

**Mayor's Office of Housing and Community Development**  
City and County of San Francisco



**London N. Breed**  
Mayor

**Daniel Adams**  
Acting Director

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

Cc: Dan Adams, Acting Director

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

Re: Fiscal Year 2017- 2018 Certificate of Preference Marketing and Outreach Report

Date: July 30, 2019

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## **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 in city-wide affordable housing projects sponsored by OCII and the Mayor's Office of Housing and Community Development . The COP Program implements state law Cal. Health & Safety Code § 33411.3, requiring redevelopment agencies to prioritize low and moderate income households "in renting or buying" affordable housing if the households were "displaced by the redevelopment project." 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 instead provides the displacee with a preference over other applicants.

On May 6, 2014, the Commission approved a Memorandum of Understanding (the "MOU") with the Mayor's Office of Housing and Community Development ("MOHCD") to provide staffing and services 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.

Since 2015, MOHCD and OCII have worked closely to improve the COP Program. OCII requires early outreach to COP holders beginning approximately one month after the start of construction, when the Early Outreach Marketing Plan is due. This strategy allows COP holders sufficient time to prepare and utilize community based and City sponsored rental and homeownership readiness programs. In December 2015, the Commission authorized the first of two allowable five-year extensions the COP Program, the final extension will be requested in 2020, and, if approved, will extend the COP Program through 2025.

In the 1960's and 1970's, the San Francisco Redevelopment Agency (SFRA) displaced a total of 6,829 households as a result of redevelopment activities. Initially, those heads of households received a Certificate of Preference and in an effort to ensure all those displaced receive a certificate, the SFRA Commission expanded the program to all members of the household at the time of displacement. Therefore, MOHCD staff tracks individuals and not households. The following are key data points regarding COP holders during FY 2017-18:

- Since the program's inception, approximately 1,792 COP holders have exercised their certificates to secure affordable housing in San Francisco.
- Over 4,000 COP holders are no longer reachable.
- Approximately 1,618 COP holders are known to be deceased.
- 925 Individual COP holders, as of 2019, are in communication with MOHCD for affordable housing opportunities and are considered "active COP holders".
- Of those 925, 301 (or 33%) have exercised their certificate once to secure either an affordable rental or homeownership housing unit.
- A total of 61 new COP certificates were issued in FY 2017-18 representing an 11% increase from the previous year.
- 202 or 22% of 925 COP holders applied for MOHCD/OCII housing opportunities; 33 of whom exercised their certificates to secure rental housing and 2 COP holders used their certificate to purchase their first home.
- 722 or 78% of the 925, are not actively applying for MOHCD/OCII housing opportunities.

#### **Fiscal Year (FY) 2017-18 CERTIFICATE OF PREFERENCE PROGRAM ACTIVITIES**

In FY 2017-18 a total of 576 lottery units were offered through DAHLIA the San Francisco Housing Portal. A total of 202 COP holders applied for the 576 units (in MOHCD and OCII projects). A total of 18 COP holders were successfully housed in OCII projects, while another 17 have obtained a housing unit in MOHCD developments, for a total of 35 housed in FY 2017-18. Of the 35, two households successfully purchased units in a former SFRA development located in the Western Addition. Fewer COP holders apply to ownership opportunities, but every effort is made to house those who do apply.

Additionally of the 35 COP holders housed, 34% or 12 COP households returned to San Francisco from neighboring communities including Berkeley, Davis, Richmond, Vallejo, Sacramento, Mill Valley, San Jose, Yuba City, Colma, Daly City and Vacaville.

Table 1 below provides a summary of the OCII projects that housed COP holders in FY 2017-18.

**Table 1: FY 17-18 COP Activity in OCII Projects**

Project Area	Project Name	Tenure	Date 100% Occupied	Number of Affordable Units	All Applicants	COP Applicants	Successful COP holders in FY 17-18*
MBS	360 Berry (Mission Bay by Windsor)	Family Rental	Jan-18	26	888	8	2
WA - A2	1450 Franklin	Homeownership	Jan-18	9	225	2	2
MBS	Five88 (MBS Block 7W)	Family Rental	Oct-17	198	4,068	17	6
BVHP	Hunters View Phase IIA	Family Rental	Jul-17	26	1,946	8	3
HPSY	Blocks 53 & 54	Homeownership	Jul-17	16	85	1	0
HPSY	Blocks 56 & 57	Homeownership	Apr-18	7	81	0	0
Candlestick Point	Alice Griffith Apts. Phase 1 & 2	Family Rental	Oct-17	68	2,780	25	5
<b>TOTAL</b>				<b>350</b>	<b>10,073</b>	<b>61</b>	<b>18</b>

\*Of the 18 COP holders housed, 12 were from Western Addition and 6 were from Hunters Point.

### MARKETING AND APPLICATION PROCESS

MOHCD and OCII staff work closely to ensure that OCII sponsored developers adhere to the established housing preference, 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 COP early outreach program. Together we closely monitor the lease up of every OCII development to ensure developers are compliant with the established marketing, lottery, lease-up procedures.

