

File No. 150471

Committee Item No. 6
Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date May 20, 2015

Board of Supervisors Meeting

Date June 2, 2015

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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Completed by: Linda Wong Date May 15, 2015

Completed by: Linda Wong Date May 26, 2015

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[Urging the Mayor to Form an Interagency Working Group to Create an Eviction Early Warning System]

Resolution urging Mayor Lee to form an interagency working group with participation from the Mayor's Office of Housing and Community Development, the Rent Board, and in coordination with the Board of Supervisors, to create an Eviction Early Warning System.

WHEREAS, The City and County of San Francisco (the "City") has historically been among the cities with the highest average rent in our country; and

WHEREAS, The City has seen significant job creation and employment growth in the past three years, seeing unemployment rates decline from 9.7% in August 2010 to 3.8% with more than 70,000 new jobs created; and

WHEREAS, The population of the City has continued to increase during the past three years of economic growth and is expected to continue growing based on national trends of increased population growth in urban areas, resulting in an increased demand for housing; and

WHEREAS, Housing production, while improving, has not kept up with the growing demand for housing, with an increase of only 2% from 1970 to 1980, 4% from 1980 to 1990, 5% from 1990 to 2000 and 9% from 2000 to 2010; and

WHEREAS, The increase in demand for housing, coupled with the lack of available supply is driving up the cost of housing and is further compounded by the loss of rent controlled housing; and

WHEREAS, The loss of rent controlled housing happens through the use of No Fault Evictions including the Ellis Act and Owner Move Ins, which can be used to remove tenants

1 and allow buildings to be sold as Tenancies in Common, effectively removing units from the
2 City's rent controlled housing stock; and

3 WHEREAS, Speculators often acquire rent controlled buildings and pursue buyouts to
4 create condominiums which effectively removes rent controlled units from the City's housing
5 stock; and

6 WHEREAS, There are trends emerging in which the Ellis Act is used by entities who
7 buy rental buildings and repeatedly leave the rental business; and

8 WHEREAS, There are property owners who exhibit patterns of exploiting minor lease
9 violations to evict tenants and then re-rent units at the prevailing market rents, resulting in
10 displacement and decreased affordability; and

11 WHEREAS, Tenants are often unaware of their options and coerced into accepting
12 unfavorable offers or giving up their rent controlled housing, often within a few days; and

13 WHEREAS, The City now tracks buyout offers and all eviction notice filings through the
14 Rent Board and funds eviction defense legal services to fight evictions as well the Small Sites
15 Program to acquire and retain rent controlled housing; and

16 WHEREAS, There is no system in place to alert tenant support systems in a timely
17 enough fashion to ensure support is offered when eviction notices and buyout offers are filed;
18 and

19 WHEREAS, The City should protect residents who live in the housing stock we have
20 while continuing to build the housing our growing workforce needs; now, therefore, be it

21 RESOLVED, That the City needs an Eviction Early Warning System to alert the
22 Mayor's Office of Housing and Community Development and the District Supervisor to put the
23 City's eviction defense teams into action and provide immediate tenant counseling, legal
24 services and property acquisition options; and, be it
25

1 FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to form an
2 interagency working group comprised of representatives from at least the Mayor's Office of
3 Housing and Community Development and the Rent Board to create an Eviction Early
4 Warning System to provide such alerts by June; and, be it

5 FURTHER RESOLVED, That the Mayor should invite members of the Board of
6 Supervisors to participate in discussions with the working group; and, be it

7 FURTHER RESOLVED, That following a six-month implementation period, the working
8 groups should report the progress of the group to the Board of Supervisors and provide
9 guidance on how to standardize and enhance reporting of eviction filings and buyout offers to
10 maximize the effectiveness of the Eviction Early Warning System.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Nicole Wheaton, Liaison to the Board of Supervisors, Mayor's Office

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee, Board of Supervisors

DATE: May 16, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors' Budget and Finance Sub-Committee has received the following proposed legislation, introduced by Supervisor Christensen:

File No. 150471

Resolution urging Mayor Lee to form an interagency working group with participation from the Mayor's Office of Housing and Community Development, the Rent Board, and in coordination with the Board of Supervisors, to create an Eviction Early Warning System.

If you have any additional 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.

c: Olson Lee, Director, Mayor's Office of Housing and Community Development
Delene Wolf, Executive Director, Rent Board

Print Form

COPY
Time stamp
or meeting date

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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 [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) 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 a Imperative Form.

Sponsor(s):

Supervisor Christensen

Subject:

Urging the Mayor to Form an Interagency Working Group to Create an Eviction Early Warning System

The text is listed below or attached:

Resolution urging Mayor Lee to form an interagency working group with participation from the Mayor's Office of Housing and Community Development, the Rent Board, and in coordination with the Board of Supervisors, to create an Eviction Early Warning System.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

150171

5/20/2015

Neighborhood Stabilization Resources and Programs

Presentation By:
Mayor's Office of Housing and Community
Development

May 20, 2015
Budget and Finance Subcommittee
CITY AND COUNTY OF
SAN FRANCISCO
MAYOR EDWIN M. LEE

Overview of Programs

1. Housing preferences;
2. Eviction prevention grants;
3. Small Sites Program;
4. Preservation of Expiring Affordability: Bond-Financed Projects.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Ellis Act Housing Preference

- **Priority consideration for income-eligible applicants:**
 - City-funded affordable housing,
 - Downpayment assistance,
 - Inclusionary housing (on-site and off-site).

- **EAHP Certificate applicants must meet certain criteria:**
 - Landlord initiated eviction on or after January 1, 2012.
 - Certificate applicants must have continuously occupied the unit:
 - At least 10 years; or,
 - At least 5 years, if applicant is disabled or ill.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Community Development Grants

- **Eviction Prevention:**
 - Rental assistance;
 - Move-in costs;
 - Legal representation and "know your rights" trainings.

- **Access to housing support:**
 - Grants to CBOs that shepherd housing-insecure families through the housing process.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Eviction Prevention Investments FY 14-15

- **Total investment through grants to CBOs: \$3,300,000.**
 - 6,000 households served.
 - Includes direct financial assistance (rental assistance): \$680,000.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Eviction Prevention Assistance

- Households provided with legal assistance: 3,800
- Households provided with legal representation: 1,000
- Households provided with tenant counseling and case management: 3,800
- Households receiving rental assistance: 500
 - Homeless Prevention: 300
 - Formerly Homeless: 200

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Small Sites Program: Goals

- Protect and stabilize housing for current tenants;
- Remove SSP properties from the speculative market;
- Increase the supply of permanently affordable rental housing;
- Create financially stable, self-sustaining housing that serves multiple generations of low to moderate income households.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (2)

Small Sites Program: Parameters

- At acquisition, at least 75% of the building's tenants have an average area median income (AMI) at or below 80%;
- Ongoing rents are restricted to be affordable at an average of 80% AMI, with a maximum allowable rent of 120% AMI;
- Projects are expected to generate enough operating income to maintain the property and pay for a 1st mortgage from a bank/lender and its SSP Loan.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (2)

Small Sites Program: Priority Sites

- Buildings at immediate risk for Ellis Act eviction;
- Buildings located in a neighborhood with a high level of Ellis Act evictions;
- Existing tenants include vulnerable populations: families with children, elderly, disabled, and catastrophically-ill persons;
- Buildings housing tenants with low incomes.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (MCHD)

Small Sites Program: Funding

- Program funded from 10% of inclusionary housing fees collected, 25% of condo conversion fees collected and Housing Trust Fund;
- Launched in July 2014 with \$3 million initial funding for buildings with 5-25 residential units with a maximum of \$250,000 per unit in City subsidy;
- Received one SSP application in 2014.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (MCHD)

Small Sites Program: Status

- Expanded program to 2015 to include buildings with 2-25 residential units, buildings with ground floor commercial, and shared “group” housing;
- Increased City subsidy limit to \$300,000 per unit;
- Funding expected to increase to \$12.6 million in FY 15-16;
- There are currently 2 applications pending and 7 additional applications anticipated within the next 6 months.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

Preservation of Expiring Affordability Bond Financed Projects (Proposed)

- Some buildings developed in the 1980s used tax-exempt bond proceeds:
 - Low interest loans in exchange for making a portion of the developed units affordable;
 - As bonds are paid off, affordability restrictions expire.
- City is pursuing preservation of affordability by offering new financing to owners, with a goal to keep current tenants in place and extend the affordability of the units.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT