

File No. 211276 Committee Item No. 7  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date June 6, 2022

Board of Supervisors Meeting Date \_\_\_\_\_

**Cmte Board**

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

**OTHER (Use back side if additional space is needed)**

- Referral FYI Hearing 121521
- HBMR Presentation 022822
- \_\_\_\_\_
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Completed by: Erica Major Date June 2, 2022  
Completed by: Erica Major Date \_\_\_\_\_

# HOMEOWNERSHIP & BELOW MARKET RATE PROGRAM UPDATES



**The Mayor's Office of Housing  
and Community Development**

Maria Benjamin  
*Deputy Director*

Sheila Nickolopoulos  
*Director of Policy and Legislative Affairs*

February 28, 2022



735 Davis Street; Photo by Bruce Damonte

# Section 415 BMR Program Goals

Access affordable housing for low and moderate income people in market rate buildings.

Increasing efficiencies for tenants/owners and property developers

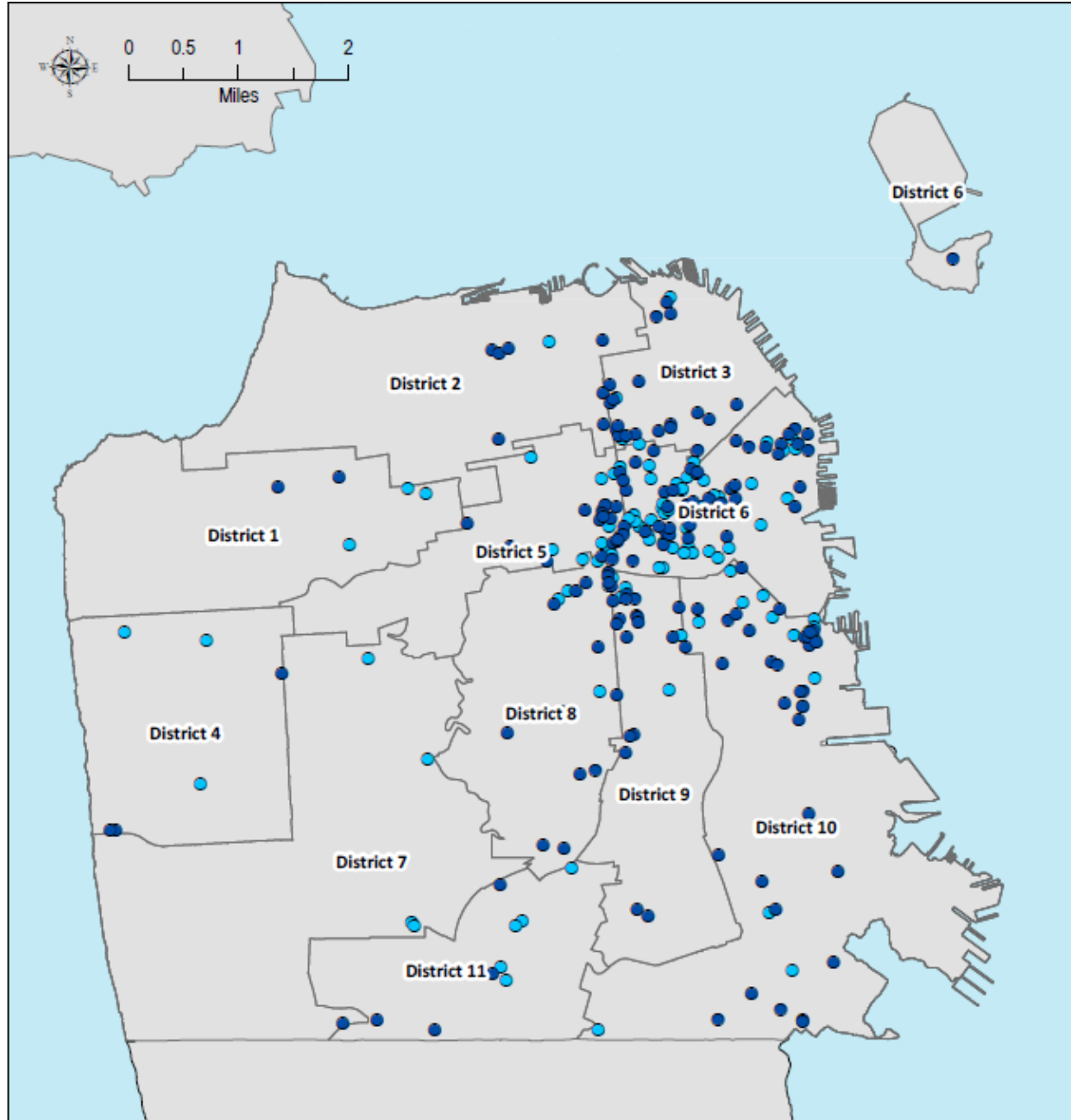
- Online portal
- Adequate time for applications
- Streamline process
- Technical Assistance for tenants/owners and property developers
- Supporting lenders for ownership



