



Bay Area Preservation Initiatives

Joint Housing Committees – May 8, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

What is Housing Preservation?

Housing preservation is the process of mission-driven organizations or residents buying and/or renovating homes where people with low and moderate incomes already live

Preservation can look like:

1. Taking property off the speculative market and converting it to affordable housing
2. Renewing restrictions on existing affordable housing before they expire
3. Rehabilitating affordable housing to address habitability issues and extend the life of the property



Benefits of Preservation

- Prevents displacement of existing residents
- Ensures long-term affordability for future residents
- Improves building conditions and quality of life
- Supports stability, diversity, and vitality of communities
- Can offer opportunities for ownership and building equity



BAHFA's Preservation Goals



At least **15% of all revenue** must be used for preservation



Preserve **expiring-use affordable housing** to prevent displacement



Preserve existing **unsubsidized housing** and convert to permanently affordable housing



Target preservation investments for **most vulnerable and impacted residents**



Create opportunities for **community-owned housing**

BAHFA's Preservation Pilots



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Welfare Tax Exemption Preservation Program

- **Public agency support** required to qualify for the Welfare Tax Exemption
 - Recorded Deed Restriction
 - \$5,000 Grant Agreement
- **Key Program Features:**
 - Restricted at 80% of Area Median Income
 - Rents must offer 10% discount to market
 - Annual rent increase restrictions
 - Rent reduction for rent-burdened tenants
 - Local housing staff support



Program Progress

BAHFA's \$30,000 investment has preserved 474 units in two years:

- **Completed six projects** in Alameda, Santa Clara, and San Mateo Counties
- **Currently underwriting a 313-unit project** in Contra Costa County



Bay Area Preservation Pilot

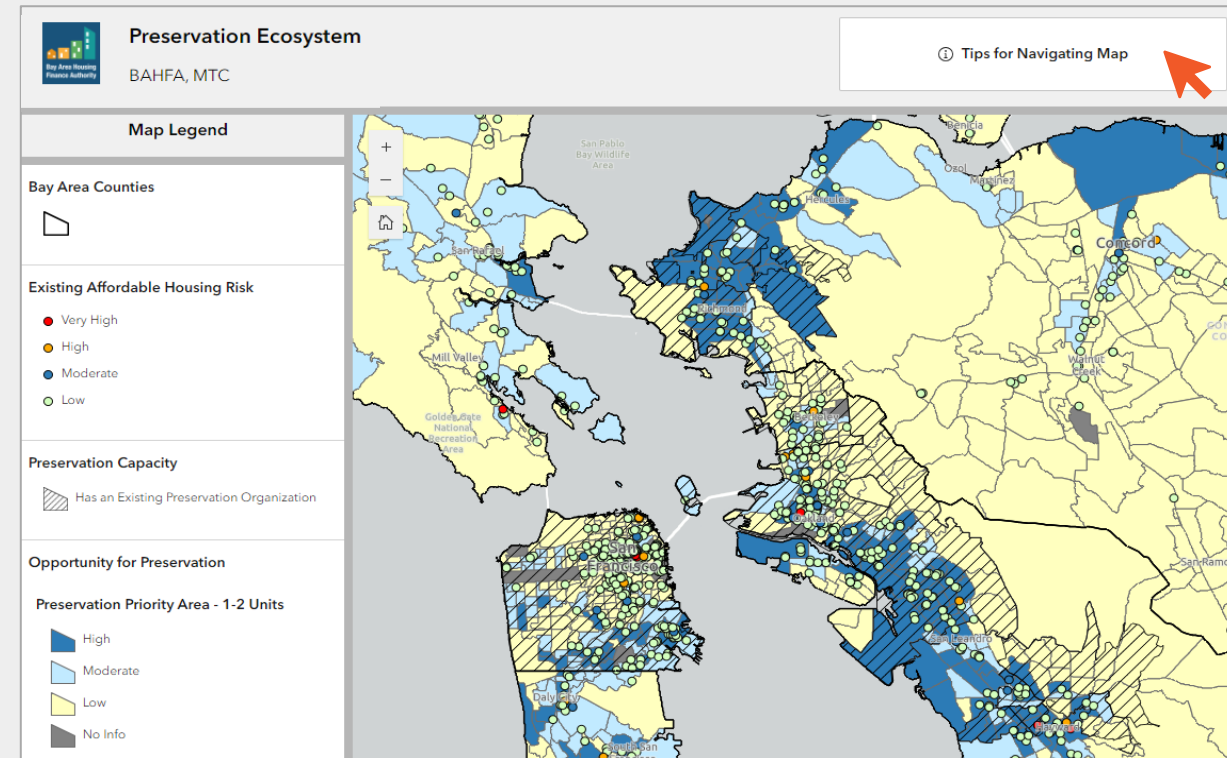
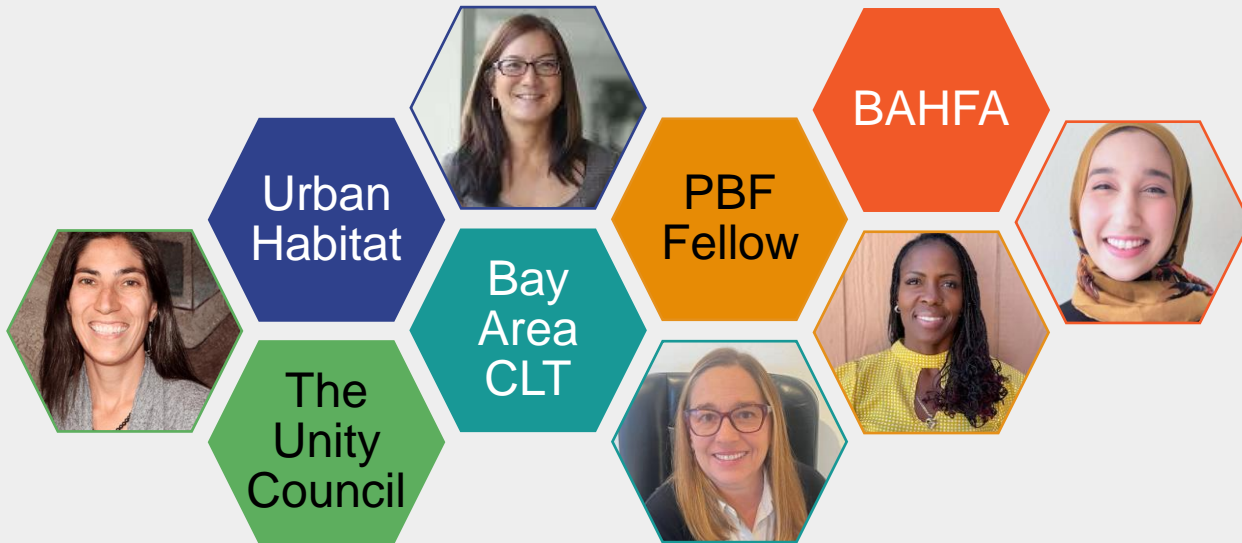


