Advancing Community-Controlled Housing Preservation through the New Bay Area Housing Finance Authority

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Executive Summary

The newly established Bay Area Housing Finance Authority (BAHFA) presents a vital opportunity to expand community-controlled housing, such as community land trusts and limited-equity housing cooperatives, across the Bay Area. BAHFA is the first regional housing finance authority in California and allows for regionally funded efforts to mitigate the nine-county Bay Area’s affordable housing crisis. BAHFA will use a “3 Ps” approach, which includes protecting tenants, preserving affordable housing, and producing new affordable housing.

This paper focuses on the importance of affordable housing preservation, especially via community-controlled models, and offers key recommendations to deeply research and develop during the business planning process and then implement through BAHFA’s pilot programs and long-term programming. Regarding community-controlled housing models, the paper discusses CLTs and LEHCs particularly given their presence in the Bay Area and calls from the tenant movement to expand these models. By prioritizing community-controlled housing models in its Business Plan, BAHFA can transform the housing landscape by permanently decommodifying and stabilizing land and housing and creating inclusive communities across the region.

Affordable housing preservation is ideal for the nine-county Bay Area’s existing housing stock. In 2017, 54% of the Bay Area’s low-income households were in buildings with fewer than 10 units or in mobile homes, including 25% in single-family homes.¹ Moreover, smaller properties are often exempt from tenant protections, such as rent control, as a proxy exemption for small landlords, even though corporate investors now own a significant portion of single-family rentals.² Smaller properties are often difficult for larger, traditional nonprofits to take on for preservation because they offer less economy of scale in terms of cost per unit and staff time per project than do larger properties. A significant portion of the total housing stock in the Bay Area thus is in urgent need of preservation, which must be achieved other than through the prevalent low-income housing tax credits (LIHTC) approach.

Plan Bay Area 2050 (PBA 2050), the Metropolitan Transportation Commission’s most recent long-range plan, also recognizes the need for extensive affordable housing preservation and specifically identifies community-controlled housing organizations as critical partners in this work. PBA 2050 estimates the cost of preserving affordable housing, including renewing currently subsidized units and bringing unsubsidized units under permanent affordability, at

² As of 2020, corporate investors owned approximately $60B worth of single-family rentals. In the first quarter of 2021, corporate purchases of single-family rentals rose nearly 5%, more so than any other property type, totaling one of every seven homes across the U.S. (CalMatters)
$237B over the next 30 years. Meeting this goal will require serious and creative interventions in the current affordable housing finance system, and BAHFA has an essential role to play in funding preservation.

This paper explains the challenges across the three stages of the acquisition-rehab process and then offers corresponding BAHFA solutions:

1) competing in the housing market;
2) funding the acquisition; and
3) stewarding land and housing and movement building.

We have outlined a broad and ambitious agenda for BAHFA to develop and implement, beginning during the business planning process and then over the next several years. These recommendations represent the broad scope of strategies that will support MTC/ABAG’s ambitious equitable housing goals and the needs of our communities. BAHFA will need to invest further research into many of these recommendations and consider in its process the most effective order of prioritization and implementation. While all of these recommendations will greatly support community-controlled preservation, **BAHFA must immediately acknowledge the lack of subsidy to support this work and act on the funding recommendations with a sense of urgency.** The full range of recommendations are as follows, and all of this work should be undertaken in close partnership with CLT and LEHC practitioners and advocates:

1. Support the Passage and Implementation of Right of First Refusal Policies.
2. Transfer Public Land to Community-Controlled Housing Organizations.
3. Transfer Foreclosed Properties to Community-Controlled Housing Organizations.
4. Support RHNA Reform for Preservation.
5. Diversify Revenue Sources Beyond a Bond Measure.
6. Create a Regional Fund for Community-Controlled Housing.
7. Develop Favorable Funding Terms that Allow for Community Ownership.
8. Simplify the Loan Application Process.
9. Scale Contracting Requirements to Fit Project Type.
10. Coordinate and Consolidate Additional Funds.
11. Staff and Appoint Community-Controlled Housing Professionals to BAHFA.
12. Let Community-Controlled Housing Organizations Lead.
Introduction

The Need for Regional Preservation

Several trends show that the Bay Area is woefully behind its affordable housing goals. From 2015 - 2019, the Bay Area only met 24% of its Regional Housing Needs Allocation (RHNA) goals for units below 120% Area Median Income (AMI). Meanwhile, it’s exceeding its above moderate income goals by 26%. According to an analysis by California Housing Partnership Corporation (CHPC), the Bay Area has a 222,273 shortfall of affordable homes for low-income and very low-income households. Our affordable housing goals are also a moving target, as the Bay Area’s supply of unsubsidized affordable housing (sometimes referred to as “naturally occurring affordable housing” or “NOAH”) is dwindling by 32,000 households per year, and research suggests that its supply is only minimally increased by trickled-down market-rate housing.

In response, Bay Area housing advocates have enthusiastically adopted the “3 Ps” Framework (“protect current residents from displacement, preserve existing affordable housing, and produce new housing to secure long-term affordability”). Our regional focus, however, is unbalanced. The predominant narrative framing the housing crisis through a supply-demand lens, which has received more attention through the rise of the “Yes-In-My-Backyard” (YIMBY) movement, ignores the racial dispossession of gentrification and presumes that an unleashed private housing market can resolve all housing problems, including the past and present of racist housing policy and practices, via increased production. To increase new affordable housing units, specifically, the region has relied on the development of traditional nonprofit affordable housing, primarily through the Low Income Housing Tax Credits (LIHTC) program, which for decades has been the largest affordable-housing program in the state (and the nation as a whole). To a greater degree than acquisition-rehabilitation projects due to their expanded scale, new LIHTC production is subject to rapidly rising hard construction costs (versus steady acquisition/land costs) and fluctuations in the market, and the LIHTC model prioritizes the investor, who receives corporate

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4 Association of Bay Area Governments / Metropolitan Transportation Commission (2021). Momentum for lasting solutions: Launching the Bay Area Housing Finance Authority and the expanded regional housing portfolio.
tax breaks and owns 99% of the project. Moreover, in California, the highly competitive 9% tax credit program is oversubscribed two to one.\(^9\)\(^10\)

Nearly half of Bay Area renters are rent-burdened; nearly half of low-income households of color live in neighborhoods that are gentrifying or are at risk of gentrification;\(^11\) and the Bay Area’s homeless population grew by 24% between 2017 and 2020 to 35,118 people.\(^12\) These statistics represent the failures of the market and of neoliberal housing policy to create stable, decent, and affordable housing for all people. Progressive housing advocates are increasingly calling for an aligned regional strategy to ensure housing affordability points us towards housing justice\(^13\) and long-term stability, affordability, and well-being in the region. We need to move beyond market-based housing strategies to longer-term solutions founded on the principles of housing as a human right and the decommodification of housing.

