Partnership for the Bay Policy Grant Evaluation

Learning Memo #1: Baseline

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Policy Grant Overview

The Partnership for the Bay's (**PBF**) Future Fellowship is a community-driven effort of the San Francisco Foundation (**SFF**) to create a more livable Bay Area by investing in affordable housing and advancing policy solutions to address the region's growing housing needs. Through its Policy Grants, PBF brings together community-based organizations (**CBOs**) and local governments to work collaboratively by providing resources, technical assistance, and a fully-funded fellowship position to support the work.

Policy Grant Fellows, embedded in each jurisdiction as full-time government staff, serve as relationship builders and project managers, adding much-needed staff capacity and acting as a catalyst to advance housing policies.

The grant is managed by San Francisco Foundation, in partnership with Coro Northern California (which provides professional development and manages the cohort of Fellows) and Enterprise Community Partners (which provides technical assistance). The Policy Grant is in its second round of grants, following a 2020-2022 pilot.

Eleven sites across the Bay Area received Policy Grants for 2022–2024. Most projects focus on policy efforts to facilitate the production and preservation of housing.*

2022–2024 POLICY GRANT SITES

GOVERNMENT PARTNER	CBO PARTNERS
City of Antioch	• Hope Solutions • Multi Faith Action
Bay Area Housing Finance Authority (BAHFA)	• Bay Area Community Land Trust • Unity Council • Urban Habitat
City of Berkeley	• Healthy Black Families
Contra Costa County Housing Authority (CCCHA)	• Community Housing Development Corporation • Richmond LAND • Richmond Our Power Coalition
City of East Palo Alto	• Community Legal Services in East Palo Alto • East Palo Alto Community Alliance and Neighborhood Development Organization • Preserving Affordable Housing Assets Long-Term, Inc. • Youth United for Community Action
City of Mountain View	• Housing Trust Silicon Valley • SV @ Home
City of Oakland	• Richmond Neighborhood Housing Services
City of Richmond	• Richmond LAND
City and County of San Francisco	• Urban Land Institute
City of San José	• SOMOS Mayfair
City of South San Francisco	• Housing Leadership Council

* 2020-2022 Policy Grants primarily funded tenant protection and housing preservation efforts.

The evaluation centers learning and focuses on documenting sites' progress toward their goals, highlighting strategic insights, and supporting internal and external communications about the Policy Grant's work. We have planned **three learning cycles** over the course of grant's two-year period. **This memo summarizes Cycle 1 learnings from Fall 2022.***

Cycle 1 serves as a baseline for understanding each site's goal and context and defining how we will assess policy progress and measurable indicators over the course of the Policy Grant. We will track progress indicators quarterly with reporting support from each Fellow and will shape our future evaluation engagements and questions in the following learning cycles based on site's own reflections about their policy journey.

During Cycle 1 we reviewed site grant application materials, held generative conversations with the design team (SFF, Coro, and Enterprise), and engaged each site in a virtual and highly participatory focus group discussion to begin identifying mileposts and indicators to be used for the remainder of the evaluation. Sites are reviewing the list of mileposts and indicators they generated and will share an edited list with Informing Change at the end of January 2023.

CYCLE 1 AREAS OF INQUIRY

Site Goals

- Sites clarified their policy goals with respect to their grant applications and shared their progress to date.

Contextual Factors

- Sites shared political and economic factors they anticipate will hinder or enable progress toward their policy goals.

Policy Progress (Mileposts)

- Sites spent time identifying and prioritizing mileposts, which represent significant steps or progress each site hopes to accomplish towards their policy goals. These mileposts will guide our evaluation and learning focus over the life of the Policy Grant.

Indicators

- Sites followed a similar prioritization process with a set of sample indicators and began to identify specific indicators that tell the story of their policy journey.

* We did not include the inputs from Bay Area Housing Finance Authority (BAHFA) in this memo, as the focus group for BAHFA had not taken place yet at the time we produced this document.

We asked sites to confirm their policy goals in light of their work together since the start of the grant. We classified sites' goals according to their primary focus for the grant period, relying on sites' explanation of their goals, the policy subgroups Coro created, and the original classification proposed by SFF.

While the policy categories are broad and the specifics of some sites' policy goals may overlap in different categories, it may be useful to keep these categorizations in mind as we monitor and learn from sites' progress.

