ADDENDUM

Where Home Is:
Recommendations for Affordable Housing Investment in the San Joaquin Valley

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With Research by UC Davis' Center for Regional Change
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The views expressed are those of the authors and do not necessarily represent those of the San Joaquin Valley Health Fund.

About the Authoring Organization

The California Coalition for Rural Housing (CCRH) is one of the oldest statewide low-income housing coalitions in the U.S. and has worked with non-profit affordable housing developers, local governments, and advocacy organizations to implement innovative housing, community development, and asset building programs since 1976.

CCRH would like to thank the San Joaquin Valley Health Fund for their generous support of this initiative; their early recognition of this important issue enabled the research and writing of this paper.

To learn more about CCRH, visit www.calruralhousing.org.

About the Research Partners

Launched in 2007, the CRC is a catalyst for innovative, collaborative, and action-oriented research. It brings together faculty and students from different disciplines, and builds bridges between university, policy, advocacy, business, philanthropy and other sectors. The CRC's goal is to support the building of healthy, equitable, prosperous, and sustainable regions in California and beyond. The CRC is housed within and with core support from the UC Davis College of Agricultural and Environmental Sciences.

To learn more about UCD CRC, visit www.regionalchange.ucdavis.edu.

About the San Joaquin Valley Health Fund

The San Joaquin Valley Health Fund strengthens the capacity of communities and organizations in the San Joaquin Valley to improve health and well-being by advancing programs and policy changes that promote community health and health equity for all.

The Center for Health Program Management awards San Joaquin Valley Health Fund grants to networks and organizations located and working in the eight counties of Fresno, Kings, Madera, Mariposa, Merced, San Joaquin, Stanislaus, and Tulare. The Center for Health Program Management funds emerging and established health, social justice, youth-serving and community-based networks or organizations, and local government agencies.

The San Joaquin Valley Health Fund is managed by The Center with funding from Sierra Health Foundation, The California Endowment, Rosenberg Foundation, The California Wellness Foundation, W.K. Kellogg Foundation, Blue Shield of California Foundation, Wallace H. Coulter Foundation, Dignity Health, Tides, Hellman Foundation, The James Irvine Foundation, Convergence Partnership, Health Net, The Grove Foundation and WKF Fund.

To learn more about the San Joaquin Valley Health Fund, visit www.shfcenter.org/sjvhealthfund.

Introduction

In March of 2016, with support from the San Joaquin Valley Health Fund, the California Coalition for Rural Housing produced the white paper, *Where Home Is: Affordable Housing Investment in the San Joaquin Valley*[i]. The white paper discussed the relationship between housing and health and outlined housing need in the San Joaquin Valley counties of Kings, Tulare, Fresno, Madera, Merced, Stanislaus, and San Joaquin.

Where Home Is explored what was then, a new resource supporting affordable housing development in the Affordable Housing and Sustainable Communities program (AHSC) funded through California's greenhouse gas emissions cap-and-trade proceeds.

With these changing program focuses, developers, planners, and advocates have been faced with ethical and strategic questions as whether to invest affordable housing resources in these Disadvantaged Communities with great needs that have long been underserved, or whether to invest in areas of opportunity that provide low-income people more options.

The California Coalition for Rural Housing, with support from the San Joaquin Valley Health Fund, used GIS mapping to identify the prevalence of housing sites that are close to public transportation, schools, and healthy grocery stores that would support healthy communities, and prove competitive for affordable housing funding. These high amenity sites were then examined as to determine where they were in relation to Disadvantaged Communities, or if they were zoned appropriately for affordable housing development.

Through this GIS mapping process and in sharing the results, CCRH found that:
- High amenity sites are disproportionately zoned for single-family housing
- High amenity sites exist in rural and urban areas
- High amenity sites exist in both Disadvantaged Communities and in areas of opportunity
- Many jurisdictions have not compiled zoning data that is easily shared
- Developers and advocates are eager for access to this information, but lack the capacity to manage this process on their own.

