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Practitioner Perspectives on Social Housing

Findings from the California Social Housing Study's Public Engagement with Housing Practitioners

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Executive Summary

Introduction and Methodology

This report presents findings from the California Social Housing Study's public engagement process. It draws on interviews with organizations working across the affordable housing ecosystem, with a focus on those that develop, manage, and finance housing. Specifically, it synthesizes perspectives on the five core elements of Senate Bill (SB) 555's definition of social housing, as well as the financing and capacity-building needed to operationalize and scale such housing in California.

The study team conducted semi-structured interviews with 73 individuals representing 61 organizations. Participants included local, regional, and state agencies; nonprofit and for-profit developers; community land trusts (CLTs); finance experts; advocates; and researchers. Interviewees represented different regions of the state and organizations of different sizes. In some cases, stakeholders outside California were engaged for their perspective on emerging social housing programs in other states. Interviews were transcribed, coded, and analyzed thematically.

Key Takeaways from Practitioners on Social Housing in California

Broad Narratives and Reflections on SB 555 and Social Housing

- Interviewees differed on the likelihood of large-scale systems change and the sufficiency of funding and political will to achieve social housing at scale. Opinions reflect interviewees' experiences working within and attempting to change existing affordable housing structures in the United States.
- Stakeholders generally agreed on social housing's goals, namely, to ensure housing stability for people across income levels, maintain permanent affordability, and protect residents from evictions and poor housing conditions. However, interviewees disagreed on how to operationalize these goals, including how to define eligibility for social housing and which implementation roles different entity types should play. Many felt that social housing should encompass a spectrum of approaches, rather than conform to a single definition. The term "social housing" was also contested. Some stakeholders preferred more precise or politically neutral language.
- Interviewees underscored the importance of overcoming stigma associated with public or affordable housing and of rebuilding public trust in government.
- Interviewees raised questions and concerns about the role of homeownership and wealth-building in social housing. Some specifically want the state to create more affordable homeownership opportunities for low- and middle-income families.

Ownership and Management

- Public and nonprofit ownership was viewed as necessary to maintain long-term affordability and accountability to residents.
- While interviewees recognized the potential benefits of public ownership—for example through existing public housing authorities—they also associated public involvement with political and bureaucratic challenges, including risk of disinvestment, pressure from elected officials, and onerous regulations that may add costs to or stall development.
- Partnerships among public, nonprofit, community, and in some cases, for-profit actors were considered important for scaling social housing.

Mixed-Income Developments

- Mixed-income approaches were thought to advance resident stability, mobility, and socioeconomic integration, while bolstering political and financial support for social housing.
- Identified challenges included financing constraints, leasing moderate-income units, and balancing funding requirements. Several interviewees suggested achieving mixed-income housing at the portfolio rather than the project level.
- Interviewees disagreed on whether to allocate scarce resources to moderate-income homes and whether social housing should be inclusive of higher-income households and market-rate units.

Tenant Protections

- While agreeing on the importance of preventing evictions, interviewees had questions about how tenant protections in social housing would differ from existing state law. Suggestions for a better system of support included eviction defense, mission-driven management, robust rental assistance, education, and enforcement of tenant protection laws.
- Providers had concerns about how potential nonpayment of rent might affect the financial health and stability of properties, as well as property conditions.

Permanent Affordability

- Interviewees viewed permanent affordability as key to promoting resident stability, preventing displacement, and maintaining the value of public investments over the long term.
- Suggestions for operationalizing permanent affordability included longer or perpetual affordability covenants, public or community land ownership, mission-driven ownership and management, and adequate, ongoing investment.
- In contemplating sales restrictions, interviewees noted multiple challenges, including incompatibility with existing funding streams, enforceability issues, recapitalization needs, limited flexibility, and reduced opportunities for resident purchase.

Resident Participation in Decision-Making

- While generally agreeing that residents should have more power to ensure housing stability and dignity, interviewees differed on the structure of resident participation, which decisions residents should be involved in, and whether and how residents' input might vary depending on the specific model of social housing in question.
- Suggestions for residents' participation in decision-making included member-elected tripartite board structures used by community land trusts, resident advisory councils, and the protection of residents' right to organize.
- Whether all residents had the interest, capacity, time, and expertise to participate in asset-management and maintenance decisions was a question for some interviewees.
- Interviewees acknowledged that supporting resident participation will require significant financial and capacity-building resources; some believed such participation is a priority of social housing, and others believed it is well-intentioned but infeasible.

Financing and Capacity Building

- Because current financing is insufficient to meet SB 555's ambitions, interviewees called for substantial and ongoing investment, along with a variety of state housing finance innovations to reduce risk and development costs and support long-term operations and household-level affordability, thereby helping social housing scale.
- Capacity building, technical assistance, and partnerships, especially for public agencies and small or emerging developers, were viewed as essential for success.

Introduction and Methodology

This report presents findings from the California Social Housing Study's public engagement process, drawing on interviews with organizations working across the affordable housing ecosystem. Specifically, it distills practitioners' perspectives on core elements of social housing as defined in Senate Bill (SB) 555, the Stable Affordable Housing Act of 2023, and highlights interviewees' insights into opportunities for and constraints on implementing social housing at scale in California.

Interviews were designed to capture a wide range of perspectives. Participants included representatives of local, regional, and state agencies; affordable housing developers of varying sizes; community land trusts and organizations that provide support to limited-equity housing cooperatives; lenders and other finance experts; and leaders working in advocacy and research. Participants include practitioners working across California's diverse geographies, as well as those working outside the state to implement innovative housing models with social housing features, such as mixed-income portfolios or projects.

In total, 73 individuals from 61 organizations representing diverse segments of the housing sector were interviewed (Figure 1). Semi-structured interviews were conducted between May and July 2025. Recordings were transcribed and de-identified, then reviewed and analyzed. The research team used qualitative analysis methods and software to process transcripts into themes and findings. Interviews were reviewed and coded by a team of researchers. Codes were both deductive—relating to specific questions or topics asked of interviewees—and

Figure 1. Round 1 Interviewees by Stakeholder Type

Stakeholder Types	# Organizations	# Interviewees
Advocacy and research organizations	7	8
Community land trusts (CLTs) and organizations that provide support to CLTs and limited equity housing cooperatives	9	11
Developers of affordable housing	14	14
Finance organizations (community development finance institutions and other lenders, housing finance consultants, and nonprofit organizations with finance expertise)	12	17
Local government agencies (city and county governments, public housing authorities, regional finance agencies)	15	19
State government agencies	4	4
TOTAL	**61**	**73**

inductive—relating to emergent topics raised by interviewees. The team then collaboratively reviewed coded excerpts and identified the key themes and findings described in this report through an iterative process of memo writing and discussion.

The purpose of the public engagement process was to gather actionable feedback on how to advance the goals of SB 555. These findings, alongside findings from engagement with low- and moderate-income Californians, and a literature review of different models of social housing within and outside the United States (U.S.), provide a foundation for developing a set of recommendations to support the scaling of diverse approaches to social housing in California.

Broad Narratives and Reflections on Social Housing

Some interviewees envisioned sustained ongoing investment in social housing; others were skeptical that California would ever achieve sufficient funding and political will to fully realize the vision of SB 555.

