

**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: Daniel Adams

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

Re: FY 2018- 2019 Certificate of Preference Marketing and Outreach Report

Date: September 11, 2019

BACKGROUND

The Property Owner and Occupant Preference Program, also known as the Certificate of Preference Program (the "COP Program"), provides affordable housing lottery 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 if the households were "displaced by the redevelopment project." Cal. Health & Safety Code § 33411.3. The COP program does not guarantee any particular housing unit but provides the displacee with a preference over other applicants.

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 Residential A and C Certificate Holders affected by the Urban Renewal Project Areas in the Western Addition A-2 and Hunters Point (i.e., Area A of the Bayview Hunters Point Project Area) Redevelopment Project Areas.

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 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.

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. Staff will request the second and final extension in 2020 for the years 2021-2026.

During FY 2018-19, MOHCD and OCII worked closely with developers to extend previously required affirmative outreach to COP holders. One month after construction commencement, the developer is

required to submit an Early Outreach Plan and partner with a community outreach organization to help mitigate access to housing barriers. A series of two postcard mailings during early outreach promotes services aimed to assist with long-term financial goals, and markets workshops specific to the building's income restrictions. The final postcard coincides with the project launch date and includes an application workshop provided by the outreach organization. The early outreach allows COP holders additional time to prepare and engage with the partner community based organizations rental and homeownership readiness programs.

COP HOLDER STATUS

A total of 5,829 San Francisco households directly experienced displacement as a result of redevelopment activities. Those heads of households received a Certificate of Preference. Later, SFRA Commission action expanded the eligibility to all members of the household at the time of displacement. To date, over 1,000 additional household members have applied for and received a Certificate. While it is difficult to determine exactly what happened to all of the displaced household members, we do know:

- 1,815 certificate of preference holders have exercised their certificates and successfully secured affordable housing in San Francisco.
- At least 1,622 are deceased.
- 950 are in communication with MOHCD. 78% of the 950, however, are not actively applying for MOHCD/OCII housing opportunities.
- Between July 1, 2018 and June 30, 2019 22% or 209 COP holders applied for MOHCD/OCII housing opportunities. During that period, 78% were not actively seeking housing.
- Of the 950 certificate holders in touch with MOHCD, 33% have used their certificate once for either an affordable rental or homeownership opportunity. Nevertheless, MOHCD alerts all certificate holders to new affordable housing opportunities regardless of the status of their usage of the program to allow them the opportunity to use their second certificate.

“After 7 years of applying for affordable housing, Ms. Smith is now living at 626 Mission Bay. Ms. Smith suffers from Multiple Sclerosis and her son moved in as her live in aide. Catholic Charities helped me with my deposit. What I love about my place is that it is mine. Before moving here, I was staying with my mom in San Francisco, but I had to rent a hotel or stay with other family members occasionally. Unlocking that door with my key knowing that it is mine and that if I wanted to cook or eat a bag of chips for dinner I could, brings me peace of mind.”

-COP Holder housed in September 2018

FY 2018-2019 Highlights

During this reporting period, four OCII projects completed lease-up housing 13 COP holders. Seven holders returned to San Francisco from other communities: Two from Sacramento, and one each from American Canyon, Fresno, Mill Valley, Pittsburg and Vacaville and San Francisco.

Project Name	Project Area	Tenure	Date 100% Occupied	Number of Affordable Units	All Applicants	COP Applicants	Successful COP Holders in FY 18/19	Lottery Date
<i>Natalie Gubb Commons</i>	South of Market	New rental	7/3/2018	95	6,580	10	1	11/14/2017
<i>Alice Griffith Phase 3</i>	Bayview	New rental	8/17/2018	28	4,444	12	2	1/18/2018
<i>626 Mission Bay</i>	Mission Bay	New rental	2/1/2019	113	5,749	25	10	6/12/2018
<i>Alice Griffith Phase 4</i>	Bayview	New rental	6/28/2019	11	4,008	11	0	2/19/2019
<i>Totals:</i>				247	20,781	58	13	

OTHER AFFORDABLE HOUSING OPPORTUNITIES FOR COP HOLDERS

A total of 6 MOHCD ownership and 13 MOHCD rental projects completed lease up in FY 2018-2019. Six of these projects successfully housed 8 COP holders in rental opportunities: Additionally, MOHCD offered 49 re-rental units in its Inclusionary BMR programs that housed 3 COP holders. Another 3 holders were added to the top of 5 waitlists in MOHCD's multifamily portfolio.