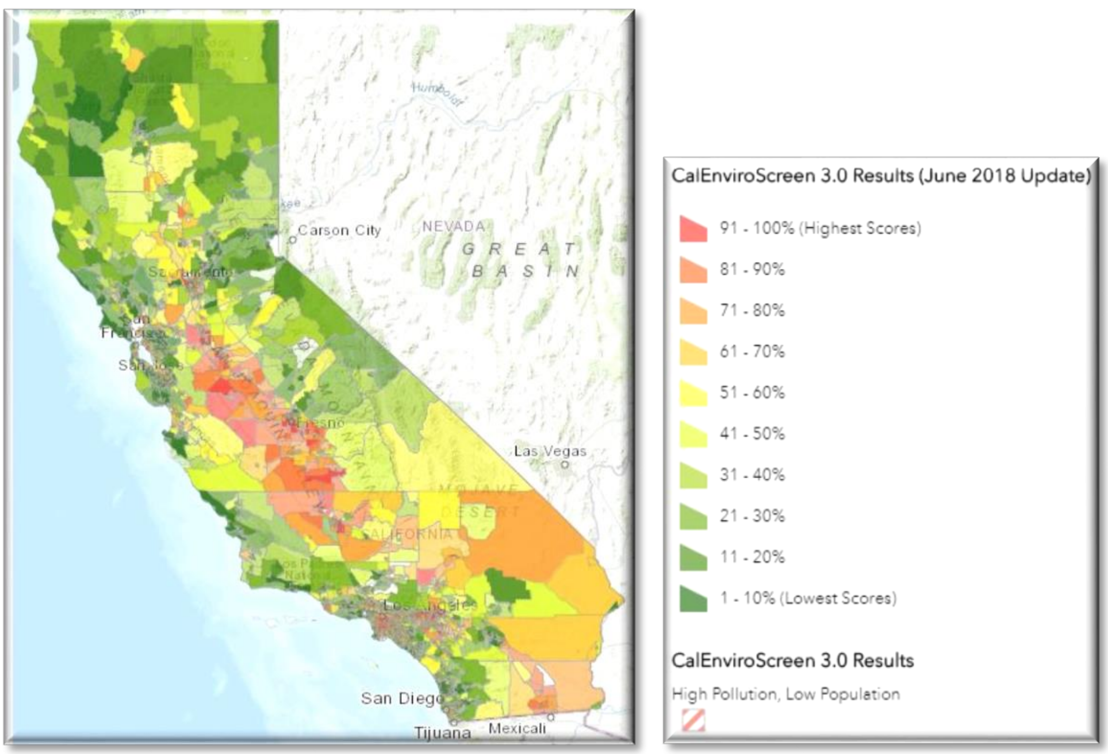
Based on these findings, CCRH recommended that:
- San Joaquin Valley jurisdictions must examine zoning practices in order to prioritize the feasibility and equitability of affordable housing development.
- Healthy affordable housing development and competitive access to housing programs can and must be prioritized for both rural and urban communities in the San Joaquin Valley.
- Affordable housing can be used as a catalyst for reinvestment in underserved communities and in opening areas of opportunity.
- Efforts can be made to centralize information and promote sharing across jurisdictions.
- The mapping process and resulting data should be made available for use in planning, development, and advocacy[ii].

With continued support from the San Joaquin Valley Health Fund, the California Coalition for Rural Housing partnered with University of California, Davis' Center for Regional Change to grow the mapping project to include Kern County as well as to make the mapping available online. The following addendum to the original white paper includes some key updates on the Affordable Housing and Sustainable Communities Program as well as the data and findings relevant to Kern County.

Updates in Cap-and-Trade

CalEnviroScreen

The CalEnviroScreen tool measures a combination of socio-economic factors and environmental-quality indicators, with a top 25% ranking indicating relatively low levels of access to opportunities and high environmental burdens. This designation was updated in 2018 to include "low-income communities" as defined under Assembly Bill 1550[iii], and the CalEnviroScreen tool incorporated this update[iv].



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[1] California Office of Environmental Health Hazard Assessment (OEHHA), on behalf of the California Environmental Protection Agency (CalEPA) (2018). Calenviroscreen 3.0. [image] Available at: https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30 [Accessed 30 Jul. 2018].

