

Another view

More affordable housing a matter of using right tools

By John Conover

By now, just about everyone across the Bay Area knows that affordable housing is still one of the critical issues facing the region. Once again, the annual CEO survey by the Silicon Valley Leadership Group showed that housing is the top priority for business leaders in 2007. Despite a nationwide slowdown in home sales, prices in Santa Clara and San Mateo counties have continued to rise. And because fewer people can afford entry-level homes, more people are competing for rentals.

One thing appears certain: As the regional economy continues to improve, especially in Silicon Valley, our local housing market will return to being as overheated as the cars on 101 sooner, rather than later.

In a global economy, business must be able to attract and retain

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top talent to be competitive. Yet with the median home costing \$794,000 in Santa Clara County and \$840,000 in San Mateo County, many middle-class workers are priced out of our market. Or they make a grueling commute for a few years, and then find jobs closer to where they can afford to live. Call it the "revolving door" of hiring. We've seen the quality of life in our communities erode as teachers, firefighters, police officers, and even our own adult children move away.

Fortunately, a growing number of businesses, cities, counties, community groups and environmental organizations have been working on a variety of solutions and policies for several years now. However, there is no one-size-fits-all magic solution for a problem this large. Rather, we need a suite of tools to make a difference. Let's call it Affordable Housing 2.0

Key features are collaboration, regional planning, local control and leveraging funds.

■ **Collaboration:** Businesses cannot assume that housing creation is solely the job of their city, county, or state. The public and private sectors

must come together for solutions to their common problems.

■ **Regional planning:** The housing crisis knows no boundaries. Just as we plan our highways and transit systems, we need to look at housing regionally. Recently, all 20 cities in San Mateo County collaborated with the county on plans to meet their fair share of the Bay Area's housing need over the next five years. More jurisdictions need to plan this way.

■ **Local control:** Even a regional

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plan will be implemented locally, because land-use decisions continue to be made at the local level, in response to the needs and desires of each community. We must streamline the long, involved process to get more affordable homes approved and built. Local businesses must join together with other local housing champions to work with neighbors and elected officials to do this.

■ **Leveraging funds:** With limited funds in the coffers of local government, and many businesses competing in global marketplaces, we must maximize use of both public and private funds. The best way is by using local funds to leverage significant funds from federal, state and private sources, and allow new homes to be more affordable.

One key tool with all of these powerful features is the housing trust fund. Through housing trust funds, businesses can make a difference on this big problem.

In 1998, I was on the board of the Silicon Valley Leadership Group (then the Manufacturing Group), when its CEO, Carl Guardino, co-founded the Housing Trust of Santa Clara County. To date, that trust fund has created hundreds of rental apartments and helped thousands of families buy a home. It has leveraged its funds with over a billion dollars of funds from other sources.

In May 2007, Carl and I again shared a platform when we intro-

duced the Housing Endowment And Regional Trust — the HEART of San Mateo County — to the private sector. To date, HEART has invested \$4 million in the creation of nearly 400 new rental apartments, and leveraged its funds at a ratio of 20 to 1 with funds from other sources.

Both trusts have raised funds from cities, counties and the state. Both helped found the California Coalition of Housing Trust Funds, a group that is pursuing additional bond funds from the Proposition 13C housing bond. And both have brought in the private sector to leverage those public funds even more.

The need to act is urgent. That's why I've invested my time as well as a significant gift from Borel Private Bank and Trust in HEART. And that's why I urge other businesses to join us. Support your local housing trust fund, become a champion for more homes and advocate for more regional planning. You will be supporting a better quality of life for all of our employees, customers, and neighbors. And that's not just good for our communities, it's good for business, too.

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