

ESTABLISH A REGIONWIDE OR STATEWIDE NO NET LOSS OF AFFORDABILITY REQUIREMENT WITH RIGHT OF RETURN AND TENANT RIGHT OF FIRST REFUSAL		
1.1	Key Element of CASA Compact	#8. More Preservation at the Local Level
1.2	Brief Description <i>1-3 sentence summary of action or policy</i>	<p>Every year, hundreds of units that are presently being rented at below-market rates are demolished by new development. Not only are tenants displaced as a result, but once such units have been lost, the new market-rate units are likely permanently out of reach of low-income households. Currently, the region has a patchy framework of locally-adopted no net loss of affordability provisions in the case of demolitions occurring as a result of new development that offer varying levels of protections for tenants, but there is no regionwide or statewide mandate to safeguard the ongoing affordability of such units.</p> <p>To preserve the affordability of the Bay Area's existing housing stock and to help prevent displacement of low-income tenants in the case of demolition, the California state legislature should pass a law that creates a regionwide or statewide "no net loss of affordability" requirement that safeguards the affordability of existing affordable units (both deed-restricted and market-rate affordable to households making <80% AMI) and protects tenants. Such a law would include the following four components:</p> <ol style="list-style-type: none"> 1. <u>Restrict demolitions</u>: No demolition permit may be issued on properties that have had an Ellis Act eviction recorded in the last five years; 2. <u>1:1 replacement</u> of any rent-restricted or market-rate affordable unit that is demolished; 3. <u>Relocation assistance</u> for any tenants displaced by the demolition of their unit including assistance with moving expenses (into and out of a new unit) in the same neighborhood, and rental assistance until their new unit is fit for occupation; 4. <u>Right of first refusal to a new rental unit</u> offered at the same rent previously paid by the tenant and subject to rent restrictions based on income level for at least 55 years. If the tenant refuses that unit, then the unit must be rented to another low-income household (making <80% AMI); and 5. <u>Right of first refusal for tenants to purchase their units</u> if it is placed on the market. If the tenant is unable to purchase the property then the unit is to be offered to a housing organization that will preserve its affordability for at least 55 years for a rental unit or 45 years for a homeownership unit before it can be offered to a buyer that will not rent-restrict the property.

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>	Having a stringent statewide no net loss law would result in tens of thousands of rent-restricted and market-rate affordable units being preserved on an annual basis and help to substantially grow the State's supply of rent-restricted affordable homes.
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>	<ul style="list-style-type: none"> • How does the region or state ensure compliance by smaller building owners? • What kind of administrative structure will need to be established statewide to ensure compliance?
1.6	Resources Needed <i>What costs will be incurred and by whom? Note any funding sources that are readily available, if known.</i>	This proposal requires funding for administrative costs. Other costs are borne by the developer or the building owner.
1.7	Scale of Impact <i>(as measured by Plan Bay Area goal alignment)</i>	Protect: _____ tenant households annually* Preserve: _____ net new units annually through* * The exact preservation and protection numbers are unknown as it depends on the market but could potentially help preserve thousands of units on an annual level statewide and protect affordability for thousands of tenants.
1.8	Potential Vehicles for Implementation <i>Check all that apply</i>	<input checked="" type="checkbox"/> Legislation <u>Legislation:</u> This would need to be enacted through state legislation
1.9	Time Frame <i>Time needed for action to be approved and implemented.</i>	<input checked="" type="checkbox"/> Short-Term (0-2 years)
1.10	Feasibility <i>Select one and describe your rationale for why this level of feasibility is anticipated.</i>	Medium Rationale: The State has some precedent for passing such legislation through its Affordable Housing Preservation Law and its latest update through AB 1521. Similar proposals were also made through SB 827.