Creation of Rural Innovation Project Area and Set-Aside

Many housing programs have designed to work best in more traditional urban communities. Because the Affordable Housing and Sustainable Communities program was created to promote affordable housing development in line with public transportation, it was not originally seen as a strong program for opportunity for rural communities or transit-poor communities like some of those in the San Joaquin Valley. Furthermore, in the initial rounds of the program, American Indian Tribal Communities were not eligible applicants.

This is not altogether uncommon for state and federal housing programs – especially in their initial years of operation -- so over time, with advocacy efforts, these programs have grown to set-aside a portion of the available funding for projects located in rural communities. In this way, rural communities are better able to compete against other rural communities for more equitable access to program investments. The California Coalition for Rural Housing joined with partners across the state to advocate for the creation of the Rural Innovation Project Area (RIPA) within AHSC, in which rural communities have access to 10% of the total available funding each round. This rural set-aside was put into place in the second round of the program. In addition to the creation of the RIPA, CCRH and its partners worked with the state to make changes within the program so that American Indian Tribal communities qualified as eligible applicants in the third round of the program.

Since its creation, a total of nine rural projects have been awarded within, seven of which were located in the San Joaquin Valley. In total, this has amounted to $91,129,719 invested in California's rural communities.

Other Valley Successes in AHSC

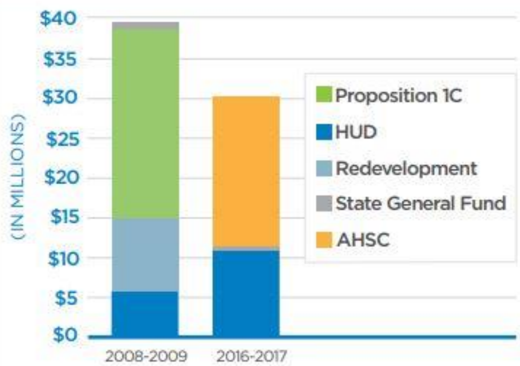
In addition to the success of rural communities in the San Joaquin Valley, more urban and suburban projects were also successful. Over the past three rounds (including rural projects) $123,708,557 from the AHSC program has been invested in San Joaquin Valley communities, leveraging millions more dollars in housing, transportation, and community investment.

Kern County Housing Needs and Opportunities

Housing Need

According to the California Housing Partnership Corporation's 2018 Kern county housing needs report[v], "Cuts in federal and state funding have reduced investment in affordable housing production and preservation in Kern County by more than $8 million annually since 2008, a 21% reduction." Specifically, housing production using the most critical housing funding program, the Low-Income Tax Credit[vi] declined 85% in 2017. This is largely due to traditional corporate investors' anticipation of federal tax reform alleviating their need for such incentives.

