FILE NO. 240481 RESOLUTION NO.

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

Resolution supporting efforts to launch California's Foreclosure Intervention Housing Preservation Program and opposing any further cuts to the homelessness prevention initiative.

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

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

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

WHEREAS, In late 2023, the state announced plans to pause efforts for FIHPP implementation, and earlier this year, initial budget projections for the coming fiscal year slashed the program's budget from $485 million to $237.5 million; and

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

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

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

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

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

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

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

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

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

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

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