



# Anti-Displacement Strategies

Tuere Fa'aola  
March 29, 2024

# Approach to Anti-Displacement Strategies

## Existing Conditions Assessment Report

Combines lived experience with housing data

## Best Practices Research Report

Identifies policies to prevent displacement by creating more homes, preserving affordability, and supporting long-term stability for renters and homeowners

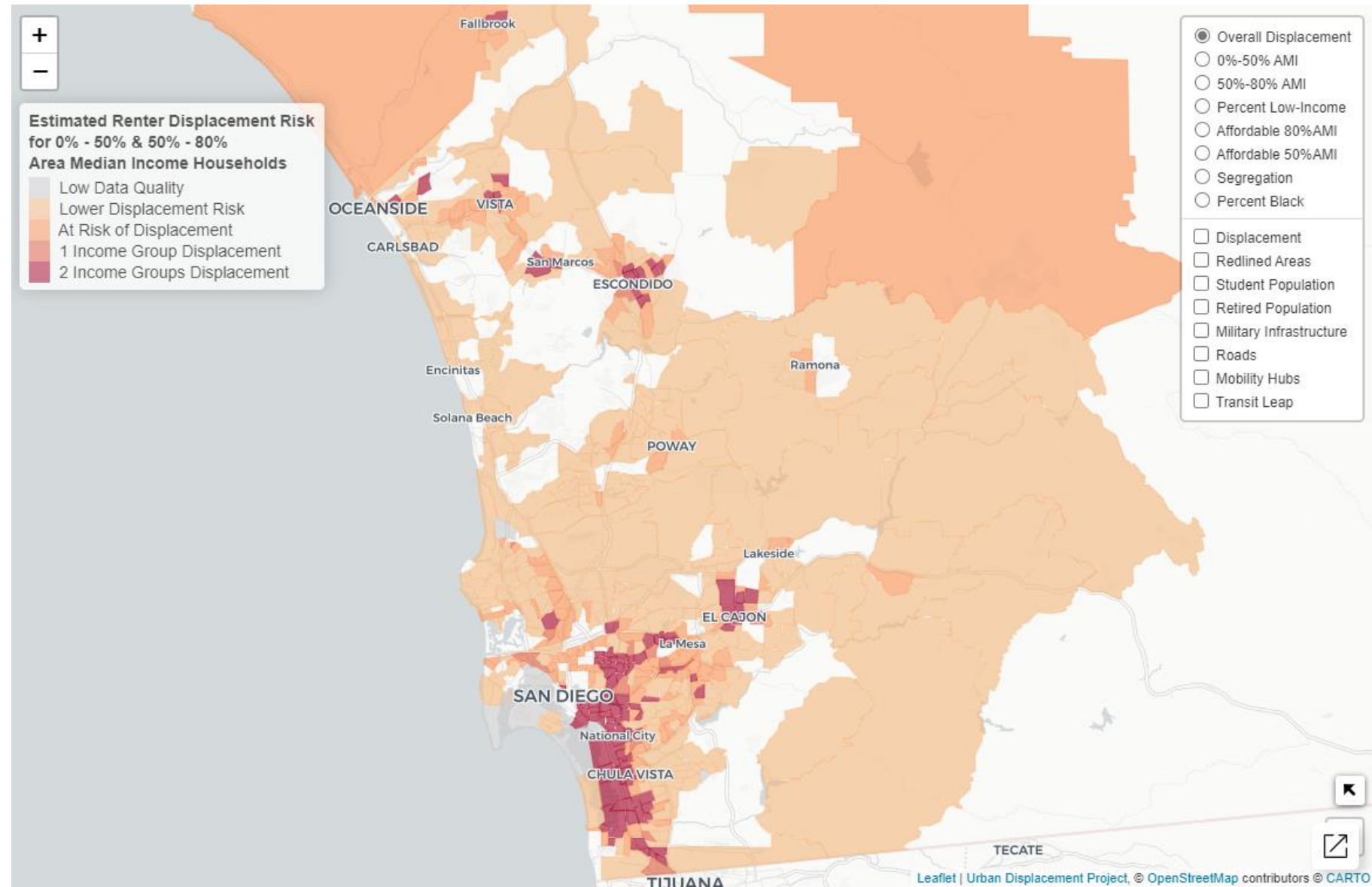
## Anti-Displacement Toolkit

Empowers jurisdictions & communities to put housing policies in place

**Stakeholder Engagement**

# Existing Conditions Assessment Map

A tool that combines lived experience with housing data to identify displacement risk and renter mobility in all census tracts throughout San Diego County.



# Existing Conditions Assessment – Key Findings

- Residential displacement throughout the region
- Limited housing options for displaced households
- Severe lack of low-priced rental homes
- Racial disparities in residential displacement



# Best Practices Research Report

A variety of approaches are needed to prevent residential displacement and meet existing and future needs.