Ambitions ranged from large-scale transformation of the housing system to modification of existing programs, informed by beliefs about what's possible and experiences working within and attempting to change affordable housing structures in the U.S.

> This is about rethinking the housing system as a whole and understanding that it's going to take a lot of time, because what we know to be the housing system now is one that's very centered on the commodification of housing versus like human right to housing, right? And this is very much like community first, people first. —Community land trust representative[1]

> We don't have enough resources by a factor of 10 to have the existing system work, to think that there's room to create a separate funding system, I think it's impossible… So are we going to try to tweak the existing tax credit system so it achieves more of these goals? That's where I come from. —Nonprofit organization representative[2]

> I think we are always interested in potential new funding streams; we're always looking for creative ideas. But our housing element wants tens of thousands of new units of affordable housing, which, it's just a massive amount of money…But we're not getting that huge pile of money. I wish. We all wish. —Local agency representative[3]

While aligning on the broader purpose and goals of social housing, interviewees differed on the precise definition of such housing and whether one is needed.

Interviewees largely agreed that the goals of social housing are housing stability for people across income levels, permanent affordability, secure tenure, and inclusion. However, they disagreed on how to achieve those goals, and on how to best define social housing in statute. Interviewees often recognized social housing as a spectrum that included existing models

in California and the U.S.—for example, community land trusts, limited-equity housing cooperatives, and nonprofit- and public agency-developed affordable housing—with diversity in ownership, governance, funding, and affordability. They stressed the importance of supporting multiple, well-defined models that can be adapted to local conditions and needs, rather than adopting a one-size-fits-all model.

Stakeholders acknowledged widely varying interpretations of the term social housing. Some interviewees preferred the use of more precise language. Others believed it is best to use the language most likely to generate political will for implementation. Suggested alternatives included *decommodified housing, mixed-income housing, housing for all, workforce housing, and community housing*.

Interviewees described stigma associated with public housing, as well as public distrust in government, as obstacles to social housing development.

Stakeholders often discussed the history of public housing in the U.S.—highlighting government disinvestment and poverty concentration—as a barrier to implementation of social housing, particularly when government owned. Related barriers identified include voter fatigue with housing bond measures, stigma associated with public housing, and local opposition to affordable housing development. Interviewees highlighted the importance of building and maintaining high-quality products, along with adequately resourcing social housing for overcoming distrust and stigma over time.

> In a lot of these social democracies, they're paying way more in taxes than we pay, but receiving significantly more benefits as citizens. I think the concern that American taxpayers have…is, 'What is my money paying for?' So how do you rebuild trust in government to spend your money in a way that really does benefit the people? —State agency representative[4]

Interviewees raised questions and concerns about the role of homeownership and wealth building in the context of social housing implementation in the U.S.

Some interviewees feared social housing could overly focus on rental housing without providing opportunities for ownership for lower- and middle-income families and suggested that including homeownership options would increase political will for social housing. Some expressed hope that social housing could help address inequities in access to homeownership for people of color.

To preserve affordability, interviewees envisioned homeownership through social housing as shared-equity options, such as limited-equity housing cooperatives, lease-to-own opportunities through the Low-Income Housing Tax Credit or voucher programs, small-site acquisition-to-ownership conversions, and resident-owned manufactured home communities.

> I think, as a state, we should be doing more on how we promote homeownership for low-income folks. In rural places, thousands of families have taken advantage of the **USDA-RD 502 mortgages** and built their home through the **USDA-RD Mutual Self-Help**

> **Program**. The State of California previously operated the Urban Self-Help counterpart loan program through CalHFA. As a state, we should seek to invest in programs that empower families and provide them with the tools needed so they can achieve their dreams. —Local agency representative[5]

In considering the design of social housing, interviewees cited the following features not explicitly mentioned in SB 555:

- Appropriate and ongoing service provision for residents
- Siting near transit, parks, grocery stores, and other neighborhood amenities.
- Alignment of housing and environmental/sustainability goals—for example, building decarbonization and energy efficiency
- A focus on racial equity

Reflections on the SB 555 Definition of Social Housing

Interviewees were asked to reflect on and respond to the definition of social housing codified in SB 555, and to describe opportunities and barriers to implementing social housing, as defined. This section of the report organizes their feedback by each of the five following elements of the definition.

SB 555 Definition of Social Housing

Social housing means housing that meets all of the following requirements,

1. **Ownership and management:** "The housing units are owned and managed by a public agency, a local authority, a limited-equity housing cooperative, or a mission-driven nonprofit entity solely for the benefit of residents and households unable to afford market rent."
2. **Mixed-income developments:** "Each social housing development contains housing units that accommodate a mix of household income ranges, including extremely low, very low, low-, and moderate-income households unable to afford market rent."
3. **Tenant protections:** "Residents of the housing units enjoy full protection against termination without just cause or for any discriminatory, retaliatory, or other arbitrary reason, and shall be afforded due process prior to being subject to eviction procedures."
4. **Permanent affordability:** "The housing units are protected for the duration of their useful life, and the land associated with the housing units is protected permanently, from being sold or transferred to any private person or for-profit entity or a public-private partnership."
5. **Residents' participation in decision-making:** "Residents have the right to participate directly and meaningfully in decisionmaking affecting the operation and management of the housing units in which they reside.



Element 1: Ownership and Management

"The housing units are owned and managed by a public agency, a local authority, a limited-equity housing cooperative, or a mission-driven nonprofit entity solely for the benefit of residents and households unable to afford market rent."

Interviewees generally agreed that public and nonprofit ownership was what they expected of social housing. They believed that public and nonprofit control would have benefits for residents, such as longer-term affordability, stability, and access to services. Some said that these entities would be more likely to meaningfully engage residents in decision-making.

Representatives of public agencies said that public housing authorities (PHAs) are well-positioned to act as owners, developers, and managers of social housing because of their ties to local communities and their experience with resident support services and long-term stewardship of housing assets for public benefit. Additionally, PHAs are subject to accountability mechanisms, such as audits and public oversight channels, meant to protect the public interest.[6]

> Private entities, even well-intentioned ones, have a fundamentally different business relationship with a tenant than a public agency. For example, suppose we have a non-performing public housing property, meaning a property that loses money. In that case, HUD allows us to move money between performing ones to make the entire portfolio work. I mean, banks don't do that, it's just a different philosophy, right? —Local agency representative[7]

Interviewees highlighted the importance of leveraging the relative strengths of different sectors through public-private partnerships to build capacity for the development, ownership, and management of social housing.

For example, allowing joint nonprofit and public ownership enables social housing to tap into the capacity and flexibility of the existing network of nonprofit affordable housing developers, while enjoying public ownership's continuity, potential efficiencies of scale, and access to streamlining, property tax exemptions, lower-cost financing, and other funding sources such as bonds. Partnerships between emerging developers and more experienced developers can also help new organizations step into the social housing space, creating new opportunities for community-controlled social housing assets.

Many interviewees acknowledged that public sector involvement in housing development entails political and bureaucratic challenges.

They expressed concern that political will and priorities can shift with changing administrations, risking disinvestment in publicly owned projects. While emphasizing the need for public funds, they also noted the costs associated with public sector involvement, for example, process inefficiencies, onerous contracting and procurement requirements, and regulations attached to public funds and land. Some express the need for a public framework that incentivizes efficiency and entrepreneurialism.

