



118-0312017-002

Agenda Item **No.5 (d)**
Meeting of December 5, 2017

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Annual Certificate of Preference Marketing and Outreach Report, FY 2016-17 from the Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

The Property Owner and Occupant Preference Program, also known as the Certificate of Preference Program (the "COP Program"), provides preferences for displaced persons in the leasing and sale of housing within the former Redevelopment Agency's Project Areas or at city-wide affordable housing projects assisted with OCII and the Mayor's Office of Housing and Community Development funds. The COP Program implements state law requiring redevelopment agencies to prioritize low and moderate income households "in renting or buying" affordable housing developed with agency assistance if the households were "displaced by the redevelopment project." Cal. Health & Safety Code § 33411.3. This statutory authorization and the evidence of a certificate holder's displacement justify a housing preference that might otherwise violate the prohibition of discrimination under fair housing laws. The COP program does not guarantee any particular housing unit but provides the displacee with a preference over other applicants if the displacee meets the financial and other program qualifications for the affordable housing opportunity.

Edwin M. Lee
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marilyn Mondejar
CHAIR

Miguel Bustos
Mara Rosales
Darshan Singh
COMMISSIONERS

The Mayor's Office of Housing and Community Development ("MOHCD") manages the Certificate of Preference Program on behalf of OCII and the City. MOHCD prepares a report for the Commission annually to provide the current status of COP Program implementation. The Certificate of Preference Marketing and Outreach Report for Fiscal Year 2016-17 is included here as Attachment A.

DISCUSSION

On June 3, 2008, the Redevelopment Agency authorized revised rules for the COP Program effective October 1, 2008. Section II.F.1 of the COP Program describes the duration of the Residential Certificate Holders; these certificate holders were those affected by the Urban Renewal Project Areas of either the Western Addition A-2 or Hunters Point (i.e., Area A of the Bayview Hunters Point Project Area) Redevelopment Project Areas. On December 15, 2015, the Commission authorized a five-year extension of Residential Certificates. This is the first of two allowable five-year extensions. Residential Certificate Holders meet the criteria under state law for receiving a priority in that they were displaced by actions of the former Redevelopment Agency.

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On May 6, 2014 the Commission approved a Memorandum of Understanding (the "MOU") with the Mayor's Office of Housing and Community Development ("MOHCD"), through which MOHCD provides staffing and other services to assist in the implementation of OCII's affordable housing obligations. One of MOHCD's key responsibilities is to oversee marketing obligations of OCII's affordable housing development partners. The MOU requires certain reporting on marketing activity. As part of this reporting requirement, MOHCD has produced the attached Certificate of Preference Marketing and Outreach Report, FY 2015-16 describing activities and accomplishments over the past year. MOHCD reports that in FY 2016-17, 258 COP Holders applied for affordable housing in either OCII or MOHCD sponsored below market rate units, and 43 COP Holders were successfully housed during the reporting period.

NEXT STEPS

Earlier this year, staff hired a consultant to complete a survey of COP holders, and provided a report of the initial results and recommendations to the Commission on September 19, 2017. In the Spring 2018, staff will present a follow-up survey report and final recommendations to the Commission for consideration. The next Annual Certificate of Preference Marketing and Outreach Report will be provided in December 2018.

(Originated by Pamela Sims, Senior Development Specialist – COP and Marketing Liaison)



Nadia Sesay
Executive Director

Attachment A: Certificate of Preference Marketing and Outreach Report, FY 2016-17

**MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO**



EDWIN M. LEE
MAYOR

KATE HARTLEY
ACTING DIRECTOR

To: The Office of Community Investment and Infrastructure (OCII)

Cc: Kate Hartley

From: Mayor's Office of Housing and Community Development (MOHCD)
Maria Benjamin, MOHCD, Director of Homeownership & BMR Programs

Re: Certificate of Preference Marketing and Outreach Report, FY 2016- 2017

Date: September 15, 2017

BACKGROUND

The Property Owner and Occupant Preference Program, also known as the Certificate of Preference Program (the "COP Program"), provides preferences for displaced persons in the leasing and sale of housing within the former Redevelopment Agency's Project Areas or at city-wide affordable housing projects sponsored by OCII and the Mayor's Office of Housing and Community Development . The COP Program implements state law requiring redevelopment agencies to prioritize low and moderate income households "in renting or buying" affordable housing developed with agency assistance if the households were "displaced by the redevelopment project." Cal. Health & Safety Code § 33411.3. This statutory authorization and the evidence of a certificate holder's displacement justify a housing preference that might otherwise violate the prohibition of discrimination under fair housing laws. The COP program does not guarantee any particular housing unit but provides the displacee with a preference over other applicants if the displacee meets the financial and other program qualifications for the affordable housing opportunity.

On June 3, 2008, the Redevelopment Agency authorized revised rules for the COP Program effective October 1, 2008. Section II.F.1 of the COP Program describes the duration of the Residential A and C Certificate Holders; these certificate holders were those affected by the Urban Renewal Project Areas of either the Western Addition A-2 or Hunters Point (i.e., Area A of the Bayview Hunters Point Project Area) Redevelopment Project Areas.

On December 15, 2015, the Commission authorized a five-year extension of Residential A and C Certificates. This is the first of two allowable five-year extensions. Residential A and C Certificate Holders meet the criteria under state law for receiving a priority in that they were displaced by actions of the former Redevelopment Agency.

On May 6, 2014, the Commission approved a Memorandum of Understanding (the "MOU") with the Mayor's Office of Housing and Community Development ("MOHCD"), through which MOHCD provides

staffing and other services to assist in the implementation of OCII's affordable housing obligations. One of MOHCD's key responsibilities is to oversee marketing obligations of OCII's affordable housing development partners. During Fiscal Year 2016-17, MOHCD worked closely with OCII in requiring affirmative marketing to COP holders from the developers, and also collected more detailed demographic data on all households served in OCII sponsored stand-alone and inclusionary affordable housing. In an effort to achieve maximum success in attaining housing among COP preference holders, during the early phase of construction, OCII now requires early outreach to COP holders starting three months after construction commencement in order to allow them sufficient time to prepare and take advantage of any community based or City sponsored rental or homeownership readiness programs.

COP HOLDER STATUS

A total of 5,893 San Francisco households directly experienced displacement as a result of redevelopment activities. Those heads of households displaced received a Certificate of Preference. Later, SFRA Commission action expanded the eligibility to all members of the household at the time of displacement. While it is unknown what happened to all of the displaced households, the following represents information on the majority of households:

- 1,757 certificate of preference holders have exercised their certificates and successfully secured affordable housing in San Francisco.
- To our knowledge, 1,618 COP holders are deceased.
- 881 are considered "active" because we have their contact information and MOHCD is in communication with those individuals. Many of the 881, however, are not actively looking for housing.
- Between July 1, 2016 and June 30, 2017 approximately 258 (unduplicated) COP holders applied for housing. These are considered the true "active" COP holders.

Of the 881 active certificate holders, 282 have already used their certificate to attain either an affordable rental or homeownership opportunity, leaving 599 holders who have not used their certificate at all (Certificates can be used once for ownership and once for rental housing). Even though over 1/3 of the active certificate holders have already used their certificates once, all certificate holders are proactively alerted to affordable housing opportunities and their occupancy preference for those projects, through direct post card mailings.

In 2016/17 all COP holders used their certificates to access residence in rental properties. The last COP household to successfully use their certificate for homeownership was in 2014.

COP OUTREACH ACCOMPLISHMENTS

	FY 16-17	FY 15-16	FY 14-15	FY 13-14
Applied for housing	258	157	95	61
COP Holders Housed	43	44	23	17
Returned to San Francisco	*19	10	3	1
New Certificates issued	55	111	73	62

*These 19 COP holders returned to San Francisco from other communities: Five from Oakland; and, one each from Richmond, Sacramento, Fresno, Redwood City and Suisun City.

MOHCD is pleased to work closely with Bayview Hunters Point Multi-purpose Senior Services, Inc. ("BHPMSS"), who took a comprehensive approach to informing Certificate of Preference holders of

current and upcoming housing opportunities. The grassroots nature of the agency, its long term roots in the community and the connection to people aged 50, and older, provided an opportunity for BHPMSS to encourage residents who were uncertain that they qualified for a certificate to proceed in completing an application and provide supporting documentation. A small but significant portion of these individuals who apply actually are confirmed to receive new Certificates. Individuals who inquire about housing opportunities are also told about the Certificate of Preference Program. BHPMSS's outreach to community groups, churches and neighborhood groups created a strong community awareness of the COP Program.

Project Status

In FY 2016-17, 3 OCII projects completed lease-up, and 4 other OCII projects were actively marketed during FY 16-17 but will fully complete lease-up in FY 17-18. However, all of those 4 projects completed the first phase of lease-up for COP holders during the reporting period. A total of 15,806 households applying for 497 units; 10.4% of the units that OCII leased-up and/or sold in FY 2016-17 went to COP households.

Project	Number of Affordable Units	All Applicants	COP Applicants	Successful COP Holders in Prior Years	Successful COP holders in FY 16-17	Successful COP Applicants Total – Entire Lease-up Period
<i>Completed lease-up in FY 16-17</i>						
1751 Carroll Ave.	120	4,126	74	21	5	26
350 Fridell St.	59	2,460	25	8	4	12
72 Townsend	7	304	0	0	0	0
<i>Subtotal</i>	<i>186</i>	<i>6890</i>	<i>99</i>	<i>29</i>	<i>9</i>	<i>38</i>
<i>Will complete lease up in FY 17-18</i>						
112 Middlepoint	106 (29 tax credit)	1,947	8	0	3	3
Alice Griffith Phase 1 & 2	68	2,839	25	0	3	3
588 Mission Bay Boulevard North	198	4,050	17	0	6	6
HPS Blocks 53 and 54	16	80	2	0	0	0
<i>Subtotal</i>	<i>311</i>	<i>8916</i>	<i>52</i>	<i>0</i>	<i>12</i>	<i>12</i>
Grand Total	497	15,806	151	29	21	50

SURVEY OF COP HOLDERS

In the Summer of 2017, OCII contracted with a consultant to conduct a survey of COP holders. The consultant's efforts resulted in 114 COP holders responding to the survey. The results reported the majority of COP holders are African American, female, over 60 years of age and, have a household income under \$60,000/year:

- 12% of the respondents have used their certificates once to secure affordable housing

- 83% still intend to use their certificate
- 58% are currently looking for housing

The preliminary results were presented to the Commission at its September 19, 2017 meeting. A final report, with recommendations, will be presented to the Commission in Spring 2018.

