

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



Daniel Lurie
Mayor

Daniel Adams
Director

To: Thor Kaslofsky
Executive Director, The Office of Community Investment and Infrastructure (OCII)

CC: Daniel Adams
Director, Mayor's Office of Housing and Community Development (MOHCD)

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

Re: Fiscal Year 2023-2024 Certificate of Preference Marketing and Outreach Annual Report

Date: January 13, 2025

I. BACKGROUND

The Certificate of Preference (COP) program offers priority to individuals displaced by the former San Francisco Redevelopment Agency (SFRA) in affordable housing lotteries. This priority applies to both affordable rental and sale opportunities within the specific Office of Community Investment and Infrastructure (OCII) project areas and city-wide affordable housing projects sponsored by the Mayor's Office of Housing and Community Development (MOHCD). This program is required by California state law to prioritize low- and moderate-income households displaced by redevelopment projects. However, it's important to note that the COP program does not guarantee housing. Instead, it gives preference to eligible individuals in the lottery process. COP holders can use their certificate twice: once for affordable rental opportunities and once for affordable sale opportunities or affordable senior rental housing.

The COP program, established in 1967, initially provided a COP to heads of households displaced by redevelopment activities. Over the years, eligibility expanded to include adult household members and eventually, all household members, including minor children in 1999. In 2008, the Board of Supervisors and Mayor approved the COP to be applied to all City sponsored affordable housing opportunities for all original displaced household members. A total of 5,893 households were directly impacted by such displacements.

In 2021, as a result of San Francisco community advocacy, State Assembly Bill 1584, passed to extend eligibility to descendants of displaced individuals. This means that the direct descendants of those displaced by redevelopment, in all project areas, including inactive areas like Yerba Buena Center, Stockton Sacramento, Diamond Heights, and South of Market, are now eligible for a COP to receive priority in OCII affordable housing lotteries.

II. KEY ACTIVITIES OF FISCAL YEAR 2023-2024

- New COP Holders:
 - o 76 originally displaced household members
 - o 243 descendants of originally displaced household members
 - o Total: 319 new COP holders
- Outreach and Support:
 - o 1,724 COP holders were regularly contacted by project sponsors and MOHCD about affordable housing and housing counseling services.
- Housing Applications:
 - o 60 COP certificate holders actively applied for housing opportunities on DAHLIA San Francisco Housing Portal
- Housed COPs:
 - o 34 COP holders and their families were housed from DAHLIA and Waitlists

III. COP INQUIRES AND ISSUANCE

A. Outreach and Application Access

During Fiscal Year 2023-2024, outreach and marketing for the COP program increased, enhancing awareness of the program amongst originally displaced household members and their descendants.

Between February and May 2024, the Lynx and New Community Leadership Foundation (NCLF) team conducted Phase Two of their outreach efforts to locate and contact individuals displaced by the former Redevelopment Agency. They reached out to 161 individuals during this phase, many of whom shared the COP descendant expansion opportunity with their family members. The consultant team's outreach and word-of-mouth have been the primary methods of informing descendants about the availability of the COP, leading to an increase in inquiries.

MOHCD improved COP application access to meet the increased demand including:

- **Improved COP Webpage:** The COP webpage has been updated to provide clear information on the program's purpose, eligibility criteria, application process, and additional resources.
- **Online application submission:** Applicants can now submit their applications online.
- **COP Flyer:** A flyer has been designed to promote the program and direct people to the online application.
- **COP Hotline:** The COP hotline has seen a significant increase in call volume due to the successful outreach efforts of Lynx, NCLF, and MOHCD. While the hotline initially received around two calls per day, it now averages approximately 12 calls daily from COP holders and applicants.

B. COP Inquiries and Certificate Issuance

During Fiscal Year 2023-2024, MOHCD received 452 inquiry applications from individuals seeking a COP.

As of June 30, 2024, the status of these inquiries was as follows:

- **New Certificates Issued:** 319 new COP certificates were issued including: 76 originally displaced household members and 243 descendants of originally displaced household members.
- **Re-issued Certificates:** Six COP certificates were re-issued to original displaced household

members.

