File No. __100705__   Committee Item No. ____3____
                                   Board Item No._____

COMMITTEE/BOARD OF SUPERVISORS
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Sub - Committee: __Budget and Finance__   Date: __June 16, 2010__

__Board of Supervisors Meeting__   Date:_____

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Completed by: __Andrea S. Ausberry__   Date __Friday, June 11, 2010__
Completed by: _____   Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1   [Mayor's Office of Housing Administrative Fees]

2

3   **Ordinance amending the San Francisco Administrative Code by adding Section 8.43**

4   **and amending Section 10.100-117 to establish fees for applications to and**

5   **subordination requests from the Mayor's Office of Housing, and to provide for the use**

6   **of the proceeds of those fees.**

7   NOTE: Additions are _single-underline italics Times New Roman_;
                                        deletions are _strike-through italics Times New Roman_.
8   Board amendment additions are double-underlined;
                                        Board amendment deletions are strikethrough normal.
9

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

11   Section 1. The San Francisco Administrative Code is hereby amended by adding

12   Section 8.43 and amending Section 10.100-117, to read as follows:

13   *SEC. 8.43. MAYOR'S OFFICE OF HOUSING ADMINISTRATIVE FEES.*

14   *(a)   Authority. The Mayor's Office of Housing or its successor("MOH") is hereby*

15   *authorized to charge fees to defray the cost of issuing, administering, and processing documents*

16   *related to certain housing transactions. Said fees shall be due at the time of filing an application.*

17   *Failure to pay such fees shall result in a return of the application as incomplete to the applicant. Any*

18   *persons requesting or requiring the following services shall pay the following fees:*

Mortgage Credit Certificate	_$600 per application_
Refinance Mortgage Credit Certificate	_$600 per application_
Down-payment assistance loan	_$500 per application_
First-time homebuyer loan	_$500 per application_
Escrow account administration	_$200 per borrower_
Loan subordination fee, single family borrowers	_$500 per subordination_

25

Loan servicing fee, multifamily rental projects	*$2,000 per application plus time and materials charges*

Other actions not specified above shall be based on actual costs that MOH incurs in administering and processing the action or procedure and shall be charged on a time and materials basis. MOH shall provide the applicant with a written estimate of said costs at the time of application, and the applicant shall pay such fees prior to the time that the application is deemed complete. To the extent that the estimated fees do not cover actual costs, any outstanding amount due shall be a condition of MOH's final decision on the action or procedure. To the extent that the estimated fees exceeded the actual costs, MOH shall refund the excess amount to the applicant within a reasonable period after MOH's final decision on the action or procedure.

(b) Additional Costs. In instances where administration of any application or document is or will exceed the fee amount established pursuant to Section 8.43(a), the Director of the Mayor's Office of Housing, in his or her discretion, may require an applicant to pay a sum in excess of the subject fee amounts. This additional sum shall be sufficient to recover actual costs that MOH incurs and shall be charged on a time and materials basis. The Director also may charge any time or materials costs that other agencies, boards, commissions, or departments of the City, including the City Attorney's, Office incur in connection with the processing or administration of a particular application. Whenever additional fees are or will be charged, the Director, upon request of the applicant, shall provide in writing the basis for the additional fees or an estimate of the additional fees to be charged.

(c) Payment of fees charged under this Code does not waive the fee requirements of other ordinances and rules and regulations pursuant thereto.

(d) Fee Calculation Method. Establishment of the fees for each category and use specified in section 8.43(a) shall be based on the Department's actual costs to process and administer the particular application. Said fees may include the actual costs that other agencies, boards, commission, or department of the City incur in connection with processing or administering these programs.

1   *Beginning with fiscal year 2011-2012, fees set in this Section may be adjusted each year, without*

2   *further action by the Board of Supervisors, to reflect changes in the relevant Consumer Price Index, as*

3   *determined by the Controller. No later than April 15th of each year, the Director shall submit its*

4   *current fee schedule to the Controller, who shall apply the price index adjustment to produce a new fee*

5   *schedule for the following year. No later than May 15th of each year, the Controller shall file a report*

6   *with the Board of Supervisors reporting the new fee schedule and certifying that: (a) the fees produce*

7   *sufficient revenue to support the costs of providing the services for which each fee is assessed, and (b)*

8   *the fees do not produce revenue which is significantly more than the costs of providing the services for*

9   *which each fee is assessed. The Controller shall, if necessary, adjust the fees upward or downward for*

10 *the upcoming fiscal year as appropriate to ensure that the Mayor's Office of Housing recovers the*

11 *costs of operation without producing revenue that is significantly more than such costs. The adjusted*