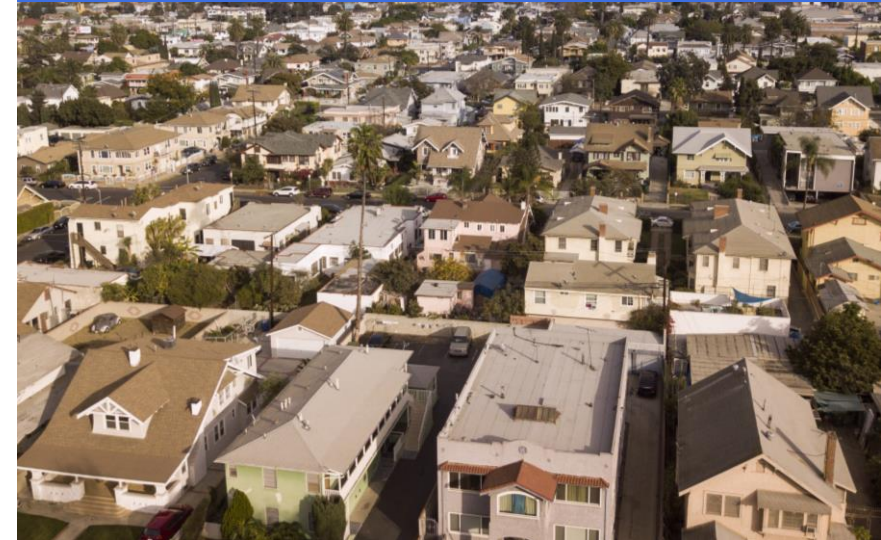
## Support Neighborhood Stability



## Produce More Homes



## Preserve Affordability



# Best Practices Research Report - Policies

## Support Neighborhood Stability

- Eviction protections
- Rent stabilization
- Tenant legal services
- Anti-harassment policies
- Right to return policies
- Local preference policies
- Community benefits agreements
- Targeted emergency rental assistance
- Expanding homeownership

## Produce More Homes

- Zoning to increase housing production
- Zoning for affordability by design
- Reducing construction and regulatory costs
- Equitable Transit Oriented Development
- Increasing affordable housing funding
- Public sector land banking
- Inclusionary housing and developer incentives
- Affordable ADU financial incentives
- Housing on land owned by faith-based and educational institutions

## Preserve Affordability

- Extending existing affordability covenants
- Dedicated preservation staff
- Acquisition and rehabilitation of market rate housing
- Homeowner rehabilitation programs
- Restrictions on condominium conversions
- Alternative ownership policies
- Community land trust support

# Anti-Displacement Toolkit

## Support Neighborhood Stability

- **Eviction protections**
- **Rent stabilization**
- **Tenant legal services**
- **Anti-harassment policies**
- Right to return policies
- Local preference policies
- Community benefits agreements
- **Targeted emergency rental assistance**
- **Expanding homeownership**

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## Preserve Affordability

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- **Alternative ownership policies**
- **Community land trust support**



# Policy Brief Structure

## ALTERNATIVE OWNERSHIP POLICIES

### Summary of Policy

#### GOAL

Alternative ownership policies aim to prevent displacement by purchasing and removing land or housing from the speculative market and placing it under the control of community organizations that will maintain ongoing housing affordability.

#### DESCRIPTION

Alternative ownership policies can include Tenant Opportunity to Purchase Acts (TOPA) and Community Opportunity to Purchase Acts (COPA). These policies help communities acquire land and place it under the stewardship of community groups, which protect the housing units with rent or resale restrictions.

- **Tenant Opportunity to Purchase Acts (TOPA):** TOPAs allow residents of a multifamily home the right of first refusal, giving a period of time to match the price when there is an offer to sell. The strongest TOPAs create funding sources for acquisition, rehabilitation, and capacity building.
- **Community Opportunity to Purchase Acts (COPA):** COPAs function similarly to TOPAs, allowing qualified organizations (usually local nonprofits) the right of first refusal when a multifamily property is sold. As with TOPAs, the strongest COPAs create funding sources for acquisition, rehabilitation, and capacity building.

#### TARGET POPULATION

Because alternative ownership requires the stewardship of a local community nonprofit, the target population for alternative ownership policies depends on which communities are organized and technically capable enough to acquire and collectively steward land and/or housing. Public agencies can help create a capable nonprofit partner, expanding the potential target population, by offering ample technical assistance to help develop communities' capacity. More broadly, TOPA/COPA policies can target both homeowner and renter households with low to moderate incomes. These policies, however, typically do not serve extremely low incomes, who require ongoing support the cost of creating and operating housing.