Broadly speaking, the categories are:

1. **Preferential Land Use & Transfer:** These sites are focusing on (1) transferring under-utilized used land and/or blighted properties for further development or rehabilitation, or (2) exploring alternative land use policies that will result in additional affordable housing development.

2. **Preservation:** These sites are primarily developing legislation and strategies to keep housing affordable. They are new sites that are still researching and determining the best strategies for their local contexts.

3. **Opportunity to Purchase Act (OPA):** These sites are pursuing variations to OPA, mainly as a continuation of their work from the Challenge Grant.

4. **Equitable Development:** These sites are focusing on equitable development policies, including engaging communities in development processes and supporting developers of color through direct engagements and policies.

1. PREFERENTIAL LAND USE & TRANSFER

City of Antioch

- Leveraging unused faith-based organization land

- Encouraging accessory dwelling units for low-income homeowners

- Building community leaders and greater community-government dialogue

Contra Costa County Housing Authority

- Creating homeownership opportunities for Las Deltas residents, existing residents, and displaced North Richmond residents with community land trusts, co-ops and condos and other models:

  - A preference policy

  - Streamlining approvals for Las Deltas

  - Creating new financial instruments

- MOU between Richmond CBOs

City of Richmond

- Implementing a community land policy package (Equitable Public Land Policy and Neighborhood & Land Stabilization Policy) based on input and feedback from various local stakeholder groups and sectors in Richmond

- Establishing metrics, procedures, and appropriate resources needed to ensure the long-term sustainability of housing policy

- Preserving existing affordable housing

2. PRESERVATION

City of South San Francisco

- Exploring legislation options for requiring smaller multi-family owners to offer their housing stock first to affordable housing providers

- Partnership programs between the City and affordable housing providers to acquire, rehabilitate, and deed restrict naturally occurring affordable housing.

City of Mountain View

- Develop a displacement response strategy, including an acquisition program, requirements for replacing demolished units, and evaluating other potential policies such as TOPA/COPA

- Develop and implement a housing funding strategy, including new revenue sources (both for acquisition preservation and new construction)

- Develop a "storytelling through journalism" outreach and messaging strategy

3. OPPORTUNITY TO PURCHASE ACT

City of San José

- COPA

City of East Palo Alto

- Continued work on the city's Opportunity to Purchase Act, including implementation and fund and resource development

- Co-op ownership opportunities

- Tenant network education and empowerment

4. EQUITABLE DEVELOPMENT

City of Berkeley

- Community-driven, equitable development at 2 BART stations, with supportive policies such as right to return and local preference

- Innovative funding to raise $500M for development at BART sites

- Build replicable model for reparative work

City of Oakland

- Promote policies and programs to support emerging BIPOC developers

- Remove obstacles and systemic barriers for BIPOC affordable housing developers while supporting a model that stimulates investment in historically underserved Oakland neighborhoods

- Create and implement new policies and programs to build the pipeline of properties accessible to emerging developers (e.g., tax-defaulted properties)

City and County of San Francisco

- Develop a set of recommendations of the city's request for proposals process, underwriting guidelines, and other internal processes to support emerging/existing BIPOC developers based on the learnings from the developers of color cohort

Context to Policy Development

Site teams identified a mix of contextual factors that play a role in their policy pursuits:

- Economic conditions at both macro and micro levels

- Demographic and attitude shifts towards housing initiatives

- Political conditions, especially elections

Some of these factors play a larger role with some site policy goals. Understanding these contextual factors and the tensions and opportunities that arise as a result is essential for tracking progress and assessing how evolving strategies address challenges and leverage opportunities.

Macro & Microeconomic Conditions

- Inflation
- Rising interest rates
- Funding supply & demand

Demographic & Attitude Shifts

- Gentrification
- Displacement
- NIMBYism

Political Context

- Special interest opposition
- Strong support from some elected officials
- Impact of recent elections

Macro & Microeconomic Conditions

Inflationary pressures and interest rate hikes hamper the ability of sites to produce affordable housing. For site teams aiming to increase or improve housing stock directly or indirectly, such as **Antioch**, **Berkeley**, and **South San Francisco**, the increased cost of materials and labor dampens housing production and rehabilitation, but also makes it more difficult for new housing to be *affordable* for potential homeowners. Similarly, as sites secure below-market rate land, such as **Antioch**, **Oakland**, and **South San Francisco**, they grapple with how to ensure land stays affordable over time.

