London N. Breed
Mayor

Eric D. Shaw
Director

February 28, 2022

Angela Calvillo

Clerk of the Board

Board of Supervisors

Attached please find the report, required per File 211094, on the analysis of the disparate impact and any discriminatory effect under fair housing laws of granting a priority for Veterans eligible for a preference under Administrative Code Section 47.3 to occupy affordable housing over other applicants with the same preference ("Veterans Priority").

Any questions regarding the attached report may be directed to MOHCD staff: Maria Benjamin, Deputy Director of Homeownership and Below Market Rate Programs at Maria.Benjamin@sfgov.org or Sheila Nickolopoulos, Director of Policy and Legislative Affairs at Sheila.Nickolopoulos@sfgov.org

Thank you,

Maria Benjamin

Deputy Director

Homeownership and Below Market Rate Programs

Priority for Veterans with an Affordable Housing Preference under Administrative Code, Chapter 47 – Disparate Impact Analysis (File 211094)

February 28, 2022

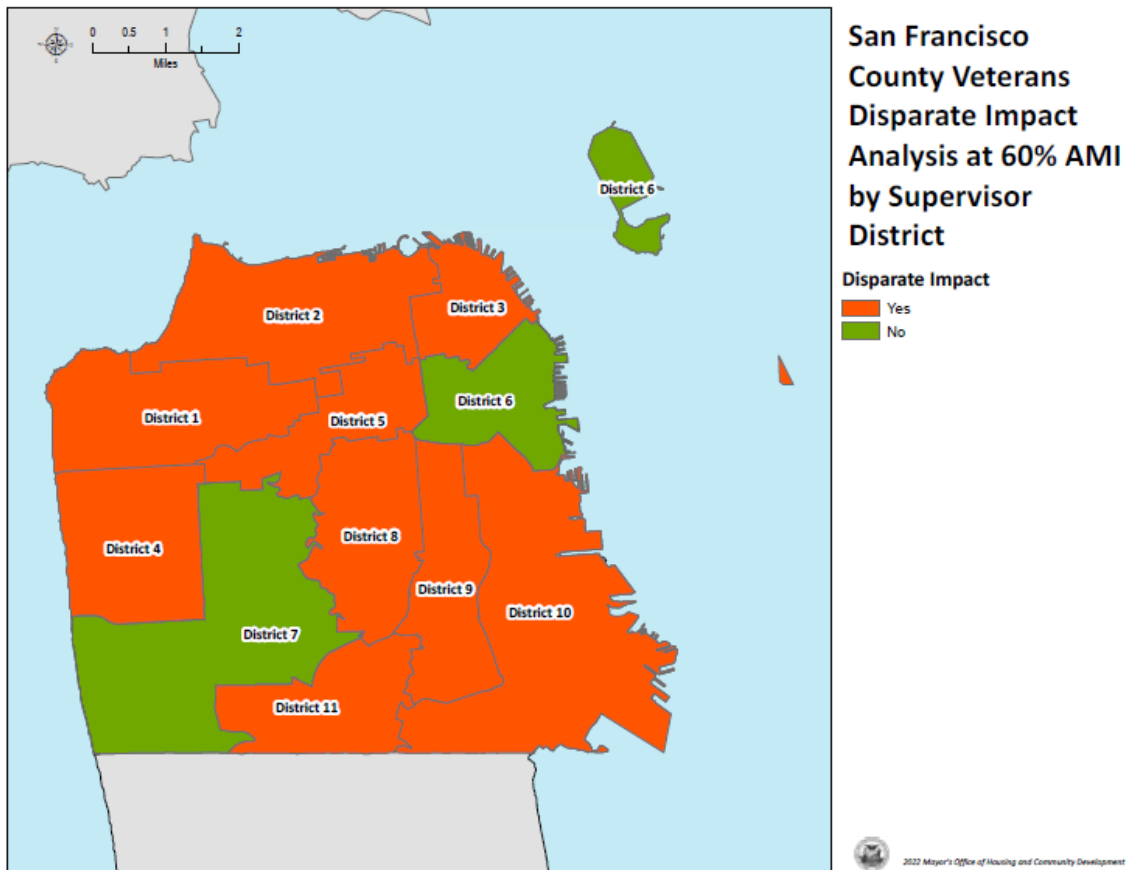*Analysis Prepared by Mayor's Office of Housing and Community Development*

Per File 211094, by no later than February 28, 2022, MOHCD shall complete an analysis of the disparate impact and any discriminatory effect under fair housing laws of granting a priority for Veterans eligible for a preference under Administrative Code Section 47.3 to occupy affordable housing over other applicants with the same preference ("Veterans Priority"), and shall deliver such disparate impact analysis to the Board of Supervisors for review and study of an amendment to Administrative Code Chapter 47 to add the Veterans Priority.

A disparate impact analysis determines the likelihood of a policy or program having a disproportionately adverse effect on members of a protected class. MOHCD's disparate impact analysis looked at whether any racial or ethnic group of veterans would disproportionately impact another racial or ethnic group of applicants under the proposed change to San Francisco's housing lottery regime. Veterans are defined as those who have served on active duty in the U.S. Army, Navy, Air Force, Marine Corps, or the Coast Guard, or who served in the U.S. Merchant Marine during World War II. Veterans does not include those who are still actively serving in the military.

The analysis did not include Veteran sub-populations, such as disabled Veterans or current National Guard and Reservists because data is not available at the level needed for the analysis, or is not available at all.

MOHCD conducted this analysis based on the proposal that a Veteran preference would be prioritized in each the three existing lottery preference programs (Certificate of Preference; Displaced Tenant Housing Preference Program; Neighborhood Resident Housing Preference).

Based on San Francisco County veterans' population data from the 2019 US Census and the 2019 American Community Survey, MOHCD's analysis shows that the proposal would produce a disparate impact in all but two Supervisorial Districts. Only in Districts 6 and 7 would there be no disparate impact of the proposed change to the lottery preferences.

San Francisco County Veterans Disparate Impact Analysis at 60% AMI by Supervisor District

Disparate Impact
- Yes (orange)
- No (green)

2022 Mayor's Office of Housing and Community Development

Veteran Demographic Snapshot

Race/Ethnicity: In San Francisco, 58% (13,633) of Veterans are white, compared to the total SF population, which is 46% white. And 16% (3,800) of Veterans are Black, whereas 5% of the SF population is black.

SF County Veterans: Race/Ethnicity Distribution

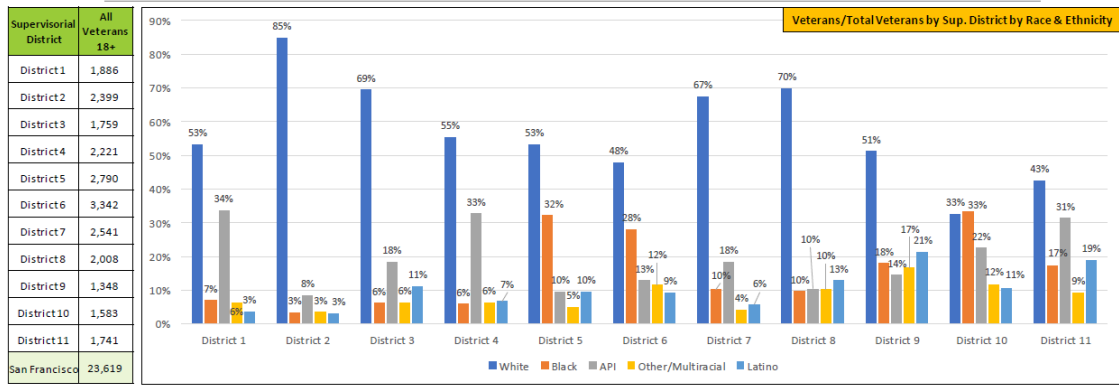|	Race & Ethnicity	Veterans	% of Total Veterans	Total SF Population	% Total SF Population
Races	White	13,633	58%	406,056	46%
	Black	3,800	16%	45,556	5%
	Asian/Pacific Islander[1]	4,338	18%	304,206	35%
	Other/Multiracial[2]	1,848	8%	119,143	14%
	Total	23,619	100%	874,961	100%
Ethnicity	Hispanic/Latino	2,241	9%	133,314	15%

Notes: [1]There are 4,253 Asian veterans and 85 Pacific Islander veterans.
[2]Other/Multiracial category combines American Indian/Alaskan Native, 2+ races, and some other race. There are 89 AIAN veterans, 948 some other race veterans, and 811 2+ races veterans.
Source: 2019 American Community Survey 5-Year Averaged

Geographic Distribution of Veterans by Race/Ethnicity: The Veteran population by race, by Supervisorial District is notably uneven. Veterans by race are concentrated in different Districts. In D10, 33% of the Veterans in that District are Black; in D2, 3% of Veterans are Black.
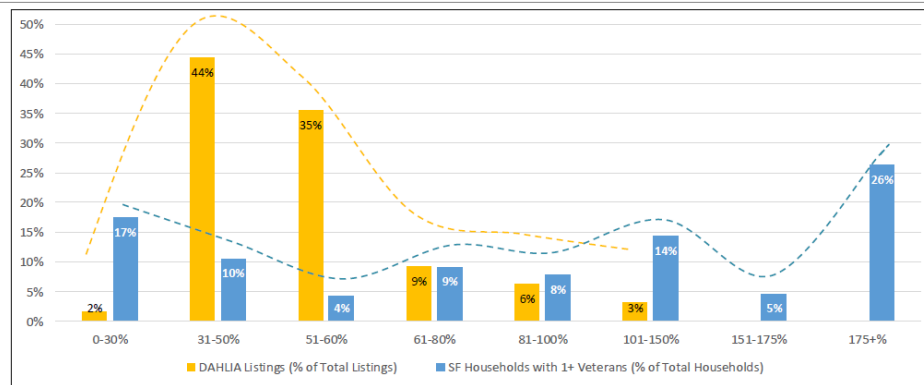

Percent of Veterans: SF County Veterans by Race/Ethnicity and Supervisor District

Source: 2019 American Community Survey 5-Year Averaged

Veterans Income Eligibility for Affordable Units: The comparison of the percentage of available affordable units by AMI that were offered last fiscal year and the AMI of households that include at least one Veteran illustrates a mismatch between available affordable units (79% are units were for those at 31-60% AMI) and Veterans' income (only 14% of Veterans are in that AMI bracket). By AMI brackets, households with Veterans are either extremely low-income or higher income.

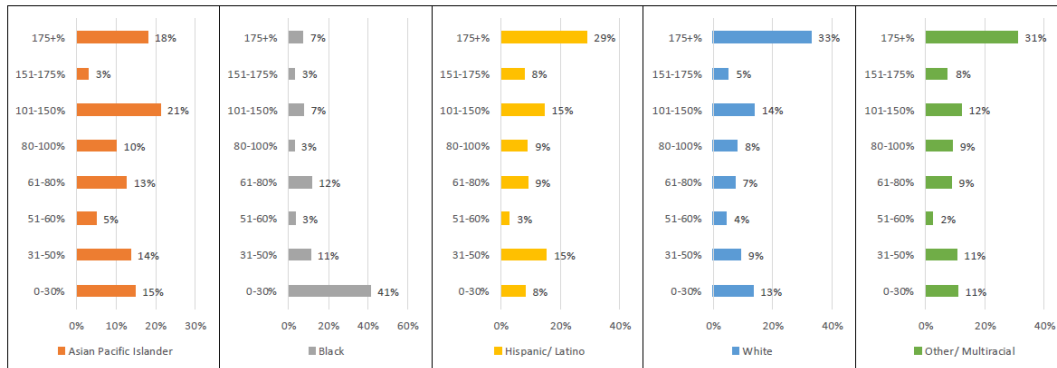
DAHLIA Listings vs. SF Households with 1+ Veterans, by AMI

Source: 2019 IPUMS 5-Year Averaged; FY 20-21 MOHCD's DAHLIA affordable housing list

Veteran Household Incomes by Race: Among five racial/ethnic Veteran populations (Asian Pacific Islander, Black, Hispanic/Latino, White, and Other/Multiracial), a disproportionate number of Black Veterans are at 30% AMI and lower. Given the small population of Black San Franciscans, this is approximately 1,500 people. Only 2% of available affordable units were reserved for this AMI.

Among the other racial and ethnic Veteran populations, 42% of Asian Pacific Islander households with a Veteran are above 100% AMI, 52% of Hispanic/Latino households with a Veteran are above 100% AMI, 52% of White households with a Veteran are above 100% AMI, 51% Other/Multiracial households with a Veteran are above 100% AMI.

Percent of Respective Total: Race/Ethnicity, by AMI Bands (Households with 1+ Veterans)

Source: 2019 IPUMS 5-Year Averaged

Conclusion: The disparate impact analysis does produce a finding that a lottery preference for Veterans would have a disproportionately negative impact on certain populations in all but two Supervisorial Districts. A closer look at the Veteran population also highlights that overall, households with Veterans are at higher income levels not eligible for affordable units. The notable exception is extremely low-income Black Veterans (approximately 1,500 people). Given the limited supply of affordable units at this AMI, a lottery preference may not be the most impactful tool for supporting this population. Alternative policies and programs, either new or building on existing efforts, that directly serve this population and that focus on their particular needs, could be a more fruitful avenue. Existing programs and services that can benefit Veterans include the following.

- For those with disabilities, MOHCD has a variety of programs: https://sfmohcd.org/resources-people-disabilities
- Veterans within the income thresholds also are eligible for neighborhood preference, and when applicable, certificate of preference programs in the affordable housing lottery.
- For those who may need mental health supports, the Coop Living for Mental Health Program is available. All program participants are referred by DPH to sponsors. The scale of this program is currently small and placement is not via the MOHCD preference regime.
- The U.S. Department of Housing and Urban Development and VA Supportive Housing Program (HUD-VASH) provides housing vouchers to help Veterans who are homeless find and sustain permanent housing. For example, through this program, the Mission Housing Development Corporation operates 33 units at 2524 Mission Street for formerly homeless Veterans.
- A broader range of City and nonprofit supports and services are identified here: https://sf311.org/information/veterans-resources.