KERN COUNTY LOST 21% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2016-17

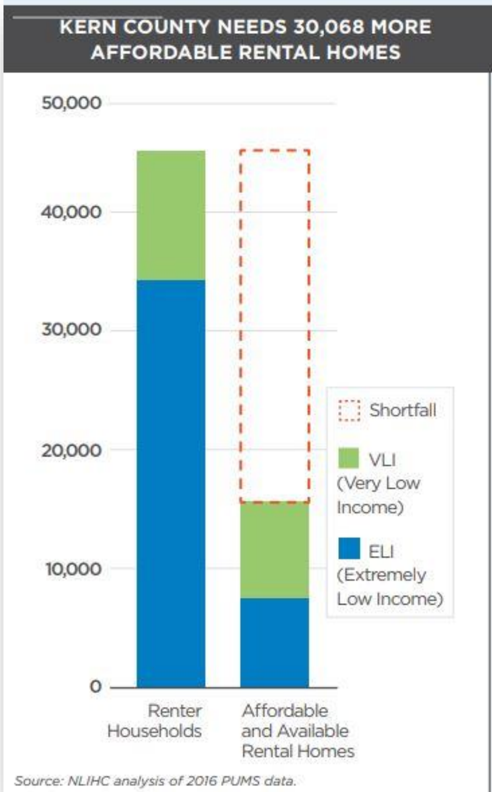


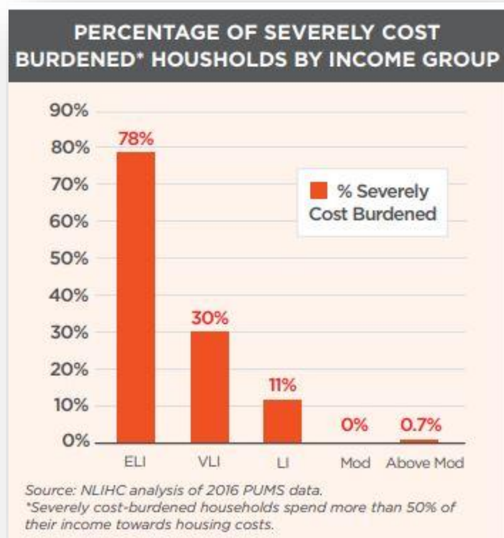
FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2016-17	% CHANGE
Redevelopment	$8,999	$0	-100%
State Housing Bonds, Housing Programs, and General Fund	$23,895	19,572	-18%
HUD	$6,119	$11,225	83%
TOTAL	**$39,013**	**$30,798**	**-21%**

Source: CHPC analysis of 2008-2009 annual Redevelopment Housing Activities report; 2008-2009 and 2016-2017 annual HCD Financial Assistance Programs Reports and HUD CDP Appropriations Budget data.

[vii]

This is particularly critical because it is estimated that Kern County needs 30,068 more affordable rental homes just to meet *current* demand. At this point in time, people renting housing in Kern County need to earn $17.40 an hour - nearly twice the state minimum wage - just to afford the median rent of $905 per month. Those most affected by Kern County's housing crisis are its lowest-income renters, who spend 65% of their total income on rent -- over twice the 'affordable' amount of 30%.





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Kern County Mapping

Because sites located near public transportation, full-scale grocery stores that stock fresh produce, health centers, and public schools will ultimately better serve residents and the community, parcels that are close to these important community resources are the best places to put affordable housing. Also, potential developments planned for these 'high amenity' sites are more likely to get funded from federal and state housing programs. Therefore, not only is building close to amenities important for community and resident quality of life and health outcomes — it is necessary if communities want to be competitive under affordable housing funding programs.

In order to create the maps and derive the following data, researchers first plotted all public elementary schools, middle schools, and high schools. Then they plotted transportation station and stop locations and concluded by mapping out the locations of large-scale grocery stores and supermarkets.

High amenity ***rural*** parcels must include the following:

Distance to transit stop or station is 0.5 miles or less; AND
Distance to full scale grocery store is 0.5 miles or less; AND

Located within 0.75 miles of an elementary school, and/or 1 mile of a middle school, and/or 1.5 miles of a high school.

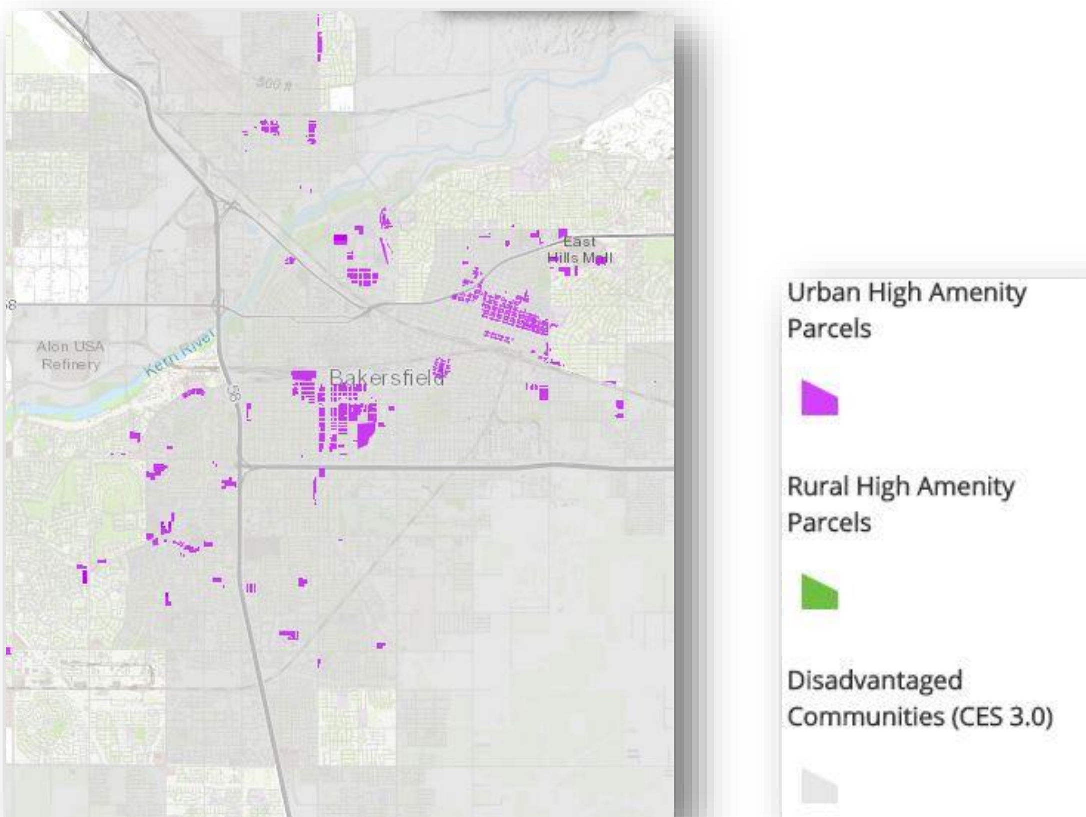
High amenity ***urban*** parcels must meet the following criteria:

Distance to transit stop or station is 0.25 miles or less; AND
Distance to full scale grocery store is 0.25 miles or less; AND
Located within 0.25 miles of an elementary school, and/or 0.5 miles of a middle school, and/or 1 mile of a high school.

It should be noted here that parcel data were taken from the County and zoning data were taken from the county and the City of Bakersfield.

Using these steps, it was determined which parcels are zoned for high-density residential use and are also located in "high-amenity" areas. This study focused on parcels dedicated for R3/R4 (High Density Residential) because the majority of affordable housing development is focused in apartment buildings that create the most efficient use of land while sustainably providing housing for the most people possible.

In doing so, it was possible to see all high amenity parcels across Disadvantaged Communities, in rural, and urban areas.



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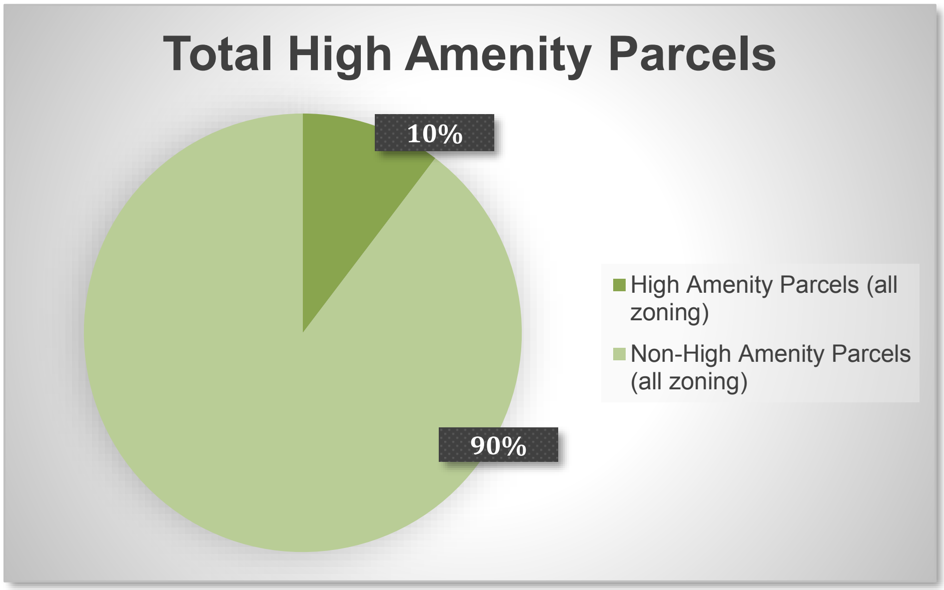
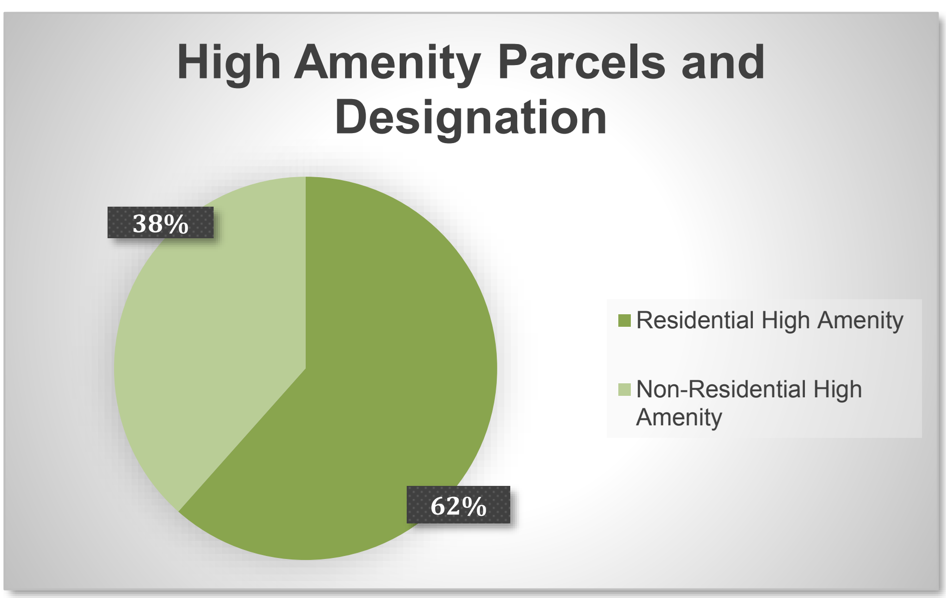
Kern County Findings