With the cost of borrowing becoming more expensive due to increased interest rates, site teams face limited financing options and increased competition for state funding and subsidies. Interest rates directly impact potential homeowners, as their borrowing capacity is significantly reduced. This affects sites focused on homeownership, such as **Contra Costa County Housing Authority**, **East Palo Alto**, and **San José**.

Rising costs and interest rates also affect sites such as **Oakland** and **San Francisco** aiming to increase the number of developers of color, as those developers might have less access to assets and resources to draw from to fund their housing developments.

QUESTIONS TO CONTINUE EXPLORING

- How can teams tackle the increased costs of production and financing?

- What are innovative financing mechanisms that sites can secure?

- How can sites collaborate in securing a limited supply of funding?

- How to make sure that the transfer of land below market rate stays affordable?

"The elephant in the room is the cost to build housing … and the fact that it's been rising— cost of labor, cost of materials, all of that. It's hard, period, but for emerging developers it only gets harder because that goalpost keeps being pushed forward."

– JURISDICTION STAFF

Demographic & Attitude Shifts

Many of the Policy Grant sites have been facing increased demographic shifts of households with higher incomes moving to previously affordable areas. Increases in housing values price out current residents who want to pursue homeownership and result in displacement of existing residents who can no longer afford rent.

The increased gentrification of communities leads to significant tensions among residents who are for and against pro-housing policies and new housing development.

A range of community-based and grassroots organizations pursue a range of options to increase affordable housing options and stabilize communities.

New homeowners want more market-rate home values as a way to preserve and enhance home values, protect their investment, and generate wealth. In their view, too much affordable housing being built in their neighborhoods could deflate average home prices. These attitudes result in in a new form of Not-In-My-Backyard (NIMBY) positions.

QUESTIONS TO CONTINUE EXPLORING

- What are ways to generate community-wide support for housing production?

- How can sites produce more housing without resulting in displacement of some residents?

- How can sites tackle NIMBYism?

"There's a tension between people who want more affordable housing, which we certainly agree with, [and] others [that] feel [their community] is being dumped upon [with] too much affordable housing and they need some market-rate or some moderate-income housing." **– JURISDICTION STAFF**

Political Context

The level of political support towards housing policies varies widely among sites. And with the recent election, several jurisdictions experienced changes of elected officials, leaving some sites unclear on the implications of these changes for their policies.

Some sites acknowledge that a few newly-elected officials are not supportive of proposed policies espoused through the Policy Grant. However, other sites expect some level of support from their elected officials, and foresee only implementation challenges.

Across most sites, teams recognize the strong opposition from special interests, especially real estate titans and landlord groups, can easily derail passage of pro-housing policies by placing pressure on elected officials to oppose new housing developments.

Some site teams are also experiencing some internal tensions as there are disagreements on approaches and strategy in this early stages of the Policy Grant.

Questions to continue exploring:

- What are strategies for securing the necessary political support to pursue housing policies?

- How can existing support from elected officials be leveraged most effectively?

- How can sites address internal tensions or disagreements?

"Because it is election season, we've been having to navigate a lot... with the layer of folks terming out [and] the layer of new folks coming in...how do we continue to move the policy and the work forward with those nuances?" – CBO staff

Cross-Cutting Milepost Themes

During the focus groups, site teams identified mileposts—important markers of progress in their policy journey—and generated an initial list relevant to their own policy goals. The list of mileposts for each site will be referenced during later learning cycles as a basis for reflecting on what is working and not working in their policy pursuits.

Site teams also reflected on issues that could affect their ability to reach some of their mileposts and ultimately achieve their policy goals. Based on our discussions with site teams, we have highlighted three critical themes across mileposts that were listed by multiple sites. These themes reflect what is top of mind for sites as they think of stepping stones toward their policy goals. We plan to explore these themes in depth throughout the rest of the Policy Grant.

The Importance of Funding

- Some sites have explicitly named securing funding in their goals and are actively pursuing investments.

- Some have identified potential funding sources at the state and local level.

Challenges in Addressing Racial Equity

- Some sites hold the assumption that developers of color will seek to develop in communities of color.

- There are federal and state constraints to offering benefits to individuals based on race.

Policy Education for Communities & Elected Officials

- Educational outreach is needed for both renters and homeowners for a program to succeed.

- The election cycle may require additional rounds of councilmember education and engagement.

The Importance of Funding

Many sites identified securing funding as a critical milepost in achieving their policy goals. During the previous Challenge Grant experience, most sites first focused on researching legal and policy issues and building support. This time, sites are considering funding sources from the beginning, evidenced by their funding-related goals and the focus of their work to date.

Policy goals typically require funding for implementation. This presents a dilemma: it may be necessary to create the policy or program and then seek the funding, which itself creates complications in building support for the policy or program. While some sites will still face this dilemma (**South San Francisco, Contra Costa County Housing Authority**), others are focusing on securing funding simultaneously (**Mountain View, Richmond**).

Finally, some sites have identified potential sources of funding from the state (**East Palo Alto, San José**) or locally (**San José, South San Francisco**).

Site specifics:

- **Berkeley:** Alongside community engagement, this site is prioritizing securing investments and have developed investor-facing materials as they pursue their funding goal.

- **East Palo Alto:** Focused on passing Measure L and now must ensure those funds (which go into the general fund) are allocated toward OPA.

- **San José:** Has been focusing on mapping all sources of funding and potential sources of funding to answer questions about the program's scale and implementation.

- **San Francisco:** BIPOC developers are exploring the possibility of creating a collective "guarantee pool" that would facilitate obtaining development loans.

- **Richmond:** Specifically amended their policy goals to include securing resources for the long-term sustainability of the policy goals

Challenges in Addressing Racial Equity

Sites are keenly aware of the disproportionate effects that the region's historic housing and economic policies have had on communities of color. While there exists an assumption that supporting affordable housing will benefit communities of color because these individuals are overrepresented among low-income communities, some sites are explicitly trying to account for race in their policies while complying with state and federal laws.

State and federal constraints pose challenges to sites, especially for those working with developers of color, such as **Oakland** and **San Francisco**. Though there are additional ways to account for race within policy-making, such as through community education and background research, one site, **Berkeley,** is explicitly seeking a way to provide repair to Black residents and former residents who have been displaced or prevented from benefiting economically in the same way as other residents have been benefiting. Still other sites have not yet determined if and how to be explicit in addressing racial disparities in their policies. One major issue some sites are encountering is the lack of a shared definition of or approach to racial equity.

Site specifics:

- **Berkeley**: Is seeking investment to "provide repair that's community driven and community defined, those kinds of things that would be most helpful to the black community to help them thrive," but have had challenges gaining traction among Berkeley voters.

- **Oakland**: Has been working on a definition of what constitutes a BIPOC developer and is grappling with the assumption that increasing opportunities for developers of color will ultimately result in affordable housing for communities of color.

- **San Francisco**: Has faced hurdles on the way to launching their developers-of-color cohort while still complying with California Proposition 209, which prohibits state governmental institutions from discriminating against or granting preferential treatment to any individual or group on the basis of race, specifically in the operation of public employment and contracting.

Policy Education for Communities & Elected Officials

While community outreach and input is a key component of the design of the policy grants and sites' policy development process, some sites are also focusing on additional educational efforts to explain their policies.

These efforts target both communities that are eligible for sites' proposed policies or programs (and hence stand to benefit directly from the policy of program) *and* others such as landlords or local leaders whose buy-in is essential for policy or program success.

Relatedly, many sites were awaiting the new composition of their city councils after the recent election to determine the level of relationship-building and education needed with new councilmembers. At the time of our conversations most elections had not yet been held and some sites were still in a holding period.

Site specifics:

- **Antioch**: Understands the needs for broad education among residents and councilmembers to draw the distinction between "requiring something to happen and allowing it to happen." As part of this effort, they hope to convene a cohort of engaged faith leaders and ADU-owners to support their educational goals.

- **CCCHA**: Will develop curriculum to educate former residents on alternative housing models and different pathways to home

- **East Palo Alto**: Is focusing on creating educational materials for both landlords and tenants, including for the city's existing programs and funding.

- **San José**: Is focusing on identifying a city council champion, especially because their previous OPA champion termed out in the November election.