12 *rates shall become operative on July 1.*

13 **SEC. 10.100-117. MAYOR'S OFFICE OF HOUSING PROGRAMS FEES FUND.**

14 **(a)** **Establishment of Fund.** The Mayor's Housing Programs Fees Fund is

15 established as a category ~~two~~*six* fund to receive monies from fees earned by the Mayor's

16 Office of Housing in connection with the administration of affordable housing *programs.* Such

17 fees shall include, but are not be limited to, fees from single-family and multifamily housing

18 mortgage revenue bonds as issuer or as administrator, fees from the California Natural

19 Disaster Assistance Program, *fees from applications and subordination requests as authorized*

20 *under Section 8.43,* and fees from similar housing programs in which the city earns fees for

21 services provided by the Mayor's Office of Housing. This Section 10.~~117~~-100-*117* shall not

22 authorize the levy *of* fees except as otherwise provided by ordinance or resolution of the

23 Board of Supervisors.

24 **(b)** **Use of Fund.** The fund shall be used for the purpose of supporting the City's

25 efforts to provide affordable housing for persons and households of low and moderate income

in the City. For the purposes of this Fund, "low and moderate income" shall mean incomes which are not greater than 120 percent of median for San Francisco, as defined by the United States Department of Housing and Urban Development. Monies from the Fund may be used for the following purposes:

1. To pay the costs of the Mayor's Office of Housing for administering housing programs for which administrative funding is not otherwise available from the City's General Fund, federal or state grants, or other sources of administrative funding. Such programs shall include the City's single-family and multifamily housing mortgage revenue bond programs, the first time homebuyer programs, rental housing development programs, and the monitoring of units to ensure their continued affordability.

2. To the extent that monies are available and not needed to cover current and anticipated future administrative costs described in Subparagraph (1) and with the approval of the Board of Supervisors, to transfer said monies to the Affordable Housing Fund to make loans or grants for the development of affordable housing *or to provide homeownership assistance to first-time homebuyers* in the City.

(c) **Exceptions to Fund Category.** The Director of the Mayor's Office of Housing shall approve expenditures from the fund.

(d) **Administration of Fund.** The Mayor's Office of Housing shall administer the Fund, and in such capacity shall review the needs of the administration of affordable housing programs and the availability of monies from the fund for other eligible purposes. ~~Funds for administration of affordable housing programs shall be appropriated through the annual budget process or by supplemental appropriation for the Mayor's Office of Housing.~~ The Mayor's Office of Housing shall report annually to the Board of Supervisors on the current status of the Housing Program Fees Fund as a part of the annual budget process for the Mayor's Office of Housing, including the amounts of fees received and to be budgeted for administrative funding, and any

1   recommendations deemed necessary to improve effectiveness of the Housing Program Fees

2   Fund in achieving its purpose.

3   APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

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5   By: _____
Susan Cleveland-Knowles

6   Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code – Mayor's Office of Housing Administrative Fees]

Ordinance amending the San Francisco Administrative Code by adding Section 8.43 and amending Section 10.100-117 to establish fees for applications to and subordination requests from the Mayor's Office of Housing, and to provide for the use of the proceeds of those fees.

Existing Law

While some other City entities charge administrative fees to perform various services or process applications, the Mayor's Office of Housing does not. A Mayor's Office of Housing Programs Fees Fund does exist to receive monies from fees earned by the Mayor's Office of Housing in connection with the administration of affordable housing programs.

Amendments to Current Law

The proposed legislation would authorize the Mayor's Office of Housing ("MOH") to charge fees to defray the cost of issuing, administering, and processing documents related to certain housing transactions. The initial proposed fees range from $500 to $2,000 per application for a variety of applications and authorize the Controller's Office to adjust the fees using a price index adjustment on an annual basis. The legislation also authorizes MOH to charge fees on a time and materials basis for other actions not specified in the ordinance.

The proposed legislation amends the provisions related to the Mayor's Office of Housing Programs Fees Fund to change the Fund from a category two fund to a category six fund and to accept deposits of administrative fees collected under Section 8.43. The proposed legislation also expands the permitted uses of fees from the Fund to include homeownership assistance to first-time homebuyers.

Background Information

The Mayor's Office of Housing provides homeownership assistance to first-time homebuyers, financing for housing rehabilitation and affordable housing development, and monitoring of the City's affordable housing units. Administering certain housing transactions requires issuing and processing documentation, obtaining title and credit reports, and reviewing and executing loan agreements. The Mayor's Office of Housing proposes to defray its costs for administering and processing these documents in order to maximize the programmatic funds available to serve the community.

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Mayor Gavin Newsom

RE: Administrative Code – Mayor's Office of Housing Administrative Fees

DATE: June 1, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is the ordinance amending the San Francisco Administrative Code by adding Section 8.43 and amending Section 10.100-117 to establish fees for applications to and subordination requests from the Mayor's Office of Housing, and to provide for the use of the proceeds of those fees.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

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