

**Metropolitan Transportation Commission and Association of Bay Area Governments  
Joint MTC ABAG Legislation Committee**

March 10, 2023

Agenda Item 3c

**Senate Bill 225 (Caballero): Community Anti-Displacement and Preservation Program**

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**Subject:**

New state program to invest in affordable housing preservation and anti-displacement strategies.

**Background and Bill Provisions:**

According to *Affordable Homes at Risk - 2022 Report* from California Housing Partnership Corporation, more than 1.1 million unsubsidized apartments across California provide an affordable place to live for low-income households, primarily people of color. But this housing is becoming less affordable as rent increases outpace wage growth, leading to the displacement of people from their homes and communities and, in the worst cases, homelessness. The trend is visible across the state; the Bay Area alone lost 160,000 unsubsidized affordable homes between 2012 and 2017. New affordable home production is not keeping pace with this loss, leaving fewer and fewer options for low-income Californians.

Acquisition of unsubsidized affordable homes by affordable housing developers and the subsequent restriction on the property's deed to guarantee future affordability to low-moderate-income renters (i.e., "preservation") is a proven model to prevent displacement and homelessness and increase the supply of permanently affordable homes. This strategy delivers affordability within months, providing residents with immediate stability and expanding the stock of deed-restricted homes. However, few resources are available to fund it, with state-level programs focused on other aspects of preservation and only a patchwork of local programs.

Senate Bill (SB) 225 creates the Community Anti-Displacement and Preservation Program (CAPP) to provide, upon appropriation, both short-term capital and long-term subsidy to acquire unsubsidized homes and preserve them as affordable for at least 55 years. Local jurisdictions, regional housing authorities (including the Bay Area Housing Finance Authority), community organizations, and affordable housing developers will be eligible to apply for project-specific loans and grants. In addition, local jurisdictions and regional entities can apply to serve as a lender of program funds within their geography.

In conjunction with SB 225, Senator Anna Caballero and Assemblymember Matt Haney are spearheading an ambitious one-time \$500 million budget ask to fund the program.

(Assemblymember Haney is also the principal co-author of SB 225.)

**Recommendation:**

Support / ABAG Executive Board Approval

Support / MTC Commission Approval

**Discussion:**

Plan Bay Area 2050 – the Bay Area’s state-mandated sustainable communities strategy – identifies preservation of unsubsidized affordable housing as a key strategy for achieving the Bay Area’s greenhouse gas reduction and access to opportunity goals. Preservation combined with *production* of new deed-restricted affordable homes and *protections* for renters constitute “the 3Ps” framework around which many Bay Area jurisdictions’ housing policies and programs are built. With substantial evidence that rising rents are the primary cause of homelessness, preserving apartments’ affordability also serves as an effective approach to prevent Bay Area households from becoming homeless (See, e.g., *Homelessness is a Housing Problem*, Colburn and Page, 2022).

Given the importance of preservation strategies in achieving the Bay Area’s housing goals, Bay Area Housing Finance Authority (BAHFA) recently launched two pilot programs to test different models of financing projects: Welfare Tax Exemption Preservation Program and Regional Early Action Program (REAP) 2.0 Housing Preservation Pilot. The results will shape BAHFA’s future preservation programs.

Last year, MTC and ABAG supported a General Fund appropriation for CAPP, which was not included in the final Fiscal Year 2022-23 budget. Our 2023 Joint MTC/ABAG Advocacy Platform includes CAPP as a continuing priority in Item 5A. SB 225 and the companion budget ask are the primary vehicles for advancing this priority in the 2023 legislative session. Under SB 225, BAHFA and cities and counties throughout the Bay Area could access substantial resources to fund existing and new preservation programs tailored to local needs. Even if the state budget situation precludes funding a new program this year, establishing CAPP in statute cements preservation as an effective statewide strategy and creates an opening for funding in future years.

**Known Positions:**

**Support**

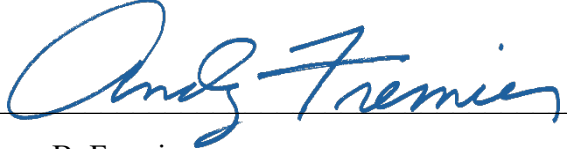
Enterprise Community Partners (Co-sponsor)	Habitat for Humanity Yuba/Sutter
Housing California (Co-sponsor)	Housing Now!
Public Advocates (Co-sponsor)	Inner City Law Center
ACCE	LA Forward
Alameda County Democratic Party	Monterey County Renters United
Bay Area Community Services	National Housing Law Project
Beverly-Vermont Community Land Trust	Nonprofit Housing Association of Northern California
California Coalition for Rural Housing	San Francisco Housing Accelerator Fund
CADEM Renters Council	San Francisco Housing Development Corporation
California Housing Partnership	San Luis Obispo County Democratic Party Executive Committee
California ReLeaf	South Bay Community Land Trust
California Rural Legal Assistance Foundation	Southern California Association of Nonprofit Housing
Community HousingWorks	STAND Affordable Housing
Community Land Trust Association of West Marin (CLAM)	Strategic Actions for a Just Economy (SAJE)
Community Power Collective	Tenants Together
Faith in the Valley	Tenderloin Neighborhood Development Corporation
Fideicomiso Comunitario Tierra Libre	Venice Community Housing
Greenbelt Alliance	Western Center on Law and Poverty

**Oppose**

None on file

**Attachments:**

None



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