



# 2024 Bay Area Regional Housing Bond: Affordable Housing Preservation

The Bay Area Housing Finance Authority (BAHFA) anticipates placing a general obligation bond on the November 2024 ballot (the Bond) that would generate funds for affordable housing across the nine-county region. If voters approve the measure, 15% of the funds will be used to preserve existing affordable housing to protect low-income communities from displacement.

## About Affordable Housing Preservation

Housing preservation is the process of mission-driven organizations or residents buying and renovating homes where people with low and moderate incomes already live. The homes are then deed restricted so that they may only be rented or sold at affordable prices in the future. Government funding is usually required to help pay for some of the purchase and rehabilitation costs of these homes.

There are two main types of housing that can be preserved for people with low and moderate incomes: unrestricted, private market and existing affordable with expiring restrictions:

- **Private Market Housing:** Most housing is rented or sold on the commercial market. This means if the housing is sold, or if people move out and the home becomes available for rent, the cost may go up to market rate and the housing will no longer be affordable.
- **Expiring Affordable Housing:** Deed restrictions to keep housing affordable are not always permanent. If these deed restrictions expire, the rents charged for these homes could rise to market rate overnight. In these cases, funds can be used to preserve the deed restriction to keep the housing affordable to people with incomes under certain thresholds.

## Preservation Protects Vulnerable Communities

Preserving existing homes protects people from displacement who live in low-cost housing and cannot afford higher rents. The end goal of preservation is to provide existing residents with

economic stability and home improvements, so they can stay and thrive in their communities for the long term.

## **Bond Funds Will Preserve Affordable Housing**

Local and regional governments will use Bond funds to make loans or grants to organizations or residents to buy and rehabilitate homes to benefit low- and middle-income people. Homes bought using these funds will be available only to people earning under 120% of the Area Median Income, such as seniors, veterans and working families. Many existing affordable housing buildings have deferred maintenance needs, and cannot secure funds to make needed improvements. Bond funds may be used to provide this necessary rehabilitation to ensure these homes are habitable and safe.

## **Owners and Residents of Preserved Homes**

Affordable housing developers and community land trusts typically buy, rehabilitate, and own housing preserved for low- and moderate-income households.

From purchase to rehabilitation to ongoing maintenance, the owners are expected to work closely with residents to ensure they are meeting residents' needs and complying with affordability restrictions.

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## **For More Information**

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