

ANNUAL REPORT 2021-2022

Terner Center for Housing Innovation at UC Berkeley



TERNER
CENTER
FOR HOUSING
INNOVATION
UC BERKELEY

Cover image courtesy of Bruce Damonte and David Baker Architects.

Letter from Our Managing Director

With the highest rates of inflation in the U.S. since the early 1980s, many families are feeling crunched between rising costs and stagnant wages. Higher interest rates paired with labor cost increases and ongoing supply chain challenges mean much-needed new housing construction is grinding to a halt even in the country's tightest markets.

However, a new level of engagement on housing from policymakers offers the promise of progress. Our work to find responsive solutions to housing challenges across the nation and the state has shaped several successes this past year. California's budget includes extensive new investments for housing, including funds to adaptively reuse commercial buildings, activate public lands, and alleviate homelessness. Recent state laws will allow duplexes and fourplexes in neighborhoods previously zoned only for single-family and allow housing in commercial corridors, which are important steps towards adding new housing and remedying historically exclusionary policies. We also see encouraging action at the federal level with the White House's Housing Supply Action Plan, which outlines a five-year effort to close America's housing supply shortfall and was informed by many of the Turner Center's ideas.

In the coming pages, we share some of the key issues that drove our work this past year. The Turner Center published on a wide range of topics and pursued collaborative work with partners that inspire us. We also recognize and share our gratitude for the impressive students at UC Berkeley who represent the future of housing policy and practice.

In the midst of a pandemic that is nearly three years on, policymakers, communities, and practitioners are working to fix a broken housing market that has too often furthered racial, economic, and social exclusion and inequality. At Turner, we are using this moment to build an innovative and imaginative housing ecosystem with coalitions and partnerships that push for systems change. We are deeply grateful for your support and are pleased to share these updates.

Onward,

Ben Metcalf
Managing Director



INSIGHTS

In the past year, Turner Center research examined key questions relevant to current housing conversations including . . .

How and where can we add more housing supply?

Address zoning and land use restrictions

The Turner Center's research informed California zoning reform legislation like Senate Bill 9 (SB 9), which eliminated single-family-only zoning in the state. SB 9 enables property owners to split their single-family residential lot to create up to four units of housing.

Our report **Will Allowing Duplexes and Lot Splits on Parcels Zoned for Single-Family Create New Homes?** shaped the policy debate by looking at the potential impact that a law like SB 9 could have as it considered how the policy could be designed. Our policy team worked with stakeholders in Sacramento to incorporate the findings into the bill's development.

After the bill passed, our work continued. We explored how cities are implementing SB 9 in **State Law, Local Interpretation: How Cities Are Implementing Senate Bill 9**. As some cities have imposed requirements that are likely to limit new housing production and undermine the intention of the law, we identified potential fixes to ensure that SB 9 could achieve its intended goals.

Create more opportunities for homeowners to build

The Terner Center grew our body of work around accessory dwelling units (ADUs) and identified opportunities for how this type of small-scale building can be an option for more homeowners. A key barrier to uptake is a lack of **construction financing options** for existing homeowners. Terner Center research found that the majority of ADUs are currently built using cash savings or home equity, signaling the need for a financing product that can make ADUs an option for more households. Through our publications and our consultations with Fannie Mae and Freddie Mac, we argued for practical policy changes to develop more feasible ways to finance the construction of an ADU. We also researched **racial disparities in ADU building** among lower- and middle-income homeowners of color throughout California and recommended ways for policymakers to support ADU creation at the state and local levels.

Transform hotels into homes

The Terner Center completed two studies on converting hotels into affordable housing for people experiencing homelessness, including an **analysis of California's Homekey Program** and a **national study** that looked at 13 hotel/motel acquisition projects across the country. Advocacy groups and elected officials, including the mayors of Oakland, San Francisco, and San José, used our research to advocate for more funds for long-term operations costs.

"The state has shown through the Homekey program that it can quickly initiate ambitious new programs that meet the urgency of California's homelessness crisis."

-Dr. Carolina Reid, Faculty Research Advisor

INSIGHTS

How can California build more homes for middle-income families?

Understand drivers of lagging affordability

The Landscape of Middle-Income Housing Affordability in California highlighted housing scarcity and rising costs for middle-income households. The paper recommended policies to help close the gap for middle-income households.

Terner's research on middle income affordability was featured in ***the San Francisco Chronicle***:

*"The prospects are dwindling as costs continue to rise and incomes don't go up," says **Terner Center Policy Director David Garcia**, who has seen the pressure push more Bay Area workers to areas like his hometown of Stockton. "It's not just a coastal area problem," he says. "These affordability issues are increasingly seeping into more suburban and rural portions of the state."*

Use school and public land to build homes

In California, there are swaths of underutilized public land—controlled by a variety of public agencies—that can be used for housing. In partnership with Center for Cities + Schools at UC Berkeley, cityLab UCLA, and the California School Board Association, the Terner Center published **Education Workforce Housing in California: Developing the 21st Century Campus**. This research assessed the need and potential for public education workforce housing strategies. The work included an illustrated handbook with a how-to guide and technical assistance to promote this strategy across California.

How do we ensure the most vulnerable are housed?

Listen to those most impacted

Shelter and Safety Among People Experiencing Homelessness During the COVID-19 Pandemic documented the changing dynamics around shelter use since the start of the pandemic with a new survey of people's experiences of homelessness in Sacramento in fall 2021. The brief finds that people felt much safer in shelters than in unsheltered situations, with unsheltered LGBTQ people and women feeling especially unsafe. However, concerns about COVID-19 in large congregate sleeping spaces and other barriers to using shelters pushed many people to sleep in situations they viewed as unsafe. Project Roomkey and subsequently Homekey helped people experiencing homelessness navigate these challenges by providing individual rooms for temporary shelter, also serving as a platform for transitioning to permanent housing.

Evaluate the distribution of emergency rental assistance and continue to learn from the pandemic

As part of our ongoing work with Housing Crisis Research Collaborative, the Turner Center has continued to look at how the pandemic has affected housing. Our report **An Uneven Safety Net** analyzed the allocation of \$47 billion in federal funding to states and localities to assist renters struggling to pay rent and risking eviction. The report found that disparities in local institutional capacity are emblematic of longstanding challenges to ensuring federal aid reaches those who most need it. A follow-up report **Building Local Institutional Capacity** drew on interviews with dozens of stakeholders to understand how local institutional and nonprofit capacity shaped decision-making around the design of Emergency Rental Assistance (ERA) programs. The paper highlighted key lessons to improve future emergency response efforts as well as to advance longer-term systemic reforms to federal assistance programs.

INSIGHTS

Systemic failures in the housing and labor markets increase the risk of homelessness for households with ELI

There are **4x as many households** in the Bay Area who are eligible for federal housing assistance than there are housing vouchers or public housing to assist them



More than half of the ELI labor force works **more than 35 hours a week**, but their wages are too low to cover housing and other basic needs.



The Bay Area has **underbuilt** housing for ELI households by more than **37,000 units** over the last ten years



What can we do?



Expand and improve the social safety net to support ELI households



Increase production of deeply affordable and permanent supportive housing



Strengthen conditions for workers and create better pathways into middle-wage work

Source:
On the Edge of Homelessness: The Vulnerability of Extremely Low-Income Households in the Bay Area

Advance regional strategies

The Terner Center worked with All Home to produce **On the Edge of Homelessness: The Vulnerability of Extremely Low-Income Households**, which presented data on the demographic, housing, and labor market characteristics of Extremely Low-Income (ELI) households in the 9-county Bay Area. The paper highlighted the role of structural inequities—including a frayed social safety net, the lack of sufficient affordable housing supply, and rising income inequality—in the housing insecurity of ELI households. The research provided data to inform All Home’s regional strategy to end homelessness. The report also shaped the passage of Assembly Bill 2094, which requires cities or counties to submit an Annual Progress Report that must include progress in meeting the housing needs of ELI households.

TERNER LABS

Terner Labs builds on the timely analysis and data-driven research of the Terner Center to foster bold interventions for housing affordability. This year, the Housing Lab supported five ventures in the 2021 cohort and kicked off the 2022 cohort with an exceptional group of housing visionaries, with an added focus on environmental sustainability. To date, Housing Lab ventures have raised \$350 million to expand their work and have secured major partnerships with federal and local governments. This year, the Housing Affordability Data Lab launched its first product: the Housing Policy Dashboard, a powerful analytical tool that allows policymakers to simulate how specific housing policies or market inputs might impact how and where housing is built across a city or region. The tool was piloted in Los Angeles and is expected to expand to additional cities in the year ahead. The Labs team is hard at work on other new initiatives related to industrialized construction and closing financing gaps for innovative models.

COLLABORATIONS

Much of our work relies on close collaboration with other research partners. Here we feature two projects that involve a network of partners:

California Homelessness Landscape Assessment

In 2022, the Turner Center began work on the California Homelessness Landscape Assessment, reflecting our commitment to research that directly informs the critical housing challenges facing the state. This project assesses programs funded, implemented, and administered by state entities across California to provide a holistic understanding of the state's homelessness response system that can guide policy decisions to prevent and end homelessness.

This project is being completed in partnership with the Goldman School of Public Policy at UC Berkeley, the Benioff Homelessness and Housing Initiative at UCSF, and Abt Associates, with funding from the California Interagency Council on Homelessness (Cal ICH). It is the most comprehensive project of its kind to date in California.

California 100

The Turner Center, in partnership with cityLAB UCLA and the UCLA Lewis Center for Regional Policy Studies, produced two reports synthesizing the major housing trends in California, made possible by a grant from California 100. For this initiative, California 100 asked the team to imagine what the future of housing in California could look like, depending on the policy choices we make today, leading to two reports: a **Facts-Origins-Trends Report** and the **Future of Housing and Community Development Report**. These reports highlight key trends and present four scenarios based on variations across two critical dimensions: 1. how much new housing we build and 2. how deeply we value and prioritize social and racial equity.

IMPACT

5 Webinars Hosted

25 Reports and Briefs

200 Media Mentions and/or Citations

10,000 Page Views on Publication "Will Allowing Duplexes and Lot Splits on Parcels Zoned for Single-Family Create New Homes?"

300 + Attendees to Webinar "Hotels to Affordable Housing: Strategies for Conversion from Across the Country"

4,500 + Newsletter Subscribers

329,600 + Total Page Views on our Website

40 % Average Open Rate of Newsletter

Graduate Student Researchers

This year, the Turner Center worked with a total of 20 Graduate Student Researchers (GSRs), our highest number to date. Working with and mentoring graduate students—who come from many disciplines, including City and Regional Planning, Public Policy, and Public Health—is fundamental to our research and policy work and our mission of building a pipeline of future housing leaders.

Nine of these GSRs contributed to the future Cal ICH project as part of the Turner Center’s research team. They have interviewed and surveyed local administrators and service providers across California. Others scraped data from hundreds of Low-Income Housing Tax Credit (LIHTC) applications to allow us to identify for the first time how many units of housing for people experiencing homelessness California has funded and at what cost.



Turner Center Graduate Student Researchers (from left): Shiori Green, Flávia Leite, Truman Braslaw, Molly Miller, Blaire Frett, Katie Lan, and Petra Reyes.

ADVISORY BOARD

This group of housing leaders lends their expertise to our research and policy agenda and advises our work and mission.

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Yusef Freeman, Senior Managing Director, Jonathan Rose

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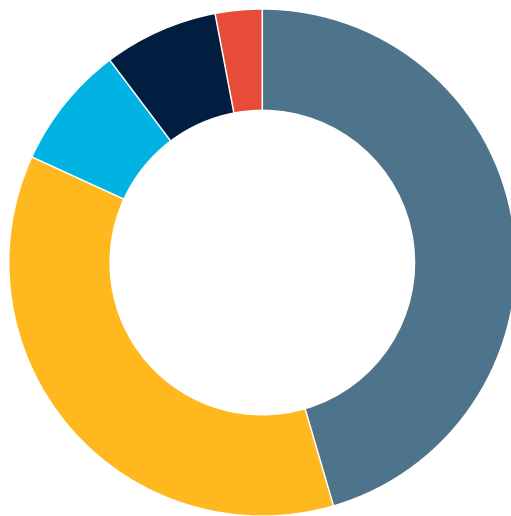
Toni Steele, Real Estate Portfolio Lead, Google

Gustavo Velasquez, Director, California Dept. of Housing and Community Development

Mark Zandi, Chief Economist, Moody's Analytics

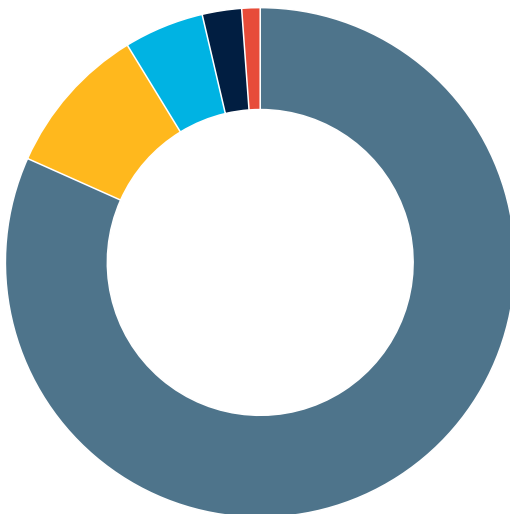
BUDGET

Total Revenue
\$3,129,215



- Research Grants (46%)
- Institutional Gifts (36%)
- Consulting Contracts (8%)
- Contribution from Reserves (7%)
- Individual Gifts (3%)

Total Expenses
\$3,129,215



- Personnel (82%)
- University and Office Overhead (9%)
- Research Infrastructure (5%)
- Miscellaneous and Contingency (3%)
- Events and Communications (1%)

S U P P O R T E R S

Partnership and community are at the heart of what we do. We thank the funders and housing advocates who make our work possible and stand with us to ensure everyone has a place to call home.

Funders July 2021 to June 2022**

<i>\$100,000 and above</i>	<i>\$25,000 to \$99,999</i>	<i>\$24,999 and under</i>
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Note:

*Denotes full or partial funding for research grants or consultancy contracts.

This list doesn't include funders to our sister nonprofit, **Turner Labs.

Terner Center for Housing Innovation

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