Some interviewees identified capacity constraints among public housing authorities as a barrier to public ownership and suggested that more centralized state- or regional-level ownership could unlock more resources and allow for economies of scale.

While a few PHAs, including those in the City of Los Angeles and County of Santa Clara, have excelled in real estate development roles by establishing new divisions and hiring for expansion, most PHAs in California focus primarily on voucher administration. Interviewees said that addressing these gaps could be challenging but would be essential for public ownership of social housing. Others believed that expanding public development capacity is unnecessary because California has an existing network of private affordable housing developers.

> I think [cities are] going to continue to be financially challenged for the foreseeable future, so for them to staff up with a department or division that focuses on owning and operating housing directly, I'm a little skeptical of that, particularly when there are other entities that could do that for them. So I am not convinced they need an ownership stake. —Nonprofit developer[8]

Some interviewees envisioned a role for the state in addressing local capacity gaps and achieving greater economies of scale. For example, a state social housing agency could pursue mass procurement of environmentally sustainable materials and efficiently allocate them to developers across the state.

Expanding the SB 555 definition to include for-profit ownership could offer benefits, according to some interviewees. Among the potential

benefits they identified were capacity advantages and compatibility with the Low-Income Housing Tax Credit Program (LIHTC).

How "mission-driven" should be defined was a question for some interviewees. Some expected such organizations to be place-based and rooted in a specific community. Others asserted that nonprofit status does not guarantee commitment to a mission.

> What are the mission-driven nonprofits, and what do they look like? Because many large nonprofits once were small-scale organizations that used to be placed-based nonprofits addressing the needs of their local communities… Now those same nonprofits are doing projects up and down the state. So the question is… have they kept that community/resident focus? As programs are developed, how do you distinguish who has kept that community/resident focus and who has not? —Local agency representative[9]

Interviewees noted that mission-driven for-profit companies are technically excluded from social housing ownership under SB 555, despite adhering to social housing principles like permanent affordability and resident governance. For example, **The Central Fresno Neighborhood Trust**—a for-profit limited liability company governed by a mix of community members, residents, and nonprofit affordable housing professionals—is established as a perpetual-purpose trust that requires permanent affordability. Profits are shared, with a percentage returning to the trust for reinvestment in the community.

> There are some market rate owners that I think are unique and exceptional and that, if you were explicit about what you were looking for—long-term ownership and high standards in terms of stewardship of assets in the community, and adhering to resident input requirements—there's a history of some organizations that are for-profit…that demonstrate a very similar wherewithal. So I don't think it necessarily translates exactly as 501c3 status or not. —Nonprofit developer[10]

Some interviewees pointed to the comparative capacity of for-profit developers. For example, for-profit developers are more likely than nonprofits to be vertically integrated, with in-house contractors and design teams, and to have greater flexibility in financing, which could benefit the scaling of social housing.

> For-profit entities are at a huge advantage compared to nonprofit developers because they can funnel money from one project back into another. As a nonprofit, our books have to show we didn't make money. That puts us at a huge disadvantage for pre-development work and costs associated. —Community land trust representative[11]

One concern raised by interviewees is that, as written, SB 555 may be incompatible with the **Low-Income Housing Tax Credit Program** (LIHTC). Investors have a majority ownership stake as a limited partner for the first 15 years, which could prohibit social housing from taking advantage of the primary financing source for affordable housing.



Element 2: Mixed-Income Developments

"Each social housing development contains housing units that accommodate a mix of household income ranges, including extremely low, very low, low-, and moderate-income households unable to afford market rent."

A mixed-income social housing system was credited by many interviewees with the potential to increase housing stability and build a better ladder of housing opportunity for residents as incomes change.

Middle-income households also struggle to afford housing, noted interviewees. Many agreed with the inclusion of units for households earning above 80 percent of the Area Median Income (AMI) in social housing because it could provide more support for middle-income residents when the private market is not serving them well.

Some interviewees believed that creating a mixed-income social housing system would enable movement between units when incomes or household sizes change, helping to create stability and encourage economic mobility for social housing residents across life stages. For example, social housing that allows for movement between units can help accommodate seniors who want to downsize as their household sizes and incomes decrease.

> I'm in support of just keeping people more stably housed and not discouraging income growth as a goal. So it's more about serving people where they're at, and allowing them and their lifestyles to grow and change. That's natural, and I feel like our housing system is too limited and rigid in its current form to really reflect how people actually live. —Local agency representative[12]

Greater socioeconomic integration and the potential for neighborhood desegregation were two benefits interviewees associated with mixed-income housing.

Many stakeholders asserted that excluding all but the lowest incomes in public housing has not produced good outcomes and that prioritizing integration within social housing would improve opportunities and outcomes for residents. Additionally, interviewees said that mixing incomes within a project can help build community among households with different incomes and reduce public stigma.

> I also think that some aspect of what makes social housing interesting is that there is no stigma of living in social housing, you know, people of higher incomes live side-by-side with people of much lower incomes. And that does have a benefit that I think goes beyond even the cross-subsidization concept… I think it can create this sense of universal decommodification. —Community land trust representative[13]

> I feel like we're all impacted personally, economically, by what happens to each other in community, and the more we are actually in relationship with each other, the more likely it is that we're going to be in touch with that and appreciate that. There's a vibrancy, there's a health, there's a diversity that comes from that socioeconomic mix. —Nonprofit developer[14]

Interviewees commonly raised the role that social housing can play in desegregating neighborhoods. In some cases, they believed that neighborhood-level integration should be prioritized over building-level integration, and that social housing should not necessarily require each development to accommodate the full income mix described in the definition of social housing.

> Most U.S. cities are extremely segregated. And I think there's a line of argument that if you have an opportunity to get a relatively rare developable site in a very high-cost neighborhood, and you can get zoning to build 100 units, it's not clear what policy outcome is achieved by not making all 100 of those units affordable… If you have the opportunity, maximizing the number of affordable units, particularly in places that have a severe shortage of them, is not a bad thing. —Advocacy organization representative[15]

Interviewees suggested that the income mix defined in SB 555 might be better achieved at the portfolio level, rather than within each development, because of the current financing system's limitations, vacancies in moderate-income units, and service provision challenges.

Interviewees noted that most major funding sources—for example, tax credits, tax-exempt bond allocations, property tax exemptions, and **funding from the California Department of Housing and Community Development** (HCD)—have prescriptive income requirements and often prioritize deep affordability. These requirements can make it difficult to assemble financing for mixed-income developments, particularly those that include substantial numbers of moderate-income units.[16]

Some interviewees worried that the regulatory and reporting burden associated with stacking the different funding sources required to accommodate so many income levels in one building would become prohibitive. Some believed that accommodating the full income mix required in SB 555 would be particularly challenging in smaller developments and that allowing flexibility would increase the likelihood that projects succeed financially.

In many parts of California, 80 percent to 120 percent of AMI is market-rate, which some interviewees noted can make it difficult to lease deed-restricted moderate-income units in affordable housing developments. Others added that lease-up of moderate-income units is challenging under the current system because tenants do not want to undergo cumbersome income certification processes required for a deed-restricted unit. Suggestions included making the processes less onerous for everyone and setting rents at a percentage discount from market rate to encourage lease-up.

