



FOR IMMEDIATE RELEASE:

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**MAYOR LONDON BREED AND SUPERVISOR AARON PESKIN
INTRODUCE RESOLUTION TO AUTHORIZE \$75 MILLION IN
FUNDING TO CONVERT AT-RISK BUILDINGS TO
AFFORDABLE HOUSING**

Bond issuance will support the City's anti-displacement and preservation programs to protect tenants in buildings subject to market pressures

San Francisco, CA – Mayor London N. Breed and Supervisor Aaron Peskin have introduced a resolution to authorize, issue, and appropriate up to \$75 million in bond funding for the acquisition and rehabilitation of private, multi-unit buildings at risk of entering the speculative market.

Funding from the bond issuance would go to the Preservation and Seismic Safety (PASS) program, which is administered by the Mayor's Office of Housing and Community Development, to finance the acquisition, rehabilitation, and preservation of existing multifamily housing. PASS will complement the City's anti-displacement and preservation work under the existing Small Sites Program, which protects tenants living in properties that are vulnerable to market pressures by purchasing the properties and converting them to permanent affordable housing.

"This is an important tool for our City to prevent displacement and keep low-income San Franciscans, seniors, and vulnerable residents housed," said Mayor Breed. "This unused bond funding will help address the immediate impacts of our housing crisis while we work to create more housing to make our City more affordable."

In 2016, voters passed Proposition C to repurpose \$260 million of unspent general obligation (GO) bond authority to allow it to also be used for the preservation of at-risk housing. The original GO bond was passed as Proposition A in 1992 to provide financing for property owners to comply with the City's retrofitting requirements following the 1989 Loma Prieta earthquake, but to date only a quarter of the \$350 million bond authority has been spent. Today's resolution to issue up to \$75 million in bonds represents the first issuance to fund the PASS program.

"I committed to tackle the affordability crisis, which is why I authored the Prop C Affordable Housing Bond 2 years ago," said Supervisor Aaron Peskin. "We are finally issuing the first series of bond funding for small site acquisition, out of a quarter of a billion dollars for acquisition and rehabilitation of some of our most at-risk rent-controlled buildings. I'm delighted that the City has identified Small Site and Single Resident Occupancy (SRO)



acquisitions for immediate acquisition. This is a critical first step in preserving affordable housing stock that would otherwise be lost to an increasingly speculative market.”

The PASS program will provide access to \$260 million of low cost and long-term senior financing that is not currently available on the conventional market. The program is anticipated to preserve up to 1,400 apartments, reduce the need for other public resources, and allow preservation-oriented sponsors to compete more effectively in the market. PASS was created to complement the Small Site Program, the acquisition and rehabilitation loan program for multifamily rental buildings of five to 25 units.

This first issuance of up to \$75 million is planned to be used to acquire properties eligible under Small Sites Program and more broadly preserve affordable housing throughout San Francisco that is particularly vulnerable to market pressure resulting in property sales, increased evictions and rising tenant rents. In the face of the increasing pressure, the PASS program helps San Franciscans avoid displacement or eviction by providing loans to nonprofit organizations to successfully remove these sites from the market and restrict them as permanently affordable housing.

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