

118-0092018-002

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Certificate of Preference Holder Survey – Final Results and Recommendations

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 (“MOHCD”) 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.

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. Additionally in 2008 the City enacted Ordinance 232-08, to establish a preference in occupying units or receiving assistance under all City Affordable Housing Programs to Residential Certificate of Preference Holders under the San Francisco Redevelopment Agency’s Property Owner and Occupant Preference Program. Subsequently, on December 15, 2015, the Commission authorized a five-year extension of COP Certificates. This was the first of two allowable five-year extensions.

On November 7, 2016, OCII released a Request For Qualifications (“RFQ”) for a Certificate of Preference (“COP”) holder survey. The purpose of the survey was to learn more about the housing needs and preferences of COP holders so moving forward OCII can maximize efforts to successfully house this population. Lake Research Partners (“LRP”) was selected to conduct the survey. LRP conducted the survey from July 10, 2017 through August 18, 2017, and on September 19, 2017, staff presented preliminary results and initial survey findings to the Commission.

Mark Farrell
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Marilyn Mondejar
CHAIR

Miguel Bustos
Mara Rosales
Darshan Singh
COMMISSIONERS

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfcocii.org

Based on feedback from the Commission, OCII staff has worked with MOHCD staff to address the initial survey findings. This report summarizes staff's efforts made to date and recommendations for information of ongoing activities based on the survey results.

BACKGROUND

On May 6, 2014 the Commission approved a Memorandum of Understanding (the "MOU") with 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, with special emphasis on management of the COP Program. In an effort to achieve maximum success in attaining housing among COP preference holders, during the early phase of construction, OCII requires early outreach to COP holders starting three months after construction commencement in order to allow sufficient time to prepare and take advantage of any community based and/or City sponsored rental and/or homeownership readiness programs.

As of the 2016-2017 COP Activities and Marketing Annual Report, which was presented to the Commission on December 5, 2017, MOHCD reports there are 881 active certificate holders however, not all 881 households are currently looking for housing. More significantly, these certificate holders may not be income eligible (i.e., over or under income) for specific affordable housing developments. A total of 599 have not used their certificate at all (Certificates can be used once for ownership housing opportunities and once for rental housing opportunities). 282 households have already used their certificate to attain either an affordable rental or homeownership opportunity. This means that since 2012, 32% of all active COP holders have obtained housing reflecting strong continued outreach and results. However, MOHCD continues to outreach to the 282 households because COP holders can use their certificate twice.

Total Active COP Holders (2017)	881
Number of households who have not used certificate	*599
Number of households who have used certificate once	282

*Not all 599 households are looking for housing and/or not all 599 households are income eligible for affordable housing. However, COP holders are encouraged to apply for housing opportunities because that helps inform their eligibility status.

Even though approximately one-third 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. The majority of COP holders who have used their certificate have used it towards rental housing opportunities.

COP Survey Procurement

On November 7, 2016, OCII staff released a Request For Qualifications ("RFQ") for a Certificate of Preference ("COP") holder survey. Pursuant to our Purchasing Policy, the 3+ Contractor Telephone Solicitation Method guides contractor selection based on the lowest responsive, responsible bidder. On November 29, 2016, staff received five responses. The most qualified, lowest proposer was Lake Research Partners ("LRP"), a Berkeley-based women-owned business.

SURVEY RESULTS

Initially LRP prepared and mailed postcards to all 891 COP holders who were active at the time. The postcards provided information to the COP holders about the purpose of the survey, and to inform them that they would be called by a surveyor who would be conducting a 10-minute survey via telephone. The survey period was from July 10-August 18, 2017. After interested COP holders were provided additional time to respond, the consultant was able to successfully interview an additional 17 individuals, for a total of 114 COP holders over a period of 40 business days.

The majority of COP holder respondents (85%) are aware that everyone who was living in their household at the time of displacement is eligible for a Certificate of Preference. A total of 12% of the respondents have used their certificates once to secure affordable housing. LRP's results also indicate that the vast majority (83%) of them still intend to use their certificate for affordable housing in San Francisco and many (58%) are currently looking for housing. **This data confirms the active need for housing from COP holders.** Other results from the 114 COP holders who responded to the survey include, these COP holders tend to be:

- African American
- Female
- Over age 60
- Rent their units in San Francisco
- Live with one to two other household members
- Interested in senior housing
- Need housing assistance (with a rental subsidy and/or assistance with the process)
- Are interested in both rental and homeownership opportunities

Recommendations:

Below are recommendations to maximize the success of COP holders in securing affordable housing. The recommendations are informed by the survey's results, and by the Commissioners suggestions based on the presentation of preliminary results on September 19, 2017.

