Evaluation of Santa Clara County's 2016 Measure A Affordable Housing Bond

Submitted by:

Abt Global
6130 Executive Boulevard
Rockville, MD 20852

Submitted to:

Destination: Home

May 15, 2026

Suggested Citation
Wolff, S., Sanga, N., McDermott, Z. T., Eldadah, S., & Rosenberg, S. (2026, May 15). *Evaluation of Santa Clara County's 2016 Measure A Affordable Housing Bond*. Abt Global

About This Report

Santa Clara County's 2016 Measure A Affordable Housing Bond (Housing Bond) dedicated over $950 million in public funding to affordable housing development with a goal of supporting 4,800 deeply affordable and supportive housing units. Destination: Home, as a key community partner and advocate for the passage and implementation of the Housing Bond, contracted Abt Global as a third-party independent evaluator of the Housing Bond implementation in June 2024. Through the evaluation, Destination: Home and the County of Santa Clara sought to better understand how the Housing Bond was implemented and how it affected affordable housing development.

Evaluation process and timeline

In consultation with representatives from Destination: Home and the County of Santa Clara's Office of Supportive Housing (OSH), Abt prepared a research design document in August 2024 detailing a mixed-methods evaluation. This document identified two guiding research questions, the quantitative and qualitative data sources, the approaches to analyzing these data, and the reports to be produced. Abt started data collection upon approval of the research design document in October 2024 and ended data collection in April 2025.[1]

Destination: Home and OSH representatives met monthly with the Abt team to review progress. They also provided introductions to key actors and documents needed for the evaluation (Refer to Appendix A for details). The Abt team analyzed the data and submitted a draft report on October 31, 2025, and final report on March 20, 2026, incorporating feedback compiled by Destination: Home and OSH, from their internal teams and the Measure A Bond Oversight Committee.

Acknowledgements

Abt gratefully acknowledges the efforts of many individuals who helped us conduct this evaluation and produce this report. At Destination: Home, the research team would like to thank Ragan Henniger and Ray Bramson and at the County of Santa Clara OSH, Hilary Armstrong, Natalie Monk, Stephan Jackson, and Kiran Gill for their input and guidance throughout the evaluation. The Abt team is also grateful for the input and feedback provided by the Measure A 2016 Independent Citizens' Oversight Committee. Carolina Reid at the Terner Center for Housing Innovation at the University of California Berkeley generously shared data that the Center compiled on Low-Income Housing Tax Credit project applications and awards and provided guidance on these analyses.

The team is thankful to those who gave their time and insight during interviews for this evaluation, including the developers, city and county staff, and key housing actors from across Santa Clara, Alameda, and San Mateo counties. A full list of interviewed organizations is provided in Appendix A.

Many individuals at Abt Global contributed to this evaluation and report. Naganika Sanga, Sarah Wolff, Natalie Florence, Kimberly Burnett, and Samaa Eldadah conducted interviews. Naganika Sanga, Samaa Eldadah, Sarah Acheson-Field, Natalie Florence, and Sarah Rosenberg coded and analyzed qualitative data. Kimberly Burnett, Zachary T. McDermott, John Westall, and Samaa Eldadah analyzed project and outcome data. Meryl Finkel, the evaluation's project quality reviewer, provided guidance and feedback through each phase of the evaluation and report. Jeff Lubell and Nichole Fiore provided subject matter expertise.

Authors

Sarah Wolff, Naganika Sanga, Zachary T. McDermott, Samaa Eldadah, and Sarah Rosenberg

[1] All interviews were completed by April 2025, however, the team continued identifying and reviewing key documents and some quantitative data after April 2025.

Contents

About This Report ii
List of Exhibits iv
Executive Summary 1
Introduction 3
Section 1: Creating and Implementing the Housing Bond 5
Section 2: How the Housing Bond Changed Affordable Housing Development in Santa Clara County 10
Section 3: Comparing Changes in Santa Clara County to Other Counties in California 25
Section 4: Implementation Insights 31
Section 5: Opportunities for Moving Forward 33
Case Study 1: Leveraging Federal Resources 35
Case Study 2: Laying the groundwork 46
Case Study 3: Different Approaches 57
Appendix A: Data and Methods 74
References 82

List of Exhibits

Exhibit 1. Key actors and their role implementing the Housing Bond 8
Exhibit 2. Allocation of Housing Bond funding 9
Exhibit 3. Goal Units Supported by the Housing Bond 9
Exhibit 4. Cumulative Number of Housing Projects Funded in Santa Clara County by Board Approval Year by Bond-funded Status, 2010-2024 11
Exhibit 5: Comparison of funding per unit funding sources for projects that received County funding 2010-2024 11
Exhibit 6: County funding share of total project funding, by Board approval date (2017-2023) 13
Exhibit 7. Comparison of unit affordability for projects funded with LIHTC funding in Santa Clara County 2012-2024 with and without Bond Funding 14
Exhibit 8: Share of LIHTC funded projects in Santa Clara County that had a majority of units ELI or VLI (2012-2025) 14
Exhibit 9: Factors Affecting Development 17
Exhibit 10: Bond Measures in California Similar to Santa Clara County's Measure A Housing Bond 26
Exhibit 11: Outcome Measures, Anticipated Effects, And Observed Trends 27
Exhibit 12: Number of LIHTC VLI/ELI Units per 1,000 Residents 28
Exhibit 13: Number of LIHTC Awards per 1,000 Residents 29
Exhibit 14: Proportion of LIHTC units serving ELI and VLI households 29
Exhibit 15: Number of PSH per 1,000 Residents and Number of Permanent Housing Units per 1,000 Residents 30
Exhibit A.1: Organizations interviewed 75
Exhibit A.2: Allocation of interviews by component of the research study by type 76
Exhibit A.3: Summary of Data on Housing Bond- and other County- Funded Projects 78

Executive Summary

In 2016, voters in Santa Clara County demonstrated their commitment to increasing affordable and supportive housing throughout the county by passing Measure A, a $950 million Housing Bond. At a time of rising development costs, heightened housing instability, and limited statewide financing opportunities, the Housing Bond supplied a reliable and flexible local funding source that enabled the County and its partners to support over 5,250 deeply affordable and supportive housing units. This evaluation highlights the substantial progress achieved under the Bond and the ways in which its implementation strengthened the community's capacity to address housing needs for those most vulnerable.

Key Takeaways

The Housing Bond considerably increased deeply affordable and supportive housing. Through the Housing Bond, the County quadrupled the number of projects it supported per year, supporting a total of sixty-three projects. As of December 2025, these projects are developing 5,257 deeply affordable and supportive housing units, far exceeding the County's goal of 4,800 units. About half of the units have already been completed.

Through the Housing Bond, Santa Clara County committed to creating housing for the community's most vulnerable. The Housing Bond helped produce a much higher share of extremely low-income (ELI) and very low-income (VLI) units than is typical in affordable housing development. In a typical Bond-funded project about 70 percent of the units are affordable to extremely low-income and very-low income households compared with about a quarter to a third of units in projects that did not receive Bond funds. Interviewees noted that Bond funding made it possible to pursue dedicated deeply affordable and supportive developments that otherwise would have been far more difficult. Santa Clara County produced about twice the share of deeply affordable units through its Bond, compared to similar bond efforts in neighboring Alameda County and San Mateo County.

The Housing Bond filled a critical financing gap. The Housing Bond served as a critical tool for closing financing gaps, providing on average 20 percent of all project funding for Bond-funded projects and $160,000 per unit. This dependable early investment strengthened project feasibility, reduced reliance on highly competitive resources, and helped developers assemble complete capital stacks more efficiently. Tax credit equity and state funding were also important sources (38 percent and 8 percent of project funding on average).

The County emerged as a leader and trusted partner. The Bond enabled the County to lead. County staff coordinated development and fostered collaboration between housing developers, cities, and other key local actors (i.e., Santa Clara County Housing Authority, Destination: Home, Housing Trust Silicon Valley). Housing Bond investments in collaboration with Destination: Home's Supportive Housing and Innovation Fund also helped increase developer, administrative, and service provider capacity in Santa Clara County.

Bond-funded projects varied in costs and timelines. Projects with a high share of deeply affordable and supportive housing had lower per unit costs and shorter overall timelines. Multiple factors may have contributed to these efficiencies including that the projects were smaller in size, had smaller units, received an above average share of County funding and were less reliant on Low-Income Housing Tax Credits, and received operating subsidies through project-based vouchers. The projects that took the longest and were most expensive to build were larger sized (> 100 units), relied heavily on Low-Income Housing Tax Credit funding, and had large shares of non-extremely low-income and very low-income units. Factors outside of the County's control affected timelines and costs for Bond-funded projects (permit streamlining facilitated development; delays in accessing tax credit and state funding hindered development).

RESULTS

Impact in Numbers

4x
increase in County funding since 2015

$160K
per unit County funding

63
deeply affordable and supportive housing projects

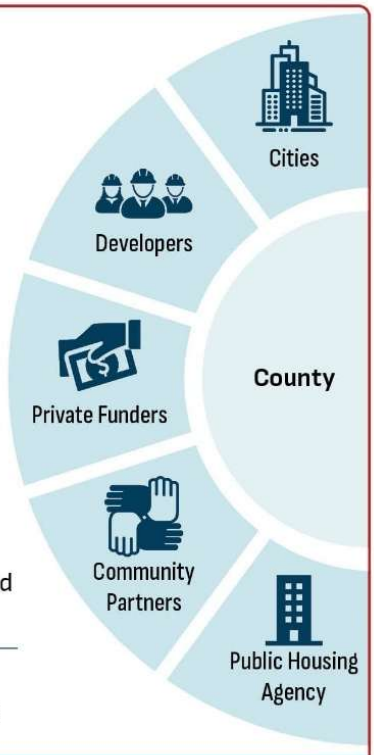
5250+
deeply affordable about supportive housing units

81%
of units are deeply affordable

$4+
Raised from other sources for every Bond dollar

24
New developers supported

11
Cities with Bond-funded projects



Change Impact

County as **a leader and trusted partner** in housing development and supportive housing

Created **greater awareness** of housing development landscape and challenges

Fostered **collaborative environment**, implementation machinery and capacity

Obtained **better control and planning** of future project pipelines

SUCCESS FACTORS

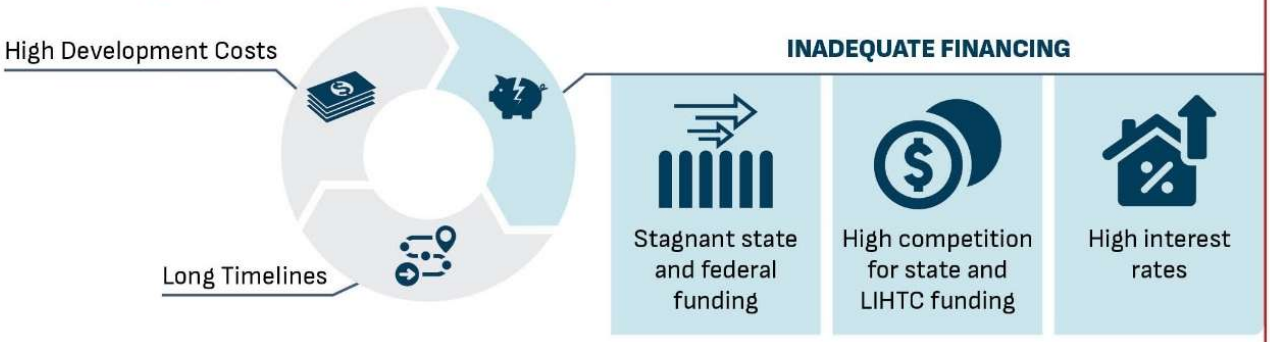
Strong Initial Set Up

- ✓ Explicit public mandate
- ✓ Implementation plan with clear targets and goals
- ✓ Institutional processes for implementation and oversight – Office of Supportive Housing and the Measure A 2016 Independent Citizens' Oversight Committee
- ✓ Strategic leveraging of community partners and private resources
- ✓ Effective layering of public resources: public land, vouchers, for maximum impact

Continuous Learning and Process Improvements

- ✓ Rapid assessment and response driven by OSH and the Oversight Committee
- ✓ Introduced predevelopment support to build capacity and pipeline
- ✓ Applied multiple strategies to improve collaboration, including County-City MOUs
- ✓ Refined goals and success metrics as the bond progressed
- ✓ Risk assessment and curated project pipeline

A Challenging Development Landscape



Source: Santa Clara County Office of Supportive Housing. Data as of December 2025

Introduction

Mesa Terrace, in San Jose, has 45 affordable units including 23 units designated for transition-aged youth.

In 2016, voters in Santa Clara County demonstrated their commitment to increasing affordable and supportive housing throughout the county by passing Measure A, a $950 million affordable Housing Bond (Housing Bond).[2] The County prioritized "housing for populations that faced challenges securing stable housing.".[3]

In 2024, Destination: Home, a public-private partnership and housing policy leader in the region, hired Abt Global Inc to conduct a mixed methods evaluation combining quantitative and qualitative data to explore changes in Santa Clara County associated with the Housing Bond and the key factors that affected affordable and supportive housing development. The qualitative data includes data collected through 41 interviews with developers, city and county staff, oversight committee members, and other community stakeholders. These interviews were conducted between August 2024 and April 2025. The Abt evaluation team also reviewed key documents, including Regional Housing Needs Assessment reports, housing elements, plans to reduce homelessness and address housing shortages, and the Housing Bond's implementation and oversight reports. We synthesized findings from these sources to identify key themes (see Appendix A for detailed information about the qualitative data and analytic methods). The Abt team also analyzed quantitative data including project profiles provided by the County of Santa Clara, data on Low-Income Housing Tax Credit (LIHTC) allocations, and data from California Housing Partnership Affordable Housing Needs Reports, American Community Survey (ACS), and HUD's Picture of Subsidized Housing (see Appendix A for detailed information about the quantitative data and analytic methods).[4]

This report synthesizes findings addressing two overarching research questions:

1. How has affordable and supportive housing development changed in Santa Clara County with the passage of the Measure A Housing Bond?
2. How does affordable and supportive housing development in Santa Clara County before and after 2016 compare to development in other similar counties in CA?

We first describe key features of the housing landscape in Santa Clara County and the goals and features of the Housing Bond. Next, we explore deeply affordable and supportive housing development in Santa Clara County before and after the implementation of the Housing Bond and identify key factors that influenced development in the County. We then situate Santa Clara County's housing outcomes in comparison to other similar places in California. The report's final two sections identify insights for policy and practice and opportunities for moving forward that can help inform future efforts in Santa Clara County, as well as other communities that seek to advance the development of deeply affordable and supportive housing. Following the report, we include three case studies that explore specific subtopics addressed in the report in more detail: (1) How Low-Income Housing Tax Credits worked with Santa Clara County's Housing Bond; (2) the contributions of the Supportive Housing Innovation Fund, and (3) a detailed analysis comparing Housing Bond measures in Santa Clara County, Alameda County, and San Mateo County.

[2] The box on the next page provides the language provided to voters describing the Housing Bond. Santa Clara County. (2016). *Measure A (E110): Affordable housing bond program ballot materials*. https://files.santaclaracounty.gov/migrated/E110%20-%20Measure%20A.pdf

[3] This evaluation focuses on the support the bond provided for the development of deeply affordable and supportive housing, the primary focus of the bond. The bond also provided support for mixed-income development and homeownership initiatives but those are not the focus of this report.

[4] Data on the Low-Income Housing Tax Credit Allocations was collected and provided by the Terner Center on Housing Innovation at University of California Berkeley.

MEASURE A HOUSING BOND BALLOT LANGUAGE

Ballot question: To provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses, which housing may include supportive mental health and substance abuse services, shall the County of Santa Clara issue up to $950 million in general obligation bonds to acquire or improve real property subject to independent citizen oversight and regular audits?

Impartial analysis accompanying the ballot question:
California law allows the County of Santa Clara to issue general obligation bonds with approval of two-thirds of the votes cast by County voters in the election.

Measure A would allow the County to borrow up to $950 million by issuing general obligation bonds. The County would use this money to acquire or improve real property to provide affordable housing for populations that face challenges securing stable housing. People eligible for this housing would include:

- veterans,
- seniors,
- people with disabilities,
- low-income individuals and families with incomes no higher than 80% of the area median income,
- moderate-income individuals and families with incomes between 80% and 120% of the area median income,
- current and former foster youth,
- victims of abuse,
- homeless people, and
- people with mental illness or substance abuse-related illnesses.

Housing acquired or improved using bond funds could be sold or rented at below-market rates. Bond funds also could be used to provide housing in connection with supportive mental health and substance abuse services.

The County could use up to $150 million of the bond proceeds to provide affordable housing for moderate-income individuals and families making between 80% and 120% of the area median income. The County could use up to $50 million of that amount to provide financial assistance to moderate-income first-time homebuyers.

Measure A would require the County to prepare a public report each year describing the amount of the funds collected and spent, and the status of any projects paid for with bond funds. Measure A would also create a Citizens' Oversight Committee to review each annual report, and would require an independent auditor to review the County's spending of bond funds.

Measure A would allow an increase in the property tax rate to pay debt service on the bonds. The County estimates that the tax rate required to pay for the bonds during the first fiscal year after the sale of the first series of bonds will be $12.66 per $100,000 of assessed value of taxable property. The County estimates that the tax rate over the life of the bonds would range from $10.76 to $12.66 per $100,000 of assessed value of taxable property.

On June 21, 2016, the County's Board of Supervisors placed Measure A on the ballot. Two-thirds of those voting on Measure A must vote in favor of the measure for it to be approved.

A "yes" vote would authorize the issuance and sale of general obligation bonds in the amount up to $950,000,000 to provide affordable housing, to be secured by property taxes on property located within the County.

A "no" vote would not authorize the issuance and sale of the bonds.

Source: Santa Clara County. (2016). *Measure A (E110): Affordable housing bond program ballot materials.* https://files.santaclaracounty.gov/migrated/E110%20-%20Measure%20A.pdf

Section 1: Creating and Implementing the Housing Bond

Driving Factors

Santa Clara County is one of the most expensive housing markets in the United States. In the years leading up to the passage of the Housing Bond, residents of Santa Clara County faced rising rents, stagnant incomes, and an insufficient affordable rental stock. In 2014, the California Housing Partnership estimated that the County had a shortfall of more than 53,000 affordable housing units.[5] These forces led to more than 85 percent of lowest income renters in the County spending more than 30 percent of their income on housing (cost burdened) and nearly 60 percent spending more than 50 percent of their income on housing (severely cost burdened).[6] Spending this amount of income on housing is not sustainable for the county's lowest-income renters and therefore many face housing instability or experience homelessness as a result. In January 2016, approximately 6,500 people were experiencing homelessness across Santa Clara County.[7]

Prioritizing a Housing First Approach

The County of Santa Clara increasingly sought to address the County's growing homelessness crisis through a Housing First approach. Housing First is an approach to addressing homelessness that prioritizes providing people experiencing homelessness with permanent housing as quickly as possible along with supportive services to help them stay housed. As noted in the County's 2015-2020 Community Plan, this evidence-based model reflects the preferences of those experiencing homelessness.

Beginning in 2011, Destination: Home led a three-year campaign called Housing 1000, which aimed to successfully house individuals experiencing chronic homelessness. The campaign resulted in 850 individuals being connected to housing with 85 percent maintaining stable housing. It also showed evidence of significant cost savings which was a catalyst to several subsequent initiatives.[8] In 2015, the Santa Clara County Homelessness Task Force, convened by four core partners: Santa Clara County Office of Supportive Housing (OSH), City of San Jose Housing Department, Destination: Home, and the Santa Clara County Housing Authority (SCCHA), created the 2015-2020 Community Plan to End Homelessness and recommended increased investment by the County in housing. This plan sought to end homelessness in Santa Clara County by transforming the homeless service system, building new housing and solutions, and creating person-centered approaches to care.[9] The Community Plan called for an increase in deeply affordable and supportive housing units and for intensive, sustained investments to support the development and operation of such housing.

An important step toward the realization of the Community Plan came when the City of San Jose, SCCHA, and OSH coordinated resources which resulted in a joint notice of funding availability (NOFA). The NOFA, issued in 2016, sought to coordinate three critical resources: capital funding for housing construction, long-term rental subsidies through project-based vouchers (PBVs), and wraparound supportive services for residents.

---

[5] California Housing Partnership Corporation, *How Santa Clara County's Housing Market Is Failing to Meet the Needs of Low-Income Families: Recommendations to the Leaders of the State of California and Santa Clara County*.

[6] California Housing Partnership Corporation, *How Santa Clara County's Housing Market Is Failing to Meet the Needs of Low-Income Families: Recommendations to the Leaders of the State of California and Santa Clara County* (2014), https://chpc.net/wp-content/uploads/2015/11/7-Housing_Need_SANTA_CLARA_Final_060414.pdf.

[7] Total sheltered and unsheltered, from: U.S. Department of Housing and Urban Development, *HUD 2016 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations* (2016), https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-500-2015_CA_2016.pdf.

[8] Flaming, D., Toros, H., & Burns, P. (2015). Home not found: The cost of homelessness in Silicon Valley. *Economic Roundtable: Knowledge for the Greater Good.* Underwritten by Destination: Home and the County of Santa Clara. https://destinationhomesv.org/wp-content/uploads/2021/01/er_homenotfound_report_6.pdf

[9] County of Santa Clara, Santa Clara County Community Plan to End Homelessness: 2020—2025 (n.d.), accessed May 1, 2025, https://files.santaclaracounty.gov/exjcpb1571/2024-11/communityplan_2020-2025.pdf?VersionId=3LCV7VHf9hdsOh05UsQncuA6JEUMXmbj2015-2020" accessed March 13, 2026; https://files.santaclaracounty.gov/exjcpb1571/migrated/Community%20Plan%20to%20End%20Homelessness%20in%20Santa%20Clara%20County.pdf?VersionId=1Fmqee2WJB0NQyW3hibkhEoMeFkn5tnj .County of Santa Clara, "Community Plan to End Homelessness," accessed May 1, 2025; https://osh.santaclaracounty.gov/solutions-homelessness/community-plan-end-homelessness.

The Community Plan called for the creation of 6,000 new units. In 2016, the Santa Clara County Board of Supervisors unanimously agreed to place a $950 million Housing Bond on the ballot to support the production and preservation of affordable housing in the region. With the organizing support of housing advocates, community organizations, elected officials, and other regional stakeholders, the Measure A Housing Bond passed the two-thirds required threshold.[10]

Goals and Implementation

The Santa Clara County Board of Supervisors set three broad and related goals for the Bond:

> (1) increase the scope and breadth of supportive housing for special needs populations, including people experiencing homelessness and chronic homelessness;
>
> (2) increase the supply of housing that is affordable to extremely low-income (ELI) households; and,
>
> (3) improve coordination and collaboration among the County, cities, other governmental agencies, and the affordable housing community.

In February 2017, the Board of Supervisors approved a 10-year implementation plan that included seven detailed, "ambitious, and tangible" objectives with unit-based goals.[11] These objectives included funding approximately 4,800 new deeply affordable and supportive housing units, including 1,800 units of Permanent Supportive Housing (PSH), 1,600 units for rapid rehousing (RRH), and the remainder of units targeting ELI (households with an income at or below 30 percent of the area median income) and very low-income (VLI) (households with an income above 30 percent but below 50 percent of area median income) households.[12]

OSH, the lead administering agency responsible for soliciting proposals from developers and selecting projects to receive funding, developed a strategy for operationalizing the Housing Bond goals. OSH released an over-the-counter Notice of Funding Availability (NOFA) in 2017 that outlined funding priorities, project types, and underwriting criteria. Updates to the NOFA were released in August 2019, January 2021, and November 2021, before the NOFA closed in 2025. The evaluation frameworks outlined in the NOFA provide a comprehensive and transparent scoring process. OSH allowed developers to submit proposals on a rolling basis. Applications were reviewed as they were received, and funding recommendations were typically made to the Board of Supervisors at least twice a year supporting a steady pipeline of projects.

As the local housing and policy landscape evolved, including the impacts of COVID-19 and shifts in financing markets, the County adapted the guidelines for Bond-funded projects. Initially, OSH strategically prioritized the development of rental housing projects with a high share of deeply affordable and supportive units. This included projects with at least 50 percent of units being PSH and/or RRH, and mixed-income projects with a third each of PSH or RRH units, ELI units and units serving households with 80 percent AMI. Funding priorities evolved from a narrow focus on deeply affordable rental housing to a broader strategy that includes home ownership, cooperative models, and mixed-income development. This broader strategy included 300 units to be affordable for renters with low- to moderate-income and the construction of 100 for-sale units. The

Sunrise Pavilion, in San Jose, is a converted hotel with 42 affordable units, half of which are designated as permanent supportive housing.

[10] Destination: Home. 2016 Measure A Housing Bond. https://destinationhomesv.org/investing-in-affordable-housing/2016-measure-a-housing-bond/

[11] The plan is available at: https://files.santaclaracounty.gov/migrated/Housing%20Bond%20Report_02%205.9.17.pdf?VersionId=zur4JGGSlNLq5bX5m67VLWZCwnfxun.F. The most recent report about the implementation is available at: https://files.santaclaracounty.gov/migrated/Housing%20Bond%20Report_02%205.9.17.pdf. The sub-goals changed somewhat from 2017 to 2025. The unit goals reported here are the most current breakdowns.https://sccgov.iqm2.com/Citizens/FileOpen.aspx?Type=1&ID=15542&Inline=True

[12] This report focuses on the Multifamily Rental Affordable and Supportive Housing objectives and does not address the Affordable Homeownership Production or Mixed-Income Housing objectives.

County also allocated funding to help 150 households purchase a home through the First-Time Homebuyer Assistance Program. The County originally aimed to distribute Bond funding equitably between different cities within the County; however, the County prioritized project readiness and quick delivery over geographic distribution.

Key Actors

Implementing the Housing Bond relied on collaboration between public, private, and nonprofit entities in Santa Clara County (See Exhibit 1). OSH played a central leadership role, serving as a coordinator across jurisdictions and agencies and overseeing fund distribution and requests. The County Board of Supervisors set priorities and approved funding for projects. The SCCHA played a critical role in the success of the Housing Bond by providing around 2,715 project-based vouchers (PBVs) to Bond-funded developments.[13] Another important contributor to the implementation was the Independent Citizens' Oversight Committee. The County of Santa Clara created the Citizens' Oversight Committee at the start of the Bond to help ensure transparency and accountability and gave feedback to help improve how the Bond was managed. The Committee worked with an independent auditor to monitor the program's progress and finances.

Destination: Home, a public-private partnership and housing policy leader in the region, worked closely with the County as the Housing Bond was implemented. Backed by major philanthropic contributions from Cisco and Apple, Destination: Home created and managed the Supportive Housing Innovation Fund, which offered predevelopment financing to housing developers in the region to build their capacity and pipelines. SV@Home, a local housing policy organization, also supported the implementation of the Bond.

Housing developers and service providers produced and supported the units. Finally, City-level government and planning departments reviewed and approved development plans and provided support for developments in coordination with the County.

[13] Project-based voucher numbers are as of December 31, 2025.

Exhibit 1. Key actors and their role implementing the Housing Bond

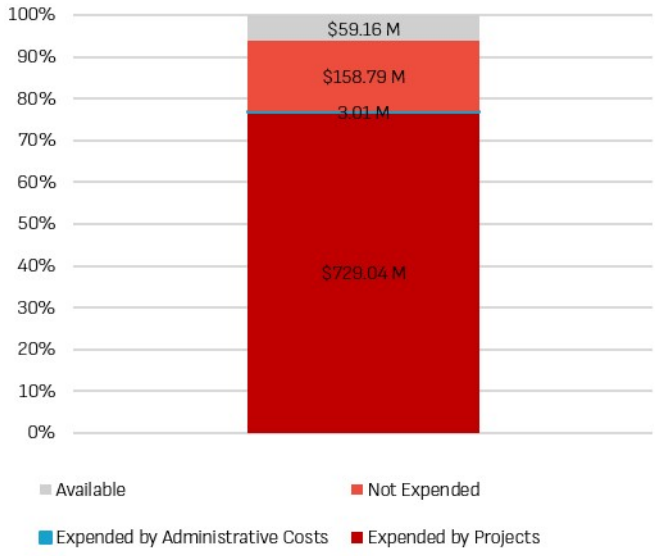
Actor	Role in Implementing Santa Clara County's Housing Bond
County of Santa Clara Office of Supportive Housing (OSH)	Lead agency overseeing implementation, project underwriting, fund distribution, and progress tracking. The County also typically funds all supportive services for Housing Bond-funded projects and acts as the contract monitor for these services.
County of Santa Clara Board of Supervisors	Authorized the Housing Bond, set project funding priorities, and approved allocations of funding to projects.
Independent Citizens' Oversight Committee	Monitored spending, reviewed quarterly and annual independent audits, ensured compliance and fiscal soundness.
Independent Auditor	Conducted periodic audits and quarterly reports on fund management.
Santa Clara County Housing Authority	Coordinated with the County to ensure operational funding was available for Bond-funded projects and, in their role as a developer, developed five projects with Housing Bond funds (as of December 2025).
Destination: Home	Led coalition building through Housing Ready Communities, funding coordination, advocacy for both the Bond campaign and its implementation. Created and managed the Supportive Housing and Innovation Fund.
Other Housing Organizations	Along with Destination: Home several organizations such as SV@Home supported the Bond campaign and other entities such as the Housing Trust of Silicon Valley supported the Bond implementation.
Housing Developers	Developed housing units.
Service Providers	Contracted by the County to provide supportive services once units were in operation.
City Government	Approved developments, provided local funding commitments to many Bond-funded projects.
City Planning departments	Reviewed and approved plans of proposed Bond projects, led in the implementation of new streamlining bills that made it easier and faster to obtain land use approvals, and coordinated pipelines.