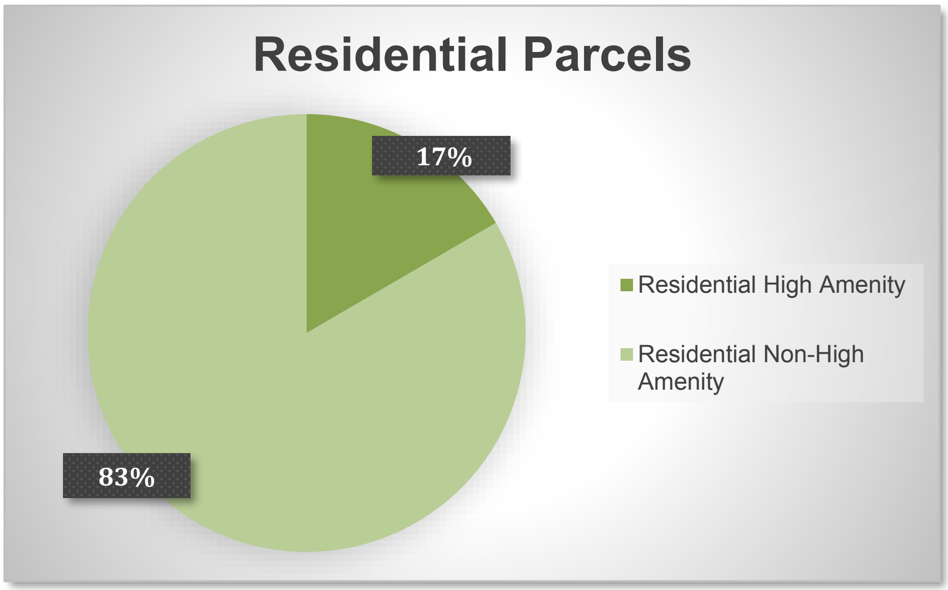
Using these mapping methodologies, it was found that Kern County has 41,770 high-amenity parcels, out of a total of 403,919 parcels. Therefore, 10% of all of Kern County's land is high-amenity.



