

BOARD of SUPERVISORS



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MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
Christina Varner, Acting Executive Director, Rent Board

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

DATE: March 16, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on March 8, 2022:

File No. 210761-2

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor's Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023, to June 30, 2023.

If you have 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 or by email at: erica.major@sfgov.org.

cc: Eugene Flannery, Mayor's Office of Housing and Community Development

1 [Administrative Code - COVID-19 Rent Resolutions and Relief Fund]

2

3 **Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions**
4 **and Relief Fund to allow for direct assistance to low-income tenants (in addition to**
5 **existing authority to provide direct assistance to their landlords), allow for grants to**
6 **nonprofit, community based organizations to administer rent relief from the Fund, and**
7 **remove certain restrictions on the provision of rent relief from the Fund, while**
8 **authorizing the Mayor’s Office of Housing and Community Development to develop**
9 **rules governing such rent relief; and to extend the use of the Fund for COVID-19 related**
10 **purposes from March 31, 2023, to June 30, 2023.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Chapter 10, Article XIII, of the Administrative Code is hereby amended by
20 revising Section 10.100-51.1, to read as follows:

21 **SEC. 10.100-51.1. COVID-19 RENT RESOLUTIONS AND RELIEF FUND.**

22 (a) **Establishment of Fund.** The COVID-19 Rent Resolution and Relief Fund (the
23 “Fund”) is hereby established as a category eight fund to provide financial ~~support~~ assistance to
24 (I) landlords of residential rental units as defined in Chapter 37 of the Administrative Code
25

1 whose low income tenants have been unable to pay rent ~~due~~ for reasons related to the COVID-
2 19 pandemic, and/or (2) low income tenants of residential rental units as defined in Chapter 37 of the
3 Administrative Code if their landlords have refused to participate in COVID-19 rent relief programs or
4 are unresponsive to requests to participate in such rent relief programs. “Low income” is defined as
5 up to 80 percent of the median income for the San Francisco area, as published annually by the United
6 States Department of Housing and Urban Development.

7 (b) **Use of Fund.** The Mayor’s Office of Housing and Community Development
8 (“MOHCD”) shall administer the Fund to provide ~~grants~~ financial assistance to ~~the~~ landlords
9 and/or low income tenants, as specified in subsections (a) and (c)(2), to prevent evictions related to
10 ~~who have agreed to waive back rent that became due during~~ the COVID-19 state of emergency.
11 MOHCD’s criteria for receiving financial assistance from the Fund shall be based on the tenant
12 demonstrating the following: (1) the tenant’s household income does not to exceed low income; (2) the
13 tenant has experienced financial hardship during or due to the COVID-19 pandemic; and (3) the tenant
14 is at risk of homelessness or housing instability. ~~The grants shall cover up to 50% of the rent that the~~
15 ~~landlord has waived, up to \$3,000 per unit per month. In the case of small landlords facing hardship,~~
16 ~~the grant may exceed \$3,000 per month and may cover up to 65% of the rent that the landlord has~~
17 ~~waived. For purposes of this Section 10.100-51.1, the term “small landlords” means landlords with 10~~
18 ~~or fewer rental units in the City; and the term “facing hardship” means that the unpaid rent is likely to~~
19 ~~cause the landlord to become unable to pay mortgage payments, perform other preexisting obligations,~~
20 ~~or complete necessary repairs at the property.~~

21 (c) **Administration of Fund.**

22 (1) **Responsible Agency.** MOHCD shall administer the Fund, shall develop
23 rules for receiving financial assistance from the Fund in accordance with subsection (b), including but
24 not limited to, additional criteria for eligibility, prioritization, and financial assistance forms for
25 landlords to use when applying for grants, and may consult with other City agencies such as the

1 Residential Rent Stabilization and Arbitration Board (“Rent Board”). In consultation with the
2 Controller’s Office and any other City agency as MOHCD deems appropriate, the MOHCD
3 Director or the Director’s designee shall adopt rules for the distribution of monies in the Fund
4 consistent with this Section 10.100-51.1. MOHCD shall make these rules available on its
5 website and at its office.

6 (2) *Methods of Assistance.* MOHCD may use the Fund to provide financial assistance
7 directly to landlords and/or tenants. In addition, or in the alternative, MOHCD may administer the
8 Fund through the award of grants to one or more nonprofit, community based organizations, subject to
9 this Section 10.100-51.1 and any rules adopted by MOHCD. If MOHCD administers the Program
10 through the award of grants to one or more nonprofit, community based organizations, MOHCD shall
11 comply with Administrative Code Chapter 21 and Chapter 21G, as applicable.

12 ~~—(2) *Criteria for Disbursement.* MOHCD’s rules regarding the distribution of monies~~
13 ~~from the Fund shall incorporate and develop the following criteria:~~

14 ~~—(A) *Eligibility.* To be eligible to receive a grant from the Fund, the landlord must submit~~
15 ~~an application signed under penalty of perjury by both the landlord and the tenant that establishes all~~
16 ~~of the following: (i) the grant request is based on unpaid rent that initially became due during the~~
17 ~~COVID-19 state of emergency or up to 60 days thereafter; (ii) the tenant was unable to pay the rent due~~
18 ~~to COVID-19 related income loss or expenses; (iii) the landlord will waive and fully release the tenant~~
19 ~~from any obligation to pay rent for the entire period covered by the grant, even though the grant will~~
20 ~~cover only a percentage of the amount owed for that period; and (iv) the tenant still resides in the~~
21 ~~rental unit and has no present intent to vacate. MOHCD may also develop additional requirements and~~
22 ~~procedures to ensure that landlords who receive grant funds continue to operate their units as~~
23 ~~residential rental units for at least 5 years after the date of the grant acceptance.~~

1 —(B) ~~Priority. To the extent claims exceed available funds, MOHCD shall give priority to~~
2 ~~small landlords facing hardship. MOHCD may also develop additional criteria and procedures to~~
3 ~~allocate funds should claims exceed available funds.~~

4 —(C)(3) **Expiration.** MOHCD may award grants to nonprofit community based
5 organizations, and may provide direct financial assistance to landlords and tenants, from the Fund
6 until ~~March 31~~June 30, 2023. Any monies in the Fund that are not expended by ~~March 31~~June
7 30, 2023 may be used by MOHCD for other ~~back rent payment~~ rental assistance and eviction
8 prevention programs. The Board of Supervisors may extend this date by ordinance.

9 (34) **Outside Consultation.** MOHCD may consult with organizations representing
10 the interests of landlords and/or tenants regarding its implementation of this Section 10.100-
11 51.1.

12
13 Section 2. Effective Date. This ordinance shall become effective 30 days after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor’s veto of the ordinance.

17
18 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
19 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
20 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
21 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
22 additions, and Board amendment deletions in accordance with the “Note” that appears under
23 the official title of the ordinance.

LEGISLATIVE DIGEST

(Substituted, 3/8/2022)

[Administrative Code - COVID-19 Rent Resolutions and Relief Fund]

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor’s Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023, to June 30, 2023.

Existing Law

The COVID-19 Rent Resolutions and Relief Fund (the “Fund”) is currently established under Administrative Code 10.100-51.1 to provide rent relief to tenants who are unable to pay due to the COVID-19 pandemic. The Fund is administered by the Mayor’s Office of Housing and Community Development (“MOHCD”) and is used to provide grants to landlords who have agreed to waive back rent that became due during the COVID-19 state of emergency. Grants are limited to 50% of the rent that a landlord has waived, up to \$3,000 per unit per month, but in the case of small landlords facing hardship, the grant may exceed \$3,000 per month and may cover up to 65% of the rent that the landlord has waived. Landlords applying for a grant are required to satisfy eligibility requirements under Administrative Code 10.100.51.1, and priority is given to small landlords facing hardship. MOHCD may award grants to landlords until March 31, 2023, and thereafter may use the Fund for other back rent payment assistance or eviction prevention programs.

Amendments to Current Law

The Proposed Legislation amends the Administrative Code as follows:

- a) allows MOHCD to provide direct financial assistance to tenants, in addition to landlords, or deliver such financial assistance by providing grants to community-based, nonprofit organization to provide such financial assistance to tenants;
- b) to receive financial assistance, tenants must have demonstrated: (1) household income is no greater than 80% of area median income (low income); (2) financial hardship during or due to the COVID-19 pandemic; and (3) risk of homelessness or housing instability;

c) requires MOHCD to establish rules for additional eligibility criteria, prioritization, and the amount of financial assistance;

d) eliminates restrictions on the amount of financial assistance and other eligibility criteria for receiving financial assistance; and

c) extends the use of the Fund for COVID-19 related rent relief from March 31, 2023, to June 30, 2023.

Background Information

The Proposed Legislation substitutes legislation introduced on June 29, 2021, at a regular meeting of the Board of Supervisors.

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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. [210761]
- 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):

Supervisor Dean Preston

Subject:

Administrative Code - COVID-19 Rent Resolution and Relief Fund

The text is listed:

Ordinance amending the Administrative Code to revise the COVID-19 Rent Resolutions and Relief Fund to allow for direct assistance to low-income tenants (in addition to existing authority to provide direct assistance to their landlords), allow for grants to nonprofit, community based organizations to administer rent relief from the Fund, and remove certain restrictions on the provision of rent relief from the Fund, while authorizing the Mayor's Office of Housing and Community Development to develop rules governing such rent relief; and to extend the use of the Fund for COVID-19 related purposes from March 31, 2023 to June 30, 2023.

Signature of Sponsoring Supervisor: []