We also must reemphasize the importance of preservation, especially of smaller properties. Preservation is ideal for the nine-county Bay Area’s existing housing stock; in 2017, 54% of the Bay Area’s low-income households were in buildings with fewer than 10 units or in mobile homes, including 25% in single-family homes.\(^14\) Moreover, smaller properties are often exempt from tenant protections, such as rent control, as a proxy exemption for small landlords, even though corporate investors are now a significant owner of single-family rentals.\(^15\) Smaller properties are often difficult for larger, traditional nonprofits to take on for preservation because they offer less economy of scale in terms of cost per unit and staff time per project than do larger properties. A significant portion of the total housing stock in the Bay Area thus is in urgent need of preservation, which must be achieved other than through the prevalent LIHTC approach.

Beyond affordable housing numbers, the housing market’s failures are deeply connected to the destabilization of neighborhoods of color. We’ve witnessed this in the mass gentrification and displacement of Black and Latinx communities in the Bay Area. We’ve also seen this in racist housing policies that robbed wealth and wealth-building opportunities from Black and Latinx residents. As underfunded local housing departments struggle to combat these inequalities, BAHFA is in an unprecedented position to advance a regional, long-term strategy. We need solutions that emphasize resident agency and neighborhood stabilization, reduce the wealth-building opportunity gap for BIPOC residents, and the strengthening of people power.

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\(^9\) California Tax Credit Allocation Committee (2021). Agenda Item 2, Approval of the Minutes of April 28, 2021 Meeting [Meeting agenda].
\(^10\) For more on LIHTC, its opportunities, challenges, and limitations, see Urban Institute (2018).
\(^12\) Bay Area Council Economic Institute (2021). Bay Area Homelessness: New Urgency, New Solutions.
\(^13\) Right to the City Alliance. Mission, History, & Platform.
\(^15\) As of 2020, corporate investors owned approximately $60B worth of single-family rentals. In the first quarter of 2021, corporate purchases of single-family rentals rose nearly 5%, more so than any other property type, totaling one of every seven homes across the U.S. (CalMatters)
Community-Controlled Housing Preservation: A Solution and A Movement

The newly established Bay Area Housing Finance Authority (BAHFA) presents a vital opportunity to expand community-controlled housing. Created by Assembly Bill 1487 in 2019,16 BAHFA is the first regional housing finance authority in California and allows for regionally funded efforts to mitigate the nine-county Bay Area’s affordable housing crisis. Such a regional housing enterprise was first adopted by MTC/ABAG in 2018.

In 2023, BAHFA plans to release the Expanded Regional Housing Portfolio Business Plan. The business plan will include an equity framework, a revenue plan, and an operational structure, and its RFP specifically emphasized using “innovating financing options beyond typical private activity bond/Low Income Housing Tax Credit (LIHTC) funding structures.” By prioritizing community-controlled housing in its Business Plan, BAHFA can transform the housing landscape by permanently decommodifying and stabilizing land and creating inclusive communities across the region.

While community-controlled housing preservation goes by many related names—“regional preservation,” "acquisition-rehabilitation," "just housing," “decommodified housing,” "equitable acquisition,” “long-term affordable housing,” "social housing”—we define it as housing models that strive for (1) permanent affordability, (2) social inclusivity, and (3) democratic control.17 18 19 While specific definitions may vary, the key part of these models is the decommodification of housing, which comes from restrictions on the resale of the units, paired with resident agency secured via models of democratic control.

These characteristics make community-controlled housing distinct from market-rate owner or rental housing and from traditional nonprofit affordable housing construction. Common types of community- and resident-controlled housing preservation models include community land trusts (CLTs), limited equity housing cooperatives (LEHCs), shared-equity housing (SEH), and other

16 The Bay Area Housing Finance Authority and Governing Board, Ca. Government Code § 64510 et seq.
17 Right to the City Alliance (2018). Communities over commodities: People-driven alternatives to an unjust housing system.
19 Livingston, C. et al. (2021, October 15). Letter to Chair and Members, Assembly Select Committee on Social Housing Re: Fundamental Principles of Social Housing.
20 We support other strategies related to community-controlled housing preservation. This includes: new construction community-controlled housing, new construction on vacant/public lands, preserving mobilehome parks as cooperatives (e.g. ROC USA), community-controlled non-residential property, and conversions of non-residential uses to affordable housing (e.g. Project Homekey). This paper follows the emphases of our interviewees to focus on one major strategy: preservation of existing unsubsidized units. However, community-controlled housing is often underprioritized among policymakers and government agencies, and we believe that opening the door for community-controlled housing organizations will establish the public sector partnerships necessary for the full range of related strategies and opportunities.
forms of cooperative housing. The models are often very flexible: they can work as owner-occupied or rental units, as singular projects or scattered-site models. More recently, LEHCs have partnered with CLTs to prolong affordability. Community-controlled housing models are popular in Europe and South America. In the U.S. the first housing cooperatives were developed in New York City by European immigrants and the community land trust model was developed by Black sharecroppers in Georgia in the 1960s.

Community-controlled housing preservation has unparalleled benefits:

- By prioritizing the residents in-place, community-controlled housing reduces the trauma of root shock—the destabilization and lasting harm caused by disruptions to place and community. Unlike traditional new-build affordable housing, it serves residents within the community, without the complications of right to return policies whose benefits have yet to materialize.
- Unlike other affordable housing options, it creates a diversity in residential housing stock, including bedroom count and access to outdoor space, especially important for families with children.
- Preservation of the original structure is both more environmentally sustainable and less likely to generate pushback in exclusionary neighborhoods.
- It’s more cost-effective. As an Enterprise study of the Bay Area finds, preservation is 50% to 70% the total cost, from all funding sources, of new affordable housing production. Community land trusts, moreover, are permanently affordable and offer only one-time government subsidy at the time of acquisition and rehabilitation, compared to repeated subsidy infusions for affordable housing at the time of deed restriction expiry.
- Community-controlled housing models offer low-income residents an active role in shaping their housing and can provide asset-building opportunities through shared-equity models.

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21 Other cooperative and cohousing living situations are becoming more popular—particularly as a cost-saving mechanism in the most expensive areas of the Bay Area. They are typically coordinated through mailing lists and Facebook groups and are popular among QTPOC, students, and others interested in alternative living. However, their legal arrangements are typically ad-hoc, vary widely, and most importantly do not guarantee permanent affordability. See Bay Area Cooperative Association for more.
22 According to a 2011 national survey of CLTs, about two-thirds were rentals (Shelterforce).
23 For example, see OakCLT.
26 New Communities Inc. (2017). New Communities Inc. history.
27 See also The Texas Freedom Colonies Project.
• At the community level, community-controlled housing advances long-term neighborhood stabilization and facilitates building social capital and community power. It also protects resident wealth from foreclosures during economic recessions.31
• It works across different markets in the Bay Area, from hot markets where environmental sustainability and cost-effectiveness are key benefits, to cooler markets where community-controlled housing preserves community wealth from gentrification and displacement while housing costs are lower.