# Existing Section 415 BMR Units

1,961 rental units in  
101 buildings

1,370 ownerships in  
99 buildings



## Existing 415 Housing Developments

### Housing Type

- Ownership
- Rental



# Pipeline

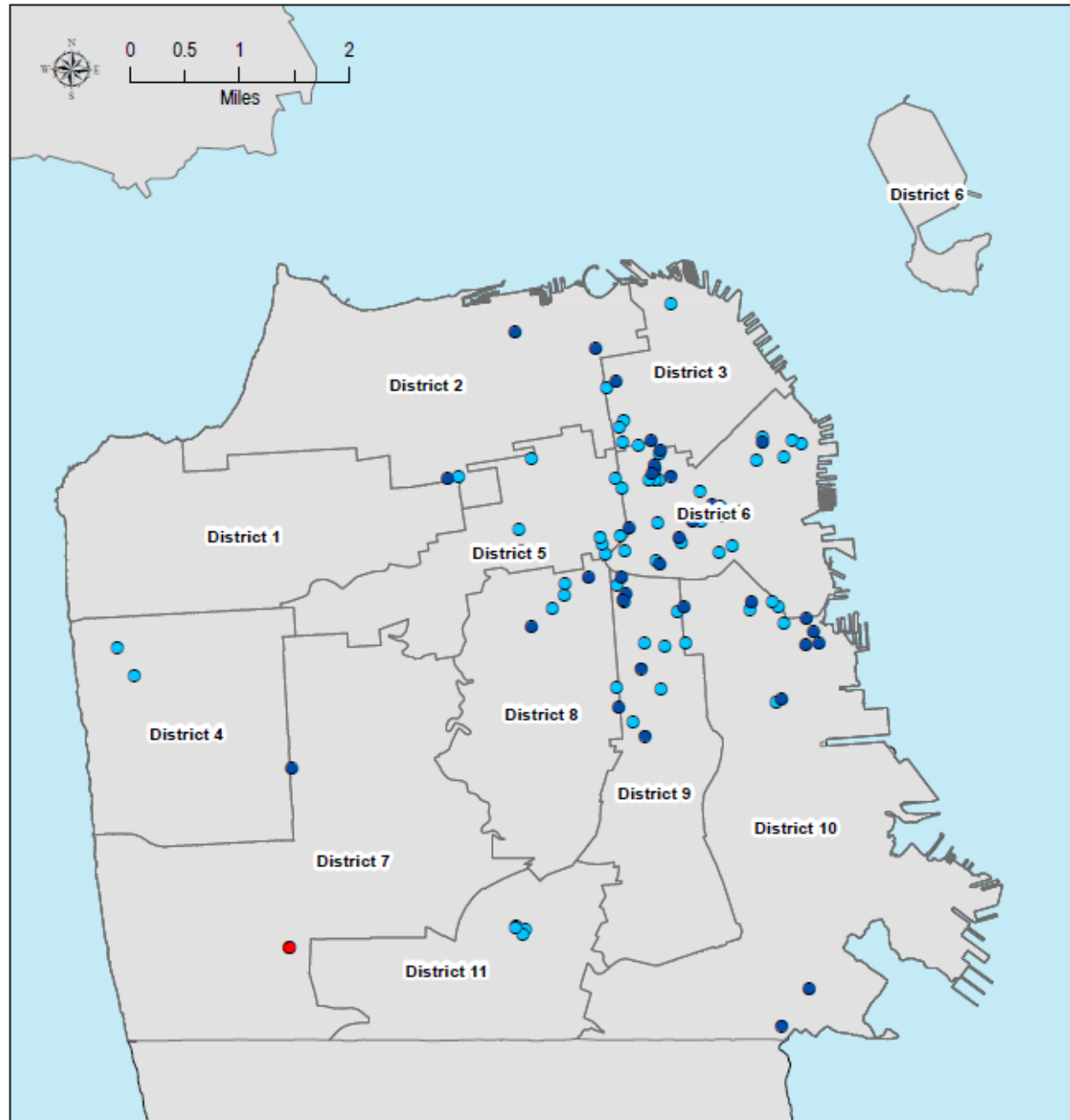
Anticipated in the next 5 years:

371 ownership units in 36 buildings

1,226 rental units in 61 buildings

75 units in 2 buildings of unknown tenure

**Total: 1,672 units in 99 buildings**



## Pipeline of 415 Housing Developments

### Housing Type

- Ownership
- Rental
- Unknown



# Section 415 Below Market Rate Units

Privately Funded Inclusionary Homes in Market Rate Buildings of 10 or More Units

Tenure	2022 On-Site Affordability Percentage	Affordability AMI Levels Served
Rental	14% = 10-24 units 20% = >25 units	55% - 80% - 110%
Ownership	14% = 10-24 units 23% = >25 units	80% - 105% - 130%



# Affordable Housing Lottery Background

**2008** *Certificate of Preference*: For households displaced by the former SF Redevelopment Agency in the 1960s and 1970s

