



Housing

Welcome

**Anti-Displacement Technical Advisory
Committee (TAC) Meeting #1**

April 22, 2021

Agenda

1. Welcome + Agenda Overview
2. Impetus & Goals of Working Group
3. Introductions
4. Meeting Processes
5. Presentation: COPA Overview
6. Discussion
7. Wrap up & Next Steps

Impetus and Goals

- San José's history of racism and inequity in housing
- Anti-Displacement Strategy
- Council direction to create working group
- Develop policies and recommendations of the Anti-Displacement Strategy from a variety of voices and perspectives
- Transparent and informed negotiations to find solutions that work.

Introductions

- Name
- Organization
- What do you appreciate about living/working in San José?
- Your hopes for this group

Poll: Who's in the Room?

Meeting Processes

- Ground Rules
 - Be curious
 - Keep an open mind
 - Speak from your perspective
 - Challenges accompanied by solutions
 - Make proposals
- Participation
 - Share the mic

Meeting Processes (con't)

- Documentation
- Discussions
- Technical Advisory Committee & Stakeholder Advisory Committee relationship and meetings

Tentative Schedule

April

- Today: TAC #1
- April 29th @ 6 pm: SAC #1

May

- Week of May 10th: TAC #2
- May 20 @ 6pm: SAC #2
- May 26 @ 12:30 – 2 pm: TAC #3

June

- Thursday June 10th @1-2:30: TAC #4
- June 17th @ 6 pm: SAC # 3

July/August

- July 15th @1:30 – 3pm: TAC #5
- July 29th @1-2:30: TAC #6
- August 19th, @ 6 pm: SAC #4

September

- September 9th @1-2:30 pm: TAC #7
- September 23rd @ 6 pm: SAC #5



Housing

An Opportunity to Remain

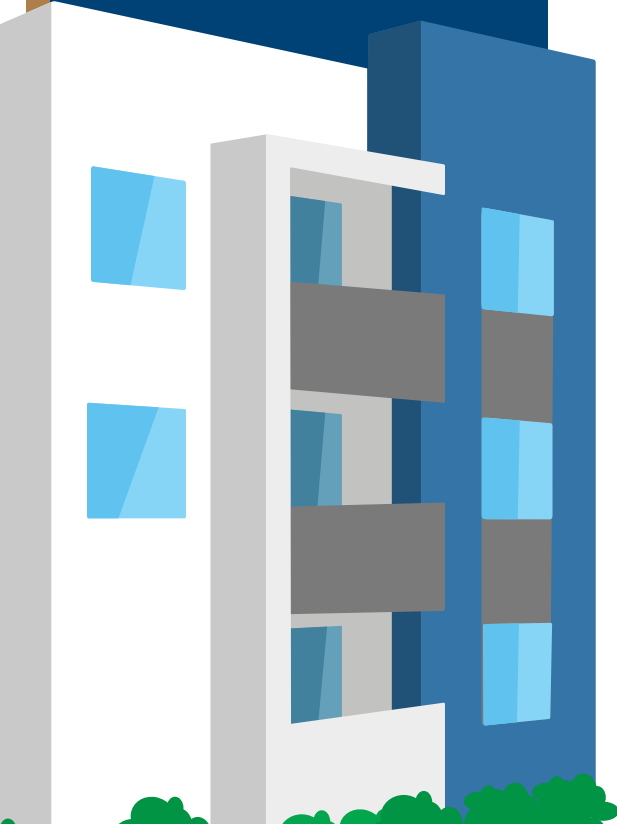
Introduction to Opportunity to Purchase Policies

Anti-Displacement
Technical Advisory Committee

4/22/2021

Asn Ndiaye

*Partnership for the Bay's
Future Fellow, Housing
Department*



Overview

- 🏠 Background on Opportunity to Purchase programs
- 🏠 Survey of programs in other jurisdictions
- 🏠 Summary of current San José conditions
- 🏠 Tradeoffs and considerations
- 🏠 Questions and discussion



Context of Community Opportunity to Purchase (COPA)

PolicyLink



- PolicyLink Anti-Displacement Policy Network (2018-19)
- Community Strategy to End Displacement (Jan 2020)
- Citywide Anti-Displacement Strategy (Sept 2021)
- Partnership for the Bay's Future Challenge Grant (2020-22)



What is COPA?

