

REGIONAL PRESERVATION NOTIFICATION SYSTEM		
1.1	Key Element of CASA Compact	#6. Regional tracking and notification system
1.2	Brief Description	<p>To enable entities to effectively use funding for preservation, we need to be able to (1) <i>identify</i> rent-restricted units where the restriction is expiring, (2) <i>identify</i> unrestricted affordable housing units that are for sale, and (3) rapidly <i>notify</i> qualified purchasers who can use the funding to preserve the identified units.</p> <p>In support of these items, Bay Area Metro should work with California Housing Partnership Corporation (CHPC) and other relevant entities to create a Regional Preservation Notification System that does the following:</p> <ol style="list-style-type: none"> 1. Identifies and monitors (a) all rent-restricted affordable housing units and (b) all unrestricted housing units with affordable rents in the Bay Area (as identified through the Rental Housing Data Collection Program—see companion brief—and other means); and 2. Notifies qualified purchaser entities (Qualified Entities as certified by state HCD under AB 1521 but possibly with a local preference for non-profit and local government entities) when (a) rent-restrictions are expiring and (b) when unrestricted housing units with affordable rents are put on the market, to enable entities to purchase and preserve these units as affordable. <p><u>Action Items</u></p> <p>The following <i>four action items</i> are needed to create this Notification System:</p> <ol style="list-style-type: none"> 1. <u>Identifying and Monitoring Rent-Restricted Units</u>: CHPC currently collects information on rent-restricted affordable housing units in the Bay Area and is working with State HCD to expand this database to include all types of affordable units covered under the State's Preservation Notice Law, as amended by AB 1521 in 2017. To assist in and accelerate this process, CASA should propose (a) that Bay Area Metro ask local jurisdictions to share their information on locally rent-restricted units and (b) that Bay Area Metro adopt a funding condition to encourage local governments to share this information. 2. <u>Identifying Market-Rate Affordable Units</u>: Create a Bay Area Rental Housing Data Collection Program (see companion brief). 3. <u>Monitoring Market-Rate Affordable Units</u>: Pass a "Notice of Intent to Sell" law (statewide legislation or regionwide legislation passed by the state legislature) that requires owners of qualified market-rate affordable housing rental units (as identified through a Bay Area Rental Housing Data Collection Program) to notify Bay Area Metro and/or the relevant local jurisdiction of their intent to sell their property. (See, e.g., Seattle for a model.)

		4. <u>Notification</u> : Create a regionwide list of Qualified Entities who are notified and pre-approved for rapid financing.
1.3	Supports these CASA goals: <i>(check all that apply)</i>	<input checked="" type="checkbox"/> Protection <input checked="" type="checkbox"/> Preservation <input type="checkbox"/> Production
1.4	Desired Effect <i>What problem would this solve? Who would benefit? If applicable, identify any specific populations who will especially benefit.</i>	<p>A Regional Preservation Notification System would provide the infrastructure needed to allow entities to timely purchase and preserve rent-restricted and market-rate affordable housing units as affordable. The ultimate goal is to ensure the Bay Area does not lose any existing units of affordable housing, preventing the region's already large shortage of affordable rental homes from growing.</p> <p>For context, CHPC reports that 5,106 units in the Bay Area are at risk of losing their affordability in the next five years due to the expiration of a federal or state subsidy and/or rent restrictions. In addition, the Bay Area loses thousands of market-rate affordable units each year, displacing thousands of low- and moderate-income tenants. Identifying units for preservation and notifying qualified purchasers are the first two steps to help keep these units affordable and keep low- and moderate-income tenants in their homes.</p>
1.5	Key Questions and Points of Concern <i>What key questions or issues need to be resolved?</i> <i>What are the major sticking points and areas of negotiation?</i>	<u>Funding</u> : To be most effective, a Regional Preservation Notification System should be paired with a regional source of funding for acquisition and rehabilitation of expiring rent-restricted and market-rate affordable housing units.
1.6	Resources Needed <i>What costs will be incurred and by whom? Note any funding sources that are readily available.</i>	A Regional Preservation Notification System would be low cost to create and operate.
1.7	Scale of Impact <i>(as measured by Plan Bay Area goal alignment)</i>	<p>Preserve: A Regional Preservation Notification System would help preserve thousands of existing affordable homes each year (to tens of thousands if paired with a significant source of funding).</p> <p>Protect: By preserving thousands of affordable homes each year, a Regional Preservation Notification System would help keep thousands of low-income tenants in their homes.</p>
1.8	Potential Vehicles for Implementation <i>Check all that apply</i>	<p>X Legislation</p> <ul style="list-style-type: none"> <input type="checkbox"/> Regional Funding <input type="checkbox"/> Statewide Funding <input type="checkbox"/> Regulatory Reform <input type="checkbox"/> Education and Advocacy <input type="checkbox"/> Pilots & Spreading Best Practices

		<p>X Other: Bay Area Metro action, local information sharing, MTC funding conditions</p> <p><i>Possible Vehicles Include the Following:</i></p> <ul style="list-style-type: none"> • <u>Legislation</u>: Bay Area-wide (or statewide) legislation introduced by a Bay Area legislator to create a "Notice of Intent to Sell" requirement and a Regional Rental Housing Data Collection Program. • <u>Voluntary Local Action</u>: Bay Area Metro should ask local jurisdictions to opt in to information sharing on rent-restricted units. • <u>Conditions</u>: Condition discretionary MTC funds on local information sharing and compliance with AB 1521.* <p>*Note: In October 2017 the Commission voted to direct MTC staff to examine all discretionary funding sources (estimated at around \$74 billion between now and 2040) and develop condition recommendations based on all 3 Ps by June 30, 2018, for Commission review.</p>
1.9	<p>Time Frame</p> <p><i>Time needed for action to be approved and implemented.</i></p>	<p><i>Select one</i></p> <p>X Short-Term (0-2 years): To pass any needed legislation and/or funding conditions, create the technological infrastructure, and create a list of qualified purchasers.</p> <p>X Med-Term (3-5 years): To roll out the notification system, especially as it relates to market-rate affordable housing units.</p> <p><input type="checkbox"/> Long-Term (6-10 years)</p>
1.10	<p>Feasibility</p> <p><i>Select one and describe your rationale for why this level of feasibility is anticipated.</i></p>	<p><i>Select one</i></p> <p><input type="checkbox"/> Easy</p> <p>X Medium</p> <p>X Difficult</p> <p><i>Rationale:</i> To be most effective, a Regional Preservation Notification System would require information sharing from local jurisdictions on rent-restricted units, a Regional Rental Housing Data Collection Program, a Notice of Intent to Sell requirement for market-rate affordable units, technical creation of a platform, and creation of a list of qualified purchasers. However, the creation of any Notification System (even if incomplete) would be helpful for the region.</p>