**2014** *Lottery Preference for Displaced Tenants*: 20% lottery units reserved for evicted tenants

**2015** *Board Hearings*: Requests for expanded lottery process timeline for applicants

**2017** *DAHLIA launch*: Online lottery application portal

**2017** *MOHCD Monitoring Program*: Oversight of developer/tenant placement

**2017** *Lottery Neighborhood Preferences*: 40% lottery units reserved

**2017** *Board Ordinance*: Modified AMI levels and percentage of BMR units

**2018** *Inclusionary Manual Update*: Standardized eligibility criteria







**BELOW  
MARKET  
RATE  
RENTAL  
PROGRAM**

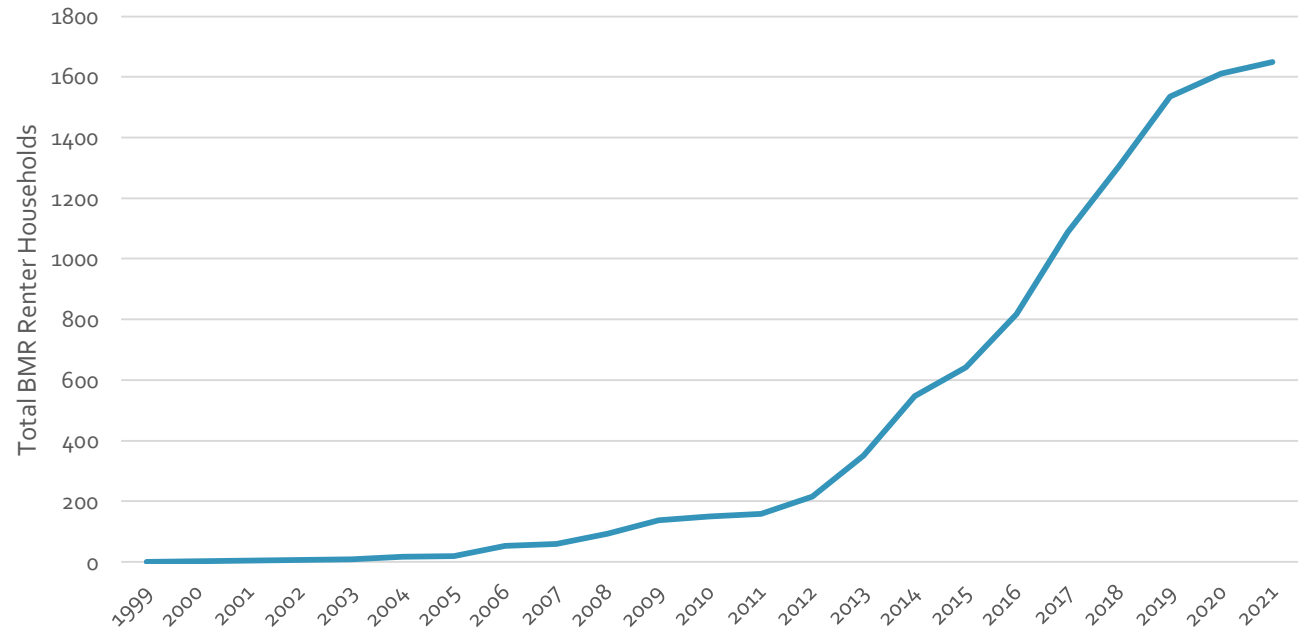


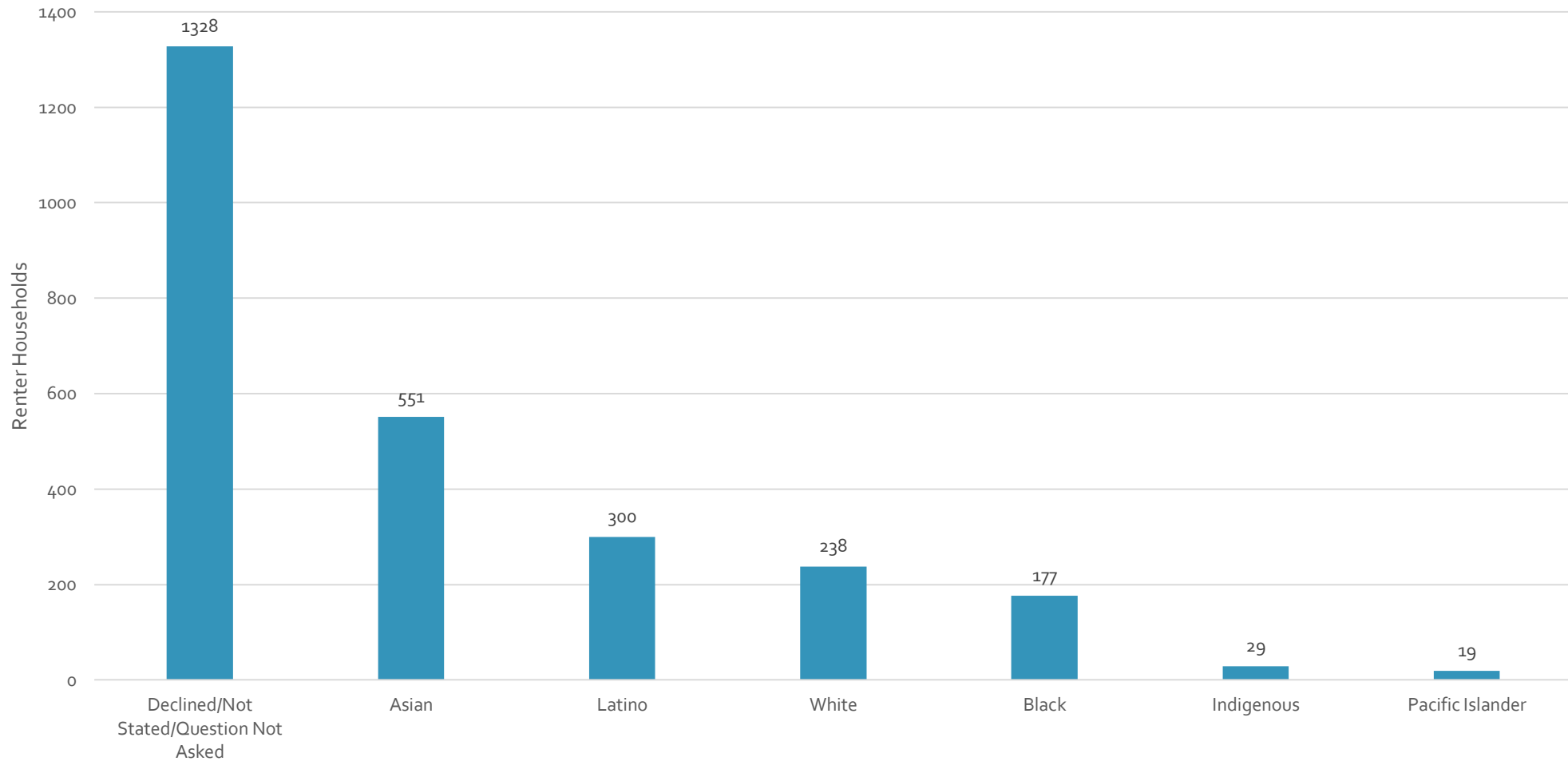
# Section 415 BMR Rental Program

- 1961 units in 101 market rate buildings
- Rents set between 40% - 110% AMI
- 10% of BMR renters use a Section 8 voucher to help support their rent payments.
- Average household income at move-in is ~43% AMI
- 30% of current households have 1 or more children
- 9% of current households have at least 1 senior