- ◆ Allows qualified nonprofits, including community organizations, to make an offer to buy a property when it goes up for sale
- ◆ Needs to be paired with funding programs
- ◆ Increases opportunities for nonprofit partners such as community land trusts, limited equity housing co-ops, small contractors, and other affordable housing developers



Benefits of COPA



- ◆ Prevents displacement due to eviction, repositioning and redevelopment
- ◆ Stabilizes housing and maintains community ties
- ◆ Builds assets and economic empowerment
- ◆ Turns COVID-19 and current market instability into opportunity



Elements of COPA Process

- ◆ Notice of Sale
- ◆ Statement of Interest
- ◆ Tenant engagement & due diligence
- ◆ Right of First Offer
- ◆ Right of First Refusal
- ◆ Financing and sale closing



COPA: Applicability and Timeline

- What type of properties should be covered?
- What is a realistic timeline to balance the needs of qualified nonprofits (QNP), tenants, and sellers?



COPA: Affordability and Financing

- Who benefits and how does the housing stay sustainable?
- What funding is available and needed for the program?
 - Predevelopment
 - Acquisition/quick sale
 - Rehabilitation
 - Permanent senior financing
 - Long-term subsidy



COPA: Partnerships and Long-term Stability

- Qualified organizations
- Affordable housing developers
- Joint partnerships with community organizations
- Tenant engagement
- Management
- Pathways to asset building and ownership
- Financing
- Enforcement and exemptions



Opportunity to Purchase Around the Country

- 🏠 Baltimore, MD
- 🏠 **Washington, DC**
- 🏠 Montgomery County, MD
- 🏠 Takoma Park, MD
- 🏠 New Hampshire
- 🏠 Minnesota
- 🏠 Prince Georges County, MD
- 🏠 Chicago, IL
- 🏠 **San Francisco, CA**
- 🏠 **Berkeley, CA**



Spotlight: Community Opportunity to Purchase in San Francisco

- Adopted in 2019
- Currently has 8 qualified nonprofit buyers
- Coupled with funding from City Small Site Acquisition Fund and San Francisco Housing Accelerator Fund
- 30-80% AMI income limits
- Focused on smaller properties



Spotlight: Tenant Opportunity to Purchase (TOPA) in District of Columbia

- Established in 1980
- Coupled with local housing production trust fund, spends up to \$25M per year.
- Focused on 5+ unit buildings, includes 2-4 unit buildings, and single-family homes if tenant is disabled or elderly.
- Longer timelines accommodate tenant association requirement.
- At least 50% of households must be low- to moderate-income, and at least 50% of tenant association members must be interested in purchasing.



