

1 [Supporting Prevention of Homelessness by Launching the Foreclosure Intervention Housing
2 Preservation Program]

3 **Resolution supporting efforts to launch California’s Foreclosure Intervention Housing**
4 **Preservation Program and opposing any further cuts to the homelessness prevention**
5 **initiative.**

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7 WHEREAS, In 2021, California lawmakers allocated \$485 million to the Foreclosure
8 Intervention Housing Preservation Program (FIHPP); and

9 WHEREAS, FIHPP is intended to fund nonprofits to acquire and stabilize market-rate
10 residential buildings between 1 and 25 units at risk of foreclosure or in the foreclosure
11 process, in order to prevent the displacement of tenants and create new homeownership
12 opportunities; and

13 WHEREAS, Since 2021, the California Department of Housing and Community
14 Development has been working with nonprofit housing providers, Community Development
15 Financial Institutions and others throughout the state to build out the FIHPP program; at the
16 same time, nonprofit housers have been building capacity and identifying eligible projects in
17 anticipation of the funds coming online; and

18 WHEREAS, In late 2023, the state announced plans to pause efforts for FIHPP
19 implementation, and earlier this year, initial budget projections for the coming fiscal year
20 slashed the program’s budget from \$485 million to \$237.5 million, and Governor Newsom
21 eliminated all FIHPP funding in the May Revise including \$237.5 million of previously
22 appropriated funds in his January budget proposal; and

23 WHEREAS, It is broadly accepted that the cornerstones of housing affordability are
24 known as the Three P’s: Producing new affordable homes, protecting existing low and
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1 moderate income households, and preserving existing buildings with the goal of preventing
2 displacement of low-income households and stabilizing communities; and

3 WHEREAS, The Board of Supervisors unanimously adopted a new Housing Element in
4 January 2023, that was premised on supporting the Three P's of housing affordability; and

5 WHEREAS, San Francisco's Housing Element Appendix A (Housing Needs
6 Assessment and Assessment of Fair Housing) lists the FIHPP program explicitly as one
7 source to help us meet our affordable housing targets, noting that FIHPP will provide "\$500
8 million through June 2026 in loans and grants to nonprofits purchasing and rehabilitating
9 buildings at foreclosure auction, in the foreclosure process, or at risk of foreclosure;" and

10 WHEREAS, In a May 2022 hearing at the Government Audit and Oversight Committee,
11 City leaders acknowledged that the City faces a multi-billion dollar funding gap to meet its
12 state-mandated affordable housing goals under the Housing Element; and

13 WHEREAS, In June 2023, several affordable housing nonprofits confirmed that eligible
14 applications to preserve more than 300 homes, for a total of \$124 million, had been submitted
15 to the Mayor's Office of Housing and Community Development for City acquisition,
16 demonstrating the great need for additional funding for housing acquisitions; and

17 WHEREAS, Support for the budget request to retain funding for the Foreclosure
18 Intervention Housing Prevention Program (FIHPP) would allow affordable housing providers
19 to intervene in the sale of unsubsidized housing that is at-risk of or in foreclosure and maintain
20 that housing as affordable to low-income households; and

21 WHEREAS, Renters in such buildings — of which there are tens of thousands in
22 California today — are regularly displaced when their landlords fall into financial distress and
23 sell the property resulting in increased rents, neglected maintenance, and even tenant
24 harassment; and

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1 WHEREAS, Displaced low-income households frequently must move out of their
2 communities to find affordable rents and are at risk of becoming homeless, especially in San
3 Francisco; and

4 WHEREAS, The cost of turning these buildings into permanently affordable housing
5 through FIHPP is substantially lower than constructing new affordable housing or providing
6 services to families who have become unhoused; now, therefore, be it

7 RESOLVED, The San Francisco Board of Supervisors urges the leadership of the
8 State Legislature and Governor Newsom to maintain the appropriated \$237.5 million in
9 funding for the FIHPP program — a cut of over half its original funding — to allow the program
10 to demonstrate its efficacy and support displacement prevention and homelessness
11 prevention efforts in San Francisco; and

12 FURTHER RESOLVED, That copies of this Resolution be transmitted to the Governor,
13 the Speaker of the Assembly, the President pro Tempore of the Senate, and to Budget Chair
14 Assembly Member Jesse Gabriel, Budget Chair Senator Scott Wiener, Budget Subcommittee
15 No. 5 Chair Senator Aisha Wahab, and Budget Subcommittee No. 6 Chair Assembly Member
16 James Ramos.