- Launched by **MTC** in 2018 and revised in 2021
- Revolving loan fund managed by CDFIs for acquisition and rehabilitation of **transit-oriented** unsubsidized affordable housing
- **\$10 million** investment fully deployed and preserved **200 units**
- **Project Sponsors:** Bay Area CLT, Northern CA CLT, The Unity Council, Eden Housing

Partnership for the Bay's Future Grant

Fellowship and community partnership to advance housing preservation policies:

- Alameda County Welfare Tax Exemption Technical Assistance
- Regional Housing Needs Allocation Credit for Preservation Research
- Preservation Ecosystem Map



Preservation Practitioner Examples



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

2000 36th Ave, Oakland



- 55 units
- 1 and 2 bedrooms
- 1.19 acres
- Built in 1959
- Interior courtyard
- Parking and laundry



Project Financing



Development Costs:

- Acquisition: \$11.1 million
- Life & Safety Repairs: \$1.2 million
- Substantial Rehabilitation: \$3.9 million
- **Total: \$16.2 million or \$294,000/unit**

Financing Partners:

- Housing for Health Fund: \$60,000/unit
- Bay Area Preservation Pilot: \$68,000/unit
- City of Oakland: \$136,000/unit
- Energy Efficiency Programs: \$16,000/unit

Community Impact



***Holistic approach** to improving quality of life for existing tenants:*

- **Environment:** address deferred maintenance, courtyard upgrades
- **Physical Health:** health fair, nursing school partnership, after-school programming, food distribution
- **Mental Health:** safety enhancements, help large households move into larger units
- **Economic:** rent relief, school backpack giveaway, career resources, apply for social services



Reed Street, San Jose

- South Bay CLT's **first acquisition**, a 1929 fourplex home to **residents of color**, including veterans and people who have experienced homelessness.
- Acquisition and rehabilitation funded by **\$500,000 crowd-sourced funds** and **\$1.6M LISC Loan**



Strategy & Collaboration



- City of SJ Council & Housing Department
- Working Partnerships
- SV @ Home

Policies, Programs, & Data

Housing Preservation Organizations

- South Bay CLT
- MidPen Housing
- Charities Housing
- Affirmed Housing

Financing & Funding Resources

- City of San Jose
- County of Santa Clara
- LISC
- Enterprise

Tenant Organizing, Outreach, & Education

- SOMOS Mayfair
- LUNA
- Sacred Heart
- Law Foundation of Silicon Valley

San Jose Community Preservation Ecosystem

Backend Organizational & Other Support

- CA CLT Network
- Legal Support
- Realtors
- Accounting

Thank You



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION