated during the planning process, and land uses should be re-balanced if necessary in order to achieve a jobs/housing balance of 1.2. In addition, Specific Plans should include a jobs/housing monitoring program that will evaluate the jobs/housing relationship (balance, phasing, and match) every five years.[1] Because these policies were only recently implemented, the results remain to be seen. Nevertheless, Yolo County, through its General Plan policies, is taking a proactive step to plan for housing at appropriate affordability levels as the County grows.

Source: County of Yolo, *2030 Countywide General Plan*, June 10, 2009, p. LU-31 and LU-36.

[6] New Growth Areas are designated newly developed communities, located primarily on the edges of the City, major redevelopment opportunity areas, and any future annexation areas of the City.

Salt Lake City, UT MSA

The Salt Lake City, UT MSA includes three counties in north central Utah, anchored by Salt Lake City. Salt Lake City serves as Utah's capital and is the industrial, financial, commercial, and religious center of the State. In total, there are 29 cities and towns in the Salt Lake City, UT MSA. For the purposes of this study, the City of Salt Lake City is considered the central city.



Regional Economic and Market Context

Salt Lake City Region Overview (a)

	Central City	Region
Residents	182,168	1,128,474
Households	72,574	370,181
Avg. Annual HH Growth, '00-'09	0.2%	1.7%
Homeownership Rate	50.7%	71.5%
Median Household Income	$42,900	$58,400
Median Rent, 3BR Unit, 2010		$1,248
Median Sale Price, Q1 2010		$203,000
Housing Opportunity Index, Q1 2010 (b)		75.7

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The Salt Lake City region is the second smallest region in this study, with a population of 1.1 residents in 2009. That same year, approximately 16 percent (182,000 residents) of the region's population lived in the central city. While the region as a whole has experienced moderate growth since 2000, the City of Salt Lake City has seen minimal household growth. Annual household growth in the region has averaged 1.7 percent between 2000 and 2009, compared to 0.2 percent in the central city.

Salt Lake City is characterized by lower household incomes and housing costs than San Diego. In 2009, the median household income in the central city and region was $42,900 and $58,400, respectively, which is slightly lower than the study-wide averages. Despite lower household incomes, for-sale housing is more affordable in the Salt Lake City region, as reflected in its lower median sale price. During the first quarter of 2010, the median priced home sold for $203,000 and three-fourths of the homes sold on the market were affordable to households earning the median income. The rental market in Salt Lake City is also relatively affordable, with median rent for three-bedroom units at $1,248 a month in 2010, the fourth lowest among all comparison regions.

The Salt Lake City region is characterized by a high proportion of single-family residences and a correspondingly high homeownership rate. Approximately 72 percent of homes in the region are single-family residences, which represents the second highest ratio in this study. The region also has the second highest homeownership rate in this study, with 72 percent of regional households owning their home. While new construction in the central city has trended towards multifamily development over the last decade, residential development in the region as a whole has continued to be dominated by single-family homes. Approximately 77 percent of building permits issued in the central city between 2000 and 2009 were for units in multifamily developments, compared to just 28 percent in the region as a whole.

City of Salt Lake City Housing Policy Framework

Salt Lake City's Community and Economic Development Department's Housing and Neighborhood Development division (HAND) is responsible for the City's affordable housing programs. HAND administers the local housing trust fund, federal entitlement grant funding, and other housing activities. Meanwhile, the Housing Authority of Salt Lake City oversees the public housing, Section 8, Homeless, and Family Self Sufficiency programs.

City of Salt Lake City

Affordable Housing Production, 2000-2010	
Rental Units	1,061
Ownership Units	247
Total Units	1,308
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: Salt Lake City, 2010; BAE, 2010.

Key Policies and Programs

Salt Lake City provides financial assistance to affordable housing developers using CDBG, TIF, and local housing trust fund dollars. Since 2000, approximately 1,300 units have been produced, the majority of which are affordable rental units. The City apportions approximately 30 percent of CDBG funds for affordable housing, resulting in \$12.9 million of funding since 2000 and the creation of 546 units. Up to 20 percent of tax increment is also used for affordable housing in Redevelopment Agency project areas and elsewhere in the City. TIF dollars, along with Urban Development Action Grants (UDAG) loan repayments and trust fund loan repayments flow into the local housing trust fund, which has spent \$9.8 million since 2000 toward the creation of 762 affordable units.

San Francisco-Oakland-Fremont, CA MSA

The San Francisco-Oakland-Fremont, CA MSA consists of five counties surrounding the San Francisco Bay in Northern California. The MSA includes Alameda, Contra Costa, Marin, San Francisco, and San Mateo counties, and is part of the larger nine-county Bay Area. While the City of San Francisco serves as the region's cultural and financial center, other large cities in the region include Oakland and Fremont. In total, there are 65 cities and towns in the San Francisco-Oakland-Fremont, CA MSA. For the purposes of this study, the City of San Francisco is considered the central city.

Regional Economic and Market Context

San Francisco Region Overview (a)

	Central City	Region
Residents	787,951	4,302,272
Households	332,596	1,594,950
Avg. Annual HH Growth, '00-'09	0.1%	0.3%
Homeownership Rate	34.5%	55.5%
Median Household Income	$70,800	$75,800
Median Rent, 3BR Unit, 2010		$2,463
Median Sale Price, Q1 2010		$585,000
Housing Opportunity Index, Q1 2010 (b)		23.4

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The San Francisco region was home to 4.3 million residents in 2009, including 788,000 people who resided in the City of San Francisco. Both the City and region have exhibited among the slowest household growth rates in the study since 2000. Between 2000 and 2009, the annual household growth rate averaged 0.1 percent in the City of San Francisco and 0.3 percent in the region.

Despite a higher than average median household income, the San Francisco-Oakland-Fremont, CA MSA ranks as the least affordable housing market in this study. In the first quarter of 2010, the San Francisco region's median sale price stood at $585,000, which is more than $100,000 higher than the next most expensive region, and $275,000 higher than the median sale price in the San Diego region. As a result, only 23 percent of the homes sold on the market were affordable to households earning the median income. Due to the high cost of for-sale housing, the City and region have the lowest homeownership rates in this study. Approximately 35 percent of City households and 56 percent of regional households were homeowners in 2009. However, the San Francisco regional rental market is also costly. In 2010, the median rent for a three-bedroom unit was $2,463 a month, the second highest among all peer regions. The high housing costs in the region are driven in part by high construction costs and the limited supply of developable land. Construction costs per square foot in San Francisco were substantially higher than costs in all other comparison regions in 2010; for mid-rise residential development, the estimated cost per square foot in San Francisco was approximately $199, compared to $162 in San Diego and a study-wide average of $155.

San Francisco's housing stock is characterized by older units and a higher percentage of multifamily housing. Due to the limited supply of developable land, new residential construction has become even more heavily concentrated in multifamily projects. Between 2000 and 2009, 97 percent of building permits issued in the City and 46 percent of permits issued regionally were for units in multifamily developments.

City of San Francisco Housing Policy Framework

The San Francisco Mayor's Office of Housing (MOH) is responsible for guiding and coordinating the City's housing and community development policies, as well as providing financing for the development, rehabilitation, and purchase of affordable housing. MOH administers a variety of programs to finance the development of affordable housing by nonprofit and for-profit developers, provides financial and educational assistance to first-time homebuyers, and finances housing rehabilitation costs for low-income homeowners. Separately, the San Francisco Housing Authority, the oldest housing authority in California, operates 45 public housing developments and administers the City's Section 8 program.

City of San Francisco	
Affordable Housing Production, 2000-2010	
Rental Units	4,564
Ownership Units	850
Total Units	5,414
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	x
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	x
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	x
Land Bank	-
Downpayment Assistance	x

Sources: SF Mayor's Office of Housing, 2010; BAE, 2010.

Key Policies and Programs

The City of San Francisco has implemented the largest number of affordable housing programs and policies among peer cities considered in this study. As a result, over 5,400 units of affordable rental and ownership housing have been produced since 2000. The vast majority of affordable housing developed has been in rental developments; nearly 4,600 units were for affordable rental housing.

Included in San Francisco's repertoire of housing programs is all major financing programs highlighted in this study. The City has housing and commercial linkage fees, dedicates 30 percent of CDBG funds and more than 20 percent of TIF funds to housing, has a local housing trust fund, and provides tax-exempt bonds. San Francisco has the most aggressive commercial linkage fee program among peer cities considered in the study, and perhaps the most aggressive in the country. The City assesses a fee on the development of all entertainment, hotel, office, retail, and research and development (R&D) space. The fee, which is updated annually based on a construction cost index, ranges from $13.30 per square foot for R&D to $19.96 per square foot for office. The City is also currently in the process of formulating a housing linkage fee which will be built off of the existing inclusionary housing requirements for for-sale projects. The City also has a local housing trust fund, which is funded by a share of the local hotel tax. Since 2000, over $50 million has been generated, funding the development of 300 apartments for seniors and disabled persons.

Beyond financing programs, San Francisco has a number of land use programs meant to encourage affordable housing development, including an inclusionary housing program, which the City is in the process of updating. Developments that are 100 percent affordable are also eligible for reductions of some impact fees and expedited permitting that usually hastens the entitlement process by three to six months. San Francisco also has a newly established community land trust operated by the nonprofit San Francisco Community Land Trust that works to convert rental housing to permanently affordable, limited-equity housing cooperatives.

Commercial Linkage Fee

Walnut Creek, CA

Walnut Creek is a jobs-rich City in the East Bay region of the San Francisco Bay Area. The City has a jobs-to-employed residents ratio of 1.63, which constitutes a strong justification for imposing a housing linkage fee for commercial development. In 2005, the City adopted a Commercial Linkage Fee ordinance, which requires all new commercial development projects to pay a fee based on the number of square feet of net new commercial development. The Commercial Linkage Fee amount is established by City Council resolution and currently stands at $5 per square foot of net new commercial space. Since 2005, the City has collected approximately $700,000 in linkage fees. The Commercial Linkage Fees are used exclusively to fund the City's Acquisition/New Construction Program. The City is currently using linkage fee funds to create approximately 60 new units, which are in the entitlement phase of development.

Sources: City of Walnut Creek, *2009-2014 Housing Element*, December 2009, p. IV-15.
City of Walnut Creek Housing Program Manager, email correspondence with BAE, September 2, 2010.

San Jose-Sunnyvale-Santa Clara, CA MSA

The San Jose-Sunnyvale-Santa Clara, CA MSA is located in the southern portion of the San Francisco Bay Area in Northern California. The region is comprised of Santa Clara County, the heart of Silicon Valley, and San Benito County. The region is centered around the City of San Jose and is home to many of the world's largest technology companies. In total, there are 17 cities and towns in the San Jose-Sunnyvale-Santa Clara, CA MSA. For the purposes of this study, the City of San Jose is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to 1.9 million residents, including approximately 964,000 residents who lived in the City of San Jose. Both the City and region grew more slowly than San Diego and the average peer city and region between 2000 and 2009. The City of San Jose grew by an average annual rate of 0.9 percent, adding 3,000 new households annually over the past decade, while the region grew at a slightly faster rate of 1.0 percent per year.

San Jose Region Overview (a)

	Central City	Region
Residents	963,667	1,852,234
Households	295,221	612,035
Avg. Annual HH Growth, '00-'09	0.7%	0.6%
Homeownership Rate	61.4%	59.7%
Median Household Income	$83,100	$87,700
Median Rent, 3BR Unit, 2010		$2,321
Median Sale Price, Q1 2010		$431,000
Housing Opportunity Index, Q1 2010 (b)		45.1

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Households in the City of San Jose and the larger Silicon Valley region as a whole are the most affluent among all cities and regions included in this study. In 2009, the median household income in the City and region stood at $83,100 and $87,700, respectively. Despite high household incomes, the high cost of housing remains unaffordable to many households. The region's median sale price stood at $431,000 during the first quarter of 2010, second only to the neighboring San Francisco-Oakland-Fremont, CA MSA. This represents a 26 percent decrease from sale prices during the first quarter of 2005, when the median stood at $585,000. Although this decline in housing values associated with the current economic recession has made homeownership relatively more affordable, over half of the homes sold on the market during the first quarter of 2010 were still be out of reach for households earning the median income. The rental market in the San Jose region is also costly compared to other peer regions. The median rent in 2010 was $2,320 a month for three-bedroom units, the third highest in this study. High housing costs in the region are driven in part by a limited supply of developable land and high construction costs.

The housing stock in the City of San Jose is characterized by a particularly high proportion of single-family residences. In 2009, approximately 66 percent of housing units in the City were single-family homes, the second highest share among all peer cities. In fact, the City of San Jose was the only city in this study where the share of single-family homes actually exceeded the share of single-family homes throughout the region (65 percent). However, new residential development in the City and region has shifted towards multifamily product types. Between 2000 and 2009, 78 percent of building permits issued in the City and 59 percent of permits issued regionally were for units in multifamily developments. Unlike all other comparison regions, the majority of building permits issued in the region during this time period (53 percent) was for units in the City of San Jose.

City of San Jose Housing Policy Framework

San Jose's Department of Housing manages the City's major affordable housing programs and policies. The Department's core services are to increase the affordable housing supply, maintain the existing affordable housing supply, and provide services to homeless and at-risk populations. The Housing Authority of the County of Santa Clara (HACSC) administers federal public housing and rent subsidy programs for both the County of Santa Clara and the City of San Jose. HACSC currently assists over 16,000 households across the County.

City of San Jose	
Affordable Housing Production, 2000-2010	
Rental Units	10,985
Ownership Units	476
Total Units	11,461
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	x
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: City of San Jose, 2010; BAE, 2010.

Key Policies and Programs

The City of San Jose has seen an extraordinary amount of affordable housing production over the past decade. Over 11,400 units of affordable housing have been developed in the City since 2000, the largest number of units produced among all peer cities. A large proportion of new affordable housing development has occurred in the City's redevelopment project areas. City policy requires that all market-rate projects in redevelopment areas created after 1976 designate 20 percent of the units as affordable. In addition, San Jose recently adopted a city-wide inclusionary housing policy. However, due to current economic conditions, that policy will not be implemented until 2013.

San Jose also supports affordable housing through CDBG and TIF funding. CDBG funds, however, are used for rehabilitation rather than new construction. Per California state law, 20 percent of TIF funds are set aside for affordable housing. Since 2000, this has amounted to $375.7 million, supporting 10,560 affordable units. In addition to funds directly managed by the City, San Jose and other Santa Clara County jurisdictions contribute to the Housing Trust of Santa Clara County, a nonprofit County-wide entity.

Housing Trust of Santa Clara County

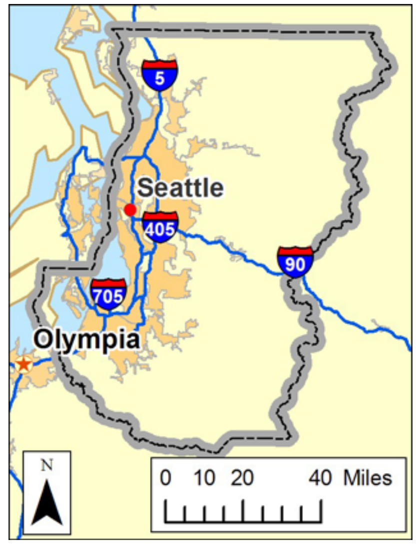
Regional Housing Trust Fund, Santa Clara County, CA

Santa Clara County, which includes the City of San Jose, is considered the heart of Silicon Valley. In the 1990s, the cost of Silicon Valley housing skyrocketed as a result of the dot-com boom, forcing many would-be homebuyers out of the market. At the time, seven out of ten residents could not afford to buy a home in the County and rental prices had increased by 23 percent in two years. Local businesses complained of problems recruiting and retaining top prospects. In response to the growing need for affordable housing, the Housing Trust of Santa Clara County was formed in 1998 by the Santa Clara County Board of Supervisors, the Silicon Valley Leadership Group, affordable housing advocates, local businesses, and foundations. The nonprofit Housing Trust is supported by voluntary contributions from local governments, employers, employers' foundations, state and federal housing agencies, and private citizens. The Housing Trust provides first-time homebuyer loans, developer loans for the construction and rehabilitation of affordable rental housing, and emergency homelessness-prevention grants for housing for extremely low-income households and homeless individuals and families.

When the Housing Trust was first established, it set a goal of raising $20 million and leveraging $200 million in two years. The Santa Clara County Board of Supervisors was the first investor, providing a $2 million grant, which was coupled with a $1 million grant from Intel and a combined $1 million investment from high-tech companies Adobe Systems, Cisco Systems, Applied Materials, Solectron, and homebuilder KB Home. Within two years, the $20 million goal was exceeded, with all cities and towns in the County also contributing. To date, the Housing Trust has raised more than $40 million to invest over $33 million and leverage over $1.7 billion throughout the County. These investments have assisted over 2,000 first-time homebuyers, 1,600 families through loans to developers, and 4,100 families and individuals through the homelessness-prevention program. Of those served, 83 percent had household incomes below 80 percent of AMI. The Housing Trust demonstrates the potential of regional collaboration and partnerships between local government and the private sector in creating affordable housing.

Source: Housing Trust of Santa Clara County, About Us, http://www.housingtrustscc.org/about-us/index.php

Seattle-Tacoma-Bellevue, WA MSA



The Seattle-Tacoma-Bellevue, WA MSA consists of three counties on the eastern shore of Puget Sound in Washington State. The region, which is comprised of King County, Snohomish County, and Pierce County, is the largest in the northwestern United States. The region is centered around the City of Seattle, which serves as the county seat of King County and as the major economic, cultural, and educational center of the region. Other major cities in the region include Tacoma, Bellevue, and Everett. In total, there are 78 cities and towns in the region. Seattle, the largest city in the Pacific Northwest and the state, is considered the central city in this study.

Regional Economic and Market Context

In 2009, 3.8 million residents lived in the region, including 602,000 residents in the City of Seattle. The region grew slightly faster than the San Diego region, averaging an annual household growth rate of 1.2 percent between 2000 and 2009. The City of Seattle grew at a more modest pace, with an average annual growth rate that matched the City of San Diego's household growth of 0.8 percent per year.

Seattle Region Overview (a)

	Central City	Region
Residents	602,016	3,381,567
Households	277,849	1,334,822
Avg. Annual HH Growth, '00-'09	0.8%	1.2%
Homeownership Rate	47.0%	62.4%
Median Household Income	$56,700	$63,800
Median Rent, 3BR Unit, 2010		$1,602
Median Sale Price, Q1 2010		$305,000
Housing Opportunity Index, Q1 2010 (b)		57.8

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The Seattle region ranks as the fifth most expensive for-sale housing market in this study, with a median sale price of $305,000 during the first quarter of 2010. Approximately 58 percent of homes sold on the market during this time period would be affordable to households earning the median income. By contrast, the median rent in Seattle is comparable to the average across the other comparison regions. In 2010, the median rent stood at $1,600 for a three-bedroom unit. Due to the high cost of for-sale housing, the City of Seattle and the greater region have a slightly below-average homeownership rate of 47 percent and 62 percent, respectively, when compared to the other peer cities and regions included in this study. Nevertheless, the city and regional homeownership rates in metro Seattle are still higher than those in San Diego.

Housing development in the Seattle region is constrained by a higher degree of governmental regulation and a relatively high percentage of undevelopable land. The region scored 0.92 on the Wharton Regulation Index that measures land regulations, the third highest in this study. In addition, 44 percent of land in the Seattle region is undevelopable due to geographic constraints. Due to the limited land supply, new residential development in the City of Seattle has been dominated by multifamily construction, with 85 percent of building permits issued for units in multifamily developments between 2000 and 2009. The region as a whole has also experienced a larger proportion of multifamily residential construction, though still at a much lower rate than the City; 39 percent of building permits issued regionally were for units in multifamily complexes.