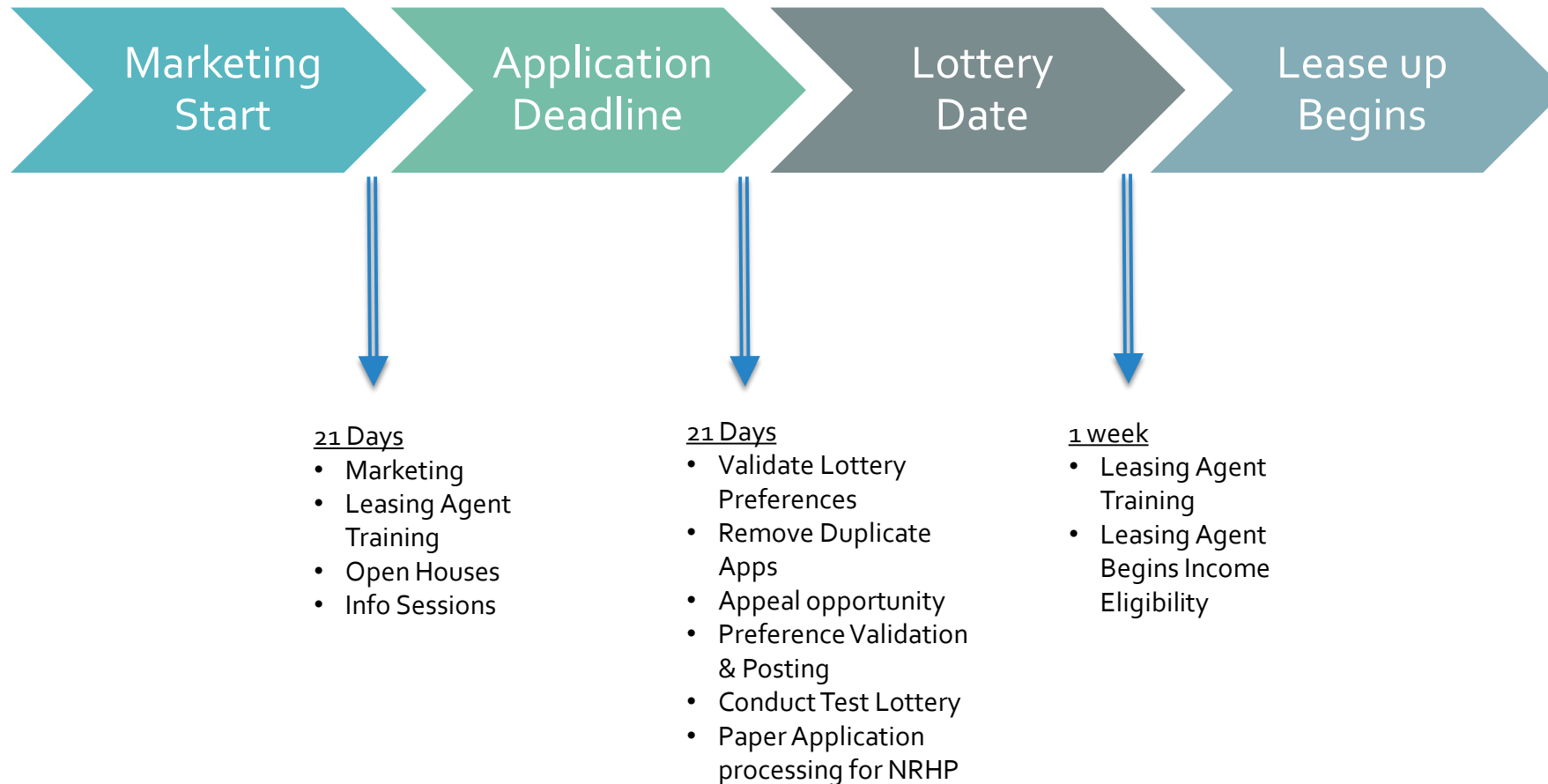
The majority of BMR renter households moved in between 2016-17