#### Key stakeholders

- Renter households
- Homeowner households
- Public agencies that own land and would consider providing that land to a local land steward
- Land stewards (community land trusts, tenants' unions, community-based housing nonprofits)
- Rental property owners

## Policy Impact Timeframe: Short-Term & Long-Term

This policy primarily has a **long-term** impact on displacement, keeping housing units affordable as long as the land steward remains operable. It can also have a **short-term** impact on displacement by offering communities an avenue to ownership over land and/or housing, removing the incentive to raise rents excessively, but these impacts would be seen on individual properties as they are sold and enter this arrangement.

## Special Considerations

#### POTENTIAL BENEFITS

- Prevents rent hikes that could lead to evictions and displacement.
- Creates secure land tenure through homeownership, while keeping home affordable for future generations.
- Affirmatively furthers fair housing by increasing stability, particularly for historically marginalized households.
- Prevents speculative behavior and/or the commodification of homes.
- Addresses historic power imbalance between landlords and tenants.
- Decreases unemployment and the risk of unemployment by providing more stability.
- Publicly funded community ownership is a highly efficient way of spending housing dollars because the subsidy creates permanently affordable housing. This is more efficient than assisting market-rate homeownership and then recapturing the subsidy once the unit is sold.
- TOPA and COPA policies can prevent displacement by enabling communities to own

#### POTENTIAL DRAWBACKS

- Acquiring homes or land for this purpose, when done on the open market, requires paying extremely high market rates for housing. This drawback can be mitigated by combining TOPA/COPA with a tax-defaulted property program where properties are taken before they go to auction.
- Community organizations are essential partners for community ownership policies. The effectiveness of community ownership policies depends on how organized, well-resourced, and technically capable community organizations are. Without effective land stewardship and asset management, properties can experience disinvestment and disrepair, or price restricted units may be mistakenly sold at market price. Agreements between nonprofit housing steward and City will need to be updated to reflect expectations for housing steward best practices (e.g., education for residents, loan docs, restrictions, asset management and reporting requirements, etc.)
- Community ownership policies significant and

## FINANCIAL CONSIDERATIONS

- On its own, a TOPA or COPA policy does not require any financial commitment from a local government. It simply gives the right of first refusal within a certain time to eligible buyers.
- However, the most effective TOPA or COPA policies give communities a stronger ability to compete with speculative investors by helping to fund acquisitions. This would require the creation of a community acquisitions fund and designated local staff to manage it. The fund would ideally provide up-front costs (down payment and closing cost) and access to low-cost financing for some or all of the remaining acquisition cost. This would be a substantial financial commitment, given the currently high market price of housing. But if most of the funding is structured as a loan, some of that funding would return as loans are paid off.
- Public sponsorship of TOPA/COPA required that cities or regional entities dedicate funding to help communities acquire land and housing. In the absence of liquid funds, cities can provide publicly owned sites.
- Effective land stewardship is crucial to ensuring community-owned units remain affordable and well-maintained. Cities should either fund a public land steward to monitor community-owned units or provide technical assistance to the community organizations that own housing. Enforcing affordability restrictions and maintaining properties are separate responsibilities, but both need to be planned for in a successful community ownership program.
- There are no designated external funding sources known to assist cities in funding TOPA

## POLITICAL CONSIDERATIONS

- A TOPA/COPA policy can be established by city council/board of supervisors' action or voter approval.
- Because the most effective TOPA/COPA policies require funding to acquire land and housing, and maintain effective land stewardship, political will is needed to allocate funds.
- Publicly sponsored community ownership requires the creation and maintenance of good relationships with community organizations responsible for land, such as community land trusts and tenants' unions.
- Once a policy has been adopted, strong implementation requires active and ongoing engagement with the community groups that will be responsible for stewarding land or housing and maintaining affordability restrictions. These groups may include tenants' unions, a community land trust, or other community-based nonprofits.



## STEPS TO IMPLEMENTING THE POLICY

- TOPA, COPA, and CLT policies are established by legislative action at the local and state levels, and typically do not require voter approval. Community ownership policies can, however, be created through voter initiative.
- Even more than other forms of anti-displacement policy, community ownership policies require extensive engagement with the communities that the policies are designed to protect. Public sector sponsors must ensure that there are community organizations capable of stewarding land and/or housing in the long term.
- Local governments can engage an organization with a background in forming community-owned housing organizations to facilitate this process in their own area.
- A group dedicated to community-owned housing would meet and collaborate with experts for several months to create governance and an overall strategy for the organization. The local government can fund and support this process.

