Date

The Honorable Ash Kalra

1021 O Street, Suite 4610

Sacramento, CA 95814

**RE: AB 2926 - SUPPORT**

Dear Assemblymember Kalra:

[**Name of Your Organization**] is pleased to support AB 2926, your bill to preserve existing affordable Housing by strengthening the Preservation Notice Law.

According to the California Housing Partnership’s [2023 Affordable Homes at Risk](https://chpc.net/wp-content/uploads/2023/04/At-Risk-2023-Subsidized-Report-final.pdf) report, between 1997 and 2022 California lost 22,078 affordable homes due to expiring regulatory restrictions on government-assisted multifamily housing developments and owner decisions to opt out, sell, or allow their properties to convert to market rate. Another 4,749 affordable homes are at high risk of being lost in the next year and 31,309 more over the next ten years. At a time when California faces a dire affordable housing shortage, the loss of even one existing affordable home is tragic.

California’s Preservation Notice Law requires owners of affordable housing looking to convert to market rate to give notice of the opportunity to submit a purchase offer at full market value one year in advance to potential buyers interested in preserving affordability. During the next six months, owners may only sell to a preservation buyer. In the second six months, preservation buyers who submitted a purchase offer have a right of first refusal to match any other offer. The problem is that the owner is never obligated to sell at all and can instead hold the property, commit to not selling for an additional five years, and convert it to market rate, displacing existing low-income tenants in the process.

AB 2926 would help ensure the long-term preservation of existing affordable housing by requiring owners who receive a bona fide purchase offer from a preservation buyer to either accept the offer or re-restrict the development as affordable housing. The public has an overwhelming interest in saving scarce affordable homes. Allowing a property to convert to market rate when there is a buyer willing to maintain the affordability makes little sense. Under this proposal, affordable housing is preserved with no harm to the owner, who has already received the benefit of public subsidy and who receives a fair market price for the property. Thank you for authoring this important legislation.

Sincerely,

Your name and title