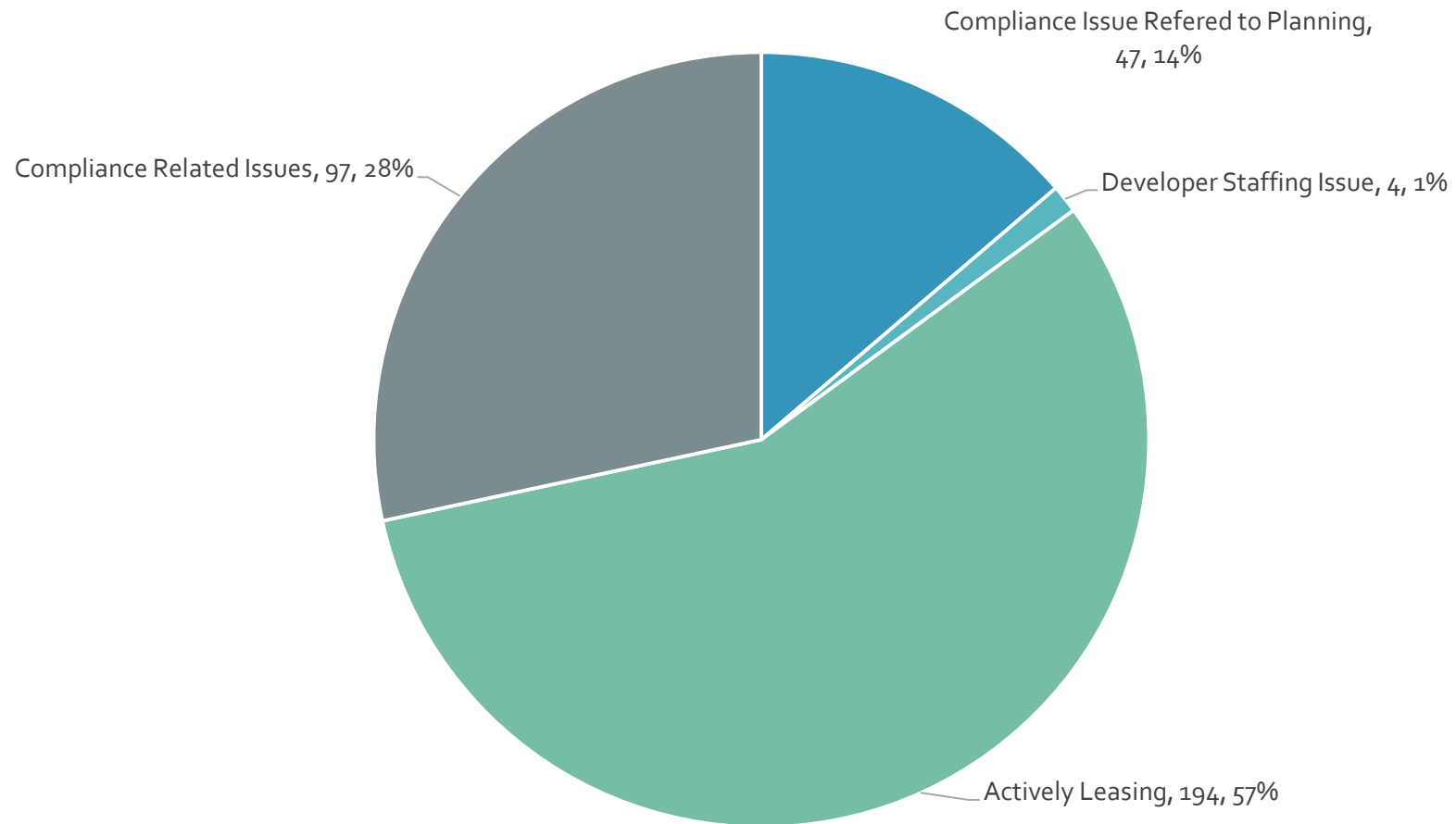


# BMR RENTER DEMOGRAPHICS

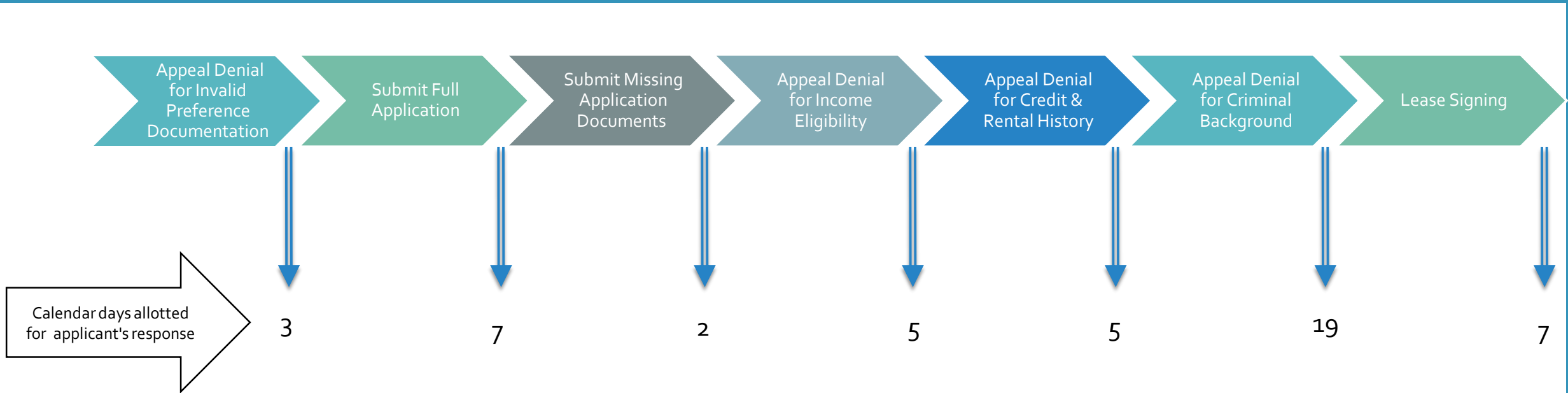
# Marketing & Lottery Timeline



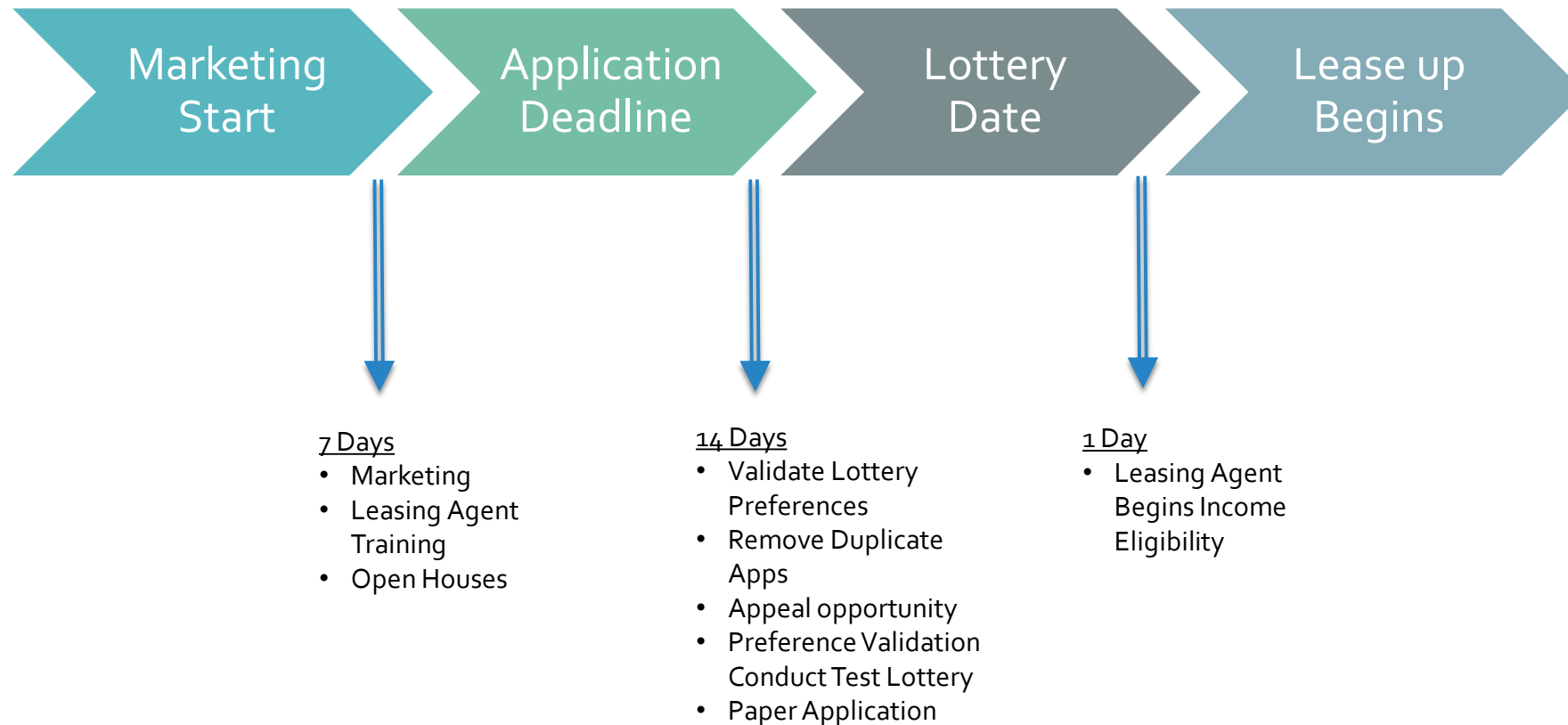
# Current Vacant New Units: 342



# Post-Lottery Applicant Timeline



# Re-Rental Marketing & Lottery Timeline



# MOHCD Rental Developer Resources



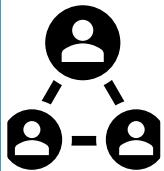
**Onboarding 1:1 with  
Developer Leasing  
Teams**



**Program Trainings  
& Webinars**



**1:1 DAHLIA Trainings**



**DAHLIA Partners to  
Manage Lease Up**



**Affirmative Fair  
Housing Marketing  
Support**



**Income Eligibility  
Tools**



**Bi-weekly office hours**



**Template Forms**





# Rental Applicant Resources & Technical Assistance

MOHCD provides \$2.22 million to 10 non-profit community organizations to assist applicants



**Application Assistance**



**DAHLIA Tutorials**



**1:1 Housing Counseling**



**On-Demand Appeal Assistance**



**Monthly Workshops**



**Language Access**



# Challenges

- COVID Rental Market Impacts:
  - Loss of applicant income and desire to move during pandemic
  - Less margin between market and higher AMI BMR rents
- Construction Delays
- Mismatches Between Market Offerings & Household Needs:
  - Size of units; number of bedrooms
  - Limited parking



Broadway Cove; Photo by Bruce Damonte





# BELOW MARKET RATE OWNERSHIP PROGRAM

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# Section 415 BMR Ownership Program