Progress

In the years since the Housing Bond's passage, the County has committed over $890 million, about 94 percent, of the $950 million Bond (see Exhibit 2) as of December 31, 2025. The projects that received Bond funding are in different stages of development. About a third of the funds have been expended on completed projects. Approximately $59 million remained available to commit.

The largest share of Housing Bond funding ($729 million) supports multifamily rental affordable and supportive housing projects. **These projects have or are in the process of developing 5,257 deeply affordable and supportive housing units, exceeding the County's goal of 4,800** (see Exhibit 3). Well over half of the units (3,024 units) were completed as of the end of 2025, with the remainder of the units projected to be completed by the end of 2029.

Exhibit 2. Allocation of Housing Bond funding



Source: Office of Supportive Housing

Exhibit 3. Goal Units Supported by the Housing Bond

Source: Office of Supportive Housing

Section 2: How the Housing Bond Changed Affordable Housing Development in Santa Clara County

The introduction of Housing Bond funds changed the funding landscape, resulting in shifts in the number and type of affordable housing projects developed across Santa Clara County. Interviews with developers, city and county officials, and other housing actors along with analysis of affordable housing projects in the County prior to and following the Bond's passage[14] document two fundamental changes:

1) The Housing Bond **dramatically increased the amount of County funding** for deeply affordable and supportive housing developments. This changed the funding landscape for developers of deeply affordable and supportive housing.
2) The Housing Bond changed the type of housing projects—both in terms of the number of units per project and the level of affordability—developers pursued in the County. Compared to pre-Bond County-funded projects, **Housing Bond projects were larger and had a greater share of deeply affordable units** compared with other projects.

Changes in Project Financing

Deeply affordable and supportive housing face a structural financial challenge: affordable rent payments for tenants with very low incomes do not generate enough income to pay the full cost of developing or operating the units. Developers seek funding from a variety of sources (such as cities, states, philanthropy, and tax credits) to create financially viable, and affordable developments. Most project capital stacks both before and after the Housing Bond include a permanent (conventional) loan, local funding, tax credit equity, and state funding. The actors administering these funding sources changed along with the level of competition for these sources.

Quetzal Gardens, in San Jose. This complex has 70 affordable housing units, 28 of which are set aside for formerly homeless households.

Prior to passage of the Housing Bond in 2016, city governments, and in particular, the City of San Jose, played a key role in funding affordable housing development by leveraging redevelopment agency funds to issue loans to developers. With the dissolution of California's redevelopment agencies in 2012, cities scrambled for alternative funding sources. While big cities with sufficient tax base and capacity established local programs or funding sources,[15] most smaller cities struggled to raise the substantial resources required to fund affordable housing development.

Competition for funds and rising development costs made it very difficult for developers to secure enough funding to make building deeply affordable and supportive housing projects financially viable. The passage of the Housing Bond transformed the funding landscape by injecting $950 million in funding across the County and provided a new source of funding that developers could use to fill the funding gap.

County Funding

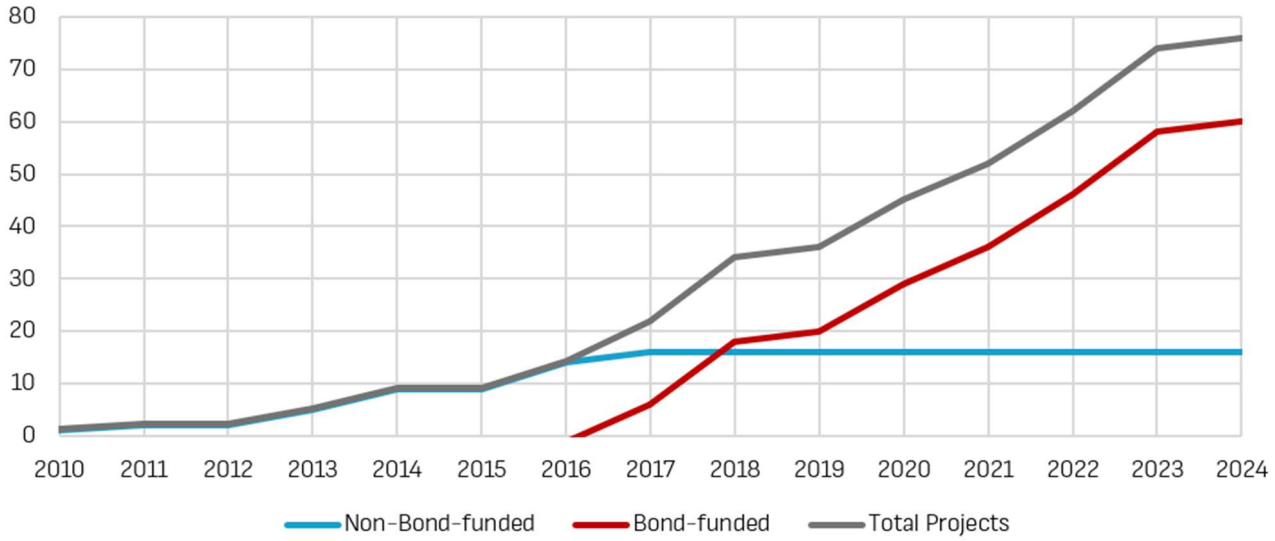
The County of Santa Clara substantially ramped up its investments in projects following the passage of the Housing Bond, quadrupling the number of projects funded per year and the amount of financing provided by the County (Exhibits 4 &5). From 2010 through 2024, a total of 76 affordable housing projects received County funding; of these 60 received Bond funding. From 2010 to 2016, prior to when Bond funds became available, the County funded an average of 2 projects per year. The pace quadrupled following the passage of the Housing Bond, rising to an

[14] The project analysis in this section draws on detailed project information provided by the County of Santa Clara for projects that received County funding (Housing Bond or other funding) from 2010-2024 and data about projects that received funding through the Low-Income Housing Tax Credit (LIHTC) program. See Appendix A.

[15] For example, the City of San Jose passed a new real estate transfer tax (Measure E) in 2020.

average of 8 projects per year from 2016-2024. Through the Housing Bond, the County more than quadrupled the amount provided per unit compared with pre-2016 projects. Bond funding comprised about twenty percent of the capital stack for projects that received these funds (see Exhibit 5).

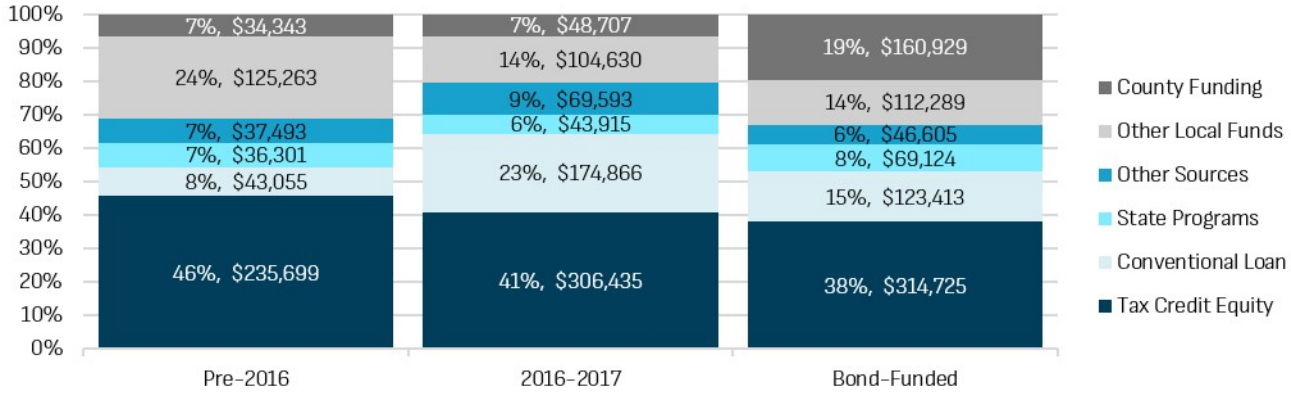
Exhibit 4. Cumulative Number of Housing Projects Funded in Santa Clara County by Board Approval Year by Bond-funded Status, 2010-2024



Source: Office of Supportive Housing Project Data

In addition to providing project development financing through the Housing Bond, OSH coordinated with SCCHA to provide vouchers that help tenants pay their rent in the new developments. According to project data provided by the County of Santa Clara, a total of 2,389 rental subsidies (from Section 8 Project Based Vouchers, Housing Choice Vouchers, or HUD VASH) are allocated to Bond-funded projects. One interviewee estimated that, through project-based vouchers, **SCCHA provided approximately $2.5 billion in rental assistance over 20 years to Bond-funded developments**. In addition to the rental support, this funding allows the projects to be able to support larger permanent/conventional loans which can shrink the financing gap.

Exhibit 5: Comparison of funding per unit funding sources for projects that received County funding 2010-2024



Source: Office of Supportive Housing Project Data
Note: Per unit costs adjusted for inflation

Other Sources of Funding

The Housing Bond was never expected to be the sole source of funding, and other sources were critical. Most notably LIHTCs comprised about 40 percent of project funding for Bond-funded projects, and nearly all projects that received Bond funding included tax credit equity. Tax credit equity was the largest source of funds for all projects and increased in amount over time. However, tax credits funded a decreasing share of total project costs over time — from 46 percent of pre-2016 project costs to 38 percent of Bond-funded project costs.

Leveraging Federal Resources: How Low-Income Housing Tax Credits worked with Santa Clara's Housing Bond

LIHTC was the largest and most common funding source for Santa Clara County's Housing Bond projects and critical to the successful and timely completion of these projects. Over 90 percent of the Housing Bond-funded projects also received a LIHTC award, which was frequently a project's largest source of funds. Still, the hypercompetitive LIHTC environment created challenges, and required developers to structure their projects to maximize their tax credit financing.

The County's funding and efforts to coordinate the LIHTC-project pipeline helped projects secure tax credits and minimize delays.

Case Study 1 examines the role LIHTC financing played in advancing the County's goals for their affordable Housing Bond in detail and provides recommendations for how local and regional bonds can maximize this critical project resource.

Over this time, the amount of other local funding per unit was relatively stable, but as costs increased, these funds covered a smaller share of project costs. For pre-2016 projects, local funds provided about $125,000 per unit, about 24 percent of total costs. Although local funds provided only slightly less ($112,000 per unit) for Bond-funded projects, they comprised 14 percent of project costs. The County, through the Housing Bond, stepped in to fill the gap.

Had Bond funds not been available, developers would have faced a financing gap. While it is impossible to know for sure how developers would have responded, assembling the needed financing would have likely required seeking a greater share of funding from tax credits and/or conventional loans at the risk of lower affordability. However, interest rates rose substantially starting in 2021, increasing the cost of accessing conventional loans. **Interviewees concluded that without the Housing Bond the kinds of projects it supported would never have even been proposed.**

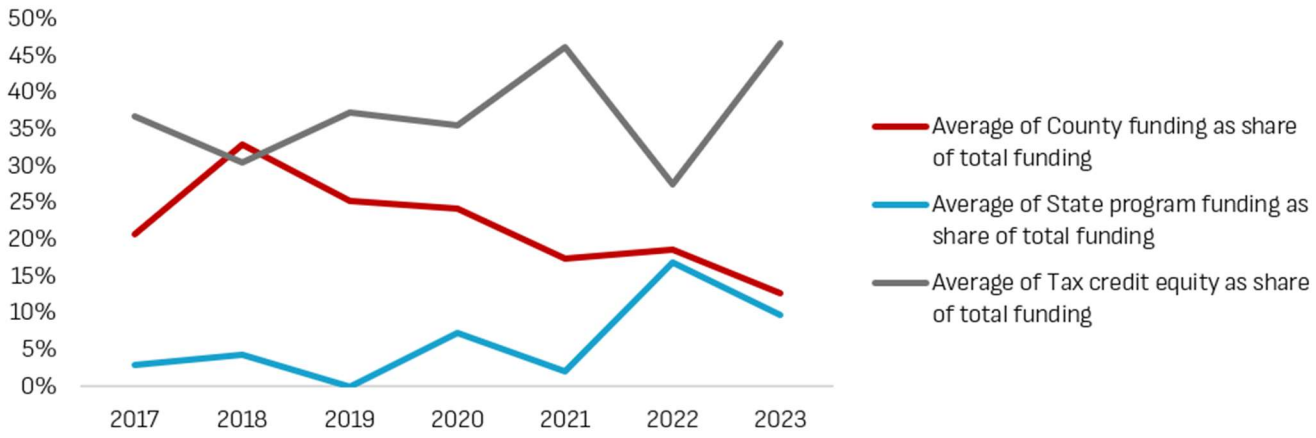
"I don't believe the projects would have been built without [the Housing Bond]. There was no subsidy from the city that could come anywhere near what was needed for the project. So more than help, it made them possible. Without [the Housing Bond], I don't believe they would have been possible or they just would have taken a lot longer. I don't even know what funding source they would have, but they wouldn't have been like extremely low income and very low-income units. I think they would have been impossible."

— City Staff

Over time, the County's funding (from the Housing Bond) constituted a decreasing share of the overall projects financing. This coincided with rising development costs and resulted in a larger gap that developers needed to fill with other sources of financing (See Exhibit 6). State programs provided one source. The Affordable Housing and Sustainable Communities (AHSC) provided both housing and infrastructure grant funding and required developers to apply jointly with the local government, who would coordinate the development of local public infrastructure. Another

state funding source, the Multifamily Housing Program (MHP), provided low-interest, deferred-payment loans to support affordable housing development across the state.

Exhibit 6: County funding share of total project funding, by Board approval date (2017-2023)



Source: Office of Supportive Housing Project Data

These state funding sources, along with existing federal funding sources for housing development, provided the additional funding needed for Housing Bond-funded projects to succeed. However, as other county governments passed their own successful housing bond measures, the state funding environment became increasingly competitive. High reliance on LIHTC equity in California's hypercompetitive funding landscape necessitated some projects to reapply for LIHTC after being denied funding. Developers increasingly combined multiple smaller funding sources, creating complex capital stacks that drove up development costs and extended timelines.

Changes in Affordable Housing Projects

Changes in the funding landscape changed the types of affordable housing projects developers pursued in the County. Affordable housing development projects with Bond funding tended to focus more on housing for the lowest income households.

We analyzed projects that received LIHTC funding in Santa Clara County from 2012-2024 to assess the composition of affordable units over time (see Exhibit 7).[16] The 60 Bond-funded projects that we analyzed set aside nearly 40 percent of units for ELI households, with another 40 percent of units affordable to the VLI households. In contrast, the majority of units in non-Bond funded affordable housing projects in the County over the same timeframe were for households with higher incomes. Prior to 2017, fewer than 10 percent of units in LIHTC-funded projects were affordable for ELI households.

Prior to the Housing Bond, interviewees explained that many localities encouraged the production of affordable housing through local initiatives that included set asides for affordable housing in market rate developments. These initiatives, while helpful, produced few, scattered units and could not rapidly meet the high demand for affordable housing. **The Housing Bond provided enough funding to support dedicated affordable housing projects allowing the County to expand their affordable housing stock faster than could have been done through local set asides** . As shown in Exhibit 7, both Bond-funded and non-Bond funded affordable housing projects in Santa Clara County produced units for the lowest income households. **However, more of the projects that received Housing Bond funds dedicated a majority of units for ELI or VLI households compared to other projects in the County that**

[16]The Housing Bond funded additional projects since this analysis. Earlier sections of the report reflect activity through December 2025 based on aggregate analysis available in the Auditor report. Analysis in this section was based on detailed project-level information provided by the County through December 2024.

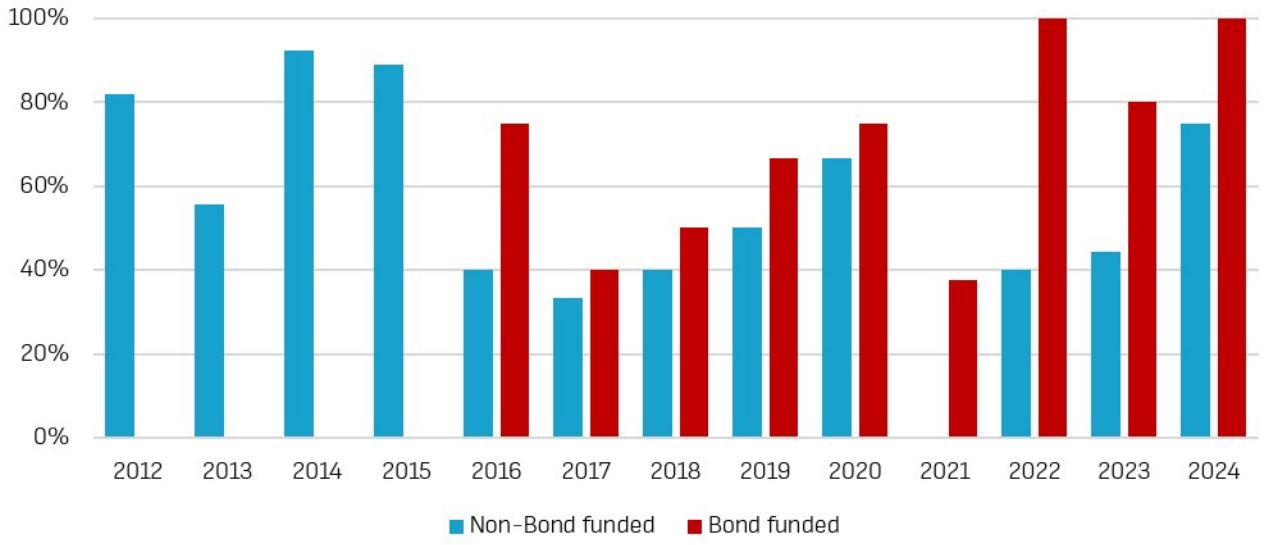
received tax credits over the same time. One interviewee explained that the Housing Bond funding allowed developers to build PSH projects (see box) and other projects with a large share of ELI units. Prior to the Bond, developers incorporated some ELI units into affordable housing developments, but they were not the focus.

Exhibit 7. Comparison of unit affordability for projects funded with LIHTC funding in Santa Clara County 2012-2024 with and without Bond Funding

Affordability Level	LIHTC Projects (2012–2016)	LIHTC Projects (2017–2024)	
		Non-Bond-Funded	Bond-Funded
Number of projects	52	51	60
Number of Units	5,223	7,827	6,204
Share of units affordable to ELI households	7.4%	8.7%	38.6%
Share of units affordable to VLI households	74.4%	36.9%	41.2%
Share of units affordable to low-income households	9.4%	50.6%	14.1%
Share of other units	8.8%	3.8%	6.1%

Source: California Tax Credit Allocation Committee (CTCAC) award data combined with Office of Supportive Housing Project Data, by tax credit approval year

Exhibit 8: Share of LIHTC funded projects in Santa Clara County that had a majority of units ELI or VLI (2012-2025)



Source: CTCAC award data combined with Office of Supportive Housing Project Data, by tax credit approval year

PSH Development

One of the County's most important goals for the Housing Bond was to increase Permanent Supportive Housing (PSH) units. This type of housing provides affordable rental units combined with supportive services such as case management and health care. The units typically are designed to support people experiencing chronic homelessness and provide stable long-term housing. The County set a goal to support the development of 1,800 PSH units using the Housing Bond.

OSH prioritized developments that included this type of housing to quickly ramp up production of PSH units and many of the early Bond-funded projects included a high share of PSH units. During this early push, our interviewees explained that developers sought to repurpose some of their ongoing developments into PSH projects to tap into County funding. By December 2025, the County had approved 2,019 PSH units, exceeding their goal of 1,800. PSH units were some of the first to be completed with Bond funds. By the end of 2025, 1,527 PSH units were complete, comprising just over half of all completed units. About 70 percent of Bond-funded projects contain PSH units and in 16 projects more than half of the units are PSH.

Operating PSH units requires permanent rental subsidies and additional funding for supportive services. OSH coordinated with SCCHA to provide housing vouchers for rental payments for tenants and other County funding sources to provide supportive services.

Both Housing Bond-funded and non-Bond-funded housing projects in Santa Clara County took approximately four to five years to complete. The time between projects securing land use approval to securing all financing took approximately two years and construction (from start to end) also lasted approximately two years. Interviewees explained that finding and assembling financing sources is particularly challenging for deeply affordable and supportive housing projects. Developers often start this process before securing land use approval, adding even more to project timelines.

Interviewees identified the speed and reliability the Housing Bond brought to assembling project financing as one of the advantages it provided developers . With rolling application windows and quick Board approvals, projects could secure Bond funding relatively quickly compared with other funding sources. In addition, coordination between the County, cities, and SCCHA allowed developers to more quickly scope projects with complete financing. Developers explained that this allowed them to move projects along faster than could have been done otherwise, saving two to three years compared to development in other similar places and reducing costs.

"If you can save two years, it's probably 10 percent a year that of the overall total development cost that you've saved just by having the funding come in quicker. And that's the biggest cost savings thing that funders can do, is get the funding out quickly and get projects into production as soon as they're ready, instead of having them do the traditional route where you get a little bit of funding here and then you apply to the next funding and then you apply to the next funding and then you cobble together six or eight sources of funding. Meanwhile, that takes four years to do. The project costs 30-40 percent more than when you started, so you have a bigger gap and you're always just chasing it. So having the County fund an appropriate amount up front and have it available early is amazingly helpful for moving projects on."

— Developer

Some Types of Bond-Funded Projects Took Less Time and Cost Less to Complete

In analyzing the projects that received Bond funding, we found that projects with high share of deeply affordable and supportive housing (more than half of the units either PSH or affordable for ELI or VLI households) had lower per unit

costs (about $161K less than other projects). These projects also had a shorter overall timeline (about 4 months shorter than other projects). Multiple factors may have contributed to these efficiencies. These projects were smaller in size (averaged below 100 units). The projects also received an above average share of County funding (25 percent). Consequently, they relied less on LIHTC funding (about 15 percent of these projects were structured without LIHTC compared to four percent of other projects). Most of these projects also benefited from predictable support through operational subsidies, such as from project-based vouchers and HomeKey funding,[17] that helped in quicker lease up.

The projects that took the longest to complete and were most expensive to build were larger sized (> 100 units), relied heavily on LIHTC funding, and typically had large shares of non-ELI and -VLI units, and units with 2+ bedrooms.[18] According to developers and City officials, these bigger projects required more time to get land use approvals, often because of extended community consultations, took longer to assemble financing, and went through at least two to three rounds of LIHTC application cycles and/ or state multifamily housing competitive financing program application cycles to secure funding. Project analysis shows that projects with more than 40 percent share of costs funded by tax credits received a lower share of project funding from the Housing Bond (under 30 percent) and cost approximately $150K more per unit compared to projects with a lower share of LIHTC funding. Most projects structured with LIHTC had more than five sources of funding compared to an average of three to four sources for those structured without LIHTC.

Page Street Studios, in San Jose, has 81 studio units and exceeds current statewide energy efficiency requirements.

Factors Affecting Affordable Housing Development

Interviews with developers and city staff revealed that that housing development landscape changed considerably in the last 10 years in Santa Clara County and in California, overall. The Housing Bond came at a time when the heightened need for a response to housing shortages and increasing costs was felt across the state. Bond funding changed the landscape. However, the Bond operated in a complex housing and financial landscape. A range of macroeconomic, political, and policy factors also impacted affordable housing development during this time.

The following sections briefly discuss the key factors that affected supportive and affordable housing development in Santa Clara County and how their importance changed over time. The Housing bond addressed the two highest impact factors — financing and institutional collaboration. Interviewees identified a variety of other factors as well, as noted in Exhibit 9 and discussed in detailed below.

"Most people think the biggest problem we have with being able to get affordable housing done is entitlements. For [Housing Bond] projects, entitlements have not been the issue. It's funding, funding, funding."

— Oversight Committee Member

[17] Four projects that received more than 25 percent of their total funding from the County did not receive any tax credits; two of these were HomeKey projects.

[18] Based on an average of 26 projects with unit costs of more than $900K. The average overall timeline for these projects was 5.04 years compared to 4.43 years for the others. These projects had an average of 21 units serving 50% and above AMI compared to 13 units for the rest. None of these projects received more than 30% share of County funding.

Exhibit 9: Factors Affecting Development

Factor	Theme
Financing	• Interviewees identified financing as the single most important factor impacting development timelines and costs, particularly due to challenging and highly competitive state and tax credit financing. • Macroeconomic and policy factors beyond local control made assembling sufficient financing increasingly more challenging, tempering the progress made under the Housing Bond. • Housing Bond funding helped but was not sufficient. Projects relied on other sources such as tax credits, state funding, and conventional loans that delayed the timelines and increased costs.
Institutional collaboration	• Interviews noted that collaboration greatly improved between County, City governments, the Santa Clara Housing Authority, developers, and other housing actors. • Strengthened collaboration helped reduce process delays, streamline priorities, and clarify requirements.
Hard costs of development (Land, Material, and Labor costs)	• Interviewees observed cost to be an ongoing, industry-wide problem with pronounced impact across the state, and predominantly in Bay Area. • Construction and labor costs are outside of the County's control. • Housing Bond-funded projects using County-owned land is an option for controlling acquisition and predevelopment costs.
Community and Political Support for housing development	• Interviewees thought that high local support—both from community and political leadership—for housing development in the County overall helped in successful passage and implementation of the Housing Bond. • Communities varied in their level of interest and support for Bond-funded projects resulting in fewer or no Bond-funded projects in some localities. • Advocacy through community partners and successful implementation of Bond projects in other communities have helped improve perceptions.
Capacity to support development (Developer, Administrative, and Service provider capacity)	• Interviewees noted improvement in developer, administrative, and service provider capacity since the passage of the Housing Bond. • Improvements were the result of careful planning by the County, and innovative grant making from organizations such as Destination: Home and HTSV that leveraged private and public dollars. • The capacity has the potential to have a long-term impact by supporting housing development after the Housing Bond ends.
Land use, Zoning, and environmental review	• Interviewees explained that uncertainty and delays in approval process were previously the biggest factor affecting project feasibility and timelines. • Changes at the state level in 2018 have helped streamline zoning and environmental review; these changes helped improve developer confidence and contributed to shorter predevelopment timelines. • Entitlements remain an important requirement for accessing Housing Bond funds and any delays in acquisition and entitlement processes may affect Housing Bond project development timelines.
Insurance and other operating costs	• Interviewees noted that insurance is an emerging concern to project operating costs and feasibility. • Impacts could be significant as Housing Bond projects are completed and ready for occupancy.

Financing

Assembling the necessary financial resources to support development in a timely and cost-effective manner was considered the most critical factor that impacted development in Santa Clara County. Both before and after Bond funding became available, developers struggled to find sources of funding that could fill the gap between what it cost to develop housing in Santa Clara County and what the lowest income households could afford to pay in rent.

Prior to and following the passage of the Bond the funding landscape was extremely fragmented and limited in scope, particularly for developing PSH and deeply affordable housing. At the same time, development costs were already rising. These conditions made the production of deeply affordable and supportive housing particularly difficult and, for many developers, unattractive. As a result, deeply affordable and supportive housing remained a niche space, with only a small number of projects proposed and funded each year. Between 2015 and 2017, several collaborative local funding efforts emerged to inject additional capital into the system and help close financing gaps. These early initiatives helped increase housing production modestly, but they also highlighted the scale of unmet need and underscored that substantially more investment would be required to meaningfully expand the supply of deeply affordable and supportive housing.

The passage of the $950 million Housing Bond marked a turning point. While the Bond was initially envisioned as a gap-financing tool to address rising development costs and stabilize project feasibility, its effects extended beyond filling financing shortfalls. Developers began to view these projects not only as feasible, but as a strategic focus of their development pipelines, allowing them to more intentionally target deeper levels of affordability and supportive housing models.

"One of projects… had a larger commitment from the County [Housing Bond] and because of that larger commitment, we didn't need state financing. And that was one of the reasons why we were able to compete for tax credits on a truncated basis. And so we moved that project forward within about a four years' time frame, we were able to move from acquisition to completion and that was kind of almost record time."
— Developer

However, over the course of the Bond's implementation, broader changes in the federal and state financing landscape—including disruptions associated with COVID-19 and other macroeconomic shocks—further increased development costs and extended project timelines. These shifts created a need for more funding sources than originally anticipated, and developers continued to rely on layered financing structures. Through programmatic adjustments, refinements to funding approaches, and coordination with other actors, the County adapted the Bond to support a broader range of projects and to sustain momentum despite significant headwinds in the financing environment. It strengthened developers' competitiveness in securing additional resources, including state programs and Low-Income Housing Tax Credits, by improving project readiness and overall financial viability.