DAHLIA

MOHCD is delighted to report that the DAHLIA SF Housing Portal accepted over 40,000 applications to its Inclusionary Below Market Rate rental units in FY 2016/17. A third of COP holders that applied for housing were among those who applied through DAHLIA. Two-thirds of the COP holders who applied chose to apply with a paper application instead of DAHLIA. We saw an increase in those choosing to use DAHLIA with each available application. The first multi-family OCII project to use the DAHLIA portal began marketing in late September 2017. MOHCD and OCII staff worked closely with the software developers to ensure that the specific needs of OCII projects will be well met through DAHLIA. Households can use their smart phones to apply to housing and create an account that stores their information so that they do not have to repeat it when they apply for a new opportunity. We hope to report a significant uptake in online applications from COP holders. MOHCD recently put out a Request for Proposals for a non-profit organization to help bridge the digital divide among our most vulnerable populations and provide hands on assistance to our elders and others who need technical assistance to gain access to not only DAHLIA, but other resources and information offered digitally.

MARKETING

MOHCD and OCII staff work very closely to ensure that OCII developers adhere to the established housing preference and lottery and lease up standards. OCII's Marketing Senior Development Specialist, Pam Sims, has been invaluable with her focus on assisting developers through every stage of marketing, particularly the early outreach program. She works with MOHCD staff to bring developers up to speed on OCII expectations and requirements for a successful marketing and lease up period. MOHCD continues to update its published best practices for implementation of OCII lottery preferences which ensure that marketing plans include policies and procedures that allow our most vulnerable households to have a chance at housing opportunities regardless of credit scores and other arbitrary criteria. MOHCD staff closely monitors the lease up process of every OCII development to advocate for disqualified applicants ensure that developers are following the guidelines established prior to marketing.

FINANCIAL ASSISTANCE TO COP HOLDERS

In our continued effort to improve the success rate of COP holders in both OCII and MOHCD sponsored projects, MOHCD staff works in partnership with other community groups such as the San Francisco AIDS Housing Alliance who offers rental subsidies to senior and disabled COP holders currently living in San Francisco. In FY 2016/17, the San Francisco AIDS Housing Alliance is supporting 8 COP holders, and most recently, 2 applicants for Alice Griffith Phases 1 and 2 received assistance.

MOHCD is working closely with the San Francisco Housing Development Corporation as they implement the District 10 and COP Rental Assistance Program, a District 10 Community Benefits Program. The program is part of the Implementation Committee's strategic financial empowerment plan to eliminate debt, increase savings, and improve credit for COP and D10 residents. Program participants receive between \$450 and \$2000 for completing SFHDC's rental readiness workshops and one-on-one counseling sessions. It is an opportunity for COP holders to complete a financial goal with the funds earned by participating. The program launched October 2017.

Total number of participants – 123

Total number of COP holder program participants – 13

- Number who have been matched with assistance – 5 (at Hunters View and Waterbend (5880 Third Street between Egbert and Carroll Avenue – Bayview Hunters Point)
- Number who have not used matching funds – 8
 - Number who will be able to access grants once course work is completed - 6

COP HOLDER TESTIMONIALS

COP holder housed at Alice Griffith (moved in 6/7/17):

“My experience with the COP Program was beautiful, my place is beautiful. It came at a good time. This October I will have a spinal surgery, and I can just sit back relax and recuperate until my surgery. Before applying for Arelious Walker, I went through Mercy Housing and the Housing Authority and nothing happened, I just stayed on the waiting list. At the time, I was living here and there, with my sister, with my cousin, with my girlfriend: they are all visiting me now. Tell Brooke Barber hi and thank you. My income includes just my SSI, I pay 30% of my income and the Q foundation takes care of the rest. I’m in a good location. I’m down by Candlestick Park and they are preparing to build a shopping mall where the ballpark use to be. I can’t wait. Thank you for helping!”

COP holder housed at Pacific Pointe Apartment (moved in 7/8/2016)

“The COP Program is excellent, my experience was excellent, my housing is excellent! Thank you! I was living in Oakland, and I was tired of being eligible. I wanted to use my certificate. I was in a roommate sharing situation for 15 years with a friend. My rent is more affordable now. I have help from the Q Foundation, because of my disability. I wouldn’t have been able to afford it. Since moving in I found employment with Uber, and the international longshoremen here in San Francisco. I cover 30% of my pay. This is the first place I applied for and I am happy here. This is a nice community and I have made friends with my neighbors.”