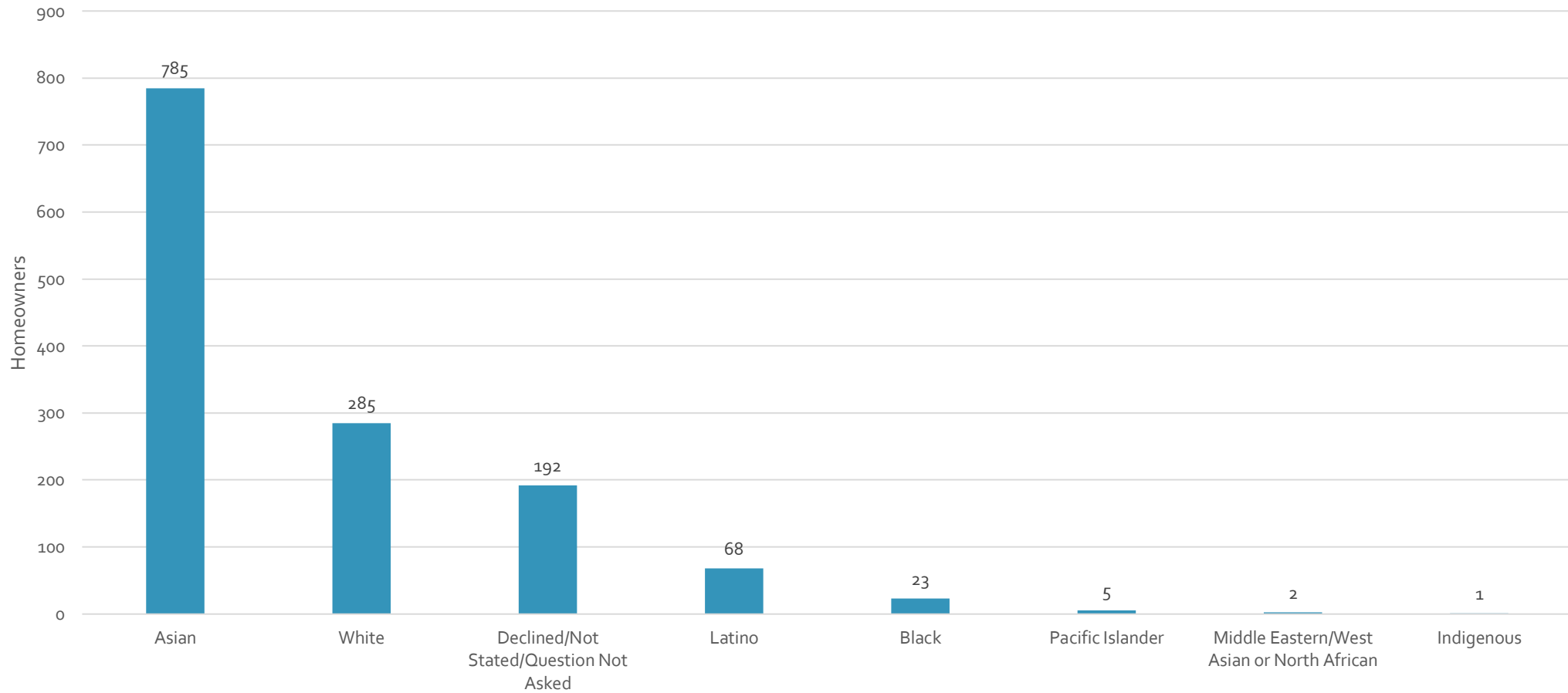
Total Units

- 1,369 in 155 Buildings

AMI Range  
of Units

- 50% - 150%





# BMR HOMEOWNER DEMOGRAPHICS

# Sales Timeline

## -45 Days- Application Period

Applicant: complete  
10-hr homebuyer  
education

Applicant: obtain a  
first mortgage loan  
pre-approval

## -21 Days- Application Audit & Preference Verification Prior to Lottery

MOHCD: review  
applications and  
contact applicants for  
missing info

MOHCD: prep lottery;  
verify preferences;  
remove duplicate  
applications; post  
preference results

Applicant: 48 hours to  
submit missing info or  
appeal a preference  
denial

## -7 Days- Full Application Deadline After Lottery

Sales Agent: invite  
lottery winners by  
phone/email/text to  
submit a full  
application

Applicant: 5 days to  
submit full app

Applicant: contact  
housing counselor for  
application assistance  
if needed

## -21 Days- MOHCD Conditional Approval

MOHCD: underwrite  
household program  
eligibility and contact  
applicant for additional  
info

Applicant: 3 business  
days to respond to  
underwriting requests

Disqualified Applicant:  
3 business days to  
appeal to MOHCD

## -37 Days- Sales Contract & First Mortgage Loan Approval

Sales Agent &  
Applicant: 7 days to  
select unit and sign  
sales contract

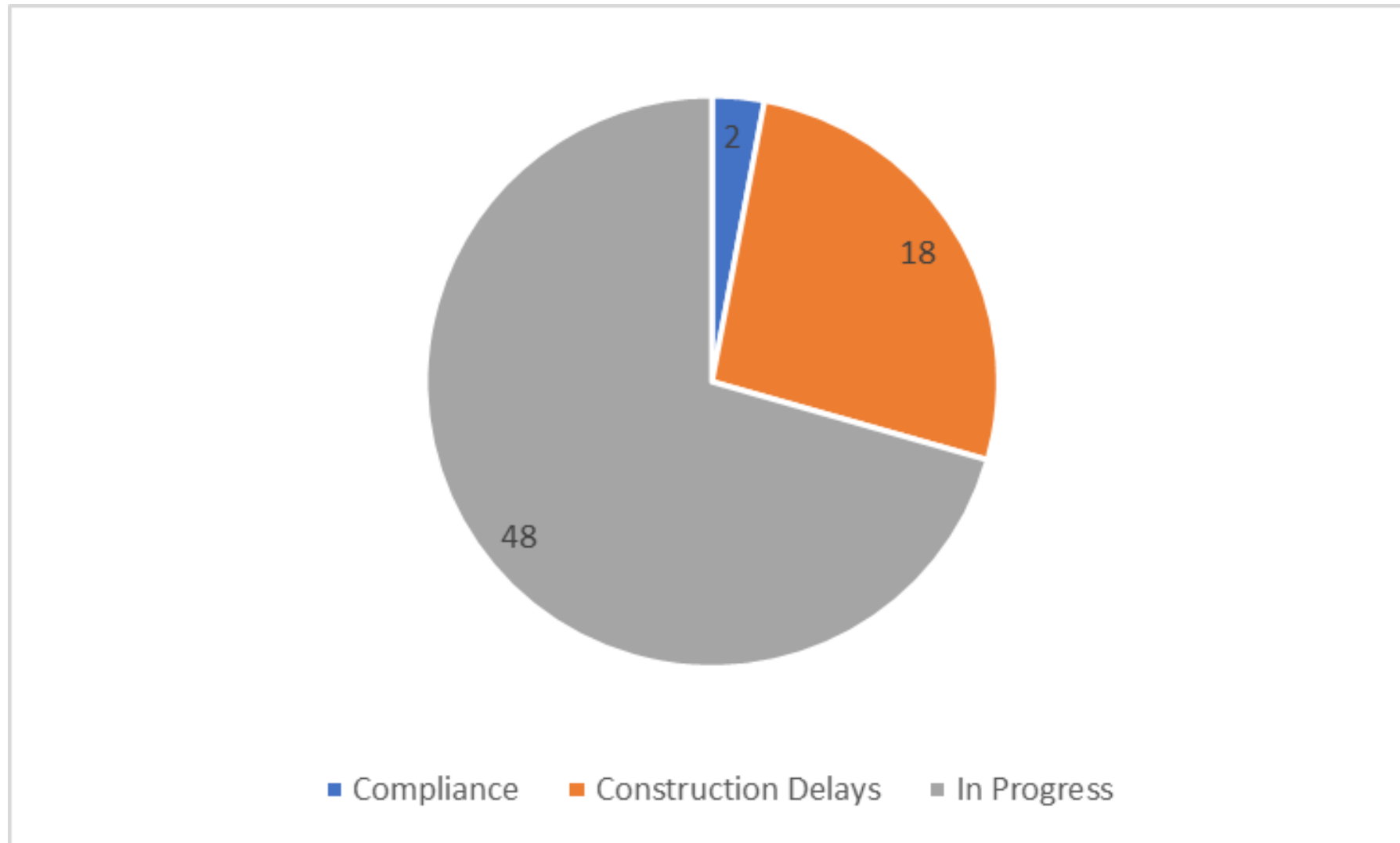
First Lender: 30 days  
to submit lender  
package to MOHCD  
for final approval

## -45 Days- Final Approval & Closing

MOHCD: 15 days to  
review lender package  
and request  
additional/missing info  
and schedule a pre-  
closing session with  
homebuyer; prepare  
closing documents