Overall, the Housing Bond accomplished substantially more than it was initially designed to do. At the same time, interviews make clear that financing continues to be the dominant factor shaping affordable and supportive housing development . In addition to Bond funding, developers frequently combined funding sources including tax credit equity, project-based vouchers, conventional loans, and funds from state and local sources. All actors we spoke with conveyed that to succeed, projects needed "more money, fewer sources, more certainty."

"There are so many players involved in affordable housing projects because you have your conventional loan and then you have tax credits, probably state money, local money and even more local money after the fact when you find that there's still a gap. This takes years to assemble. Not to mention, it's very difficult to close on these transactions because there's so many players. And that means that the cost per unit of affordable housing is sky high not just because of that, but also, because of construction costs and also because of soft costs and all those things…so yeah, it's like almost cost prohibitive in a lot of cases."
— Government Staff

Institutional Collaboration

Interviewees including developers, government staff, and housing advocates said that the fragmented institutional structure that governed the policy priorities, regulation, and funding opportunities was one of the main barriers to affordable housing development pre-2016 in the Bay Area.

Developers discussed how they were required to approach multiple funding bodies—government, private, and non-profit sector—to assemble the necessary support for projects. Developers mentioned how the underwriting requirements for various smaller grants and loans varied widely which required them to constantly recalibrate project design and the capital stack. These challenges not only extended project timelines and budgets, but it also meant that developers proposed fewer projects and were limited in the types of projects they could deliver.

Developers explained how the institutional landscape for advancing affordable housing slowly began to transform in Santa Clara County as housing cost burden and homelessness started increasing around 2013. There were collaborative efforts between different County departments and between the County and the City of San Jose during 2014-2016 that led to joint funding announcements with some alignment in underwriting criteria. During this time housing advocacy organizations, such as Destination: Home and HTSV mobilized community, private, and public support for affordable housing development.

The passing of the Housing Bond was a watershed moment that brought together multiple actors and institutions. The County worked closely with developers, cities, SCCHA, and organizations like Destination: Home and HTSV to understand priorities, address barriers, and brainstorm options to prepare project pipelines and execute them. Developers particularly appreciated OSH's role as a partner forging collaborative relationships between different actors rather than as a traditional funding agency focused on approvals alone. They said the County worked with them every step of the way. One OSH official described how they adopted a "customer service" centric approach.

> **"I think we [OSH] really value flexibility. We value speed. We value providing premium customer service to our developers. We want their projects to win. We want them to go to the board and get a commitment if their project is wonderful. And we do everything that we can to try to help them be set up for success… tell them a little about that process of interaction [to get Board's approval].'"**
>
> **— OSH Staff**

One conflict that surfaced was that local cities wanted to have a higher share of local residents housed in the Bond-funded developments in their jurisdiction. This is a common tension across communities in California where homeless service systems use a coordinated entry process to prioritize people with the greatest need for housing supports as units become available irrespective of where they are from within the County. This regional approach limited cities from prioritizing individuals from their locality for housing built within their jurisdictions.

In Santa Clara County, the County operates the homeless service system's coordinated entry process. County staff explained that despite these limitations in the coordinated entry prioritization processes, the County takes several steps using their universal application and 'match-making' client engagement approaches to ensure participants can choose where they want to live. Some City staff said that if the County can provide better real time post-occupancy data, they can convince local elected officials that a good share of Bond-funded units already house local population and that people with the greatest need from their City are still being housed within the County, if not within the City.

"So it really was sitting down with each city going through the pipeline and some instances. It was a meeting that included the development community. And we would work with them, so a project needed to have entitlements in order to get our funding. So we would track the project, make sure that we had the supporting documentation for CEQA as well as it was applicable. And so that's kind of how it worked, it was more like a partnership. Not 'we're gonna go fund this in your city and you're not gonna know about it.'"

— Government Staff

Hard Costs (Labor, Material, and Land)

Interviewees said that hard costs of development (e.g., land, construction materials, and labor costs) continued to increase in the last 15 years resulting in increased development costs.[19] COVID related labor and material shortages contributed to stark increase in prices during 2020–21 period. Moderate interest rates during early Bond implementation period helped offset some of these cost increases. However, as interest rates increased along with hard costs, developers said projects needed more gap financing. Government staff also discussed insufficient funding sources to cover high construction costs as a key challenge in Santa Clara County.

Land acquisition costs were another key factor that affected overall development in Santa Clara County. With the disbanding of redevelopment agencies in 2012 in California, developers found it increasingly difficult to find and acquire land suitable for affordable housing development without additional support (See Case Study 2 for more information). Some developers shared during the interviews that they were unable to move forward on multiple projects concurrently and lost out on some promising acquisition deals because they did not have the necessary upfront capital for multiple projects. They had to wait until their ongoing Bond-funded projects could secure permanent financing to free up acquisition investments for other projects. However, other developers discussed how predevelopment and acquisition support received through HTSV and Destination: Home's funds (See Case Study 2 for details) helped them with land acquisition costs and ready projects quickly for Housing Bond funding. Discussing the success of leveraging public land for Housing Bond projects, some developers and housing actors said that it may be quicker and cost less for developers when projects are built on readily available and well-connected public land with clear titles since acquisition costs are not fronted by developers.

Community and Political Support for Housing Development

Many interviewees spoke about the importance of community and political support for affordable housing development. The high rates of homelessness and housing instability have helped the community and elected officials rally for the support of developing more deeply affordable and supportive housing units. Organizations like Destination: Home were instrumental in advocating for and educating the community about the need for building more affordable housing and PSH to address homelessness. Interviewees discussed that even though there is broader acceptance and community support for affordable housing development in Santa Clara County compared to some of its neighboring counties and other regions in the country, there are differences between communities and neighborhoods within Santa Clara County. **County officials explained that the uneven distribution of Housing Bond-funded projects across the County was in large part due to how welcoming communities were to affordable housing in their jurisdictions.**

[19] Hayley Raetz et al., *The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California* (Terner Center for Housing Innovation, University of California, Berkeley, 2020), https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf; Jason M. Ward and Luke Schlake, *The High Cost of Producing Multifamily Housing in California: Evidence and Policy Recommendations* (RAND Corporation, 2025), https://www.rand.org/pubs/research_reports/RRA3743-1.html; Terner Center for Housing Innovation, *Low-Income Housing Tax Credit Construction Costs: An Analysis of Prevailing Wages* (University of California, Berkeley, 2024), https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf. According to the Terner Center, land and labor and material costs in the Bay Area are one of the highest in California.

"Neighborhood opposition, especially for permanent supportive housing or interim housing is huge. One of our [Bond-funded] projects was one of the most difficult affordable housing outreach projects I've ever seen. We had three meetings with over 300 people in them in person."

— City Official

Although State streamlining initiatives eased delays, developers explained that it was still very risky for them to pursue projects without the community's support; community support, they explained, helped secure support from planning staff and city/town councils.

County and city officials explained that Destination: Home laid early groundwork through informative community sessions through Housing Ready Communities initiative that helped address concerns around affordable housing, and wished that they had continued these efforts during the Housing Bond implementation period. The initiative convened community meetings and networks for neighbors, people with lived experience of homelessness, and public officials to support affordable housing development in Santa Clara County.

Capacity to Support Development

The County and other local actors identified the need for improving capacity within Santa Clara County to support deeply affordable and supportive housing. Local administrative entities, developers, and service providers all needed to expand their capacity early on to ramp up affordable housing production and maximize the use of Housing Bond funds.

"The other things it [Housing Bond] did, it created a better supportive housing development system in Santa Clara County…development system and supportive housing system. And I think it shows all communities that supportive housing can work in all communities"

— County Official

Administrative Capacity

Prior to the Housing Bond, most cities in the County did not have a designated department for housing, and where they existed, they were very small departments, including the earliest iterations of the County Office of Supportive Housing. There were also shortages of planning staff that contributed to delays in land use approvals. The confluence of increasing need for housing, political will, and policy intervention to address homelessness and increase affordable housing resulted in rapid expansion of administrative capacity of these departments. For example, according to an OSH official, their team has grown from two to three staff in 2016 to 15 to 16 staff currently. However, the expansion of administrative capacity was not uniform across jurisdictions. While some of it was due to limited support for affordable housing development, in other instances it was due to lack of funding. OSH staff collaborated with these communities and assisted where needed. However, it was quickly apparent that cities needed additional staff for effective Bond implementation. SHIF provided funding for staff positions in select cities to help fast track permitting and create the necessary programming to address homelessness (see Case Study 2). In all these instances, the cities went on to integrate these staff positions into their administrative structure. One city official from a community that has historically welcomed few affordable housing developments explained why a new staff position was needed and how they helped create awareness through consistent reporting and helped draw elected officials' notice to housing issues.

"I need a human being with a mind and a body and a heart, social work lens working for City Hall side by side, to go out into the community and have these conversations and give me real time intel…so that I can be responsive to my electeds and my city manager. And so that I can so that he or she can arm me with facts and truth and local knowledge because they [City Council] do not care about County wide. They don't see themselves in any other city but themselves."

— City Staff

Developer Capacity

Developers and government staff discussed how before 2016 there were very few developers in Santa Clara County who built deeply affordable and supportive housing in the County, and fewer still who had technical expertise and experience in PSH. The County in partnership with agencies like Destination: Home and HTSV helped build developer capacity through the Bond period. Of the 51 developers who received tax credits for projects in Santa Clara County from 2012-2025**, about half (24) were new to the County with no projects and collaborations with the County before 2017.** The County's close partnership with developers helped them understand the different components of the underwriting and approval process, and in turn working closely with developers helped the County achieve a better grasp of the challenges developers face and the types of support they need.

Developers particularly discussed how the Housing Bond's emphasis on PSH motivated them to enter business areas they had not previously considered. They also discussed how they encountered some early challenges in finding experienced property management companies in operating PSH developments efficiently and ensuring proper maintenance and upkeep. Many developers we interviewed were considering scaling their business model to encompass property management and service delivery (either in house or through partnerships) to address these challenges. They also said that aside from addressing challenges, the County's strong supportive services' funding approach motivated their business expansion in this area. This in turn helps increase the capacity of the development, operations, and services ecosystem for PSH in the County.

"[The Housing Bond] helped us strengthen our connection, relationship with the County. And it's also helped us really develop and strengthen our relationship with other folks like Destination: Home. In addition to [funding] these projects, Destination: Home is supporting our efforts on homeless response with capacity building funding"

-Developer

Service Capacity

Along with administrative capacity and developer capacity, interviewees noted an increase in service provider capacity. Previously, there were very few specialized service providers with the expertise and experience to work with individuals exiting homelessness. The lack of necessary service capacity to serve an increased PSH portfolio was one of the early initiatives the County focused on through the Housing Bond. County officials explained how they reviewed the existing service provider capacity and analyzed gaps early on in planning and created funding support to increase service provider capacity.

The County adopted an innovative approach to contract all service agencies centrally for all Bond-funded projects. This unified approach to funding and contracting supportive services has helped create a robust system reducing delays and encouraging clear oversight. The County's early preparation in increasing service capacity and layering of long-term service dollars, along with contractual oversight, interviewees remarked, was critical for placing Bond-funded projects in service quickly. The County is continuing to work hard to deliver on the key commitment it made

to the voters as part of the Bond-approval process which is also an important factor contributing to the Bond's success— to provide funding for supportive services in perpetuity for the units produced under the Bond.[20]

"In the early days [of the Housing Bond], in order to get the developers to want to commit projects, they needed to know that services would be available. So, the County enters into contracts with various service providers and assigns them to different developments"

— County Official

Other Soft Costs of Development

Building permitting, zoning changes, and environmental review process were considered major barriers to affordable housing in California and particularly, in the Bay Area. However, recent state intervention changed this landscape considerably.

Land Use, Zoning, and Environmental Approvals

All the developers who worked on Bond-funded projects in Santa Clara County said that land use and zoning approvals were a serious barrier to affordable housing development 8 — 10 years ago. Developers described that zoning and environmental approvals took at least two to four years, and that many projects would not ultimately get approvals, in part due to local political and administrative staff changes in the intervening period. Developers also said the zoning regulations were so localized that developers were required to expend a lot of time understanding how norms were different from one place to the other and tracking changes. Only three developers mentioned CEQA and NEPA related environmental clearance processes in the context of pre-2016 regulatory and permitting barriers.

All the developers we interviewed stated how zoning and environmental regulations were no longer a development barrier since the state helped streamline the environmental review and permitting processes for multifamily housing projects, particularly affordable housing projects. A series of state legislation, particularly Senate Bill 35 passed in 2017 and Senate Bill 6 in 2022, helped shorten permitting timelines and remove risks pertaining to discretionary reviews and approvals. Developers said that these changes when coupled with the additional staff capacity supported by SHIF helped reduce the permitting delays they experienced with early Bond-funded projects.

I feel like our state has put in so many laws into place that the concerns about Community interference have kind of been resolved because it's a project [that] meets our objective standards. We have to approve the housing project, a local jurisdiction can't decide to not approve a project."

— Government Staff

While the entitlement process became less risky, developers explained that it remained an important step and any delays in acquisition and entitlement processes affected Bond project development timelines. As noted above, the County and its partners recognized and worked to mitigate such challenges early on. Predevelopment financing through private and public-private collaborations helped developers sustain projects while awaiting entitlement approvals and securing financing. These resources provided flexibility for developers while they navigated approval and entitlement processes before they could receive Housing Bond funds.

[20] This is evidenced in the recent commitment made by the County Board of Supervisors to channel funding from the County's General Budget to make up for any decrease in federal funding for supportive services. County of Santa Clara, *Fiscal Year 2025-2026 Recommended Budget* (n.d.), 646, https://files.santaclaracounty.gov/exjcpb1271/2025-05/fy-25-26-recommended_budget.pdf.

Insurance and Other Operating Costs

Most developers that we interviewed did not identify insurance costs as a key factor affecting development costs. However, developers discussed insurance costs in the context of ongoing maintenance costs when they consider development feasibility. In addition to development costs, developers often must factor in operating costs such as property management, building insurance, security, and maintenance along with their expected revenue from rents to assess development feasibility based on their own risk assessment and lender interest. Some developers reported damages caused by tenants in their PSH project and said that, as a result, they are increasingly weighing insurance costs as an important factor while assessing risk and project costs. One Oversight Committee member also cautioned that increasing incidence of wildfires in California is resulting in rising insurance costs that adversely affect developers' ability to operate projects. Some of the emerging research on the impact of insurance on housing costs in California also draws attention to rising insurance costs.[21] Although insurance costs do not seem to be currently an important factor affecting development, we expect them to play an important role in the future.

"Insurance cost has tripled over this period of time. It's just gone up so dramatically. And it's cost that hasn't been baked in because it's a running cost for the project. It wasn't baked into long term financial planning and it is sizable"

— Oversight Committee Member

Most developers we interviewed also said that ensuring long-term operating costs are covered was one of their primary concerns, particularly when it came to PSH projects. Property management in PSH buildings often requires specialized experience and sufficient staffing to ensure timely maintenance and repairs. In addition to offering service subsidies in perpetuity to Bond-funded PSH project, the County also assists projects on their operating costs through federal subsidies and PBVs. Continuing to receive long-term support for operating costs, along with service subsidies that sufficiently account for rising costs, developers remarked, was key to sustaining these projects.

[21] Thomas Gonzales and Jason Moody, *The Financial Impacts of Construction Defect Liability on Housing Development in California* (Economic & Planning Systems, Inc., 2025), https://ternercenter.berkeley.edu/wp-content/uploads/2025/09/241056_Construction-Defect-Liability-Impact-Report-8-18-25.pdf?mc_cid=b3a00fcc0a&mc_eid=090a4c7174.

Section 3: Comparing Changes in Santa Clara County to Other Counties in California

Before and following the passage of the Housing Bond, communities across California encountered rising housing costs and homelessness and faced similar barriers to providing housing for vulnerable residents.

Like Santa Clara County, communities across the state have also taken measures to address their affordable housing challenges, including by dedicating local funds (see Exhibit 10). The Housing Bond was unique in prioritizing housing for the lowest income households, but many localities including neighboring Alameda and San Mateo counties sought to increase affordable housing development (see Case Study 3). Recent analysis done by the Terner Center for Housing Innovation, University of California, Berkeley found that across the state the number of PSH units increased by nearly 33,500 units from 2013 to 2023 (during which time the number of people experiencing chronic homelessness in the state increased by about 40,000).[22] The State also passed statewide zoning reforms, as discussed above, that helped remove barriers to developing affordable housing. In addition, the COVID pandemic disrupted project development and shifted resources for affordable housing and homelessness response as the Housing Bond was being implemented. This shifting context makes it challenging to isolate the effects of the Housing Bond or compare outcomes across geographies.

Different Approaches: Comparing Housing Bond Measures in Santa Clara County, Alameda County, and San Mateo County

Santa Clara County's neighbors, Alameda and San Mateo counties, faced similar housing market challenges and also dedicated county funding to affordable housing development around the time that Measure A: Affordable Housing Bond was passed in 2016. Across the three counties, the bonds supported the development of a total of 14,654 affordable units, though differences in the counties approach and implementation led to different types of housing units developed in each county. The Measure A Bond in Santa Clara County stood out for producing a much larger number of units affordable to the lowest income renters compared to bonds in the other two counties. Case Study 3 examines the distinct features of each bond and assesses the extent to which they successfully facilitated affordable housing production.

[22] "Permanent Supportive Housing: Building On What Works To End Chronic Homelessness," Terner Center for Housing Innovation, University of California, Berkeley, accessed January 26, 2026, https://www.ternercenter.app/permanent-supportive-housing-building-on-what-works-to-end-chronic-homelessness.

Exhibit 10: Bond Measures in California Similar to Santa Clara County's Measure A Housing Bond

Name	Description	Total Dollar Amount	Dollars Per Person Per Year (estimated)
Santa Clara County Measure A — Affordable Housing Bond (2016)	General obligation bond for affordable housing. Funds new construction, acquisition/rehab, and preservation; emphasizes deeply affordable and supportive housing units.	$950,000,000	$49
San Mateo County Measure A Half-Cent Sales Tax (2012)	Countywide half-cent sales tax, with a portion of proceeds directed to affordable housing. Uses and population vary by project.	$400,000,000	$26
San Francisco Proposition A — Affordable Housing Bond (2015)	General obligation bond for affordable housing. Funds new construction, acquisition/rehab, and preservation; includes deeply affordable (ELI/LI) units.	$310,000,000	$59
Alameda County Measure A1 — Affordable Housing Bond (2016)	General obligation bond for affordable housing. Funds creation/preservation of affordable homes for low-income residents, including seniors/veterans/disabled.	$580,000,000	$29
Oakland Measure KK — Infrastructure & Housing Bond (2016)	General obligation bond for infrastructure, with a portion of proceeds dedicated to affordable housing production/preservation. Uses and population vary by project.	$600,000,000	$199
Berkeley Measure O — Housing Bonds (2018)	General obligation bond for affordable housing. Funds acquisition/new construction for low- and very-low-income households; leveraged with LIHTC.	$135,000,000	$111
Emeryville Measure C — Bonds for Housing & Homelessness Services (2018)	General obligation bond for affordable housing and homelessness services. Finances affordable housing activities benefiting low- and middle-income households and people experiencing homelessness.	$50,000,000	$779
San Francisco Proposition A — Affordable Housing Bond (2019)	General obligation bond for affordable housing. Significant allocations for low-income housing, public housing rehab, and some PSH components.	$600,000,000	$172
Oakland Measure U — Infrastructure & Housing Bond (2022)	General obligation bond for infrastructure, with a portion of proceeds dedicated to affordable housing production/preservation.	$850,000,000	$494
San Francisco Proposition A — Affordable Housing Bond (2024)	General obligation bond for affordable housing. Authorizes new capital for affordable housing including PSH allocations.	$300,000,000	$86

Source: Bond details found on respective city and county websites. Dollars per person calculated based on the population of the respective city and county as reported in the US Census 2020 American Community Survey (5-year estimate).

Comparing Housing Market Outcomes

To examine the relationship between the Housing Bond and affordable housing development in Santa Clara County, we identified key housing market outcomes with consistent annual data coverage across the County and relevant comparison geographies. While several data sources offered potential for statewide and regional comparisons before and after the Bond's implementation, limitations in availability and data quality narrowed the usable options. A full list of considered sources is provided as part of Appendix A. Following a comprehensive review, we identified five outcomes, each related to the intended outcomes of the Housing Bond. Exhibit 11 presents each outcome measure alongside its theoretical linkage to the Housing Bond, the expected timing of observable effects, based on the Bond's implementation timeline and funding mechanisms, and a summary of the observed trends over time and in comparison to trends observed for neighboring counties and the State of California.

In general, we observed increasing trends in Santa Clara County across all five outcome measures with year-to-year fluctuations (consistent with trends in other counties and the state). In recent years (2021–2023), Santa Clara County outperformed both neighboring counties and the state across these five measures.

Exhibit 11: Outcome Measures, Anticipated Effects, And Observed Trends

Measure	Theory of Change	Expected Year of Effect	Observed Trends for Santa Clara County
Number of new LIHTC VLI / ELI units per 1,000 residents	We expect to see an increase in the production of ELI and VLI units placed in service because the Bond targeted and increased funding for those projects.	Starting in 2021	• Increasing. • Variability consistent with other counties and the state. • Trended higher than CA and neighboring counties from 2021–2023.
Number of LIHTC awards – 4% or 9% per 1,000 residents	We expect to see an increase in the number of 4% and 9% awards made because the Housing Bond increased the number of projects being developed that would be eligible for LIHTC funding.	Starting in 2019	• Increasing. • Variability consistent with other counties and the state. • Trended higher than CA and neighboring counties from 2021–2023.
Share of new LIHTC units that are VLI / ELI	We expect to see an increase in the share of new units placed in service that are ELI and VLI because the Bond targeted and increased funding for those projects.	Starting in 2021	• Increasing. • Notable year-to-year variability. • Trended higher than CA and neighboring counties from 2020–2023.
Number of PSH units per 1,000 residents	We expect to see an increase in PSH units because the Bond targeted and increased funding for projects that produced these units.	Starting in 2021	• Increasing. • Variability consistent with other counties and the state. • High relative to CA and neighboring counties from 2012–2023.
Number of Permanent Housing units per 1,000 residents	We expect to see an increase in Permanent Housing units because the Bond targeted and increased funding for projects that produced these units.	Starting in 2021	• Increasing. • Variability consistent with other counties and the state. • High relative to CA and neighboring counties from 2012–2023.

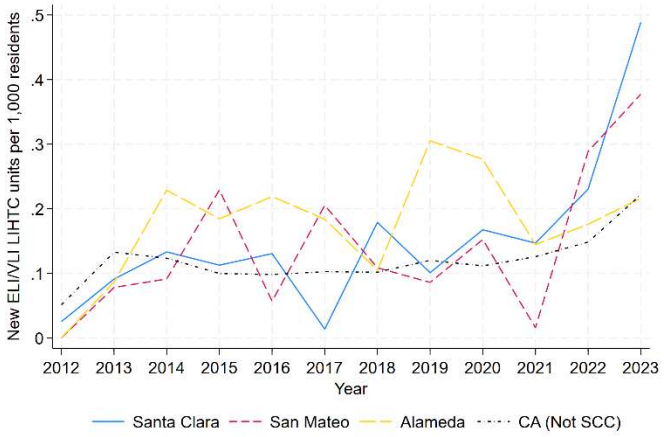
Note: All LIHTC variables are analyzed over the years 2012-2023. Both HIC variables are analyzed over the years 2012-2024.

New ELI and VLI LIHTC units per 1,000 residents : This measure, the annual count of newly placed-in-service units designated for ELI and VLI households, normalized by population, reflects one of the Housing Bonds primary goals — to increase the amount of deeply affordable and supportive housing units in the County. We expect to see an increase in this measure since the Bond targeted and increased funding for projects that produced ELI and VLI units. Since most projects that produce such units receive support from LIHTC across the state and in Santa Clara County, we analyzed the units placed in service that received tax credit support. Due to long development timelines[23], we do not expect to see the impact of the Housing Bond until 2021 or later.

In Santa Clara County, the number of new LIHTC VLI / ELI units per 1,000 residents fluctuated but generally **trended upward from 0.03 units per 1,000 residents in 2012 to 0.49 per 1,000 residents in 2023** (blue line in Exhibit 12). This generally upward trend was not consistent with a substantial drop in the number of new units placed in service in 2017 relative to 2016. The number of units placed in service rebounded after 2017, but continued to fluctuate from year to year. Neighboring San Mateo and Alameda counties followed a similar trend — the number of units fluctuated year-to-year and trend upward. Comparing Santa Clara County with the rest of California combined the trend is more stable year to year and modestly increasing.

There are several possible reasons for year-to-year variation. First, only a small number of projects receive LIHTC funding each year. In Santa Clara County from 2012-2025 about 11 projects received funding each year varying from nine (in 2013, 2015, and 2018) to 19 (in 2016). Projects also take varying amounts of time to complete and vary in the number of units of VLI and ELI housing produced. As a result, the number of units placed in service each year can and does fluctuate.

Exhibit 12: Number of LIHTC VLI/ELI Units per 1,000 Residents



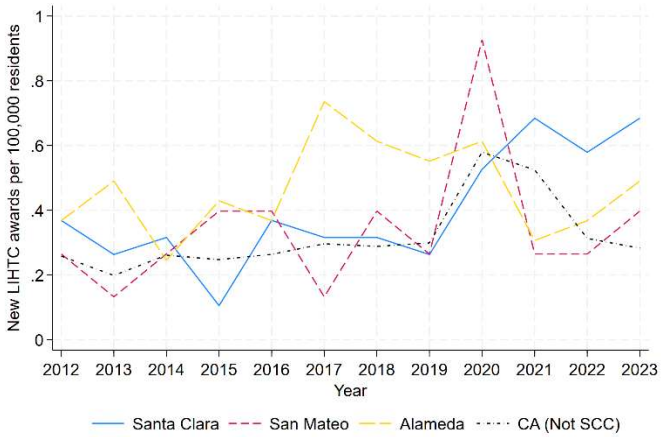
New LIHTC projects awarded per 1,000 residents : This measure, the annual count of newly awarded LIHTC projects, normalized by population reflects the key mechanism by which the Housing Bond sought to influence development — by providing financing for projects that competed for critical, limited tax credits. By providing project financing, the County sought to increase the number of projects being developed in the County and because nearly all Bond-funded projects received LIHTC funding, the number of LIHTC awards provides a proxy measure of the number of projects being developed. Since many projects received Bond funding before applying for tax credits, we anticipate observing effects from the Housing Bond on this measure in 2019.

The number of LIHTC awards (4% or 9%) per 10,000 residents followed a similar pattern to the VLI/ELI LIHTC units outcome, with a fluctuating but general increase in the number of LIHTC projects awarded in Santa Clara County from 2012 to 2023 (blue line in Exhibit 13). This again likely reflects the inconsistent and lumpy distribution of LIHTC awards from year to year, which is also observed for San Mateo and Alameda counties. Prior to 2020, Santa Clara County had a similar or lower number of new LIHTC awards per 100,000 residents as neighboring Alameda and San

[23] Projects that received Bond funding averaged 4.7 years from board approval to project completion.

Mateo counties and the state overall, in the range of 0.2 to 0.4 awards. From 2021–2023 the number of awards in Santa Clara County ranged from 0.6 to 0.7 awards, higher than the state and neighboring counties .

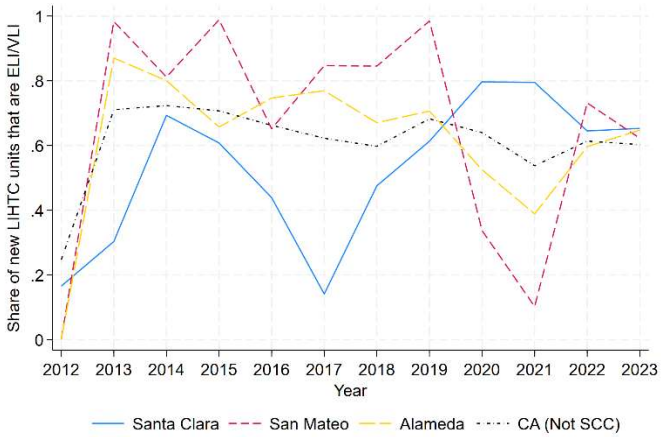
Exhibit 13: Number of LIHTC Awards per 1,000 Residents



Proportion of LIHTC units serving ELI and VLI households : This measure, the share of placed-in-service LIHTC units each year designated for ELI and VLI residents, reflects the Housing Bond's goal of directing funding to projects that were predominantly made up of units that are affordable to the lowest income households. Like our first outcome measure (new ELI and VLI LIHTC units per 1,000 residents) we expect to see effects of the Housing Bond starting in 2021, after projects that received County support began to be completed.

The share of new LIHTC units each year that are VLI/ELI in SCC trended upward from 2012 through 2023, with some notable fluctuations from year to year (blue line in Exhibit 14). The share of new units for VLI/ELI households increased from 0.50 to 0.65 from 2012 to 2023, but this was not a constant upward trend. We see the share declined from 0.69 in 2014 to 0.14 in 2017 before rebounding to 0.48 in 2018. This variability again likely reflects the high variability in the number of projects, the nature of the projects that received tax credit awards, and the number of units placed in service each year. For most of this time, Santa Clara County had a lower proportion of LIHTC units placed in service serving ELI and VLI households compared to neighboring Alameda and San Mateo counties and compared to California overall. However, beginning in 2020 this trend shifted with the proportion in Santa Clara County generally higher compared to neighboring counties and the state overall.

Exhibit 14: Proportion of LIHTC units serving ELI and VLI households



Permanent Supportive Housing (PSH) units per 1,000 residents and Number of Permanent Housing Units per 1,000 Residents: These two measures capture the amount of long-term housing available relative to population. PSH is one type of housing that the County sought to support with Housing Bond funds.

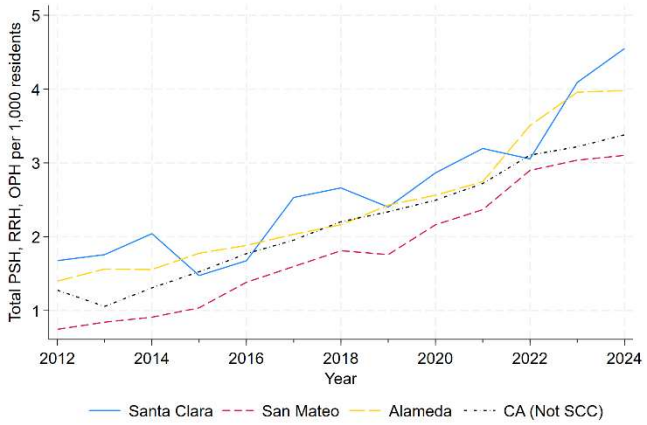
Permanent Housing Units combine PSH and two other similar types of housing units (Rapid Rehousing (RRH) units and other permanent housing units (OPH)). The County set specific goals for the number of PSH units (1,800) and RRH units (1,600) it sought to fund with the Housing Bond. Because of this, we would expect the number of PSH and permanent housing units available in the County to increase. Like other measures of unit outcomes, we expect to observe changes in this metric following 2021, after projects that received Bond funding completed development.

Like other unit outcome measures, the number of PSH units per 1,000 residents and the number of Permanent Housing units per 1,000 residents generally increased from 2012 to 2023 with notable fluctuations from year to year (blue line in Exhibits 15A and 15B). These trends are similar for Santa Clara County, neighboring Alameda and San Mateo counties and the state overall. Compared with neighboring counties and the state overall, Santa Clara County tended to have more units available over the entire time period.

Exhibit 15: Number of PSH per 1,000 Residents and Number of Permanent Housing Units per 1,000 Residents

A) Number of PSH per 1,000 Residents

B) Number of Permanent Housing Units per 1,000 Residents



Section 4: Implementation Insights

The Housing Bond changed the funding landscape and created the momentum, support, and capacity needed to build a system for developing deeply affordable and supportive housing in Santa Clara County. The Bond helped unite different partners toward a common goal — County, cities, SCCHA, community and housing advocacy organizations, philanthropic and private actors, and the community — to support development that provided housing for the County's most vulnerable residents. Projects funded by the Bond add over 5,250 affordable housing units, contributing to rising numbers of units in the County that are affordable to the lowest income households and provide permanent and supportive housing options for those experiencing homelessness.

Interviewees all said that they were extremely impressed with OSH and the leadership the County played in implementing the Housing Bond. Several people expressed the sentiment that the County should "keep on doing what they are doing." We synthesize key implementation insights drawn from analyses addressing the study's main research questions and from findings across the three case studies.

(1) Exceeded Overall Goals with Strategic Pivots

The County exceeded its overall target to support the development of 4,800 deeply affordable and supportive housing units, demonstrating its remarkable overall success. Even though a range of external factors such as swings in the financial market, state and federal resources, and policy decisions affected implementation of Bond-funded projects, the County and its partners were still successful in exceeding their overall unit goal.

- **PSH and RRH units.** The County exceeded its goal of developing 1,800 PSH units. By December 2025, the County approved 2,019 PSH units (112% of the goal). The County originally set a goal of developing 1,600 RRH units, but by December 2025 had approved just 664 units (40 percent of the goal). County officials explained that creating housing specifically for RRH was not a viable option for cities and developers.
- **Geographic distribution of units.** Originally, the County set geographic targets with the intent to ensure equitable regional distribution of Bond funds and to encourage affordable housing in cities located in Santa Clara County. However, over the course of Bond implementation, the County pivoted to prioritize overall unit targets over geographic distribution goals. They explained that without sufficient political and community will, affordable and supportive housing development would stall and threaten overall progress of unit production. However, the Bond was still successful in encouraging affordable housing in some areas where historically it had not been prioritized.

(2) Collaboration across Public and Private Partners

Starting before the passage of the Housing Bond, public and private partners came together to prioritize a coordinated effort and investment in housing for the community's most vulnerable residents. **The passing of the Housing Bond was a watershed moment that solidified partnerships, political and community will, and the commitment to creating deeply affordable and supportive housing.** The County worked closely with developers, cities, SCCHA, and organizations like Destination: Home and HTSV to understand priorities, address barriers, and brainstorm options to prepare project pipelines and execute them. To support predevelopment financing to housing developers in the region, Destination: Home, with major philanthropic contributions from Cisco and Apple, created and managed the Supportive Housing Innovation Fund.

(3) Investments in Capacity

The County and other local actors identified the need for improving capacity within Santa Clara County to support deeply affordable and supportive housing. Local administrative entities, developers, and service providers all needed to expand their capacity early on to ramp up affordable housing production and maximize the use of Housing Bond funds. The County and community organizations through the Supportive Housing Fund and Supportive Housing Innovation Fund invested in components of the development and implementation pipeline. **These early investments in system capacity building laid the groundwork for the Housing Bond's success.**

(4) Variations in Project Cost and Timeline

The evaluation's analysis showed that projects with high share of deeply affordable and supportive housing (more than half of the units either PSH or affordable for ELI or VLI households) had lower per unit costs (about $161K less than other projects). These projects also had a shorter overall timeline (about 4 months shorter than other projects). Multiple factors may have contributed to these efficiencies. These projects were smaller in size (averaged below 100 units). The projects also received an above average share of County funding (25 percent). Consequently, they relied less on LIHTC funding (about 15 percent of these projects were structured without LIHTC compared to four percent of other projects). Most of these projects also benefited from predictable support through operational subsidies, such as from project-based vouchers.

The projects that took the longest to complete and were most expensive to build were larger sized (> 100 units), relied heavily on LIHTC funding, typically had large shares of non-ELI and -VLI units, and units with 2+ bedrooms. According to developers and City officials, these bigger projects required more time to get land use approvals, often because of extended community consultations, took longer to assemble financing, and went through at least two to three rounds of LIHTC application cycles and/ or state multifamily housing competitive financing program application cycles to secure funding.

(5) Sustaining PSH developments

The County was extremely successful in delivering on their PSH unit targets to help reduce homelessness. Focused attention on PSH projects with high share of County funding and layering of PBVs and County-directed funding for supportive services helped ramp up PSH production through PSH-only or PSH-heavy project approvals early on. However, to be truly successful the units must continue operating successfully. Interviewees noted that effectively operating deeply affordable and supportive housing can be challenging, requiring operators to manage unpredictable property management and insurance costs, sustain funding for supportive services, ensure units are occupied (i.e., no vacant units), and monitor rent payments and payment standards from subsidized sources.

Section 5: Opportunities for Moving Forward

As the County looks to sustain the momentum built through the Housing Bond, it has the opportunity to build on its success. The County needs to close out the current bond and maximize the impact of the remaining funds. The County can also lay a foundation for the future by developing a comprehensive housing strategy and planning for another bond effort.

Close Out Plans for Current Bond

As Bond-funded projects remain in progress and nears full deployment of available funds, the County might consider a detailed action plan to guide next steps. This plan could leverage existing partnerships to identify alternative resources, include contingencies for implementation and operating challenges, and establish a clear strategy to reinvest loan repayments into future affordable housing.

Along with these close-out plans, the County may consider preparing a detailed report on Bond implementation that highlights key outcomes beyond unit counts. The County has made several innovations to create efficiencies for developers and local partners and influence the local development and service provision landscape. Producing a detailed report to document these innovations and how they led to long-term policy change will showcase the Bond's transformative impact.

Preparation Before Another Bond Effort

As the County looks ahead to a future housing bond, this interim period presents an opportunity for consolidation and targeted experimentation. With fewer resources available following the closeout of the current Bond, focused preparatory actions and targeted scaling of approaches can position the County to move efficiently from authorization to delivery when a new bond is introduced.

Create a Comprehensive County Housing Strategy: The County may consider consolidating lessons from the Housing Bond into a comprehensive housing strategy that builds on the Community Plans to End Homelessness and advances regional housing goals. This strategy could explore opportunities to pilot alternative development financing models that rely less on LIHTC resources, advocate for improvements to state funding programs in coordination with peer counties and housing partners, and formalize learning from Bond implementation through design guidelines[24] for PSH projects.

Scale Successful Approaches to Maximize Benefits: With limited prospects for expanded federal funding, the County can continue to focus on successful strategies introduced under the Bond. Building on existing efforts, this could include expanding housing development on public land, leveraging service dollars for more equitable regional distribution of affordable housing through long-term agreements with cities and master leasing arrangements with developers in the absence of PBVs.

Structuring another bond effort

Given the success of the Housing Bond, future bonds for affordable housing should adopt the strategies developers, city and county officials, and others found to be most successful, such as accepting rolling applications, partnering closely with developers and cities to prepare project pipelines, and providing pre-development support through programs such as SHF and SHIF in partnership with other housing organizations. In addition, our analysis and interviews suggest changes that could increase the success of a future housing bond.

- **Consider a longer-term bond with more funding** that allows a phased approach to project development. This can be done by either dedicating a defined share of stable, ongoing revenues such as property or sales tax growth, or

[24] Factors to consider include total number of PSH units in a building in absolute numbers and as a share of total units, design of entrance access, community space, private space for on-site service providers, and increased protection against water and fire damage prevention. Clear parameters for project design, financing, operations, and service delivery can help streamline future NOFAs and clarify opportunities for adaptive reuse and conversion.

other General Fund set-asides to support housing investments and debt service, as well as issuing bonds backed by these revenues or anticipated future growth to accelerate development.

- **Rethink goalsetting approaches to set clear targets for the most meaningful categories**. Interviewees found the clear targets to be useful in clarifying the County's goals and priorities and tracking progress over time. However, they noted that some adjustments would strengthen the framework, such as combining targets for PSH and RRH and refining sub-targets for units affordable to households earning 50—120 percent of AMI.
- **Invest in ongoing community engagement.** The Housing Bond helped highlight how it is more difficult to build in some places than others and highlighted the need for involved community canvassing and political engagement to extend the gains made through Destination: Home's early community outreach efforts. Dedicated efforts from all participating jurisdictions for ongoing community outreach should be a core component of any future bond, supporting both sustained project approvals and clear communication of local impacts.
- **Create a planning task force of local elected officials from Cities and County** to review experiences from the previous bond implementation including Cities' concerns related to land ownership, local preferences, types of projects supported, among others. The task force can then propose a mutually agreed path for a future Bond initiative with County-City MoUs for each jurisdiction that will ensure geographic targets are also successfully met.
- **Create a clear communication plan and set asides for real-time reporting** through open data sources and user-friendly dashboards that allows public to select different indicators to observe overall progress. The data reports should include project details, and development progress, but also metrics post-occupancy. It will also help City officials and elected representatives track how the bond investments are helping their jurisdiction.

Looking Ahead

The County's progress under Measure A demonstrates what is possible when sustained investment, strategic collaboration, and a shared commitment to housing those most vulnerable come together. Yet homelessness remains a pressing challenge: in 2024, 1.8 households entered homelessness for every household housed, underscoring the need for continued focus and resources for the production and preservation of deeply affordable and supportive housing.[1]

Building on the foundation established through the Housing Bond, Santa Clara County is now better positioned to accelerate solutions, expand deeply affordable and supportive housing, and respond more effectively to emerging needs. Continued leadership, investment, and partnership will be essential to ensure that the progress achieved so far translates into long-term stability for all residents.

[1] Destination: Home. *The 2020-2025 Community Plan to End Homelessness: 2024 Year-end Progress Report*. Available at: https://destinationhomesv.org/documents/2025/05/2024-year-end-progress-report.pdf/

Case Study 1: Leveraging Federal Resources

How Low-Income Housing Tax Credits worked with Santa Clara County's Housing Bond

Blossom Valley Senior Apartments, in San Jose. This complex has 147 affordable housing units designed for seniors that exceeds current state-wide energy efficiency requirements.

This case study discusses the support Low-income Housing Tax Credits (LIHTC) funding provided for the development of deeply affordable and supportive housing in Santa Clara County. The study examines the role LIHTC financing played in advancing the County's goals for their affordable housing bond from its passage in late 2016 through mid 2025.

Key Issues

- LIHTC, as affordable housing's largest and most common funding source, was critical to the successful and timely completion of Santa Clara County's Housing Bond projects.
- Competition for and delays in acquiring LIHTC funding introduced project risks and increased costs for Housing Bond projects.

Successes

- The County of Santa Clara's efforts to coordinate the LIHTC-project pipeline helped projects secure tax credits and minimize delays. Among Housing Bond-funded projects that received LIHTC, **every Housing Bond dollar leveraged more than two dollars in tax credits.**
- The County's funding helped projects compete for LIHTC. **Over 90 percent of the Housing Bond-funded projects also received a LIHTC award** , which was frequently a project's largest source of funds.

Takeaways for Bond Implementation

New local and regional bond initiatives can take into account the challenges of accessing LIHTC funding by:

- Strengthening pipeline coordination and alignment with state funding cycles, and
- Aligning underwriting and documentation requirements with state funding sources.

To address project funding needs given limited LIHTC availability, local governments can help fill gaps, through:

- Local funding awards, and
- Coordinating philanthropic dollars (for example, as was done through Destination Home's Supportive Housing Innovation Fund).

Local and state policymakers can advocate for changes to LIHTC and state programs, such as:

- Expanding LIHTC funding at the federal and state levels,
- Streamlining application processes across state funding sources,
- Simplifying LIHTC scoring criteria and prioritizing project cost-effectiveness, and
- Increasing direct federal and state funding to local governments that demonstrate commitment through local revenue measures.

Introduction

Santa Clara County's 2016 Measure A Affordable Housing Bond (Housing Bond) dedicated over $950 million in public funding to affordable housing development to be spent over approximately 10 years. The County prioritized deeply affordable and supportive housing projects to address the severe shortage of such units and reduce homelessness. In addition to Housing Bond funding, these projects required other sources of funding to close gaps in project financing. Low-income Housing Tax Credits (LIHTC) proved to be a critical financing source. As part of a mixed-methods evaluation of Santa Clara County's Housing Bond, we found that for projects funded between late 2016 and mid 2025:

- Over 90 percent of the Housing Bond-funded projects also received a LIHTC award, which was frequently a project's largest source of funds.
- Among Housing Bond-funded projects that received LIHTC, every Housing Bond dollar leveraged more than two dollars in tax credits.
- Competition for LIHTC funds posed significant challenges for developers in Santa Clara County, Housing Bond awards made projects more competitive .

This case study draws on data collected through 41 interviews with over 50 participants—developers, city and county staff, and other housing actors—that were conducted between August 2024 and April 2025.[25] We also reviewed key documents, including the California Qualified Allocation Plan, supporting documents, and award announcements. We synthesized findings from these sources to identify key themes. To complement the qualitative data analysis, we analyzed Housing Bond project profiles provided by the County of Santa Clara and data on LIHTC allocations collected by the Terner Center along with public LIHTC application and award data.[26]

We first discuss how LIHTC funding works in California and what support it provides for affordable and supportive housing development in Santa Clara County. Next, we present an analysis of how Housing Bond-Funded projects used LIHTC, including a discussion of funding successes and challenges. The final section discusses the path forward and implications for policy and practice.

The LIHTC Allocation Process

LIHTC is the largest federal funding source for affordable housing development across the US. The LIHTC program awards federal tax credits to private developers in exchange for developing units that are affordable for low-income households. These credits can be sold to investors, generating equity that helps fill the gap between high development costs and affordable rents. Most LIHTC projects are structured as a limited partnership between the general partner (i.e., the developer) and limited partner (i.e., the investor), who invests roughly between $0.85 and $0.95 for each dollar of tax credits.[27]

More projects seek tax credit funding than California can support with their limited resources. Two state agencies manage the distribution of LIHTC in California: the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC). These entities oversee how the state's per-capita LIHTC ceiling is allocated among competing projects. The state sets out rules for allocating credits in the Qualified Allocation Plan (QAP). The QAP allocates LIHTC through a system of

[25] These semi-structured interviews involved discussions on the role of LIHTC in project development and financing and helped us understand the challenges in funding deeply affordable and supportive housing development. Six of these interviews delved deeply into the allocation process and other LIHTC-specific topics.

[26] Carolina Reid and Tiffany Tran, "Reducing the Complexity in California's Affordable Housing Finance System," Terner Center for Housing Innovation, University of California, Berkeley, April 21, 2025, https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/. The Terner Center for Housing Innovation at U.C. Berkeley generously provided access to a database on LIHTC allocations that they compiled from the CTCAC website. In this analysis, we integrate Terner Center data from 2020-2023 and supplement with our own independent analysis of CTCAC application and award data.

[27] "LIHTC Equity Pricing Trends," Novogradac, accessed January 26, 2026, https://www.novoco.com/resource-centers/affordable-housing-tax-credits/lihtc-equity-pricing-trends. Tax credit pricing fluctuates with changes in market conditions, investor demand, and broader economic factors. Pricing was highest in early 2016 (over $1 per tax credit), then fell reaching about $0.85 in 2025.

set-asides[28] and geographic apportionments[29] and then ranks applications by a points-based scoring system. Within each set-aside or geographic apportionment, projects are scored on the QAP's point categories (e.g., affordability depth and targeting, resident services, site characteristics). Projects must meet minimum scores to be eligible and most projects receive the maximum point score, so developers structure projects to meet tiebreaker criteria to receive credits.[30]

Because the total amount of available tax credits is determined at the federal level on a per-capita basis—not calibrated to actual local development costs—California developers often contend with a mismatch between available credit volume and the actual cost of delivering affordable housing, particularly in high-cost areas or when developing projects affordable to the lowest-income households. Deeply affordable and supportive housing is particularly costly to operate due to the combination of very low rents and high operating costs.

The Two Forms of Low-Income Housing Tax Credits: 9 Percent and 4 Percent Credits

LIHTC comes in two forms that raise different amounts of equity. The 9 percent credit provides tax benefits over 10 years' worth roughly 70 percent of a project's eligible costs in today's dollars, while the 4 percent credit covers closer to 30 percent. Projects typically pair 4 percent credits with tax-exempt bonds to provide more project funding.

Four percent credits are often easier to get compared to 9 percent credits. Four percent credits are limited by the state's bond cap (in many states they are offered non-competitively), whereas 9 percent credits are limited by the amount awarded to states.[31] Due to high demand in California, 4 percent credits have been allocated competitively since 2021, and are valued for their capacity to support larger, more expensive projects.

Both 9 percent and 4 percent credits are administered at the state level in California by two allocating agencies and are sometimes supplemented by state tax credits that further boost project equity. State credits are also awarded on a competitive basis and are more limited than 4 or 9 percent credits.

Affordable housing projects throughout California frequently rely on multiple sources of financing, with Federal and State LIHTC funding comprising the largest sources.[32] Terner Center research shows that between 2020 and 2023, 92 percent of LIHTC-financed projects in California relied on at least one other public funding source, and 76 percent used two or more. [33] The fragmented financing landscape

[28] CTCAC sets aside portions of the federal credit ceiling for competing priorities—most prominently a 10 percent Nonprofit set-aside and a 20 percent Rural set-aside, plus smaller "At-Risk" and "Special Needs" set-asides and supplemental set-asides to manage overages.

[29] Geographic apportionments approximate percentages of the statewide credit ceiling for particular counties or regions.

[30] California Tax Credit Allocation Committee, "Program Overview," accessed August 29, 2025, https://www.treasurer.ca.gov/ctcac/program.pdf.

[31] "2025 Federal LIHTC Information by State," Novogradac, accessed January 26, 2026, https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2025-federal-lihtc-information-by-state. The federal government determines the amount of credits available (the ceiling) for each state based on state population. In 2025, that amount is $3 per capita. Novogradac estimates that in 2025, California will allocate a total of $116,895,579. Importantly, the credit ceiling does not take into account variation in development costs state-to-state so the dollars may go further in places with low development costs compared to places with higher development costs.

[32] California Housing Partnership, "Housing Needs Dashboard — State & Federal Funding: California," accessed August 29, 2025, https://chpc.net/housingneeds.

[33] Reid and Tran, "Reducing the Complexity in California's Affordable Housing Finance System."https://abtassoc.sharepoint.com/sites/31969MEASUREAEV

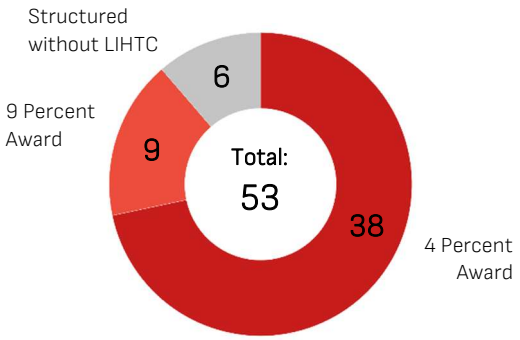
creates inefficiency. According to research from the Terner Center, every additional public funding source adds approximately four months on average to development timelines and over $20,000 to per-unit total development costs, though lead times vary by funding source.[34] Projects serving residents with special needs, including deeply affordable supportive housing, are more likely to require additional funding sources to achieve deeper subsidies needed for reduced rents.

LIHTC Funding in Housing Bond Projects

LIHTC was a primary funding source for Housing Bond projects

Nearly all Housing Bond-funded projects relied on LIHTC as a key component of project financing. [35] 47 out of 53 Housing Bond projects received tax credits.[36] Of the 47, only 9 received 9 percent credit and the rest (38) received 4 percent credits. **Tax credits were the most common source of financing for Bond-funded projects and also the principal component (approximately 40 percent) of their capital stack**.

Figure 1: Housing Bond Projects by LIHTC allocation status

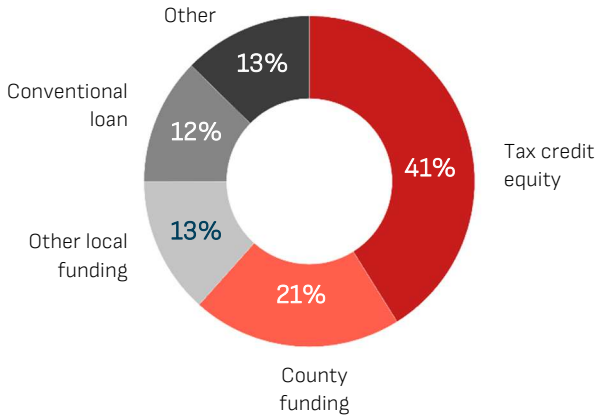


Source: Santa Clara County Housing Bond Project Data

Housing Bond and LIHTC awards went hand in hand

Interviewees consistently emphasized that LIHTC and Housing Bond were the two biggest funding sources for their projects. An analysis of Housing Bond project data shows that combined, **LIHTC and the Housing Bond funding comprised an average of 62 percent of the total capital stack**. Without substantial local funding like the Housing Bond, LIHTC alone was insufficient to fund deeply affordable projects with significant operating subsidy needs and vice versa. Overall, **every dollar of Measure A funding leveraged $2.01 dollars in tax credit financing.**

Figure 2: Average Capital Stack for LIHTC-funded Housing Bond projects



Source: Santa Clara County Housing Bond Project Data

ALMeasureAEval/Shared Documents/General/04_Reports/Case Study 1 LIHTC/ Carolina Reid,

[34] Reid and Tran, "Reducing the Complexity in California's Affordable Housing Finance System."

[35] Only six projects did not use tax credit equity. One of these projects received a state Housing Accelerator Program award to replace LIHTC funding. The remaining five of these projects were able to close financing gaps due to comparatively minimal construction need. Of these five projects, four projects were hotel or motel conversions, and one project was a rehabilitation of an existing affordable housing development.

[36] The total of 53 Housing Bond-funded projects does not include the 7 projects that have received funding commitments from the County of Santa Clara but await LIHTC awards.

"Almost all the projects right now rely on tax credits. What's gotten hard is it's become more and more competitive to get 4 percent [credits] over the years. The program's oversubscribed so we've got a lot of projects that apply multiple times to get tax credits and don't get them."

— Nonprofit housing organization

Bond-funded projects with tax credits also relied on other financing: 94 percent of projects used conventional loans; 81 percent received other local funding; and 30 percent received state funding. **Seventy-two percent of projects that received Housing-Bond funding combined more than 5 different sources of financing**.

Projects typically secured Measure A commitments first, which strengthened their applications for subsequent California Department of Housing and Community Development (HCD) funding and LIHTC awards. This sequencing improved projects' chances of success as early public funding commitments serve as a tiebreaker in the state's Qualified Allocation Plan (QAP).

"Most developers in the last few years have just been sort of using Measure A as their anchor and sort of saying, 'We're going to do Measure A, and then we're going to fill in all the rest after that' because that was usually the biggest chunk outside of tax credits. "

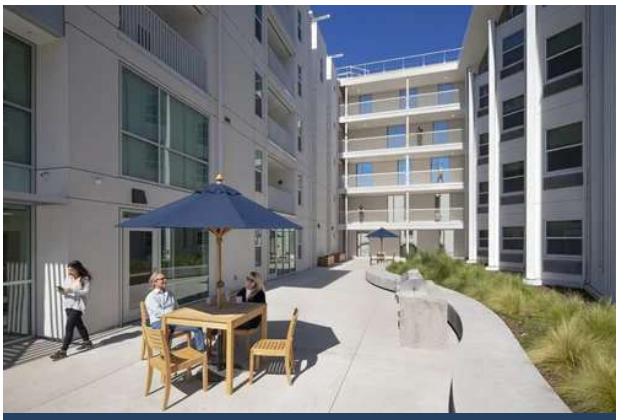
— County staff from Santa Clara

Developers structured projects to maximize funding potential

The QAP scoring creates both opportunities and challenges for Santa Clara County's Housing Bond-funded projects. The QAP includes dedicated set-asides for permanent supportive housing (PSH) that align well with the priorities the County of Santa Clara set for their Housing Bond. All Housing Bond projects with LIHTC funding serve households with incomes under 80 percent of area median income. Over 80 percent of the units in these projects serve extremely low income (ELI) and very low income (VLI) households.[37] These units include approximately 1,800 PSH units.

The County of Santa Clara has optimized different streams of funding available through the QAP: set-asides for special needs and nonprofit organizations addressing homelessness and also point preference for projects with a greater share of ELI and VLI units. Another advantage that the Housing Bond financing provided is that the presence of other public funding, like local housing bonds, is used to resolve scoring ties.

The County of Santa Clara intentionally structured its Housing Bond funding process to avoid the challenges inherent to the state's competitive, score-based LIHTC process. The county implemented a non-competitive approach that prioritized alignment with local goals.

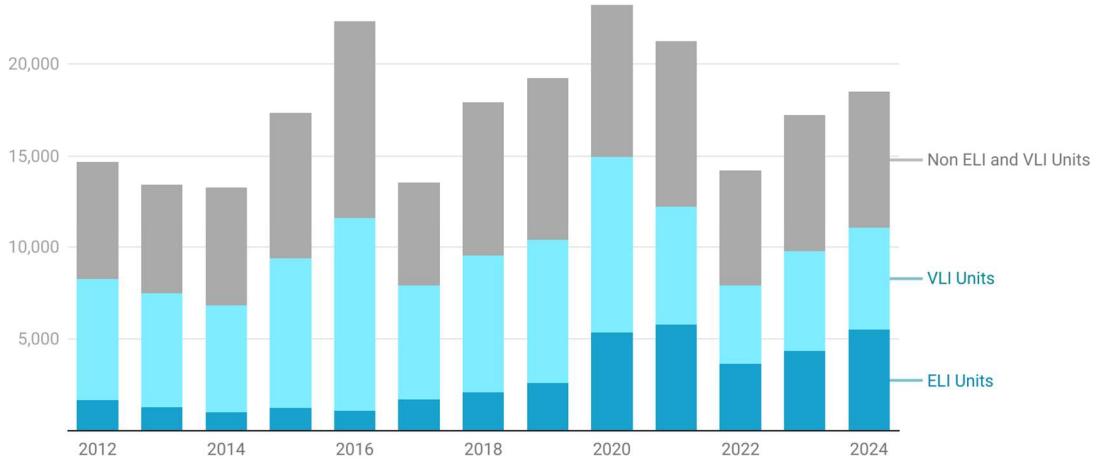


Iamesi Village, in San Jose, has 135 affordable units including 60 permanent supportive housing units and 49 units designated for homeless veterans.

[37] "Income Limits," California Department of Housing and Community Development, State of California, accessed August 29, 2025, https://www.hcd.ca.gov/funding/income-limits. The U.S. Department of Housing and Urban Development (HUD) defines ELI as 15 to 30 percent of AMI and VLI as 30 to 50 percent of AMI. The State of California uses HUD income limits for federal LIHTC allocations, state funding, and local initiatives.

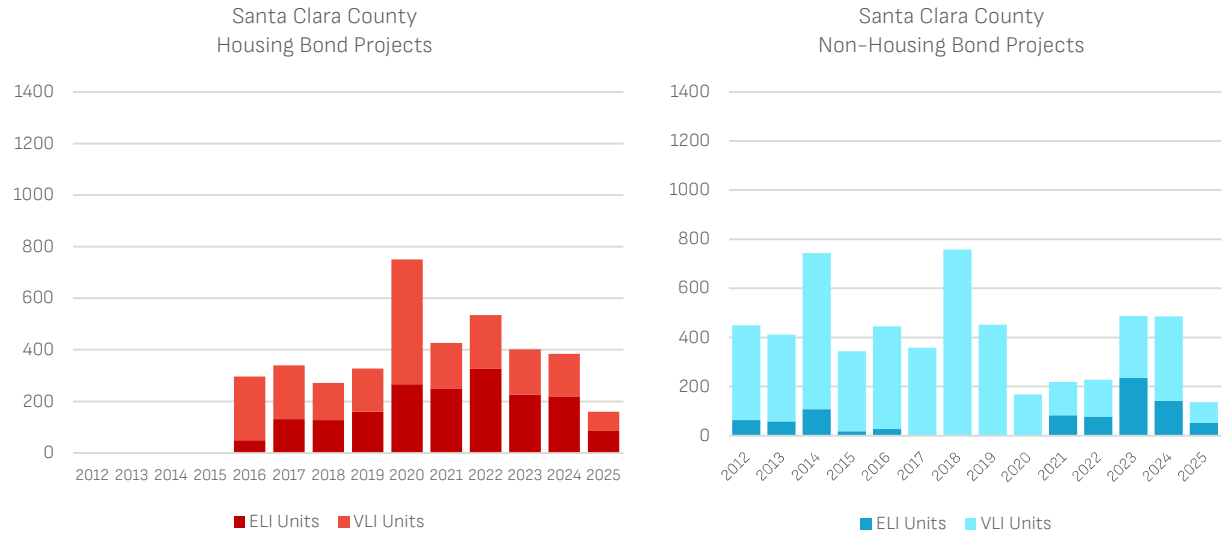
While LIHTC projects across the state served relatively few ELI households until 2021, Santa Clara County's Housing Bond supported a significant influx in units serving ELI and VLI households following the passage of the Bond in 2016 (see Figure 3). Among the LIHTC-funded affordable housing projects in Santa Clara County, Bond-funded projects had a significantly higher average of ELI and VLI units. Between 2016 and 2024, approximately 46% of non-Bond-funded units in Santa Clara County served ELI and VLI households, compared with 84% of units in Bond-funded projects (see Figure 4).[38]

Figure 3: ELI and VLI units in LIHTC-funded projects developed in California (2012-2024)



Source: CTCAC award data

Figure 4: ELI and VLI units in LIHTC-funded projects developed in Santa Clara County (2012-2024)



Source: CTCAC award data

[38] The proportions of ELI and VLI units is based on an analysis of CTCAC award data, that in limited instances is incomplete. The real proportion of ELI and VLI units may be higher or lower than the percentages listed.

Factors that influence Bond implementation and housing development

While including deeply affordable and supportive housing may have boosted scores, developers experienced challenges in other scoring categories. The QAP prioritizes developments located in "high opportunity areas" by providing a 30 percent scoring boost to projects located in high-resource areas. Projects located outside these zones did not receive the scoring boost. Interviewees revealed this created a significant challenge due to high land costs in opportunity areas. Projects located within the zones used Housing Bond funds to subsidize higher land costs. While this strategy improved competitiveness for tax credits, it also increased per-unit costs, potentially reducing the overall number of units produced.

The intensely competitive LIHTC environment has pushed developers to pursue increasingly innovative strategies to maximize their application scores and secure funding. These tactics include bond recycling to boost competitiveness and leveraging property tax exemptions.

Additionally, developers strategically designed projects from the outset to accommodate multiple potential state funding sources—including Affordable Housing and Sustainable Communities (AHSC), Multifamily Housing Program (MHP), Infill Infrastructure Grant (IIG), and Veterans Housing and Homelessness Prevention (VHHP) programs—ensuring maximum flexibility to pivot between funding opportunities.

Coordinated pipeline management efforts helped

CTCAC has long used geographic apportionment criteria for wider distribution of tax credits across the state. In counties with high housing demand, this often means that projects from the same county compete with each other. In addition to providing project financing, County of Santa Clara staff helped coordinate with developers to prioritize the projects that were best positioned and ready to apply for tax credits each year. This managed pipeline approach proved successful in coordinating LIHTC applications and reducing competition among local projects.

> **"It wasn't mandatory, but it was coordinated. And it largely worked. I mean, largely most of the projects that were kind of pushed through by the county were funded the first year of the first round that they were available to fund with tax credits. And largely that's because the competition was kind of juggled little bit to have kind of a managed pipeline because the state tax credit competition is very competitive and if you have everybody all applying at the same time, a lot of people are not going to get in."**
>
> **— Santa Clara County housing developer**

Reliance on LIHTC delayed projects and added risk

Developer interviews highlighted how overreliance on LIHTC exposes projects to substantial risk and volatility. Developers face risk due to unpredictable award timelines and opaque competition processes at the state level, macroeconomic and policy shifts like 2017 tax cuts that disincentivized investor interest in tax-credits, COVID-related construction material shortages, and post-COVID high interest rates.[39] With slim developer margins, these uncertainties can drive up project costs significantly.

> **"The tax credit financing process in particular, adds a lot to the cost of development because of the uncertainty and the escalations that occur as a result of that uncertainty."**
>
> **— Nonprofit housing organization**

The extended timeline required to secure LIHTC funding created significant financial strain on affordable housing developers. As of August 2025, 12 percent of Housing Bond projects that indicated they would pursue LIHTC funding are still waiting to receive

[39] Corianne Payton Scally et al., "How the Tax Cuts and Jobs Act Puts Affordable Housing Production at Risk," Urban Institute, July 12, 2018, https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk. The Tax Cuts and Jobs Act (2017) reduced the corporate tax rate to 21 percent, reducing financial incentives for many LIHTC investors to buy tax credits.

LIHTC awards.[40] **Among the projects that have received LIHTC awards, nearly 30 percent of projects applied in multiple cycles**, incurring significant carrying costs for developers.[41] For these projects, the average time between entitlement and start of construction spanned two years.

"So you have all these affordable housing developers, they're interested. They trust they have good partnerships with the county and everybody else, but if they can't get-- if they keep applying to 9 percent tax credits and keep getting rejected, how long are they going to be able to carry that project?"

— Local government staff

This timeline uncertainty forces developers to maintain expensive acquisition loans and predevelopment financing for extended periods. As a result, projects can accumulate millions in carrying costs before securing the tax credit funding necessary to move forward with construction. The County of Santa Clara has helped reduce carrying costs in these situations by being flexible and providing low-cost acquisition and predevelopment loans.

Project Example

Community Development Partners purchased a 1-acre development site in San Jose for $6.5 million in 2022 to build their 525 North Capitol Avenue project using Housing Bond dollars.[42]

As specific project financing details are not publicly available for this project, to estimate annual carrying costs, this analysis assumes a 75 percent loan to value (LTV) ratio and 7 percent interest rate for the acquisition loan.[43] Given these assumptions, the project would have an acquisition loan of $4.88 million, with an annual basic debt service of $$341,250.

This cost is in addition to substantial costs likely incurred in legal fees, staff costs, insurance, security and maintenance, among other costs.

[40] This statistic is based on a comparison of project data provided by the County of Santa Clara and CTCAC application and award data. This analysis revealed that as of August 2025, some of these projects have not yet applied for LIHTC, while others applied unsuccessfully and have yet to reapply.

[41] This figure is based on an analysis of LIHTC project data supplied by the Terner Center and supplemented with an analysis of the original data from CTCAC. Housing Bond funded projects were identified in CTCAC published lists of applications and awards. CTCAC data is incomplete, in some instances, and the actual proportion may be lower or higher than listed.

[42] George Avalos, "San Jose affordable housing project gets boost from construction funds," Silicon Valley News, July 29, 2025, https://www.siliconvalley.com/2025/07/24/san-jose-house-build-develop-property-economy-afford-real-estate-home/.

[43] Federal banking regulations establish LTV limits ranging from 65% for land to 85 percent for commercial and multifamily properties, this analysis assumes a 75% LTV ratio for the affordable housing land acquisition loan. The 7 percent interest rate assumption is based on developer interviews, though not in reference to the 525 North Capitol project.

Implications for Policy and Practice

To continue to meet the need for deeply affordable and supportive housing amidst the increasingly competitive LIHTC environment in Santa Clara County, local and state policymakers may consider an approach that addresses the structural barriers identified in our interviews. Our research identified the following general recommendations.

Strengthen pipeline coordination and alignment with state funding cycles

The success of the County's managed pipeline approach in securing first-round LIHTC awards for coordinated projects demonstrates the value of strategic coordination. Future local funding initiatives could formalize and expand this approach. Both in Santa Clara County and elsewhere, local governments may consider developing a comprehensive pipeline management framework that aligns local funding timelines with LIHTC application cycles, mitigating the timing misalignments that create unnecessary project delays. This coordinated approach could include strategic application sequencing to minimize internal competition within CTCAC's geographic apportionment rules. This approach may also reduce repeat LIHTC applications that financially strain developers and help ensure that local investments translate into more cost-effective housing development.

Address project funding needs given limited LIHTC availability

The competitive pressures in the LIHTC system have created an unsustainable environment where viable projects accumulate carrying costs while waiting for awards. While local funding does not have the scale of LIHTC, local funds can help. Localities can provide larger awards, such that projects could move forward without tax credits. Making larger awards requires tradeoffs, localities may need to support fewer projects or source additional resources. Local funds can also anchor projects before they enter the state funding arena, by providing bigger commitments thereby allowing projects to request smaller LIHTC awards or provide acquisition and predevelopment funds to reduce the risks project face while waiting for tax credits. Local governments can also consider coordinating additional sources of funding, like the Supportive Housing Innovation Fund, that directs philanthropic dollars to support predevelopment.

To implement this strategy effectively, local governments may consider collecting and analyzing data to quantify how LIHTC bottlenecks impact local housing production and to assess the financial risks associated with different funding approaches. This risk assessment framework can incorporate emerging cost pressures such as rising insurance premiums that further strain project budgets and can inform bond allocation decisions to ensure local resources are deployed effectively.

Align local underwriting standards and documentation requirements

In addition to aligning application timelines with CTCAC and HCD, the County of Santa Clara and other local governments may also consider aligning local underwriting standards with state funding requirements to reduce complexity and streamline the development process. Developer interviews revealed that navigating different documentation requirements across multiple funding sources creates significant administrative burden and extends predevelopment timelines. Developers noted that when local programs require different compliance frameworks than state agencies, they must invest additional time and resources in customizing applications and managing varying reporting requirements throughout the project lifecycle. Aligning local underwriting standards could further reduce project timelines and cost.

Invest in workforce capacity to support expanded production goals

While interviewees consistently named funding as the primary constraint in affordable housing production, some noted that an additional challenge is the construction workforce capacity to deliver projects efficiently and cost-effectively. As one interviewee noted, increased funding (from local sources like the Housing Bond or even LIHTC) without corresponding increases in skilled labor simply drives up costs rather than producing more units. Local and state policymakers may consider strengthening and expanding efforts to build the labor force and capacity of contractors and developers.

Advocate for state housing policy reforms

Additionally, advocacy efforts can help encourage decisionmakers to expand the pool of available tax credits, recognizing that current competition levels force too many viable projects to stall, accumulating costs. Advocacy for unified and streamlined application processes across state funding sources (LIHTC and HCD), simplified scoring criteria focused on core priorities rather than complex point systems and increased direct federal and state funding to local governments that demonstrate commitment through local revenue measures can be effective for a broad policy shift. Developer interviews also reflected an interest in changing specific LIHTC rules to improve access to 4 percent credits.[44]

Conclusion

Coordinating and securing sufficient LIHTC funding proved critical to achieving the goals the County of Santa Clara set for their Housing Bond. While the Housing Bond funding helped boost developer competitiveness for LIHTC allocations, Bond funding was not sufficient to replace LIHTC, nor ensure that funded projects win allocations on first try. The developer community, local governments, and other housing actors have made notable efforts to reduce reliance on LIHTC, but LIHTC's centrality to the success of Santa Clara County's Housing Bond demonstrates the importance of expanding the pool of available credits and working with projects to maximize their chances of securing tax credit financing.

As local governments consider implementing new bond measures, local funding must be paired with a plan to ensure LIHTC availability for the most efficient and effective use of public dollars.

[44] Interviewees noted an interest in state advocacy to amend LIHTC rules by changing the 50 percent test to 25 percent test for 4 percent credits. As of August 2025, these changes have begun to take effect in California. For more, see Novogradac.

References

Avalos, George. "San Jose affordable housing project gets boost from construction funds." Silicon Valley News, July 29, 2025. https://www.siliconvalley.com/2025/07/24/san-jose-house-build-develop-property-economy-afford-real-estate-home/.

California Housing Partnership. "Housing Needs Dashboard — State & Federal Funding: California." Accessed August 29, 2025. https://chpc.net/housingneeds/.

California Tax Credit Allocation Committee. "History." Accessed August 29, 2025. https://www.treasurer.ca.gov/ctcac/history.asp.

California Tax Credit Allocation Committee. "Program Overview." Accessed August 29, 2025. https://www.treasurer.ca.gov/ctcac/program.pdf.

Novogradac. "LIHTC Equity Pricing Trends." Accessed January 26, 2026. https://www.novoco.com/resource-centers/affordable-housing-tax-credits/lihtc-equity-pricing-trends.

Novogradac. "2025 Federal LIHTC Information by State." Accessed January 26, 2026. https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2025-federal-lihtc-information-by-state.

Reid, Carolina, and Tiffany Tran. "Reducing the Complexity in California's Affordable Housing Finance System." Terner Center for Housing Innovation, University of California, Berkeley, April 21, 2025. https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/.

Scally, Corianne Payton, Amanda Gold, and Nicole DuBois. "How the Tax Cuts and Jobs Act puts affordable housing production at risk." Urban Institute, July 12, 2018. https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk.

State of California. "Income Limits." California Department of Housing and Community Development. Accessed August 29, 2025. https://www.hcd.ca.gov/funding/income-limits.

U.S. Office of the Comptroller of the Currency. "Commercial Real Estate Lending: Comptroller's Handbook, Version 2.0." U.S. Department of the Treasury, March 2022. https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-real-estate-lending/pub-ch-commercial-real-estate.pdf.

Project photos from: Completed projects | Office of Supportive Housing | County of Santa Clara

Case Study 2: Laying the groundwork

The Supportive Housing Innovation Fund (SHIF) in Santa Clara County

Calabazas Community Apartments, in Santa Clara. This complex has 145 units, 80 units are designated for permanent supportive housing.

This case study examines the role of the Supportive Housing Innovation Fund in advancing Santa Clara County's goals for their affordable housing bond. The case study discusses the importance of predevelopment funding and support in helping to build developer capacity and a pipeline of deeply affordable and supportive housing projects.

Introduction

Santa Clara County's 2016 Housing Bond (Housing Bond) dedicated over $950 million in public funding for affordable housing development. The County prioritized deeply affordable and supportive housing projects to address the severe shortage of such units and reduce homelessness.[45] To prepare a pipeline of projects that could use Housing Bond funds, developers needed early-stage resources to build their capacity and fund *predevelopment activities* for potential projects. While there were several public sources of predevelopment funding available; these resources were limited and had different goals and priorities than the Housing Bond. As part of a mixed-methods evaluation of Santa Clara County's Housing Bond, we found that the Supportive Housing Innovation Fund (SHIF) operated by Destination: Home was a key source of predevelopment funding and support for Housing Bond projects.

This case study contributes to the overall evaluation by focusing on the predevelopment needs of deeply affordable and supportive housing projects and discusses 1) the role of and need for a dedicated and consolidated source of predevelopment funding in affordable housing development, and 2) how SHIF worked to advance Housing Bond's supportive housing goals. This case study draws on data collected through 42 interviews with over 50 participants—developers, city and county staff, and other housing actors—that were conducted between August 2024 and April 2025[46] and a review of key documents, including program guidelines and updates, annual reports, plans, award announcements, spending reports, internal memos, and meeting minutes. We synthesized findings from these sources of data to identify key themes.

> ***Predevelopment*** **refers to a phase of preparation prior to a construction begins. It involves tasks such as site selection, land acquisition, financial planning, feasibility studies, and regulatory approvals.**

[45] Permanent Supportive Housing (PSH) is a long-term housing solution that pairs affordable rental units with supportive services such as case management and health care to typically service individuals experiencing chronic homelessness. Extremely Low-Income (ELI) housing is affordable to households earning less than 30 percent Area Median Income.

[46] Of these interviews, 11 focused specifically on predevelopment financing and support offered through SHIF. These semi-structured interviews involved discussions on the progress made through the Housing Bond and SHIF, and helped understand how SHIF helped address some of the predevelopment-related barriers to affordable and supportive housing development

Figure 1: Illustrative Example of Predevelopment Activities

We first discuss the challenges faced by the developers in the predevelopment stage that shape feasibility, risks, costs, and timeline for developing deeply affordable housing in Santa Clara County. Next, we present a timeline of the predevelopment initiatives that were adopted in Santa Clara County to support Housing Bond projects. Then, we outline the approaches and key goals of SHIF and present findings on SHIF's contributions. The final section discusses the path forward and recommendations for future predevelopment support initiatives.

Predevelopment Challenges

Multifamily affordable housing projects go through multiple stages of development. The process starts with activities that help envision the potential project, collectively known as *predevelopment,* which include identifying land, securing financing, and obtaining entitlements,[47] permits, and approvals (see Figure 1). Following the predevelopment stage, projects go through construction, lease-up, and finally, occupancy. The predevelopment period is the most critical and often the longest phase of a project taking an average of 15 months and ranging up to 60 months (5 years) depending on the complexity of the project (factors such as size, type, number of funding sources), and location.[48]

Production costs of multifamily housing in California rank the highest in the country, with long production timelines and delays in the predevelopment phase.[49] Within California, housing production costs in the Bay Area and Santa Clara County are among the highest due to high land costs and labor rates.[50]

Government officials and housing advocates interviewed for this study stated that most developers lacked experience developing deeply affordable and supportive housing projects before the Housing Bond and that it was a challenge to encourage developers to experiment to make such projects "pencil out". Some of the most common challenges they faced in adapting to develop deeply affordable and supportive housing projects include:

- Fixed costs like land, labor, and materials are extraordinarily high in Northern California, and, since deeply affordable and supportive housing projects charge below-market rate rents, developers cannot absorb high development costs through rental income. As a result, deeply affordable supportive housing projects often rely on multiple funding sources. Developers must assemble funding from multiple public and private sources, which requires them to navigate dynamic public-private relationships and compete with other projects for limited resources.
- Deeply affordable and supportive housing projects include unique programs and services. Designing for these services and adhering to the requirements of programs that are provided to these populations adds complexity to the project planning process and requires a high degree of technical skills, knowledge, and connections from the developer. Developers needed to hire and train staff to design and build these units.

[47] Entitlements are the legal approvals needed from government agencies before a project can move forward.
[48] Chris Cunningham and Anthony W. Orlando, "How Long Does It Take to Build Multifamily Housing?," Policy Hub (Federal Reserve Bank of Atlanta, June 2024), https://www.atlantafed.org/-/media/documents/research/publications/policy-hub/2024/06/18/04--how-long-does-it-take-to-build-multifamily-housing.pdf.
[49] Jason M. Ward and Luke Schlake, "The High Cost of Producing Multifamily Housing in California" (RAND, April 2, 2025), https://www.rand.org/pubs/research_reports/RRA3743-1.html.
[50] Ward and Schlake; Terner Center, "Low-Income Housing Tax Credit Construction Costs: An Analysis of Prevailing Wages" (University of California Berkeley, August 2, 2024), https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf.

These constraints also introduce uncertainty raising project risk.

- Opposition from local communities and elected officials can delay funding and approvals and prevent projects from moving forward. Developers must overcome administrative hurdles and political dynamics, which can be more challenging for deeply affordable and supportive housing projects.

Kifer Senior Apartments, in Santa Clara. This complex has 80 units designated for affordable and supportive housing.

Predevelopment Initiatives in Santa Clara

Early initiatives

In 2014-15, Santa Clara County launched several interrelated initiatives to address rising homelessness, culminating in a coordinated regional approach that prioritized deeply affordable and supportive housing. The Santa Clara County Homelessness Task Force, convened by four core partners: Santa Clara County Office of Supportive Housing, City of San Jose Housing Department, Destination: Home, and the Santa Clara County Housing Authority, collaborated to develop the 2015-2020 Community Plan to End Homelessness (Community Plan).[51]

The coordinated effort of the Community Plan laid the groundwork for Santa Clara County's goal to accelerate deeply affordable and supportive housing development. The County allocated a small one-time funding in 2015 through the Supportive Housing Fund (SHF) in partnership with Housing Trust Silicon Valley (HTSV) to encourage developers to "proactively and deliberately design" dedicated supportive housing projects.[52] Until 2015, the County received few proposals for supportive housing projects. Most proposals were for affordable housing that added supportive housing units late in the process, limiting the County's ability to influence project design and specifications. This left little room for local providers such as the Santa Clara Valley Health and Hospital System (SCVHHS) to scale up service provision. With a $5 million dollar seed funding from the County and another $5 million sourced by HTSV from non-public sources, SHF offered short term revolving loans that covered early-phase predevelopment activities (such as site acquisition, entitlements, and initial design work) that traditional lenders would not fund. It prioritized projects serving those exiting homelessness and offered low-interest loans to mission-aligned developers who lacked upfront capital.

Given the small size of SHF, only a few projects could use SHF's direct support; with the initial $10 million SHF supported five projects. However, developers leveraged SHF funding to get support from other sources. In 2016, as the County prepared to introduce the Housing Bond on the ballot, it announced a $48 million capital funding opportunity for financing supportive housing through a joint partnership with the City of San Jose, the Santa Clara County Housing Authority, and the Housing Authority of the City of San Jose. The early supportive housing projects funded through SHF, and the 2016 joint funding announcement revealed that many mission-aligned developers, particularly nonprofits, lacked access to early-stage predevelopment funds and that there was a greater need for acquisition funding to kick start projects. As the County geared up to issue the first round of Housing Bond investments in 2017, it applied lessons learned from these experiences and added an

[51] County of Santa Clara, "Community Plan to End Homelessness," accessed May 1, 2025, https://osh.santaclaracounty.gov/solutions-homelessness/community-plan-end-homelessness.

[52] Santa Clara County, "Board of Supervisors Meeting: Agreements with the Housing Trust of Silicon Valley" (County of Santa Clara and Santa Clara Valley Health & Hospital System Mental Health Services, June 9, 2015).

additional $11.9 million to SHF to expand the predevelopment support available for Housing Bond projects.

SHF filled a critical gap, expediting project readiness and jumpstarting nearly 1,500 supportive housing units.[53] It was designed to support the goals of the Community Plan by "priming the pump" and accelerating supportive housing projects headed towards additional Housing Bond funding.[54] However, as early as May 2017, the County realized that SHF support was not enough on its own. SHF loans were constrained by the appraised value of the land and did not provide developers sufficient support to undertake all the necessary predevelopment activities such as architectural fees for a site plan. It also required developers to "demonstrate site control"—which means developers needed proof to show they already had "an enforceable right to use a parcel of land" in the form of some agreement or lease.[55]

The first Housing Bond funding announcement Santa Clara County released in fall 2017 also provided capital for various predevelopment activities, site acquisition with or without rehabilitation, construction or rehabilitation, and permanent financing. However, similar to SHF, it required developers to have moved further along in the site identification and acquisition process. These early experiences pointed out the need for more flexible predevelopment support for Housing Bond projects.

SHIF background

To provide additional funding and meet the need for predevelopment financing more comprehensively, Destination: Home and its partners established the Supportive Housing Innovation Fund (SHIF) in 2018. SHIF expanded on the foundational work of SHF, building on the early investments by introducing more flexible capital and scaling predevelopment strategies.

Cisco seeded SHIF with a $50 million investment in 2018.

2015	**June:** County establishes Supportive Housing Fund in partnership with Housing Trust Silicon Valley **Dec:** Santa Clara County Board of Supervisors formally adopts Community Plan to End Homelessness
2016	**July:** Santa Clara County, City of San Jose, and their Public Housing Authorities issue a joint Request for Proposals for PSH and deeply affordable housing **Nov:** Voters approve Measure A
2017	**April:** County expands the Supportive Housing Fund **Fall 2017:** County issues first Measure A NOFA
2018	Supportive Housing Investment Fund launched
2019	Supportive Housing Investment Fund expanded
2020	Supportive Housing Investment Fund invests in the regional Community Housing Fund

The fund expanded after Apple provided an additional $50 million in 2019. Destination: Home, whose board is comprised of experts from public, private, philanthropy, and with lived experience of homelessness, guided SHIF funding approvals and managed the fund. SHIF provided multi-stage predevelopment support, working with different actors involved in the process.

SHIF facilitated acquisition and predevelopment loans with zero interest and very low interest for 33 deeply affordable and supportive housing developments that created 3,300 units, nearly two-thirds of the 5,200 affordable units targeted by Housing Bond. SHIF also distributed grants and flexible capital to eight nonprofit developers. With technical assistance and

[53] Housing Trust Silicon Valley, "Supportive Housing Fund," accessed May 1, 2025, https://housingtrustsv.org/programs/developer-funding/supportive-housing-fund/.
[54] Housing Trust Silicon Valley, "Supportive Housing Fund (SHF) Program Guidelines," October 1, 2017, https://housingtrustsv.org/wp-content/uploads/2019/11/Supportive-Housing-Fund-Guidelines.pdf.
[55] Office of Supportive Housing, "Measure A Affordable Housing Bond Implementation Report #2" (County of Santa Clara, Office of the County Executive, and Office of Supportive Housing, May 9, 2017), https://siliconvalleyathome.org/wp-content/uploads/2017/03/Housing-Bond-Implementation-Report-No.-2-BOS-5.9.17.pdf.

tailored capital structures, SHIF used a three-tiered model to provide targeted support for developers. First, it offered **grants and technical assistance to small and midsized developers** new to this work, helping them hire project managers, financial experts, and support service coordinators. By filling staffing gaps, developers were able to scale their operations quickly and get their pipeline of projects in motion. For this first tier, SHIF also gave very low interest capital for predevelopment and acquisition loans and opportunities, and revolving lines of credit. Those we interviewed explained that SHIF funds helped mitigate financial risks early in the process by enabling developers to perform crucial due diligence work. Developers conducted feasibility studies for potential projects, which included a compliance review of regulations and standards, technical studies, the creation of architectural drawings, and specialized design work specific to deeply affordable and supportive housing projects.

Second, it created a **flexible capital pool for more experienced developers** with strong pipelines to fund early-stage predevelopment activities that were critical to ensuring the viability of their projects. These flexible funds enabled developers to initiate projects without the delays typically associated with traditional funding sources.

And lastly, SHIF **supported for-profit developers** who needed help aligning with system goals and forming partnerships. For this third group, SHIF created a unique lending structure to support developers, charging no more than two percent interest and, in some cases, providing zero-interest credit. Developers then consolidated their low-interest SHIF loans into their long-term Housing Bond loans. This resulted in long-term financial feasibility for many projects.

SHIF also provided capacity building grants to the City of Morgan Hill, Campbell, Mountain View, and San Jose.[56] The funds established a dedicated planner in the City of San Jose to supplement the City's capacity in streamlining approvals and accelerating production. SHIF provided $540,000 in 2021 and $180,000 in 2024 to create and support the new position. Capacity-building grants were also offered to the cities of Mountain View and Morgan Hill to enhance their homelessness response efforts. In Mountain View, funds supported the hiring of a Human Services Manager, the development of a Homelessness Response Strategy, and the launch of housing-focused pilot programs such as Elevate MV Guaranteed Basic Income. The grant also enhanced public awareness, communication strategies, and continued critical housing services through local providers like the Community Services Agency. In Morgan Hill, funding established a housing and homelessness specialist position to provide direct case management and work directly with people with lived experience.

SHIF also invested $5 million into the Community Housing Fund (CHF),[57] reinforcing its commitment to sustaining and expanding Santa Clara County's supportive housing pipeline. CHF provided flexible capital that developers used to secure land and complete predevelopment work, key steps that positioned them to apply for and receive Housing Bond financing. Thirty percent of CHF investments are specifically allocated for Santa Clara County, recognizing the strong pipeline of projects in the County. CHF ensures developers in Santa Clara County can continue to move their pipeline forward, even after SHIF funds are fully deployed.

Agrihood Senior Community, in Santa Clara. This complex has 163 affordable housing units designed for seniors with an urban farm and surrounding open space as central concepts.

[56] "Supportive Housing & Innovation Fund," Destination: Home, accessed May 1, 2025, https://destinationhomesv.org/funding-impactful-strategies/supportive-housing-innovation-fund/.