Supporting community-controlled preservation already aligns with MTC’s housing goals and strategies. In fact, Plan Bay Area 2050 (PBA 2050) has dedicated an entire housing strategy to preserving affordable housing (Strategy H2) that specifically names housing cooperatives and community land trusts as key strategies in achieving preservation-related goals. Preserving affordable housing, both renewing current deed restrictions and acquiring unsubsidized affordable housing, is estimated to cost $237B through 2050. According to PBA 2050’s Implementation Plan, MTC should lead this strategy and it already has the authority and public and political will to do so; what it’s missing is the technical capacity and financial resources. Additionally, BAHFA has already approved five pilot programs, one of which focuses exclusively on affordable housing preservation. This paper’s recommendations attempt to fill those gaps in expertise and experience and offer a way forward that fully recognizes the potential of CLTs and housing cooperatives around the region.

Regional preservation is a growing movement in the Bay Area. Programs have been piloted recently in San Francisco (Small Sites Program), Berkeley (Small Sites Program), Oakland (Measure KK Acquisition and Conversion to Affordable Housing), and San Mateo County (ARAPP) with promising success. Private preservation capital through initiatives like the Strong, Resilient and Prosperous Communities Challenge (SPARCC) and the Partnership for the Bay’s Future are becoming more popular. Organizations like the California Community Land Trust Network (CACLTN) and Grounded Solutions work to coordinate the movement’s efforts and pass legislation that will structurally support these models. At the state level, the passage of AB 140 in 2021 means that the state has committed $500M to affordable housing preservation via the new Foreclosure Intervention and Housing Preservation Program (FIHPP) and to develop technical assistance tools for the application process. The State Assembly recently created a Select Committee on Social Housing to advance such efforts on a larger scale. BAHFA can play a key role in supporting this movement and expanding these initiatives by advocating for the passage of policies that pull land and housing out of the speculative market; developing financial products that facilitate preservation and community control; and providing technical assistance to local jurisdictions and practitioners, among other actors.

Challenges and Solutions in Community-Controlled Housing Preservation

For each step of the acquisition-rehabilitation process, this white paper outlines (1) the challenges that the community-controlled housing movement currently faces in the Bay Area and (2) the solutions that BAHFA can offer to support those models. Challenges and solutions are drawn from key literature on community-controlled housing relevant to the Bay Area and from interviews conducted with key stakeholders.

This paper outlines the challenges and solutions of three stages of the acquisition-rehab process:

4) competing in the housing market;
5) funding the acquisition; and
6) stewarding land and housing and movement building.

Competing in the Housing Market

To bring existing, unsubsidized affordable housing into community control, organizations must first acquire sites. Although sites suitable for preservation through community control are abundant in much of the region, three factors must align: (1) the need for the site within the community, (2) the opportunity to acquire the site in a competitive housing market, including access to suitable capital, and (3) the financial feasibility of the project.

Identifying sites that fit the community’s needs is well suited to community-controlled housing organizations. These organizations primarily use a grassroots model involving relationship building and community organizing to garner support for the project and to build community power. Thus, community-controlled housing practitioners prioritize relationships with tenants for site identification, but may also try other methods such as searching real-estate listings and engaging sympathetic landlords. Sites of the highest priority are typically those with marginalized groups at high risk of displacement and with affordable rents. BAHFA is poised to help expand these organizations’ connections to both opportunity and feasibility.

Currently, community-controlled housing organizations have a difficult time acquiring properties amidst the region’s hot housing market. Of foremost concern is the rapid disappearance of unsubsidized affordable housing, especially in hot markets when there is greater competition with private developers. The California housing market is so inflated that prices most often reflect the property’s speculative value rather than existing rents, a dynamic that feeds displacement pressures. Under-resourced community-controlled housing organizations are unable to compete with market-rate buyers willing to put more down or pay in cash. For example, interviewees from a particularly hot Bay Area housing market called the market “invisible,” since many sales occur off the market with buyers paying in cash.
Furthermore, the Bay Area’s housing markets often move too quickly for such organizations to pull together multiple types of funding. One interviewee likened it to a “series of fire drills,” where a small organization suddenly has only 30 to 60 days to complete their due diligence and purchase a property. Moreover, conducting due diligence can be an expensive sunk cost whenever acquisitions cannot go forward. As a recent example, the Sogorea Te’ Land Trust (which currently does not legally “own” any land despite the Bay Area occupying indigenous land) had only 14 days to raise $750,000 for their first house. Even established CLTs cannot operate with a “production pipeline” model like traditional affordable housing developers, impact-investors, and project-based philanthropy programs. CLTs are working to preserve housing on the open housing market, where the market dictates timing, as opposed to new construction projects, for which the assembly of financing and subsidies typically take years. While they work on the market’s timing, CLTs must rely on public subsidy to make prospective projects feasible, and there is no steady supply of appropriate subsidy on which they can rely.

BAHFA Solutions

To help community-controlled housing organizations better compete in the housing market, BAHFA can take a more active role in facilitating the transfer of property to community-controlled housing organizations through new policies and programs.

Support the Passage and Implementation of Right of First Purchase Policies.

A key reform that CLTs around the region are advocating for is the right of first purchase, a policy that gives occupying tenants and mission-oriented buyers priority in the purchase of unsubsidized rental property when the owner puts it up for sale. Right of first purchase policies give tenants, CLTs, and other affordable housing nonprofits reasonable time to raise the appropriate funds without having to compete with all-cash buyers and investors. The policy can also include long-term price stabilization provisions to ensure that land and housing purchased with this right is permanently removed from the speculative market. Examples of this policy in action include the Tenant Opportunity to Purchase Act (TOPA) in Washington D.C. (enacted in 1980, amended in 2018) and the Community Opportunity to Purchase Act (COPA) such as in San Francisco (2019). TOPA has been introduced in Berkeley and is on the docket in a number of other Bay Area jurisdictions. A statewide version of this policy was also proposed in 2020 with AB 1703 (Bloom), and the Stable Homes California coalition will likely revive the bill.

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33 Sogorea Te’ Land Trust [@sogoreatelandtrust]. (2021, August 20). Get in Relatives. One week ago, we put out a call to help us buy our first house. We had [Photograph]. Instagram.
Although BAHFA does not have the authority to enact a right of first refusal policy, BAHFA should use its technical assistance, funding, and influence to advocate for the policy at the local level. In doing so, BAHFA should emphasize the policy’s key role in protecting tenants at risk of displacement and giving them clear agency throughout the process and in preserving existing affordable housing for a comprehensive 3 Ps anti-displacement strategy.