Recommendation	Action	Frequency
Meet housing demand for senior COP holders.	Staff is already tracking unit development through the MOHCD/OCII Housing Pipeline. Income qualified seniors are eligible for 98% of the units, this includes all unit sizes and excludes the Transitional Age Unit ("TAY") units.	On-going.
Meet demand from smaller households for 1 and 2 bedroom units.	OCII and MOHCD's Housing Pipeline includes these unit types. A typical project includes between 50-75% 1 and 2 bedroom units.	These actions are on-going and are reflected in Request For Proposals (RFPs) being released by OCII.
Developments need to include a range of income levels.	OCII's practice requires developers to include income tiering to households below 60% Area Median Income ("AMI"). Subject to pending Low Income Housing Tax Credit ("LIHTC") rules change, as a result of 2017 Tax Reform, OCII may include some units above 60% AMI if allowable.	These actions are on-going and are reflected in RFPs being released by OCII.

Meet the services needs of seniors.	Services are required to be offered to resident households as well as providing linkages to specific (i.e., senior) services.	On-going.
Inform COP holders of upcoming housing opportunities throughout the City, while highlighting opportunities in their preferred neighborhoods.	Ensure COP holders apply through DAHLIA, which provides applicants information on units in various neighborhoods. Once a COP household has registered in DAHLIA, all relevant affordable housing opportunities will be available to COP applicants. COP applicants can then target preferred neighborhoods.	On-going.
Educate COP holders about new neighborhoods, such as Transbay, Mission Bay, and Hunters Point Shipyard.	In October 2017, staff participated in an Information Session for individuals interested in applying for affordable housing at Transbay Block 7. Attendees, which included COP holders, received: • Information about Transbay • Information about program and income requirements at Transbay Block 7 Since November 2017, staff has been attending, Department of Public Health staff's, Hunters Point Shipyard presentations – "Ensuring Safety, Making Ready for Development" that are provided to various organizations in the Bayview community. OCII staff provides housing and Shipyard specific information to all attendees, including COP holders.	On-going.
Assure COP holders know about all upcoming housing opportunities, and about the COP holder preference in affordable housing developments.	• COP holders get notification of all affordable housing opportunities. • Beginning December 2017, OCII staff obtained a social media account.	• On-going during the Early Outreach Period, Marketing and Lottery periods for each project. • Through social media Staff informs COP holders about workshops, lotteries, information sessions, etc.
Provide list of units "coming soon" in the Western Addition.	In January 2018, MOHCD staff included this list of units in the COP holder Holiday Newsletter.	Once/year holiday season.
Ensure Developers are informing COP holders about every housing opportunity and make sure they are qualified for a specific project.	Developers provide workshops for every approved Early Outreach Plan.	On-going during the Early Outreach Period.
Need to get the word out that there are multiple affordable housing opportunities throughout San Francisco.	OCII social media notifications and MOHCD email blasts, often on a weekly basis.	OCII and MOHCD staff inform COP holders and the general public about current multifamily and inclusionary housing opportunities, and offers tips for applying.

Partner with non-profit agencies to find out how the COP outreach and workshops are going.	In early December 2017, staff provided BHPMSS and SFHDC the opportunity to discuss the successes and disappointments related to the housing workshops each organization offers.	At least once/year in the Fall.
Hold an event in the community where the COP holders can obtain information about the program and upcoming opportunities.	In December 2017, MOHCD and OCII staff provided a COP and affordable housing opportunities and information table at the BHPMSS Holiday Party at the Dr. Davis Senior Center.	Once/year.

Additionally, staff has contacted the KPOO radio station to suggest an interview with Maria Benjamin, Director of Homeownership and Below Market Rate Programs, Mayor's Office of Housing and Community Development. KPOO management was hesitant to have Ms. Benjamin interviewed for a program with such few participants. Currently, staff is working with the Mayor's Communication Office to assist in facilitating an interview between KPOO and Ms. Benjamin. In the past two years, Ms. Benjamin has given COP talks at area churches with mixed success. The attendees were more interested in talking about housing opportunities rather than the specifics of the COP program. This response could be due to several factors (i.e., what churches were visited, who attends the church, etc.), therefore Ms. Benjamin will conduct additional outreach at several San Francisco African American churches in both the Bayview and Western Addition.

Staff will continue to provide COP holder Annual Reports when the OCII Annual Housing Report is presented to the Commission.

(Originated by Pamela Sims, Senior Development Specialist – Marketing and Certificate of Preference Liaison)



Nadia Sesay
Executive Director