



May 17, 2023

Honorable Anna Caballero
California Senate
1021 O Street, Room 7620
Sacramento, CA 95814

Support: SB 225 (Caballero) - Community Anti-Displacement and Preservation Program (CAPP)

Dear Senator Caballero:

On behalf of San Francisco Foundation, I am writing in support of Senate Bill 225. SB 225 would establish the Community Anti-Displacement and Preservation Program (CAPP) which would finance the acquisition of unsubsidized rental housing and preserve them as long-term, deed-restricted affordable housing.

With more than \$1.5 billion in assets, the San Francisco Foundation is one of the largest community foundations in the country. Together with its donors, the Foundation distributed \$154 million to nonprofit organizations last fiscal year. The San Francisco Foundation serves Alameda, Contra Costa, Marin, San Francisco, and San Mateo counties.

The Foundation is committed to expanding opportunity and ensuring a more equitable future for all in the Bay Area. We cannot make meaningful progress toward inclusive prosperity in the Bay Area without addressing the housing crisis and championing equitable approaches to tenant protection, affordable housing preservation, and production focused on serving low-income and people of color communities in the region. In line with these values, we write in support of SB 225.

There are more than 800,000 unsubsidized affordable homes across California where low-income households live, primarily people of color. As rents outpace wage growth, this housing is becoming less and less accessible and affordable, leading to the displacement of people from their homes and communities. As a result, there are fewer and fewer affordable options for low-income Californians and affordable housing production is not keeping pace with this loss. A study from Enterprise Community Partners found that the San Francisco Bay Area lost an annual 32,000 unsubsidized rental homes previously affordable to low-income households over just five short years, and thousands more units are at risk of losing affordability over the next two years.

Acquisition and preservation of unsubsidized affordable housing has proven to be a successful local model to prevent displacement and homelessness and grow the supply of affordable housing. Moreover, acquisition preservation creates new affordable homes immediately, since the buildings are already built. These projects generally close in several months, rather than

years. Currently, only a limited patchwork of local resources are available to do this work, and only a select number of communities are able to utilize this important strategy.

SB 225 would establish a unique state program to provide the resources that community organizations, affordable housing developers, and local jurisdictions need to acquire unsubsidized rental housing from the private market where tenants are at risk of displacement and to preserve the housing as affordable rental housing or homeownership opportunities. CAPP will prevent displacement and homelessness by stabilizing low-income families in their communities, while also growing California's supply of deed-restricted affordable homes for the future.

We are grateful for your leadership and partnership on this measure, and look forward to working with you to provide Californians across the state with safe, stable, affordable homes today and for generations to come.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Fred Blackwell', is written over a light blue rectangular background.

Fred Blackwell, CEO
San Francisco Foundation