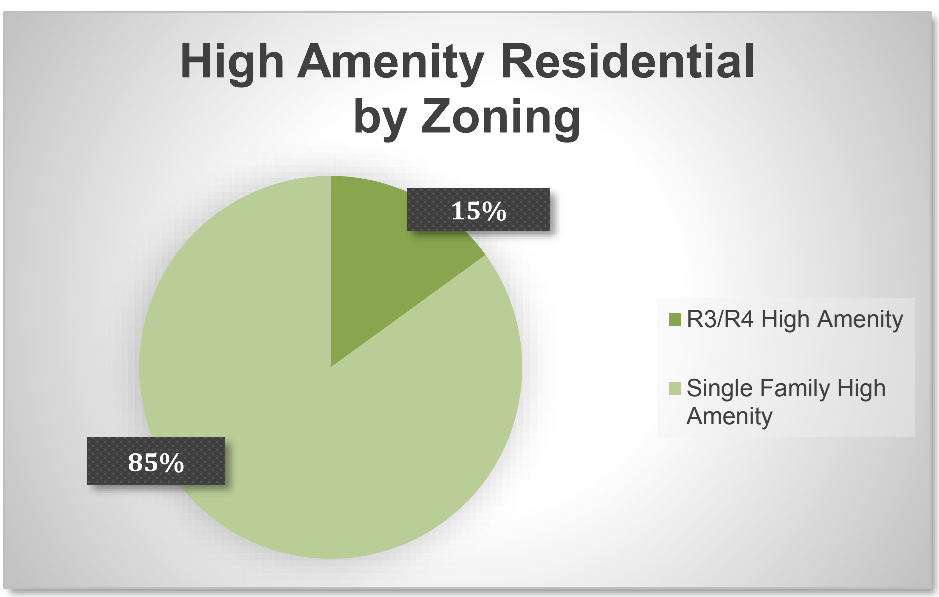
Of Kern County's 41,770 high-amenity sites, 62% (or 25,717) are zoned for residential use – meaning they have been designated for housing development of some kind. 38% (or 16,053) of the total high-amenity sites are not zoned for housing development.



When planning for general housing development, Kern County has set aside 154,809 parcels as residential. Of these, 17% (or 25,717) qualify as high-amenity, and 83% (129,092) would not be considered high-amenity.



Of the high-amenity sites set aside by Kern County for the development of housing, only 15% (3,860) are currently zoned for multi-family housing development. The remaining 85% (21,857) of high-amenity sites are not eligible for traditional affordable housing development.



Conclusions

The new data collected on Kern County and the successes of San Joaquin Valley communities within the Affordable Housing and Sustainable Communities program has not changed the study's original recommendations. However, it does create a more complete understanding of how the San Joaquin Valley has historically planned for housing development and the opportunity for greater equity, increased access to resources, and ultimately healthier community development.

As the Healthy Homes Project continues, future studies will explore these topics in further detail, will include mapping of other health indicators, and will address the state of California's shifting program priorities to develop in areas of opportunity.

Sources

[i] California Coalition for Rural Housing (2016). Where Home Is: Affordable Housing Investment in the San Joaquin Valley. [online] Available at: https://docs.wixstatic.com/ugd/8d7a46_5ba40a00ef58431e97729ae9fe8b9d2b.pdf [Accessed 30 Jul. 2018].

[ii] California Coalition for Rural Housing (2016). Where Home Is: Affordable Housing Investment in the San Joaquin Valley. [online] Available at: https://docs.wixstatic.com/ugd/8d7a46_5ba40a00ef58431e97729ae9fe8b9d2b.pdf [Accessed 30 Jul. 2018].

[iii] Assembly Bill No. 1550.Chapter 369. [online] Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550 [Accessed 30 Jul. 2018].

[iv] California Strategic Growth Council (2017). Affordable Housing and Sustainable Communities: Best Practices Report on the First Two Rounds of Awards.

[v] California Housing Partnership Corporation (2018). Kern County's Housing Emergency and Proposed Solutions. [online] Available at: https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2018/05/Kern-HNR-2018.pdf [Accessed 30 Jul. 2018].

[vi] "The Low Income Housing Tax Credit (LIHTC) program was created in 1986 and is the largest source of new affordable housing in the United States" Instead of providing a subsidy, it provides tax insentives to investors of affordable housing.Low-Income Housing Tax Credits | NHLP https://www.nhlp.org/resource-center/low-income-housing-tax-credits/

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