[57] CHF is a $150 million regional loan fund administered by the Partners for the Bay's Future.

Key Contributions of SHIF

Developers, government staff, and other housing actors we interviewed explained that SHIF played a critical role in the success of Housing Bond by identifying and addressing gaps and supporting those involved in the development process. The following are some of the key contributions of SHIF that our research identified.

Solaire Apartments, in San Jose, has 130 apartment units. Half of the apartments are reserved as permanent supportive housing.

SHIF helped strengthen local developer capacity

At the start of the Housing Bond, there were few developers in Santa Clara who had the necessary experience and capacity to begin developing deeply affordable and supportive housing projects but by June 2024, 20 different organizations had or were in the process of developing a project using Housing Bond funds. SHIF helped spur this growth by working with existing developers in the county and bringing in experienced developers.

SHIF supported a small group of small- and mid-sized local developers to expand their operations in Santa Clara County. Some existing developers had approved projects under the Housing Bond but needed additional capital to speed up the predevelopment activities for their approved projects and wanted to expand their staff capacity to put together new project proposals. Another set of organizations needed support to expand their business operations into new areas; some were service providers looking to add a development arm to their business model, and some were affordable housing developers who were interested in supportive housing development. SHIF supported project-related activities and capacity-building. Developers said that such capacity-building grants were "very unique" and helped them create long-term institutional capacity.

The flexible, low-interest loans SHIF offered for predevelopment activities did not impose cumbersome restrictions, which allowed developers to tailor their projects to Housing Bond requirements while responding quickly to emerging opportunities. Developers explained that other public funding sources, largely City-administered opportunities, were limited in the types of predevelopment activities they supported and that their requirements did not necessarily align with Housing Bond guidelines. However, the guidelines for SHIF support and County bond funding were closely aligned, giving developers confidence that they would secure bond funding if they met SHIF's programmatic guidelines.

By supporting predevelopment activities early on, SHIF gave developers the confidence to pursue innovative supportive housing projects despite uncertain timelines and high initial costs. Developers explained that the availability of funding from local, state, and federal sources changed frequently and that competition was tight for these funds. Sometimes securing funds meant applying for several rounds over multiple years. SHIF support helped developers weather challenges and delays in receiving funding from other sources.

"Simply put, without these predevelopment sources, affordable housing developers would not be able to create a robust pipeline of new projects." — Developer

SHIF provided a level of certainty in an otherwise high-risk environment; a definite boon for nascent developer firms. In turn, it also improved certainty for the County about the upcoming pipeline of projects. As one developer aptly put it, SHIF helped developers "[leverage] more money, [using] less sources, [and created] more certainty."

SHIF helped create a pipeline of deeply affordable and supportive housing project proposals by providing acquisition funding

Developers explained that high land costs in Santa Clara County made it challenging to find and acquire land for potential projects. As one non-profit developer explained, "the combination of having to build at risk and pay for land plus pay for all your predevelopment were big asks from nonprofits." High

land costs in Santa Clara forced some new and small-scale developers to liquidate their assets to acquire land before securing investor finance. This introduced high risk, especially during COVID, when some Housing Bond developers faced insolvency, and prompted the County to play a more involved role in land acquisitions. Those we interviewed explained that, although the County, Santa Clara County Housing Authority, and cities in Santa Clara County did what they could to acquire land proactively, public land acquisition capacity has been severely hampered since the dissolution of local redevelopment agencies in California in 2012.[58] Even as public agencies created opportunities for Housing Bond projects by acquiring and dedicating public land, developers also needed to acquire land privately to create the necessary pipeline of Housing Bond projects.

"Without there being local money, you're not going to see a whole lot of developers going out there and tying up land because we don't know how we'll pay for it. We lost redevelopment agencies, they used to play that role where they would get projects started, they would secure land." — Developer

SHIF identified four large-scale developers who had received initial Housing Bond allocations and provided acquisition funding to help them secure land. These developers were large-scale firms — both profit and non-profit— with regional operations and previous experience constructing supportive housing and collaborating with local service partners. They were well staffed and were poised to move quickly on emerging opportunities with little support. For this group of developers, SHIF provided "flexible, fast, and low-interest acquisition predevelopment funding."[59] These developers had the capacity to assess housing markets and make quick acquisition deals without relying on the City or County to acquire land.

"Allowing the developers to quickly acquire land, giving them the low-interest or no-interest loans to acquire the land, it allows us to create a pipeline of projects more quickly." - Developer

SHIF helped build and leverage community connections

The Housing Bond, SHF, and SHIF are a result of a coordinated grassroots effort that emerged from building awareness in the community and among the different actors for investing in supportive and affordable housing development to respond to rising homelessness in the County. While the passing of the Housing Bond is a clear indication of broad community support for new development and investment in supportive housing and deeply affordable housing, interviewees explained that the community's understanding and reception of such project proposals varied widely at the neighborhood level in different parts of the County. Without community support, projects can get mired in the public consultation process, which extends the project timelines considerably.

Developers shared from their experience that projects that evolved out of deep engagement with community partners, neighborhood groups, and elected leaders from the early predevelopment stages were more successful. However, such efforts demand time and resources and require upfront investments from developers before they have arranged their capital stacks and investors. While large-scale developers may have the resources for these soft costs, they will need community connections and local partners who can vouch for them. On the other hand, small- and mid-sized developers and community organizations interested in expanding into this space may have the community's trust and connections but lack the expertise and financial resources for developing such project proposals.

[58] Redevelopments Agencies were first set up in California in 1945. RDAs acquired large tracts of land, undertook remediation where necessary, and also constructed affordable housing. See, Casey Blount et al., "Redevelopment Agencies in California: History, Benefits, Excesses, and Closure," Economic Market Analysis Working Paper Series (Office of Policy Development and Research: U.S. Department of Housing and Community Development, January 2014), https://www.huduser.gov/portal/publications/redevelopment_whitepaper.pdf.

[59] Ray Bramson, "Memo to Destination: Home Projects Committee on Supportive Housing RFQ — Results and Recommendations," January 7, 2019.

SHIF provided flexible predevelopment funding support to small- and mid-sized local organizations to invest in community engagement and build support for their project proposals. This approach was especially helpful in engaging with communities that were historically opposed to or had few subsidized housing developments, encouraging geographic distribution of Housing Bond projects.

For large-scale developers, who did not have the local presence but had the technical and financial resources to undertake Housing Bond projects, Destination: Home served as an "anchor partner" to help "navigate the local system" and connect these organizations to community partners and service providers, providing the social and institutional capital developers needed to succeed.

"The funding and the predevelopment is critical but the other things…to make City Council members and staff people more comfortable [with the project proposals]…to bridge the communication divide, to engender trust, to forge and strengthen cooperation and partnerships; Destination Home has been critical to that. Even before them, cities, county staff were talking, but sometimes you need third parties to help overcome any institutional challenges that you might have." – County Official

SHIF helped clear administrative bottlenecks and build commitment to homelessness response

While developers lead the project predevelopment processes, public agencies are responsible for project approvals, development review, zoning entitlements, and underwriting. Housing Bond implementation involved multiple city governments and the County, and early experience revealed that insufficient local capacity was causing delays in project approvals, especially during the development review process.

Multiple actors we spoke with during this evaluation clarified that the zoning entitlement process had little impact on Housing Bond projects since the state passed measures for streamlining zoning and permitting processes in 2017. While the regulations themselves were not a barrier, interviewees shared that City departments were short-staffed and struggled to process the flood of project applications and implement the waivers sanctioned by the state measures. As one city official explained, previously, they only issued permits to a few hundred units a year and were not equipped to handle the huge influx of Housing Bond applications, "for everyone inside City Hall—planners, building inspectors, engineering—it was like drinking from a fire hose."

Vela Apartments, in San Jose, has 87 affordable units including 29 permanent supportive housing units and 14 rapid rehousing units.

To address this issue, SHIF provided a grant to the City of San Jose to create a dedicated planner position to fast-track Housing Bond applications. Within one year, this planner helped process 26 Housing Bond project applications. This initiative not only fast-tracked project approvals but also signaled to developers that local governments were committed to advancing supportive housing and realizing Housing Bond goals. According to Destination: Home, this helped reduce project approval timelines by 20 percent.

"It [SHIF] funded a position for a planner at the City of San Jose…who was dedicated to doing review of permanent supportive housing and in a city like San Jose, which can be really bureaucratic and backlogged, it was like a godsend." – Developer

Recognizing the success of this model, SHIF funded homelessness specialist positions in Morgan Hill and Mountain View. While these positions were not directly related to the project approval process, they built local capacities in other ways. These staff helped prepare the cities' local homelessness response strategies and paved the way for local political interest and policy

commitments to prevent and reduce homelessness. This local awareness of homelessness and supportive housing issues contributed to better cooperation from cities in Housing Bond's implementation. In all three instances, these SHIF positions have since been integrated into their city payrolls.

"We hired an Unhoused Specialist who has a master's in social work, and he's still there today. We used the three years [SHIF grant support period] to really demonstrate the value of that role. Like you [City Council] want to be on top of homelessness in your community…And he's [Unhoused Specialist] an integral part of the community. He's literally inside City Hall and in the community. We [City Staff] went to council. We built him into the budget. So it's still a position, he's still there." — City Official

SHIF aggregated funding and leveraged private dollars for Housing Bond projects

Those interviewed for this study said that assembling multiple sources of funding and designing projects to fit the parameters set by each funding source was the biggest challenge to developing affordable housing. While Santa Clara County and the Bay Area have many private companies and foundations that are interested in supporting housing initiatives, these resources are often disparate and do not align well with development financing needs. These resources are also geared toward short-term social investments and often prioritize workforce housing. Affordable housing investments, unlike most other social investments, require long-term low-cost financing options, and supportive housing would need other flexible financing support for operations costs.

SHIF enabled the business community to meaningfully partner with local government and share in the responsibility of reducing homelessness and fulfill the intent of Measure A. It helped consolidate funding sources by pooling private capital from companies like Cisco and Apple, reducing the "number of stops for developers." It helped multiply resources and deliver more housing than what public dollars alone could achieve.

"If it had just been the private announcements on their own, I think there would have been less—much less of a focus on the deep affordability and split housing of what we had, because we already had a pipeline kind of primed with this, with the Measure A capital" - Local housing organization staff person

SHF's and later SHIF's success in raising private investments from Silicon Valley Tech industry helped create a model for catalyzing additional funding and support for Housing Bond projects. Developers and public officials interviewed for this study said that they benefited from having an intermediary funding partner that they could trust, which reduced the administrative burdens and risks associated with identifying multiple funding sources and meeting their individual priorities. These partnerships also ensured projects were aligned with community goals, protecting the interests of both impacted communities and tech funders who wished to support affordable housing construction.

"You know, we're not a public agency, so we can perform more quickly and as needed, with the real estate cycle and as an aggregator of funds like we have access to money…we can't go out and issue a bond the way County can and they can't work with Google to invest money in acquisition and predevelopment." — Local housing organization staff person

Implications for Policy and Practice

To continue to meet the need for deeply affordable housing amidst rising development costs in Santa Clara County, it is not enough to sustain or replicate SHIF, but to evolve these supports to build on what has been learned. This requires a careful and coordinated approach. Our research identified the following recommendations.

Consolidate sources into a dedicated predevelopment fund

There are disparate sources of predevelopment funding available in the County. The Housing Bond allowed predevelopment financing, many cities in the county also provided predevelopment support, and so did private sources, each with their own guidelines and terms. These resources were either oversubscribed or underused. In a region with such a serious need for predevelopment funding, where every dollar available is needed, the underutilization of resources is telling. SHIF's success shows how a pooled resource with clear guidelines encourages developers to seek the help they need. A pooled revolving fund with both government and private resources will help maximize the different sources of funding for the long term. It can be a vehicle that helps meet current housing needs and direct investments in anticipation of long-term needs.

Coordinate identifying predevelopment needs, securing, distributing, and reviewing funding support

It is critical to have a trusted and transparent institution to successfully administer a large, long-term funding vehicle. Everyone interviewed for this case study said the key to SHIF's success was the role Destination: Home played as a third-party intermediary in bridging the community, developers, private funders, and different government actors. Destination: Home helped create a shared vision for the County to end homelessness, organized at the grassroots level to secure the tools and funds to achieve the vision, and then leveraged their connections and knowledge to overcome political and communication barriers that can otherwise stall projects.

Create a coordinated public land acquisition strategy

The extent of funding support available for land acquisition varies considerably across different local jurisdictions within the county. With the dissolution of local redevelopment agencies in 2012, there are no organized efforts for large-scale land acquisition and redevelopment. The Housing Bond has also demonstrated that developers are interested in partnering with the government on county and city-owned lands. A county-level land acquisition strategy that aligns with the Regional Housing Needs Assessment and housing element goals can help plan for better distribution of development resources and create affordable and supportive housing where it is needed in the county.

Conclusion

For Santa Clara's Housing Bond to achieve its goals, the community recognized that developers needed support to grow their capacity, innovate, build a pipeline of projects. Support offered through SHIF helped bridge the gaps that developers, local governments, and funders faced by providing timely and targeted support at the predevelopment stage. It also helped equip the development community with the needed technical skills and experience. It helped prove that with the right encouragement and help, developers can develop deeply affordable and supportive housing projects that the community needs.

References

Blount, Casey, Wendy Ip, Ikuo Nakano, and Elaine Ng. "Redevelopment Agencies in California: History, Benefits, Excesses, and Closure." Economic Market Analysis Working Paper Series. Office of Policy Development and Research: U.S. Department of Housing and Community Development, January 2014. https://www.huduser.gov/portal/publications/redevelopment_whitepaper.pdf.

Bramson, Ray. "Memo to Destination: Home Projects Committee on Supportive Housing RFQ — Results and Recommendations," January 7, 2019.

County of Santa Clara. "Community Plan to End Homelessness." Accessed May 1, 2025. https://osh.santaclaracounty.gov/solutions-homelessness/community-plan-end-homelessness.

Cunningham, Chris, and Anthony W. Orlando. "How Long Does It Take to Build Multifamily Housing?" Policy Hub. Federal Reserve Bank of Atlanta, June 2024. https://www.atlantafed.org/-/media/documents/research/publications/policy-hub/2024/06/18/04--how-long-does-it-take-to-build-multifamily-housing.pdf.

Destination: Home. "Supportive Housing & Innovation Fund." Accessed May 1, 2025. https://destinationhomesv.org/funding-impactful-strategies/supportive-housing-innovation-fund/.

Housing Trust Silicon Valley. "Supportive Housing Fund." Accessed May 1, 2025. https://housingtrustsv.org/programs/developer-funding/supportive-housing-fund/.

———. "Supportive Housing Fund (SHF) Program Guidelines," October 1, 2017. https://housingtrustsv.org/wp-content/uploads/2019/11/Supportive-Housing-Fund-Guidelines.pdf.

Office of Supportive Housing. "Measure A Affordable Housing Bond Implementation Report #2." County of Santa Clara, Office of the County Executive, and Office of Supportive Housing, May 9, 2017. https://siliconvalleyathome.org/wp-content/uploads/2017/03/Housing-Bond-Implementation-Report-No.-2-BOS-5.9.17.pdf.

Santa Clara County. "Board of Supervisors Meeting: Agreements with the Housing Trust of Silicon Valley." County of Santa Clara and Santa Clara Valley Health & Hospital System Mental Health Services, June 9, 2015.

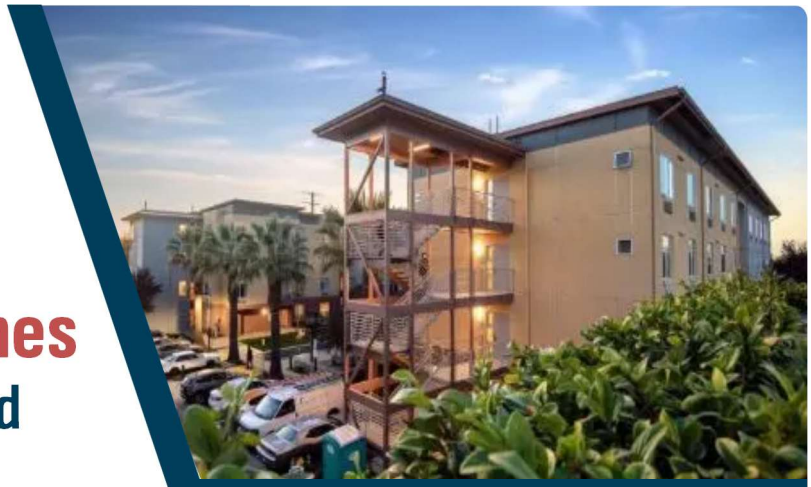
Terner Center. "Low-Income Housing Tax Credit Construction Costs: An Analysis of Prevailing Wages." University of California Berkeley, August 2, 2024. https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf.

Ward, Jason M., and Luke Schlake. "The High Cost of Producing Multifamily Housing in California." RAND, April 2, 2025. https://www.rand.org/pubs/research_reports/RRA3743-1.html.

Project photos from: Completed projects | Office of Supportive Housing | County of Santa Clara

Case Study 3: Different Approaches

Comparing Housing Bond Measures in Santa Clara County, Alameda County, and San Mateo County



Markham Plaza II, in San Jose (Santa Clara County). This complex has 152 studio apartments and 2 two-bedroom units.

This case study compares Santa Clara County's Measure A with bond measures in neighboring Alameda and San Mateo counties. The case study examines the distinct features of each bond and assesses the extent to which they successfully facilitated affordable housing production.

Key Issues

- Lack of sufficient affordable housing and high costs of construction and land are common housing challenges in all three counties.
- Counties sought to address different goals and community priorities with their bonds—including different types of affordable housing, geographic distribution of housing, and labor and local sourcing requirements — requiring tradeoffs when setting goals and allocating bond funding,

Successes

- Housing bonds supported the development of affordable housing in all three counties — a total of 14,654 units across the three counties.
- Differences in goals and approaches led to differences in the housing units developed in each county. Santa Clara County produced the greatest number of units for the lowest-income renters (extremely- and very-low income), whereas San Mateo and Alameda counties produced more units for renters with slightly higher incomes (very low or low income).
- County coordination of bond funding with project based vouchers and service provision dollars supported the sustainability of deeply affordable and supportive housing projects.
- County coordination with cities in implementing the bonds helped to streamline the process for developers and ensure bond funding reflected to local priorities.

Takeaways for Bond Implementation

- Counties can ensure housing bonds succeed by integrating development funding with operating subsidies and other local funding streams (i.e., city funding and philanthropic resources), establishing clear roles for all involved parties, and investing in capacity building or technical assistance for developers.
- To increase housing production, counties should set measurable goals and consider tradeoffs between affordability, size, and location of projects early on.
- To maintain steady project pipelines and progress, counties should consider ways to provide sustained funding, such as through sales tax measures, long-term bonds, or a follow-on bond.

Introduction

Santa Clara County's 2016 Measure A Affordable Housing Bond (Measure A) dedicated over $950 million in public funding for affordable housing development to be spent over approximately 10 years. The County prioritized deeply affordable and supportive housing projects to address the severe shortage of such units and reduce homelessness.

Around the same time, two of Santa Clara County's neighboring counties implemented similar bond measures — Measure A1 in Alameda County and Measure K in San Mateo County.[60] While the three bond measures varied in priorities and design, they each supported the production of affordable housing. As part of a mixed-methods evaluation of Santa Clara County's Housing Bond, this case study compares the housing bonds in Santa Clara, Alameda, and San Mateo counties and finds that:

- The county bonds supported the development of affordable housing in all three counties — a total of 14,654 units across the three counties. As of the most recent reported counts, Santa Clara County produced 5,351, San Mateo County produced 5,122 units, and Alameda County produced 4,181 units.[61]
- Key differences across the three county bonds included their goals and priorities (i.e., types of affordable housing, geographic distribution of funds, labor requirements), timeline and structure (i.e., property tax or sales tax), and approach to city-county collaboration (i.e., county-led, funds distributed geographically, joint planning). This led to different types of housing units developed in each county.
- Consistent with their goals, Santa Clara County produced the most housing units for the lowest-income renters, more than twice as many as in the other two counties.

This case study draws on data collected through 41 interviews with over 50 participants—developers, city and county staff, and other housing actors—that were conducted between August 2024 and April 2025.[62] We also reviewed key documents, including annual reports, oversight committee reports, program guidelines, and webpages with bond implementation progress updates from each county. We synthesized findings from these sources to identify key themes.

We first describe key features of the housing landscape in the three counties and the goals and features of the three bond measures. Next, we identify key factors, from our analysis, that influenced the success of the housing bonds. The final section provides recommendations for the design and implementation of future bond measures.

County housing challenges

Although Santa Clara, Alameda, and San Mateo counties are neighbors, they vary in size and have unique contexts that influence their housing markets (See Table 1 for particulars). The counties all have a tight and high-cost rental market, meaning many renters are cost-burdened. All three counties lack sufficient beds to house people experiencing homelessness.

As shown in Table 1, Santa Clara County is the largest of the three counties by population and has the highest homelessness count. Alameda County is close behind in both metrics. San Mateo County is the smallest of the three counties by population. All three counties have about twice the number of people experiencing homelessness as the number of beds available, though the discrepancy is highest in Santa Clara County.

[60] San Mateo County's bond investments towards housing are mainly channeled through their Affordable Housing Fund (AHF which was established in 2012. Therefore, while we refer to specific bond investments through Measure A and Measure A1 respectively for Santa Clara and Alameda counties, most of the data and context for bond related housing investments in San Mateo County refer to the Affordable Housing Fund rather than Measure K, or its preceding San Mateo County Measure A.

[61] Santa Clara County's reported counts are as of May 2025; Alameda County's are as of December 2024; and San Mateo County's were accessed in January 2026 but use data from San Mateo County's Affordable Housing Dashboard, which does not provide information about the date of the data presented.

[62] These semi-structured interviews involved discussions on the design, implementation, and successes and pitfalls of the three housing bond measures. Sixteen of these interviews addressed comparisons between Santa Clara, Alameda, and San Mateo counties' housing bonds.

The housing market is challenging for low-income renters in all three counties (See Table 1). Santa Clara and Alameda counties both have rental vacancy rates below the national average,[63] and all three have rents well above the national average.[64] Not surprisingly, many renters are rent-burdened or severely rent-burdened in all three counties.

Table 1. Key housing market indicators across counties

	Santa Clara	Alameda	San Mateo
Population (2020 Census)	1,936,259	1,682,353	764,442
Homelessness count (2024 PIT Count)	10,711	9,450	2,130
Percent of population experiencing homelessness (calculation)	0.6%	0.6%	0.3%
# inventory of interim and permanent housing beds for people experiencing homelessness (2024 PIT Count)	5,267	5,003	1,323
Ratio of people experiencing homelessness to available interim and permanent housing beds (calculation)	2	1.9	1.6
Rental Vacancy rate (2019-2023 ACS, calculation)	5.7%	6.0%	7.4%
Low-income renter households without access to an affordable home (2024, CHP)	54,582	58,904	25,312
Median Household Income (2023 $s) (2019-2023 ACS)	$159,674	$126,240	$156,000
Median Gross Rent (2019-2023 ACS)	$2,814	$2,318	$2,893
Total renter households (2019-2023 ACS)	281,834	260,974	104,078
Number of renter households that are rent-burdened or severely rent-burdened (2019-2023 ACS)	125,638	130,052	50,600
Percent of renter households that are rent-burdened or severely rent-burdened (calculation)	45%	50%	49%

Source: 2020 Decennial Census, 2024 County Point-in-Time (PIT) Counts, 2024 California Housing Partnership (CHP) Affordable Housing Needs Reports (available at: https://chpc.net/publications/housing-need-reports/) , 2019-2023 American Community Survey (ACS) data

Developers, government staff, and other housing actors we interviewed identified the lack of sufficient affordable housing, particularly for households with low incomes, as the primary challenge in all three counties. Interviewees in Santa Clara and Alameda counties noted that increasing numbers of people experiencing homelessness is a particular challenge. Across counties, those interviewed identified a need for more deeply affordable and supportive housing and noted the lack of sufficient funding to support development and service provision. Interviewees in all three counties identified high land and construction costs in the region as an impediment to development. In San Mateo County, interviewees also discussed the lack of service provider capacity as a major issue. In Santa Clara and Alameda counties, interviewees shared that community support and zoning and permitting processes did not pose as much of a

[63] "Table Data - Rental Vacancy Rate in the United States," FRED, Federal Reserve Bank of St. Louis, accessed January 26, 2026, https://fred.stlouisfed.org/data/RRVRUSQ156N.) The national average vacancy rate was 6.6% in Q4 of 2023. A low vacancy rate indicates that most rental units are occupied making it challenging for renters to finding housing and driving up rents.

[64] U.S. Census Bureau, "Median Gross Rent (Dollars)," American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25064, 2020, https://data.census.gov/table/ACSDT5Y2020.B25064?q=B25064. The national median gross rent was $1,096 in 2020.

challenge to affordable housing development. In contrast, interviewees from San Mateo County said that there was a strong preference for low-density single-family housing in most parts of the county, resulting in fewer new multi-family developments overall.

County housing bonds

Around the same time (2012 through 2016), all three counties passed bond measures that provided local funding for affordable housing development. These bonds varied in their approach, goals, and size. Santa Clara County's Measure A was the largest of the bonds, providing $950 million total and the most funding per capita (about $49 per person per year). San Mateo County's Measure K was the smallest, structured to provide about $20 million per year over twenty years (about $26 per person per year). Alameda County's Measure A1 fell in between, providing $580 million total or about $29 per person per year. The measures also had unique goals, within the broader framework of supporting the production of affordable housing. The tables in this section (Tables 2, 3, and 4) summarize key features of each bond measure, which are each described in more detail in Appendix A.

Size, Structure, and Goals

Santa Clara County's Measure A is the largest bond of the three. It provides nearly twice as much funding for affordable housing development as the bonds in Alameda and San Mateo counties ($580 and approximately $400 million, respectively). The bonds in Alameda and Santa Clara Couties are funded by a property tax, whereas San Mateo County's housing bond is funded by an ongoing sales tax that provides an annual disbursement of about $20 million each year lasting until 2043.

Although all support the development of affordable housing broadly, the bonds identified slightly different target populations. Santa Clara County sought to address the housing needs of homeless, chronically homeless, and extremely low income households. Alameda County identified specific populations that included low-income households, seniors, people experiencing homelessness, veterans, people with disabilities, transition-aged youth, and formerly incarcerated people. San Mateo County's Measure K funds a variety of county services in addition to affordable housing. The housing initiatives it funds are aimed at a broad group that includes moderate-to-low-income households and people experiencing homelessness. In addition to housing development, Alameda County's bond included goals related to local hiring and sourcing from small businesses. The bond also dedicated a sizable amount (21 percent) of the funds for homeownership programs.

Table 2. Housing bonds in Santa Clara, Alameda, and San Mateo counties

Feature	Measure A (Santa Clara)	Measure A1 (Alameda)	Measure K (San Mateo)
Funding Structure	Fixed one-time bond allocation	Fixed one-time bond allocation	Ongoing annual revenue from sales tax, until 2043
Funding Source	Property tax	Property tax	Sales tax
Year Passed	2016	2016	2012[a]
Total Funding	$950 million	$580 million	~$400 million for housing (Total Measure K funds are ~$60 to 100 million per year)
Time Period	Approximately 10 years	Approximately 10-12 years	20 years
Funding per person per year[b]	$49	$29	$26
Primary Focus	Development of deeply affordable and supportive housing	Affordable housing creation & preservation	Broad county services (including housing)
Other Priorities	4% reserved for home-ownership	21% reserved for home-ownership; Local hiring and small business goals	None stated
Target Populations	Homeless and chronically homeless persons, extremely low income households	Low-income, seniors, people experiencing homelessness, veterans, people with disabilities, transition-aged youth, people returning from incarceration	Moderate-to-low income households, people experiencing homelessness

Source: County housing bond web pages, housing bond implementation reports, Measure A1 guidebook
Notes: [a] In 2012, Measure A passed to create the original sales tax. Voters extended the sales tax in 2016, at which point it was renamed Measure K. [b] Calculated as total funding divided by time period as shown in the table divided by the county population as shown in Table 1.

Funding award process

The three counties have distinct processes for determining which projects will receive bond funds, reflecting their different goals and priorities. Santa Clara and San Mateo counties both use a county-wide NOFA to award bond funding but differ in their eligibility requirements and selection criteria.

Both NOFAs lay out threshold criteria, which projects must meet to be eligible, and score projects based on multiple criteria (i.e., developer capacity, financial characteristics, location, project readiness, green building features, community engagement and others). With regard to unit affordability, to be eligible to receive Measure K funding, projects must be permanent multi-family affordable housing with fifteen percent of units serving households below thirty percent AMI and five percent serving people experiencing homelessness. The County of Santa Clara, on the other hand, requires each individual project to consist of specific proportions of PSH, RRH, ELI, and other low income-units to be eligible to respond to the NOFA, and then further prioritizes the projects with higher proportions of such units when making awards.

Mosaic Court Apartments, in Milpitas (Santa Clara County), is a converted motel with 132 studio apartment units.