**Recommendations:**

- BAHFA should dedicate a reliable stream of funding to support TOPA and COPA acquisitions in jurisdictions where the policy passes. This funding could support down payment assistance for residents and acquisition capital for affordable housing organizations.
- BAHFA staff should educate elected officials and agency staff about affordable housing preservation; elevate policy research carried out by community-based organizations and local jurisdictions; and develop model implementation plans and offer administrative support to understaffed housing departments working to implement such a policy.
- While right of first refusal policies are a top priority among community-controlled housing practitioners, BAHFA can also advocate for and support the development and implementation of policies that: integrate CLTs into inclusionary zoning policies to hold the affordable units in trust, as has happened in Sonoma County with its local Housing Land Trust, and equitably tax CLTs and LEHCs.35

**Transfer Public Land to Community-Controlled Housing Organizations.**

BAHFA should play a related role in identifying public land, including both undeveloped and vacant or underutilized sites, and coordinating with local agencies to facilitate its transfer to CLTs and other nonprofits to become permanently affordable housing. A 2018 study commissioned by MTC has already laid the foundation for a comprehensive database of public parcels—including those occupied by vacant buildings—suitable for affordable housing.36 37 With the Surplus Land Act in effect, California already requires a right of first refusal for public lands to nonprofit developers. In line with Plan Bay Area 2050’s strategy to create inclusive communities (Strategy H8),38 BAHFA can build on that right and support its affordable housing pipeline pilot. This kind of technical assistance would help community-controlled housing practitioners plan ahead rather than finding funding under a “fire drill.”

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36 Metropolitan Transportation Commission (2018). Public Lands for Workforce Housing [Dataset].
37 Community-controlled organizations could also support new construction on public land in partnership with LIHTC affordable housing developers, where the larger developer contributes capacity and scale, while the community-controlled organization contributes permanent affordability and democratic governance.
38 Association of Bay Area Governments / Metropolitan Transportation Commission (2021). Plan Bay Area 2050: Housing. Association of Bay Area Governments / Metropolitan Transportation Commission.
Recommendations

- BAHFA should develop and maintain a comprehensive database of public parcels suitable for affordable housing. This database would facilitate the preservation of existing affordable housing, the conversion of vacant buildings to affordable housing, and the development of new affordable housing. BAHFA staff should build on MTC’s 2018 analysis to include parcels that may have been screened out in the original study because they were deemed non-competitive for tax credit-based public financing programs. These smaller and “less competitive” parcels may still be suitable or even ideal for community-controlled housing development models.

- BAHFA should actively coordinate with public housing authorities and other agencies with public land to match sites most suitable for preserving affordable housing or converting existing buildings to affordable housing with CLT partners. BAHFA should prioritize disposition to CLTs, provide CLTs with clear data on the sites to analyze their suitability, and partner with local jurisdictions to develop a smooth disposition process. BAHFA could also identify informal settlements (e.g. homeless encampments or other squatters, some of which have started to experiment with models of self-governance39), mobile home parks, or housing in MTC’s Equity Priority Communities to help stabilize existing communities by pairing them with CLTs.40

- BAHFA should provide predevelopment and other funds to help facilitate the disposition, acquisition, and rehabilitation of these sites.

- During the business planning process, BAHFA staff and the consultant team should determine necessary changes to disposition processes and needed capacity across local jurisdictions and public agencies (e.g., BART and VTA are the largest owners of public land in the Bay Area) to make them work for CLTs.

- During the business planning process, BAHFA staff and consultants should assess the feasibility of a land bank. A BAHFA land bank would hold both surplus public land and private sites and keep them off the market as community-controlled practitioners prepared to acquire sites.

Transfer Foreclosed Properties to Community-Controlled Housing Organizations.

Following the foreclosure crisis of 2008, corporate investors bulk-purchased foreclosed properties—a strategy that was incentivized by the federal government through the Department of Housing and Urban Development (HUD) and government-sponsored enterprises (GSEs), which launched a $60 billion single-family rental market.41 42 Foreclosures have been on the rise

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39 Orenstein, N. (2021, July 23). New West Oakland program could be one of city’s first ‘co-governed’ homeless camps. The Oaklandside.
in California since the beginning of 2021 and have continued to increase following the expiration of the foreclosure moratorium at the end of September.\textsuperscript{43} \textsuperscript{44}

In the wake of the COVID-19 recession, we are likely to continue to see foreclosures caused by economic hardship, whether due to mortgage delinquency, unpaid taxes, or a combination of the two. Strategies to prevent or mitigate foreclosures caused by mortgage and/or tax defaults are critical, and supporting the preservation of these properties is essential. In fact, a recent White House press release called for federal agencies to take immediate action to increase affordable housing in this area, including through “Making More Single-Family Homes Available to Individuals, Families, and Non-Profits Organizations – Rather Than Large Investors” for FHA-backed foreclosing homes.\textsuperscript{45} With the passage of AB 140 in 2021, the state committed $500 million to support foreclosure acquisitions by nonprofits and to develop technical assistance tools via the new Foreclosure Intervention and Housing Preservation Program (FIHPP).\textsuperscript{46} The CACLTN was instrumental in the passage of FIHPP, and should again be looked to for leadership in expanding related programs.

\textbf{Recommendations:}

- BAHFA should create a Distressed Assets Platform for owners to market their distressed properties.\textsuperscript{47} This strategy would tailor well to BAHFA’s pilot program to develop a regional, affordable housing “pipeline.” BAHFA could do outreach to proactively seek out distressed properties or motivated sellers and connect them with community-controlled housing organizations.

- Share this platform exclusively with CLTs and other nonprofit housing organizations to increase the market’s visibility and streamline the availability of data that is otherwise only available through proprietary sources. Acquiring and stabilizing foreclosed properties would work particularly well in softer markets where foreclosures of smaller, less expensive properties are more likely. Community-controlled housing practitioners may also be in the best position to engage financially distressed owner-occupants and navigate the sensitive decision-making process about how to resolve their situation.

- BAHFA staff and the business planning consultants should explore BAHFA’s ability to support local counties in mimicking Los Angeles County’s CLT Partnership Pilot Program.\textsuperscript{48} This L.A. County program developed a process and funding mechanism to

\textsuperscript{43} ATTIM staff (2021, October 14). \textit{Q3 2021 U.S. foreclosure activity begins to see significant increases as foreclosure moratorium is lifted.} ATTIM Data Solutions.

\textsuperscript{44} ATTIM staff (2021, November 10). \textit{October 2021 U.S. foreclosure activity continues to increase nationwide.} ATTIM Data Solutions.