- **South San Francisco**: Named that some of the most important work they have done to date involves preparing to build relationships with councilmembers.
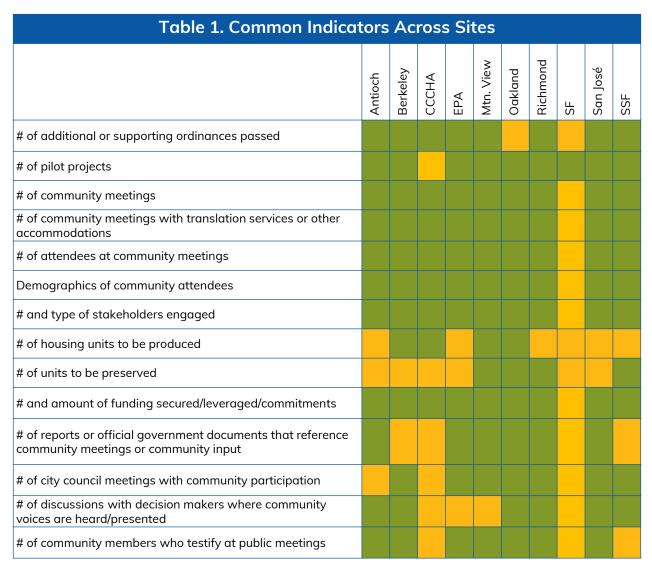
Monitoring Policy Progress

We guided site teams in a collaborative process to identify specific and measurable indicators that Fellows will track on a quarterly basis. This data will provide a snapshot of progress for each site.

However, the data will be very context-specific and figures are not intended to be comparable across sites. Rather, the figures will help sites self-assess whether they're achieving their goals and whether they need to make some adjustments to their policy plans.

We have developed two preliminary lists of indicators (to be finalized by March 2023):

- The first list includes indicators that are fairly common across all sites (Table 1). Items in green indicate the indicator is being tracked by a site; items in yellow are not.

- The second list includes indicators that are unique to each site (Table 2).

Table 1. Common Indicators Across Sites	Antioch	Berkeley	CCCHA	EPA	Mtn. View	Oakland	Richmond	SF	San José	SSF
# of additional or supporting ordinances passed	G	G	G	G	G	Y	G	Y	G	G
# of pilot projects	G	G	Y	G	G	G	G	G	G	G
# of community meetings	G	G	G	G	G	G	G	Y	G	G
# of community meetings with translation services or other accommodations	G	G	G	G	G	G	G	Y	G	G
# of attendees at community meetings	G	G	G	G	G	G	G	Y	G	G
Demographics of community attendees	G	G	G	G	G	G	G	Y	G	G
# and type of stakeholders engaged	G	G	G	G	G	G	G	Y	G	G
# of housing units to be produced	Y	G	G	Y	G	G	Y	Y	Y	Y
# of units to be preserved	Y	Y	Y	G	G	G	G	G	G	Y
# and amount of funding secured/leveraged/commitments	G	G	G	G	G	G	G	G	G	G
# of reports or official government documents that reference community meetings or community input	G	Y	Y	G	G	G	G	Y	G	Y
# of city council meetings with community participation	Y	G	G	G	G	G	G	G	G	G
# of discussions with decision makers where community voices are heard/presented	G	G	Y	Y	G	Y	G	G	G	G
# of community members who testify at public meetings	G	G	Y	G	G	G	G	G	G	Y

■ Planning to track indicator
■ Not planning to track indicator

Unique Policy Indicators

Table 2. Site-Specific Indicators	
PBF Site	**Indicators**
Bay Area Housing Finance Authority (BAHFA)	• TBD
Contra Costa County Housing Authority (CCCHA)	• # of properties sold and for what development/preservation model - # of changes responsive to community & stakeholder input • # of former residents contacted; % interested and who return • # of individuals receiving updated homeownership curriculum
Mountain View	• # of regional engagements - Convenings or conversations; comparisons or analysis of regional policies
Oakland	• # of tax defaulted or foreclosed properties in pipeline • # of policy/administrative changes
San Francisco (SF)	• Cohort attendance • # of applicants to new cohort • Demographics of cohort members • Mock NOFA submission progress • # of cohort session speakers (and type) • # of opportunities for engagement across cohorts • Instances of collaboration with Oakland (or other) PBF sites • Types of "buddies" paired with cohort members
San José	• # of CBOs and stakeholders that endorse a policy • # of pro-policy media placements (blog posts, opinion pieces, etc.)
South San Francisco (SSF)	• # of standing/ad-hoc committees where policy was presented/discussed • HLC/SSF meetings and strategy sessions