- **Inquiries in Process:** 205 inquiries were still being processed at various stages, including applications that were pending information from the applicant.
- **Ineligible Inquiries:** Six inquiries were determined to be ineligible for a COP, either because the applicant or their relatives were not displaced by the former Redevelopment Agency or because the provided information did not match existing records.

C. OCII Early Housing Information

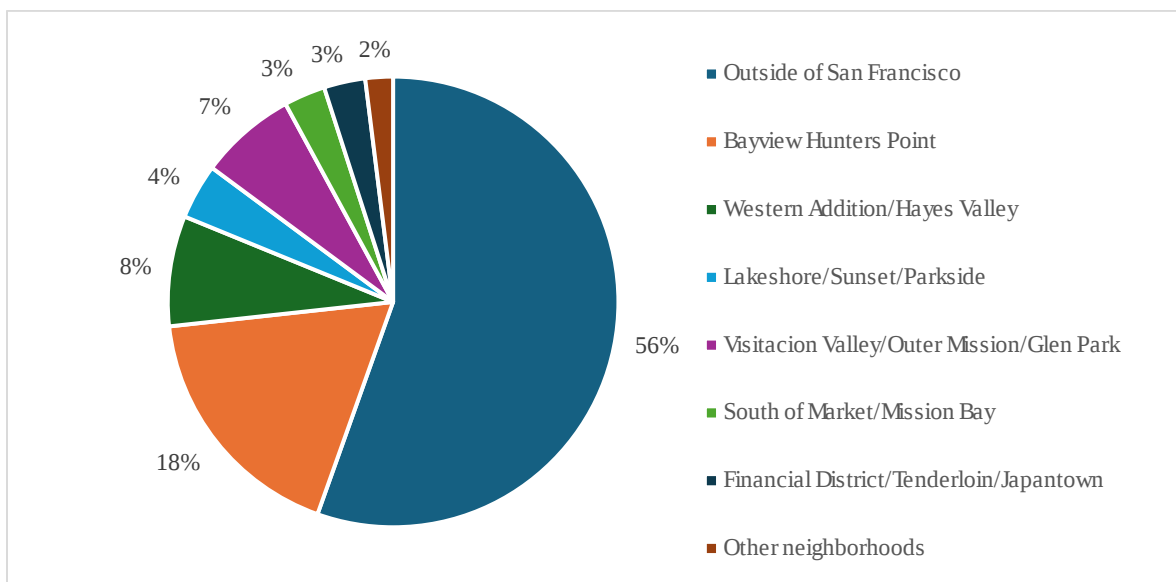
COP holders receive early access to information about upcoming affordable housing projects developed by OCII. This early notification allows COP holders ample time to seek housing counseling services, prepare for new developments, address any personal or financial barriers, and complete applications before the deadlines.

OCII developers proactively reach out to COP holders three times prior to application deadlines. Additionally, all are referred to City-sponsored community-based organizations for housing counseling support. These organizations, such as HomeownershipSF, Bayview Hunters Point Multipurpose Senior Services, Bill Sorro Housing Program (BiSHoP), and BALANCE, provide assistance with navigating the DAHLIA application process and other housing-related needs. HUD approved housing counseling agencies provide homeownership preparation services. These organizations work closely with COP applicants and holders, offering culturally appropriate support, transparency, and guidance to help them successfully secure affordable housing.