\textsuperscript{45} White House (2021, September 1). \textit{Fact sheet: Biden-Harris administration announces immediate steps to increase affordable housing supply.} White House.

\textsuperscript{46} The program sunsets in 2026.

\textsuperscript{47} Baiocchi, G. and Carlson, H. J. (2020). \textit{The Case for a Social Housing Development Authority.} Urban Democracy Lab.

\textsuperscript{48} See county supervisor Hilda Solis’ website for more information and motion language.
transfer tax-defaulted properties to CLTs and rehabilitate them, and it has recently been expanded to include non-defaulted properties. A similar BAHFA program could first exhaust all measures to keep the property from foreclosing, such as through direct assistance programs, possibly akin to BAHFA’s planned pilot for a regional rental and mortgage assistance network.

- MTC/ABAG should support the passage of legislation similar to AB 528, which was authored but ultimately not advanced in the 2021 legislative cycle. The bill expands on existing state legislation on county sales of tax-defaulted properties to specifically support and facilitate their sale to community development housing organizations and CLTs, helping to advance the transfer of land and housing into community control.

- BAHFA should prepare to support implementation of such legislation when passed and seek out other ways to build on existing tools that advance this strategy, such as Chapter 8 of the state’s tax code.

Support RHNA Reform for Preservation.

Preservation, including for community-controlled housing, needs to be recognized in the RHNA process, which currently focuses on the number of housing permits for new construction. According to HCD’s Annual Progress Report (APR) instructions, preserved or acq-rehab units can count towards a jurisdiction’s RHNA, but only if they meet very strict requirements—and even then, they can only count for up to 25% of a local jurisdiction’s RHNA. No Bay Area jurisdiction has used this option in their housing elements to date. Changes to RHNA would require state legislative approval.

Recommendations:

- MTC/ABAG should advocate at the state level to allow preservation units to count towards the overall RHNA goals, similar to what was done with Project Homekey units through AB 83 (2020).
- BAHFA staff should develop a more holistic metric beyond income-categorized unit counts, distinguishing between production and preservation and accounting for the

49 New York City’s Third Party Transfer (TPT) program is another relevant model. However, BAHFA should learn important lessons about acquiring tax-defaulted properties from the poor administration of the TPT program. Advocates note that foreclosures happened without property notice and judgements later needed to be vacated, and that the government has a very outdated list of qualified entities eligible for the transfer, which only need to include 20% affordable housing. In addition, the TPT program has come under fire for prematurely foreclosing homes in Black neighborhoods.


52 Required to fulfill an Adequate Sites Alternative pursuant to Ca. Government Code § 65583.1(c).

53 California Department of Housing and Community Development (2020, December 28). Housing element annual progress report (APR) instructions. California Department of Housing and Community Development.

54 MTC/ABAG staff (personal communication, 2021).

55 This kind of legislative fix comprises part of MTC/ABAG’s Partnership for the Bay’s Future Breakthrough Grant application, which would be a promising step towards accelerating preservation work.
features of permanent affordability, social inclusivity, and democratic control. BAHFA could first prototype a holistic metric as part of evaluating the success of regional preservation initiatives, which could then be adapted to the statewide level.\textsuperscript{56}

Funding Regional Preservation

The greatest barrier to regional preservation is funding, particularly subsidy. Having secured the opportunity to acquire a competitive site, community-controlled housing organizations are still burdened with funding the predevelopment, acquisition, rehabilitation, and permanent stewardship of the property.\textsuperscript{57} Interviewees noted that the regional preservation ecosystem is severely lacking funds in all of these areas, especially in terms of suitability for use by community-controlled models.

Community-controlled housing organizations also have smaller staffs and fewer financial resources relative to other affordable developers and to for-profit investors. Meanwhile, the landscape of subsidy and financing sources for preservation is markedly different than that of LIHTC construction, the funding pools for which are exponentially larger and have consistent criteria and timing year-to-year. Even identifying, reviewing, and staying up to date with the current patchwork of ever-changing subsidy and funding sources can be a challenge, so much so that the California CLT Network is now developing a preliminary funding database for its members. And funding problems often prevent projects from starting or being completed. As one interviewee pointed out, most of the balance sheet of a CLT is in the trust, meaning their assets are not liquid; community-controlled organizations typically do not hold equity on hand that can be mobilized for a rapid acquisition. As a result, CLTs are financially dependent on their ability to pull together acquisition capital through a patchwork of different sources, even for the acquisition of a small property.

Despite being the most vital form of subsidy for affordable housing development, public subsidies are unpredictable in timing and quantity, highly competitive, and often exclude community-controlled preservation models, making them a sparse resource. One manner of exclusion is that public subsidies are universally structured as residual receipt loans with no provision for eventual forgiveness—which is essential for community-controlled projects that will eventually convert to resident ownership, so that a new resident ownership entity does not appear over-obligated with debt to a takeout lender.

\textsuperscript{56} Hernandez, A. C., McNeill, S. and Tong, Y. (2020). \textit{Increasing community power and health through community land trusts: A report from five movement-driven california CLTs}.

\textsuperscript{57} Organizations must determine the financial feasibility of the property and coordinate funding sources to reach a purchasing agreement with the owner in a timely manner. After the acquisition, the organization must then complete inspections, secure the necessary permits, and create a rehabilitation plan that works for the residents. Once residents are able to move back in, the organization must have a financial plan in place to maintain the property's permanent affordability and longer-term operational funding.
Public subsidies that are available often have multiple months-long processing times for both acquisition and rehabilitation and come with strict contract compliance requirements that were designed with large, new construction projects in mind. One interviewee noted that despite having a strong relationship with the city, the organization needs to underwrite with the same information multiple times, costing these capacity-strained organizations unnecessarily in loan fees and staff time.

The largest federal affordable housing program, LIHTC, is almost never used by community-controlled housing organizations. Competition with more established affordable housing developers for the state’s limited, high-demand LIHTC funds is increasingly difficult; in 2020, LIHTC only awarded funding to approximately 51% of its 9% credit applicants and 58% for its 4% credit applicants. This makes competition within local funding streams that are compatible with community-controlled models more intense, as LIHTC developers are pushed into them. Moreover, as many interviewees pointed out, LIHTC is incompatible with collective ownership models (since LIHTC investors own 99% of the project) and has a scoring system that prioritizes projects with more units and deeper affordability.

Commercial loans (often from community development financial institutions, or CDFIs) present another set of challenges for community-controlled housing organizations. CDFI loans are more expensive and have more limited flexibility compared to public subsidy. This is in part because CDFIs are more practiced and generally better positioned to support larger, new construction projects than smaller, preservation projects—which require the same amount of due diligence and underwriting as larger projects and have tighter margins. Moreover, the lack of available public sector funding also complicates securing CDFI funding since CDFIs typically need assurance that their loans will be paid back at the end of their term. Some interviewees noted they cannot even apply for CDFI funding given their inability to prove that they have secured matching funds and because CDFI loans may have restrictions that effectively exclude undocumented people, who may be residents or cooperative members of a preservation project. Many CDFIs do not provide permanent financing with loan terms greater than ten years, and not all provide predevelopment or capacity building funding. However, our interviewees noted their dependence on CDFI funding, especially since they are oriented toward public interest lending.

It’s also important to note that not all community-controlled housing organizations have equal access to financial resources (both public and private), especially those outside the Bay Area’s major cities. While some higher-resource municipalities have developed dedicated subsidy funds

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for preservation (such as the Small Sites Programs in San Francisco and Berkeley and the Measure KK Acquisition and Conversion to Affordable Housing program in Oakland), other municipalities do not have the same benefits. Many lower-income communities of color in outer cities like Vallejo and Richmond have approached or experienced bankruptcy, which shrinks both public and private resources. In some more rural parts of the Bay Area, few established affordable housing developers will operate despite immense need.

Financing challenges have compounding negative effects that can constrain community-controlled organizations. The intense pressures of operating in one of the highest-cost real estate and construction markets in the country force many CLTs to prioritize fiscal austerity and professionalization over their mission to organize communities, pursue community-driven priorities, and foster leadership and resiliency in resident communities.\(^{61}\) \(^{62}\) Funding challenges can also prevent CLTs from scaling. For instance, one CLT interviewed noted that about 80 percent of their budget was raised from community members. Another interviewee remarked, “right now, [because of inadequately tailored loan products and subsidy programs] it’s as much work to do a 10-unit deal as it is to do a 100-unit deal.”

BAHFA Solutions

Community-controlled housing organizations require capital for predevelopment, acquisition, rehabilitation, permanent financing and permanent subsidy, conversion to resident ownership, and long-term stewardship.\(^{63}\) Most critically, these organizations urgently need and have inadequate access to grant capital and large-scale permanent subsidy designed for community-controlled preservation. Rapidly deployable funds for acquisition is a particular pain point. However, BAHFA must ensure actors in the Bay Area address this entire range of financing needs in order to effectively advance community-controlled land and housing. The following recommendations lay out key parameters for the business planning team to build into BAHFA’s revenue plan and any new regional funds and financial products.

**Diversify Revenue Sources Beyond a GO Bond Measure.**

Plan Bay Area 2050 estimates the cost of preserving affordable housing at $237B over the next 30 years. Meeting this goal will require serious and creative interventions in the current affordable housing finance system; long-term planning for diversifying BAHFA’s funding streams is critical to its equity outcomes. While BAHFA has largely been conceptualized as funded by a regional, general obligation bond (GO bond) approved by the voters, BAHFA has other revenue-raising options (commercial linkage fees, state and federal sources, grants, and

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private donations) that would not be subject to the restrictions embedded in GO bonds. According to its charter, at least 80% of revenues from a regional ballot measure and 50% from a commercial linkage fee must return to their counties of origin.64

**Recommendations:**
- BAHFA staff and the business planning consultant team must a) develop revenue sources outside a GO bond in order to support different funding needs and to equitably distribute resources across the region and b) ensure that the maximum amount of eligible funding is incorporated into a regional expenditure plan. Given that GO bonds are restricted to only fund capital expenditures (and therefore cannot fund programmatic costs like community engagement, capacity building, or tenant legal services, for example), BAHFA’s business plan must account for strategies to raise money to pay for predevelopment and capacity-building costs. Funding diversification will also have the most positive impacts on unincorporated areas and under-resourced cities where community-controlled preservation is critical to stave off gentrification.
- BAHFA’s business plan should develop models for partnership with private organizations to create revolving loan funds and to support the development of a regional, private nonprofit bond. Any revolving loan fund should be structured with the maximum allowable flexibility.
- BAHFA should identify and pull down relevant state and federal dollars to build a robust set of funding and financing tools, especially given the passage of AB 140 at the state level and various infrastructure bills at the federal level. BAHFA could also leverage a regional bond measure by advocating for progressive tax measures that dually mitigate excessive speculation such as a luxury tax, an anti-speculation tax, a vacancy tax, or a landlord licensing tax.

**Create a Regional Fund for Community-Controlled Housing.**

BAHFA’s charter mandates that 52% of regional housing revenues be spent on new affordable housing production, with only 15% and 5% going to preservation and tenant protections, respectively.65 These classifications and thresholds have important impacts on BAHFA’s priorities and have already reproduced our housing system’s overreliance on new construction.

**Recommendations:**
- BAHFA’s business plan should prioritize the remaining 28% of revenues for regional preservation initiatives that support community-controlled housing and unmet tenant protection needs.
- BAHFA should create a regional fund that prioritizes or is dedicated to community-controlled housing organizations, especially those with fewer resources.

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Beyond its material implications, as some interviewees shared, this would clearly acknowledge community-controlled housing as an important affordable-housing model. Any fund that BAHFA develops for acquisition, rehabilitation, and/or permanent subsidy should have a pool explicitly for community-controlled housing organizations, with products and terms designed to fit their particular needs and projects (as discussed below).

- The prioritization of community-controlled housing organizations within funding pools must be explicit. Some preservation programs have been structured by separating funds for smaller and larger projects, but our interviewees pointed out that this design problematically excludes larger LEHC projects.

Develop Favorable Funding Terms that allow for Community Ownership.

Products with more favorable, supportive loan terms are missing from the market and cause otherwise viable preservation projects to stall before acquisition. BAHFA is well positioned as a public sector authority to absorb somewhat more risk than commercial lenders in order to actualize demonstrably effective equitable housing solutions. Any financing solution BAHFA offers should have reasonable barriers to entry.

**Recommendations:**

- BAHFA should fund preservation projects at every stage and provide outright grants, recoverable grants, and permanent subsidy with more favorable terms. Some of the most important markers of favorability include low interest rates; flexible interest-only periods, including for the life of the loan; higher loan-to-value ratio allowances; and lower debt service coverage ratio minimums.

- BAHFA should not require matching funds or owner equity, which can be prohibitive for almost any small organization and not essential for project success.

- BAHFA should avoid developer experience minimums, including those that require newer developers to partner with older developers. Such minimums to access public financing can prove too difficult due to the legal costs and complications of forming a project-based joint venture.

- At a minimum, each subsidy should have an explicit provision for loan forgiveness, including for predevelopment financing in the event that a project doesn’t materialize. BAHFA funding must explicitly allow the subsidy assumed by the CLT to be converted to resident or cooperative ownership before the expiry of the loan term. A provision for forgiveness of permanent subsidy that is structured as a loan is a key element that will facilitate conversion to resident cooperative ownership.

- Make BAHFA funds the “first dollars in” where possible, to help community-controlled housing organizations leverage private capital.
Simplify the Loan Application Process.
Interviewees prefer BAHFA funds be mobilized independently, rather than bundling or flowing through existing municipal funding programs. Moving BAHFA funds into a local affordable housing financing fund or program is likely to cause compliance requirements and restrictions to be layered, creating added complexity and obstacles for small organizations and tight projects. Maintaining separate public funds ensures capital can be moved into projects more quickly. BAHFA should develop a streamlined loan process to make funds quickly deployable, allowing organizations to compete in the private market without costly delays.66

Recommendations:
- BAHFA should clearly define loan terms and requirements and create simple loan documents to avoid confusion.
- BAHFA should create a pre-qualification process to expedite second and subsequent applications from an organizational borrower. BAHFA should undertake one-time pre-underwriting of organizations specifically for acquisition funds, so that BAHFA is essentially only further underwriting the project when it arrives, and its acquisition loans or subsidies can move closer to the pace of the market.

Scale Contracting Requirements to fit Project Type.
Public funds should balance their strict requirements to provide more flexibility to community ownership borrowers. Community ownership models fill a gap in the regional housing solution by preserving small existing multifamily buildings, in addition to taking on other types of projects. For these small acquisition-rehabilitation projects, local contract compliance requirements developed with new construction in mind that mandate the use of certified local businesses or those that pay a federal prevailing wage can make a project infeasible. Ironically, community-controlled organizations are often deeply connected to small and local vendors, but these programs often have the effect of excluding those vendors, who lack the back-office staffing to navigate the bureaucracy and reporting required by prevailing wage and local certification programs.

Recommendations:
- BAHFA must develop contracting requirements with the scale and goals of small-scale preservation in mind, rather than reapplying the standards designed for new construction. Balancing prevailing wage rate requirements with policy goals for supporting local, small businesses is essential.

66 Some work to create a pro forma tool specific to regional preservation has been recently developed by Enterprise Community Partners.
Coordinate and Consolidate Additional Funds.

BAHFA can also support the broader movement for community-controlled housing preservation by coordinating existing funding sources commonly used by practitioners (see Appendix B for a list of potential sources to be leveraged).

Recommendations:

- BAHFA should develop a consolidated application that aligns requirements and deadlines of disparate funding sources, thus simplifying the application process. For funds already housed within Bay Area Metro—e.g. the Bay Area Preservation Pilot (BAPP) and the Bay Area Regional Energy Network (BayREN)—BAHFA could align the requirements or package the funds together for community-controlled housing applicants.
- BAHFA staff and the business planning consultants should survey key stakeholders and local governments to identify and compile funding sources into a financial database as an opportunity for knowledge-sharing, a tool currently being prototyped with CACLTN that could benefit from BAHFA’s support. In addition, BAHFA should take stock of non-housing related lending that would be useful for non-residential cooperatives or CLTs financing their operations.
- MTC/ABAG should align One Bay Area Grant (OBAG) funding with its new preservation priority, as laid out in Plan Bay Area 2050. Jurisdictions that support affordable housing preservation and community-controlled models—via a local preservation program, capacity-building dollars, or a right of first purchase policy—should receive additional points towards their OBAG application.

Stewardship, Capacity Building, and Growing a Movement

Among the defining features of community-controlled housing are continued stewardship and capacity building to retain community ownership. Such activities include engaging with service providers, property and asset management, resident engagement and training, grassroots organizing, and general operations. Even if there is sufficient, available financing for a project, an organization without adequate organizational funding or capacity support may not be able to complete underwriting in a timely manner. Unfortunately, organizational growth and capacity building are severely overlooked yet key to sustaining community-controlled housing as a growing movement.

Interviewees stressed the importance of community-based work to empower residents, foster emergent leadership, and galvanize support for affordable housing. This base-building work should not be understated; it is often an emotionally intensive process. Community-controlled housing organizations need to establish trustful relationships with community members and stakeholders, which some interviewees referred to as a “people-based” model. This work is not financed through loans but through direct grant funding to organizations.
Capacity building must also happen at the local-government level. Local housing departments often have thin capacity and little understanding of community-controlled housing. As a result, community-controlled housing organizations are forced to spend a significant amount of time educating and consulting with their local governments. One interviewee emphasized the “learning curve” and the need to build educational relationships between local governments and CLTs. One of the first cities to manage dedicated CLT funds, the City of Oakland, had to contract with the Urban Homesteading Assistance Board (UHAB) in New York City to educate city staff and work to set up suitable loan documents. This situation underscores the cost that this education process takes and the need for locally based knowledge.

The skill sets required to perform community-controlled preservation—at the intersection of grassroots organizing, education, advocacy, and real estate development—are highly specialized. Few training programs exist, if any, for some of the key roles for CLT staff, including resident relations and project development within these models. Even theoretical education about CLTs and LEHCs is hard to come by on university campuses. Currently, training and education for practitioners often occurs on-the-job or through one-on-one apprenticeship. Strong training resources and certification programs exist for affordable housing development and real estate finance, such as LISC’s Housing Development Training Institute and offerings from organizations like the National Development Council, Urban Land Institute, and NeighborWorks, but they are geared almost entirely towards large scale, new construction projects financed through tax credits. Local internship and placement programs like NPH’s Bay Area Housing Internship Program have successfully prepared young leaders from diverse backgrounds for careers in affordable housing development, but they are similarly skewed towards more traditional housing models and organizations. This creates a troublingly scarce pipeline of practitioners, with real obstacles to equitable hiring practices. As a result, CLTs are forced to expend significant resources in teaching and learning from each other to establish best practices. There is an entire ecosystem in need of capital support, from training through to funding staffing and specific projects, that BAHFA is well positioned to provide.

BAHFA Solutions

CLTs and LEHCs need staff within BAHFA who understand their particular needs and can successfully develop programs and financial products and provide technical assistance that supports them. As authorized by its charter, BAHFA can also spend up to 10% of regional housing revenues on a grant program for local governments to support technical assistance, infrastructure needs, homelessness, and homeownership; the business plan should determine the

possibilities to directly support community-controlled housing organizations via this grant program.⁶⁹

Staff and Appoint Community-Controlled Housing Professionals to BAHFA.
These new BAHFA staff would first be introduced as part of BAHFA’s forthcoming preservation pilot, where they would support a network of local jurisdiction staff and a network of practitioners, and they would support the development of a strong and equitable business plan.