City of Seattle Housing Policy Framework

Seattle's Office of Housing funds affordable workforce housing and supportive housing. In addition, the Office of Housing leads initiatives to stimulate affordable housing development throughout the City. Meanwhile the Seattle Housing Authority provides more than 5,300 public housing units and administers over 8,500 Section 8 vouchers.

City of Seattle	
Affordable Housing Production, 2000-2010	
Rental Units	4,796
Ownership Units	650
Total Units	5,446
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	x
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	x
Land Bank	-
Voter approved bonds & levies	x

Sources: City of Seattle, 2010; BAE, 2010.

Key Policies and Programs

Over 5,400 units of affordable housing have been produced in Seattle since 2000. The City has a unique Incentive Zoning Program that encourages affordable housing development by offering density bonuses to residential, commercial, and industrial developers. Developers in eligible districts may receive extra floor area above the base floor area ratio or height limit if they dedicate a certain percentage of the bonus floor area to affordable housing or pay an in-lieu fee. Residential developers must dedicate 17.5 percent of the net bonus floor area and commercial developers must reserve 15.6 percent of the gross bonus floor area, though many developers opt to pay the in-lieu fee.

The City of Seattle also provides financial support for affordable housing through CDBG funds and a housing trust fund funded by a series of voter-approved ballot measures for affordable housing. Since 1981, Seattle voters have approved five such ballot measures, including a 1981 Senior Housing Program Bond and four Housing Levies in 1986, 1995, 2002, and 2009. Despite the economic downturn, nearly 66 percent of voters approved the seven-year, $145 million Housing Levy in 2009. The 2009 Levy, which was the largest passed in the City to date, would result in a median cost to homeowners of $65 per year or $5.50 per month. In total, Seattle's five ballot measures will create a total of $388.4 million for affordable housing and support the production and preservation of over 8,000 units.

ARCH, A Regional Coalition for Housing

Housing Trust Fund and Regional Collaboration, East King County, WA

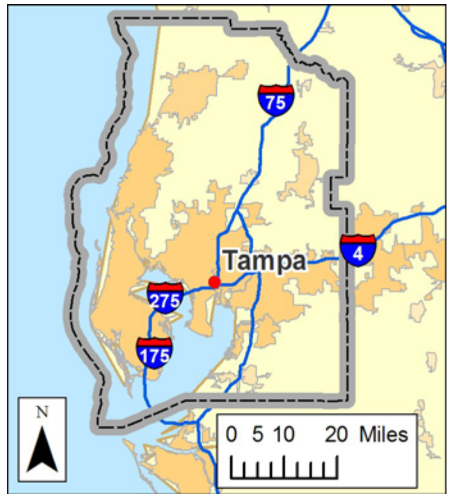
ARCH, a coalition of cities in eastern King County, exemplifies a successful regional partnership between jurisdictions to address affordable housing issues. ARCH members include King County and 15 cities east of Seattle, many of which are wealthier communities with high housing costs. Created in the early 1990s based on the belief that local government support is critical to increasing the supply of affordable housing and that collaboration between governments can be more effective, ARCH coordinates public resources in a way that will attract greater investment into affordable housing.

The primary way ARCH assists the creation and preservation of affordable housing is through the ARCH Housing Trust Fund, which awards loans and grants to developments that include below-market rate housing. Since 1993, member cities have made over $30 million available, including CDBG and General Fund contributions, as well as land dedications, fee waivers, and other in-kind donations. ARCH provides a suggested contribution range for each member city based on population and projected housing and employment growth; however, each city decides how much to make available to the Trust Fund each year. Projects are selected for funding through a biannual application and review process in which a citizen advisory board and the ARCH Executive Board provide recommendations and the member jurisdictions' city councils make funding decisions. The Housing Trust Fund has supported 2,975 units of housing in eastern King County for families, seniors, special needs populations, and the homeless. Through the unique partnership between the County and cities, ARCH has leveraged scarce resources to support affordable housing in communities that need it.

In addition to the Trust Fund, ARCH provides technical assistance to jurisdictions to assist in the development, implementation, and administration of housing policies and programs. As a result, many ARCH member cities have a variety of affordable housing programs, including regulations to allow accessory dwelling units, density bonuses for developments that include affordable housing, fee waivers for affordable housing, and senior housing overlay zones. The combination of private market and public sector strategies in eastern King County has led to the creation of nearly 6,380 affordable housing units between 1993 and 2007.

Source: ARCH, Eastside Housing Trust Fund, http://www.archhousing.org/HTF/
ARCH, *Housing 101*, September 2009, p. 24.

Tampa-St. Petersburg-Clearwater, FL MSA



The Tampa-St. Petersburg-Clearwater, FL MSA is the second most populous region on the Gulf Coast. The region is comprised of Hernando, Hillsborough, Pasco, and Pinellas counties. Tampa is the largest city in the region, followed by St. Petersburg and Clearwater, each of which have more than 100,000 residents. In total, the region includes 35 cities and towns. For the purposes of this study, the City of Tampa is considered the central city.

Regional Economic and Market Context

In 2009, the region was home to 2.7 million residents, including approximately 346,000 residents who lived in the City of Tampa. The City and Region grew at the same pace between 2000 and 2009, each experiencing an average annual household growth rate of 1.5 percent. The Tampa region's population is characterized by the highest median age and smallest household size among all comparison region, consistent with the large number of retirees and seniors residing in this Sunbelt region.

Tampa Region Overview (a)

	Central City	Region
Residents	346,312	2,785,041
Households	142,558	1,158,827
Avg. Annual HH Growth, '00-'09	1.5%	1.5%
Homeownership Rate	54.9%	71.5%
Median Household Income	$42,800	$47,000
Median Rent, 3BR Unit, 2010		$1,315
Median Sale Price, Q1 2010		$120,000
Housing Opportunity Index, Q1 2010 (b)		79.7

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

Households in the Tampa region were the least affluent among all comparison regions, with a median household income of $47,000 in 2009. However, median home sales prices in the region also ranked as the lowest among all comparison regions. During the first quarter of 2010, the median sale price of homes in the Tampa region stood at $120,000, which is less than half the value of the median priced home in San Diego. Due to the low sale prices, homeownership in Tampa is affordable despite lower household incomes in the region. As a result, the City and region are both characterized by high homeownership rates of 55 percent and 72 percent, respectively.

Housing developers in the Tampa region face below-average governmental land regulation. The

Tampa region has a score of -0.22 on the Wharton Regulation Index, compared to a national average of -0.10 and a study-wide average of 0.43. New housing development in the City and region has been dominated by single-family construction. Between 2000 and 2009, approximately 53 percent of residential building permits issued in the City and 73 percent of permits issued regionally were for single-family homes, which is higher than San Diego and study-wide averages.

City of Tampa Housing Policy Framework

The Tampa Housing and Community Development Division of the Department of Growth Management and Development Services administers a variety of housing programs that assist low- and moderate-income households using both state and federal funds. The Tampa Housing Authority manages the City's over 3,000 public housing units and 4,400 housing choice vouchers.

City of Tampa

Affordable Housing Production, 2000-2010	
Rental Units	NA
Ownership Units	NA
Total Units	NA
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	-
Fee Reduction/ Waiver	x
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	x
Local Housing Trust Fund	-
Tax Exempt Bonds	-
Other Programs	
Community Land Trust	x
Land Bank	-
Infill Housing Program	x
State Housing Initiatives Partnership (documentary stamp revenues)	x

Sources: City of Tampa, 2010; BAE, 2010.

Key Policies and Programs

Affordable housing production data for the City of Tampa is not available. However, the City does promote affordable housing production through a variety of programs including fee reductions and deferrals and a variety of financing mechanisms. Tampa dedicates a portion of CDBG funds for housing rehabilitation and reserves a percentage of TIF revenue in two of seven TIF districts for housing activities. Tampa also provides funding for affordable housing through the State Housing Initiatives Partnership (SHIP). The City receives an allocation of documentary stamp revenues from the state to be used for housing activities such as acquisition, rehabilitation, downpayment assistance, housing repair, foreclosure intervention, new construction, and disaster mitigation/recovery (see Miami region case study above).

In addition to offering financial incentives, the City of Tampa encourages affordable infill housing through its Infill Housing Development Program. The City helps developers to acquire vacant City-owned parcels to develop housing for households at or below 80 percent of AMI. Finally, the City supports the local Community Land Trust. It deeded four acres of vacant property to the Trust, managed by the Westshore Community Development Corporation. The CLT is currently constructing fifty-seven townhomes..

Pinellas County Affordable Housing Development Incentives

Affordable Housing Developer Incentives, Pinellas County, FL

Pinellas County is located along the Gulf Coast in central Florida, and includes the cities of St. Petersburg and Clearwater. Since the mid-2000s, Pinellas County officials have made a targeted effort to attract developers willing to develop affordable housing in the County by prominently advertising available incentives on the County website. Incentives available to affordable housing developers include expedited permit processing, impact review and fee relief, reduced parking requirements, and density bonuses, among other types.

Source: Pinellas County, *Affordable Housing Incentives Offered Through the Pinellas County Land Development Code*.

Washington-Arlington-Alexandria, DC-VA-MD-WV MSA

The Washington-Arlighton-Alexandria, DC-VA-MD-WV MSA encompasses the District of Columbia and 15 neighboring counties in Maryland, Virginia, and West Virginia. Washington, DC, the nation's capital, is located on the north bank of the Potomac River and is bordered by the states of Maryland and Virginia. The central city is surrounded by densely populated suburbs, with many residents commuting into Washington, DC for work. There are 95 cities, towns, and villages in the MSA. The District of Columbia is considered the central city in this study.

Regional Economic and Market Context

In 2009, the region was home to 5.4 million residents, making it the fourth largest region included in this study. However, the District of Columbia's population of 592,000 residents comprised of just 11 percent of the region's total population, the third lowest share among the comparison cities. The core city's share of regional population has declined since 2000 as the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA grew nearly three times faster than the District of Columbia between 2000 and 2009. Annual household growth in the region averaged 1.3 percent, compared to just 0.5 percent in the District.

Washington, DC Region Overview (a)

	Central City	Region
Residents	591,721	5,389,073
Households	260,749	2,024,798
Avg. Annual HH Growth, '00-'09	0.5%	1.3%
Homeownership Rate	40.3%	64.9%
Median Household Income	$54,700	$83,400
Median Rent, 3BR Unit, 2010		$1,927
Median Sale Price, Q1 2010		$270,000
Housing Opportunity Index, Q1 2010 (b)		75.1

Notes:
(a) 2009 data unless otherwise noted.
(b) Defined as the percentage of homes sold that are affordable to a household earning the local median income.
Sources: Claritas, 2009; HUD, 2010; National Association of Home Builders, 2010; BAE, 2010.

The Washington, DC region represents one of the most affluent regions in this study, with a median household income of approximately $83,400 in 2009. During the first quarter of 2010, median-income households in the region could afford 75 percent of homes sold on the market. Although households in the central city were slightly less wealthy, their median household income of $54,700 still ranked sixth among all peer regions. Nevertheless, the District of Columbia had a high incidence of poverty, with 17 percent of households living below the poverty line, the third highest poverty rate among peer cities in 2009.

Consistent with household growth patterns, new housing development has been concentrated outside of the central city, with residential building permits issued in Washington, DC representing just five percent of all building permits issued in the region between 2000 and 2009. New development within Washington, DC has consisted primarily of multifamily units, while development in the region as a whole has been dominated by single-family homes. Between 2000 and 2009, nearly 85 percent of building permits in Washington, DC were for units in multifamily developments, compared to just 28 percent at the regional scale.

District of Columbia Housing Policy Framework

The District of Columbia's Department of Housing and Community Development oversees programs and policies meant to create and preserve affordable housing opportunities throughout the city. The District of Columbia's Housing Authority manages the local Section 8 program and a portfolio of over 8,000 apartment and townhouse units in 56 properties citywide.

City of Washington, DC	
Affordable Housing Production, FY 2004-2010	
Rental Units	NA
Ownership Units	NA
Total Units	10,399
Land Use, Zoning, and Entitlements Programs	
Inclusionary Zoning	x
Fee Reduction/ Waiver	-
Expedited Permit Processing	-
Financing Programs	
Housing Linkage Fee	-
Commercial Linkage Fee	-
Community Development Block Grant	x
Tax Increment Financing	-
Local Housing Trust Fund	x
Tax Exempt Bonds	x
Other Programs	
Community Land Trust	-
Land Bank	-

Sources: District of Columbia, 2010; BAE, 2010.

Key Policies and Programs

The District has a local housing trust fund that is supported by 15 percent of deed recordation and transfer tax revenues. Projects that reserve at least 20 percent of units for lower-income households are eligible to receive trust fund assistance. Between 2001 and 2008, the trust fund expended $204 million in support of 8,900 units. In addition, the District appropriates a percentage of CDBG funds for housing programs and the DC Housing Finance Agency issues tax-exempt multifamily bonds.

In addition to the financing mechanisms mentioned above, the District of Columbia adopted an inclusionary zoning ordinance in 2006. However, the ordinance was not implemented until 2008, and during FY 2009, the initial year of the program, no inclusionary units were produced. The Program is mandatory for rental and ownership projects with 10 or more units and will serve households at 50 percent and 80 percent of AMI.

Montgomery County Moderately Priced Dwelling Unit Program (MPDU)
Inclusionary Zoning, Montgomery County, MD
Montgomery County, Maryland, located immediately north and northeast of Washington, DC, faced a shortage of affordable housing beginning in the early 1970s due to County growth control policies and a large increase in the number of young families looking for housing. In 1974, Montgomery County enacted the Moderately Priced Dwelling Unit Ordinance (MPDU), requiring developers of projects of 20 or more units to make 12.5 percent to 15 percent of the new units affordable to lower-income households. In exchange, developers receive a 22 percent density bonus. The MPDU program is believed to be the country's first mandatory inclusionary zoning law that specified a density bonus incentive for developers providing affordable housing. For-sale units must remain affordable to households at or below 70 percent of AMI for 30 years through resale restrictions while the control period for rental units is 99 years.

Between 1976 and 2009, nearly 13,000 MPDUs were produced in Montgomery County, including over 9,000 for-sale units. Annual production through 2009 averaged 267 for-sale units and 115 rental units.[1] Like all inclusionary housing programs, however, the MPDU program relies on production of market-rate housing, which has slowed during the current economic recession. By marketing MPDUs to a diverse group of households, the program has contributed to the economic and racial integration of the County. In addition, the program has provided a means for the Housing Opportunities Commission, the County's housing authority, and other recognized nonprofit housing sponsors to purchase up to 40 percent of MPDUs for long-term retention as part of the County's low-income housing supply.

The MPDU program has received broad support in Montgomery County. Although developers have expressed objection to some of the procedures and regulations in the past, they are generally supportive of the program and have made numerous suggestions for its improvement.

Sources: Montgomery County Department of Housing and Community Affairs, Number of MPDUs Produced Since 1976,
http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/housing/housing_P/mpdu/Number_of_MPDUs_Produced.asp
Montgomery County Department of Housing and Community Affairs, History of the Moderately Priced Dwelling Unit (MPDU) Program in Montgomery County, Maryland,
http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/housing/housing_P/mpdu/history.asp

Fairfax County's Penny for Affordable Housing Fund

Affordable Housing Preservation Strategies, Fairfax County, VA

Fairfax County is a Northern Virginia suburb of Washington, DC. Home to some of the highest housing prices in the country, Fairfax County has been forced to address issues relating to the decline of its affordable housing stock. One method for preservation has been the "Penny Fund," where one cent from the real estate tax rate is used to preserve affordable housing units. The goal of the Fund is to preserve 2,000 affordable housing units by 2011.

Between the program's inception in 2005 and April 2009, funding was used to preserve 878 multifamily units in five private apartment complexes, as well as in 852 multifamily units that were purchased by Fairfax County. While the program has been successful in preserving affordable housing units, funding for the program was cut in half for the 2010 fiscal year due to critical needs in human services and public safety.

Sources: Fairfax County, *Fund 319: The Penny for Affordable Housing Fund;* The University of Texas at Austin, *Preserving Austin's Multifamily Rental Housing: A Toolkit,* April 2007, p. 8.

Arlington County Special Affordable Housing Protection Districts

Affordable Housing Preservation Strategies, Arlington County, VA

Located across the Potomac River from Washington, DC, Arlington County has experienced a large amount of high-density multifamily development in the past 20 years. In an effort to retain affordable housing units, in 1990 the County created several Special Affordable Housing Protection Districts. Any affordable housing units demolished within these districts must be replaced on a one-to-one basis. As of July 2010, eight sites had been designated as Special Affordable Housing Protection Districts, thereby protecting affordability within each zone.

Sources: The University of Texas at Austin, *Preserving Austin's Multifamily Rental Housing: A Toolkit,* April 2007, p. 8; Arlington County, *Special Planning Areas,* http://www.arlingtonva.us/departments/CPHD/planning/docs/CPHDPlanningDocsGLUP_metrocorridors.aspx .

Comparison Summary

Table 6 provides a summary of the affordable housing production in San Diego and the 18 comparison cities, as well as a matrix of affordable housing programs and policies. Where data is available, the table indicates the year the program or policy was adopted.

Table 6: Affordable Housing Programs, Policies, and Production Summary

	Affordable Housing Production			Land Use, Zoning, Entitlements			Affordable Housing Financing						Other Programs and Policies		
	Rental Units	Ownership Units	Total Units	Inclusionary Zoning	Fee Reduction/ Waiver	Expedited Permit Processing	Housing Linkage Fee	Commercial Linkage Fee	Community Development Block Grant	Tax Increment Financing	Local Housing Trust Fund	Tax Exempt Bonds	Community Land Trust	Land Bank	Other
San Diego	**8,301**	**445**	**8,746**	**2003**	**2009**	**2003**	**-**	**1990**	**1996**	**Yes**	**1990**	**1989**	**2007**	**-**	
Atlanta (a)	NA	NA	**5,543**	2006	Yes	-	-	-	Yes	1998	1989	Yes	2009	1990s	
Austin (b)	1,314	NA	**NA**	2000	2000	2000	-	-	Yes	-	1999	Yes	-	-	
Boston	4,410	1,456	**5,863**	2000	-	-	-	1983	1973	-	1987	-	1988	-	One-time revenues from sale of municipal assets
Dallas	4,020	5,067	**9,087**	-	-	-	-	-	1992	1980	-	2003	-	2003	Certificates of Obligation, Tax Abatement Program, Local Foundations Program, LIHTC, Housing Finance Corporation Bond Programs, Section 108
Denver	NA	NA	**NA**	2002	2002	2002	-	-	1974	1974	-	1974	2002	2007	
Miami (c)	NA	NA	**3,591**	-	Yes	Yes	-	-	-	Yes	Yes	-	-	-	State Housing Initiative Partnership (funded by local documentary stamp collections)
Minneapolis	8,452	109	**8,561**	-	-	-	-	-	Yes	2005	Yes	Yes	2002	Yes	
Anaheim (d)	NA	NA	**1,830**	-	Yes	Yes	-	-	Yes	Yes	-	-	-	-	Developer Incentive Program; Density bonus program
Phoenix	6,663	3,838	**10,501**	-	-	Yes	-	-	1995	-	-	Yes	-	-	
Portland	2,264	949	**3,213**	-	Yes	-	-	-	Yes	Yes	-	Yes	Yes	-	Tax abatement
Raleigh	1,127	268	**1,395**	-	-	-	-	-	Yes	-	-	Yes	-	-	
Sacramento	NA	NA	**8,537**	2000	-	-	-	1989	Yes	Yes	1989	1983	-	-	
Salt Lake City	1,061	247	**1,308**	-	-	-	-	-	Yes	Yes	2000	-	-	-	
San Francisco	4,564	850	**5,414**	2002	1990s	2008	-	1987	Yes	1980s	1980s	Yes	2009	-	Downpayment Assistance Loan Program
San Jose	10,985	476	**11,461**	2013	Yes	-	-	-	1988	Yes	2000	-	-	-	
Seattle	4,796	650	**5,446**	1985	-	-	-	-	1974	-	Yes	-	2002	-	Senior Housing Program Bond & Voter approved housing levies fund Trust Fund
Tampa	NA	NA	**NA**	-	1987	Yes	-	-	Yes	1970s	-	-	2005	-	Infill Housing Development Program; State Housing Initiative Partnership (funded by local documentary stamp collections)
Washington, DC (e)	NA	NA	**10,399**	2006	-	-	-	-	Yes	-	1989	Yes	-	-	Property Acquisition and Disposition
TOTAL	**57,957**	**14,355**	**100,895**	**10**	**10**	**8**	**0**	**4**	**18**	**13**	**12**	**12**	**9**	**4**	

Notes:

(a) Affordable housing production reported for 2005-2009

(b) Affordable housing production reported for 2003-2010

(c) Reported for 2000-2007

(d) Affordable housing production reported for 1998-2005.

(e) Affordable housing production reported for FY 2004-present

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

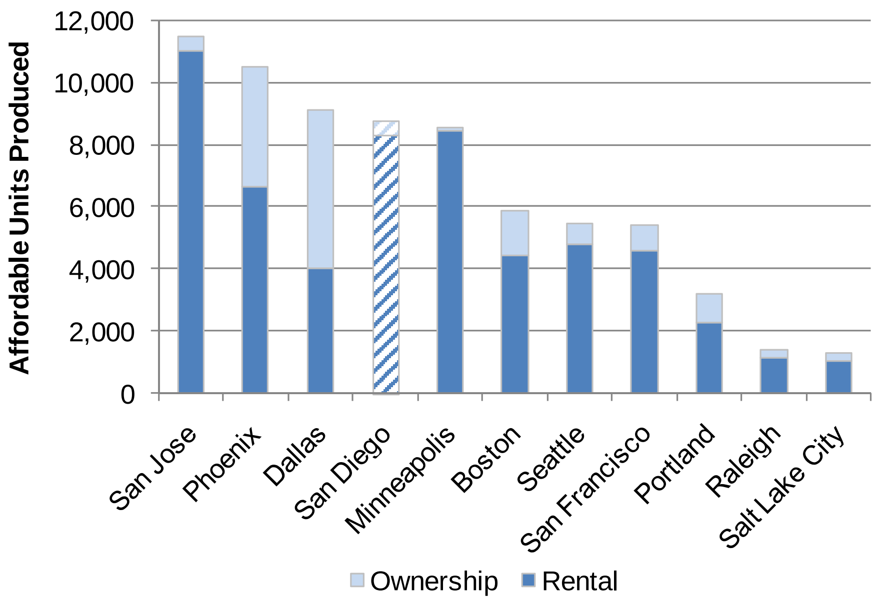
Findings and Recommendations

This chapter distills key findings and lessons learned from the regional comparisons and profiles presented above. In light of the best practices and funding sources analyzed in this report, recommendations are provided for updating and expanding San Diego's menu of affordable housing policies and funding sources.

Housing Production

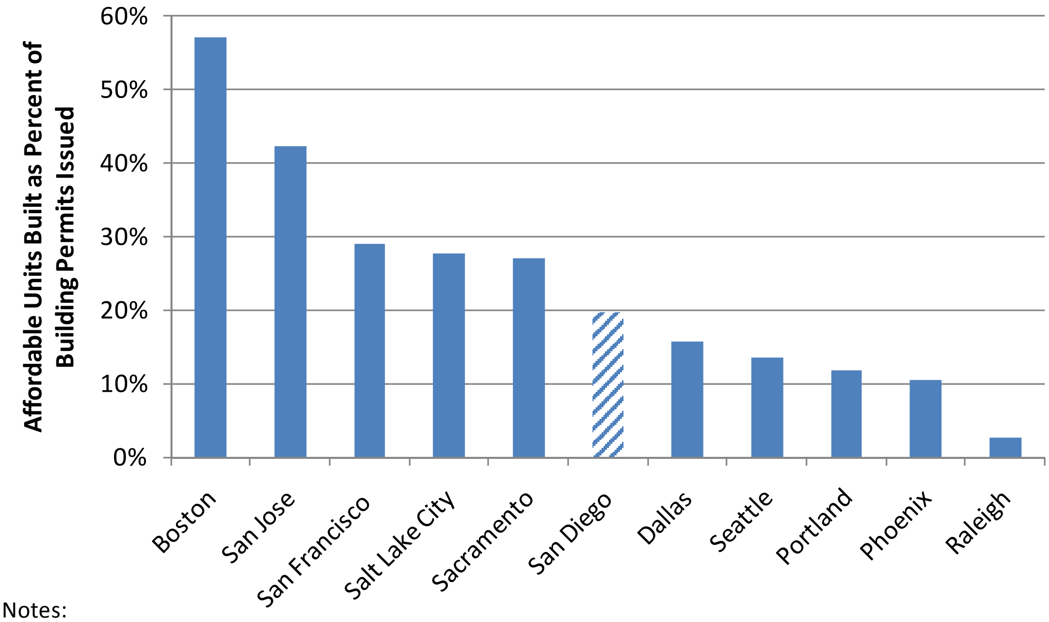
The key measure of success of housing policies at a regional and municipal level is the total production of rental and for-sale housing that serves a variety of income levels. As profiled above, when ranked against its competitor cities, San Diego has achieved an admirable record of affordable housing production with 8,746 new affordable units coming on-line in the city between 2000 and 2010 (see Appendix B.1). This places San Diego fifth among the comparison regions behind San Jose, Phoenix, Washington, DC and Dallas. When taken as a percentage of total building permits issued between 2000 and 2010, however, San Diego ranks near the middle of comparison jurisdictions with 19.5 percent of all new units serving households earning less than 80 percent of area median income (AMI) compared to an average of 23 percent. The cities with the highest percentage of affordable units included Boston (57 percent) and San Jose (43 percent)

Figure 31: Affordable Units Produced by Tenure



Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

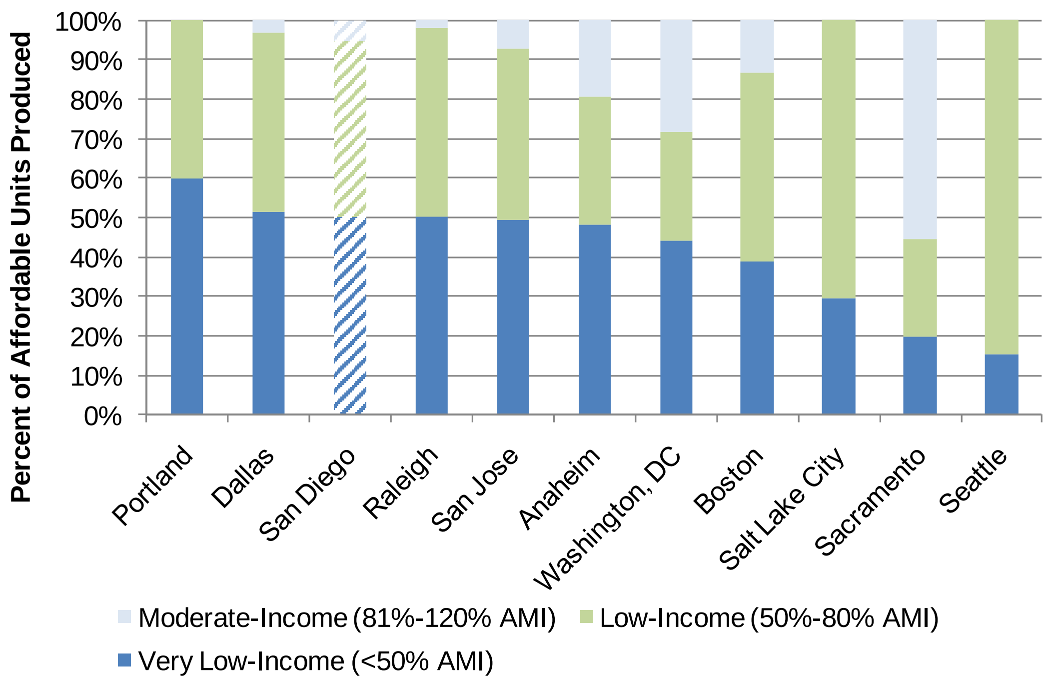
Figure 32: Affordable Housing Produced as Percent of Building Permits, 2000-2010



Notes:
(a) Building permit data based on 2000-2009.
Sources: Affordable Housing Best Practices Survey, 2010; U.S. Census Bureau, 2010; BAE, 2010.

As presented below in Figure 33, San Diego has been particularly successful at funding projects serving very low- and extremely low-income populations, with over 50 percent of all new affordable units serving households earning less than 50 percent of the AMI. This compares favorably with most cities and regions considered in this study.

Figure 33: Affordable Housing Production by Income Level



Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

Housing Policy and Delivery Framework

As profiled above, San Diego is one of very few cities in the country which combines all of the housing functions of the jurisdiction within one agency. Among the housing agencies surveyed in this report, only Sacramento has a similar structure. This consolidated departmental framework allows for the efficient delivery of services and centralized management of key housing policy initiatives and funding mechanisms. The San Diego Housing Commission (SDHC) is widely considered a model for housing departments and housing authorities seeking new and more administratively efficient structures for working collaboratively to address housing needs in a given area.

At the municipal level, SDHC provides the full range of policies, programs and funding sources found across major cities surveyed in this study, with fee levels and regulatory requirements set at or below the average level. The major exceptions to this are the absence of a community land bank in the City or the region, and the lack of a document recording fee, property tax levy or other dedicated source of funding for the Housing Trust Fund beyond the commercial linkage fee. This absence of broad-based funding for the Housing Trust Fund tends to highlight the major weakness of San Diego vis-à-vis its competitor regions: the lack of active engagement from the private for-profit and philanthropic sectors in partnering with SDHC and other local government agencies to address regional housing needs. In many other regions profiled in this study, the major new housing policy and funding initiatives which are being launched involve leveraging Federal, State and local resources with private investment in the form of grants, low-interest loans or program-related investments from foundations. Strong philanthropic participation benefits affordable housing production by increasing and diversifying funding and resources available to developers. The lack of a substantial foundation presence in San Diego has been noted previously, as has the relative lack of focus on community development and housing as a funding priority[7].

Recommendations

Although economic conditions have changed substantially since the task force efforts of 1989, 1995 and 2002, many of the same policy and funding recommendations remain relevant. The experience of other competitive regions across the United States suggests that communities with a broad and balanced set of policy and funding tools tend to perform better in terms of housing production than those which rely on just a few major programs or policies. Table 7 below provides a complete set of recommendations based on the data and analysis conducted for this study. The most important recommendations which flow from this analysis are, as follows:

1. ***Engage civic leaders from the business and philanthropic community in a renewed effort to support affordable housing production.*** One of San Diego's weaknesses compared to other competitor regions is the lack of active engagement from the private for-profit and philanthropic sectors in community development and affordable housing. In many other regions, government funding for affordable housing developments is leveraged with private investments such as grants or low-interest loans. The City should conduct outreach to leaders across the community to increase support for affordable housing efforts.

2. ***Form a regional land bank.*** Four comparison jurisdictions have land banks to acquire land for affordable housing development. A land bank could be an entity of the City or could be managed by a nonprofit organization independently or in conjunction with a City agency. In Atlanta, for example, the City and County have a joint land bank authority that facilitates the purchase of tax-foreclosed properties by CDCs and clears the back taxes. The land bank in Minneapolis, on the other hand, is a nonprofit entity that raised money for property acquisition and land banking. Land banks facilitate the

[7] See, for example, Foundation and Corporate Giving in the San Diego Region, Fall, 2008

conversion of vacant, abandoned, and tax-delinquent properties to productive uses and can reduce the land cost for affordable housing developers.

3. ***Increase the amount of CDBG funding dedicated to affordable housing.*** The City of San Diego has allocated between eight and 10 percent of CDBG funding for affordable housing activities since 2000. San Diego's share of CDBG that is used for housing is the second lowest among all the comparison jurisdictions that use this federal funding source for housing activities. On average, the comparison cities dedicate 28 percent of CDBG funds for housing. All but three cities devote at least 15 percent of funds to housing, and eight cities allocate 20 percent or more. The City of San Diego should consider increasing the amount of CDBG funds it reserves for housing activities.

4. ***Increase the percent of redevelopment tax increment financing (TIF) dedicated to housing.*** Consistent with California Community Redevelopment Law (CRL), San Diego's redevelopment agencies set aside 20 percent of funding for low- and moderate-income housing. This 20 percent set-aside, however, is a just a minimum established by state law. The City could increase the set aside amount. Several other California cities dedicate more than the minimum 20 percent. In Anaheim and in certain redevelopment areas in Sacramento, 30 percent of TIF revenue is set aside for affordable housing. San Francisco's Redevelopment Agency also often exceeds the minimum contribution; in fiscal year 2009-2010, 40 percent of TIF revenue was set aside for housing.

5. ***Maintain and update the City's inclusionary housing program.*** The City will be undertaking a nexus study to update the citywide inclusionary housing program. San Diego should update the program, ensuring it the ordinance complies with recent case law regarding inclusionary housing, and continue to utilize it as a means to generate affordable housing in the City.

6. ***Maintain and regularly update the City's commercial linkage fee.*** San Diego is one of four cities considered in this study with a commercial linkage fee. Boston, Sacramento, and San Francisco also assess linkage fees on commercial development. San Diego's linkage fee is far lower than the fee amounts assessed in other cities. For example, the per square foot fee for office development is $1.06 in San Diego, compared to $2.11 in Sacramento, $7.87 in Boston, and $19.96 in San Francisco. Part of the reason San Diego's fees are lower than other cities is that the linkage fee amount has not been updated since 1996. By comparison, Sacramento and San Francisco update their fees annually while Boston updates its fee every three years. Regular updates of the commercial linkage fee allow the fee amount and associated revenue for the cities to keep pace with the cost of construction. In San Diego, the City Engineer prepares an

annual recommendation for fee revision based on the Building Cost Index for Twenty Cities. The City Council then determines whether to revise the fee amount. The City of San Diego is currently conducting a nexus study to update the commercial linkage fee. Once an updated fee amount is established, the City may want to consider revising the ordinance to provide for automatic updates to the fee based on a cost index rather than requiring City Council approval of fee revisions.

7. ***Consider forming an affordable housing overlay zoning district in key parts of the City.*** An affordable housing overlay identifies areas within a city where the development of affordable housing is permitted by-right. The zone guarantee's one's right to build affordable housing in areas of the city deemed most appropriate and can expedite the entitlement process for developers. Orange County and several jurisdictions in San Diego County have implemented such overlays.

8. ***Dedicate a percentage of transient occupancy tax (TOT) revenues to the Housing Trust Fund.*** When the City of San Diego first established the Housing Trust Fund in 1990, one of the dedicated revenue sources was a share of TOT increment beyond the amount collected in FY1990. However, TOT revenues have not been allocated to the Trust Fund since 1992. The City should resume TOT contributions to the Housing Trust Fund to diversify the Fund's revenue sources. Other cities across the country allocate TOT funds for affordable housing. For example, in the City of San Francisco, a share of the hotel tax goes to the local housing trust fund to support affordable housing for seniors and disabled persons.

9. ***Consider forming a "Leading Way Fund" along the Boston model to collect one-time city revenues to support affordable housing production.*** In addition to considering various ongoing sources for affordable housing, the City of San Diego should explore the feasibility of using one-time city revenues to support housing production. In Boston, some of the one-time revenue sources, such as the sale of surplus municipal properties or buildings, are made available to support new affordable housing. This revenue source would provide the City with funding that is not highly regulated like other federal, state, and local housing sources, providing for creativity and flexibility in disbursing the funds.

Table 7: Policy and Funding Recommendations

	Prevalence	San Diego Status	Recommendation	Potential Impediments
Land Use, Zoning and Entitlements				
Inclusionary Zoning	Adopted in over 200 communities nationally, including in 50% of core cities in this survey.	Adopted 2003	Update ordinance to reflect recent changes in California Case Law (e.g.. Palmer and Patterson)	Current market downturn and lack of market-rate development pipeline.
Fee Reduction/Waiver	9 comparison cities offer a fee waiver	Adopted 2009	Maintain fee reduction/waiver	NA
Expedite Permit Processing	Available in 7 comparison cities	Adopted 2003	Maintain this program	NA
Affordable Housing Overlay Zone	Available in Orange County and various SD County jurisdictions	Not adopted	Consider creating an affordable housing overlay zone for key districts in San Diego to facilitate the production of market-rate and affordable housing at higher densities and deeper affordability levels.	Need to revisit existing land use and zoning policies and potential conflicts with existing overlay zone policies.
Affordable Housing Finance Sources				
Housing Linkage Fee	Not widely prevalent	Not adopted	Study the adoption of a housing linkage fee in light of recent case law affecting the ability of California jurisdictions to apply inclusionary requirements to new residential projects.	Current market downturn and lack of market-rate development pipeline; relatively few successful examples in operation.
Commercial Linkage Fee	Not widely prevalent nationally; California is the exception.	Adopted 1990	Of the four major jurisdictions with commercial linkage fees considered in this study, San Diego has the lowest fees. Update this program and adopt a policy framework for automatically adjusting the fees as market conditions change.	SDHC is currently studying options for updating this fee. In the absence of complementary revenue sources to supplement the Housing Trust Fund, this fee may generate political opposition.
Community Development Block Grant	Most jurisdictions use CDBG funds for affordable housing. The average across the cities studied is 28%.	CDBG used for housing as of 1996	In keeping with previous task force reports from 1995 and 2002, increase allocation of CDBG to affordable housing from current level to at least 30 percent.	Competing community development priorities and funding obligations; the lack of complementary community development support from the private sector.

Source: BAE, 2010.

Table 7: Policy and Funding Recommendations

	Prevalence	San Diego Status	Recommendation	Potential Impediments
Tax Increment Financing	Widely utilized across the US for housing production, rehabilitation and preservation.	Extensively utilized in San Diego	Consider increasing the mandatory amount of housing tax increment set aside for housing from 20 to 30 percent.	Potential funding conflicts with other redevelopment priorities in the city.
Local Housing Trust Fund	Widely utilized across the US and in comparison jurisdictions.	Adopted 1990	Broaden the sources utilized to support the Housing Trust Fund to include Transient Occupancy Tax Revenues, one-time City revenues and other sources.	Implementing a broader set of funding tools for the Housing Trust Fund requires broad political consensus.
Tax Exempt Bonds	Widely utilized, including voter-approved general obligation bond issuances in San Francisco and Dallas.	Utilized since 1989	Revenue bonds are used extensively in project finance; San Diego has not issued a general obligation bond to support affordable housing production.	A general obligation bond issuance would require voter approval.
Levies, Fees and Tax Abatements	Widely utilized outside of California	Not utilized	Document recording fees, dedicated property tax levies, tax abatement and a variety of other related measures are widely utilized outside of California to generate revenues for affordable housing. California's unique fiscal context, stemming from the passage of Proposition 13 in 1978 and the current Statewide fiscal crisis, make the adoption of these types of measures unlikely in the short-run.	Some of these tools may not be legally available in California while others are not politically feasible given the current fiscal crisis affecting State and local government.
Other Programs and Policies				
Community Land Trust	Prevalent across large urban areas in the US.	Created 2007	Broaden support for this important collaboration.	NA
Land Bank	Increasingly important tool in revitalizing urban neighborhoods.	Not present	Consider forming a community land bank to facilitate the acquisition of distressed and/or underutilized properties; leverage private resources as well as federal sources such as the Neighborhood Stabilization Program (NSP).	Unlike many cities considered in this study such as Minneapolis and Atlanta, San Diego does not have a large number of foreclosed and/or abandoned properties.

Source: BAE, 2010.

Appendix A: Demographic, Economic and Housing Data

Appendix A.1: Population of the Central City as a Percentage of the Overall Region (a) (b)

	2000			2009			2014 (Projected)		
	City (b)	Region	City Share of Region	City (b)	Region	City Share of Region (a)	City (b)	Region	City Share of Region
San Jose-Sunnyvale-Santa Clara, CA	894,943	1,735,819	51.6%	963,667	1,852,234	52.0%	1,015,401	1,943,748	52.2%
Austin-Round Rock, TX	656,562	1,249,763	52.5%	749,861	1,659,847	45.2%	810,845	1,896,458	42.8%
San Diego-Carlsbad-San Marcos, CA	**1,223,400**	**2,813,833**	**43.5%**	**1,308,416**	**3,064,619**	**42.7%**	**1,375,635**	**3,247,986**	**42.4%**
Phoenix-Mesa-Scottsdale, AZ	1,321,045	3,251,876	40.6%	1,543,310	4,351,309	35.5%	1,692,790	4,996,120	33.9%
Raleigh-Cary, NC	276,093	797,071	34.6%	371,092	1,097,673	33.8%	426,632	1,271,105	33.6%
Portland-Vancouver-Beaverton, OR-WA	529,121	1,927,881	27.4%	562,077	2,218,761	25.3%	584,523	2,390,680	24.5%
Denver-Aurora-Broomfield, CO	554,636	2,179,296	25.5%	596,565	2,528,842	23.6%	623,080	2,734,343	22.8%
Sacramento--Arden-Arcade--Roseville, CA	407,018	1,796,857	22.7%	475,422	2,143,806	22.2%	520,702	2,366,541	22.0%
Dallas-Fort Worth-Arlington, TX	1,188,580	5,161,544	23.0%	1,256,858	6,348,826	19.8%	1,308,259	7,045,456	18.6%
San Francisco-Oakland-Fremont, CA	776,733	4,123,740	18.8%	787,951	4,302,272	18.3%	805,795	4,464,255	18.0%
Seattle-Tacoma-Bellevue, WA	563,374	3,043,878	18.5%	602,016	3,381,567	17.8%	627,528	3,585,363	17.5%
Salt Lake City, UT	181,743	968,858	18.8%	182,168	1,128,474	16.1%	186,282	1,226,825	15.2%
Boston-Cambridge-Quincy, MA-NH	589,141	4,391,344	13.4%	601,787	4,495,827	13.4%	609,098	4,556,986	13.4%
Tampa-St. Petersburg-Clearwater, FL	303,447	2,395,997	12.7%	346,312	2,785,041	12.4%	376,067	3,034,751	12.4%
Minneapolis-St. Paul-Bloomington, MN-WI	382,618	2,968,806	12.9%	379,319	3,258,197	11.6%	379,788	3,425,218	11.1%
Orange County, CA (c)	328,014	2,846,289	11.5%	338,880	3,068,575	11.0%	351,356	3,236,378	10.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV	572,059	4,796,183	11.9%	591,721	5,389,073	11.0%	604,029	5,715,550	10.6%
Atlanta-Sandy Springs-Marietta, GA	416,474	4,247,981	9.8%	529,440	5,494,339	9.6%	594,482	6,210,294	9.6%
Miami-Ft. Lauderdale-Pompano Beach, FL	362,470	5,007,564	7.2%	429,888	5,526,833	7.8%	470,362	5,883,177	8.0%
Average	**606,709**	**2,931,820**	**24.1%**	**664,039**	**3,373,480**	**22.6%**	**703,298**	**3,643,749**	**22.1%**
San Diego County		2,813,833			3,064,619			3,247,986	
State of California		33,871,648			37,559,728			40,145,714	

Notes:

(a) Information ranked according to each central city's share of the population of its metropolitan region in 2009, from largest to smallest

(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.

(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.

Sources: Claritas, 2009; BAE, 2010.

Appendix A.2: Median Age, 2000 and 2009 (a)

	2000		2009	
	City (b)	Region	City (b)	Region (a)
Tampa-St. Petersburg-Clearwater, FL	34.7	40.0	36.3	41.0
Miami-Ft. Lauderdale-Pompano Beach, FL	37.8	37.7	41.4	40.3
San Francisco-Oakland-Fremont, CA	36.7	36.2	41.4	39.4
Boston-Cambridge-Quincy, MA-NH	31.3	36.1	34.1	38.8
Seattle-Tacoma-Bellevue, WA	35.5	35.2	39.4	38.0
Portland-Vancouver-Beaverton, OR-WA	35.2	34.8	38.8	37.4
San Jose-Sunnyvale-Santa Clara, CA	32.7	34.0	36.0	37.1
Washington-Arlington-Alexandria, DC-VA-MD-WV	34.7	34.9	35.4	36.9
Minneapolis-St. Paul-Bloomington, MN-WI	31.4	34.2	35.2	36.6
Denver-Aurora-Broomfield, CO	33.3	34.2	36.6	36.4
Orange County, CA (c)	30.3	33.4	33.0	36.2
Raleigh-Cary, NC	31.1	33.3	33.7	35.1
Atlanta-Sandy Springs-Marietta, GA	32.1	33.0	35.5	35.1
Sacramento--Arden-Arcade--Roseville, CA	32.9	34.6	34.1	35.0
San Diego-Carlsbad-San Marcos, CA	**32.6**	**33.2**	**34.6**	**34.6**
Phoenix-Mesa-Scottsdale, AZ	30.8	33.3	32.4	34.1
Dallas-Fort Worth-Arlington, TX	30.5	32.0	33.0	33.6
Austin-Round Rock, TX	29.6	31.0	33.2	33.5
Salt Lake City, UT	30.0	28.9	33.2	31.2
Average	**32.8**	**34.2**	**35.7**	**36.3**
San Diego County	33.2		34.6	
State of California	33.3		34.9	

Notes:
(a) Information ranked according to the median age of persons living in each region in 2009, from highest to lowest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.3: Number of Households in the Central City as a Percentage of the Overall Region (a) (b)

	2000			2009			2014 (Projected)		
	City (b)	Region	City Share of Region	City (b)	Region	City Share of Region (a)	City (b)	Region	City Share of Region
Austin-Round Rock, TX	265,649	471,855	56.3%	304,006	614,635	49.5%	329,893	697,618	47.3%
San Jose-Sunnyvale-Santa Clara, CA	276,598	581,748	47.5%	295,221	612,035	48.2%	310,240	638,985	48.6%
San Diego-Carlsbad-San Marcos, CA	**450,691**	**994,677**	**45.3%**	**483,267**	**1,077,820**	**44.8%**	**509,579**	**1,141,072**	**44.7%**
Raleigh-Cary, NC	112,608	306,478	36.7%	151,138	418,203	36.1%	173,972	482,852	36.0%
Phoenix-Mesa-Scottsdale, AZ	465,834	1,194,250	39.0%	532,483	1,558,268	34.2%	579,764	1,776,319	32.6%
Portland-Vancouver-Beaverton, OR-WA	223,737	745,531	30.0%	239,084	855,117	28.0%	249,221	920,170	27.1%
Denver-Aurora-Broomfield, CO	239,235	852,171	28.1%	250,586	976,666	25.7%	259,338	1,050,879	24.7%
Sacramento--Arden-Arcade--Roseville, CA	154,581	665,298	23.2%	178,244	788,739	22.6%	194,522	869,475	22.4%
San Francisco-Oakland-Fremont, CA	329,700	1,551,948	21.2%	332,596	1,594,950	20.9%	339,598	1,646,774	20.6%
Seattle-Tacoma-Bellevue, WA	258,499	1,196,568	21.6%	277,849	1,334,822	20.8%	290,302	1,417,611	20.5%
Dallas-Fort Worth-Arlington, TX	451,833	1,881,056	24.0%	468,055	2,270,328	20.6%	484,733	2,505,659	19.3%
Salt Lake City, UT	71,461	318,150	22.5%	72,574	370,181	19.6%	74,847	402,395	18.6%
Boston-Cambridge-Quincy, MA-NH	239,528	1,679,659	14.3%	242,671	1,727,074	14.1%	245,204	1,753,806	14.0%
Minneapolis-St. Paul-Bloomington, MN-WI	162,352	1,136,615	14.3%	161,862	1,256,490	12.9%	162,491	1,323,836	12.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	248,338	1,800,263	13.8%	260,749	2,024,798	12.9%	267,772	2,147,710	12.5%
Tampa-St. Petersburg-Clearwater, FL	124,758	1,009,316	12.4%	142,558	1,158,827	12.3%	155,030	1,256,984	12.3%
Atlanta-Sandy Springs-Marietta, GA	168,147	1,554,154	10.8%	212,885	1,978,507	10.8%	238,855	2,225,198	10.7%
Orange County, CA (c)	96,969	935,287	10.4%	97,532	991,611	9.8%	99,905	1,038,313	9.6%
Miami-Ft. Lauderdale-Pompano Beach, FL	134,198	1,905,394	7.0%	162,469	2,063,242	7.9%	179,623	2,183,327	8.2%
Average	**235,511**	**1,093,706**	**25.2%**	**256,096**	**1,245,911**	**23.8%**	**270,784**	**1,340,999**	**23.3%**
San Diego County		994,677			1,077,820			1,141,072	
State of California		11,502,870			12,553,966			13,342,716	

Notes:
(a) Information ranked according to each central city's share of the number of households in its metropolitan region in 2009, from largest to smallest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.4: Average Household Size, 2000 and 2009 (a)

	2000		2009	
	City (b)	Region	City (b)	Region (a)
Orange County, CA (c)	3.34	3.00	3.43	3.05
Salt Lake City, UT	2.48	3.00	2.44	3.00
San Jose-Sunnyvale-Santa Clara, CA	3.20	2.93	3.23	2.98
Dallas-Fort Worth-Arlington, TX	2.58	2.70	2.63	2.76
Phoenix-Mesa-Scottsdale, AZ	2.79	2.67	2.85	2.75
San Diego-Carlsbad-San Marcos, CA	**2.61**	**2.73**	**2.61**	**2.75**
Atlanta-Sandy Springs-Marietta, GA	2.30	2.68	2.34	2.73
Sacramento--Arden-Arcade--Roseville, CA	2.57	2.65	2.61	2.67
San Francisco-Oakland-Fremont, CA	2.30	2.61	2.31	2.65
Miami-Ft. Lauderdale-Pompano Beach, FL	2.61	2.58	2.56	2.63
Austin-Round Rock, TX	2.40	2.57	2.39	2.63
Washington-Arlington-Alexandria, DC-VA-MD-WV	2.16	2.61	2.14	2.61
Raleigh-Cary, NC	2.30	2.53	2.33	2.57
Denver-Aurora-Broomfield, CO	2.27	2.52	2.33	2.56
Portland-Vancouver-Beaverton, OR-WA	2.30	2.54	2.29	2.55
Minneapolis-St. Paul-Bloomington, MN-WI	2.25	2.56	2.22	2.54
Boston-Cambridge-Quincy, MA-NH	2.31	2.53	2.34	2.52
Seattle-Tacoma-Bellevue, WA	2.08	2.49	2.07	2.48
Tampa-St. Petersburg-Clearwater, FL	2.36	2.33	2.35	2.36
Average	**2.48**	**2.64**	**2.50**	**2.67**
San Diego County	2.73		2.75	
State of California	2.87		2.92	

Notes:
(a) Information ranked according to the average household size in each region in 2009, from largest to smallest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.5: Average Annual Household Growth Trends (a)

	Avg. Annual Growth Rate				Avg. New Households Per Year			
	2000-2009		2009-2014		2000-2009		2009-2014	
	City (b)	Region (a)	City (b)	Region	City (b)	Region	City (b)	Region
Raleigh-Cary, NC	3.3%	3.5%	2.9%	2.9%	3,853	11,173	3,806	10,775
Phoenix-Mesa-Scottsdale, AZ	1.5%	3.0%	1.7%	2.7%	6,665	36,402	7,880	36,342
Austin-Round Rock, TX	1.5%	3.0%	1.6%	2.6%	3,836	14,278	4,315	13,831
Atlanta-Sandy Springs-Marietta, GA	2.7%	2.7%	2.3%	2.4%	4,474	42,435	4,328	41,115
Dallas-Fort Worth-Arlington, TX	0.4%	2.1%	0.7%	2.0%	1,622	38,927	2,780	39,222
Sacramento--Arden-Arcade--Roseville, CA	1.6%	1.9%	1.8%	2.0%	2,366	12,344	2,713	13,456
Salt Lake City, UT	0.2%	1.7%	0.6%	1.7%	111	5,203	379	5,369
Tampa-St. Petersburg-Clearwater, FL	1.5%	1.5%	1.7%	1.6%	1,780	14,951	2,079	16,360
Portland-Vancouver-Beaverton, OR-WA	0.7%	1.5%	0.8%	1.5%	1,535	10,959	1,690	10,842
Denver-Aurora-Broomfield, CO	0.5%	1.5%	0.7%	1.5%	1,135	12,450	1,459	12,369
Washington-Arlington-Alexandria, DC-VA-MD-WV	0.5%	1.3%	0.5%	1.2%	1,241	22,454	1,171	20,485
Seattle-Tacoma-Bellevue, WA	0.8%	1.2%	0.9%	1.2%	1,935	13,825	2,076	13,798
Minneapolis-St. Paul-Bloomington, MN-WI	0.0%	1.1%	0.1%	1.0%	-49	11,988	105	11,224
San Diego-Carlsbad-San Marcos, CA	**0.8%**	**0.9%**	**1.1%**	**1.1%**	**3,258**	**8,314**	**4,385**	**10,542**
Miami-Ft. Lauderdale-Pompano Beach, FL	2.1%	0.9%	2.0%	1.1%	2,827	15,785	2,859	20,014
Orange County, CA (c)	0.1%	0.7%	0.5%	0.9%	56	5,632	396	7,784
San Jose-Sunnyvale-Santa Clara, CA	0.7%	0.6%	1.0%	0.9%	1,862	3,029	2,503	4,492
Boston-Cambridge-Quincy, MA-NH	0.1%	0.3%	0.2%	0.3%	314	4,742	422	4,455
San Francisco-Oakland-Fremont, CA	0.1%	0.3%	0.4%	0.6%	290	4,300	1,167	8,637
Average	**1.0%**	**1.6%**	**1.1%**	**1.5%**	**2,058**	**15,221**	**2,448**	**15,848**
San Diego County	0.9%		1.1%		8,314		10,542	
State of California	1.0%		1.2%		105,110		131,458	

Notes:

(a) Information ranked according to the rate of average annual growth in the number of households in each region between 2000-2009, from highest to lowest.

(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.

(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.

Sources: Claritas, 2009; BAE, 2010.

Appendix A.6: Homeownership Rate, 2000 and 2009 (a)

	2000		2009	
	City (b)	Region	City (b)	Region (a)
Minneapolis-St. Paul-Bloomington, MN-WI	51.4%	72.4%	50.5%	73.9%
Salt Lake City, UT	51.2%	69.6%	50.7%	71.5%
Tampa-St. Petersburg-Clearwater, FL	55.0%	70.8%	54.9%	71.5%
Phoenix-Mesa-Scottsdale, AZ	60.7%	68.0%	60.6%	70.2%
Atlanta-Sandy Springs-Marietta, GA	43.7%	66.8%	43.1%	68.9%
Raleigh-Cary, NC	51.6%	67.7%	52.9%	68.7%
Denver-Aurora-Broomfield, CO	52.5%	66.9%	52.1%	68.3%
Miami-Ft. Lauderdale-Pompano Beach, FL	34.9%	66.0%	34.6%	66.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	40.8%	63.7%	40.3%	64.9%
Sacramento--Arden-Arcade--Roseville, CA	50.1%	61.3%	53.2%	63.7%
Portland-Vancouver-Beaverton, OR-WA	55.8%	62.9%	55.4%	63.3%
Seattle-Tacoma-Bellevue, WA	48.4%	62.1%	47.0%	62.4%
Dallas-Fort Worth-Arlington, TX	43.2%	60.2%	42.1%	62.3%
Austin-Round Rock, TX	44.8%	58.2%	45.9%	61.7%
Orange County, CA (c)	50.0%	61.4%	49.9%	61.7%
Boston-Cambridge-Quincy, MA-NH	32.2%	60.9%	31.9%	61.3%
San Jose-Sunnyvale-Santa Clara, CA	61.8%	60.1%	61.4%	59.7%
San Diego-Carlsbad-San Marcos, CA	**49.5%**	**55.4%**	**49.7%**	**56.3%**
San Francisco-Oakland-Fremont, CA	35.0%	55.4%	34.5%	55.5%
Average	**48.0%**	**63.7%**	**47.9%**	**64.9%**
San Diego County	55.4%		56.3%	
State of California	56.9%		57.7%	

Notes:
(a) Information ranked according to the percentage of households in each region that owned the homes in which they lived in 2009, from largest to smallest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.7: Median Household Income, 2000 and 2009 (a)

	2000		2009		Percent Increase 2000-2009	
	City (b)	Region	City (b)	Region (a)	City (b)	Region
San Jose-Sunnyvale-Santa Clara, CA	$70,564	$74,033	$83,106	$87,732	17.8%	18.5%
Washington-Arlington-Alexandria, DC-VA-MD-WV	$40,150	$63,591	$54,704	$83,427	36.2%	31.2%
San Francisco-Oakland-Fremont, CA	$55,915	$61,432	$70,818	$75,759	26.7%	23.3%
Orange County, CA (c)	$47,341	$59,063	$57,491	$74,575	21.4%	26.3%
Boston-Cambridge-Quincy, MA-NH	$39,672	$55,034	$50,878	$68,620	28.2%	24.7%
Minneapolis-St. Paul-Bloomington, MN-WI	$38,316	$54,707	$45,370	$64,980	18.4%	18.8%
Seattle-Tacoma-Bellevue, WA	$45,827	$51,752	$56,730	$63,787	23.8%	23.3%
San Diego-Carlsbad-San Marcos, CA	**$45,817**	**$47,261**	**$60,318**	**$62,468**	**31.6%**	**32.2%**
Denver-Aurora-Broomfield, CO	$39,573	$51,726	$46,474	$60,248	17.4%	16.5%
Sacramento--Arden-Arcade--Roseville, CA	$37,313	$46,198	$48,410	$59,886	29.7%	29.6%
Raleigh-Cary, NC	$46,763	$51,783	$51,050	$58,511	9.2%	13.0%
Salt Lake City, UT	$37,183	$48,817	$42,859	$58,356	15.3%	19.5%
Atlanta-Sandy Springs-Marietta, GA	$34,820	$51,946	$44,399	$58,312	27.5%	12.3%
Austin-Round Rock, TX	$43,207	$49,054	$47,972	$56,899	11.0%	16.0%
Portland-Vancouver-Beaverton, OR-WA	$40,169	$47,169	$48,149	$56,392	19.9%	19.6%
Dallas-Fort Worth-Arlington, TX	$37,998	$47,915	$41,762	$56,231	9.9%	17.4%
Phoenix-Mesa-Scottsdale, AZ	$41,428	$44,794	$47,746	$55,045	15.3%	22.9%
Miami-Ft. Lauderdale-Pompano Beach, FL	$23,708	$40,320	$29,764	$49,643	25.5%	23.1%
Tampa-St. Petersburg-Clearwater, FL	$34,518	$37,652	$42,775	$47,008	23.9%	24.8%
Average	**$42,120**	**$51,802**	**$51,093**	**$63,046**	**21.5%**	**21.7%**
San Diego County	$47,261		$62,468		32.2%	
State of California	$47,744		$60,133		25.9%	

Notes:
(a) Information ranked according to the median household income in each region in 2009, from highest to lowest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.8: Households in the Central City by Tenure and Income Category, 2000 (a)

	Renters				Owners				Total			
	Up to 30%	31% - 50%	51% - 80%	More than 80%	Up to 30%	31% - 50%	51% - 80%	More than 80%	Up to 30%	31% - 50%	51% - 80%	More than 80%
San Diego	**19.4%**	**16.3%**	**20.9%**	**43.5%**	**5.2%**	**6.2%**	**12.4%**	**76.2%**	**12.4%**	**11.3%**	**16.7%**	**59.7%**
Atlanta	34.1%	17.1%	18.4%	30.3%	11.1%	9.0%	15.2%	64.7%	24.1%	13.6%	17.0%	45.3%
Austin	21.3%	16.4%	23.4%	38.9%	6.2%	6.8%	14.1%	73.0%	14.5%	12.1%	19.2%	54.2%
Boston	31.8%	15.3%	15.2%	37.7%	8.7%	9.5%	13.9%	67.9%	24.3%	13.5%	14.8%	47.4%
Dallas	20.9%	16.6%	23.8%	38.7%	10.0%	10.2%	17.0%	62.9%	16.2%	13.8%	20.9%	49.2%
Denver	25.8%	17.8%	23.8%	32.6%	7.6%	9.8%	18.6%	64.1%	16.3%	13.6%	21.0%	49.1%
Miami	32.0%	18.1%	18.5%	31.4%	10.5%	10.2%	15.5%	63.8%	24.5%	15.3%	17.5%	42.7%
Minneapolis	30.3%	20.2%	21.5%	27.9%	7.7%	10.5%	17.7%	64.1%	18.7%	15.2%	19.5%	46.5%
Anaheim	21.0%	22.6%	25.6%	30.8%	5.9%	8.3%	15.3%	70.5%	13.4%	15.4%	20.5%	50.7%
Phoenix	20.5%	17.3%	23.7%	38.5%	6.3%	8.4%	15.5%	69.8%	11.9%	11.9%	18.8%	57.5%
Portland	23.6%	17.4%	24.7%	34.3%	6.0%	7.5%	16.5%	70.1%	13.8%	11.9%	20.1%	54.3%
Raleigh	19.0%	15.9%	25.3%	39.9%	4.0%	5.5%	13.0%	77.5%	11.3%	10.5%	19.0%	59.2%
Sacramento	27.0%	17.9%	21.1%	34.0%	8.0%	9.3%	16.7%	66.0%	17.5%	13.6%	18.9%	50.0%
Salt Lake City	24.0%	19.9%	25.0%	31.1%	6.6%	8.9%	17.2%	67.3%	15.1%	14.2%	21.0%	49.6%
San Francisco	23.0%	12.4%	18.7%	45.9%	8.9%	8.2%	15.5%	67.4%	18.1%	10.9%	17.6%	53.4%
San Jose	21.5%	16.3%	14.0%	48.2%	6.3%	7.3%	8.9%	77.5%	12.1%	10.7%	10.8%	66.3%
Seattle	22.4%	15.6%	22.8%	39.3%	5.7%	6.7%	13.4%	74.2%	14.3%	11.3%	18.2%	56.2%
Tampa	23.0%	15.2%	19.6%	42.2%	8.2%	9.3%	15.4%	67.1%	14.8%	12.0%	17.3%	55.9%
Washington, DC	34.0%	16.9%	14.6%	34.6%	10.6%	8.9%	10.1%	70.4%	24.5%	13.6%	12.8%	49.2%
Average	**25.0%**	**17.1%**	**21.1%**	**36.8%**	**7.6%**	**8.4%**	**14.8%**	**69.2%**	**16.7%**	**12.9%**	**18.0%**	**52.4%**
San Diego County	17.8%	16.9%	22.6%	42.7%	5.2%	6.5%	13.2%	75.1%	10.8%	11.1%	17.4%	60.7%
State of California	20.2%	16.4%	20.2%	43.2%	5.9%	7.2%	12.9%	74.1%	12.0%	11.2%	16.0%	60.8%

Notes:
(a) "Income category" determined by HUD as a percentage of County Median Family Income (MFI). Information is not ranked.
Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2010.

Appendix A.9: Households Living Below the Poverty Line, 2000 and 2009 (a) (b)

	2000		2009	
	City (c)	Region	City (a) (c)	Region
Miami-Ft. Lauderdale-Pompano Beach, FL	23.5%	10.8%	23.5%	10.8%
Atlanta-Sandy Springs-Marietta, GA	21.3%	7.0%	21.0%	6.9%
Washington-Arlington-Alexandria, DC-VA-MD-WV	16.7%	5.1%	16.9%	5.2%
Boston-Cambridge-Quincy, MA-NH	15.3%	5.9%	16.1%	6.2%
Dallas-Fort Worth-Arlington, TX	14.9%	8.1%	15.2%	7.7%
Sacramento--Arden-Arcade--Roseville, CA	15.3%	8.7%	15.0%	8.5%
Tampa-St. Petersburg-Clearwater, FL	14.0%	7.8%	14.3%	7.9%
Minneapolis-St. Paul-Bloomington, MN-WI	11.9%	4.2%	12.2%	4.3%
Phoenix-Mesa-Scottsdale, AZ	11.5%	8.2%	11.9%	8.4%
Denver-Aurora-Broomfield, CO	10.6%	5.5%	11.6%	5.9%
Salt Lake City, UT	10.4%	5.6%	10.6%	5.5%
Orange County, CA (d)	10.4%	7.0%	10.5%	7.1%
San Diego-Carlsbad-San Marcos, CA	**10.6%**	**8.9%**	**10.4%**	**8.7%**
Portland-Vancouver-Beaverton, OR-WA	8.5%	6.4%	8.9%	6.7%
Austin-Round Rock, TX	9.1%	6.7%	8.9%	6.4%
San Francisco-Oakland-Fremont, CA	7.8%	6.1%	8.4%	6.4%
Seattle-Tacoma-Bellevue, WA	6.9%	5.7%	7.9%	6.1%
Raleigh-Cary, NC	7.1%	5.9%	6.9%	5.8%
San Jose-Sunnyvale-Santa Clara, CA	6.0%	5.0%	6.3%	5.3%
Average	**12.2%**	**6.8%**	**12.4%**	**6.8%**
San Diego County	8.9%		8.7%	
State of California	10.6%		10.8%	

Notes:
(a) Information ranked according to the percentage of households in each central city living below the poverty line in 2009, from largest to smallest.
(b) Percentages calculated from the universe of households for which poverty status is known, not from the universe of total households.
(c) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.10: Housing Units by Type, 2009 (a)

	City (b)					Region				
	Total Units	Single-Family	Duplex	Multi-Family	Mobile Homes/ Other	Total Units	Single-Family	Duplex	Multi-Family (a)	Mobile Homes/ Other
Miami-Ft. Lauderdale-Pompano Beach, FL	188,104	39.3%	5.6%	54.2%	0.9%	2,397,127	52.2%	2.7%	42.2%	3.0%
San Francisco-Oakland-Fremont, CA	354,715	31.1%	10.5%	58.1%	0.3%	1,678,909	58.8%	4.6%	35.1%	1.4%
Boston-Cambridge-Quincy, MA-NH	255,277	16.5%	14.5%	68.9%	0.1%	1,818,634	53.5%	11.9%	33.2%	1.4%
San Diego-Carlsbad-San Marcos, CA	**507,658**	**55.6%**	**2.6%**	**40.4%**	**1.4%**	**1,138,158**	**60.6%**	**2.1%**	**32.9%**	**4.4%**
Orange County, CA (c)	100,711	51.7%	1.2%	43.0%	4.1%	1,034,539	63.4%	1.8%	31.4%	3.3%
Washington-Arlington-Alexandria, DC-VA-MD-WV	287,568	38.9%	3.0%	57.8%	0.2%	2,151,130	67.0%	1.0%	31.0%	1.0%
Seattle-Tacoma-Bellevue, WA	295,065	49.4%	3.6%	46.5%	0.5%	1,419,601	62.5%	2.4%	29.9%	5.2%
San Jose-Sunnyvale-Santa Clara, CA	303,327	65.9%	2.1%	27.6%	4.5%	633,377	64.6%	1.9%	29.8%	3.7%
Dallas-Fort Worth-Arlington, TX	518,173	46.5%	2.0%	50.1%	1.4%	2,430,954	64.4%	1.5%	28.5%	5.6%
Denver-Aurora-Broomfield, CO	271,465	53.3%	3.2%	42.8%	0.6%	1,045,782	68.8%	1.6%	27.2%	2.5%
Austin-Round Rock, TX	326,315	51.6%	5.0%	41.3%	2.1%	657,473	63.3%	3.6%	25.7%	7.4%
Portland-Vancouver-Beaverton, OR-WA	253,759	62.2%	4.2%	32.0%	1.6%	906,512	66.0%	2.9%	25.4%	5.7%
Tampa-St. Petersburg-Clearwater, FL	157,673	59.9%	4.1%	33.9%	2.2%	1,330,218	59.3%	2.5%	24.0%	14.2%
Minneapolis-St. Paul-Bloomington, MN-WI	173,910	47.4%	10.7%	41.7%	0.2%	1,322,566	71.3%	3.1%	23.3%	2.2%
Atlanta-Sandy Springs-Marietta, GA	246,285	45.6%	4.3%	49.7%	0.5%	2,150,307	70.5%	2.0%	22.6%	4.9%
Phoenix-Mesa-Scottsdale, AZ	567,098	62.5%	1.5%	31.1%	5.0%	1,741,802	65.9%	1.1%	21.4%	11.7%
Salt Lake City, UT	78,885	52.2%	8.0%	38.9%	0.9%	401,116	72.0%	3.7%	21.2%	3.1%
Sacramento--Arden-Arcade--Roseville, CA	193,687	67.3%	3.0%	26.8%	3.0%	860,145	73.3%	2.0%	20.6%	4.1%
Raleigh-Cary, NC	161,583	56.9%	3.2%	38.3%	1.6%	447,756	68.0%	2.0%	20.0%	10.0%
Average	**275,856**	**50.2%**	**4.8%**	**43.3%**	**1.6%**	**1,345,585**	**64.5%**	**2.9%**	**27.7%**	**5.0%**
San Diego County						1,138,158	60.6%	2.1%	32.9%	4.4%
State of California						13,445,186	64.5%	2.6%	28.0%	4.9%

Notes:
(a) Information ranked according to the percentage of housing units in each region that were multifamily in 2009, from largest to smallest.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.11: Median Year Built, Housing Units, 2009 (a)

	City (b)	Region (a)
Raleigh-Cary, NC	1988	1993
Austin-Round Rock, TX	1983	1989
Phoenix-Mesa-Scottsdale, AZ	1981	1989
Atlanta-Sandy Springs-Marietta, GA	1971	1989
Dallas-Fort Worth-Arlington, TX	1974	1985
Tampa-St. Petersburg-Clearwater, FL	1972	1981
Sacramento--Arden-Arcade--Roseville, CA	1974	1981
Miami-Ft. Lauderdale-Pompano Beach, FL	1972	1980
Salt Lake City, UT	1956	1980
Denver-Aurora-Broomfield, CO	1963	1980
Portland-Vancouver-Beaverton, OR-WA	1957	1978
Seattle-Tacoma-Bellevue, WA	1958	1978
Washington-Arlington-Alexandria, DC-VA-MD-WV	1952	1978
San Diego-Carlsbad-San Marcos, CA	**1975**	**1977**
Minneapolis-St. Paul-Bloomington, MN-WI	1943	1976
Orange County, CA (c)	1973	1975
San Jose-Sunnyvale-Santa Clara, CA	1974	1972
San Francisco-Oakland-Fremont, CA	1943	1964
Boston-Cambridge-Quincy, MA-NH	1940	1958
Average	**1966**	**1979**
San Diego County	1977	
State of California	1974	

Notes:
(a) Information ranked according to the median year of construction for the housing units in each region as of 2009, from most to least recent.
(b) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: Claritas, 2009; BAE, 2010.

Appendix A.12: Residential Building Permits Issued, 2000-2009 (a) (b)

	City (c)		Region		
	Permits Issued (b)	**% Multi-Family**	**Permits Issued (b)**	**% Multi-Family**	**City's Share of Region (a)**
San Jose-Sunnyvale-Santa Clara, CA	27,127	75.8%	51,358	59.1%	52.8%
Raleigh-Cary, NC	52,243	37.0%	131,957	20.9%	39.6%
San Diego-Carlsbad-San Marcos, CA	**44,793**	**69.5%**	**117,534**	**43.6%**	**38.1%**
Austin-Round Rock, TX	66,711	54.3%	180,070	32.7%	37.0%
Phoenix-Mesa-Scottsdale, AZ	100,100	29.4%	443,021	17.4%	22.6%
Portland-Vancouver-Beaverton, OR-WA	27,466	65.2%	130,282	29.8%	21.1%
Sacramento--Arden-Arcade--Roseville, CA	31,563	34.1%	150,487	19.7%	21.0%
Seattle-Tacoma-Bellevue, WA	40,478	85.0%	210,554	39.0%	19.2%
Denver-Aurora-Broomfield, CO	34,633	51.8%	185,416	32.3%	18.7%
San Francisco-Oakland-Fremont, CA	18,687	96.5%	119,853	45.9%	15.6%
Miami-Ft. Lauderdale-Pompano Beach, FL	39,883	97.6%	303,267	46.0%	13.2%
Tampa-St. Petersburg-Clearwater, FL	26,997	47.0%	209,076	26.9%	12.9%
Dallas-Fort Worth-Arlington, TX	57,928	61.7%	476,362	24.7%	12.2%
Atlanta-Sandy Springs-Marietta, GA	67,220	85.1%	552,936	22.9%	12.2%
Salt Lake City, UT	4,736	76.5%	66,960	28.3%	7.1%
Boston-Cambridge-Quincy, MA-NH	10,270	92.7%	119,100	45.5%	8.6%
Minneapolis-St. Paul-Bloomington, MN-WI	10,883	84.0%	184,587	26.1%	5.9%
Orange County, CA (d)	4,478	79.5%	79,627	45.6%	5.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	15,193	84.8%	300,338	28.2%	5.1%
Average	**35,863**	**68.8%**	**211,199**	**33.4%**	**19.4%**
San Diego County			117,534	43.6%	
State of California			1,424,570	28.7%	

Notes:

(a) Information ranked according to each central city's share of the residential permits issued in its region between 2000-2009, from largest to smallest.

(b) The number of residential building permits listed represents the total number of housing units authorized for construction over the given period.

(c) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.

(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.

Sources: HUD, Building Permit Database, 2010; BAE, 2010.

Appendix A.13: Median Rent, 3BR Unit, 2010 (a) (b)

	2001	2010 (a)	% Change
Orange County, CA	$1,455	$2,497	71.6%
San Francisco-Oakland-Fremont, CA	$2,117	$2,463	16.3%
San Jose-Sunnyvale-Santa Clara, CA	$2,030	$2,321	14.3%
San Diego-Carlsbad-San Marcos, CA	**$1,247**	**$2,083**	**67.0%**
Washington-Arlington-Alexandria, DC-VA-MD-WV	$1,236	$1,927	55.9%
Boston-Cambridge-Quincy, MA-NH	$1,309	$1,835	40.2%
Miami-Ft. Lauderdale-Pompano Beach, FL	$1,054	$1,671	58.5%
Seattle-Tacoma-Bellevue, WA	$1,178	$1,602	36.0%
Sacramento--Arden-Arcade--Roseville, CA	$950	$1,562	64.4%
Phoenix-Mesa-Scottsdale, AZ	$950	$1,409	48.3%
Austin-Round Rock, TX	$1,192	$1,383	16.0%
Tampa-St. Petersburg-Clearwater, FL	$917	$1,315	43.4%
Denver-Aurora-Broomfield, CO	$1,154	$1,308	13.3%
Dallas-Fort Worth-Arlington, TX	$1,148	$1,263	10.0%
Portland-Vancouver-Beaverton, OR-WA	$1,059	$1,261	19.1%
Salt Lake City, UT	$971	$1,248	28.5%
Minneapolis-St. Paul-Bloomington, MN-WI	$1,004	$1,243	23.8%
Atlanta-Sandy Springs-Marietta, GA	$1,119	$1,183	5.7%
Raleigh-Cary, NC	$1,090	$1,170	7.3%
Average	**$1,220**	**$1,618**	**33.7%**

Notes:
(a) Information ranked according to the median rent of a 3BR unit in each region in 2010, from highest to lowest.
(b) Some geographies differ from those listed according to HUD methodology. In some cases, geographies are not identical from 2001 to 2010 due to a shift in HUD definitions.
Notes: HUD, 50th Percentile Rent Estimates, 2010; BAE, 2010.

Appendix A.14: Median Home Sale Price and the Housing Opportunity Index (HOI), First Quarter 2000, 2005 & 2010 (a) (b) (c)

	First Quarter 2000		First Quarter 2005		First Quarter 2010			
	Median Sale Price	HOI (b)	Median Sale Price	HOI (b)	Median Sale Price (a)	HOI (b)	% Change 2000-2005	% Change 2000-2010
San Francisco-Oakland-Fremont, CA	$464,000	10.3	$705,000	10.4	$585,000	23.4	51.9%	26.1%
San Jose-Sunnyvale-Santa Clara, CA	$410,000	18.3	$585,000	19.5	$431,000	45.1	42.7%	5.1%
San Diego-Carlsbad-San Marcos, CA	**$220,000**	**30.1**	**$455,000**	**7.0**	**$310,000**	**46.6**	**106.8%**	**40.9%**
Orange County, CA	$194,000	40.2	$430,000	5.2	$306,000	35.9	121.6%	57.7%
Seattle-Tacoma-Bellevue, WA	$214,000	47.2	$275,000	50.8	$305,000	57.8	28.5%	42.5%
Washington-Arlington-Alexandria, DC-VA-MD-WV	$172,000	77.1	$339,000	46.0	$270,000	75.1	97.1%	57.0%
Boston-Cambridge-Quincy, MA-NH	$200,000	51.3	$355,000	30.1	$270,000	64.2	77.5%	35.0%
Portland-Vancouver-Beaverton, OR-WA	$162,000	32.9	$206,000	63.1	$225,000	67.3	27.2%	38.9%
Denver-Aurora-Broomfield, CO	$172,000	58.5	$220,000	68.3	$205,000	73.8	27.9%	19.2%
Sacramento--Arden-Arcade--Roseville, CA	$163,000	53.5	$370,000	12.3	$204,000	72.5	127.0%	25.2%
Salt Lake City, UT	$146,000	59.8	$197,000	64.5	$203,000	75.7	34.9%	39.0%
Raleigh-Cary, NC	$159,000	64.8	$178,000	71.2	$200,000	73.5	11.9%	25.8%
Austin-Round Rock, TX	$150,000	57.5	$179,000	66.5	$176,000	80.2	19.3%	17.3%
Miami-Ft. Lauderdale-Pompano Beach, FL	$115,000	58.8	$225,000	26.3	$170,000	58.5	95.7%	47.8%
Minneapolis-St. Paul-Bloomington, MN-WI	$140,000	78.4	$225,000	66.4	$165,000	86.0	60.7%	17.9%
Dallas-Fort Worth-Arlington, TX	$140,000	65.3	$171,000	65.7	$155,000	79.9	22.1%	10.7%
Atlanta-Sandy Springs-Marietta, GA	$139,000	74.9	$165,000	79.3	$143,000	80.4	18.7%	2.9%
Phoenix-Mesa-Scottsdale, AZ	$132,000	69.5	$193,000	60.1	$140,000	81.9	46.2%	6.1%
Tampa-St. Petersburg-Clearwater, FL	$92,000	76.5	$156,000	61.8	$120,000	79.7	69.6%	30.4%
Average	**$188,632**	**53.9**	**$296,263**	**46.0**	**$241,211**	**66.2**	**57.2%**	**28.7%**

Notes:
(a) Information ranked according to the median home sale price for each region in the first quarter of 2010, from highest to lowest.
(b) "Housing Opportunity Index" (HOI) is defined as the percentage of homes sold in a given geography that are affordable to a household earning the local median income.
(c) Some geographies differ from those listed according to the data-collection methods used by the National Association of Home Builders.
Sources: National Association of Home Builders, Housing Opportunity Index, Q1 2000, 2005 & 2010; BAE, 2010.

Appendix A.15: Cost-Burdened Households by Tenure and Income Category, 2000 (a) (b)

	Renters					Owners				
	Up to 30%	31% - 50%	51% - 80%	More than 80%	Total (a)	Up to 30%	31% - 50%	51% - 80%	More than 80%	Total
Miami	66.9%	79.2%	45.0%	8.9%	46.8%	76.4%	74.4%	55.9%	22.8%	38.8%
Anaheim	84.4%	73.9%	29.2%	3.9%	43.1%	70.8%	63.0%	55.0%	19.5%	31.6%
San Diego	**77.5%**	**73.3%**	**45.9%**	**10.1%**	**41.0%**	**72.1%**	**63.6%**	**52.2%**	**20.5%**	**29.8%**
Sacramento	78.7%	66.1%	29.5%	3.9%	40.7%	71.1%	55.7%	43.1%	12.9%	26.6%
Austin	78.1%	78.5%	36.5%	4.7%	39.8%	74.2%	57.0%	39.7%	9.0%	20.6%
San Jose	76.6%	71.5%	44.5%	10.5%	39.4%	69.9%	56.7%	53.6%	20.2%	29.0%
Portland	73.2%	75.5%	30.2%	3.9%	39.2%	80.8%	59.4%	48.1%	14.1%	27.0%
Boston	59.5%	61.7%	42.7%	9.0%	38.2%	75.3%	62.2%	50.7%	17.5%	31.4%
Atlanta	61.2%	57.9%	29.7%	6.5%	38.2%	71.4%	55.7%	39.3%	13.8%	27.8%
Seattle	70.5%	71.7%	35.7%	5.9%	37.4%	74.4%	53.8%	46.0%	16.4%	26.2%
Phoenix	75.0%	71.3%	31.9%	5.2%	37.3%	74.6%	63.1%	41.0%	10.0%	23.3%
Denver	70.9%	64.0%	25.0%	3.8%	36.9%	72.0%	55.0%	40.8%	10.7%	25.2%
Salt Lake City	73.0%	69.6%	19.2%	2.5%	36.9%	70.4%	48.6%	38.6%	12.1%	23.8%
Raleigh	75.8%	78.1%	34.6%	2.8%	36.7%	77.6%	60.3%	46.0%	9.7%	19.9%
Tampa	66.9%	68.4%	38.4%	6.4%	36.0%	72.0%	54.9%	37.8%	10.0%	23.5%
Minneapolis	69.3%	54.9%	14.0%	2.1%	35.7%	74.5%	53.0%	32.3%	6.3%	21.1%
San Francisco	67.6%	60.4%	37.1%	8.5%	33.9%	66.8%	49.9%	45.2%	20.6%	30.9%
Washington, DC	64.2%	43.0%	18.1%	5.4%	33.5%	66.8%	52.1%	37.0%	11.1%	23.3%
Dallas	71.9%	62.8%	24.0%	4.3%	32.8%	70.4%	47.8%	26.1%	8.2%	21.5%
Average	**71.6%**	**67.5%**	**32.2%**	**5.7%**	**38.1%**	**72.7%**	**57.2%**	**43.6%**	**14.0%**	**26.4%**
San Diego County	78.8%	75.2%	44.4%	9.3%	40.7%	72.6%	61.3%	51.3%	21.2%	30.4%
State of California	76.7%	75.1%	42.8%	8.8%	40.3%	71.3%	60.9%	51.4%	20.1%	30.1%

Notes:

(a) Information ranked according to the percentage renter households in each central city overpaying for housing in 2000, from highest to lowest.

(b) A household is "cost-burdened" if it spends more than 30 percent of gross income on housing-related costs. "Income category" is determined as a percentage of Median Family Income (MFI).

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) special tabulations from Census 2000; BAE, 2010.

Appendix A.16: Percentage of Households Living in Overcrowded Situations, 2000 (a) (b)

	City (c)	Region (a) (d)
Orange County, CA (e)	25.9%	15.7%
Miami-Ft. Lauderdale-Pompano Beach, FL	26.2%	14.2%
San Francisco-Oakland-Fremont, CA	12.4%	12.5%
San Diego-Carlsbad-San Marcos, CA	**12.5%**	**11.8%**
San Jose-Sunnyvale-Santa Clara, CA	18.3%	11.2%
Dallas-Fort Worth-Arlington, TX	15.1%	9.1%
Phoenix-Mesa-Scottsdale, AZ	12.5%	8.5%
Sacramento--Arden-Arcade--Roseville, CA	11.1%	7.9%
Austin-Round Rock, TX	8.9%	7.3%
Salt Lake City, UT	8.1%	5.5%
Portland-Vancouver-Beaverton, OR-WA	5.3%	5.2%
Denver-Aurora-Broomfield, CO	7.7%	5.2%
Atlanta-Sandy Springs-Marietta, GA	7.2%	5.1%
Tampa-St. Petersburg-Clearwater, FL	7.6%	4.8%
Seattle-Tacoma-Bellevue, WA	4.9%	4.8%
Washington-Arlington-Alexandria, DC-VA-MD-WV	8.9%	4.0%
Raleigh-Cary, NC	4.2%	3.8%
Minneapolis-St. Paul-Bloomington, MN-WI	6.9%	3.4%
Boston-Cambridge-Quincy, MA-NH	7.4%	3.2%
Average	**11.1%**	**7.5%**
San Diego County		11.8%
State of California		15.2%

Notes:
(a) Information ranked according to the percentage of overcrowded households in each central city in 2000, from highest to lowest.
(b) A household is defined as "overcrowded" when the average number of persons per room is greater than 1.0. Room count excludes bathrooms and kitchens.
(c) "City" refers to the central city of each metropolitan region. See Introduction for central city designations.
(d) Reported for MSAs as defined by the U.S. Office of Management and Budget in 2000. These geographies may differ slightly from current definitions.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: U.S. Census, 2000; BAE, 2010.

Appendix A.17: Per Square Foot Construction Costs, Multifamily Housing, 2006-2010 (a) (b)

	2006	2007	2008	2009	2010 (a)	Avg. Annual Inflation (2006-2009)
Low-Rise (c)						
San Francisco	$158.17	$171.95	$180.63	$201.22	$193.91	8.4%
Boston	$155.58	$166.36	$174.85	$191.64	$186.22	7.2%
San Jose	$154.28	$166.36	$174.85	$193.24	$186.22	7.8%
Minneapolis	$151.69	$163.57	$167.62	$183.66	$178.52	6.6%
Sacramento	$143.91	$155.18	$160.40	$178.86	$172.37	7.5%
Anaheim	$138.73	$146.79	$156.06	$170.88	$164.67	7.2%
San Diego	**$134.84**	**$145.39**	**$153.17**	**$166.09**	**$158.52**	**7.2%**
Seattle	$130.95	$142.60	$147.39	$162.89	$158.52	7.5%
Portland	$132.24	$142.60	$147.39	$159.70	$150.82	6.5%
Washington, DC	$120.57	$132.81	$138.72	$153.31	$147.74	8.3%
Denver	$123.17	$131.41	$134.39	$148.52	$141.59	6.4%
Tampa	$111.50	$120.23	$132.94	$145.33	$141.59	9.2%
Atlanta	$114.09	$125.82	$128.61	$143.73	$135.43	8.0%
Miami	$107.61	$118.83	$125.72	$137.34	$135.43	8.5%
Pheonix	$111.50	$120.23	$124.27	$135.75	$132.35	6.8%
Dallas	$107.61	$114.64	$118.49	$132.55	$127.74	7.2%
Raleigh	$97.24	$121.63	$122.83	$134.15	$127.74	11.3%
Salt Lake City	$106.31	$113.24	$117.05	$129.36	$121.58	6.8%
Austin	$102.42	$111.84	$114.16	$126.16	$120.04	7.2%
Average	**$126.44**	**$137.45**	**$143.13**	**$157.60**	**$151.63**	**7.7%**
Mid-Rise (d)						
San Francisco	$162.08	$175.95	$184.75	$208.91	$198.70	8.8%
Boston	$159.42	$170.23	$178.84	$198.96	$190.82	7.7%
San Jose	$158.09	$170.23	$178.84	$200.62	$190.82	8.3%
Minneapolis	$155.43	$167.37	$171.45	$190.67	$182.93	7.0%
Sacramento	$147.46	$158.79	$164.06	$185.70	$176.62	8.0%
Anaheim	$142.15	$150.20	$159.62	$177.41	$168.74	7.7%
San Diego	**$138.16**	**$148.77**	**$156.67**	**$172.43**	**$162.43**	**7.7%**
Seattle	$134.18	$145.91	$150.76	$169.12	$162.43	8.0%
Portland	$135.51	$145.91	$150.76	$165.80	$154.55	7.0%
Washington, DC	$123.55	$135.90	$141.89	$159.17	$151.39	8.8%
Denver	$126.21	$134.47	$137.45	$154.19	$145.08	6.9%
Tampa	$114.25	$123.02	$135.98	$150.88	$145.08	9.7%
Atlanta	$116.91	$128.75	$131.54	$149.22	$138.78	8.5%
Miami	$110.27	$121.59	$128.59	$142.59	$138.78	8.9%
Pheonix	$114.25	$123.02	$127.11	$140.93	$135.62	7.2%
Dallas	$110.27	$117.30	$121.20	$137.61	$130.89	7.7%
Raleigh	$99.64	$124.45	$125.63	$139.27	$130.89	11.8%
Salt Lake City	$108.94	$115.87	$119.72	$134.30	$124.58	7.2%
Austin	$104.95	$114.44	$116.76	$130.98	$123.01	7.7%
Average	**$129.56**	**$140.64**	**$146.40**	**$163.62**	**$155.38**	**8.1%**

Appendix A.17: Continued

	2006	2007	2008	2009	2010 (a)	Avg. Annual Inflation (2006-2009)
High-Rise (e)						
San Francisco	$187.03	$203.87	$232.13	$264.85	$262.96	12.3%
Boston	$183.96	$197.24	$224.70	$252.24	$252.53	11.1%
San Jose	$182.43	$197.24	$224.70	$254.34	$252.53	11.7%
Minneapolis	$179.36	$193.93	$215.41	$241.73	$242.09	10.5%
Sacramento	$170.16	$183.98	$206.13	$235.42	$233.74	11.4%
Anaheim	$164.03	$174.04	$200.56	$224.91	$223.31	11.1%
San Diego	**$159.43**	**$172.38**	**$196.84**	**$218.61**	**$214.96**	**11.1%**
Seattle	$154.83	$169.07	$189.41	$214.40	$214.96	11.5%
Portland	$156.37	$169.07	$189.41	$210.20	$204.53	10.4%
Washington, DC	$142.57	$157.46	$178.27	$201.79	$200.35	12.3%
Denver	$145.64	$155.81	$172.70	$195.49	$192.00	10.3%
Tampa	$131.84	$142.55	$170.84	$191.28	$192.00	13.2%
Atlanta	$134.90	$149.18	$165.27	$189.18	$183.66	11.9%
Miami	$127.24	$140.89	$161.56	$180.77	$183.66	12.4%
Pheonix	$131.84	$142.55	$159.70	$178.67	$179.48	10.7%
Dallas	$127.24	$135.92	$152.27	$174.47	$173.22	11.1%
Raleigh	$114.98	$144.20	$157.85	$176.57	$173.22	15.4%
Salt Lake City	$125.71	$134.26	$150.42	$170.26	$164.87	10.6%
Austin	$121.11	$132.60	$146.70	$166.06	$162.79	11.1%
Average	**$149.51**	**$162.96**	**$183.94**	**$207.43**	**$205.62**	**11.6%**

Notes:
(a) Information ranked according to construction costs per square foot in 2010, from highest to lowest.
(b) Costs per square foot include hard costs, contractor fees, and architect fees. Costs are adjusted according to location.
(c) All costs are calculated for a three-story, 22,500 square foot building constructed of steel and brick.
(d) All costs are calculated for a six-story, 60,000 square foot building constructed of steel and brick.
(e) All costs are calculated for a fifteen-story, 145,000 square foot building constructed of steel and precast concrete.
Sources: RSMeans, 2006-2010; BAE, 2010.

Appendix A.18: Undevelopable Land Area (a) (b)

	Percent Undevelopable (a)
Miami	76.6%
San Francisco	73.1%
Salt Lake City	72.0%
San Jose	63.8%
San Diego	**63.4%**
Seattle	43.6%
Tampa	41.6%
Portland	37.5%
Boston	33.9%
Minneapolis	19.2%
Denver	16.7%
Phoenix	14.0%
Washington, DC	14.0%
Dallas	9.2%
Raleigh	8.1%
Atlanta	4.1%
Austin	3.8%
Anaheim (c)	N/A
Sacramento (c)	N/A
Average	**35.0%**

Notes:
(a) Information ranked according to the percentage of land that is undevelopable due to geographic constraints in each metro region, from largest to smallest.
(b) Each metro region is defined as the area encompassed within a 50 km radius of the central city listed.
(c) Information not available for Aneheim and Sacramento.
Sources: Albert Saiz, 2010; BAE, 2010.

Appendix A.19: Degree of Land Regulation, 2010 (a) (b) (c)

	Wharton Regulation Index (a) (b)
Boston	1.70
Miami	0.94
Seattle	0.92
Denver	0.84
San Francisco	0.72
Raleigh	0.64
Phoenix	0.61
San Diego	**0.46**
Minneapolis	0.38
Washington, DC	0.31
Portland	0.27
San Jose	0.21
Atlanta	0.03
Salt Lake City	-0.03
Tampa	-0.22
Dallas	-0.23
Austin	-0.28
Anaheim (d)	N/A
Sacramento (d)	N/A
Average	**0.43**

Notes:
(a) Information ranked according to the degree of land regulation in each metro region, from greatest to least.
(b) Each metro region is defined as the area encompassed within a 50 km radius of the central city listed.
(c) Degree of land regulation is measured by the Wharton Regulation Index (WRI), a measurement of the degree to which local zoning and entitlement practices constrain housing development. Positive values indicate more stringent constraints. The arithmetic mean across all metropolitan areas with more than 500,000 people is -.10.
(d) Information not available for Aneheim and Sacramento.
Sources: Albert Saiz, 2010; BAE, 2010.

Appendix A.20: Regional Employment, 2000-2010 YTD (a) (b)

	Number of Jobs			Percent
	2000	2010 (b)	Change	Change (a)
Austin-Round Rock, TX	535,800	589,680	53,880	10.1%
Raleigh-Cary, NC	366,800	403,160	36,360	9.9%
Washington-Arlington-Alexandria, DC	2,101,100	2,255,280	154,180	7.3%
Phoenix-Mesa-Scottsdale, AZ	1,382,700	1,460,040	77,340	5.6%
Salt Lake City, UT	482,200	497,860	15,660	3.2%
San Diego-Carlsbad-San Marcos, CA	**987,200**	**986,300**	**-900**	**-0.1%**
Dallas-Fort Worth-Arlington, TX	2,447,300	2,443,700	-3,600	-0.1%
Miami-Ft. Lauderdale-Pompano Beach, FL	1,864,900	1,852,260	-12,640	-0.7%
Sacramento--Arden-Arcade--Roseville, CA	586,500	572,220	-14,280	-2.4%
Seattle-Tacoma-Bellevue, WA	1,410,700	1,368,740	-41,960	-3.0%
Orange County, CA (c)	1,242,300	1,196,760	-45,540	-3.7%
Atlanta-Sandy Springs-Marietta, GA	2,016,600	1,915,100	-101,500	-5.0%
Portland-Vancouver-Beaverton, OR-WA	842,800	799,520	-43,280	-5.1%
Tampa-St. Petersburg-Clearwater, FL	1,017,500	963,440	-54,060	-5.3%
Minneapolis-St. Paul-Bloomington, MN-WI	1,513,700	1,426,360	-87,340	-5.8%
Denver-Aurora-Broomfield, CO	1,056,200	986,740	-69,460	-6.6%
Boston-Cambridge-Quincy, MA-NH	2,237,300	2,064,740	-172,560	-7.7%
San Francisco-Oakland-Fremont, CA	1,819,000	1,551,700	-267,300	-14.7%
San Jose-Sunnyvale-Santa Clara, CA	945,600	742,960	-202,640	-21.4%
Average	**1,308,221**	**1,267,187**	**-41,034**	**-2.4%**
San Diego County	987,200	986,300	-900	-0.1%
State of California	12,170,100	11,302,060	-868,040	-7.1%

Notes:
(a) Information ranked according to the percent change in the number of jobs in each region between 2000 and 2010 YTD, from largest to smallest.
(b) 2010 YTD data represents the average of monthly figures from January through May.
(c) Orange County data listed at county-level, not MSA. Anaheim is considered as the central city.
Sources: U.S. Bureau of Labor Statistics, 2010; BAE, 2010.

Appendix A.21: Annual Regional Employment, 1990-2010 (a)

	San Diego Region	Comparison Jurisdictions (b)
1990	789,300	1,003,122
1991	783,600	986,811
1992	768,400	989,933
1993	768,000	1,017,250
1994	773,800	1,053,050
1995	792,400	1,094,039
1996	816,100	1,138,756
1997	862,300	1,189,528
1998	910,900	1,237,683
1999	953,500	1,279,739
2000	987,200	1,326,056
2001	1,004,700	1,326,678
2002	1,011,000	1,292,039
2003	1,022,800	1,282,983
2004	1,046,000	1,304,667
2005	1,067,000	1,341,294
2006	1,083,600	1,378,644
2007	1,086,500	1,401,339
2008	1,073,600	1,389,467
2009	1,004,900	1,308,467
2010 (a)	986,300	1,282,792

Notes:
(a) 2010 YTD data represents the average of monthly employment figures from January through May.
(b) Employment figures for the comparison jurisdictions are the unweighted averages of all of the regions in this study, at the MSA-level, excluding San Diego-Carlsbad San Marcos, CA.
Sources: U.S. Bureau of Labor Statistics, 2010; BAE, 2010.

Appendix B: Housing Programs and Policies Database

Appendix B.1: Affordable Housing Production by Tenure and Income Category, 2000-2010

					Homeownership				Total				Affordable Units as % of Total Bldg Permits
	<50%	50% - 80%	81% - 120%	Total	<50%	50% - 80%	81% - 120%	Total	<50%	50% - 80%	81% - 120%	Total	(2000-2009)
San Diego	**4,393**	**3,686**	**222**	**8,301**	**17**	**190**	**238**	**445**	**4,410**	**3,876**	**460**	**8,746**	**19.5%**
Atlanta (a)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5,543	NA
Austin (b)	NA	NA	NA	1,314	NA	NA	NA	NA	NA	NA	NA	NA	NA
Boston	NA	NA	NA	4,410	NA	NA	NA	1,456	2,287	2,807	769	5,863	57.1%
Dallas	2,510	1,363	147	4,020	2,149	2,776	142	5,067	4,659	4,139	289	9,087	15.7%
Denver	NA	NA	NA	NA	NA	NA	1,152	NA	NA	NA	NA	NA	NA
Miami (c)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	3,591	NA
Minneapolis (d)	NA	NA	NA	8,452	78	31	0	109	NA	NA	NA	8,561	NA
Anaheim (e)	NA	NA	NA	NA	NA	NA	NA	NA	880	598	352	1,830	NA
Phoenix	0	6,663	0	6,663	0	0	3,838	3,838	0	6,663	3,838	10,501	10.5%
Portland	1,315	949	0	2,264	614	335	0	949	1,929	1,284	0	3,213	11.7%
Raleigh	555	556	16	1,127	146	110	12	268	701	666	28	1,395	2.7%
Sacramento	NA	NA	NA	NA	NA	NA	NA	NA	1,702	2,095	4,740	8,537	27.0%
Salt Lake City	389	672	0	1,061	0	247	0	247	389	919	0	1,308	27.6%
San Francisco (f)	2,584	521	20	4,564	0	0	850	850	2,584	521	870	5,414	29.0%
San Jose	5,650	4,957	378	10,985	17	1	458	476	5,667	4,958	836	11,461	42.2%
Seattle	722	4,074	0	4,796	110	540	0	650	832	4,614	0	5,446	13.5%
Tampa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Washington, DC (g)	NA	NA	NA	NA	NA	NA	NA	NA	4,577	2,885	2,937	10,399	NA

Notes:
(a) Reported for 2005-2009.
(b) Reported for 2003-2010. Does not include S.M.A.R.T. housing units.
(c) Reported for 2000-2007
(d) Rental total based on reported units produced through CDBG. Homeownership units based on CLT production from 2004-2010.
(e) Reported for 1998-2005.
(f) Total rental units exceeds income category totals because income levels for all units were not readily available.
(g) Reported for FY 2004-present
Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

Appendix B.2: Inclusionary Zoning Ordinances

	San Diego	Atlanta
Mandatory/Voluntary	Mandatory	Voluntary
Rental/Ownership	Both	Both
Applicable Projects	2+ units (incl. condo conversion)	10+ Units
Inclusionary Requirement	10%	10%
Income Levels Served	Rental - 65% AMI Ownership - 100% AMI	Rental - 30%, 45%, 60% AMI Ownership - 60%, 80%, 100% AMI
Affordability Length	Rental - 55 years Ownership - equity sharing w/ City for 15 years	30 years
Off-Site		
Option?	Yes - in same community planning area, or outside community planning area with variance	No
Off-Site Requirement	10%	
Frequency of Use	Limited	
In-Lieu Fee		
Option?	Yes	No
Frequency of Use	90% to 95% of projects	
Fee Amount	\$4.98/sq. ft. for projects w/ 10+ units \$2.49/sq. ft. for projects w/ <10 units	
How Often is Fee Updated?	Annually	
How is Fee Updated?	50% of difference between median housing cost and housing price affordable to median income household	
Other Alternatives?	Waiver or variance can be requested	
Incentives	Density bonus; expedited permit processing; waiver of RTCIP fees for affordable units	20% density bonus in FAR; 25% reduction in permitting fees; may apply to use City's Housing Opportunity Fund
Other Comments	City also has separate inclusionary ordinance for 12,000-acre North City Future Urbanization Area (NCFUA). Requires 20% of units be affordable to households earning 65% AMI.	

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.2: Inclusionary Zoning Ordinances (cont.)

	Austin	Boston
Mandatory/Voluntary	Voluntary	Voluntary
Rental/Ownership	Both	Both
Applicable Projects		10+ Units
Inclusionary Requirement	At least 10%. Must also meet green building, accessibility, and TOD standards.	15% of market rate units (13% of total units)
Income Levels Served	80% AMI	Rental - 70%-85% AMI Ownership - 90%-110% AMI
Affordability Length	Rental - 5 years Ownership - 1 year	50 years
Off-Site		
Option?		By Request
Off-Site Requirement		15%
Frequency of Use		20-25% of Projects
In-Lieu Fee		
Option?		By Request
Frequency of Use		
Fee Amount		Rental: $200,000 Ownership: $200,000 or 50% of difference between inclusionary price and market price
How Often is Fee Updated?		No defined schedule
How is Fee Updated?		Rental: Commensurate with cost of affordable housing production Ownership: Self-adjusting fee
Other Alternatives?	Provision of affordable housing through related policy initiatives such as University Neighborhood Overlay or Vertical Mixed Use imitative.	In-Lieu fee can be dedicated to specific affordable housing project in the vicinity of market-rate project
Incentives	Fee waiver, expedited review, advocacy in resolving development related issues with other City Departments	
Other Comments	Known as the S.M.A.R.T. (Safe, Mixed-income, Accessible, Reasonably priced, Transit oriented) Program.	Required only for projects requesting zoning variance. Practically, 90% of multifamily projects require some variance to achieve optimal density.

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.2: Inclusionary Zoning Ordinances (cont.)

	Denver	Sacramento
Mandatory/Voluntary	Rental - Voluntary Ownership - Mandatory	Mandatory
Rental/Ownership	Both	Both
Applicable Projects	30+ Units	10+ Units in New Growth Areas
Inclusionary Requirement	10%	15%
Income Levels Served	80% and 95% AMI	50% and 80% AMI
Affordability Length	15 years	30 years
Off-Site		
Option?	Yes, in same or adjoining neighborhood or within 1/2 mi. of light rail station	Yes, single-family projects only and must be in same New Growth Area
Off-Site Requirement	10%	15%
Frequency of Use	10% of Projects	NA
In-Lieu Fee		
Option?	Yes	
Frequency of Use	40% of Projects	
Fee Amount	50% of maximum purchase price for 80% or 85% AMI HH	
How Often is Fee Updated?	Semi-annually	
How is Fee Updated?	Per formula indicated above.	
Other Alternatives?	None	Land dedication (on- or off-site) to Sacramento Housing and Redevelopment Agency
Incentives	Standard fee rebate, enhanced fee rebate, density bonus, parking bonus, and expedited review	Fee waivers or deferrals, priority processing for building and planning approvals, unit size reduction to reduce development cost, density bonus, and local public funding.
Other Comments		

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.2: Inclusionary Zoning Ordinances (cont.)

	San Francisco	San Jose
Mandatory/Voluntary	Mandatory	Mandatory
Rental/Ownership	Both	Both (rental requirements pending final outcome of state case law)
Applicable Projects	5+ Units	20+ Units
Inclusionary Requirement	15% on-site 20% off-site or in-lieu fee	15%
Income Levels Served	70% to 120%	Rental, On-site: 60% and 80% AMI Rental, Off-site: 50% and 60% AMI Ownership: 80% AMI
Affordability Length	50 years for older units; lifetime of the project for all new units	Rental - 55 yrs; Ownership - 45 yrs
Off-Site		
Option?	Yes	Yes
Off-Site Requirement	20%	20%
Frequency of Use	6 developers	NA
In-Lieu Fee		
Option?	Yes	Yes
Frequency of Use	24 developers	NA
Fee Amount	Studio - $179,952 1 bedroom - $248,210 2 bedroom - $334,478 3 bedroom - $374,712	Rental - No greater than average City subsidy for new construction of affordable rental unit in prior 12 months Ownership - No greater than difference between median sales price in prior 36 months and affordable sale price.
How Often is Fee Updated?	Annually	
How is Fee Updated?	Baseline 2006 fee is indexed by Construction Cost Index for San Francisco of Engineering News Record	Rental - based on prior 12 month history Ownership - based on prior 36 month history
Other Alternatives?	Land dedication in 2 special area plan areas in San Francisco	Land dedication, credit trading or credit transfer, HUD restricted preservation, acquisition and rehabilitation
Incentives	Fee refunds and any allowance offered through the Conditional Use process.	Density bonus, flexible parking standards, reduction in minimum setbacks, alternative unit type, alternative interior design standards, city process assistance, financial subsidies
Other Comments		Citywide ordinance will not go into effect until January 2013. Inclusionary program currently in place for Redevelopment Project Areas

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.2: Inclusionary Zoning Ordinances (cont.)

	Seattle	Washington DC
Mandatory/Voluntary	Voluntary ("Incentive Zoning")	Mandatory
Rental/Ownership	Both and commercial and industrial developments	Both
Applicable Projects	Residential and commercial projects in zones where incentives are available (Base FAR or height increase)	10+ units
Inclusionary Requirement	Residential: 17.5% of net bonus floor area Commercial: 15.6% of gross bonus floor area	8%-10%
Income Levels Served	Rental: 80% AMI Ownership: 100% AMI	50%-80%
Affordability Length	50 years	NA
Off-Site		
Option?	Yes, subject to approval by Director of Office of Housing. Within the same neighborhood, or located near light rail, bus rapid transit, bus, or street car stop.	Yes
Off-Site Requirement		
Frequency of Use	Not often	
In-Lieu Fee		
Option?	Yes	No
Frequency of Use	Very often	
Fee Amount	\$18.75 per gross sq. ft. of commercial/industrial bonus floor area \$18.94 per net sq. ft. of residential bonus update.	
How Often is Fee Updated?	None so far. (Commercial adopted in 2001, residential in 2006)	
How is Fee Updated?	N/A	
Other Alternatives?	Developers that choose the performance option can partner with nonprofit developers.	Relief/waivers available if developer demonstrates hardship.
Incentives	Extra floor area above base FAR or height limits.	Density bonus of 20%
Other Comments	Incentive zoning is voluntary for commercial and residential developments in zones where density incentives are available. Incentives achieved by providing affordable housing and non-housing public amenities. Requirements vary by zone.	

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.3: Fee Reductions and Waivers

	Eligible Projects	Fees that are Reduced/ Waived	Standard Fees per Unit	Reduced Fee per unit	Units utilizing Reduced Fees since 2000
San Diego	New extremely low- to moderate-income units	Regional Transportation Congestion Improvement Program	Multifamily - $1,940; Single-family - $2,425	$0	N/A
Austin	S.M.A.R.T. projects (at least 10% affordable and other standards)	Water and Wastewater, Parks and Recreation, Public Works, Watershed Protection and Development Review, Zoning, Subdivision, Site Plan, and Building Plan Review, Permit, and Inspection fees.	Single-family infill: $1,500 Single-family subdivision: $2,650 Multifamily: $1,250	25% - 100% depending on percent of affordable units. 10% affordable units = 25% fee reduction. 40% affordable units = 100% fee reduction	
Atlanta	Affordable housing that participate in voluntary inclusionary zoning ordinance	Development impact fees may be reduced Program suspending due to funding.	$1,380-$1,544 for single-family; $1,486-$1,714 for duplex	25% of permitting fees	N/A
Denver	Projects subject to Affordable Housing Ordinance			Rebate periodically adjusted but not indexed	N/A
Miami	Affordable housing projects	Deferral of impact fees			
Anaheim	Affordable housing units	Developer Incentive Program provides financing to help cover development fees			
Portland	Rental - <60% MFI Ownership - <100% MFI	Sanitary Sewer Development & Connection; Stormwater; Parks & Recreation; Water Bureau			
Sacramento	Very low- and low-income projects may be eligible, depending on availability of funds			$4,000 reduction for very-low income units; $1,000 reduction for low-income units	N/A
San Francisco	100% affordable developments	Some impact fees			
San Jose	Housing developments in certain redevelopment areas and incentive zones; Housing developments for very low-income households	Certain development taxes, which may include Strong Motion Instrumentation Program Assessment, Building Standard Administration Special Revolving Fund, Building and Structure Construction Tax, Construction excise tax, and residential construction tax	$30,000 for a single-family unit	N/A	N/A
Tampa	Affordable housing developments	Deferred payment of fees until housing units are sold or ready for occupancy. Developer fees may be negotiated when necessary to ensure financial feasibility.			

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

Appendix B.4: Expedited Permitting

	Eligible Projects	Length of Standard Review	Length of Expedited Review	Units Utilizing Expedited Process since 2000
San Diego	Affordable housing, military housing, sustainable buildings	Varies, but average 10.5 months	Twice as fast	
Austin	S.M.A.R.T. projects (at least 10% affordable and other standards)		Subdivision/site plan reviewed within 14 working days. Following 14 days of revisions, City reviews corrected plan in 7 working days. Rezonings reach 3rd reading at City Council within 45 days.	
Miami	Affordable housing projects		Exlusive in-house permit expediter for affordable housing	
Anaheim	Very low- and low-income housing	Application - 29 days Public Hearing - 41 days Plan Check - 5-20 days	Application - 28 days Public Hearing - 24 days Plan Check - 5-15 days	
Denver	Projects subject to Affordable Housing Ordinance			
Phoenix	Affordable housing financed with public funds and prioritized by Housing Department		1/3 the published turnaround for standard projects, pending payment of expedited plan review fees and staff availability	
San Francisco	100% affordable projects	Varies	3-6 months shorter	10 projects - 700 units
Tampa	Certified affordable housing projects	15 days	7 days	22 applications in FY 2007

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010.

Appendix B.5: Commercial Linkage Fee

	San Diego	Boston	Sacramento	San Francisco
Applicable Projects	All commercial development	Commercial, institutional, office development of 100,000+ sq ft that requires a zoning variance	Office, hotel, R&D, warehouse/office, manufacturing, commercial. Separate fee structure for North Natomas area of City.	Entertainment, Hotel, Office, R&D, Retail
Exemptions	Yes	First 100,000 sq ft	Mortuary/Crematorium, Parking Lot, Garage, RV Storage, Christmas tree lot, Bed and Breakfast, Mini-storage, Alcohol beverage sales for off-site consumption, Reverse Vending Machine, Mobile Recycling Units, Small Recyclable Collection Facility.	None
Current Fee Amount (per sq. ft.)				
Office	$1.06	$7.87	$2.11	$19.96
Hotel	$0.64	$7.87	$2.01	$14.95
R&D	$0.80	$7.87	$1.79	$13.30
Warehouse	$0.27	$7.87	$0.58	NA
Manufacturing	$0.64	$7.87	$1.32	NA
Retail	$0.64	$7.87	$1.69	$18.62
Other	NA	$7.87	$1.69	$18.62 (Entertainment)
How Often is Fee Updated?	City Engineer prepares annual recommendation on fee revision; City Council determines whether to revise fee amount.	Every 3 years	Annually	Annually
Fee Update Methodology	Building Cost Index for Twenty Cities	CPI	Construction cost index	Construction Cost Index for San Francisco of Engineering News Record
Revenue Generated Since 2000	$25,983,706	$81,458,000 since 1986	$28.6 million in fees, interest, and loan income since 1989	$55.7 million
Units Built since 2000	3,525 rental units; 319 first-time homebuyers assisted	6,159 units since 1986	57 units funded in 2009	1,031 units

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.6: Community Development Block Grant Funding for Housing

	Percent of CDBG spent on Housing	Amount Spent since 2000	Units Built since 2000
San Diego	8%-10%	$11.5 million	Used to provide support (salaries, wages, etc.) to affordable housing programs and the minor rehab of owner-occupied homes
Atlanta	NA	NA	NA
Austin	15% in FY09/10 25% in FY 08/09	$1.1 million each in FY 09/10 and FY 08/09	
Boston	NA	NA	NA
Dallas	56%; up to 65% including infrastructure to support affordable housing	$110-$130 million	NA
Denver	15%	Over $4 million	Rehab of existing units only
Minneapolis	62%	$50,000	8,452 units
Anaheim	10% (based on FY08-09)	$490,000, FY08-09	Used for rehabilitation and historic preservation
Phoenix	30%	$5 million	10,505 affordable housing units along the housing continuum from emergency shelters to first-time homeownership units.
Portland	75%		
Raleigh	16% for land assembly	$8.4 million	88 units
Sacramento	6% in 2008	$350,000 in 2008	Supports rehabilitation and First-time homebuyer program
Salt Lake City	Approx. 30%	$12,868,315	546 units
San Francisco	30%	$43,245,645	1,318 units
San Jose	NA	NA	Used for rehabilitation, not new construction
Seattle	18% in 2011 ($2.4 million)	$15M for rental $296,000 for ownership	1,0002 rental units in 22 projects (new construction and preservation) 11 homebuyer loans
Tampa	25% in FY2009; 8% in FY 2008	$2.7 million in FY2008 and FY2009	784 units rehabbed, FY2008-2009
Washington DC	24% in FY 2009; has been higher in past	$137,120,688 since FY 2004	10,399 since FY 2004 (combined with other funding)

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.7: Tax Increment Financing

	Required Set-Aside	Actual Set-Aside	Eligible Activities	Amount since 2000	Units Built since 2000
San Diego	20%	20%	Development of low- to moderate-income units; land acquisition for affordable housing; acquisition of existing multifamily housing; vouchers to homeless seniors	2001-2010: $56,108,000 in 11 project areas managed by Redevelopment Dept.	2,800+ units
Atlanta	15% in Beltline Tax Allocation District (TAD); 6 other TADs have inclusionary requirement but no TIF set-aside; 3 TADs have no affordable hsg requirement		Affordable workforce rental and ownership housing.	$240 million expected over 25 years (established in 2005)	Goal of 5,600 units over 25 years
Dallas	Varies by area	Avg. 10%	Green rebates for single-family, minor home repairs, gap financing for affordable rental units.	$5-$10 million	
Miami	Varies by area			$30 million allocated between 2006-2011 in the SEOPW area	
Minneapolis	No required amount		Gap funding for land acquisition, relocation, demolition, environmental remediation, site improvements, public improvements, historic preservation, and construction costs. Only covers a portion of gap.		1,600+ units across 30 TIF districts
Anaheim	30%		Extremely low- to moderate-income housing; public improvements to facilitate affordable housing in Project Area	$14.0 million in FY09-10	

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.7: Tax Increment Financing (cont.)

	Required Set-Aside	Actual Set-Aside	Eligible Activities	Amount since 2000	Units Built since 2000
Portland	30%	Avg. 30%	Affordable rental preservation/rehab and new construction; Affordable homeownership programs		
Sacramento	20% per State law; 30% in 2 redevelopment areas		Production and rehabilitation of affordable housing	Avg. $6.8 million per year (2006-2008)	
Salt Lake City	Up to 20%		RDA housing projects; Projects outside RDAs funded by RDA citywide housing fund; Projects managed by City through Housing Trust Fund		
San Francisco	20% per state law	Often exceeds 20%, 40% in FY09-10	Costs related to planning, financing, and construction of affordable rental housing serving families, seniors, and those with supportive housing needs (typically 50% AMI or below) and affordable first-time homeownership housing (120% AMI or below)	$490 million	8,400
San Jose	20%	20%	Increase, improve, and preserve housing for extremely low-, very low-, low-, and moderate-income households	$375,700,000	10,560
Tampa	Varies by area 2 of 7 TIF districts spend money on housing	2% and 11% in FY 2010	Affordable housing initiatives and housing rehabilitation		

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.8: Affordable Housing Trust Fund

	Revenue Sources	Eligible Activities	Money Collected since 2000	Money Spent since 2000	Units Built since 2000
San Diego	Commercial linkage fees, loan repayments, miscellaneous program fees, and period matching grants	Rental housing development, transitional housing operations, rehabilitation, first-time homebuyer assistance, nonprofit capacity building grants, and other nonprofit grants	$40,830,629	$47,529,515	3,962 rental units; 319 first-time homebuyers assisted
Atlanta					
Housing Opportunity Fund	Housing Opportunity Bond - $35 million bond issuance in 2007	Multifamily developer loans, HOPE VI infrastructure, CHDO loans, mortgage assistance, and land assemblage	$35 million	$14.7 million, 2007-2009	487 units of workforce housing
Vine City Trust Fund	$8 million in grants issued; repayment dollars from grants revolve into fund and make additional funding available	Projects in the Vine City Trust Fund area that set aside at least 20% of units as affordable.	$3.5 million in 2008		
Beltline Affordable Housing Trust Fund	15% TIF set-aside	Affordable workforce rental and ownership housing.	$8.8 million in 2008		
Austin					
Housing Trust Fund	40% of City property tax increment from developments built on City owned land; general fund contributions.	Affordable rental and homeownership programs	City Council contributed $8.8M in local funding through FY 08/09. $1.2 million budget for FY 09/10		
University Neighborhood Overlay Housing Trust Fund	UNO District (area around University of Texas) requires 20% affordable housing or in-lieu payment.				
Boston	Commercial Linkage Fee			$81,458,000 since 1986	6,159 units since 1986
Miami	Contributions from private developers in exchange for floor area bonuses in designated areas	Affordable rental and ownership housing, homebuyer assistance	$15 million between 2000 and 2007		

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.8: Affordable Housing Trust Fund (cont.)

	Revenue Sources	Eligible Activities	Money Collected since 2000	Money Spent since 2000	Units Built since 2000
Minneapolis	CDBG, HOME, and Local Funds	Rental housing (new construction, rehab, conversion, or stabilization)	Approx. $75 million	Approx. $68 million	8,452 units
Sacramento	Commercial Linkage Fee	Projects located within a 7-mile radius of the employment generating use that pays the fee; For very low- and low-income households	$28,631,106 in fees, interest, and loan income	$19.6M for projects, $2.4M for admin (~8%); 2009 balance of $10.9 M; $10.6M to fund 3 projects	57 units funded in 2009
Salt Lake City	TIF, Urban Development Action Grants (UDAG) loan repayments, and trust fund loan repayments	Affordable and special needs housing; either rental or ownership	$6,756,687	$9,793,342	762 units
San Francisco	Share of hotel tax	Senior and disabled housing	$50 million	$45 million	300 apartments
San Jose (Nonprofit County-wide Trust Fund**)**	Mix of public and private contributions; Local public sources include RDA funds, in-lieu fees, designated housing funds, and general funds.	Predevelopment, acquisition, and permanent financing for developers; downpayment assistance to first-time homebuyers; operating and capital grants to emergency shelters/transitional housing	$40,000,000	$37.1 million	8,808 affordable housing opportunities
Seattle	Five voter approved housing bonds/levies passed since 1981. Most recent levy passed in Nov. 2009 for $145M over 7 years (66% approval)	Affordable housing for low- and moderate-income households.		$86.9 million for rental projects and $10.7 million for homebuyer loans.	4,796 units in 98 projects (new construction & preservation) 288 first-time homebuyer loans from 1986, 1995, & 2002 housing levies
Washington DC	15% of deed recordation and transfer tax revenues	Projects with min. 20% low-income units		$204 million, 2001-2008	8,900 units, 2001-2008

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.9: Tax-exempt Bonds

	Issuing Entity	Result of Voter Initiative?	Duration of Bond Measure	Amount of Financing since 2000	Units Built since 2000
San Diego	Housing Authority of the City of San Diego	No	N/A	$452,744,868	4,326 units
Atlanta	Atlanta Development Authority's Housing Finance Division	N/A	N/A	$369,350,000 through 2004	3,306, through 2004
Austin	City of Austin - General Obligation (GO) bond Austin Housing Finance Agency - multifamily bonds	GO Bond - yes (2006, $55 million) Multifamily bonds - no	GO Bond - 7 years	GO Bond - $41.5 million (2006-2010); $55 million over 7 years	GO Bond - 1,779 units (2006-2010)
Dallas	City of Dallas - General Obligation (G.O.) bonds in 2003 & 2006 Housing Finance Corporation (HFC) - 2004 (multifamily bond) and recently HERA bond	GO bonds - yes; HFC bonds approved by board and City Council	Two issuances over 5 yr periods; HFC bonds issued per market demand	$50 million in G.O. bonds; $25 million in HERA bonds	G.O. Bonds - 1,000 single-family properties HERA bonds - 75 new homebuyers
Denver	City and County of Denver, Colorado Housing Finance Authority, and Colorado Division of Housing	No	Denver receives annual bond allocation	Multifamily - $75,463,193 Single-Family - $17,492,740	Multifamily - 1,082 Single-Family - 0 (funds used for downpayment assistance)
Minneapolis	City of Minneapolis and State of Minnesota	No	N/A	N/A	N/A
Phoenix	City of Phoenix	Yes	5 years each in 2001 and 2006	2001 - $33.7 million 2006 - $29,795,800	N/A
Portland	City of Portland, Housing Authority of Portland	No	N/A	N/A	N/A
Raleigh	City of Raleigh issues General Obligation bonds	No	Issued on as needed basis. 7 year max. spend out	$34 million	456 units
Sacramento	Sacramento Housing and Redevelopment Agency on behalf of City	No	N/A	N/A	20% of units must be very low-income. Funds carry below-market interest rates and often coupled with LIHTC
San Francisco	SF Mayor's Office of Housing	No	N/A	$212,499,502 total in 12 issuances	1,189 units
San Jose	San Jose Redevelopment Agency on behalf of City of San Jose	No	N/A	$66,150,000 in tax-exempt bonds $162,000,000 in taxable bonds	10,560 units
Washington DC	DC Housing Finance Agency	N/A	N/A	N/A	N/A

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.10: Community Land Trust

	Formation	Administrator	Acquisition	Units Built since 2000
San Diego	Group of local housing activists and visionaries	San Diego Community Land Trust (nonprofit)	Business Plan calls for acquisition and rehab of 14-19 units a year for first three years	
Atlanta	Group of 30+ public, private, nonprofit, and community organizations created the Atlanta Land Trust Collaborative in 2009	ALTC spearheading the creation of CLTs; will perform stewardship functions of CLT in neighborhoods where local capacity does not exist.		None yet
Boston	Community-based Organization in partnership with RDA	Dudley Street Neighborhood Initiative (community-based nonprofit)	Voluntary acquisitions, transfers of surplus real estate from public entities, and eminent domain where necessary	
Minneapolis	Collaboration of residents, neighborhood associations, and CDCs	City of the Lakes Community Land Trust (CLCLT, nonprofit)	Homebuyer Initiated Program (HIP) provides subsidy to households purchasing homes on open market, bringing it into the CLT; Acquisition and rehabilitation of bank foreclosed properties.	109 units
Denver	Originally created to meet affordable housing requirements in the development agreement of the Lowry Air Force Base property (formerly Lowry Land Trust)	Colorado Community Land Trust (nonprofit)	Acquisition and/or development agreements related to the City	186 units
Portland	City of Portland and local housing advocates	Proud Ground (nonprofit)		122 (1999-2008)
San Francisco	Collaborative of local tenant, anti-displacement, and affordable housing activists	San Francisco Community Land Trust (SFCLT) (nonprofit)	Converting rental housing to permanently affordable, limited equity housing cooperatives.	
Seattle	Private nonprofit founded in 1990s. Partnership with City's homeownership program in 2002	Homestead Community Land Trust (nonprofit)	Downpayment assistance model to acquire properties. Funds made available to assist low-income homebuyers purchase home. Land is put into CLT, homebuyer uses a leasehold mortgage to purchase improvements.	73 units
Tampa	Goal of revitalizing the Westshore Business District	Westshore Community Development Corporation (nonprofit)	City deeded 4 acres of vacant property to Trust	57 townhomes under construction

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.11: Land Bank

	Overseeing Entity	Acquisition	Parcels Acquired since 2000	Units Built since 2000
Atlanta	Fulton County/City of Atlanta Land Bank Authority	Land bank facilitates the purchase of a property by a CDC, which then transfers the title to the LBA, where owed back taxes are forgiven and title is cleared. Title is transferred back to CDC. If affordable housing isn't built within three years, ownership reverts to LBA.	50-100 properties transferred each year	
Dallas	The Dallas Housing Acquisition and Development Corporation has a contract with the City of Dallas to operate the Land Bank. There is also an Interlocal Agreement with all of the taxing entities to allow the Land Bank to refer up to 300 properties a year.	Tax-foreclosed properties through a private-sheriff's sale	574 properties since 2005	45 homes since 2007
Denver	Partnership between City, Enterprise, and the Urban Land Conservancy (ULC); 7-member committee oversees	ULC is responsible for acquisition based on criteria established by partnership; Enterprise is fiduciary agent and City provides general oversight	2 parcels	none so far
Minneapolis	Twin Cities Community Land Bank, nonprofit established by the Family Housing Fund; Operates in the seven county metro area	Raised and committed $30 million to be used for property acquisition, rehabilitation/redevelopment, and holding costs for properties that are banked for varying terms based on market absorption		

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.12: Other Programs and Policies

San Diego	Density Bonus - Per state law, grants density bonus of up to 35 percent for projects that reserves a portion of units for very low-, low-, and moderate-income households or senior households. Condominium Conversion Tenant Relocation - Requires developers to make relocation payments to tenants equivalent to 3 months rent. Coastal Overlay Zone Affordable Housing - Per state law, conversion or demolition of existing low- and moderate income housing units must provide replacement units or pay in-lieu fee. New housing in coastal zone shall provide low- or moderate-income units or provide units at another location within the same city, coastal zone, or 3 miles from the costal zone.
Boston	Leading the Way Fund: The City of Boston has a standing policy of not using one-time revenues to balance its regular operating expenses (e.g. personnel costs). These one-time revenues are generally tied to single year non-recurring expenses. Some of the one-time revenue sources (e.g. sale of surplus municipal buildings) are made available to support new affordable housing production. In this way, the one-time revenue source is supporting the creation of a longer-term income stream to the City in the form of new taxable residential real estate that is exempt from the property tax cap that otherwise limits property tax revenues in Boston. Depending on the number of assets sold, income from the LTW fund can be from zero to $10 million per year. An average of $3 - $5 million per year is available. Although it usually represents less than 10% of the City's funding for affordable housing, it is very critical funding that is not highly regulated like most other Federal State and Local housing funds.
Dallas	Since 2000, we have refocused our program to meet demands for more mixed use and transit oriented opportunities. Our population continues to increase at a rapid rate and the demand for units, rental and homeownership, continues. So, housing development has been a big focus but we also maintain our investment in housing preservation. We have also realized the opportunity to push a social objective of Permanent Supportive Housing recently and we are working on policies to that end. Funding sources include CDBG, HOME, ESG, Shelter plus Care, Transitional Housing Program, General Obligation Bonds, Certificates of Obligation, TIF, General Fund, HFC Bonds, LIHTCs, State and Federal vouchers for special populations, Stimulus funding)
Miami	State Housing Initiatives Partnership (SHIP) - provides funds collected from local documentary stamp revenues for affordable housing. Eligible activities include acquisition, rehabilitation, downpayment assistance, housing repair, foreclosure intervention, new construction, and disaster mitigation/recovery. 65% of funds must be spent on homeownership activities.
Anaheim	Developer incentive program - Funded by HOME and TIF. Provides incentives and concessions to offset increased costs associated with affordable housing. Incentives/concessions include financial assistance for development fees, land write-downs, pre-development loans/grants, provision of off-site improvements, density bonus, and bond financing. Density bonus for senior housing, transfer of land for affordable housing, and condominium conversions that reserve a percentage of units for affordable homeownership.

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix B.12: Other Programs and Policies (cont.)

Portland	Rental Rehab Tax Abatement - 10 year tax abatement on increase in assessed value that results from rehabilitation or conversion for rental developments with a certain percentage of affordable units (60% AMI) TOD Tax Abatement - Up to 10 year tax abatement on residential component of mixed-use TOD developments that have a certain percentage of affordable units. Limited Tax Abatement for Single-Family Owner-Occupied Rehabilitation and Single-Family New Construction Limited Property Tax Abatement.
Sacramento	HPRP – Homeless Prevention and Rapid Re-Housing Program. $2,375,126 for City of Sacramento as part of 2009 ARRA. Funds financial assistance for housing related costs on behalf of individual, housing relocation and stabilization services, data collection and evaluation, and administrative costs (5% cap)
San Francisco	Downpayment Assistance Program (DALP) - $28,843,800 in funds through 358 loans to first-time homebuyers since 2000. Teacher Next Door Program (TND) - $620,000 in funds through 31 first-time homebuyer loans since program inception in 2008. Police in the Community Program (PIC) - $180,000 in funds through first-time homebuyer loans since program inception in 2008.
San Jose	Income allocation policy: The City of San Jose has an income allocation policy that targets resources to those households most in need. This includes the very low- and extremely low-income income categories. Because these units require greater subsidies, there is a focus on deepening affordability rather than sheer production numbers.
Seattle	Five voter approved ballot measures to provide affordable housing (See Housing Trust Fund). Senior Housing Program Bond (1981) - $48.17 M, 1,297 units Housing Levy (1986) - $49.975M over 8 years, 1,818 units Housing Levy (1995) - $59.211M over 7 years, 2,632 units Housing Levy (2002) - $86M over 7 years, goal of 1,872 units and rent assistance/homeless prevention for 3,500 households Housing Levy (2009) - $145M over 7 years
Tampa	Infill Housing Development Program - helps developers acquire City-owned vacant parcels to develop properties to be sold to families at 80% AMI or below. State Housing Initiatives Partnership (SHIP) - provides funds collected from local documentary stamp revenues for affordable housing. Eligible activities include acquisition, rehabilitation, downpayment assistance, housing repair, foreclosure intervention, new construction, and disaster mitigation/recovery. 65% of funds must be spent on homeownership activities.
Washington DC	Property Acquisition and Disposition Division created in 2009. Acquires property through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure. Properties are sold to individuals or developers to be rehabbed into affordable or market rate housing. A significant percentage of revenues are used to fund the "Unified Fund," which provides funding to rehab and develop affordable housing.

Sources: Affordable Housing Best Practices Survey, 2010; BAE, 2010

Appendix C: Survey Instrument

Affordable Housing Best Practices Survey

Introduction

The San Diego Housing Commission (SDHC) hired Bay Area Economics (BAE), a national urban economics consulting firm, to prepare an affordable housing best practices study. The study involves a review of innovative and successful affordable housing programs and policies in major metropolitan regions across the country. Your city is one of eighteen cites being profiled in this study of affordable housing best practices.

This written survey is provided for your convenience and should not take more than 30 minutes to complete. A representative from BAE will also be contacting you by phone to go over the survey, answer any questions you may have, and review your responses to the survey questions. Any information you provide us will not be attributed to you personally, by name or title, unless you explicitly authorize us to do so. Thank you in advance for your time.

I. Affordable Housing Production

Please indicate the number of affordable housing units produced in your jurisdiction since 2000, by income group if available.

	Rental	**Ownership**
<50% of Area Median Income (AMI)		
51% to 80% of AMI		
80% to 120% of AMI		
Total		

II. Affordable Housing Programs

Please indicate affordable housing policies and programs in your jurisdiction. ***For each policy or program in place, please indicate the year it was adopted in the space provided****.* *There is a corresponding set of questions for each program or policy in the next section of this survey.*

Land Use, Zoning, and Entitlements

1. ________ **Inclusionary Zoning.** A local ordinance that requires or provides an incentive for developers to reserve a certain percentage of housing units in a market-rate residential development for low- or moderate-income households.
2. ________ **Fee Reduction/Waiver.** A program or policy that reduces or waives development impact fees for affordable housing developments.
3. ________ **Expedited Permit Processing.** A policy that provides for expedited review for affordable housing developments.

Affordable Housing Financing

4. ________ **Housing Linkage Fee.** A fee on market-rate residential development that supports affordable housing development.
5. ________ **Commercial Linkage Fee.** A program that requires developers of commercial properties to pay a fee to support affordable housing.
6. ________ **Community Development Block Grant (CDBG).** Federal program that provides communities to address a wide range of community development needs, including affordable housing.
7. ________ **Tax Increment Financing (TIF).** A tool used by jurisdictions to capture future, increased property tax revenues to make these dollars available as a development incentive, subsidy, or investment.
8. ________ **Local Housing Trust Fund.** A revenue source funded by dedicated public revenues for the purpose of supporting affordable housing. In some cases, the fund may be managed by a separate public or private non-profit entity (e.g. the Housing Trust of Santa Clara County)
9. ________ **Tax Exempt Bonds.** Bonds issued by local governments to finance the construction of housing projects where a specified proportion of the units are reserved for low- and moderate-income households. The may be bonds issued as the result of a voter initiative or, if legally feasible, by a local finance agency.

Other Programs and Policies

10. ________ **Community Land Trust (CLT).** A private, nonprofit organization that buys and holds land permanently to provide affordable housing opportunities. CLTs keep the price of homes affordable by separating the price of the house from the cost of the land.
11. ________ **Land Bank.** A public authority created to efficiently acquire, hold, manage, and develop tax-foreclosed properties.
12. ________ **Other.** ____

III. Affordable Housing Program Information

Please answer only the questions related to the specific programs and policies in your jurisdiction.

1. Inclusionary Zoning

Is your inclusionary zoning program mandatory or voluntary?

Does your inclusionary zoning program apply to rental housing, for-sale housing, or both?

What projects must comply with the inclusionary requirements? (e.g. min. project size)

What is the inclusionary requirement? (Percentage)

What income levels do the inclusionary units serve?

How long must the inclusionary units remain affordable?

Can developers provide units off-site? How often is this option utilized?

If so, what is the off-site inclusionary requirement?

Can developers provide an in-lieu fee? How often is this option utilized?

If so, what is the in-lieu fee amount?

How often is the in-lieu fee updated?

How is the in-lieu fee determined when updated? (e.g. based on CPI or other index?)

Are there any other alternatives for compliance with the inclusionary zoning requirement? (e.g. land dedication, partnership with nonprofit affordable housing developer)

What incentives, if any, are provided to developers? (e.g. density bonus)

2. Fee Reduction/Waiver

What types of projects are eligible for fee reductions or waivers?

Which fees are reduced or waived?

What is the standard amount of fees assessed per residential unit?

What is the reduced fee amount, if any?

How many affordable housing projects and units have utilized fee reductions or waivers?

3. Expedited Permit Processing

What types of projects are eligible for expedited review process?

How long is the standard review process in your jurisdiction for all entitlements?

How long is the expedited review process?

How many affordable housing projects and units have utilized the expedited review process since 2000?

4. Housing Linkage Fee

What types of residential developments are required to pay a housing linkage fee?

Are there exemptions?

What is the current linkage fee amount?

How often is the housing linkage fee updated?

How is the fee amount determined when it is updated? (e.g. based on CPI or other index?)

How much revenue has been generated by the housing linkage fee since 2000?

How many affordable units have been created since 2000?

5. Commercial Linkage Fee

What types of commercial developments are required to pay a commercial linkage fee?

Are there exemptions?

What is the current linkage fee amount?

Office	______	Warehouse	______
Hotel	______	Manufacturing	______
R&D	______	Retail	______
Other	______		

How often is the commercial linkage fee updated?

How is the fee amount determined when it is updated? (e.g. based on CPI or other index?)

How much revenue has been generated by the commercial linkage fee since 2000?

How many affordable units have been created since 2000?

6. Community Development Block Grant (CDBG)

Approximately what percentage of the jurisdiction's CDBG funding is spent on affordable housing projects?

How much CDBG funds have supported affordable housing projects since 2000?

How many affordable units have been created since 2000?

7. Tax Increment Financing (TIF)

What percentage of TIF revenue is required to be set aside for affordable housing?

What percentage of TIF revenue is actually set aside for affordable housing?

What affordable housing activities are eligible to receive TIF funds?

How much TIF revenue for affordable housing has been generated since 2000?

How many affordable units have been created with TIF revenue since 2000?

8. Local Housing Trust Fund

What are the Housing Trust Fund's revenue sources?

What types of housing projects and activities does the Trust Fund support?

How much money has the Trust Fund collected since 2000?

How much money has the Trust Fund spent since 2000?

How many units of affordable housing have been produced since 2000?

9. Tax Exempt Bonds

Which local entity issues tax exempt bonds?

Was the bond a result of a voter initiative?

What is the duration of the bond measure?

How much financing has been provided through tax exempt bonds since 2000?

How many affordable housing units have been produced with bond financing since 2000?

10. Community Land Trust (CLT)

How was the CLT formed?

Who administers the CLT?

How does the CLT acquire property?

How many units of affordable housing have been produced since 2000?

11. Land Bank

What local entity oversees the land bank?

How does the land bank acquire property?

How many parcels has the land bank acquired since 2000?

How many units of affordable housing have been produced through the land bank since 2000?

12. Other Programs or Policies

Please describe your program and the impact it has had on affordable housing production.

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