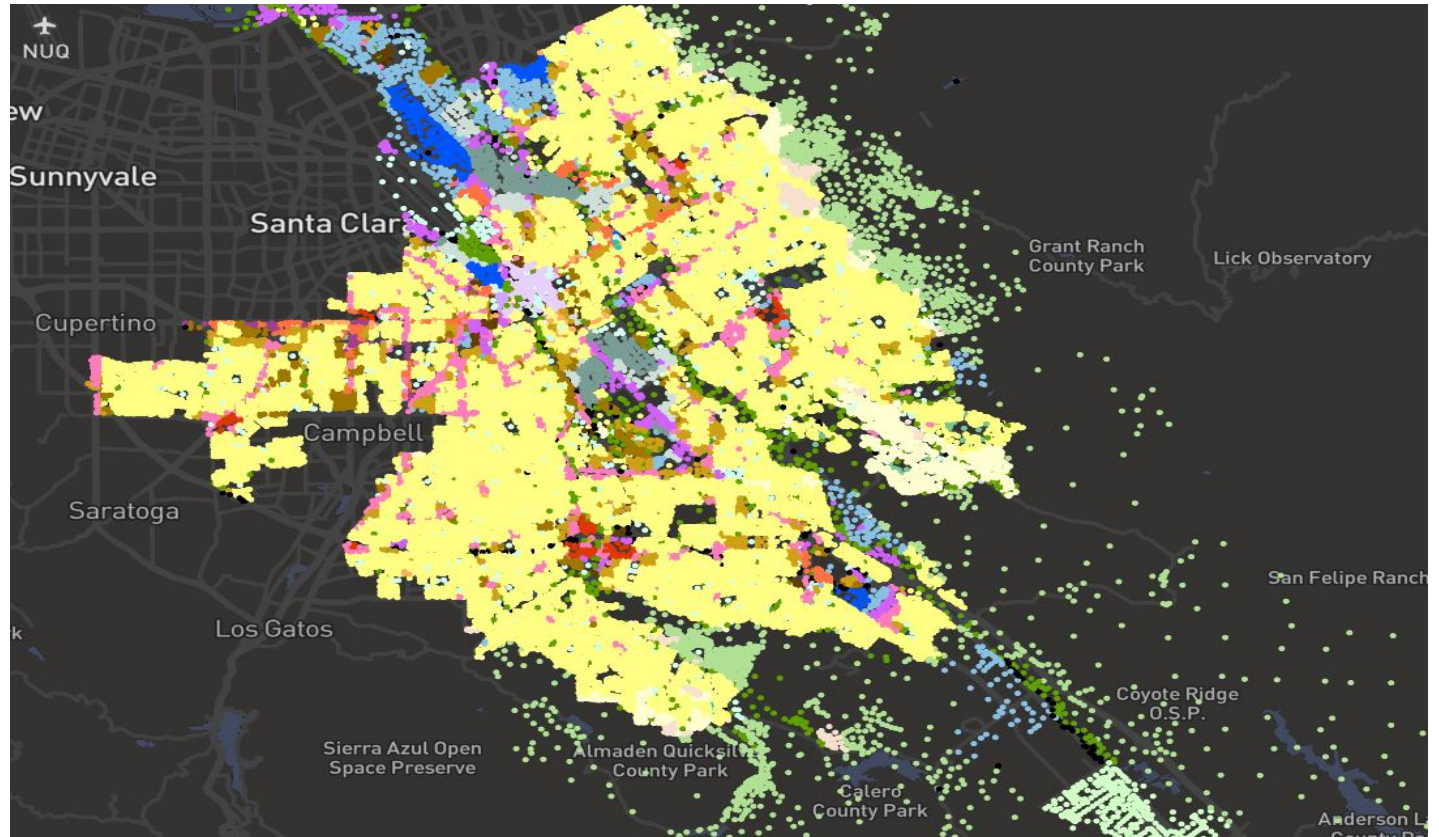
Spotlight: Tenant Opportunity to Purchase (TOPA) in Berkeley

- Currently under consideration (expected 2021)
- Applies to all properties with exceptions for owner occupancy, family and inheritance transfers
- Tenants can assign rights to qualified nonprofits
- Likely to be paired with funding from affordable housing bond and small sites program

Cal



San José Context

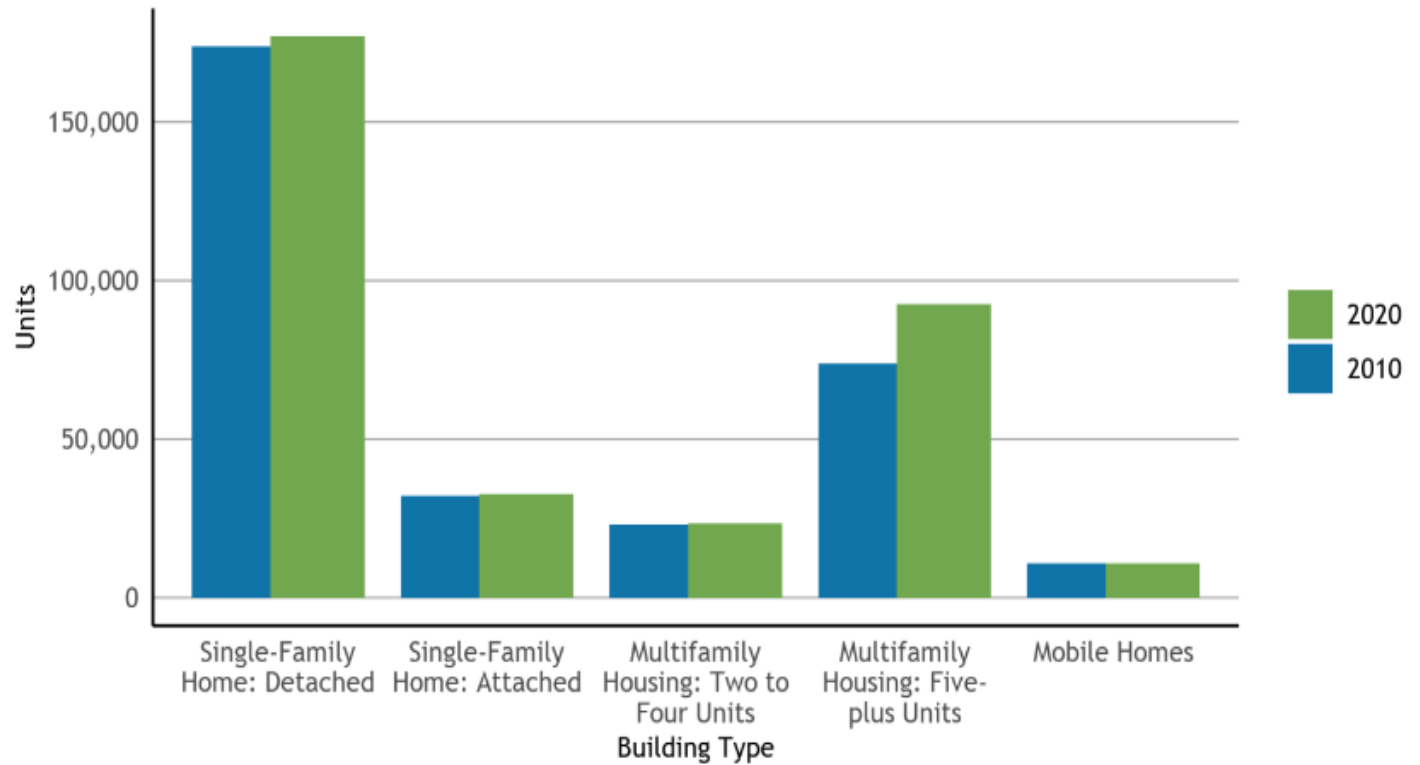


San José Context (con't)

- Market varies by location
 - Hot West San José neighborhoods: more market activity, higher prices, quicker sales
 - In East San José: lower costs per unit, more days on market
- For 2-4 unit properties:
 - escrow takes ~ 34 days to close
 - average time from listing to closing ~ 96 days (62 days on market, 34 days to close)
- For 5-50 unit properties:
 - average time ~ 119 days

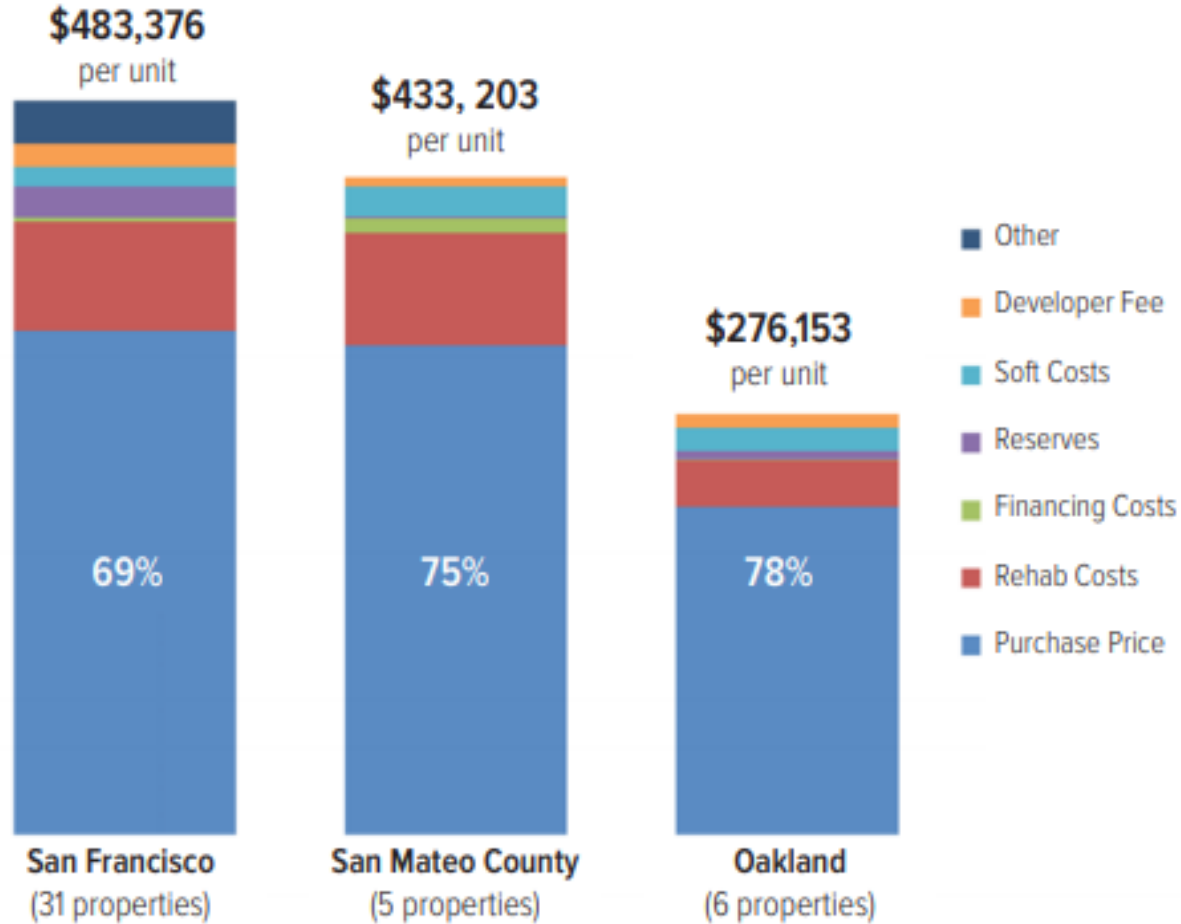


San José Context: Existing Market



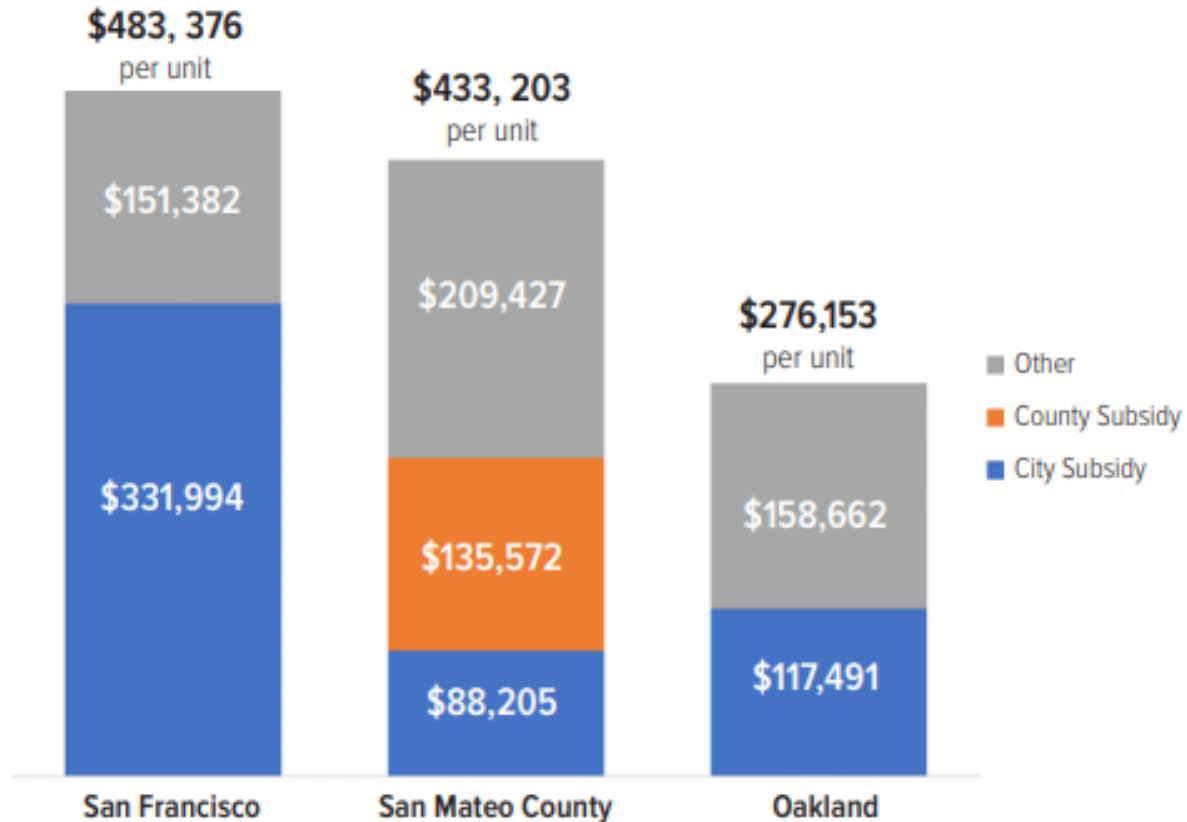
San José Context: Costs and Subsidy

Average Per-Unit Costs by Locality, 2015 – 2019



San José Context: Costs and Subsidy

Average Per-Unit Subsidy Amounts by Locality for Occupied Acquisition-Rehab Projects



Tradeoffs and Things to Consider

- Current sales timelines
- COVID-19 context
- Cost effectiveness
- Incentives
- Planning
- Prioritization
 - Homes
 - People
 - Geography
- Equity
 - Racial
 - Economic
 - Status



Looking Forward

Phases	Activities	Timeline
Working Group Meetings	<ul style="list-style-type: none"> • 7 Technical Advisory Committee meetings • 5 Stakeholder Advisory Committee meetings 	Apr - Sep 2021
Draft Framework	<ul style="list-style-type: none"> • Framework incorporating input and feedback from Stakeholders 	Jul - Sep 2021
Approvals	<ul style="list-style-type: none"> • Present to Housing Commission and City Council committee • City Council session and adoption 	Oct - Dec 2021
Implementation and Education	<ul style="list-style-type: none"> • Education and outreach to community • Organizational preparation and needs 	Jan - Mar 2022



COPA Discussion & Feedback

Breakout Rooms

- Discuss
 - What would make COPA a success?
 - What are things we should watch out for?

Reconvene to main session & report out at 2:20

Wrap Up & Next Steps

Stakeholder Advisory Group

- SAC Kick off: April 29th, 6 pm
- Next TAC: Poll
- Feedback on today:
<https://forms.gle/Rt9ZT7vaijwpMdfJ7>

Thank you!