

Little Hoover Commission, January 24, 2002

Testimony of Tom Stallard, Yolo County Supervisor;
Yolo County Director to the Sacramento Area Council of Governments;
First Vice President, California State Association of Counties

Chairman Alpert and Members of the Little Hoover Commission:

My name is Tom Stallard and I am in my second term as a Yolo County Supervisor. I have also served for six years as a director on the Sacramento Area Council of Governments, and am currently First Vice President of the California State Association of Counties. Therefore, have viewed the affordable housing issue from the local, regional and state perspectives. But my heart is at the local level, which I now feel requires at minimum, regional collaboration.

I want to first thank your staff for the diligent assistance in providing background for today's hearing. I also want to acknowledge the assistance of John Bencomo, Planning and Public Works Director for Yolo County; Marty Tuttle, Executive Director of the Sacramento Area Council of Governments; and DeAnn Baker, housing expert for the California State Association of Counties.

In commenting on performance evaluations, Peter Drucker once wrote that "constructive criticism is dead. Who wants to be criticized anyway?" So it is with local governments and "sticks". Who wants to be beaten? Local governments are under siege from more sides than they have sides. Environmentalists want habitat protection; state agencies want treated wastewater to be purer than the groundwater delivered from the tap; landfills must now have impermeable liners that can be nine feet thick before any solid waste is even deposited. And the list goes on and on.

Local officials want to do the right thing, but they are often forced to try to accommodate conflicting public policies. A policy of "carrots, not sticks" might go a long way towards encouraging public officials to embrace more affordable housing in their jurisdictions. Here are a few ideas that might merit further exploration:

- * Provide bonus funding for transit projects tied to high density housing, or at least give extra points or preference for those transit projects that include a specified level of dense housing. This provides a ridership enhancement for the transit and transit for those who financially may have no alternative. Please do not look to Proposition 42 monies or other existing monies to provide this incentive as we already need these funds to repair long neglected infrastructure.
- * Provide substantial grants for infrastructure development. Many urban infill areas, while served by transit and therefore especially desirable for developing affordable housing, are nevertheless politically and financially challenging. Direct public subsidies to accommodate the infrastructure necessary to proceed with a project is essential. Rural communities, where land may be cheap, nevertheless require the same kind of assistance as often existing services like sewer and water, drainage, etc. are barely adequate if not outright inadequate to serve the existing residents let alone allow for expansion. Partnering with the state to provide infrastructure improvements in exchange for embracing additional

affordable housing could be a win/win, particularly where these communities have no other way to obtain the needed infrastructure improvements.

- * The Metropolitan Transportation Commission has a Transit for Livable Communities program that includes cash grants for bedrooms that has been extremely popular in the Bay Area. Again, the money is used to cover infrastructure costs associated with transit-oriented development.
- * Underwrite planning costs for general plans and housing elements.
- * A comprehensive general plan update can cost \$200,000 to \$3 million depending on the size of the jurisdiction, public outreach and environmental review needed. Many times these costs are shifted to the developer adding to the ultimate price of the homes.
- * Reform the allocation of regional fair share numbers. This is critical if the zoning based on these numbers is going to be "real" and provide for the greatest opportunity for actual development. This means consideration of agricultural preservation, critical habitat areas, lack of infrastructure development. Currently, there is little to no recognition of the distinction between cities and counties in allocation of the numbers. Some counties, such as Yolo, promote development in incorporated cities, thereby preserving prime farmlands, yet there is no recognition of this fact in allocating fair share numbers.
- * Recognize the ability for some jurisdictions to contribute financially towards subsidizing affordable housing within neighboring jurisdictions. Current law does not recognize or reward such actions that may make sense in order to accommodate access to transit and urban services. Urban centers also are better equipped for greater densities given the infrastructure needs and greater service demands.
- * Offer abbreviated HCD review for performance or ability to meet numbers. Many jurisdictions complain about the extensive scrutiny and data, analysis, etc. required by HCD. Let us develop a fastrack review to measure accountability without the costly and extensive housing elements now required to be produced by every city and county.
- * Increase property tax or income tax incentives to rehabilitate older buildings into affordable housing. This could be a win/win as well where blighted buildings are renewed and housing is provided at the same time. This could also bring more life into depressed central cities.

Overcoming public perceptions about affordable housing might be encouraged by striking designs, perhaps produced by design competitions such as that sponsored a couple of years back by the Great Valley Center. Also, mixed density residential zoning might be incentivized as a way to avoid pegging neighborhoods as affluent or poor. Some examples of this are around, such as Aggie Village in Davis where each lot has a home and a cottage. In Arlington, Virginia, a development known as "Avalon" incorporates multiple economic levels in an integrated project that includes grass

squares, play areas, and a community center with gym, library, pool and telecommuting facilities. A connector bus takes commuters to D.C. Metro

Clearly nothing will replace the need to spread broadly the message that providing affordable housing is a good thing to do. Changing hearts is perhaps more difficult even than changing government policy, but working to provide some of the incentives indicated as well as preparing public thought through a sophisticated information campaign could help.