

Programming and Allocations Committee
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

November 9, 2022

Re: BAHFA funds for housing preservation and community ownership models

Dear members of the Program and Allocations Committee,

As members of the People's Land and Housing Alliance, we write to ask you to (1) prioritize the full \$15 million in housing preservation pilot within the Growth Framework Implementation of the REAP 2.0 program for community-controlled organizations that are led by Black and Indigenous people of color (BIPOC) and focused on permanently affordable housing, and (2) set aside \$3-5 million for new and emerging community-controlled models.

The People's Land and Housing Alliance (PLHA) brings together community organizations, new and existing community land trusts, and groups that provide technical and legal support to advance permanently affordable, low-cost housing and community stewardship of land and housing in order to address the structural drivers of the affordable housing crisis in the Bay Area for low-income communities of color. PLHA was created in response to the structural failures of markets and local governments when it comes to the housing crisis specifically, and to the inequalities in land distribution and use, more broadly.

The regional housing crisis is rooted in the exclusion of low-income communities and communities of color from important short- and long-term decisions about land and housing policy. Historically, these decisions have been left to market forces, where demand is measured by wealth, and to elected officials who are too often unresponsive or unaccountable to the needs of these communities. As a result, housing prices and land values are skyrocketing and thousands of Bay Area residents face the threat of eviction and homelessness. Displacement and forced relocation are direct threats to the long-term health, stability, and prosperity of low income communities and communities of color throughout the region. Sustainable, long-term solutions demand that we transition to a housing system that prioritizes individual, family, and community stability and health, and which views land and housing as central means to these ends.

BAHFA has the potential to be a leader in moving our region beyond the current broken housing system to center racial and social justice. Because BAHFA is such a new agency, the guidelines to distribute REAP 2.0 funds set an important precedent for the role BAHFA will play in the years to come.

We commend the BAHFA staff for recognizing the importance of community-driven models in addressing the regional housing crisis and suggesting a set-aside for these types of models. However, this does not go far enough. Without additional criteria for the full set of funds, BAHFA could unintentionally worsen our housing crisis by giving away scarce public dollars to predatory investors to buy up current low-cost housing stock in our communities and raising rents or forcing displacement of our communities.

BAHFA has the opportunity to send a strong message with its initial REAP 2.0 program that the funds it raises and allocates will be used to provide permanently affordable housing and remove homes from the speculative market through community ownership. BAHFA can do this by taking two actions:

- 1. Adopt the staff recommendation to allocate \$15 million of REAP 2.0 funding to a Housing Preservation Pilot program.**
- 2. Establish clear criteria for REAP 2.0 funds to be prioritized for community-controlled organizations that are led by BIPOC communities and focused on permanently affordable housing.** BAHFA funding should require permanent affordability through deed restrictions on the land that ensure the housing will be affordable for low-income families in perpetuity. This maximizes the return of these scarce public dollars by ensuring the affordability never expires, unlike traditional 30 or even 55 year deed restrictions which require communities and local governments to scramble to find ever larger sources of funding to extend affordability as those restrictions expire. For example, through an analysis of 40 East Bay properties in its portfolio, the Northern California Land Trust has found that deed restrictions keeping these homes permanently affordable have used initial subsidies of just \$28,760 per unit to create \$330,708 worth of affordability per unit – a massive 1,150% return on investment of these public funds over a 20-year period. A deed restriction on the land for permanent affordability is the only action that takes land and housing out of the speculative market. Additionally, REAP 2.0 funds should require community control of the organizations that own the land, to ensure this long-term commitment to affordable, quality housing with dignity is not diluted over time.
- 3. Establish a \$3-5 million set-aside for new and emerging community-controlled models.** The Bay Area is experiencing unprecedented growth in new community-controlled land and housing organizations. Over the past decade, the number of community land trusts in the Bay Area has grown exponentially to 13 CLTs in the 9 county Bay Area, and 29 CLTs statewide with over 1600 housing units home to over 3,500 residents. CLTs overwhelmingly serve low-income populations and households of color, with over 80% of CLT residents identifying as Black, Indigenous, Latinx, Asian or Pacific Islander. Many of these new organizations are in the process of purchasing their first property. Investing in these organizations now will set the stage for them to reach scale in future years as we work together to pass billions of dollars in new funds for permanently affordable, community-controlled housing.

Not all affordable housing is the same in its ability to deliver on providing safe, healthy, secure housing at a price that low-income people can afford. Unfortunately, we have seen too many examples of how

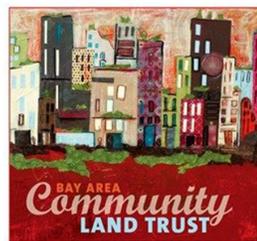
predatory actors in the housing market take advantage of well-intentioned policies and funding streams meant to provide truly affordable housing for low-income residents. Earlier this year, [KQED](#) uncovered how out-of-state housing organizations are using SB 1079—a state law meant to help renters buy their homes when facing foreclosure—to flip these homes for profit. In Antioch, a Southern California investor [attempted to raise rents by \\$500 and more](#) in three Low-Income Housing Tax Credit apartment complexes meant to provide affordable housing for low-income renters; they were stopped only because of an intense organizing campaign by the residents, who narrowly won a city-wide rent control ordinance.

As the Bay Area’s regional housing agency, BAHFA can be a leader in ensuring that housing is a human right for all in the Bay Area. We look forward to working with the staff and commissioners to help build this agency to truly transform our housing system to center racial and social justice.

Respectfully,

Members of the People’s Land and Housing Alliance:

- Asian Pacific Environmental Network
- Bay Area Community Land Trust
- East Bay Community Law Center
- Northern California Land Trust
- SOMOS Mayfair
- South Bay Community Land Trust
- Sustainable Economies Law Center
- Urban Habitat



Sustainable
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Law Center