Alameda County's bond allocation process is different from the other two counties. Instead of one county-wide NOFA, they divide Measure A1 funding into Base Allocation Pools (allocated directly to each city) and

Regional Pools (which fund competitive NOFAs in four geographic regions, that resemble Santa Clara and Alameda's county-wide NOFAs). Alameda County also differs from Santa Clara and San Mateo counties in that their allocation processes include mechanisms for city government involvement. For Base City Allocation pools, cities nominate projects for Measure A1 funding. For Regional Pool funds, although HCD selects projects to fund via NOFAs, projects must also secure a financial match from their host city.

All three counties established oversight committees, made up of citizens and residents, that met regularly to review progress reports and bond expenditures and provide input to elected officials and county staff.

Table 3. Bond funding award processes for Measures A, A1, and K

Feature	Measure A (Santa Clara)	Measure A1 (Alameda)	Measure K (San Mateo)
Funding Allocation Strategy	Project-by-project basis	Pooled based on geography	Project-by-project basis
Selecting Agency	Office of Supportive Housing	Alameda County Housing and Community Development Department	San Mateo County Affordable Housing Fund
Selection Process	County-wide NOFA	City nomination (Base Allocation pool); regional NOFA (Regional Pools)	County-wide NOFA
Selection Criteria	Must develop deeply affordable and/or supportive housing. Also assessed: developer capacity, project readiness and design, financial characteristics, and community engagement	Criteria differ based on location. Common criteria include: Project readiness, financials, and feasibility; targeted populations (homeless, ELI) and services offered; and neighborhood, access, and green building features	Must develop permanent affordable housing. Also assessed: developer capacity, location, project readiness, green building features, community engagement and other criteria
Oversight Mechanism	Independent Citizens' Bond Oversight Committee	Citizens' Oversight Committee	Oversight Committee

Source: Housing bond implementation reports, Measure A1 implementation policies, Santa Clara and San Mateo County Affordable Housing Fund NOFAs

Production outcomes

Santa Clara County produced the greatest number of units (5,351) but San Mateo and Alameda counties were close behind (producing 5,122 and 4,181 units respectively). The County of Santa Clara and Alameda County have both exceeded the production goals they set for units overall (San Mateo County did not set specific unit production goals). Although the overall number of units produced is similar, accounting for differences in the counties' populations, San Mateo County produced the most units per capita (at 6.7 units per 1,000 residents), followed by Santa Clara County (at 2.8 units per 1,000 residents) and Alameda County (at 2.5 units per 1,000 residents).

The types of units produced also varied across the three counties. Most of the housing units produced with Measure A support in Santa Clara County were affordable to the lowest income residents (65 percent of the units produced). In contrast, only 38 percent of the units produced in Alameda County and an even smaller share, 30 percent of the units, in San Mateo County are affordable to the lowest income residents.[65]

These differences may reflect differences in the goals set for the bonds. Each county took a different approach to setting goals for the number and types of housing units housing they wanted to create using their bond funds. The County of Santa Clara broke down their overall unit goal into production goals for specific housing types. The sub-goals included goals

[65] Note: the three counties report unit affordability slightly differently, as shown in Table 4.

for units affordable to renters with incomes below 30 percent of Area Median Income (AMI) and 31-50 percent of AMI (shown in Table 4) and further broken down into specific goals for PSH units and Rapid Rehousing Units (see Couty Bond Descriptions at the end of this Case Study). Alameda County set a goal of having at least 20 percent of units affordable to renters with incomes below 20 percent of AMI and aimed for "most" units to be affordable to renters with incomes 30-60 percent of AMI. As noted earlier, San Mateo County did not set specific unit goals. However, as noted above, specific affordability expectations were incorporated in the County's project eligibility criteria.

Table 4. Housing units produced by Measures A, A1, and K

Metric	Measure A [b] (Santa Clara)	Measure A1 [c] (Alameda)	Measure K [d] (San Mateo)
Total Affordable Housing Units Goal	5,100 units	3,800 units	No fixed housing unit goal
Total Units Produced	5,351 units	4,181 units	5,122 units
% of Goal Units Produced	105%	110%	N/A
Units Produced by Affordability Level (Goal)	**3,497 units** affordable to renters with incomes <30% AMI (goal: 4,200) **1,579 units** 31-50% AMI (goal: 600) **275 units** affordable to renters with incomes 51-120% AMI (goal: 300)	**1,609 units** affordable to renters with incomes <20% AMI (Goal for at least 20% of units be affordable to renters with incomes <20% AMI)	**1,514 units** affordable to renters with incomes <30% AMI (no goal) **1,832 units** affordable to renters with incomes 31-50% AMI (no goal) **916 units** affordable to renters with incomes 51-60% AMI (no goal) **644 units** affordable to renters with incomes 61-80% AMI (no goal)
Number of approved projects	61	53	72
Total amount approved	$853,250,699 as of May 2025	$384,400,000 as of December 2024	$200,560,114 as of June 2024
Units produced per 1000 people	2.8	2.5	6.7
Leverage Ratio [a]	1:4.88	1:7.5	1:16.6

Source: County housing bond web pages, housing bond implementation reports, project data provided by the County of Santa Clara
Notes: [a] Leverage ratio is calculated as the ratio of bond dollars to other funding.
[b] Data reported by Santa Clara County in May 2025. Consuelo Hernandez, Measure A Affordable Housing Bond Guidelines and Homeownership Opportunities Update (County of Santa Clara Office of the County Executive and Office of Supportive Housing, 2021), https://files.santaclaracounty.gov/migrated/Housing%20Bond%20Report%2016%2011.16.21.pdf. This table and analysis are limited to Measure A's affordable housing rental units objectives (Objectives 1, 2, and 3). Santa Clara County's Measure A also had objectives related to homeownership programs, housing production, and other programs. Leverage ratio calculated by author from project data provided in Attachment C.
[c] Data reported by Alameda County in April 2025 using data from December 2024. Measure A1 Oversight Committee, "Measure A1 Labor Compliance Pilot Program: Report #7, Procurement & Contracting Policy Committee," April 24, 2025, https://www.achcd.org/wp-content/uploads/2025/04/Item-No.-4-Labor-Compliance-Report-Materials.pdf. This table and analysis are limited to units in Measure A1 rental housing projects, including completed, in-construction, and pre-development projects.
[d] This table and analysis use data from San Mateo County's Affordable Housing Dashboard and Measure K website, which do not provide information about the date of the data presented. "Data and Reports," San Mateo County Measure K, County of San Mateo, accessed January 28, 2026, https://smcmeasurek.org/about-measure-k/data-and-reports/; "DOH Dashboards: Affordable Housing Dashboard," County of San Mateo, CA, County of San Mateo Department of Housing, accessed January 28, 2026, https://www.smcgov.org/housing/doh-dashboards.

Factors that influence bond implementation and housing development

Across the three bond measures, a few key factors help explain the approaches and outcomes seen in these counties. These include the County's goals and priorities for the bond measure, the timeframe for the bond, and how the county coordinated other funding sources and with cities in the county.

Goals and priorities

While the overall goal for all three counties was to increase affordable housing production, other accompanying goals and priorities actively shaped the types of funded projects. In Alameda, Santa Clara, and San Mateo counties, interviewees identified specific types of affordable housing, geographic distribution, and labor requirements as key priorities that contributed to differences across the three counties.

Affordable Housing Types

While all three counties sought to increase affordable housing production, the three counties set different goals and priorities for the type of affordable housing they sought to produce with their housing bonds. These differences in priorities resulted in differences in the types of housing produced (see Table 4).

The County of Santa Clara prioritized production of deeply affordable and supportive housing units. Of the 5,100 units the County set out to produce with Measure A, approximately 80 percent were to be affordable to those with incomes below 30 percent of AMI. In contrast, Alameda County wanted the majority of the units produced with bond dollars to be affordable to those with incomes between 30 and 60 percent of AMI. Interviewees explained that the county sought to address high rent burdens across the income spectrum with Measure A1. Alameda also set a goal that 20 percent of the units would be affordable to those with incomes below 20 percent of AMI. The county reviewed the resources accessible to fund operating subsides in the region for supportive housing and set this goal in line with those resources.

Like Alameda County, San Mateo County focused on units that are affordable to renters with somewhat higher incomes than those the County of Santa Clara targeted. While San Mateo County did not set goals in the same way as the other two counties, the largest share of units produced with Measure K dollars have been affordable to renters with incomes between 31 and 50 percent of AMI. Interviewees explained that homelessness has been less of a concern for the county.

Geographic Distribution

Alameda County and the County of Santa Clara had different priorities related to geographic distribution and unit production. These goals and priorities influenced the type and distribution of housing that resulted from the housing bonds.

Both counties had goals related to unit production, type of units developed, and geographic distribution. Among these, developers said that the County of Santa Clara often preferred projects that had a greater share of PSH units and support from the City government. As a result, explained interviewees, larger cities with the necessary administrative and financial resources, community support, and higher incidence of homelessness, like San Jose, succeeded in receiving fifty-five percent of Measure A funding.[66]

In comparison, Alameda County prioritized the equitable distribution of funding across cities. Alameda County required local jurisdictions to ensure 20 percent of Measure A1 funded units in their jurisdiction served households with less than 20 percent AMI. Projects funded with Measure A1 often added such units to projects to "fill the gap" and few projects were dedicated PSH projects. This approach allowed Alameda County to promote PSH production, while keeping the geographic distribution of funds as their main priority.

.

[66] San Jose is also the largest city in Santa Clara County and is home to about half of the County's renter population.

Grayson Apartments, in City of Berkeley (Alameda County), has 22 affordable units, including 17 units dedicated for disabled households.

Labor requirements

Labor agreements and subcontracting requirements further local economic development goals and help build community support, but developers note that it can also affect the ease with which developers can utilize bond funds. Among the three counties, developers stated that Alameda County's extensive labor compliance rules posed a challenge to using Measure A1 proceeds effectively. Alameda County required developers to spend at least twenty-five percent of their Measure A1 allotment toward employing Alameda County-based (local) businesses and at least twenty percent on small local businesses.[67] The county also required Measure A1-funded projects with over eighty units to have a project labor agreement (PLA) in place between the developer, the Building and Construction Trades Council of Alameda County, and related construction trade unions.[68]

Alameda County set the local and small business contracting goals as one of their key performance indicators for Measure A1 and tracked compliance carefully.[69] One developer we interviewed explained that for the projects beholden to this PLA requirement, it became very difficult to balance the mandates of the PLA with the small and local business spending thresholds. As a result, developers stated the total development costs for these projects increased and project timelines were often delayed in order to resolve labor-related challenges. In comparison, Santa Clara and San Mateo counties' bond measures had no labor compliance requirements of their own, though state, federal, and local rules applied.[70] Developers noted that they faced fewer obstacles to completing projects in these counties as a result.

Bond measure structure and timeline

The bond structure and the rate at which its funds are released can influence the project pipeline and development timelines. While Santa Clara and Alameda counties' bond measures were time-limited property tax measures that aimed to spend money quickly (within ten years and ten to twelve years, respectively), San Mateo County's Measure K was a sales tax measure that was designed to disburse smaller amounts of funds gradually over a long period.

Developers need a reliable source of funding to plan ahead and create a pipeline of viable projects. County staff said that because developers know there is Measure K funding available for affordable housing development every year, they proactively acquire land take it upon themselves to secure land they can pair with development proposals for Measure K money. As a result, the San Mateo County now sees a pipeline of affordable housing projects coming online each year and can expect this to continue as long as Measure K exists.

In comparison, interviewees from Santa Clara and Alameda counties told us that while Measure A and Measure A1 had helped them develop a pipeline, it was unlikely to maintain momentum once bond funds were expended. Developers and other housing actors we interviewed expressed overwhelming concern about losing this valuable progress after bond money dried up, and said they wished there was another reliable funding source that could fill the gap.

[67] Funds spent on employing small local businesses can also count towards the twenty-five percent of funds required to be spent on local businesses of any size.

[68] A PLA sets the terms of employment for workers on a specific construction project. It is a collective bargaining agreement that addresses terms of employments such as wages, benefits, working conditions, and dispute resolution.

[69] Developers were required to provide HCD with evidence that they had made an attempt to recruit small and local businesses, measured by the number of outreach attempts they made.

[70] Projects that received state and federal funding were required to meet the labor requirements tied to those funding sources. Projects also complied with labor rules set by cities and other local jurisdictions.

"[San Mateo County has] this pipeline now of funding and an understanding that we're going to have at least $20 million every year to put into moving that pipeline along. Versus what Santa Clara County did, getting that much money was just tremendous.... But then, once it's all allocated.... They've also developed a big pipeline too.... [So they're saying,] my gosh, what can we use now?"

— County Staff from San Mateo County

Operating subsidies

In addition to initial funds for project development, supportive housing projects benefit from upfront commitment of dedicated long-term subsidies. Operating subsidies in the form of housing vouchers and service provider funding are particularly important for establishing necessary annual operating budgets and ensure sustainability of PSH developments. The three counties used different approaches to allocating operating subsidies for bond-funded projects.

Willow Housing, in Menlo Park (San Mateo County) includes 60 permanent supportive housing units designed for homeless veterans.

The County of Santa Clara coordinated with the Santa Clara County Housing Authority to ensure projects received project-based vouchers in coordination with Measure A funding, eliminating the need for developers to apply for subsidies separately. In addition to shortening timelines and reducing the burden on developers, it also created greater certainty around fund flow for developers and commercial lenders. San Mateo County had a similar system in place for developers receiving Measure K funding. In both counties, there was only one main public housing agency which made coordination easier. On the other hand, securing operating subsidies with Measure A1 funding in Alameda County required more effort from developers. Alameda County staff explained that their fragmented public housing agency landscape limited the county's ability to lead a unified project-based voucher allocation strategy.

"Santa Clara County did a really good job of combining their project-based vouchers at the Housing Authority with their Measure A money, which allowed them to streamline and bring resources together to create more permanent supportive housing. Aligning the vouchers with capital funding I think was really key to the successes that Measure A accomplished and it took a lot of preparatory work to make that happen."

— County Staff from Alameda County

Government staff in Alameda County, where securing operating subsidies and funding for service provision was the responsibility of each individual developer, said the County of Santa Clara's coordination of Bond funding with vouchers and service provision dollars was key to Measure A's success in supporting deeply affordable and supportive housing.

County and city relationships

Although the county is the funding agency for bond measures, cities are also important local partners with closely related goals, plans, and funding sources for developing affordable housing.

Interviewees noted that a coordinated approach helped to streamline the process for developers (rather than requiring developers to approach the county and city separately), smoothing the process for acquiring bond funding. Coordination between the city and county decisionmakers also allowed cities to influence the bond implementation process to align with local needs.

The three counties each had a unique approach to coordinating county and cities' roles in administering their bond measures.

- San Mateo County's Measure K released a relatively small amount of annual funding over a long period of time. As a result, the county and cities were able to make Measure K funding decisions together as part of their regular joint

planning initiatives, instead of needing to establish a new, separate process to handle a larger amount of funds.

- **Alameda County** cities worked with developers to select proposals to submit to the county for Measure A1 funding. The county hoped this process would help ensure Measure A1 funds addressed local needs.
- **The County of Santa Clara** led all planning, funding, and implementing decisions related to the Housing Bond. The County worked closely with its cities and adapted its approaches when necessary to accommodate city interests. The county signed Memorandums of Understanding (MOUs) with interested cities that allowed the city to have more control over which projects would be supported by Bond funding, as long as the city still met its overall commitment to Measure A's goals and targets.[71] This resulted in some cities lagging behind those targets. The county was able to redirect Bond funding to prioritize overall unit goals over geographic ones in the interim while working to distribute upcoming projects regionally.

"I felt like [allocating money directly to cities] empowered the cities to make decisions and it allowed them to take ownership of the projects and they weren't fighting with us.
They were working with us in partnership and they were actively excited to say, 'Hey, look what we're doing.' I think that that is a very different approach to how San Mateo does it or how Santa Clara does it, but it had a lot of benefit to us because now we have engagement from our city partners."

— County Staff from Alameda County

Collaboration and strength of city / county relationships can be an important factor in aligning local resources and priorities. Interviewees noted that a coordinated approach helped to streamline the process for developers (rather than requiring developers to approach the county and city separately), smoothing the process for acquiring bond funding. Coordination between the city and county also allowed cities to influence the bond implementation process to align with local needs.

Implications for Policy and Practice

Our research identified the following recommendations of features to incorporate into bond design and implementation.

Clarify goals and consider tradeoffs

Often a large source of public funding has several competing priorities. A dedicated affordable housing bond helps narrow the scope of public investments. However, having a defined vision can act as a north star in the face of competing priorities and emerging political and community dialogue over the course of bond implementation. The County of Santa Clara's commitment and public mandate focused on responding to the increasing population of people experiencing homelessness. This led to the focus on deeply affordable and supportive housing units in their implementation decisions. Interviewees told us that one reason Measure A was successful in creating an influx of PSH was because the county set ambitious but realistic goals for supportive housing.

Coordinate funding sources

In addition to development funding, affordable housing projects need to have operating subsidies that ensure the project has sufficient funds for operations once it is up and running. Aligning the allocation of other funding sources with housing bond resources can reduce the burden on developers and ensure sustainability of housing projects.

Developers, government staff members, and other housing actors from all three counties we interviewed said that pairing operating subsidies such as project-based vouchers with bond funding, as the County of Santa Clara did, streamlined development by reducing burden and financial uncertainty for developers. Additionally, interviewees explained that offering operating subsidies in tandem with bond fundings

[71] For example, in the city of Mountain View, the County of Santa Clara offered an MOU to allow the city to meet goals for an overall number of PSH units produced across all projects, rather than requiring a certain percentage to be included in every project. Through this MOU, the County of Santa Clara allocated Mountain View $80 million in Measure A funds to support a portfolio of projects that, while individually may not have each included fifty percent PSH units, met a formal threshold for PSH unit production agreed upon by the city and county.

allows counties to shape projects in alignment with their strategic goals.

Housing projects can also benefit from non-housing funding resources, such as transportation and infrastructure funding. For example, San Mateo County often makes transportation and school funding decisions to align with proposed housing projects.

"Don't just have the requirement to have the permanent supportive units. Have the resources to make it successful."

— County Staff from Alameda County

Clarify roles for both cities and the county

Depending on the size of the city and the county, dynamics determined by financial and administrative capacity can affect implementation of a county housing bond. Many big cities have high needs and their own strategic plans and housing goals, which may or may not align with the county's goals. Alternatively, there may be cities without the necessary technical and financial capacity to lead large development programs without county support. Clear city-county partnership arrangements and transparent communication channels starting from preparatory stages are critical to fostering collaborative engaged partnerships (as noted above, MOU and joint planning initiative are tools for establishing partnerships). Non-profits can also play an important and unique role. For example, by leveraging philanthropic and private dollars to bridge financing gaps that government programs may not be able to fund and helping to garner community support.

Pair requirements with opportunities

Developers we interviewed said that the more requirements bond measures include, the more difficult it is to successfully produce housing. This may affect a county's ability to meets its goals for bond-funded housing production. Where requirements such as labor agreements or small/local business hiring requirements are important community priorities, counties can account for these and plan resources and project timelines accordingly. Alameda County's Labor Compliance Pilot Program provided training on reporting processes and offered technical assistance on compliance requirements to help developers meet Measure A1 regulations. Other innovative strategies could include facilitating local developer summits to foster connections between developers, local businesses, and trade unions.

Sustain gains through continued efforts

The massive local political and public commitment to affordable housing development can create pathways for reaping long term dividends. As Santa Clara and Alameda counties exhaust their bond funding, local leaders — both government and non-profit must plan for continuing this momentum. Even as advocacy efforts are ongoing for another large-scale affordable housing bond, more immediate plans are needed. It is important to capitalize on the support, interest, and capacity created through the previous bonds for sustaining the gains and continued progress. San Mateo County's Measure K offers an interesting interim model with dedicated annual funding over an extended period. Counties and cities can also consider creating a pooled revolving housing production fund, and a joint strategy for land acquisition and predevelopment to ready a pipeline of projects for quick uptake of the next round of bond funding.

Conclusion

The County of Santa Clara, Alameda County, and San Mateo County took different approaches to designing and implementing their affordable housing bond measures. These differences shaped their outcomes and surfaced advantages and challenges associated with their different approaches which can inform the design of future bond measures.

County Bond Descriptions

Santa Clara County's Measure A

Santa Clara County's Measure A Housing Bond began in 2016 with an allocation of $950 million and a goal to produce 5,100 affordable housing units over approximately ten years.[72] Of those 5,100 units, 1,800 were slated to be PSH; 1,600 to be rapid rehousing units; 800 to be affordable to renters with extremely-low incomes (ELI); 600 to be affordable to renters with very-low income (VLI); and 300 to be affordable to renters with low- to moderate-income.[73] The Bond was funded by an increase in property tax. Developers, government staff, and other housing actors we interviewed said the County of Santa Clara's primary priority for Measure A was meeting its production goals for deeply affordable and supportive housing units to address rising homelessness and housing cost burden in the county.

The Housing Bond also established the Measure A (2016 Housing Bond) Independent Citizens' Oversight Committee, comprised of nine voting members and one non-voting member, to supervise the spending of Bond money. The Committee generally meets quarterly.

Funding award process

The County of Santa Clara developed an implementation plan for the Bond, which shaped the NOFA the County uses to distribute Bond funds. The Office of Supportive Housing (OSH) is the lead administering agency responsible for soliciting proposals from developers and selecting projects to receive Measure A funding. The county also partnered with a non-profit organization, Destination: Home, which supported Measure A-funded projects with predevelopment loans and gap financing via its Supportive Housing Innovation Fund. To further their production goals, the County of Santa Clara prioritized rental housing projects with a high share of deeply affordable and supportive units: 1) projects with at least fifty percent of units being PSH and/or Rapid Rehousing (RRH), 2) mixed-income projects with a third each of PSH or RRH units, ELI units and units serving households with 80 percent AMI.[74] OSH prioritized PSH and RRH in their initial rounds of funding and later expanded to other categories, such as housing for people with disabilities, limited equity housing cooperatives, and affordable homeownership programs.[75]

The County of Santa Clara originally aimed to distribute Bond funding between different cities in the county area. However, the county prioritized project readiness and quick delivery over geographic distribution. As a result, large dense cities, particularly the City of San Jose, received a large share of Measure A funds.

Production outcomes

By May 2025, the county had committed $853 million in Measure A funding to produce 5,351 new affordable rental units, exceeding their original goal of 5,100 units.[76] Included in those 5,351 units were:

- 1,920 PSH units
- 671 Rapid Re-Housing units
- 1,579 Very Low Income units
- 906 Extremely Low-Income units

"In Santa Clara County, that [Measure A] money went straight to the Office of Supportive Housing. So everything that was being done with Measure A money was going to be heavily weighted towards permanent supportive housing."
— Developer, Measure A and Measure A1 projects

[72] Office of Supportive Housing, "2016 Measure A Affordable Housing Bond," County of Santa Clara, accessed August 28, 2025, https://osh.santaclaracounty.gov/affordable-housing/affordable-housing-development/2016-measure-affordable-housing-bond.
[73] Kathryn (KJ) Kaminski, *Supportive Housing Development Update* (County of Santa Clara Office of Supportive Housing, 2025), https://files.santaclaracounty.gov/exjcpb1571/2025-07/housing-bond-report-26_05.20.25.pdf.
[74] Kaminski, *Supportive Housing Development Update*.
[75] Hernandez, *Measure A Affordable Housing Bond Guidelines and Homeownership Opportunities Update*.
[76] Kaminski, *Supportive Housing Development Update*.

Alameda County's Measure A1

In Alameda County, voters passed Measure A1 in 2016 allocating $580 million to the housing bond through increase in property taxes over a period of 10 to 12 years. Close to a third of the Measure A1 funds ($425 million) were dedicated for rental housing operated through the Rental Housing Development Fund; and $35 million for the Innovation and Opportunity Fund. The primary goal of Measure A1 was to produce new affordable housing. To that end, the county set the following goals:

- Produce or preserve 3,800 units of affordable housing using Measure A1 funding.[77]
- Of those 3,800 units, ensure most serve households with incomes between thirty and sixty percent of the Area Median Income (AMI).

Additionally, Alameda County set important secondary goals related to labor and contracting, including targets for Measure A1 dollars spent contracting with small and local businesses. The County tracks both these performance indicators and rates of contracting with minority- and women-owned businesses using Measure A1 funds.

Measure A1 also established the Citizen Oversight Committee to review bond expenditures. The Committee consists of ten to fifteen members and meets at least four times annually.

Funding award process

Alameda County had a detailed approach to distributing Measure A1 funding to ensure geographic equity and to avoid concentration of investment in larger cities like Oakland. The bond money was divided into two pools:

- Base City Allocation: funds automatically split between all the county's cities based on population.
- Regional Pools: four pools of funding (the total amount based on poverty and homelessness counts) for cities within the region to compete for.

To utilize their Base City Allocation funds, cities independently select projects they would like to fund and submit applications for these projects (including a proposed amount of funding) to the county's Housing and Community Development Department (HCD) for approval. For the allocation of Regional Pool funds, HCD utilizes a competitive RFP process. However, to receive Regional Pool funding, projects must also receive a financial match from the city it will be built in. In lieu of cash funding, a match can also consist of a land donation, waived fees, or a commitment of project-based vouchers.

The county mandated in Measure A1's program guidelines that a minimum twenty percent of the units funded by the bond serve households with incomes below twenty percent AMI (which interviewees considered to be functionally PSH).[78] Although Measure A1 imposed a maximum amount of bond funding to be provided per project (either thirty or forty percent of total development cost, for nine and four percent Low Income Housing Tax Credit projects, respectively), it included a possible exception for Special Needs projects (including Extremely Low Income, Homeless, or Supportive Housing) that demonstrated a financial need received up to ten percent of additional funding.

Production outcomes

As of April 2025, the county had exceeded their 3,800-unit goal, with Measure A1 funds committed to 4,181 units, including:

- 2,135 completed units
- 1,271 units in construction
- 775 units in pre-development[79]
- 1,609 units reserved for twenty percent AMI or below (representing 38.5% of Measure A1-funded units).

[77] Measure A1 Oversight Committee, "Measure A1 Labor Compliance Pilot Program: Report #7, Procurement & Contracting Policy Committee."

[78] Alameda County Housing and Community Development, *Measure A1 Implementation Policies: Rental Housing Development Fund & Innovation and Opportunity Fund* (Alameda County, 2017), https://www.acgov.org/cda/documents/broadway/D-MeasureA-1-Implementation-Policies.pdf.

[79] Measure A1 Oversight Committee, "Measure A1 Labor Compliance Pilot Program: Report #7, Procurement & Contracting Policy Committee."

San Mateo County's Measure K

In 2012, voters in San Mateo County passed a half-cent sales tax (then known as Measure A) for ten years to fund a variety of local needs and services, including but not limited to housing. In 2016, voters passed Measure K, which approved an extension on the sales tax to 2043. Measure K proceeds to support housing development are channeled through the county's Affordable Housing Fund (AHF).

Every year, the San Mateo County Board of Supervisors issues a NOFO for proposed uses of Measure K funds, allocating approximately $60 to 100 million annually, depending on the year. The entities that receive funding and the amount of funding they receive can also change every year. However, as housing and homelessness is a priority issue area for the Board, they reliably allocate a large amount of funding to AHF annually. While there are no clear set-asides, AHF staff shared that the Board of Supervisors reliably dedicates about $20 million in Measure K money each year to AHF to fund housing development, and has received $300 million in Measure K funds cumulatively since its inception in 2013. The county does not have set goals for the number of projects or units to be funded by Measure K.

Measure K also established an Oversight Committee consisting of ten members (two residents from each of the five supervisorial districts). The Committee meets at least twice annually to review audits of Measure K revenue.

"[The county is] willing to take into account the things that jurisdictions have been hearing from developers because they want they want to develop a NOFA that actually works for all of us, right? So there is a very close collaboration in that respect. There's not a lot of territorial behavior when it comes to the county versus the city."

— City Staff from San Mateo County

Funding award process

AHF issues its own annual NOFA using a combination of Measure K funds and money from other local, state, and federal sources, although Measure K makes up the bulk of their available funding. Their NOFA solicits applications for permanent affordable multi-family housing projects only.[80] Projects must also have fifteen percent of units serve households with incomes below thirty percent AMI, as well as five percent of units serve people experiencing homelessness. Projects that exceed these thresholds receive extra points. Ten percent of AHF project costs are usually contributed by the city, mostly realized through public land dedications.

AHF makes an effort to distribute their funded projects evenly across the county but does not have formal metrics in place to enforce that goal. One city government staff member told us that San Mateo County has a good working relationship with its cities in terms of Measure K and affordable housing development. The County and cities set NOFA preferences and make decisions on project awards collaboratively as part of their regular housing element and RHNA planning meetings.

Production outcomes

County staff we interviewed said that between four and six Measure K-funded projects come online annually. In AHF's thirteen years of operation, they have funded 5,122 affordable units across 72 projects.[81] Of those units:

- 1,514 serve households with incomes under thirty percent AMI.
- 1,832 serve households with incomes between thirty-one and fifty percent AMI.
- 916 serve households with incomes between fifty-one and sixty percent AMI.
- 644 serve households with incomes between sixty-one and eighty percent AMI.

