

PRESERVATION-RELATED AMENDMENTS TO HOUSING ELEMENT LAW		
1.1	<b>Key Element of CASA Compact</b>	#8. More preservation at the local level
1.2	<b>Brief Description</b> <i>1-3 sentence summary of action or policy</i>	<p>The state legislature should make the following two amendments to existing Housing Element law to encourage jurisdictions to preserve affordable housing:</p> <p><b>1. Require Jurisdictions to Analyze Risk of Loss of Market-Rate Affordable Housing Units</b></p> <p>Under Government Code § 65583(a)(9), jurisdictions must analyze how many units of existing assisted (also known as “rent-restricted”) affordable housing are at risk of conversion from rent-restricted affordable to market rate during the next 10 years. As part of this analysis, jurisdictions must (a) identify and list units at risk of loss; (b) estimate the total cost of (i) preserving the units and (ii) replacing the units; (c) identify public and private nonprofit corporations that have the legal and managerial capacity to acquire and manage the units; and (d) identify and consider possible federal, state, and local financing and subsidy programs that could be used to help preserve the units.</p> <p>A similar analysis should be conducted for market-rate affordable housing units (units that presently charge below-market rate rents affordable to households making less than 80% of AMI). By requiring jurisdictions to identify and estimate how many units of market-rate affordable housing they are at risk of losing and develop a plan (e.g., policies or programs) to address that risk of loss, jurisdictions and non-profits can take the steps needed to preserve these units as affordable.</p> <p><b>2. Allow Jurisdictions To Count Market-Rate Units that They Convert to Deed-Restricted Affordable Units as Meeting up to 25% of Their Low- and Very-Low-Income RHNA Obligation</b></p> <p>As an incentive to encourage jurisdictions to preserve affordable housing, amend Housing Element law (e.g., in Government Code §§ 65583.1 and 65400) to allow jurisdictions that (a) acquire existing market-rate units, (b) rehabilitate those units (if needed), and (c) rent-restricts those units as rental housing affordable to low- and very-low-income households for 55 years, to count those units towards up to 25 percent of their low- and very-low-income RHNA obligation at the end of the RHNA cycle (i.e., in the jurisdiction’s reporting requirements).</p>
1.3	<b>Supports these CASA goals:</b> <i>(check all that apply)</i>	[X] Protection      [X] Preservation      [ ] Production

1.4	<b>Desired Effect</b> <i>What problem would this solve? Who would benefit? If applicable, identify any specific populations who will especially benefit.</i>	<p>The Bay Area loses thousands of market-rate affordable units each year, displacing thousands of low- and moderate-income tenants. The proposed changes to Housing Element law would encourage jurisdictions to (1) analyze and assess the risk of loss of their existing market-rate affordable housing units, and (2) create programs to help acquire, rehabilitate and preserve market-rate housing as healthy and affordable rent-restricted housing, thereby adding to the jurisdiction's supply of rent-restricted affordable housing stock.</p>
1.5	<b>Key Questions and Points of Concern</b> <i>What key questions or issues need to be resolved?</i>  <i>What are the major sticking points and areas of negotiation?</i>	<p>Amending Housing Element law to require jurisdictions to analyze the risk of loss of market-rate affordable housing units would impose a new requirement on jurisdictions. As part of this requirement, jurisdictions would need to identify these market-rate affordable housing units, which could be difficult and take some time. A Regional Rental Housing Data Collection Program would help in this endeavor (see "Regional Rental Housing Data Collection Program" brief and "Regional Preservation Notification System" brief).</p>
1.6	<b>Resources Needed</b> <i>What costs will be incurred and by whom?</i>	<p>No cost</p>
1.7	<b>Scale of Impact</b> <i>(as measured by Plan Bay Area goal alignment)</i>	<p><b>Preserve:</b> These amendments to Housing Element Law could help preserve thousands of existing affordable units (or many more, if paired with a significant source of funding—see other preservation policy briefs).</p> <p><b>Protect:</b> By preserving thousands of affordable homes each year, these changes would also help keep thousands of low-income tenants in their homes.</p>
1.8	<b>Potential Vehicles for Implementation</b> <i>Check all that apply</i>	<p><b>X Legislation</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Regional Funding</li> <li><input type="checkbox"/> Statewide Funding</li> <li><input type="checkbox"/> Regulatory Reform</li> <li><input type="checkbox"/> Education and Advocacy</li> <li><input type="checkbox"/> Pilots &amp; Spreading Best Practices</li> </ul> <p><b>X Other: Education and capacity building</b></p> <p><i>Possible Vehicles Include the Following:</i></p> <ul style="list-style-type: none"> <li>● <u>Legislation</u>: State legislation introduced by a Bay Area legislator.</li> <li>● <u>Education and Capacity Building</u>: HCD and Bay Area Metro should engage in follow-up education and capacity building of local jurisdictions to enable them to take advantage of these changes and develop robust preservation programs.</li> </ul>
1.9	<b>Time Frame</b> <i>Time needed for action to be approved and implemented.</i>	<p><i>Select one</i></p> <p><b>X Short-Term (0-2 years): To pass legislation and to develop education materials and begin to disseminate them to jurisdictions.</b></p> <p><b>X Med-Term (3-5 years): To continue education and capacity building for local jurisdictions around preservation-related Housing Element law provisions. [Note: The next round of Housing Elements are due on January 31, 2023.]</b></p>

		<input type="checkbox"/> Long-Term (6-10 years)
1.10	<b>Feasibility</b> <i>Select one and describe your rationale for why this level of feasibility is anticipated.</i>	<i>Select one</i> <input type="checkbox"/> Easy <b>X Medium</b> <input type="checkbox"/> Difficult  <i>Rationale:</i> While these amendments to Housing Element law are common-sense, no-cost reforms that have the potential to increase preservation of affordable housing across the state, they could face resistance by statewide actors and would require concerted advocacy.