



## **SUMMARY**

AB 1703 requires owners of tenant occupied single family and multi-family properties to provide notice of the owner's intent to sell their property and provides tenants and qualifying organizations the right to first offer on the property to ensure the long-term affordability of more of our community's housing.

## **BACKGROUND**

The state of California faces massive challenges with preserving its inventory of naturally occurring affordable housing. With an estimated shortfall of 1.5 million affordable homes available to low income families and with 52% Californian renters considered rent burdened, the current health and economic crises have only punctuated the need for a robust affordable housing preservation strategy.

Experts at the San Diego Housing Commission recently predicted that if the City of San Diego continues to lose their naturally occurring affordable housing at the current rate, by 2040 the City's unsubsidized rental housing inventory for low and very low income residents could be as low as 9,000 units a catastrophic drop from 91,000 units in 2000.

Similarly, in the Bay Area, experts found that between 2012 and 2017 the region lost, on average, 32,000 unsubsidized homes per year—an estimated 57% of its inventory of unsubsidized units available to low income residents.

It has been well noted that COVID-19 has magnified the challenges with preservation and affordability, deepening the vulnerability and precarity of low income Californians. With enhanced unemployment insurance and eviction moratoriums set to expire at the end of the summer and unemployment the highest it's been since The Great Depression, there is a need and an opportunity for a place-based strategy that stabilizes tenants and communities while also providing an opportunity to position tenants and mission-driven housing organizations to increase the inventory of long-term affordable housing.

## **Precedent**

Since the 1980s, the District of Columbia (District), facing increasing community pressures to slow gentrification and displacement, while enhancing tenants' rights, enacted a Tenant Opportunity to Purchase Act (TOPA). Under the District's current TOPA a landlord must give tenants a notice of the owner's intent to sell, an explanation of their rights as tenants, a timeline for sale, and information on how they can organize in order to submit an offer on the property. Partnered with local funding sources and technical assistance infrastructure, through TOPA the District reports over 3,500 units of housing preserved from 2002–2018 and an increased inventory of deed-restricted affordable housing units.

## **SOLUTION**

AB 1703, lightly modeled after the District's TOPA, is a place-based anti-displacement strategy that allows tenants to remain stably housed while also providing an opportunity to add to the inventory of deed-restricted affordable housing.

AB 1703 will:

- Require the owner of tenant-occupied rental property to notify tenants and qualifying organizations of the owner's intent to sell
- Provide tenants and qualifying organizations a brief window for the right of first offer to submit an offer on eligible properties
- Require that qualified buyers retain all tenancies upon purchase
- Require that purchased properties become deed-restricted affordable housing

## **SUPPORT**

Housing California (sponsor)  
Public Advocates (sponsor)

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