IV. COP HOLDER DEMOGRAPHICS

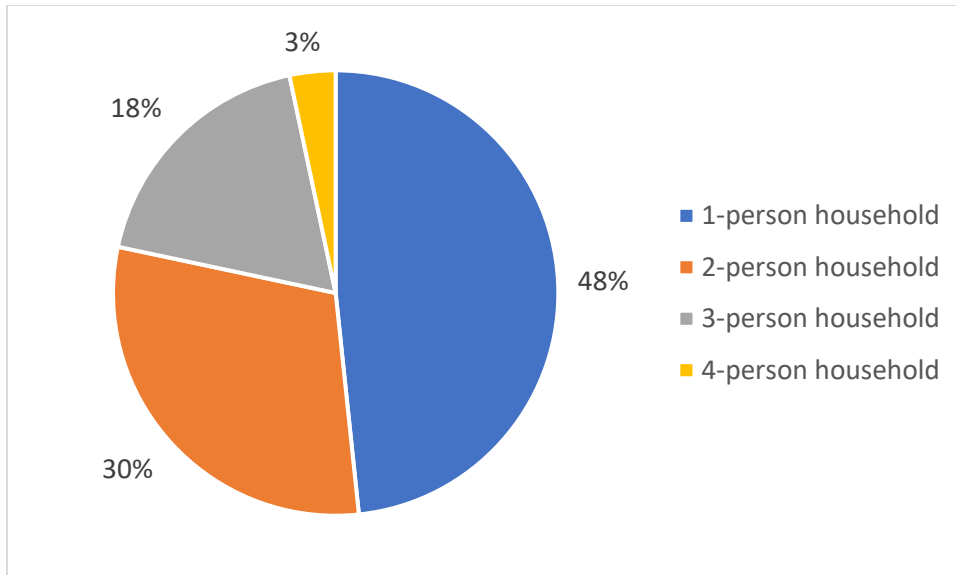
A. New COP Holders Current Residence

The majority (56%) of the 319 COP holders approved for certificates in Fiscal Year 2023-2024 resided outside of San Francisco at the time of application. For those living within the city, the highest concentration is in the Bayview-Hunters Point neighborhood. The chart below illustrates where new COP holders lived at the time of their COP application.



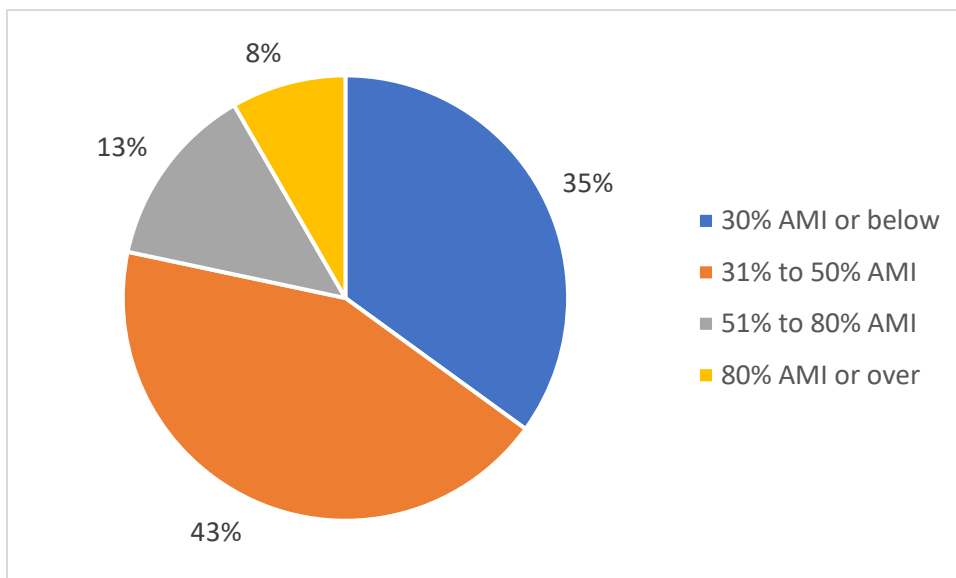
B. COP Holder Household Size

Most COP applicants applying for affordable rental units had either one or two people in their household. Forty-eight percent of applicants were single-person households, while thirty percent were two-person households.



C. COP Household Income

The vast majority (78%) of COP applicants applying for affordable rental units had 50% AMI or below.



V. AFFORDABLE UNITS AVAILABLE TO COP HOLDERS

During Fiscal Year 2023-2024, a total of 91 listings with 554 affordable housing units were made available to the public through DAHLIA. Of the 91 listings, none were sponsored by OCII. All available 554 affordable housing units available to originally displaced household member COP holders (COP-A and COP-C holders) only.

