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California Affordable Housing Advocates Win with Boomerang Strategy

by Michael Anderson // 2014, Fall



For years, California communities benefited from the availability of redevelopment agency tax increment funds. With a state requirement that 20% of these funds be committed to providing and preserving affordable housing, the state had some \$1 billion in funds each year to provide secure affordable homes throughout the state. Governor Jerry Brown eliminated the redevelopment agencies in December 2011 and the loss of funding for affordable homes was met immediately by affordable housing advocates seeking new strategies for the use of these funds.

A portion of the tax increment funds collected in redevelopment areas that originally went to the Redevelopment Agencies to fund affordable housing and economic development were redirected to each jurisdiction's general fund. Tax increment refers to the increased revenues in property taxes from improvements made in the designated redevelopment area. Two options are available to recapture the funding: (1) a portion or all of the redirected funds (referred to as boomerang funds) from the former Low and Moderate Income Housing Fund (the required 20% set aside) can be committed to affordable housing activities and (2) a portion or all of ongoing annual tax increment revenues can be committed to affordable housing.

The Nonprofit Housing Association of Northern California (NPH), the Housing Leadership Council of San Mateo County, East Bay Housing Organizations, in tandem with its Housing Advocacy Network, and others launched a series of Boomerang Campaigns. NPH advocated with its partners for local

jurisdictions to set aside a portion of the funds to benefit the production and preservation of affordable homes. The campaign has made impressive gains:

- In April 2013, San Mateo County approved the allocation of \$13.4 million in unrestricted general funds set aside in an Affordable Housing Fund for financial assistance in developing affordable housing and emergency shelter.
- In June 2013, Santa Clara County pledged all of its one-time boomerang funds and up to 20% of its ongoing redevelopment revenue for affordable housing.
- In the summer of 2013, Oakland dedicated \$1.8 million in boomerang funds in its general budget for affordable housing staff and programs and set aside 25% of ongoing boomerang tax increment funds starting in FY2015-2016 for the Oakland Affordable Housing Trust Fund.
- In June 2014, the Los Gatos City Council approved a proposal to set aside \$237,000 for affordable housing from boomerang funds and will allow the city to take advantage of a County of Santa Clara match amounting to \$409,000.
- In June 2014, the City of Santa Clara Council unanimously voted to set aside \$5.8 million dollars of boomerang funds for affordable housing. These funds will also allow the city to take advantage of the Santa Clara County match amounting to \$8.1 million.
- In July 2014, Alameda County voted unanimously to designate \$9.8 million for affordable housing production, \$3.9 million for its Rapid Rehousing Program, and at least \$2 million annually from tax increment funds beginning in fiscal year 2016/2017 to be deposited into its Affordable Housing Trust Fund.
- In June of 2012, Fremont allocated 100% of their one-time boomerang funds and in June 2013 committed 20% of ongoing funds to affordable housing.
- San Mateo City repurposed \$700,000 plus 20% of future ongoing receipts (some \$200,000/yr).
- In June 2012 and in June 2013 for two years, San Leandro allocated \$350,000 per year in boomerang funds to retain staff and programs for affordable housing.
- In July 2013, Emeryville allocated 100% of one-time boomerang funds and 20% of ongoing boomerang funds for affordable housing.
- Foster City has contributed some \$3 million in boomerang funds to affordable housing.
- Redwood City has contributed \$200,000 in boomerang funds to affordable housing.
- San Francisco voters passed Measure C which captures general fund revenue in year one of \$20 million and increases to \$50 million year over time. Revenues include former Redevelopment Agency Tax Increment funds, a small portion of the Hotel/Motel Tax, and an additional \$13 million in new General Fund revenue from an increase in business license fees.

More than eighty groups came together in support of Proposition C and the San Francisco Housing Trust Fund. They won with 65% of the vote. The San Francisco Council of Community Housing Organizations was central in drafting the measure and coordinated much of the field campaign – a network of affordable housing, social service, and community and labor supporters walked more than 300 precincts and mobilized hundreds of building tenants and grassroots members. The network included: the Council of Community Housing Organizations, the Human Services Network, the Coalition on Homelessness, SF Rising, Coleman, Causa Justa::Just Cause, Jobs with Justice, the Progressive Revenue Coalition, ACCE, and many others.

East Bay Housing Organizations (EBHO) led the victories in Oakland and Alameda County. In Oakland, **hundreds of EBHO members and resident leaders turned out to write letters, make calls, meet with their council members and speak out at public hearings.** In Alameda County, EveryOne Home partnered with EBHO to coordinate advocacy. Numerous members and organizations came to show their support at Council hearings and throughout the process, including: Alameda Point Collaborative, BOSS, Building Futures with Women and Children, Christian Church Homes, City of Oakland, City of Emeryville, East Oakland Community Project, EAH, EBALDC, Eden Housing, Enterprise, Housing Consortium of the East Bay, MidPen, NPH, RCD, Renewed Hope, and SAHA. Plus several resident members from EBHO's Resident and Community Organizing Program!

The Southern California Association of Nonprofit Housing (SCANPH) has also invested in campaigning for boomerang funds by training members and engaging in advocacy campaigns.

- The Los Angeles County Board of Supervisors voted to put \$75 million in boomerang funds back to affordable housing over the next five years.
- The City of Los Angeles dedicated \$11 million to affordable housing and is exploring ways to invest \$200 million of residual funds for economic development and affordable housing purposes.

In Los Angeles County, representatives from fifteen organizations testified in support of the motion to dedicate boomerang funds to affordable housing, including: Century Housing, Corporation for supportive Housing, Abode Communities, A Community of Friends, American Communities, the Cesar Chavez Foundation, Hollywood CHC, LINC Housing, New Directions, Palm Communities, Thomas Safran & Associates, West Hollywood CHC, the City of Pasadena, SCANPH, and Shelter Partnership.

The involvement of advocates and the community in advancing the use of these funds for affordable housing throughout the state has been a strong statement about the priority of providing and preserving affordable homes for Californians.

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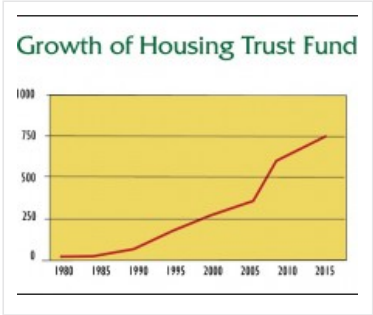
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