COP OUTCOMES SINCE DISOLUTION OF THE SFRA

Fiscal Year	18-19	17-18	16-17	15-16	14-15	13-14
Applied for housing	209	202	258	157	95	61
COP Holders Housed	23	35	43	44	23	17
Returned to San Francisco	7	12	19	10	3	1
New Certificates issued	30	61	55	111	73	62

DAHLIA

DAHLIA SF Housing Portal accepted 142,337 applications for 641 units in FY 2018-2019. DAHLIA is a long-term project to create a one-stop centralized place to find City-sponsored affordable housing and apply as well as create a comprehensive database of all City/OCII sponsored housing. In early 2019, MOHCD added online applications for homeownership opportunities. Usage of the site continues to grow as more residents come to rely on this valuable resource for finding and applying for affordable housing. While MOHCD will continue offering paper applications for housing opportunities, only 3% of applicants applied for rental housing via paper. DAHLIA's past and ongoing development is a collaborative effort by City

departments, housing counselors, advocates, developers, leasing agents, and, most importantly, current applicants and residents of affordable housing in San Francisco. MOHCD continues to refine and expand DAHLIA's services. Features in development include developer partner resources, including lease-up administration and waitlist management.

There has been a significant increase in online applications from COP holders. A total of 33 paper applications were submitted in FY 2017-2018 by COP holders. In FY 2018-2019, 6 paper applications were submitted by COP holders.

DAHLIA provides much more than an easier way for COP holders to apply for housing. It also provides significant data on how COP holders apply to housing. While we have just begun analyzing COP data, we can confidently say that holders apply to housing opportunities with lower AMIs. There is a higher concentration of COP applicants applying for new rental buildings and the average income of applicants is 52% AMI. In our next report we will be able to provide demographic information on COP holders as well as other trends in application.

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. We continue to improve marketing plan and resident selection criteria policies and procedures to increase the access to housing opportunities for households regardless of credit scores and other arbitrary criteria. Additionally, MOHCD and OCII staff closely monitor the lease up process of every OCII development to ensure developers follow the marketing and lease-up guidelines and we advocate for disqualified applicants during this process.

COP HOLDER SUPPORT AND ASSISTANCE

Q Foundation

To improve the success rate of COP holders in both OCII and MOHCD sponsored projects, MOHCD provides grant funds to the Q Foundation for rental subsidies to senior and disabled COP holders currently living in San Francisco. The Q Foundation is supporting 6 COP holders with ongoing rental subsidies for projects that finished lease up in 18/19.

SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION

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 2018. Of the COP holders currently participating in the program, 114 COP holders are enrolled in SFHDC's pre-purchase program; 28 of which are from the Bayview/D10, and 9 are from the Western Addition. According to SFHDC, 71 COP holders plan on staying in the same area for the next several years including 12 from Bayview and 4 from Western Addition; 41 are undecided. Thirteen reported to SFHDC that they were evicted under the Ellis Act. Of the 114 COP holders in the pre-purchase program, 65 are women, and 49 are men. The average annual income of the women in the program is \$67,908 and the average annual income for 49 men is \$78,748.

Three reported that they are Veterans; 10 are disabled; and 9 have a Housing Choice Voucher. As for income, 5 were unemployed at time of intake into the program, 5 were on fixed income, 15 were self-employed and 89 were employed. SFHDC has assisted 56 in creating a budget so they know how much they can afford to spend on housing. Additionally, SFHDC helped 36 COP holders apply for rental assistance. The overall average annual income was \$58,591 for all COP holders requesting rental assistance.

Through its matched savings program, SFHDC funded 4 COP holders who participated in their program. One secured new housing and the other 3 used the assistance for back rent at Alice Griffith and Westbrook Apts.