[80] County of San Mateo Department of Housing, *Notice of Funding Availability (NOFA): Affordable Housing Fund 13.0* (County of San Mateo, 2025), https://www.smcgov.org/media/154326/download?inline.

[81] County of San Mateo Department of Housing, "DOH Dashboards: Affordable Housing Dashboard."

References

Alameda County Housing and Community Development Department. "Administration of the Measure A1 Bond." Accessed August 28, 2025. https://measurea1.acgov.org/administration/#Implementation-Staffing-and-Oversight.

Alameda County Housing and Community Development. *Measure A1 Implementation Policies: Rental Housing Development Fund & Innovation and Opportunity Fund*. Alameda County, November 7, 2017. https://www.acgov.org/cda/documents/broadway/D-MeasureA-1-Implementation-Policies.pdf.

Alameda County. "2024 Point-in-Time Count Report." Accessed August 28, 2025. https://homelessness.acgov.org/homelessness-assets/docs/infographic/Alameda%20County%20PIT%202024%20Infographic.pdf.

California Housing Partnership. "Alameda County 2024 Affordable Housing Needs Report." May 2024. https://chpc.net/wp-content/uploads/2024/05/Alameda_Housing_Report.pdf.

California Housing Partnership. "San Mateo County 2024 Affordable Housing Needs Report." May 2024. https://chpc.net/wp-content/uploads/2024/05/San-Mateo_Housing_Report.pdf.

California Housing Partnership. "Santa Clara County 2024 Affordable Housing Needs Report." May 2024. https://chpc.net/wp-content/uploads/2024/05/Santa-Clara_Housing_Report.pdf.

County of San Mateo. "Data and Reports." San Mateo County Measure K. Accessed January 28, 2026. https://smcmeasurek.org/about-measure-k/data-and-reports/.

County of San Mateo Department of Housing. "DOH Dashboards: Affordable Housing Dashboard." County of San Mateo, CA. Accessed January 28, 2026. https://www.smcgov.org/housing/doh-dashboards.

County of San Mateo Department of Housing. *Notice of Funding Availability (NOFA): Affordable Housing Fund 13.0*. County of San Mateo, June 2, 2025. https://www.smcgov.org/media/154326/download?inline.

County of San Mateo Human Services Agency. "2024 One Day Homeless Count and Survey: Executive Summary." May 2024. https://www.smcgov.org/media/149456/download?inline=.

County of Santa Clara. "Point-in-Time count." Accessed August 28, 2025. https://osh.santaclaracounty.gov/data-and-reports/point-time-count.

Federal Reserve Bank of St. Louis. "Table Data - Rental Vacancy Rate in the United States." FRED. Accessed January 26, 2026. https://fred.stlouisfed.org/data/RRVRUSQ156N.

Garcia, Adlemy and Najla Gomez. "Measure A1: Alameda County Invests In Homes and Communities." East Bay Housing Organizations. Accessed August 28, 2025. https://ebho.org/wp-content/uploads/2021/04/Measure-A1-Article-2017-Guidebook-1.pdf.

Hernandez, Consuelo. *Measure A Affordable Housing Bond Guidelines and Homeownership Opportunities Update*. County of Santa Clara Office of the County Executive and Office of Supportive Housing, 2021. https://files.santaclaracounty.gov/migrated/Housing%20Bond%20Report%2016%2011.16.21.pdf.

Kaminski, Kathryn (KJ). *Supportive Housing Development Update*. County of Santa Clara Office of Supportive Housing, May 20, 2025. https://files.santaclaracounty.gov/exjcpb1571/2025-07/housing-bond-report-26_05.20.25.pdf.

Measure A1 Oversight Committee. "Measure A1 Labor Compliance Pilot Program: Report #7, Procurement & Contracting Policy Committee." April 24, 2025. https://www.achcd.org/wp-content/uploads/2025/04/Item-No.-4-Labor-Compliance-Report-Materials.pdf.

Office of Supportive Housing. "2016 Measure A Affordable Housing Bond." County of Santa Clara. Accessed August 28, 2025. https://osh.santaclaracounty.gov/affordable-housing/affordable-housing-development/2016-measure-affordable-housing-bond.

San Mateo County. "Local Funds for Local Needs: Measure K Annual Report Fiscal Year 2023-24." Accessed August 28, 2025. https://smcmeasurek.org/wp-content/uploads/2025/05/Annual-Report-FY-2023-24.pdf.

U.S. Census Bureau. "Median Gross Rent (Dollars)." American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25064. Accessed January 26, 2026. https://data.census.gov/table/ACSDT5Y2020.B25064?q=B25064.

U.S. Census Bureau. "Total Population." Decennial Census, DEC 118th Congressional District Summary File, Table P1. Accessed August 28, 2025. https://data.census.gov/table/DECENNIALCD1182020.P1

U.S. Census Bureau, U.S. Department of Commerce. "Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1901. Accessed August 28, 2025. https://data.census.gov/table/ACSST5Y2023.S1901.

U.S. Census Bureau, U.S. Department of Commerce. "Occupancy Status." American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25002. Accessed January 27, 2026. https://data.census.gov/table/ACSDT5Y2023.B25002.

U.S. Census Bureau, U.S. Department of Commerce. "Selected Housing Characteristics." American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP04. Accessed August 28, 2025. https://data.census.gov/table/ACSDP5Y2023.DP04.

Project photos from:

- Completed projects | Office of Supportive Housing | County of Santa Clara
- Willow Housing | EAH Housing
- Grayson Apartments | SAHA

Appendix A: Data and Methods

This appendix describes the data sources and methods used for this mixed-methods evaluation. Abt started data collection upon the approval of the research design document in October 2024 and ended data collection in April 2025. The study's qualitative analysis relies on interviews with key informants including county and city officials, developers, and other housing actors, and review of key documents. The quantitative analysis relies on data provided by Santa Clara County as well as publicly available data collected by HUD and the California Tax Credit Allocation Committee.

Qualitative Data and Methods

The following sections provide a detailed overview of how the research team conceptualized and conducted interviews with key actors as part of this evaluation. Details include interview coding and analysis process, and document review and writing process.

Identifying and Recruiting Participants

The Abt evaluation study team proposed the research design to include around 40 interviews with key actors involved in Bond implementation who can offer a range of perspectives to provide qualitative insights that can help answer the study's research questions. The team proposed the following categories of interviewees to align with specific research questions.

- To provide insights on the study's primary research questions (RQ1 & RQ2), the team sought to complete 16-20 semi structured interviews with staff from County and city governments within the County of Santa Clara. The team also sought to interview affordable housing developers including developers who worked in Santa Clara County and used Housing Bond funds and/or SHIF funds.
- To provide specific insight into the role of LIHTC funding (addressing RQ1c), the team sought to conduct 4-6 interviews, with staff from CTCAC and CDLAC and developers who worked in Santa Clara County.
- To provide specific insight into differing approaches to using county bond funds in neighboring Alameda and San Mateo counties (addressing RQ2c), the team sought to conduct 8-10 interviews with staff in each county responsible for initiating and managing the bond proceeds, city staff from one city in each county where bond-funded housing projects were developed, developers who used bond funding to develop affordable and/or supportive housing projects in each county, and with housing advocacy organizations actively involved in outreach and advocacy the led to the passage of county bond measures.
- To provide specific insight into the role of predevelopment support and SHIF (addressing RQ1c), the team sought to conduct 4-6 interviews with staff from Destination: Home who oversaw SHIF, staff from the City of San Jose who received funding for a dedicated planner position, and staff from Housing Trust Silicon Valley who provided pre-development and acquisition loans through their Supportive Housing Fund.

Based on recommendations from Destination: Home and OSH staff, the evaluation team identified specific individuals and organizations to recruit for interviews from among these groups. As a single individual or organization could provide insights into multiple components of the evaluation, the evaluation team reviewed and refined the list to ensure alignment with the parameters identified above.

The County of Santa Clara, Destination: Home, and the evaluation team identified 41 potential individuals and organizations to recruit. To maximize the likelihood that a recruit would participate in an interview, staff from Santa Clara County's Office of Supportive Housing sent an email invitation to each potential participant. A member of the evaluation team then followed up to schedule the interview. The team successfully scheduled interviews with all those who received interview invitations.

Interviews

The evaluation team conducted four key informant interviews in August 2024 to inform the development of the research design and the interview guides. These key interviews provided an overview of affordable and permanent supportive housing needs and development in Santa Clara, and insights into the bond framework and the processes and actors involved in approving project funding, and some overview of Alameda and San Mateo counties' Housing Bonds. The evaluation team conducted 41 interviews between August 2024 and February 2025 with a total of 59 individuals representing 33 different organizations/ institutions (See Exhibit A.1). In some instances, the study team conducted separate interviews with staff from the same organizations based on their previous background or different area of expertise. In other instances, interviews included 2 to 3 staff from the same organization. The interviewees had varied backgrounds and included housing developers, city and county government officials from Santa Clara, San Mateo, and Alameda counties, members of the Measure A Oversight Committee, and other housing actors such as community organizations' staff and staff from CTLAC/CDLAC

Exhibit A.1: Organizations interviewed

Developers	Local Government	Other housing actors
1. Abode Housing 2. Charities Housing 3. CORE 4. EAH Housing 5. Eden Housing 6. Jamboree 7. MidPen 8. PATH Ventures 9. Related California 10. Resources for Community Development 11. UHC	1. County of Santa Clara Office of Supportive Housing, Measure A Oversight Committee, Other County staff 2. City of Santa Clara 3. City of Mountain View 4. City of Morgan Hill 5. City of San Jose 6. City of Los Altos 7. San Mateo County 8. Redwood City 9. City of San Mateo 10. Alameda County 11. City of Fremont 12. City of Hayward 13. City of Oakland	1. Destination: Home 2. EBHO (East Bay Housing Organization) 3. Housing Leadership Council of San Mateo 4. Housing Trust Silicon Valley 5. Sacred Heart Community Service 6. Santa Clara County Housing Authority 7. SV@Home 8. Working Partnerships USA 9. CDLAC / CTLAC

The largest share of interviews (19) were with local government agencies. The team conducted 11 interviews with developers and 11 interviews with other housing actors representing 9 organizations (See Exhibit A.2). The interviews addressed all of the study's research questions, with the greatest number of interviews providing information on the study's main research questions. Most interviewees were working in Santa Clara County (33) and provided information about the housing landscape within that County. Fourteen interviews addressed Alameda County and 10 addressed San Mateo County.

Exhibit A.2: Allocation of interviews by component of the research study by type

Type	Total Interviews	Total Individuals interviewed	Main Research Questions (RQ 1&2)	Role of LIHTC (RQ1c)	Comparison with Neighboring Counties (RQ2c)	Predevelopment and SHIF (RQ1c)
Developers	11	18	9	3	5	4
Local Governments	19	26	12	1	7	4
Other Housing Actors	11	15	7	2	4	2
Total	**41**	**59**	**28**	**6**	**16**	**10**

Each interview lasted approximately one hour and was conducted remotely using Microsoft Teams. No incentives were provided to the interviewees for participating in the interviews. Before starting each interview, the study team obtained verbal consent from interviewees and explained that their participation is voluntary and that they may end the interview at any point. Interviewers also explained that the report will not quote interviewee names to help protect their privacy. However, since the report sometimes refers to organizations' names while discussing findings, the study team explained to the interviewees during the consent process that we are unable to ensure complete confidentiality.

The team recruited and conducted interviews in three batches. In the first batch of interviews, the team focused on interviewees who could predominantly contribute to the main research study questions and the case study on predevelopment and SHIF. The second batch of interviews were mainly conducted with actors from Alameda and San Mateo counties. The third batch of interviews were geared toward the LIHTC case study and included interviews with state agencies. Interview guide was designed in sections to help combine questions from different study components based on the interviewee background.

Interview and Document Analysis

Immediately after each interview, the interviewer filled out a Form summarizing key takeaways. The form included the following questions:

- What are the key challenges for development of affordable housing in [county]?
- What are the challenges and opportunities for LIHTC funding?
- What are the 3 main takeaways from this interview?
- What were the key lessons that were learned from this process?
- Do you need to follow up with the interviewee for any data or to clarify something they said?
- Any additional observations from the interview you would like to share as an interviewer?

These summaries helped the evaluation team document early insights and identify themes across interviews.

After each interview, the evaluation team saved the transcript and audio recording, cleaned the transcript for clarity, and uploaded it into NVivo, a qualitative analysis software. The evaluation team created an original codebook based on what interviewers heard in interviews, as well as on brainstorms of other themes and topics related to the research questions. The codebook included guidance for applying the codes to transcripts to improve standardization among different coders. Using this codebook, team members then coded each transcript in NVivo, tagging key topics and themes. To ensure consistency and maintain quality standards, the evaluation team periodically reviewed each other's coding. Once all interview coding was complete, we used a qualitative method called memoing to analyze the data. The team reviewed each research question and determined which NVivo codes were most likely to yield relevant

data. Team members then reviewed all data assigned to these codes and used it to write memos documenting thematic findings that addressed the research questions.

In parallel with conducting and analyzing interviews, the qualitative study team reviewed relevant documents to deepen understanding of the policy environment, contextualize interview findings, and triangulate emerging themes. Prior to each interview, the team reviewed publicly available materials to tailor interview probes. Interviewees also provided additional reports, policy documents, and internal materials, which were incorporated into the review.

Report writing

We used NVIVO analysis memos, along with interviewer notes, direct quotes from interview transcripts, and data from document review and quantitative analysis to inform the conclusions in this report. Integrating document review with interview data supported triangulation across multiple sources and helped the study team report findings with as balanced and accurate an understanding as possible. The triangulation process highlighted where stakeholder perspectives appeared consistent with documented policies or publicly available data. In some cases, limitations in the available documents or in the breadth of interview participation constrained the extent to which statements could be confirmed with independent evidence. As a result, some findings should be interpreted as informed stakeholder perceptions rather than definitive facts, recognizing that additional or clarifying materials could further strengthen or refine the evidence base.

Quantitative Data and Methods

The following sections provide an overview of how the research team conceptualized and conducted quantitative data analysis as part of this evaluation. Details include details on descriptive and comparative outcome data and measures.

Descriptive Project Data and Analysis

Project Data

The County of Santa Clara provided detailed information on the affordable and supportive housing projects supported by the County with and without Housing Bond funding from 2010 to 2024. We also reviewed detailed project profiles, Staff summary reports, and CTAC LIHTC award data to confirm and add to the data provided by the County. The resulting dataset included project characteristics, project financing sources, development timelines, and development costs (see Exhibit A.3).

We also analyzed project data about LIHTC applications and awards. The Terner Center for Housing Innovation at U.C. Berkeley generously provided access to a database on 9 percent LIHTC allocations from 2016-2023 that they compiled from the CTCAC website. We integrated these data with project data for Bond-funded projects, to supplement the County-provided data. We also obtained publicly-available CTCAC application and award data for 4 and 9 percent projects that received awards across the state from 2012 and 2024. This dataset provides information about the credit allocation year, the number of LIHTC projects and units, the type of credit (9% or 4%), whether units are set aside with rents below the elected rent/income ceiling, and the tax credit allocation amount.

Exhibit A.3: Summary of Data on Housing Bond- and other County- Funded Projects

Category	Factors Bond-Funded Projects	Factors Other County-Funded Projects

Project characteristics	• Project Name
	• Address
	• Sponsor
	• Number of units
	  ○ PSH, RRH, I/DD units
	  ○ ELI units
	  ○ VLI units
	  ○ LI units
	• Bedroom sizes
	• Construction type (acq/rehab and new construction)
		• Project Name
		• Address
		• Sponsor
		• Number of units
		  ○ PSH, RRH, I/DD units
		  ○ ELI units
		  ○ VLI units
		  ○ LI units
		• Construction type (acq/rehab and new construction)

Project financing	• Sources of funds ($)
	  ○ Tax credit equity
	  ○ State programs
	  ○ Other local funds
	  ○ Conventional loan
	  ○ Other
	  ○ County funding
	• Rental subsidies (Section 8 PBV, Housing Choice, HUD VASH) (if any)
		• Sources of funds ($)
		  ○ Tax credit equity
		  ○ State programs
		  ○ Other local funds
		  ○ Conventional loan
		  ○ Other
		  ○ County funding

Development timeline	• Board approval date
	• LIHTC award year (if any)
	• Project schedule/milestones
	  ○ Planning Commission land use approval
	  ○ Secure all financing
	  ○ Construction start
	  ○ Start lease up activities
	  ○ Services start date
	  ○ Complete construction
	  ○ 100% occupancy
		• County-funding close date
		• LIHTC award year (if any)
		• Project schedule/milestones*
		  ○ Planning Commission land use approval
		  ○ Secure all financing
		  ○ Construction start
		  ○ Start lease up activities
		  ○ Services start date
		  ○ Complete construction
		  ○ 100% occupancy

Project costs	• Total development cost	• Total development cost

** Only provided for 2016-2017 projects*

Descriptive Analysis

We developed descriptive statistics for affordable and supportive units funded by the County of Santa Clara from 2012-2024 (before and after Measure A) using the assembled project-level data. Descriptive analyses compared project characteristics, financing, timelines, and costs by major sources of project financing, construction type, building size (number of units), affordability levels, and other project, financing, and developer characteristics. Descriptive statistics that respond to RQ1a (What have been the average project costs and timelines of project milestones for affordable and supportive housing projects in Santa Clara County?) included the following:

- Units developed
  - By unit type: total, PSH, ELI, VLI, RRH
- Average project costs
  - Number of projects
  - Average cost per project

    - Average cost per unit
        - By unit type: total, PSH, ELI, VLI, RRH
- Timeline of units developed, average across projects, in months:
    - Overall timeline
    - Time from board approval to conversion
    - Time from land use approval to securing all financing
    - Time from construction start to complete construction

We also analyzed development costs and timelines by construction type (acq/rehab and new construction), project size, and specific sources of financing (e.g., state programs and other local funds). To address RQ1b (Have the number of units developed, levels of affordability of units developed, development costs, and development timelines of affordable and supportive housing projects in Santa Clara County changed over time), we looked at changes in the descriptive statistics described above over time. These analyses included:

Changes in costs over time for affordable and supportive housing projects in Santa Clara County:

- Cost per unit by year, pre- and post-Measure A (2012-2016 & 2017-present)
    - For all units
    - By unit type: total, PSH, ELI, VLI, RRH
    - By project size
    - By construction type: acq/rehab and new construction
    - By financing source

Changes in development timeline over time for affordable and supportive housing projects in Santa Clara County:

- Total development timeline, by year of board approval
    - Overall development timeline
    - Timeline by milestone
    - By unit type: total, PSH, ELI, VLI, RRH
    - By project size
    - By financing source

Comparative Outcome Data and Measures

Outcome Data Considered

We explored a comprehensive set of outcomes to understand how Santa Clara County compares to other counties, as well as the whole state. We present the following sources that were identified as having the potential to provide information about affordable housing units in California counties for time periods before and after the implementation of the Housing Bond. We also specify the use case for each data source; however, we ultimately only used data from the HUD LIHTC Database and Public HUD HIC data in the main report. Details on data analysis are also discussed within the main text (see *Comparing Changes in Santa Clara County to Other Counties in California*).

- HUD Low Income Housing Tax Credit (LIHTC) Database (2012—2023). As noted above, this dataset provides basic information about LIHTC-funded projects in Santa Clara County and other California counties. It includes the credit allocation year, the number of LIHTC projects and units, the type of credit (9% or 4%), whether units are set aside with rents below the elected rent/income ceiling, and the tax credit allocation amount. Although not all affordable housing projects in California use LIHTCs, a significant share do. It is possible that additional gap financing or other aspects of the Housing Bond made projects in Santa Clara County more competitive in the tax credit allocation process. We would use this data to compare trends in the number and types of projects and units before and after the Housing Bond.
- Public HUD Housing Inventory Count (HIC) Data (2007—2024). This dataset provides annual point-in-time estimates of the inventory of beds and units dedicated to serving people experiencing homelessness, including emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing. Data are reported by Continuum of Care (CoC) and can be mapped to counties for geographic comparisons. We

would use this data to assess trends in the availability of permanent housing interventions—particularly PSH and RRH—before and after the Housing Bond.

- HUD Picture of Subsidized Households (2012–2023). This dataset includes the number of units by county (or other geography) using subsidies from HUD programs such as public housing, Housing Choice Vouchers, mod rehab, project-based vouchers, Section 236, Section 811, and Section 202. We would use this data to compare the number of each type of subsidized unit before and after the Housing Bond.
- State of Cities Data System (SOCDS) Building Permits Database (1980–2023). This dataset includes information on residential construction permits issued by approximately 21,000 jurisdictions, collected through the Census Bureau's Building Permits Survey. It includes total units permitted and a breakdown by structure type (e.g., single-family, 2-unit, 3–4-unit, and 5+ multifamily structures). Data are available at the state, county, CBSA, or permit-issuing jurisdiction level. We would use this data to compare trends in 5+ multifamily structure permits before and after the Housing Bond.
- Housing Element Annual Progress Reports (2018–2023). This dataset includes project-level cost information such as total development costs, hard and soft costs, acquisition costs, and permanent funding sources. We would work with the Terner Center to access the database they are assembling on LIHTC projects in California. While data from 2018 to 2023 are currently available, the Terner Center expects to add data from 2012 to 2017 in the future.
- California Tax Credit Allocation Committee (CTCAC) Final Cost Certification Data (2018–2023). This data includes project-level cost information including total development costs, hard costs, soft costs, acquisition costs, and permanent funding sources. We worked with the Terner Center to use the database they assembled on LIHTC projects in California for this analysis. The data, which come from LIHTC applications, are currently available for 2018 through 2023; the Terner Center expects data from 2012 to 2017 to be added at a later date.
- California Debt Limit Allocation Committee (CDLAC) Data on 4% LIHTC Projects (2016-2023). The Terner Center dataset does not include projects built using the 4% tax credit, which now accounts for more than half of all LIHTC units produced nationwide. To address this gap, we would use CDLAC data on projects awarded tax-exempt bonds under the Qualified Residential Rental Program. CDLAC meeting minutes also contain limited information on these projects. These data would allow us to compare development costs of projects awarded bonds before and after the Housing Bond.
- California Multifamily Housing Program (MHP) Project Data (2019-2023) This dataset includes information on projects using 4% tax credits and receiving MHP loans. Available data include:
    - Project name, city and county, development type, sponsor/applicant names, tax credit type, and total number of units
    - Indicators such as whether the project requested High Resource Area points, is an emerging developer, is community-based, or includes senior or adaptive reuse set-asides
    - Funding details: MHP, FWHG, IIG, VHHP funds requested; total funds requested; total development cost
    - Application metrics: point score, tiebreaker, and award/application status

Limitations of Outcome Measures

The outcome measures used in this evaluation are drawn from publicly available HUD data on the LIHTC program and HIC, which provides a consistent and transparent source of information. At the same time, these measures come with several limitations that affect how much we can learn from them.

In the LIHTC data, there are delays between when projects are awarded tax credits and when they are placed in service, meaning the effects of the Housing Bond may not yet be fully visible in the data. Further, the measures themselves are coarse: they focus on counts of projects or units per capita, proportions of units by affordability, and average time from award to completion. These indicators do not capture changes in project scale, design, or services, and year-to-year fluctuations in awards or completions can create a noisy signal that makes it difficult to separate

real impacts from random changes. In addition, these data reflect just one small piece of the affordable housing system. The LIHTC program operates under federal and state rules that can fluctuate from year to year. Moreover, broader market conditions, like financing costs, labor availability, or construction delays may influence outcomes independently of the Housing Bond. Because of this, some of the true contributions of the Housing Bond may not appear clearly in these specific measures, either because they take longer to materialize or because they show up in ways that the LIHTC measures to not fully capture.

HIC data are submitted annually by CoCs and may reflect inconsistencies in reporting practices, definitions, or data collection methods across jurisdictions. Additionally, HUD does not independently verify the accuracy of HIC submissions. As a result, the data may not align with internal administrative records maintained by counties or service providers. The HIC reflects a snapshot of housing inventory on a single night in January each year. It does not capture fluctuations in bed availability or utilization throughout the year. Over time, CoCs may revise how they categorize or count beds (e.g., reclassifying transitional housing as rapid rehousing), which can create artificial trends or discontinuities in the data. Since the CoC boundaries do not always align neatly with county boundaries this could complicate efforts to produce accurate county-level estimates. Errors or omissions in submitted data may not be corrected in a timely manner, and historical data may not be retroactively updated. As noted in conversations with the County of Santa Clara, internal housing inventory counts may differ significantly from what is reported in the HIC, raising concerns about data completeness and reliability. Because of these limitations, the HIC data may not fully capture the true scale or timing of changes in permanent housing capacity resulting from the Housing Bond. Some effects may be obscured by reporting inconsistencies, classification changes, or delays in data updates, while others may manifest in ways that the HIC's coarse, point-in-time measures are not well equipped to detect.

References

Avalos, George. "San Jose affordable housing project gets boost from construction funds." Silicon Valley News, July 29, 2025. https://www.siliconvalley.com/2025/07/24/san-jose-house-build-develop-property-economy-afford-real-estate-home/.

California Department of Housing and Community Development. "Income Limits." Accessed August 29, 2025. https://www.hcd.ca.gov/funding/income-limits.

California Housing Partnership Corporation. *How Santa Clara County's Housing Market Is Failing to Meet the Needs of Low-Income Families: Recommendations to the Leaders of the State of California and Santa Clara County*. 2014. https://chpc.net/wp-content/uploads/2015/11/7-Housing_Need_SANTA_CLARA_Final_060414.pdf.

California Housing Partnership Corporation. "State & Federal Funding: California." Accessed August 29, 2025. https://chpc.net/housingneeds/

California Tax Credit Allocation Committee. "History." Accessed August 29, 2025. https://www.treasurer.ca.gov/ctcac/history.asp

California Tax Credit Allocation Committee. "Program Overview." Accessed August 29, 2025. https://www.treasurer.ca.gov/ctcac/program.pdf.

County of Santa Clara. *Santa Clara County Community Plan to End Homelessness: 2020–2025*. n.d. Accessed May 1, 2025. https://files.santaclaracounty.gov/exjcpb1571/2024-11/communityplan_2020-2025.pdf?VersionId=3LCV7VHf9hdsOh05UsQncuA6JEUMXmbj.

Gonzales, Thomas, and Jason Moody. *The Financial Impacts of Construction Defect Liability on Housing Development in California*. Economic & Planning Systems, Inc., 2025. https://ternercenter.berkeley.edu/wp-content/uploads/2025/09/241056_Construction-Defect-Liability-Impact-Report-8-18-25.pdf?mc_cid=b3a00fcc0a&mc_eid=090a4c7174.

Novogradac. "LIHTC Equity Pricing Trends." Accessed January 26, 2026. https://www.novoco.com/resource-centers/affordable-housing-tax-credits/lihtc-equity-pricing-trends.

Novogradac. "2025 Federal LIHTC Information by State." Accessed January 26, 2026. https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2025-federal-lihtc-information-by-state.

Raetz, Hayley, Teddy Forscher, Elizabeth Kneebone, and Carolina Reid. *The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California*. Terner Center for Housing Innovation, University of California, Berkeley, 2020. https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf.

Reid, Carolina, and Tiffany Tran. "Reducing the Complexity in California's Affordable Housing Finance System." Terner Center for Housing Innovation, University of California, Berkeley, April 21, 2025. https://ternercenter.berkeley.edu/blog/reducing-the-complexity-in-californias-affordable-housing-finance-system/.

Scally, Corianne Payton, Amanda Gold, and Nicole DuBois. "How the Tax Cuts and Jobs Act puts affordable housing production at risk." Urban Institute, July 12, 2018. https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk.

Terner Center for Housing Innovation. *Low-Income Housing Tax Credit Construction Costs: An Analysis of Prevailing Wages*. University of California, Berkeley, August 2, 2024. https://ternercenter.berkeley.edu/wp-content/uploads/2024/08/Low-Income-Housing-Tax-Credit-Construction-Costs-An-Analysis-of-Prevailing-Wages-August-2024.pdf.

United Way of Greater Los Angeles. "Affordable Housing Initiative: The Future of Affordable Housing." Accessed January 26, 2026. https://unitedwayla.org/our-work/creating-shared-prosperity/affordable-housing-initiative/.

University of California, Berkeley. "Permanent Supportive Housing: Building On What Works To End Chronic Homelessness." Terner Center for Housing Innovation. Accessed January 26, 2026. https://www.ternercenter.app/permanent-supportive-housing-building-on-what-works-to-end-chronic-homelessness.

U.S. Office of the Comptroller of the Currency. "Commercial Real Estate Lending: Comptroller's Handbook, Version 2.0." U.S. Department of the Treasury, March 2022. https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-real-estate-lending/pub-ch-commercial-real-estate.pdf.

U.S. Department of Housing and Urban Development. *HUD 2016 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations*. October 12, 2016. https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-500-2015_CA_2016.pdf.

Ward, Jason M., and Luke Schlake. *The High Cost of Producing Multifamily Housing in California: Evidence and Policy Recommendations*. RAND Corporation, April 2, 2025. https://www.rand.org/pubs/research_reports/RRA3743-1.html.

Project photos from: Completed projects | Office of Supportive Housing | County of Santa Clara and Affirmed Housing Photo Gallery | Vitalia