MOHCD, Lender, Title  
Company: 30 days for  
final approvals,  
signatures, and  
funding the  
transaction to close

# Current Vacant Ownership Units: 68





# Ownership Developer Resources & Technical Assistance



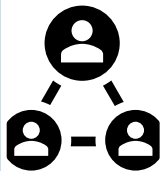
Onboarding 1:1 with Developer Sales Team



**Trainings & Webinars**



**Lender Coordination**



**Sales tracking and reporting**



**Affirmative Fair Housing Marketing Support**



**MOHCD conducts program eligibility**



**Weekly sales team check-in meetings**



**Option to work with HomeownershipSF for marketing assistance**



# Homeowner Resources & Technical Assistance

MOHCD provides \$1.83 million to 7 HUD-approved housing counseling agencies to assist homebuyers and owners.



**Application Assistance**



**DAHLIA Tutorials**



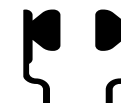
**1:1 Housing Counseling**



**Down payment Assistance for BMR Purchase**



**First Time Homebuyer Education**



**Language Access**



**Post Purchase Education & Resources**



**Final 1:1 meeting with MOHCD Confirming Restrictions**



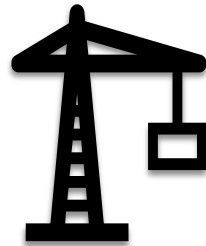
**Ongoing Services to Support Sustainable Homeownership**



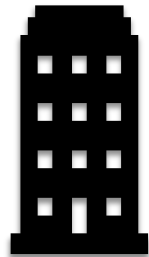
# Challenges



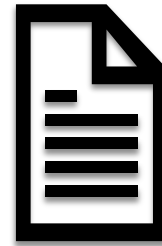
**COVID  
Impacts**



**Construction  
Delays**



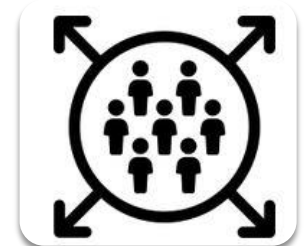
**Volatile  
Condo  
Market**



**Slow State  
HOA  
Approval**



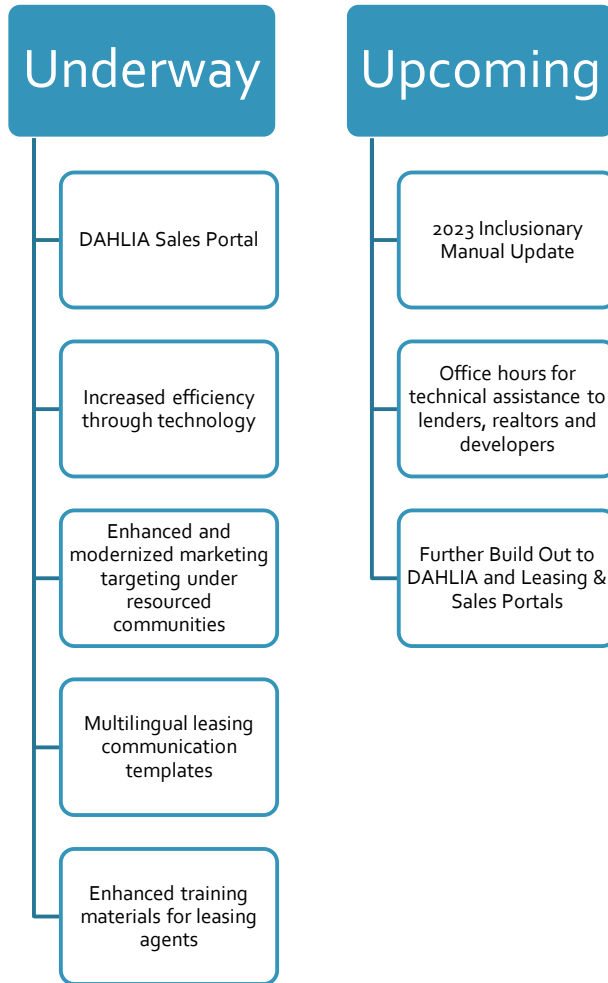
**Buyer  
Hesitancy**



**Lender  
Capacity**



# Program Enhancements





**Maria Benjamin**

*Deputy Director, Homeownership & BMR Programs*

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**Sheila Nickolopoulos**

*Director of Policy and Legislative Affairs*

[sheila.nickolopoulos@sfgov.org](mailto:sheila.nickolopoulos@sfgov.org)

**The Mayor's Office of Housing  
and Community Development**

**THANK YOU**

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BOARD of SUPERVISORS



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San Francisco, CA 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and  
Community Development

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: December 15, 2021

SUBJECT: HEARING MATTER INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following hearing request, introduced by Supervisor Safai on December 7, 2021:

**File No. 211276**

**Hearing on the review and status of the Mayor's Office of Housing and Community Development's (MOHCD) Below Market Rate (BMR) Program, including inquiring about the number of participants in the Program, what Area Median Income's (AMI) are currently being serviced, the Program's funding availability, participant demographics, number of units in development, and number of units currently available; and requesting MOHCD to report.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

cc: Lydia Ely, Mayor's Office of Housing and Community Development  
Brian Cheu, Mayor's Office of Housing and Community Development  
Maria Benjamin, Mayor's Office of Housing and Community Development

# Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Ahsha Safai

Subject:

Reviewing the Mayor's Office of Housing and Community Development BMR Program

The text is listed:

Supervisor Ahsha Safai is requesting a hearing to understand the status of the Mayor's Office of Housing and Community Development's BMR program. The purpose of this hearing is to understand the number of participants in the program, what AMI's are currently being serviced, funding availability for the program, demographics of participants, number of units in development and number of units currently available. The following departments are requested:

Mayors Office of Housing and Community Development

Signature of Sponsoring Supervisor:

