



118-0382019-002

Agenda Item **No. 5(d)**
Meeting of November 19, 2019

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Workshop on Annual Certificate of Preference Marketing and Outreach Report Fiscal Year 2018-19 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 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. OCII has an agreement with MOHCD whereby MOHCD implements the COP Program on behalf of OCII. This memorandum transmits MOHCD's report on COP Program compliance for Fiscal Year 2018-19.

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. Marketing Outcomes Reports are presented to the OCII Commission on affordable and BMR units in OCII projects after full occupancy is achieved. These reports can be located at: <https://sfocii.org/housing>.

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DISCUSSION

The Mayor's Office of Housing and Community Development ("MOHCD") oversees marketing obligations of OCII's affordable housing developments pursuant to a Memorandum of Understanding ("MOU") dated May 6, 2014. A full-time employee, plus supervision from the Deputy Director for Homeownership & Below Market Rate Programs, at MOHCD manages the Certificate of Preference Program on behalf of OCII and the City. MOHCD also monitors compliance with other housing preferences required under redevelopment requirements.

Annually, MOHCD prepares a report for the Commission to provide the current status of the implementation of the COP Program in OCII projects. The Certificate of Preference Marketing and Outreach Report for Fiscal Year 2018-19 is included here as Attachment A.

Below are the highlights of the COP Program in FY 2018-19:

- 13 COP holders were housed in OCII projects.
- 58 COP holders applied for affordable housing in OCII projects.
- 30 new COPs were issued.

As part of this reporting requirement, MOHCD has produced the attached Certificate of Preference Marketing and Outreach Report, FY 2018-19 describing activities and accomplishments over the past year. Also staff actively worked either implementing or approving six Early Outreach Plans for projects located in Mission Bay and Transbay.

SUMMARY OF SURVEY RESULTS

In 2017, OCII contracted with Lake Research Partners ("LRP") to survey the active COP holders to learn more about the housing needs and preferences of COP holders actively seeking housing. Using the results, OCII and MOHCD are maximizing efforts to successfully house this population. Information learned from the survey results about COP holders include:

- currently live in rental unit in San Francisco
- household size is typically one or two people
- households are typically seniors and are interested in senior housing
- need assistance in applying for housing
- need information on homeownership and rental readiness counseling
- interested in both affordable rental and homeownership opportunities
- expressed a preference for Mission Bay and the Western Addition

As a result of the survey OCII is implementing "Recommendations to Maximize Success" which were presented to the Commission on June 5, 2018. Recommendations include:

- income tiering (providing units at a range of area median income levels) in Requests for Proposals (RFPs) to ensure units available for very low income households as well as moderate income households
- a mix of unit types (including one and two bedroom units)

- assuring services in new buildings offer seniors a welcoming environment
- assuring COP holders they have a preference in all affordable housing developments
- providing a “coming soon” list of units in the Western Addition
- ensuring developers are notifying COP holders about all housing opportunities well in advance of marketing start through the Early Outreach Plan
- meeting with non-profit agencies to determine what housing opportunities COP holders are applying for, and if they are withdrawing from the process or are nonresponsive to lease-up agents why are they suddenly disinterested.
- inform COP holders about all housing opportunities through the use of DAHLIA

EXPANDED OUTREACH

OCII, in collaboration with MOHCD, has initiated and implemented aggressive outreach to house as many COP holders as possible. These results are shared with the Commission annually. In an effort to continue and increase this momentum, OCII and MOHCD are proposing several new ideas to both increase the number of eligible COP holders, and to increase the number of COP holders successfully housed.

Renewed Search for Eligible Households/Individuals

In 2010, using original records of displaced households a private consultant/investigator (The Keane Organization, Inc.) worked directly with staff of the former San Francisco Redevelopment Agency to identify, locate and contact individuals eligible for a COP. This resulted in 1,320 individuals learning of their eligibility and receiving certificates.

To leverage newer and improved technologies, MOHCD and OCII will procure for a private consultant, or a graduate student in the field of genealogy, history or archeology to work directly with the MOHCD staff person who manages the COP Program to locate as many individuals as possible who may qualify for a COP certificate. These would be individuals who were residing in the household at the time of displacement but did not receive a COP certificate. In order to procure these services, OCII is developing a scope of work with MOHCD and will seek a provider/contractor in the first quarter of 2020.

Also, in an effort to assist individuals in determining if they may have resided in a household that was displaced, MOHCD and OCII will procure for the development and implementation of an “interactive map” housed on the MOHCD website, which would contain the addresses of all the units that experienced displacement due to San Francisco Redevelopment Agency action. The idea is that an individual would enter the address of where they lived in the 1960s or 1970s and if the address is confirmed to be a unit that was displaced, the individual would be provided with next steps in order to secure a certificate.

To inform as many people as possible, a variety of outreach through traditional and social media will be used. Word of mouth, radio, OCII’s Twitter account, MOHCD’s Twitter, Facebook and Instagram accounts. The outreach will guide people to the new interactive map as a tool to easily identify whether they might qualify for a COP certificate. The ultimate goal is to have the initial users of the map to share their success with other family members and friends. These activities will be funded by OCII.

Deepen Engagement with Existing COP Holders

Given the age of the COP Program, many COP holders are satisfied with their current housing and not interested in relocating. However, in order to facilitate as many COP holders securing housing as possible, all COP holders are affirmatively offered rental or homebuyer readiness to assure any income and credit issues have been addressed; this starts early on at the Early Outreach stage. To deepen the impact and reach more COP holders one of the housing counseling agencies meaningfully engaged with COP holders, SFHDC, with the assistance of MOHCD staff, will launch the COP Holders Club by the end of the 2019 calendar year. This Club will provide a forum for friendly competition amongst COP Holders. COP holders are encouraged, through incentives, to complete workshop sessions, stay engaged, and apply for affordable housing opportunities which are appealing to individuals. There will be special quarterly events to continue the enthusiasm about COP affordable housing opportunities, such as: guest speakers, volunteers to assist COP holders with tax forms, and social equity discussions.

Because outreaching and engaging with qualified COP holders is only one piece of the puzzle, we intend ensure interested COP holders can qualify for and/or choose to live in affordable housing. For extremely low-income COP holders, we facilitate securing rental subsidy through The Q Foundation. Unfortunately, there are only a limited amount of Q Foundation rental subsidies per year. OCII requires income tiering in our affordable housing projects to ensure some units are available at both the very low-income and moderate income levels. Most recently at Mission Bay South Block 6W, we will have units available at 25% and 80% Area Median Income levels. While this approach can be used in Mission Bay and Transbay. The Hunters Point Shipyard and Candlestick Point plan documents do not allow for OCII funded units for households with incomes higher than 60%.

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

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