

ANSWERS TO COMMON QUESTIONS ON AFFORDABLE HOUSING:

Q: *How will affordable housing impact property value in my neighborhood?*

A: New, affordable homes have no negative impact on property values, according to a Housing and Urban Development report published in 1999. Research conducted by the State of California and many other independent groups has regularly documented that new, well-designed affordable housing has no impact on nearby property values, or in some cases actually contributes to increases in property value. Why? Because affordable housing combines attractive design with professional property management.

Q: *Will affordable housing be compatible with my neighborhood?*

A: Residents of typical affordable homes include teachers, registered nurses, librarians, police officers, social workers, and others who are vital to health and welfare of our community and economy. Affordable housing proposals are required to undergo design review and comply with all local planning and building codes. In fact, many affordable housing developments have won design awards because they reflect the character of the surrounding neighborhoods, the natural environment, and neighborhood traditions.

Q: *Will affordable housing residents be good neighbors?*

A: Affordable housing residents are carefully selected from a large number of applicants. They want to live in safe, attractive housing in good neighborhoods. Residents sign leases which commit them to “house rules,” and the property manager enforces these rules. Professional property management with on-site resident managers are responsive to community concerns that may arise.

Q: *How are neighbors' concerns about affordable housing considered?*

A: Affordable housing developments must meet local planning code requirements, which are intended to minimize the impacts of development on the surrounding neighborhood. Affordable housing proposals are subject to a public review process including public hearings before the Planning Commission and City Council. Developers must also consult neighborhood organizations or hold community meetings to get input or to involve neighbors in the design process.

Q: *How is affordable housing financed?*

A: Affordable housing costs just as much to produce as market-rate housing, but by reducing the amount of money needed to cover must-pay mortgages, developments can offer lower rents to residents. Affordable housing developments are financed predominantly through a combination of local, State, and federal loan and grant subsidies; low-income housing tax credits; tax-exempt bond proceeds; mortgage loans from lending institutions; and other private sources of funds. With a combination of these funding sources, developers of affordable housing are able to produce housing that rents at lower levels that are, in many instances, significantly below the rent levels of market-rate housing. In San Jose, the City primarily uses tax increment generated by the San Jose Redevelopment Agency and federal HOME funds to finance the local subsidies used to produce affordable housing. Without the assistance from the City in partnership with the other funding sources, affordable housing could not be built.

Q: *Will affordable housing cause traffic, noise, and parking problems?*

A: Traffic, noise, parking, and similar issues are controlled by City standards and are reviewed in the environmental and design stages by the City's Planning Department, Planning Commission and City Council. Developments with potential impacts beyond city standards are required to mitigate these impacts. The City and its development partners reduce traffic by locating new developments near or on transit corridors.

Q: *How are the demands on the City's services and infrastructure handled by the developments?*

A: Dense development within our cities concentrates growth and requires only small infrastructure upgrades such as street repairs and sewage line expansion. The alternative, urban sprawl, requires new infrastructure investments. Local governments usually require affordable housing developments to pay for infrastructure and other impacts of the development, including a school assessment, for any impacts on the local school district.