



BUDGET PROPOSAL: THE ANTI-DISPLACEMENT AND HOUSING PRESERVATION PACKAGE FOR AN EQUITABLE RECOVERY

Advocate Contacts:

For Housing California

Brian Augusta baugusta@piadvocates.org

Anya Lawler alawler@piadvocates.org

For the California Community Land Trust Network

Amy Hines-Shaikh

amy@consultwildcat.com

Staff Contacts:

For Assemblymember Bloom

Guy Strahl, Chief of Staff

guy.strahl@asm.ca.gov

For Assemblymember Quirk

Tomas Dueñas, Chief of Staff

Tomasa.duenas@asm.ca.gov

SUMMARY

The **Anti-Displacement and Housing Preservation Package** would provide critical investment in two complementary housing preservation programs to combat displacement while investing in the equitable recovery and resilience of California communities. The programs would invest in the preservation of both ownership and rental housing, creating opportunities to move more of our housing stock into long-term affordability. The programs would provide innovative financing to acquire and preserve rental housing where low-income Californians are at risk of displacement and to implement Senator Skinner’s SB 1079, which provides an opportunity for renters, community land trusts and others to acquire foreclosed properties of 1-4 units and preserve them as affordable.

The Community Acquisition and Preservation Program and the **Foreclosure Intervention Housing Preservation Program** are complementary strategies that together will help address the housing crisis, expand the supply of affordable housing, and build more resilient communities.

<p>The Community Acquisition & Preservation Program</p> <ul style="list-style-type: none"> ● Provides stability to low-income residents facing displacement, allowing them to stay in their homes and communities ● Quickly and cost-effectively expands the supply of deed-restricted affordable housing ● Provides acquisition capital, to enable the efficient acquisition of lower cost homes on the private market ● Provides gap-subsidy financing to ensure the long term affordability and stability of these homes ● Aligns with SB 490 (Caballero), which provides technical expertise and capacity building to support the acq-rehab funded by this budget request ● Would be funded at \$500 million in FY21-22 ● Eligible borrowers include affordable housing 	<p>The Foreclosure Intervention Housing Preservation Program</p> <ul style="list-style-type: none"> ● Empowers homeowners and tenants to prevent foreclosure-driven displacement ● Provides acquisition and rehab funding to nonprofits and tenants to purchase distressed 1-4 unit buildings ● Acquisition of buildings in foreclosure or at auction are eligible for use of funds ● Acquisitions will remain affordable to low-income families for decades ● Program would be funded at \$770 million over the next five years ● Complements SB 1079 (Skinner), enacted January 1st, 2021, which allows a qualified buyer to beat
---	--

developers, CDCs, CLTs, and local jurisdictions	the highest offer of an investor-buyer at auction
---	---

FORECLOSURE INTERVENTION HOUSING PRESERVATION PROGRAM

There are currently approximately 6,000 units in California that are in the process of foreclosure, and this number is expected to rise as the state and federal eviction and foreclosure protections expire. To preempt this foreclosure crisis, the Legislature passed SB 1079 (Skinner) in 2020, which allows non-profit affordable housing providers and tenants greater ability to buy 1-4 unit foreclosed properties, in order to preserve them as permanently affordable housing. Specifically, SB 1079 allows qualified nonprofits and tenants 45 days to beat the best offer from a foreclosure auction.

However, without a dedicated source of public funding, it will be difficult to scale this critically-needed approach to housing preservation. **We are therefore requesting that the 2021-2022 State Budget allocate \$770 million in funding over 5 years towards implementation of SB 1079 (Skinner), in the form of the Foreclosure Intervention Housing Preservation Program.**

COMMUNITY ACQUISITION AND PRESERVATION PROGRAM

The vast majority of low-income renters live in “unsubsidized affordable housing”, housing which is not publicly subsidized, but is more affordable to low-income folks. This housing supply is disappearing rapidly as residents are priced out and displaced from their homes and communities. New housing production has also not kept pace, leaving fewer and fewer options for low-income people to live.

Local programs have demonstrated that acq-rehab/preservation of unsubsidized affordable housing can quickly and effectively expand the supply of deed-restricted affordable housing, while allowing residents to remain in their homes and communities. In order to scale existing, and grow new preservation efforts throughout the state, we are requesting the **2021-2022 State Budget allocate \$500 million towards the Community Acquisition and Preservation Program. This funding will help fill the state financing gap for acquisition and preservation of homes where the majority of low-income Californians live, ranging from single-family homes to large multifamily rental properties.**