> Lots of people are relatively used to this—it is part of their life. Unfortunately, from food stamps to Medicaid, these things are a day-to-day assumption, but for a higher-income household, you are simply not going to do all this paperwork and process and wait and sit around for a lottery or compliance review when you can go down the street and get an apartment for pretty close to the same price without all that paperwork… We oppress poor people a lot and demand an unending stream of paperwork so they can qualify for benefits. —Local agency representative[17]

Interviewees noted that residents with different incomes or from different populations often have unique resident services needs that can be challenging to fund and provide in a single building.

> There's both policy and regulation reasons why it's hard, under our current systems, to have a broader mix of incomes in any one building. But there's also the model of how property managers operate buildings. The business model makes it pretty tough in terms of different services being provided to different folks, and the level of care and attention that are needed for different populations. I think there's probably a lot to probe in that… Like, who could actually manage projects like that right now? Or what kind of capacity building is needed to shift business models for that to work? And what does the operating funding need to be? —Finance organization representative[18]

Portfolio-level targets were favored by some interviewees because they may provide increased flexibility to make projects pencil out while still maintaining accountability to serve those most in need.

Some interviewees said that portfolio-wide averaging or income targets would allow for more flexibility on a project-by-project basis than requiring the full spectrum of incomes in every building. Prescriptive requirements at the building level may result in fewer units and fewer residents served.

Portfolio-level cross-subsidization could increase financial sustainability, interviewees suggested. Revenue from cash-flowing properties could be directed to properties with tighter margins and reinvested to further additional social housing production.

> One of the things that I would hope for is that, even if it's not on a regional level or a city level or a developer level, is that you could have sister properties. That is a benefit… you can't have all of these things, no operating money coming in, no operating subsidy coming in, and very low-income tenants, and not being able to join this property and cross-subsidize with another. —State agency representative[19]

Interviewees also raised questions and concerns related to unit quality, racial and class discrimination, and segregation within mixed-income developments. For example, interviewees expressed a desire for developments not to distinguish between lower-income homes and higher-income homes in quality or access to amenities.

No consensus emerged on whether to allocate scarce resources to

moderate- or middle-income households or to prioritize social housing for all. Some interviewees advocated for including market-rate social housing units.

Many interviewees said that affordable housing funds are scarce and shouldn't be used to produce units for higher-income households (moderate, above moderate, or both), who have options in the private market, when the greatest need is among extremely low- and very low-income residents.

> When only one in six low-income Californians eligible for federal housing assistance is able to access it, and studies show that median-income households [100 percent AMI] can afford average rents in most counties, should allocating resources to moderate-income households really be the priority? —Finance organization representative[20]

Other interviewees argued that including higher-income units in social housing offers financial benefits, such as the ability to service more debt and generate revenue that can be recirculated into social housing production, ongoing operations, and maintaining affordability. These higher-income units would become more affordable over time and, by reducing dependence on external subsidies, would help ensure projects stay afloat if funding is cut. Offering housing for all, or for the middle class, can also increase the political viability of social housing and address the stigma some associate with public housing, according to some interviewees.

> How do you keep a social housing program going? That's about getting political buy-in from people… You're looking at, to what extent can you get a majority, you know? So for example, in Vienna, the social housing they create is eligible for 75 percent of the population. Now, 75 percent of the population doesn't live there, but they're eligible for it. And I mean, there's a reason why the governing party has basically been in power since the 1920s. —Researcher[21]

Interviewees identified the need for ongoing subsidy to support affordability for the lowest-income residents and permanent affordability of social housing developments.

Many interviewees asserted that a revenue-neutral, cross-subsidization model would be insufficient to meet the goals of SB 555; most said an ongoing subsidy is required to support households experiencing the greatest need. Some believed that, without upfront capital subsidies, projects may be incentivized to prioritize higher-income households to cover debt service. Others acknowledged that in the current interest rate environment and given California's high development costs, market-rate units are insufficient for effective cross-subsidization.

Rental subsidies were considered key to making mixed-income social housing financially feasible while serving the lowest-income households. Many interviewees pointed to the important role vouchers play in helping properties cover their operating costs while maintaining deeply affordable rents, but said that relying on federal tenant subsidies in the current political climate is risky. References to international social housing models that rely on tenant-based rental assistance to make rents affordable to residents were common.

Element 3: Tenant Protections

"Residents of the housing units enjoy full protection against termination without just cause or for any discriminatory, retaliatory, or other arbitrary reason, and shall be afforded due process prior to being subject to eviction procedures."

Interviewees widely supported robust tenant protections. Some questioned how the protections in SB 555 differ from or build on existing state law, particularly Assembly Bill 1482, the California Tenant Protection Act of 2019.

Interviewees underscored the importance of preventing evictions for tenants within and outside social housing. Some believed that the state should prioritize enforcing, evaluating, and adjusting existing tenant protection laws rather than creating new or separate protections for social housing.[22]

> The case I would make is when you evict people, there's a cost to society, and when you're evicting them en masse, you're actually socializing the losses and privatizing the gains, because another person can't ultimately get in an apartment building. The deposits are high, their credit is ruined. There's a huge social cost to that. —Local agency representative[23]

Many representatives from nonprofit affordable housing providers and public agencies asserted that robust tenant protections are already a large part of their work. They described current practices including ensuring tenants have the right to return when buildings are redeveloped, extensive and lengthy pre-eviction processes, rent repayment plans, and provision of case managers that connect residents with services.

Interviewees expressed frustration that housing providers bear the financial burden of tenant protection laws and think greater rental and operating assistance is needed to prevent buildings from facing foreclosure and disrepair when rents go unpaid. They cited examples of nonprofit developers struggling to maintain their portfolios during COVID, when eviction moratoriums were in place, and residents were unable or less likely to pay rent.

A better system of support for tenants, according to many interviewees, would include mission-driven management, rental assistance, and eviction defense and education.



- ***Mission-driven management***: Some interviewees believed that mission-driven owners and property managers are more likely to work with tenants prior to starting eviction proceedings—for example, through payment plans, mediation, or connections to resources.
- ***Rental assistance***: Interviewees underscored the need for landlords, board members, or resident councils to have access to emergency rental assistance that could help tenants stay housed and allow buildings to continue operating as normal.

> Sometimes people stop paying rent, and you don't really, like, people don't want to have to displace them, you want to give people a lot of chances. And affordable housing developers do, then end up paying those costs out of pocket, out of their balance sheet, out of funds that were meant for other things. And so, how can operating subsidies and rent subsidies, emergency funding or things like that, how can all of those systems work better with each other? —Finance organization representative[24]

- ***Eviction defense and education***: Interviewees also underscored the need for investment in legal counsel and staff capacity to enforce existing tenant protection laws, along with education on those laws for landlords and tenants.

> Sometimes the rules or the laws are in place to protect folks, but the biggest hurdle I would say, in like rural places is not having enough judges or attorneys or folks that are in place that are overseeing these hearings. The laws have changed related to tenant rights over the last number of years; it is difficult for attorneys and judges to keep up with the changes, and so the tenants themselves, they are not coming armed with attorneys. And we don't have as many legal aid attorneys as other places. —Local agency representative[25]

Stronger protections would alleviate the need for residents to govern directly, some interviewees suggested; others thought resident governing bodies could help prioritize and implement protections.

