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Assessing Affordable Housing in the Bay Area

By John King

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Existential" isn't a word associated with apartments and condominiums, but the ongoing efforts to build affordable housing in California are downright you-know-what.

What's been accomplished is heroic, especially in the Bay Area. The results often benefit entire neighborhoods as well as the residents. The overall numbers are impressive, measured in the tens of thousands.

All of which is well and good. But after a decadeslong run, during which housing costs in San Francisco and Silicon Valley drove workers to distant subdivisions now ghostly, the challenge is as daunting as ever: finding a way to make this region and state a place where people of all income levels can find safe, attractive places to live.

"I actually think progress *is* being made," said Carol Galante. "That doesn't mean there isn't a lot more to do."

Galante is president of Bridge Housing, a nonprofit that in the past 25 years has built 8,800 units of affordable housing.

That number translates to 20,000 residents - roughly the population of Millbrae.

And Bridge isn't slowing down: Seven projects are under construction, including 131 condominiums for working families in San Francisco's Mission Bay and 99 apartments for low-income residents a few blocks north of the West Oakland BART Station, where the nonprofit's Mandela Gateway apartments are an emphatic symbol of efforts to rebuild the neighborhood.

Cause for celebration, to be sure. But when Bridge wanted to mark the anniversary of its founding in 1983, the San Francisco company didn't bother booking a set of suites in Vegas. Instead, it commissioned academics to chew on the basic problem: How can the state put more housing within reach of low- and middle-income residents?

Or, to borrow the subtitle of a paper by Cynthia Kroll and Jenny Wyant of UC Berkeley, "Are we making progress?"

This and three other papers were presented at an all-day conference this



The Mandela Gateway apartment complex in Oakland is among Bridge Housing's 8,800 units of affordable housing that the nonprofit has built the past 25 years. (Michael Macor / The Chronicle)

month at UC Berkeley's School of Business hosted by Bridge, the school and the Urban Land Institute.

The idea was for people in the field to step back from the daily crises - a wary neighborhood here, an elusive grant there - and take a larger look at what they've accomplished and the uphill task they still face.

Uphill it is, despite such recent evidence to the contrary as the Bay Area's free-falling home prices.

The median price for a single-family home in the region plunged 48 percent to \$304,000 in the past 12 months, according to data released last week by MDA DataQuick. But even at that price, a potential buyer would need at least \$15,000 for a down payment and a family income of roughly \$100,000 to qualify for a mortgage - well above the regional average.

Cynics will say this means prices will keep plunging. But they can only go so far, because people still need homes - and the cost of construction here, like the cost of living here, ain't cheap.

Consider: The moderate-income condominiums that Bridge is building in Mission Bay are being erected at a cost working out to \$366,000 per unit in labor and materials alone. That figure doesn't include the cost of building permits and business fees.

When that amount goes to bricks and mortar, the unit won't arrive on the

market at our hypothetical \$304,000. Do the math.

Ultimately, the best way to measure progress isn't numbers. It's the end product - what takes shape, and how lives are affected as a result.

That's why I value the work of Bridge and other nonprofit developers: More often than not, their projects are the best thing around. They're well designed - to soothe potential critics - and they're likely to include community or retail spaces that serve the larger neighborhood.

They're also likely to be well built and well run. The nonprofit usually continues to own them, investments up-front pay off in lower maintenance costs down the road. The management is diligent as well: You want a good track record when you're trying to get the *next* project approved.

That's my outside view from an urban-design perspective. For residents, the benefits are more tangible: security and comfort, a safe harbor from which to strive toward better education, better work, a better future.

The struggle continues. It won't be solved anytime soon. But for the lives changed in the process, the result's not existential at all.

For more on Bridge's housing conference and policy papers, go to www.bridgehousing.com/policyforum