

## Best Practices in Local Government Preservation Strategies

### A. Develop local government capacity:

1. **Hire or designate a Preservation Coordinator** to undertake the activities below.
2. **Annually analyze the risk of conversion to the highest risk properties.** Annually review the inventory of federally and state assisted affordable rental homes maintained by the [California Housing Partnership Corporation \(CHPC\)](#). Projects designated as 'At-Risk' in CHPC's database are generally within five years of the end date of the most valuable subsidy or rent restriction, although risk level can vary by other factors including the type of owner. For example, a property with a Section 8 contract owned by a for-profit real estate company that expires four years from the current data is considered 'At-Risk'. CHPC has additional information about individual properties, which is available to local governments upon request. For more information contact Danielle Mazzella, Housing Data Analyst, (415) 433-6804 x322, [dmazzella@chpc.net](mailto:dmazzella@chpc.net).
3. **Communicate** to decision makers, stakeholders, and the broader public what makes affordable housing at-risk.
4. **Register with State HCD as a Qualified Preservation Entity to receive notices of properties facing a potential loss of affordability.** Register as a Qualified Preservation Entity with HCD to receive notices from owners of properties with expiring contracts or use agreements. Pursuant to the State Preservation Notice Law (California Government Code Section 65863.11), owners of affordable rental properties generally are required to notify tenants and local governments of their intentions 12 and 6 months in advance of the loss of affordability. In addition, owners cannot terminate subsidy contracts, prepay a federally-assisted mortgage, or discontinue use restrictions without first providing a Notice of Opportunity to Submit an Offer to Purchase to all Qualified Entities. Owners proposing to sell or otherwise dispose of a property at any time during the five years prior to the expiration of restrictions must provide this Notice at least 12 months in advance unless such sale or disposition would result in preserving and extending the restrictions. Qualified Entities are local governments, nonprofit or for profit organizations or individuals that agree to maintain the long-term affordability of projects. See HCD's current list of Qualified Entities and/or register as a Qualified Entity at <http://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.
5. **Contact owners of the highest risk properties to determine their intentions and explore options.** In some jurisdictions, local government staff has been able to obtain information from owners regarding their plans more readily than tenants or nonprofit organizations. In

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some cases, these contacts have led to discussions about potential sales and to ensuring that the owner is complying with the Notice Law requirements.

6. **Identify potential buyers and potential acquisition funds.** Local jurisdictions can take an active role to identify potential purchasers who will preserve the housing at affordable rents. After contacting owners, local government staff can help match interested sellers with potential buyers. In addition, staff can identify local funds to make the acquisition possible. Several cities have provided gap funding for nonprofit acquisition of at-risk developments.

**B. Expand technical assistance:**

1. **Provide legal services,** training, and organizing support to tenants in at-risk properties.
2. **Supplement existing at-risk assessments** with a second level of assessment based on conversations with owners of at-risk properties.
3. **Develop a more detailed technical assistance strategy** for owners and tenants in consultation with experts such as the California Housing Partnership, the [National Housing Law Project](#) and locally based [Affordable Housing Advocates](#).

**C. Strengthen regulatory protections:**

1. **Require owners to provide moving assistance for tenants.** Some cities have enacted ordinances requiring that owners provide moving assistance to tenants who are displaced due to conversion to market rate.
2. **Prohibit discrimination against voucher holders.** Owners opting converting their properties to market rate have sometimes refused to accept voucher holders or otherwise discriminated against the source of income of a tenant. Some cities have enacted local ordinances prohibiting such discrimination.
3. **Limit evictions to just causes.** Prohibit owners from evicting tenants for economic reasons and limit evictions only to serious lease violations that cannot be cured within reasonable time limits.

**C. Develop better financial tools:**

1. **Increase funding for preservation purchases.** Set-aside a portion of CDBG, HOME, or local Housing Trust Fund dollars for preservation, or establish a priority for preservation.
2. **Prioritize preservation of affordable homes in areas** that have recently gentrified, are near high quality transit, and have high ratios of Jobs Housing Fit.
3. **Require long-term affordable rent restrictions in return for financial assistance.** When allocating funds to the purchase of an at-risk project, require long-term affordable rent restrictions in return to insure that the project is truly 'preserved'. These restrictions should include requiring the purchaser to accept all renewals of subsidies and limiting rent increases to no more than 10% per year up to the regulated maximum.

4. **Create an Emergency Rent Increase Mitigation Fund.** Use CDBG or other local funds to create a fund that can be used to provide partial relief to vulnerable residents from the most egregious rent increases.