Some interviewees said that a social housing system characterized by robust investment in support for tenants and production of high-quality, stable housing would reduce pressure on residents to govern their own housing, particularly when living in large multifamily rental developments. Others believed that residents' participation in decision-making would ensure owners' awareness of residents' economic situations and hardships and that resident bodies could help allocate emergency rental assistance and weigh in on evictions.

> The most beautiful resident participation is small groups of like-minded people who come together in communal ownership… But if you're trying to operate a public housing authority portfolio with thousands of households who are totally differently situated, the idea that the residents should be at the table making meaningful operations and management decisions is not realistic. But again, right to counsel, transparent rules, fair treatment, no discrimination, that's what's key to good, successful living environments, in my experience. —Finance organization representative[26]

Element 4: Permanent Affordability

"The housing units are protected for the duration of their useful life, and the land associated with the housing units is protected permanently, from being sold or transferred to any private person or for-profit entity or a public-private partnership."

Interviewees agreed that permanent affordability is key to promoting stability for residents and communities, preventing displacement, and maintaining the value of public investments in affordability over the long term.

Permanent affordability was identified as a way to prioritize resident and community stability. Some interviewees believed that creating permanently affordable social housing could preclude the need for housing to serve as a vehicle for wealth-building.

> I don't think social housing is necessarily a wealth creation for households, and so I think that it provides the stability and predictability and permanence that then allows people to focus on the other ways of wealth creation: retirement savings, health care, other things like that. —Local agency representative[27]

Programs that rely solely on temporary affordability risk resident displacement. For example, a representative from a community land trust described a situation in which a housing provider converted a property into student housing after its affordability covenant expired, displacing the existing residents. Another nonprofit developer described how challenging it can be to replace affordable units that have been converted to market. In the view of many interviewees, projects that remain affordable in perpetuity are a better investment of public funds.



> The City let all the units go to market. They got their money back along with their equity share of the profits, and then they realized that it was so difficult to find another affordable housing project and to replace those units, so we came to a joint decision with the City to never let them go to market. If you have an existing affordable unit, what makes most sense is to keep if affordable for the long term, which also means making new, small investments over time to maintain the unit. —Nonprofit developer[28]

Suggestions for operationalizing permanent affordability included lengthening affordability covenants in funding programs, separating land ownership from property ownership, and pairing mission-driven ownership with ongoing investment:

- ***Lengthening affordability covenants either in perpetuity or for 99 years, rather than 55 years, in funding programs***[29]: As one example, the **City of Berkeley's Inclusionary Housing Program** requires affordable units to be deed-restricted in perpetuity. However, requiring permanent affordability could be challenging. The Rule Against Perpetuities, which is meant to restrict the use of legal instruments to control property indefinitely beyond the lifespan of those who put the property controls in place, can make enforcing permanent deed restrictions very difficult.[30] Moreover, writing categorical, permanent affordability into program requirements could compromise the ability to secure financing. One interviewee stated that lenders require the ability to foreclose and remove affordability covenants as a condition of lending to tax credit projects.[31]
- ***Requiring land to be held separately by a public agency or a land trust and ground leased to the developer***: For example, **the City of San Francisco typically owns the land under affordable housing developments it funds**, enabling it to require permanent affordability. One interviewee proposed requiring that the land be held by a public trust or public agency for all tax credit deals in which the state provides more funding than the land's value.[32]
- ***Partnering with mission-driven entities and ensuring adequate, ongoing investment***: Some interviewees believed operationalizing permanent affordability is less about legal requirements and more about working with mission-driven entities and providing adequate funding.

> I don't think that is the right approach to write into a legal document and say, 100 years from now, you need to still be providing this. I think supporting permanent affordability is a constant, ongoing project of providing enough money, having partners and implementers and administrators and developers who are committed to a mission. I think it's about setting up a structure that incentivizes the various parties to keep projects affordable. —Local agency representative[33]

Housing providers were hesitant to restrict the sale or transfer of social housing because doing so would

make rehabilitating properties and managing distressed assets more challenging and would restrict opportunities for tenant ownership.

Interviewees asserted that ownership transfer to a for-profit entity is sometimes necessary to recapitalize and rehabilitate properties that need capital improvements—for example, through the tax credit re-syndication process, which also requires owners to enter into a new 55-year affordability period.

> The only way that you can consistently recapitalize and extend the useful life of these [large multifamily] properties beyond 20 or 30 years is by accessing the Low-Income Housing Tax Credit program. So the wording here… being sold or transferred to any private person or for-profit… I would say 'for-profit controlled entity.' The word control is critical. You can have a nonprofit entity with passive for-profit partners that allows you to access the tax credit program. What you don't want is for the for-profit to have control. So that clause is highly problematic. —Finance organization representative[34]

Some interviewees expressed concern that restricting sales reduces flexibility for owners dealing with distressed assets and can result in poor living conditions for tenants. Owners may need the option to sell properties sited in areas at risk of climate change-related stressors or disasters, with fair compensation and protection for residents.

> I think we're seeing a lot of this with public housing, the increasing risk from climate change, like where these things are sited… You may need to move people's assistance or move the property because it's no longer tenable to maintain, you know, a public housing building where it's going to be flooded every two, three years… That's what informs my thinking about whether it can be sold or transferred to a public-private partnership. It feels a bit more restrictive, probably for good reason, because I know there's a history of public assets being sold, but you just may want to think through some of the other worst-case scenarios. —Finance organization representative[35]

Interviewees pointed out that the strategic sale of units can allow social housing developers to access equity for future production and create opportunities for homeownership. For example, in the Netherlands, housing associations can sell units, but tenant associations review the process, and tenants have the right of first refusal. They may also, for example, sell units and use the equity to build new housing, resulting in an overall increase in the number of affordable units.[36]



Element 5: Resident Participation in Decision-Making

"Residents have the right to participate directly and meaningfully in decision-making affecting the operation and management of the housing units in which they reside."

Although agreeing that residents should have greater power to ensure stability and dignity in their housing, interviewees were uncertain about what "direct and meaningful participation" means in the context of social housing.

Interviewees highlighted the importance of improved transparency, accountability, and trust-building with residents, and the need for residents' input on development and management processes to ensure that their needs, experiences, and concerns are prioritized. Some believed that improvements in these areas might preclude the need for residents to directly govern, while others asserted that residents' decision-making is key to realizing these improvements.

> The strongest way, in my view, to achieve that kind of accountability is by having the people who are living in the buildings being able to share what it means to actually live there… How habitable are these buildings? How rent burdened and impacted are the residents and their neighbors? You might know in some vague sense as the houser, but if you're not reminded constantly of these issues, they will fall by the wayside. —Community land trust representative[37]

In structuring resident participation across types of social housing and at different levels of governance (building, organization, and program), some interviewees called for flexibility. Many acknowledged the strengths of resident governance in community land trusts and cooperatives but have concerns about translating that governance to large developments or portfolios. Others said that meaningful resident participation could differ—in format and types of decisions residents are involved in—across cooperative, nonprofit, and government-owned housing.

> I also think that my experience is that while there may be a lot of value to having resident participation in the activities of an individual building, it's really hard as a large nonprofit or entity to have 20 different sets of rules for 20 different buildings, right? So I think it makes it really hard to manage. I think it makes it really hard to scale other activities. So I think the devil would be in like, 'Well, what do we mean by this?' —Nonprofit developer[38]

Interviewees identified a range of potential decision-making areas for residents to participate in, including common area spaces, budgeting for services and programming, capital improvements, operating budgets, selection of operating boards and property management companies, carrying charges and rent setting, tenant selection, and the development of funding guidelines for social housing.

Interviewees had questions and concerns about how the requirement for residents' participation in decision-making about the operation and management of social housing units would be implemented. They offered views on the role of professional property management, residents' capacity to participate, conflict and power dynamics among residents, and potential challenges in securing financing for properties governed by residents.

- ***Role of professional property management***: Many interviewees believed that decision-making for key property operations—including rent setting, day-to-day maintenance, long-term asset management, and capital improvements—should be undertaken by, or in conjunction with, professional property management. They cited examples of government-funded, resident-run cooperatives that fell into disrepair due to a lack of oversight or assistance from professional property management, insufficient governance training and resources for residents, and challenges balancing affordability with necessary repairs.

> Famously, HUD used to fund and provide rental subsidies to limited equity cooperatives built in the 1960s through the early 1980s. However, in those cases where people get over income and get control of the board, they are often reluctant to raise the rents on themselves. It then becomes a challenge when they need to raise money for the capital needs of the community, for maintaining it in the best way possible. —Nonprofit developer[39]

- ***Residents' capacity for participation***: Some interviewees questioned whether residents have the time for and interest in management decision-making, given work, education, and family commitments. Others anticipated challenges meeting participation requirements in senior housing and permanent supportive housing and believed social housing shouldn't place cumbersome requirements on residents. Some thought it unrealistic to expect residents to participate in complex management decisions involving large real estate portfolios.

> There wasn't as much excitement around tenant governance as I thought there might be. I think there could be under certain circumstances, and I would love to see tenants

> more empowered broadly, because there's really uneven power dynamics now, you know, and property management is problematic even in affordable properties, but it just felt like there was this sense of like, 'If property management was doing their jobs, well I don't know that I'd want to get involved,' right? So I think there's an interesting capacity question, especially given how people's lives are organized in our current society, and the limited time and capacity people have. —Local agency representative[40]

- ***Power dynamics***: Some interviewees cited abuses of power, conflicts between neighbors, and discriminatory practices within governance structures such as homeowners associations, and wondered how to ensure that resident boards don't replicate existing power imbalances.
- ***Financing challenges***: Interviewees expressed concern that lenders would refuse to finance projects in which resident participation in property-level decision-making was not accompanied by professional property management with ultimate decision-making authority over property and asset management.

Interviewees identified a range of potential tools, structures, and strategies for implementing SB 555's resident participation requirement for social housing:

- Protected right to organize within buildings
- Resident representation on governing boards of organizations and agencies. For example, community land trusts typically have member-elected tripartite board structures, with board seats divided equally among residents, community partners, and real estate or development experts. **The Lowell Community Development Corporation** requires that at least one-third of its members be residents of the local community. **Community Housing Works (CHW)**, a community housing development organization, reserves a third of its seats for low-income residents or for organizations that serve low-income people or communities, with the majority going to CHW residents.
- Resident boards or committees at the building level that advise property management on certain issues and have direct decision-making authority over other issues
- Resident advisory boards or resident board representation at the organization or portfolio level. For example, **Montgomery County's Housing Opportunities Commission** has a resident advisory board that covers the entire agency. **The San Joaquin Housing Authority** has a resident advisory board and requires two of its seven Board of Commissioners seats to be held by current tenants.
- Independent controller or advocate who can help mediate conflict between residents and governing boards
- Participatory budgeting and design processes, particularly when development timelines and fund allocation are flexible
- Surveys, town halls, and focus groups to ensure that all residents can give input (favored by some interviewees over direct decision-making)

Interviewees acknowledged that supporting residents' participation in decision-making would require substantial financial and capacity-building resources, for both residents and housing providers with relatively little experience engaging residents.

Some interviewees believed that resident governance should be a central priority in an appropriately resourced social housing system. Others worried that highly prescriptive or intensive resident governance requirements would render social housing infeasible.

> The kind of money we're talking about to support this is not giant, but it does require a willingness on the part of folks who typically administer properties to be able to share that power with residents. And frankly, believe that residents, especially low-income residents, actually have something to offer. And I think, you know, this is very deeply rooted in classism and racism, to believe like, well, how could these folks actually have something to contribute? —Community land trust representative[41]

> In Vienna, there's some evidence that in the limited equity home ownership context, people can self-manage well, but they have huge amounts of support, people helping them with the books, people helping them with property management, making sure they're not getting in trouble. And I don't know how realistic it is for California local governments to commit to doing that long term with the financial stresses that we're under right now. In theory, it should be able to happen. In practice, I'm not so sure. —Finance organization representative[42]

To build residents' trust, lower barriers to participation, and ensure equitable participation, interviewees suggested language accessibility supports, childcare, stipends, and legal support, as well as education or technical assistance on housing development and management issues.

Interviewees noted that affordable housing developers may not currently have the expertise needed to facilitate resident participation in decision-making.

> You need people with financial skills, architectural skills, project management, all of those things. I think changing our mindset so that resident leadership and engagement and capacity building is seen just as any core skill set for any affordable housing organization. —Community land trust representative[41]

Representatives of land trusts, public agencies, community development financial institutions, and advocacy organizations shared suggestions for and examples of initiatives or infrastructure to build on:

- **United to House Los Angeles (ULA)** is creating a resource hub to plan, envision, and strategize resident governance. Its Alternative Models program requires development teams to demonstrate experience supporting tenant governance models and recommends partnerships with locally based nonprofits experienced in this area.

- The defunded **Foreclosure Intervention and Housing Preservation Program** allowed predevelopment funds to be used for resident engagement.
- One community development financial institution plans to dedicate a portion of its lending portfolio to resident-led initiatives and provide concessions—for example, discounted interest rates—to developers that incorporate resident voices into their developments.
- Some organizations, including the **California Community Land Trust Network** and the **Grounded Solutions Network**, have experience supporting land trusts and residents' capacity to participate in decision-making.

Reflections on Financing and Capacity Building for Social Housing

Interviewees noted that today's affordable housing finance system is insufficient to support the goals of SB 555. They said the state should both commit substantial investment and lead housing finance innovations that can help social housing scale.

Many interviewees believed that existing funding sources—both state and local—are oversubscribed or insufficient; some expressed concern that social housing will further strain existing funds and increase competition for them. Interviewees underscored the need for dedicated, ongoing revenue streams to sustain a social housing system.

> Our housing finance system is pretty broken related to helping us with permanent affordability. We've had lots of examples of land banking, CLTs, shared equity and other kinds of models. But we've had this huge issue of scale. If the desire is to deliver social housing at scale, then we need to think about the role that the public sector might actually have in scaling up. That will be really interesting to watch…My hope is, alongside this, is a set of housing finance innovations that involve the whole ecosystem (public, private, nonprofit sectors). —Researcher[43]

> We need evergreen, long-term sources of funding in order to compete when the markets are low, and slowly, over time, build up the amount of housing that comes off the speculative market. You need that big source, like ULA or Los Angeles County Affordable Housing Solutions Agency (LACAHSA), that's going to be on the books forever. I think leaving affordable housing finance up to annual appropriations isn't working. It doesn't allow organizations to staff up properly and build at the scale needed, because there's too much risk and uncertainty. You don't know if public funding will be available when you need it. —Finance organization representative[44]

Because the existing housing finance system is complex and inefficient, interviewees said any new financing model or structure should prioritize simplicity and flexibility.

> The current affordable housing finance structure is so complicated and it's too cute for its own good, and it needs so many lawyers and investment bankers to actually make it work, just like tax credits... If we're really taking the step back, it seems like trying to hold a simpler structure with less friction that gets at our desired outcomes if we're thinking big. —Finance organization representative[45]

> The real question is, how does the state provide funds without adding on so many requirements? California is at the extreme of this, of adding on so many requirements that the cost of the requirements eats up the public subsidy. The public subsidy money is largely being used not to create affordability, but to meet requirements that are triggered by it. —Finance organization representative[46]

To cut public sector costs and timelines and therefore help social housing scale, interviewees suggested reducing regulatory burdens associated with public funding, investing in innovative construction methods, and centralizing funding decisions by handing them to state or regional authorities.

Social housing is an opportunity to create better tools and resources to acquire existing properties and preserve affordability, according to many stakeholders.

Interviewees envisioned a state social housing program stepping in to purchase and rehabilitate existing homes to help prevent resident displacement and the loss of naturally occurring affordable housing. They pointed to the **Foreclosure Intervention Housing Preservation Program** as a much-needed tool that was cut from the state budget before it could launch.

Some stakeholders discussed the value of purchasing stalled or newly built properties and operating them as affordable housing. A turnkey acquisitions strategy might allow social housing owners to tap into the capacity of for-profit developers and stand up units more cost-effectively and quickly.

> A lot of the tax credit money, and I would say some of the HCD money as well, isn't really set up for acquiring a building. One of the things we're doing is looking at the pipeline of what's under construction right now in terms of market rate buildings and saying, okay, instead of letting this go market-rate, why don't we just buy it from these guys when they're done and restrict it as affordable? But a lot of the funding doesn't allow you to do that. When we're doing LIHTC... the cost per unit is pushing $1 million a unit. Well I can buy these buildings now for $400,000 to $600,000 a unit. Well that's a tremendous savings, right? And so why shouldn't we have access to those same government funds to capitalize on what's happening in the market? —Local agency representative[47]

Interviewees often described the need for a new or expanded government-provided low-cost debt product to help scale social housing production.

Some said that a low-interest loan product could help reduce risk, contain costs, and improve project feasibility; having the state provide it would mean that any earned interest could accumulate and be reinvested in social housing. Interviewees identified the **California Housing Finance Agency** as the entity that should provide low-cost debt for social housing development.

> It's a great opportunity for the state HFA, and it just is an important part of the model. You don't have to do it—you could go to Fannie and Freddie, you can go to the private market. But in its most efficient form, the state HFA would be in here kicking butts, and it's a great business line for them. And it does render the best outcome in terms of financial stability of the property. —Finance organization representative[48]

> A state housing finance agency is supposed to provide financing for affordable housing… It's kind of crazy that in our country, affordable housing development is going after the same conventional debt that a market-rate development is. —Local agency representative[49]

Interviewees said that expansion of rental and operating subsidies is critical to making social housing work, particularly for lower-income residents.

Ongoing and predictable operating subsidies are needed to ensure properties can maintain both quality and affordability for residents long-term, emphasized interviewees. Some believed that project-based vouchers—which can help secure financing for development but are limited in supply—are key to guaranteeing affordability for the lowest-income households. Although interviewees desired an expanded federal voucher program, they said that relying on federal programs under the current administration is risky.

> I think, ideally, they need to set up a system where the operating subsidy can be doled out… on an annual basis with some guarantees… You know they're requiring you to be affordable at these very low levels for 55 years. Well, okay, then I need a subsidy for 55 years, and otherwise, the minute that subsidy goes away, the project is upside down and now you have a failing project. —Local agency representative[50]

Others recommended two ways to take advantage of tenant-based vouchers: (1) ensuring that rents in social housing are below the Small Area Fair Market Rent and affirmatively marketing units to tenant-based voucher holders and (2) having the state provide a guarantee for projects that plan to rent a share of their units to voucher holders, so that developers can finance them with tenant-based subsidies.[51]

> What's powerful with the guarantee is, without needing more cash, using the tool that you have; for the state, it's balance sheet and it's credit. If you're specifically looking at these back-end rental subsidies or vouchers, you're just

> making those work double duty. You're making them work to drive housing development. I think it could be part of the overall capital stack; it's another tool, and it's not just a direct cash subsidy. —Finance organization representative[52]

Other suggestions included investigating other countries' cost-rental models, in which developers set rents at the cost of building and operating the units, and state-provided rental assistance bridges the gap between rents and the amounts households can afford.

Directly providing public funds is not the only role for the public sector. Interviewees thought the sector could reduce the cost of—and expand access to—private debt through risk sharing, credit enhancements, and government guarantees.

> When we looked internationally, we saw governments really bringing down the cost of borrowing through credit enhancements and loan guarantees. And that seemed to work on a really big scale, especially once you have this kind of sector that's devoted to developing social housing… I don't think we've seen that quite translated into the U.S. context yet, but you know, the same principles of the public taking on the risk in order to lower the cost of borrowing. It's definitely a core principle. —Researcher[53]

Interviewees suggested that credit enhancements and loan guarantees could particularly support community land trusts and limited-equity housing cooperatives. For example, a municipal loan guarantee could help community development financial institutions increase lending to smaller, "riskier" projects while meeting their underwriting criteria.

Representatives of affordable housing providers expressed an interest in greater flexibility to cross-subsidize across properties, borrow against the value of their portfolio, and pull equity out of existing projects to help rehabilitate properties or increase affordability.

Interviewees often cited models of social housing in other countries. For example, in the Netherlands, housing associations can borrow against 65 percent to 80 percent of their portfolios, providing them with a steady flow of cheap debt to build additional units.[54] In Vienna, limited-profit housing associations typically contribute about a quarter of a new social housing project's capital stack as an equity investment.[55]

> One of the biggest tools Vienna relies on is having developer-owners being able to churn their portfolio's accumulated equity into their future deals. Here, HUD has allowed that when it comes to refinancing existing affordable housing that has an uninsured mortgage on it, so you can go ahead and refinance it as part of a recapitalization and rehabilitation of a property, with any excess equity that has built up since the original funding of that deal shared between the nonprofit and HUD. HCD currently does not… But there's a proposed bill that would allow existing owners of affordable housing to refinance, with those savings then repurposed toward providing a funding source for future affordable

> housing development. There's lots of interest in doing so. —Nonprofit developer representative[56]

Other suggestions for how the public sector could help bring down development costs and commit resources to help social housing scale included leasing land, acquiring and allocating land, revising property tax exemptions, and providing insurance.

- **Leasing land:** Interviewees believed that local and state governments should lease surplus or public land for development. They pointed out that contributions of public land allow governments to provide equity and reduce development costs without making additional direct subsidies. Additionally, such contributions could drive social housing development to favorable locations.
- **Acquiring and allocating land:** Interviewees suggested that the public sector (whether state, regional, or local governments) could play a more proactive role in acquiring land, assembling parcels, and prepping land for development. Establishing a public land bank to acquire and hold land could support social housing. Interviewees also noted trade-offs in the public acquisition and provision of land, including loss of property tax revenue for local governments, the risk that public land acquisition will inflate land prices, and additional costs associated with public sector involvement.
- **Revising property tax exemptions:** Interviewees agreed that property tax exemptions are critical for making social housing financially feasible, but they differed on whether and how to modify current property tax law. Ideas include expanding the welfare property tax exemption above 80 percent of AMI, designating social housing as a public purpose that would automatically receive the exemption, and improving access to exemptions for limited-equity housing cooperatives, which are often at the margins of making financial transactions work.
- **Providing insurance:** Interviewees raised the possibility that the state could step in to provide insurance for social housing to help combat increasingly unpredictable and rapidly escalating insurance costs on the private market.

Pre-development supports—including funding, capacity-building, and partnerships—were highly desired by interviewees to increase the capacity and reach of smaller, community- or resident-driven social housing providers, such as community land trusts, community development corporations, and limited-equity housing cooperatives.

> The biggest thing is pre-development work... in order to get to a place where you can do an application, you need to pretty much know what you're building. And so how do you do that if you don't have any money? I probably spent a good two years doing pitches to foundations trying to make enough money so that we could get our initial startup funds. —Community land trust representative[57]

> There's a whole training component. We're partnering with a community services organization in their interest to form a community development corporation. Right now we're going through a year focused on training their internal team on the fundamentals of affordable housing, the development process, the real estate process, what budgeting for the operations looks like, on and on and on. Year two will be focused on doing a pilot… It's a hybrid that I think actually has the potential to scale. —Nonprofit developer representative[58]

Interviewees identified funding, capacity-building, and partnership models to learn from and build on, including **United to House Los Angeles**, existing training programs for emerging developers, the de-funded **Foreclosure Intervention and Housing Preservation Program**, and strategies for resource and staff sharing among community land trusts and community development corporations.[59]

ENDNOTES

1. Community land trust interview, June 6, 2026
2. Nonprofit organization interview, June 9, 2025
3. Local government agency interview, July 15, 2025
4. State government agency interview, June 11, 2025
5. Local government agency interview, May 15, 2025
6. For example, the U.S. Department of Housing and Urban Development assesses and scores the physical and financial performance of projects and PHAs using the Public Housing Assessment System. See Office of the Federal Register. (2026). 24 CFR part 902—Public housing assessment system. Electronic Code of Federal Regulations. Retrieved from: **https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-902**.
7. Local government agency interview, June 23, 2025
8. Nonprofit developer interview, May 27, 2025
9. Local government agency interview, May 15, 2025
10. Nonprofit developer interview, May 19, 2025
11. Community land trust interview, July 18, 2025
12. Local government agency interview, June 13, 2025
13. Community land trust interview, July 21, 2025
14. Nonprofit developer interview, May 19, 2025
15. Advocacy organization interview, June 16, 2025
16. For example: California's Property Tax Welfare Exemption is granted only to qualifying units occupied by households earning 80 percent of AMI or below; rental units funded through HCD's MHP, IIG, and Joe Serna Programs are designated for households earning no more than 60 percent of AMI; for competitive 9% LIHTC allocations, California's Tax Credit Allocation Committee's scoring system awards additional points for deeper income targeting, and projects must achieve a minimum score in the 'Lowest Income' category to be eligible for credits. See Ozer-Bearson, R., et al (2025). Property Tax Exemptions to Facilitate Affordable Housing: Lessons from California. Terner Center for Housing Innovation. Retrieved from: https://ternercenter.berkeley.edu/wp-content/uploads/2025/05/PropertyTaxExemptionsBrief2025.pdf California Department of Housing and Community Development. (2026, February 13). Multifamily Housing Program Final Guidelines. Retrieved from: **https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/superno-fa/2025-mhp-guidelines.pdf**; California Department of Housing and Community Development. (2026, February 13). Infill Infrastructure Grant Program Final

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17. Local government agency interview, June 11, 2025
18. Finance organization interview, July 9, 2025
19. State government agency interview, June 30, 2025
20. Finance organization interview, June 9, 2025
21. Researcher interview, July 18, 2025
22. In California, AB 1482 (2019) caps annual rent increases for existing tenants at 5% + inflation, or 10%, whichever is lower. The law does not apply to properties less than 15 years old, non-corporate-owned single-family rentals, owner-occupied duplexes, or deed-restricted affordable homes. In 2024, the California Tax Credit Allocation Committee (CTCAC) adopted a rent cap equivalent to AB 1482's cap for new LIHTC-funded properties, and AB 846 was passed, which required CTCAC to apply a cap to existing properties. See Western Center on Law & Poverty. (2024, September 27). Governor Newsom signs bill protecting low income renters. Retrieved from: **https://wclp.org/pr-ab846-low-income-renters/**.
23. Local government agency interview, June 16, 2025
24. Finance organization interview, July 9, 2025
25. Local government agency interview, May 15, 2025
26. Finance organization interview, May 29, 2025
27. Local government agency interview, May 20, 2025
28. Nonprofit developer interview, June 18, 2025
29. In California, publicly funded affordable housing projects typically require a minimum affordability term of 55 years. For example, projects funded by LIHTC, HCD's Multifamily Finance Super NOFA Programs and Homekey+ are bound to a minimum 55-year affordability covenant. See: California Tax Credit Allocation Committee. (2025, December 10). California Tax Credit Allocation Committee regulations

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32. Finance organization interview, June 9, 2025
33. Local government agency interview, July 11, 2025
34. Finance organization interview, June 9, 2025
35. Finance organization interview, June 30, 2025
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38. Nonprofit developer interview, May 30, 2025
39. Nonprofit developer interview, June 26, 2025
40. Local government agency interview, June 13, 2025
41. Community land trust interview, June 2, 2025
42. Finance organization interview, June 9, 2025
43. Advocacy organization interview, June 17, 2025
44. Researcher interview, July 25, 2025
45. Finance organization interview, June 30, 2025
46. Finance organization interview, June 12, 2025
47. Finance organization interview, June 11, 2025

ENDNOTES

48. Local government agency interview, July 17, 2025

49. Finance organization interview, July 7, 2025

50. Local government agency interview, May 27, 2025

51. Local government agency interview, July 17, 2025

52. PHAs can adopt Small Area Fair Market Rents—determination of Housing Choice Voucher payment standards using Fair Market Rents (FMR) calculated at the ZIP code level, rather than a metropolitan area-wide FMR—which allow payment standards to more accurately reflect the local market. See U.S. Department of Housing and Urban Development. (n.d.). Small Area Fair Market Rents (SAFMRs). Retrieved from: **https://www.hud.gov/helping-americans/housing-choice-vouchers-safmr**.

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