Of the 554 housing units listed on DAHLIA, 519 were affordable rental units that varied in rental cost depending on their size. These housing units were designed to accommodate a wide range of household income levels. The vast majority (79%) of the 519 affordable rental units available in Fiscal Year 2023-2024 were designated for households earning 51% or more of the Area Median Income (AMI). However, the average COP holder's income is significantly lower, at approximately 44% of AMI. This mismatch between the income eligibility of available units and the income level of COP holders presents a significant challenge in securing affordable housing for COP holders. To bridge this gap between the income eligibility of available units and the income level of COP holders, MOHCD was able to secure some of the limited rental subsidies available for those applicants whose income fell below the income requirements for a specific unit.

Affordable Rental Units – Number of Units, AMI, and COP Holders

Area Median Income (AMI)	Number of Available Units at AMI restriction	Household Income AMI		Number of COP Household Tenants with Rental Subsidy at AMI Range
		Number of COP Applicant Households at AMI Range	Number of COP Tenant Households at AMI Range	
0% - 30%	1	19	4	3
31% - 50%	107	22	7	6
51% - 80%	240	12	0	0
81% or over	171	7	1	0

MOHCD Rental Assistance

During Fiscal Year 2023-2024, the MOHCD distributed nearly \$46.56 million in tenant-based rental assistance. This funding supported various assistance programs, including ongoing and time-limited subsidies, emergency rental assistance, and financial aid for move-in costs like security deposits and first and last month's rent. 75% of the COP holders who secured housing utilized rental assistance.

MOHCD staff collaborates closely with leasing agents to ensure that COP holders have time to submit required lease-up documents, especially if they need additional support or time. Additionally, MOHCD staff work diligently to ensure developers adhere to established marketing, lottery, and lease-up procedures. As a result, it is uncommon for a COP holder to miss out on affordable housing due to poor

credit or other eligibility requirements.

VI. COP HOLDER HOUSING STATUS

A. COP Holders Housed in Rentals Units

COP Holders in Rental Units Available on DAHLIA

During the 2023-2024 fiscal year, 12 individuals successfully secured affordable rental housing units in City-sponsored housing developments through DAHLIA. Among these 12 COP holders, 7 COP holders received their certificate within the last four years.

A significant number of COP holders who applied for affordable housing did not complete the process of submitting necessary paperwork and signing a lease. A breakdown of lease-up activity for COP holder applications submitted reveals that approximately 38% of applicants responded to leasing agents but ultimately withdrew their applications. Approximately 34% of applicants did not respond to outreach efforts from leasing agents, which include emails, phone calls, text messages, and USPS mail. COP holders cited several reasons for withdrawing from housing opportunities, including location preferences, unit size requirements, parking needs, and affordability concerns related to rent amounts.

COP Holders in Project-Based Voucher Units and Waitlists

During the fiscal year, two Certificate of Participation (COP) holders utilized their certificates to secure housing in project-based voucher units at the Islais Place development (4840 Mission Street) through the San Francisco Housing Authority. Both individuals were originally displaced household members. Furthermore, we determined that 16 descendant COP holders successfully used their certificates after being added to the top of waitlists of former redevelopment agency and OCII sponsored properties.

B. COP Holders Housed in Ownership Units

While COP holders did not purchase OCII for sale homes, during Fiscal Year 2023-2024, four COP holders successfully purchased affordable Below Market Rate (BMR) homes located in the Diamond Heights neighborhood. 36 Amber Drive is a 100% affordable homeownership development on land generously donated to Habitat for Humanity Greater San Francisco by the family of an early Diamond Heights resident, fulfilling their wish to give back to the community. COP buyers contributed 500 hours in sweat equity to the construction of their homes, fostering a sense of ownership and pride. The development features three residential buildings and eight condo homes with a diverse mix of five three-bedroom units, two two-bedroom units, and one four-bedroom unit. Each unit includes two bathrooms and a garage with one parking space. Amber Drive homes served households up to 120% AMI with sales prices ranging from \$785,900 to \$891,865. All COP buyers received significant downpayment support from MOHCD ranging from 21% to 43% of the total purchase price.

The four COP families who successfully utilized their certificate to purchase an affordable home had two to three household members, often spanning multiple generations. Three relocated within San Francisco, moving from the Bayview, Chinatown, and Ingleside neighborhoods. The fourth household returned to the city from Daly City. The COP buyers, ranging in age from 51 to 66, work in various fields such as healthcare, case management, and education, or are retired. Despite their moderate income, these COP families would not have been able to afford

homeownership without the opportunity provided by Habitat of San Francisco and the BMR program.

These four COP holders now housed at Amber Drive shared that they “love San Francisco” and “don’t want to go anywhere.” They shared that their new neighborhood is a “source of stability,” that they live in their “forever home,” and that this is the “beginning of a legacy for not only [their] grandchildren, but [they’re] hoping for future generations.”¹

VII. PROCESS IMPROVEMENTS

A. COP Program Process Improvements

To streamline the COP application process and enhance accessibility for potential COP holders, MOHCD implemented several process improvements during Fiscal Year 2023-2024:

- **Improved COP Support and Resources**
 - **Enhanced COP Hotline Support:** A dedicated COP Hotline is available from 8:30AM to 5:00PM, Monday through Friday, to answer applicants' questions and provide support throughout the application process.
 - **Monthly COP newsletter:** Regular updates on affordable rental and sale opportunities, program news, and relevant resources.
 - **Tailored Housing Resource Guide:** A customized housing resource guide was developed to meet the specific needs of all COP holders, connecting them with appropriate housing choices and resources.
 - **Frequently Asked Questions (FAQ) about the COP program:** A comprehensive list of answers to common questions about the COP program.
- **Simplified COP Application Process**
 - **Simplified Documentation Requirements:** The number of required documents was reduced to only those necessary to demonstrate familial lineage and identity.
 - **Reduced Applicant Contact:** The number of times applicants were contacted by staff for information was minimized to streamline the process.
 - **Streamlined Birth and Death Certificate Requests:** A process was established with the City and County of San Francisco's Vital Records Department to request birth and death certificates on behalf of COP applicants.
 - **School Records Request Step-by-Step Assistance:** Applicants who need to prove they lived at a specific displacement address are given detailed instructions on how to request their school records from the San Francisco Unified School District. School records are often the easiest way to verify residency, especially for addresses from the 1960s and 1970s.

These process improvements have enabled MOHCD to process and issue more COP certificates than in previous years, while also reducing processing time, despite the increased volume.

Reducing Barriers to Affordable Housing

To enhance the understanding of eligibility for affordable housing, MOHCD implemented several process improvements specifically for COP holders:

¹ <https://habitatgsf.org/amber-drive/>

- **List of OCII properties with waitlists:** A curated list of properties that accept the descendant COP
- **COP Dashboard and electronic version:** A user-friendly platform that provides information about COP-eligible properties.
- **Written DAHLIA application instructions with YouTube tutorials:** Clear and concise guidance on how to apply for affordable housing through the DAHLIA San Francisco Housing Portal.
- **Homeownership and rental housing counseling services:** Advice and support to help COP holders navigate the complexities of homeownership and rental processes.
- **Link to additional online resources:** Access to a variety of online tools and resources for further information and assistance.

COP applicants and holders have reported that MOHCD's COP process improvements have helped them better understand and recognize housing opportunities available to both descendant COP holders and original displaced household members.

B. COP Program Staff and Support

During Fiscal Year 2023-2024, MOHCD made significant strides in supporting COP applicants and holders.

To accommodate the growing interest in the COP program, MOHCD expanded its staff capacity by hiring Cora Stone as a Certificate of Preference program assistant. Ms. Stone is responsible for managing the COP Hotline, assisting applicants throughout the COP application process, providing support to COP holders in their search for affordable housing, and answering general inquiries about the program. Her approach and dedication to the COP community make her an asset to the team.