Both MOHCD and OCII staff continue to ensure that housing developers market upcoming affordable housing opportunities through on-going early outreach efforts, (including postcards informing COP holders about information sessions, rental readiness workshops, homebuyer workshops). Included as part of each Early Outreach Plan is a Memorandum of Understanding (MOU) with a housing counseling agency detailing responsibilities during the construction period. These obligations include marketing to COP holders (both in San Francisco and outside San Francisco), conducting information workshops (i.e., rental readiness, credit matters for rental opportunities or homebuyer assistance with the home buying process), one-on-one counseling, and one-on-one assistance with applications (during the application period). Additionally, staff continues outreach through presentations at various churches, working directly with households and individuals who attend information sessions to inform and demonstrate how to obtain information, apply and obtain lottery results on DAHLIA. Active COP holders generally receive 10-12 postcards about housing opportunities per year.

The COP Program Coordinator works closely with COP holders by helping them to complete paperwork, apply for specific housing opportunities, appealing denials, and reaching out when COP holders are non-responsive. She also reaches out to COP holders when an opportunity arises that might appeal to a specific COP holder. The COP Coordinator's dedication to the individuals and families who are actively applying for housing can be seen in the relationship she has developed with staff at the Q Foundation. MOHCD has granted the Q Foundation with rent subsidy funding to be used to assist seniors and disabled renters by paying a portion of their rent. As a way to expedite the subsidy application process for COP holders, MOHCD staff has been trained by the Q Foundation to conduct intake activities on their behalf, making for a smooth pathway to accessing these scarce resources.

**DAHLIA**

**DAHLIA-San Francisco Housing Portal accepted 98,804 applications for rental units in FY17/18.** The vast majority, 94%, were submitted electronically, and 6,274 or 6% were paper applications submitted to MOHCD's PO Box. The number of paper application submissions continues to decline with each available listing. The first OCII project listed on DAHLIA-San Francisco Housing Portal was Natalie Gubb Commons. A total of 6,580 applications were submitted for 95 units.

MOHCD works closely with the City's Digital Services Department to improve and expand DAHLIA. In anticipation of upcoming projects with resident returnees, the DAHLIA team deployed a dynamic affordable housing lottery preference feature enabling customization of preferences for vacancy listings.

**CERTIFICATE OF PREFERENCE SUPPORT AND ASSISTANCE**

To increase the success of COP applicants, MOHCD fosters partnerships with the San Francisco Housing Development Corporation (SFHDC) and the Bayview Hunters Point Multipurpose Senior Services, Inc. (BHPMSS). These housing counseling service providers partner with developers to conduct targeted early outreach to COP holders during a project's construction. Developers fund these agencies to provide a series of COP holder orientations, workshops, and individualized counseling sessions geared at eliminating the digital divide and navigating the application process on DAHLIA. COP holders who want/need assistance in applying for housing opportunities through DAHLIA receive it from the housing counseling agencies or from MOHCD staff. Developers attend one of the workshops to advertise and provide information about the building, its amenities, and the resident/purchaser selection criteria.

SFHDC implements the COP Rental Assistance Program, a sponsored by the District 10 Community Benefits Program. This program is part of the Implementation Committee's strategic financial empowerment plan to eliminate debt, increase savings, and improve credit for COP holders and District 10 residents. Program participants receive between \$450 and \$2,000 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. Since the program's inception in the fall of 2016, 29 COP holders have worked with SFHDC. In fiscal year 2017-2018, SFHDC received 201 applications; 13 of whom were from COP holders. To date, the program has assisted 6 COP holders with matching funds for security deposits and moving costs.

MOHCD staff also works closely with the San Francisco AIDS Housing Alliance (Q Foundation) and Self Help for the Elderly to secure rental subsidies for senior and disabled COP holders currently living in San Francisco. Unfortunately, there is an inadequate supply of subsidy programs available to satisfy all of the needs of our most vulnerable COP holders. In 2017-18 alone, we were unable to assist 8% of the certificate holders who applied for housing and needed a subsidy.

**CERTIFICATE OF PREFERENCE PERSONAL STORIES**1450 Franklin

*"I am an elderly woman of retirement age and still working to make ends meet while supporting my 19 year granddaughter. I included my granddaughter in the buying process to offer her stability in case something happened to me, she would be able to take over. There were lots of bumps during the buying process but with the help of my lender, counseling agency and MOHCD I was able to put my mind at ease and follow through with becoming a homeowner. I purchased a 2 bedroom condo."*

*"This was my first and only housing opportunity that I applied for. The experience sometimes felt invasive but I learned that this is what you have to go through. Starting the buying process late, I did not have all of my ducks in a row as far as having funds readily available. My lender suggested using several other programs and I was able to get my down payment to purchase my 1 bedroom condo. I am now able to be close to my jobs."*

Alice Griffith

*"I received help from the Q foundation, and MOHCD when applying. I was even blessed to get a parking stall in the facility. Prior to moving here, I was renting a room that had become uncomfortable, considering I was there with a lady friend and her daughter. I go visit her now. It's been ok for me here. I keep to myself but I do attend the committee meetings and focus groups they have in the community room. The way things are set up here is good, beautiful even. I would encourage COP holders to participate in the program and keep applying for housing. There are a lot of housing developments currently being built."*

*"Before living here, I was living in my car. It was pretty bad, but I was so happy to get help from the Q Foundation. My significant other and I were coming out of a relationship and we needed help. I had to get her off the street as well. She is the one who kept encouraging me to apply. I love it here. Every day I love it more and more. Everyone keeps asking me when the housewarming is, but I do like my peace my and quiet. I am enjoying the view here, my unit is right by the bay. I am learning the transportation around here too. I walk two blocks to a bus that takes me to BART. The process of moving here was beautiful. You guys really came through when I really needed it and management is cool too, and courteous and smart. What I would say to other COP holders, is that the COP program works."*