Resolution supporting California State Assembly Bill No. 2058, authored by Assembly Member Jessie Gabriel, to create an affordable housing preservation tax credit to incentivize the preservation of existing affordable apartment properties and mobile-home parks.

WHEREAS, The California State Assembly is currently considering passage of Assembly Bill No. 2058 (AB2058) which would create an Affordable Housing Preservation Tax Credit (AHPTC) to incentivize the preservation of existing affordable apartment properties and mobile-home parks; and

WHEREAS, AB 2058 would establish a first-ever tax credit program specifically for housing acquisition and preservation projects that will provide a financial incentive for owners of rental housing to sell their properties to community nonprofit organizations for permanently affordable housing; and

WHEREAS, The COVID19 health crisis and economic impacts threaten great instability to housing, particularly for low income and underserved households, through household displacement, increased homelessness, and the loss of homes to the speculation market; and

WHEREAS, The COVID-19 pandemic is exposing and exacerbating housing insecurity for the many lower-income Californians who cannot access dignified and affordable housing; and

WHEREAS, During the 2008/09 housing collapse and ensuing "Great Recession," we saw that communities of color were hit hardest; and
WHEREAS, Many Californians’ homes are again at risk of becoming “distressed assets” during the economic recession likely to follow the COVID19 crisis—Cities will need tools and resources to avert potential human crises and ensure household security in response to COVID19-triggered economic impacts; and

WHEREAS, According to California Housing Partnership, between 1997 and 2018, California lost 15,000 affordable homes converted to market rate housing, and today over 34,000 affordable units are at risk within the next 5 years, with most of the loss likely to occur in Los Angeles, Orange, Santa Clara, San Diego, and San Francisco Counties, resulting in the loss of housing and economic stability for the low-income residents occupying those homes; and

WHEREAS, San Francisco community-based affordable housing organizations have developed a robust preservation program over the last four years acquiring properties, now with a portfolio of nearly 40 projects and more than 300 housing units and another 20 projects and 500 units in the pipeline, and San Francisco has further developed that capacity with establishment of a Community Opportunity to Purchase Act in 2019 providing a right-of-first-offer and right-of-first-refusal to nonprofit housing organizations; and

WHEREAS, The AB 2058 Affordable Housing Preservation Tax Credit would provide a 50% credit (up to $1 million per transaction) against the state and federal capital gains otherwise owed by the seller of an existing building or mobile home park if they sell to a nonprofit entity who will operate the property as affordable housing for low-income households, resulting in tens of thousands of vulnerable Californians remaining housed, at less than the cost that otherwise would be required to rebuild those units from scratch; and

WHEREAS, AB 2058 will further provide nonprofit entities with financial incentives for sellers of residential properties in combination with the Community Opportunity to Purchase...
Act, and should help reduce San Francisco’s investment costs for these acquisitions; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco strongly supports AB 2058; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco directs the Clerk of the Board to transmit copies of this Resolution to the California State Legislature and the City Lobbyist upon passage.
Resolution supporting California State Assembly Bill No. 2058, authored by Assembly Member Jessie Gabriel, to create an affordable housing preservation tax credit to incentivize the preservation of existing affordable apartment properties and mobile-home parks.

May 12, 2020 Board of Supervisors - ADOPTED
Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200466

I hereby certify that the foregoing Resolution was ADOPTED on 5/12/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board

05/22/2020
Date Approved

London N. Breed
Mayor

05/22/2020
Date

City and County of San Francisco
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