

OCII

office of

COMMUNITY INVESTMENT
and INFRASTRUCTURE

101-0332016-002

Agenda Item **No. 5(d)**

Meeting of December 20, 2016

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee
Executive Director

SUBJECT: Certificate of Preference Marketing and Outreach Report, FY 2015-16 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

Tiffany Bohee
EXECUTIVE DIRECTOR

Mara Rosales
CHAIR

Miguel Bustos
Marilyn Mondejar
Leah Pimentel
Darshan Singh
COMMISSIONERS

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.

DISCUSSION

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

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Preference Marketing and Outreach Report, FY 2015-16 describing activities and accomplishments over the past year.

In an effort to strengthen and maximize successful housing outcomes for the remaining COP holders, OCII in 2016: hired a Senior Development Specialist to focus on COP holder and marketing activities in collaboration with MOHCD, and initiated a COP holder survey to thoroughly identify the demographics of this population to inform our future housing development program polices to ensure we are serving the COP population.

NEXT STEPS

In early 2017, OCII staff will be hiring a consultant to complete the survey of COP holders and will provide this report to the Commission in the Spring of 2017. Staff will make this report available to the public via the OCII website, and together with MOHCD staff, produces this information annually. The next Certificate of Preference Marketing and Outreach Report will provided in December 2017.

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



Tiffany Bonee
Executive Director

Attachment A: Certificate of Preference Marketing and Outreach Report, FY 2015-16

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



EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

To: Jeff White and Pam Sims, Office of Community Investment and Infrastructure (OCII)

Cc: Olson Lee

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 2015- 2016

Date: November 29, 2015

During Fiscal Year 2015-16, MOHCD worked closely with OCII in requiring affirmative marketing to COP holders from our developer partners, 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 requires robust 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 BACKGROUND INFORMATION

A total of 5,893 San Francisco households directly experienced displacement as a result of redevelopment activities. Those heads of households displaced received a Certificates of Preference. Later SFRA Commission action expanded the eligibility to all members of the household at the time of displacement. While we do not know what happened to all of the displaced households, we do know about the majority:

- 1,660 certificate of preference holders have exercised their certificates and successfully secured affordable housing in San Francisco.
- To our knowledge, 1,616 COP holders are deceased.
- 871 are considered "active" because we have their contact information and MOHCD is in communication with those individuals. All 871 however, are not actively looking for housing.
- Between July 1, 2015 and June 30, 2016 approximately 112 COP holders applied for housing. These are the true "active" COP holders.

Of the 871 active certificate holders, 251 have already used their certificate to attain either an affordable rental or homeownership opportunity, leaving 640 who have not used their certificate at all (Certificates can be used once for ownership and once for rental housing). Even though almost 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 to acquire rental properties. On average, one COP household per year applies for available homeownership units. The last COP household to successfully use their certificate for homeownership was in 2014.

COP OUTREACH ACCOMPLISHMENTS

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

*These 10 COP holders returned to San Francisco from other communities- Five from Oakland and one each from Richmond, Sacramento, Fresno, Redwood City, and Suisun City.

New Projects

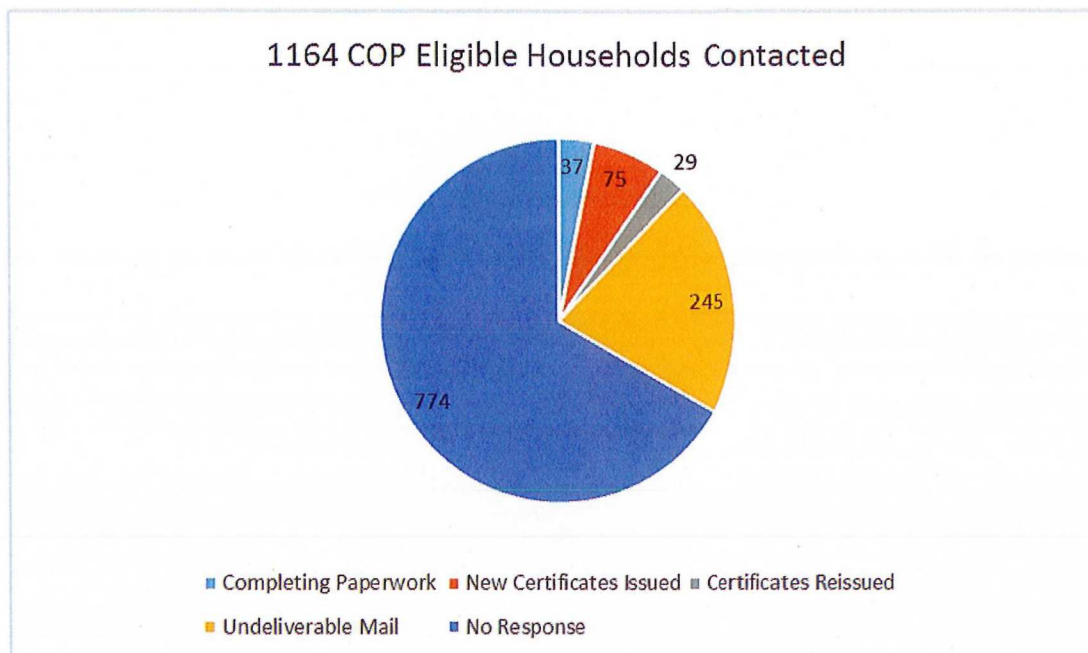
In 2015/16, three new OCl projects completed lease up with a total of 12,138 households applying for 248 units. Seventeen percent of the units that OCl produced in 15/16 went to COP households.