## CASE STUDIES

### SAN FRANCISCO COMMUNITY OPPORTUNITY TO PURCHASE ACT

- Adopted in September 2019 by San Francisco Board of Supervisors after years of advocacy by tenants' advocates and nonprofit developers. The tenants' organizations advocated for a COPA because they were frustrated by off-market sales and sellers who were not interested in offers from community-based organizations.
- Gives right of first offer to qualified nonprofits when the following properties are put up for sale:
  - Buildings with 3 or more residential units
  - Vacant land that could be developed into 3 or more residential units
- Seller is obligated to provide a notice of sale to Mayor's Office of Housing and Community Development, and to all qualified nonprofits registered with San Francisco. After expressing interest and receiving mandatory documents from seller, qualified nonprofit has 25 days to submit a written offer to seller.
- To be certified by San Francisco, qualified nonprofits must demonstrate relationships with neighborhood-based organizations and/or tenant counseling programs and show experience with acquisitions and management of multifamily affordable housing.
- Incentivizes qualified nonprofits with a transfer-tax exemption.
- COPA includes protections for existing tenants, requiring that existing tenants can maintain their lease and sublease.
- Affordability levels for COPA purchased properties must not exceed 30% to 80% of AMI. Qualified nonprofits are responsible for maintaining affordability.
- In 2019 City made an initial investment of \$3 million for three years of capacity building for nonprofit housing stewards. City also provided funding of up to \$375,000 per unit to assist nonprofits in purchasing buildings.
- A key challenge for potential buyers has been capacity building for acquiring and owning affordable housing. One key nonprofit, the Mission Economic Development Agency (MEDA), in 2020 called on the City to help nonprofits build this capacity, noting that the willpower to implement community ownership exists, but the pool or organizations needs to be strengthened.
- As of May 15, 2023, there are 17 qualified nonprofits who are being given right of first offer for eligible properties. Although it is unclear how many units have been funded and bought through COPA, MEDA reports that COPA enabled them to purchase three buildings and get into contract for three more within the first six months of the act.
- To qualify for technical assistance, more than 50 percent of the tenants must be interested in purchasing a unit, and 50 percent or more of the tenant association must qualify as low- to moderate-income households.
- More information on this case study is available at this webpage: <https://sf.gov/information/community-opportunity-purchase-act-copa>

Acquisition costs may be covered by housing trust fund.



# Policy Summary Structure

## COMMUNITY LAND TRUST

### Summary of Policy

**Description:** Community land trust policies aim to prevent displacement by purchasing and removing land or housing from the market and placing it under the control of community organizations, especially community land trusts (CLTs), that will maintain ongoing housing affordability. Using publicly owned land or funds, public agencies can help place land under the stewardship of CLTs.

**How it prevents displacement:** CLTs own the land that homes are built on and maintain resale and/or rent restrictions on these housing units. The main purpose of a CLT is to provide stable, permanently affordable housing. To protect affordability, the resale value of CLT ownership units is typically restricted to ensure affordability to future owners. Therefore, homeownership through a CLT is meant primarily to convey stability and affordability, and thus limits the ability to create wealth through rising property values.

**Key stakeholders:** The target population for CLT policies depends on which communities are organized enough to form a CLT capable of acquiring and stewarding land and/or affordable housing. Within those organized communities, CLT policies can target both homeowner and renter households, protecting all residents except those with too little income to afford housing without deep subsidy. Stakeholders include renter households, homeowner households, public agencies that own land, and land stewards such as existing CLTs, tenants' unions, or community-based housing nonprofits.

### Policy Impact Timeframe

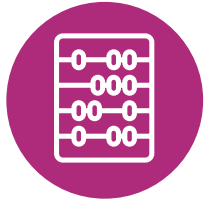
This policy has a short-term impact on displacement by giving communities ownership over land and/or housing, removing the incentive to raise rent. It also has a long-term impact on displacement, keeping housing units affordable as long as the land steward remains operable.

### Example

In 2020 Los Angeles County provided five preexisting CLTs with \$14 million as part of the Los Angeles County Community Land Trust Partnership Program. The five CLTs used the funds to acquire and preserve affordability in 43 homes across the county. The participating CLTs had all existed for several years or even decades and operate in different areas of the County. Given the extraordinarily high cost of acquiring housing, these CLTs would not regularly grow their real estate holdings. The program includes efforts to expand and make permanent public and private investment in CLT-led acquisition-rehab or small multifamily properties at risk of conversion to market rate. It also seeks to establish a bench of legal and real estate professionals to provide CLTs with technical knowledge, and to explore opportunities to combine acquired properties to reach greater economies of scale over time. More information is available in this report:

<https://www.libertyhill.org/news/reports/community-land-trust-partnership-program/>

# Ways to Use Anti-Displacement Toolkit



- Better understand the goal, target population, and desired impact of a policy.



- Create a roadmap to implementing a policy.



- Identify strengths, drawbacks, political considerations, and financial considerations.



- Find examples of jurisdictions that have already implemented policy, including links to draft language.

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