

**REVISED LEGISLATIVE DIGEST**

(11/17/2015, Amended in Board)

[Administrative, Planning Codes - Preferences in Affordable Housing Programs]

**Ordinance amending the Administrative Code to clarify existing preferences in allocating City affordable housing units first to Certificate of Preference holders and second to tenants evicted under the Ellis Act, expand the second category of preference for eligible tenants displaced under the Ellis Act to include certain tenants displaced through an Owner Move-In or OMI eviction, and create a third preference for residents in the neighborhood where the affordable housing is located; to make conforming amendments to provisions of the Administrative and Planning Codes; to affirm the Planning Department’s determination under the California Environmental Quality Act; and to make findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

Currently, two tenant selection preferences apply to all affordable housing programs that the Mayor’s Office of Housing and Community Development (“MOHCD”) administers or funds (“City Affordable Housing Programs”). Current law provides preference to holders of Certificates of Preference (COPs) issued under a former Redevelopment Agency program to tenants displaced from certain redevelopment areas. The COP preference applies to 100% of all available affordable housing, both at initial sale or lease and upon re-sale or re-lease.

Second, current law provides preference in all City Affordable Housing Programs to certain “Displaced Tenants,” defined as tenants evicted under the State Ellis Act, California Government Code 7060 and following, who have lived in their unit continuously for at least ten years, or five years if they have a life-threatening illness or are disabled. The preference applies to 20% of all new affordable housing units during initial sale or lease up, and 100% of all existing affordable housing units upon re-sale or re-lease. A person can use the preference on an existing unit for up to three years after displacement, and on a new unit for up to six years after displacement.

A holder of any preference applying for a unit must still meet all eligibility requirements applicable for that unit under the applicable affordable housing program.

Amendments to Current Law

The proposed ordinance makes no changes to the COP preference.

The proposed ordinance expands the definition of “Displaced Tenant.” In addition to tenants displaced by an Ellis Act eviction, the definition of Displaced Tenant will include a tenant displaced by an owner move in (OMI) eviction. In order to qualify, a tenant must demonstrate that on or after January 1, 2010, he or she received a notice that his or her landlord plans to recover possession of the unit under the OMI provisions of the Rent Ordinance (Section 37.9(a)(8)) and who, as of the date of receipt of the notice of withdrawal from the rental market, has resided in his or her unit continuously for at least ten years.

The proposed ordinance adds a third “Neighborhood Preference.” “Neighborhood” is defined as any one of San Francisco’s 11 supervisorial districts plus a buffer such that for each unit or project that is part of a City Affordable Housing Program “Neighborhood” means the Supervisorial District in which the unit or project is located, plus a ½ mile buffer around the location of the unit or project. “Neighborhood Resident” means a person who has a primary residence in a certain Neighborhood at the time they apply for an affordable housing unit. The preference applies only to 40% of the units in newly constructed affordable housing during initial sale or lease, and only after the COP and Displaced Tenant preferences.

In all cases, the preference does not apply if prohibited by an applicable State or Federal funding source. And, in all cases a holder of any preference applying for a unit must still meet all eligibility requirements applicable for that unit under the applicable affordable housing program. The proposed ordinance also makes conforming changes to other parts of the Planning and Administrative Codes and requires an annual report from MOHCD to the Board of Supervisors including specific data on the Program.

### Background

The legislation as originally introduced included a proposal to expand the definition of Displaced Tenant. On November 2, 2015 at the Land Use Committee, the Committee duplicated the file and deleted the provisions related to the expanded definition of Displaced Tenant from the Proposed Legislation. The Mayor’s Office of Housing and Community Development will conduct further outreach on expanding the definition of Displaced Tenant and further refine the proposal to be considered at a later time. On November 17, 2015, the Board again amended the legislation to expand the definition of Displaced Tenant to include tenants evicted under an owner move in eviction.

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