

POLICY WATCH – May 2024

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May is Affordable Housing Month. We look into what that means and how a proposed housing bond, if passed might build affordable housing in the Bay Area. We also look at the winners and losers in the Governor’s budget proposal- “the May revise”. This is a tough time for legislators in California...budget cuts need to take place and many programs will be impacted. According to CalMatters “State lawmakers often don’t know how well a program is working before deciding whether to cut or increase spending. Instead, they hear from advocates, interest groups and sometimes the public.” NBLC does not pretend to have all the answers, but we did send two letters to Sacramento; one requesting consideration of allowing all childcare State contracts that were awarded prior to fiscal year end to continue moving forward and a second request not to cut the Small Business Technical Assistance Program (TAP) and

Capital Infusion Program (CIP) at GO-Biz. These core services support our small, minority, women-owned and rural businesses in the North Bay.

We also celebrate the 2024 Leaders of the North Bay honorees and share their stories with you. You can view them on our YouTube channel. And, we welcome our newest members to NBLC.

Best regards,



Joanne

May - Affordable Housing Month

May has been declared Affordable Housing Month. There is even a website affordablehousingmonth.org where it is stated that this month is, “our time to imagine the Bay Area we know is possible when we invest in affordable housing solutions and everyone has a safe place to call home. Where children can stay in the communities in which they were raised, and workers can afford to live in the city where they work.” State legislators got the memo too, because there are over 50 pro-housing bills in front of the legislature this year. CA YIMBY tracks and analyses them [here](#).

At NBLC we have identified creating more workforce housing and affordable housing in the North Bay as a top priority. A [new report](#) released May 8th by Enterprise Community Partners and Bay Area Housing Finance Authority (BAHFA) analyzes affordable housing projects in various stages of predevelopment and identifies solutions for moving them toward completion.

From a [Bay Link Blog](#) we discover that “ the updated research reveals there are now 433 projects in various stages of predevelopment that would create more than 40,896 affordable homes across the nine-county Bay Area. These would account for nearly a quarter of the 180,000 affordable homes the state’s Regional Housing Needs Allocation (RHNA) Plan determined are needed in the Bay Area by 2031.”

“Affordable housing developments typically are supported by a capital “stack” investment that includes a commercial mortgage; Low-Income Housing Tax Credits; tax-exempt bonds; and additional local, regional and state dollars that fill the gap between the cost of the development and the financing secured through debt and equity. The new report calculates that the hundreds of Bay Area projects now in the predevelopment pipeline need \$9.7 billion in public funds to move forward, and that a \$20 billion [regional bond measure proposed for the ballot in Bay Area counties](#) this fall would help close this gap.”

“The predevelopment pipeline includes projects in all nine Bay Area counties. These include more than 10,000 units in both Alameda and Santa Clara counties, with another 8,400 affordable homes pending development in San Francisco and more than 3,000 units in both San Mateo and Sonoma counties. “

“Project pipelines in other Bay Area counties range from over 300 affordable homes in Solano County to 1,173 units in Marin County; nearly 1,500 homes in Napa County; and over 2,500 units in Contra Costa County. Each Bay Area city, town or county currently is working on its own to meet the challenges of housing affordability and homelessness.”

According to a recent article in the [SF Chronicle](#), “The bond would be funded by property taxes, with an estimated tax of \$19 per \$100,000 of assessed value —about \$190 per year for a home assessed at \$1 million. The amount of money each city receives from the bond would be based on how much that jurisdiction pays in taxes: For example, San Francisco would get about \$2.4 billion to invest, while Sonoma County would receive about \$806 million and San Mateo County would get \$1.05 billion.”

Final ballot language and the final cost of the bond will be published in late June. With the slim passage of Prop 1, skeptical voters will need to be convinced that another tax is going to actually build units.

Governor’s Budget - May Revise

It’s a tough time for California legislators. NBLC wants to thank them for their leadership in working to pass a balanced and fair budget during this trying time. We acknowledge that budget cuts must take place and that will leave many impacted. The Sacramento Bee ([Link to Article here](#)) offers their analysis of the winners and losers in the May Revise of the State Budget. California Gov. Gavin Newsom’s May Revise budget proposal offered few winners, and plenty of losers, as he unveiled an austere vision for state finances. Newsom called for slashing more than \$32 billion in one-time and ongoing spending, with reductions, cost shifts and delayed spending across a wide variety of state departments and programs. State lawmakers and Newsom will hash out the details over the next few weeks. The Legislature is required to pass a balanced spending plan by June 15 and the governor must sign it before the new fiscal year begins on July 1.

Here is a look at who won and who lost under Newsom’s revised budget proposal:

LOSERS

State workers:

While state workers dodged furloughs in this year's tough budget, they didn't emerge entirely unscathed. Newsom announced that he wants a 7.95% cut to state operations beginning this next budget year. That's in addition to the 10,000 vacant state worker positions that he wants to see eliminated.

"So we want a leaner government...streamlined government. We want to do what all of you are doing in your personal lives, all the businesses out there doing in their professional lives as well, and we think we can do that and still achieve outstanding outcomes," Newsom said.

Public health:

Despite being just a year removed from one pandemic, and amid growing concerns of a possible future one, Newsom has proposed slashing hundreds of millions of dollars from state and local public health spending. The governor wants to see \$52.5 million reduced from last year's budget, and a further \$300 million in ongoing spending reductions.

Cities that rely on homelessness grants:

California has given out billions of dollars in flexible spending grants in recent years for local governments to put toward reducing homelessness. Mayors of large cities have praised the Homeless Housing, Assistance and Prevention program, or HHAP, and the flexibility it provides to spend money on as needed in their own communities, whether it's standing up new shelters or placing people in interim housing. City leaders have asked Newsom and lawmakers to dedicate permanent funds to the program. Instead, Newsom's spending plan would cut \$260 million from the next round of funding, which was slated to be \$1 billion. It does not include funding for HHAP beyond that.

Child care providers:

After years of increasing investments in child care for California's low-wage workers, Newsom proposed freezing subsidies at their current level.

That means about 81,000 state-subsidized child care slots won't be available for working parents as planned by 2026. The number is part of an agreement between the state and child care providers union to reach 200,000 subsidized child care slots. Newsom's administration estimates the freeze would save \$1.4 billion over two years. "Right now we don't want to cut programs but we want to hold the line," he said. Child Care Providers United, the union representing 40,000 workers in child and family care, ratified its first contract with the state in 2021. "We cannot build a stronger economy when our lowest paid workers, including those working irregular hours, don't have somewhere safe to send their children during their shifts," said Yolanda Thomas, a child care provider in Contra Costa County and member of the CCPU negotiating team. "The state cannot fix our current budget outlook by making cuts to the safety net or balancing the budget on the backs of working families."

Middle class students:

Newsom's budget proposal would slash scholarships for middle class students by \$510 million, leaving \$100 million in the program. The scholarship is open to undergraduates and students seeking teaching credentials at state universities with family income under \$217,000.

Newsom said the program saw infusions of cash in recent years of state surplus. He characterized the cuts as "basically level-setting back to where it was." He also expressed disappointment about cutting the scholarship fund, saying he "enthusiastically" supported its creation as lieutenant governor.

WINNERS

Taxpayers: Faced with a large deficit, state lawmakers and governors can cut spending, raise revenue, or do some combination of both. As governor, Newsom has strongly resisted general tax increases, and he once again declined to get behind raising taxes on individuals or businesses.

State workers:

Despite a massive deficit, state workers managed to get through another year with no furloughs. Newsom's budget proposal also maintains scheduled cost of living adjustments under existing union contracts. "No furloughs, no layoffs. We're not asking for wage cuts," he promised.

Leaders of the North Bay Awards Luncheon - In Case You Missed It

North Bay Leadership Council hosted its annual Leaders of the North Bay awards luncheon on May 16th at Embassy Suites, San Rafael. Nearly 300 business and community leaders gathered to celebrate the 2024 honorees for their outstanding leadership in uplifting others and for making a lasting impact.

Please visit our [YouTube channel to meet the 2024 Leaders of the North Bay honorees](#) and view their video stories. I guarantee you will be inspired!

Welcome New Members

North Bay Leadership Council provides a strong voice for leading employers to drive public policy in our region. Our membership consists of private businesses, public institutions, hospitals and members in the health care sector, government agencies, as well as nonprofits. They represent over 65,000 employees, across 27 different industry sectors. This diversity in membership brings the vision needed to our work to address complex issues and improve the community as a whole. The challenges we face require regional leadership, to work collaboratively in finding regional solutions.

- [Kaiser Permanente Santa Rosa](#)
- [SMART](#)
- [Center for Volunteers & Nonprofit Leadership](#)
- [Nielson Merksamer](#)

Members in the News

The Buck Institute for Research on Aging Gets Funds from Hevolution Foundation Promising Pre-Clinical Studies

Recent awards totaling nearly \$5M from the Hevolution Foundation will enable two Buck labs to further explore the biology of, and identify potential new uses for, two promising interventions for age-related diseases: ketone bodies and glycation-reducing compounds.

SMART Celebrates Record-Breaking Ridership, Credits Accessibility, Affordability Initiatives

Officials of the Sonoma-Marín Area Rail Transit — also known as SMART — are attributing a record-breaking ridership month to improved accessibility and affordability.

Kaiser Permanente Santa Rosa Earns North Bay Biz Magazine and Bohemian “Best Of” Awards

The readers of the Bohemian newspaper voted KP Santa Rosa “Best of” in 5 categories of the 2024 Best of the North Bay awards, including Best Local Hospital, Best Pharmacy, Best Tele-Health, Dr. Amy Merchant won Best OB/GYN, and the Best ER Doctor award went to Dr. Joshua Weil.

Kaiser Permanente Santa Rosa Urgent Care Clinic Opens

Kaiser Permanente Santa Rosa is excited to announce that they have launched a new Urgent Care Clinic at the Santa Rosa Medical Office Building, with walk-in appointments welcome.

Midstate Construction Corporation, Housing Consortium of the East Bay (HCEB), and Open Heart Kitchen Completed Construction of Vineyard and Open Heart Kitchen

General Contractor Midstate Construction Corporation, developer Housing Consortium of the East Bay (HCEB), and tenant Open Heart Kitchen recently completed construction of Vineyard and Open Heart Kitchen in Livermore, CA.

Ultragenyx Wins The 2024 Top Workplaces Culture Excellence Award

Ultragenyx has been awarded the 2024 Top Workplaces Culture Excellence award in recognition of our exceptional achievements in Purpose & Values, Innovation, Compensation & Benefits, Work-Life Flexibility, and Leadership.

Comerica Bank Ushered into the Junior Achievement Northern California Business Hall of Fame

Comerica Bank was pleased to be honored into the Junior Achievement Northern California Business Hall of Fame.



Over thirty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call 707.283.0028 / E-mail info@northbayleadership.org
www.northbayleadership.org