In addition to the new hires in summer 2023, Andrea Nelson, Lottery Preference Program Manager, Sharon Herrera Licon, Preference Program Coordinator, additional MOHCD staff members support COP work. Their responsibilities included processing applications, responding to phone calls and emails, and updating internal systems, marketing, and communication protocols. This expanded team enables MOHCD to continuously evaluate and improve the COP program and its services.

VIII. COP EXPANSION

With the signing of Assembly Bill 1584, MOHCD adapted the Certificate of Preference program application and Salesforce database to accommodate COP holder descendant applicants. The addition of children and grandchildren of those displaced by the former Redevelopment Agency, including households displaced from expired redevelopment project areas, requires considerable research, preparation and updates to historic documentation to modern systems.

A. COP Descendant Activities

As of June 30, 2024, there are 369 descendant COP holders. During the 2023-2024 fiscal year, MOHCD received 263 COP inquiry applications from descendants, a 53% increase from the previous year. The majority of descendant COP holders reside in San Francisco (55%), with nearly all (96%) living in California. The remaining 4% live in Georgia, Texas, South Carolina, and Washington.

To assist descendant COP holders in securing affordable housing, MOHCD connects them with waitlist and

housing opportunities in former Redevelopment Agency and OCII-sponsored developments. MOHCD staff regularly shares information about vacant units in OCII developments with all COP holders through email newsletters, housing opportunity notifications, and upon individual request.

B. Expired Redevelopment Project Area Activities

Displaced residents and their descendants from the following former San Francisco Redevelopment Project Areas are now eligible for a COP, including:

- Yerba Buena Center
- South of Market
- Rincon Point- South Beach
- Embarcadero-Lower Market (Golden Gateway)
- Stockton Sacramento
- Chinese Cultural Center
- Federal Office Building
- India Basin Industrial Park
- Bayview Industrial Triangle
- Diamond Heights

Unfortunately, records of displacement from these former Redevelopment Project Areas are incomplete and do not provide sufficient information to clearly identify individuals displaced. To date, OCII and MOHCD have partnered to digitize displacement documents from all inactive and expired projects. Working in partnership with OCII, local community organizations, and the City Attorney's Office we have developed an outreach plan for implementation by 2027.

See map on page 10 with Expired Project Areas outlined with a grey dashed line.

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During the upcoming fiscal year, MOHCD and OCII have several initiatives underway.

Five-Year Plan Implementation

To support these efforts and enhance the existing database of digitized displacement documents, MOHCD and OCII are digitizing displacement documents from the Western Addition (WA-1 and WA-2), Yerba Buena Center, Hunters Point, and Golden Gateway project areas. This digitization effort will facilitate more effective research and program administration by making crucial historical records readily accessible.

Streamlining Application Process

MOHCD is committed to streamlining the COP application process to make it more efficient for both applicants and staff. We are improving capacity and cultural competency among housing counselors to enhance transparency and accessibility for all COP holders and applicants.

B. Community Engagement and Outreach**Contact Information Updates**

The Lynx and NCLF team are actively engaged in Phase Three of their outreach efforts. This phase focuses on locating and confirming updated contact information for approximately 1,800 remaining originally displaced household members by the former Redevelopment Agency. Additionally, the team is working to identify and contact approximately 350 descendants of these originally displaced household members.

Understanding COP Holder Needs

To gain a deeper understanding of COP holders' needs and experiences, MOHCD and OCII intend to conduct a telephone survey and collaborate on an oral history project with the San Francisco Public Library to document the stories of those displaced by the former redevelopment agency.

C. Increasing COP Homeownership

In Fiscal Year 2023-2024, 400 China Basin, an OCII-sponsored affordable housing development with units for sale, was listed on the DAHLIA San Francisco housing portal. The building is currently processing applicants and finalizing sales. It is anticipated that up to four units will be purchased by COP households in Fiscal Year 2024-2025.