Recommendations:
- BAHFA should hire at least two full-time experts on community-controlled housing models and at least one finance expert to navigate complex public-subsidy requirements.
- New BAHFA staff should share best practices, develop and share template policies and loan and legal documents, support individual acquisitions, and compile and disseminate funding opportunities among local jurisdictions and practitioners, all tailored to the structure of community-controlled housing organizations. Staff could, for instance, develop a preservation toolkit to use with different jurisdictions and different borrowers.⁷⁰
- These staff should also work closely with the business planning team to develop a model for the regional fund named in the previous section.
- MTC/ABAG must appoint a community-controlled housing representative to BAHFA’s public advisory committee and explore possibilities for bringing a community-controlled housing professional onto the BAHFA Oversight Committee, so that their interests and needs are included on those bodies.

Let Community-Controlled Housing Organizations Lead.
Interviewees emphasized letting community-controlled housing organizations take the lead in the technical-assistance process. In fact, a creative and flexible approach is critical to assisting with projects that often require creative solutions under a housing landscape not suitable to community-controlled housing. Building out BAHFA’s technical assistance program will be critical to developing strong and aligned preservation infrastructure across the region.

Recommendations:
- BAHFA staff and the consultant team should partner with CA CLTN and the California Center for Cooperative Development to conduct need-finding during the business plan’s development and to connect with individual CLTs and LEHCs. The consultant team and BAHFA should give special attention to smaller LEHCs and cooperatives, including by connecting these groups with CLTs with greater capacity to mentor them.

• BAHFA staff and the consultant team must determine the possibilities for providing direct capacity-building grants to community-controlled housing organizations, understanding that these grants will be essential. BAHFA could, for example, replicate Community Vision’s notice of funding availability (NOFA) process and bundle constructive TA, like Community Vision’s CalCORE program, and capacity-building grants into its loan package.

• Provide supportive funding to community-controlled organizations’ existing initiatives to address the gaps outlined here. For example, providing grants to CACLTN’s CLT Academy, geared toward addressing gaps in training and professional development for community-controlled housing practitioners.

Build Capacity across Local Jurisdictions, Funders, and Private Lenders.

MTC and ABAG commissioners, local governments, lenders, and funders must better understand community-controlled housing preservation to meaningfully support it. Many housing stakeholders are unfamiliar with CLT and shared-equity models and the nuanced landscape of strategies through which they operate, and thus don’t realize their power to advance community-ownership and self-determination in marginalized communities. BAHFA’s support of casemaking and storytelling will be critical for key stakeholders to learn more about common challenges and supportive measures and policies.

Recommendations:

• BAHFA staff should organize trainings that bring in community-based experts to teach electeds, staff, funders, and lenders about preservation strategies and shared-equity housing models. BAHFA should consult with organizations that already have training curricula, such as Grounded Solutions and CACLTN.71

• BAHFA staff should support local jurisdictions in developing their own preservation programs where appropriate, which would complement BAHFA’s programs. This would include developing template loan documents that allow for community ownership; model contract compliance standards that facilitate acquisition-rehabilitation projects; and NOFA development and funding prioritization criteria. This could be done through ABAG’s recently established Regional Housing Technical Assistance (RHTA) program, which currently primarily focuses on housing elements, and/or its preservation pilot.

• As BAHFA develops new public funding sources to support community-controlled housing, it’s also critical that the Authority encourages private lenders and philanthropy to be better partners to CLTs and LEHCs (through increased low-cost loans and grants, for instance).

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71 For example, see Hernandez, A. C., McNeill, S. and Tong, Y. (2020) appendices: Appendix A.4 includes example pro formas and Appendix C includes example promotional from Sacramento CLT.
Conclusion

This paper offers a robust set of recommendations to BAHFA for the new authority to meet the regional need for affordable housing preservation through community-controlled models. We reemphasize that the prioritization of community-controlled housing through BAHFA is essential to creating inclusive communities across the region. BAHFA is uniquely positioned to reverse existing trends in the policy, financial, and movement infrastructural landscape of housing throughout the Bay Area. By undertaking deep exploration and research of the opportunities outlined here, in close partnership with community-controlled housing organizations and practitioners, BAHFA can help ensure our region grows closer to our goals of an affordable, connected, diverse, healthy, and vibrant Bay Area.
Appendix A: References

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Evie Wilhelm, Bolinas Community Land Trust
Leo Goldberg, California Community Land Trust Network
Meghan Horl, City of Oakland
Kim Thompson, Community Land Trust Association of West Marin
Ruby Harris, Community Vision
Devin Culbertson, Enterprise Community Partners
Anna Ravindranath, Enterprise Community Partners
James Yelen, Enterprise Community Partners
Elizabeth Wampler, LISC Bay Area
Daniel Saver, MTC/ABAG
Somaya Abdelgany, MTC/ABAG
Mark Shorett, MTC/ABAG
Francis McIvience, Northern California Land Trust
Sarah Scruggs, Northern California Land Trust
Ian Winters, Northern California Land Trust
Steve King, Oakland Community Land Trust
Mia Carbajal, Richmond LAND
Dulce Galicia, Richmond LAND
Valerie Jameson, Richmond LAND
Jaqueline Rivera, South Bay Community Land Trust
Liz González, South Bay Community Land Trust
Jay Cumberland, Sustainable Economies Law Center
Cade Underwood, Sustainable Economies Law Center

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Appendix B: Potential Region-Wide Funds to Coordinate

- Advancing California Finance Authority (ACFA)
- Bay Area Preservation Pilot (BAPP)
- Bay Area Regional Energy Network (BayREN)
- CalHFA Loan Programs
  - In February 2018, CalHFA partnered with CA CLTN to identify approved lenders and extend eligibility for CalHFA’s conventional loan program and DPA programs. However, due to the high costs of housing in California and of securing permanent affordability for residents, CLTs are often unable to take advantage of conventional financing, even with DPA, and instead search for more favorable loan terms with longer payment plans or loan forgiveness.
- California Property Tax Welfare Exemption
  - In California, residential properties owned by eligible community-serving entities can qualify for an exemption from property taxes for units that are legally restricted for low-income housing and occupied by income-eligible households. Property owners submit their organizational eligibility documents to the State Board of Equalizations, in addition to filing a claim with their county assessor that demonstrates a qualifying use and certifies each unit where occupant incomes are below 80 percent of the Area Median Income. This law, known as the Welfare Exemption, is critical to the financial feasibility of affordable housing preservation, as it reduces or eliminates a significant operating cost.
- HCD CalHOME Program
- HCD Golden State Acquisition Fund
- HCD Mobilehome Park Rehabilitation and Resident Ownership Program (MPROP)
- additional HCD programs
- Housing for Health Fund
- Housing Incentive Pool (HIP) Grants
- HUD Program Section 213
- One Bay Area Grant Program (OBAG)
- Partnership for the Bay’s Future Fund
- Priority Development Area (PDA) Planning and Technical Assistance Grant Program
- Regional Housing Technical Assistance Program
- Transit-Oriented Affordable Housing (TOAH) Fund
- Opportunity Zones