Project	Number of Affordable Units	All Applicants	COP Applicants	Successful Applicants
280 Beale	69	5,354	12	6
350 Friedell	59	2,400	25	12
1751 Carroll Avenue	120	4,500	58	26
Total	248	12,254	95	*44

*All 44 successful COP applicants are African American.

COP OUTREACH

In 2010 the Keane Organization, Inc., search firm completed a person search based on the head of household, date of birth, and social security numbers. The purpose of this search was to confirm whether certificate holders were still living and to provide a current or last known location for them. The Keane Organization identified 1,164 holders with "current" addresses. Because the Redevelopment Agency did not have the ability to follow up on the Keane Organization's findings due to Redevelopment Dissolution, MOHCD made contact with 1,164 households that had fallen out of communication with the COP program due to old addresses or other contact information. The hope was that those in need of housing, those who qualify and would like to return to San Francisco would contact MOHCD to issue or reissue their COP. The chart below outlines the results of sending the letters:



MOHCD was able to add 104 individuals to the Active COP list because of this mailing. We issued 75 new certificates and reissued 29 more. That's 104 households that may or may not have previously known they were eligible for the COP program prior to our reaching out. Thirty-seven more households have contacted us from the mailing who we believe are eligible and are completing the COP certificate application.

MOHCD is pleased to work closely with Bayview Senior Services who took a comprehensive approach to informing Certificate of Preference holders of current and upcoming housing opportunities at Pacific Pointe, Dr. Davis Senior Residence, Willie B Kennedy Apartments, and Alice Griffith. The grassroots nature of the agency, its long term roots in the community and the connection to people 50 and older allowed Bayview Senior Services to encourage residents who were uncertain that they qualified apply and receive new Certificates. Anyone who asked about housing was told about the Certificate of Preference Program and access to housing was promoted in all programs of the agency which are based in Bayview and Western Addition. Bayview Senior Service's outreach to community groups, churches and neighborhood groups created a strong community awareness of the benefit of the COP certificate. This dedicated group assisted over 200 community members in applying for the COP program. After processing all applications, MOHCD confirmed 35 actual new certificate holders from the group. MOHCD commends Bayview Senior Services and their executive director, Cathy Davis for her consistent and never-ending support of the COP program.

DAHLIA

MOHCD is happy to announce that the DAHLIA SF Housing Portal has completed its pilot run and we anticipate that it will be ready for use for OCII rental projects in the first half of 2017. Over 2,000 households applied for housing using DAHLIA in the pilot phase including 8 COP holders.

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 newly established Marketing Development Specialist, Pam Sims has been a great addition to the effort with her focus on assisting developers through every stage of marketing.

We have moved to electronic lotteries which ensure fast and accurate results. MOHCD 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. To date, the San Francisco AIDS Housing Alliance is supporting 6 COP holders. Two are living at 280 Beale, three at Pacific Pointe and one at 55 Laguna.

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 funded by the Implementation Committee, which is comprised of Lennar, the San Francisco Labor Council, the San Francisco Organizing Project, ACCE, the Hunters Point Shipyard Citizens Advisory Committee ("CAC") member, a Bayview Hunter Point Project Area Committee member, and an at-large member. 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 in late October and there are already 4 COP, holders participating. MOHCD will be sending a mailing to all COP holders announcing the program before the years end.