

HOMEOWNERSHIP & BELOW MARKET RATE PROGRAM UPDATES



**The Mayor's Office of Housing
and Community Development**

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735 Davis Street; Photo by Bruce Damonte

Section 415 BMR Program Goals

Access affordable housing for low and moderate income people in market rate buildings.

Increasing efficiencies for tenants/owners and property developers

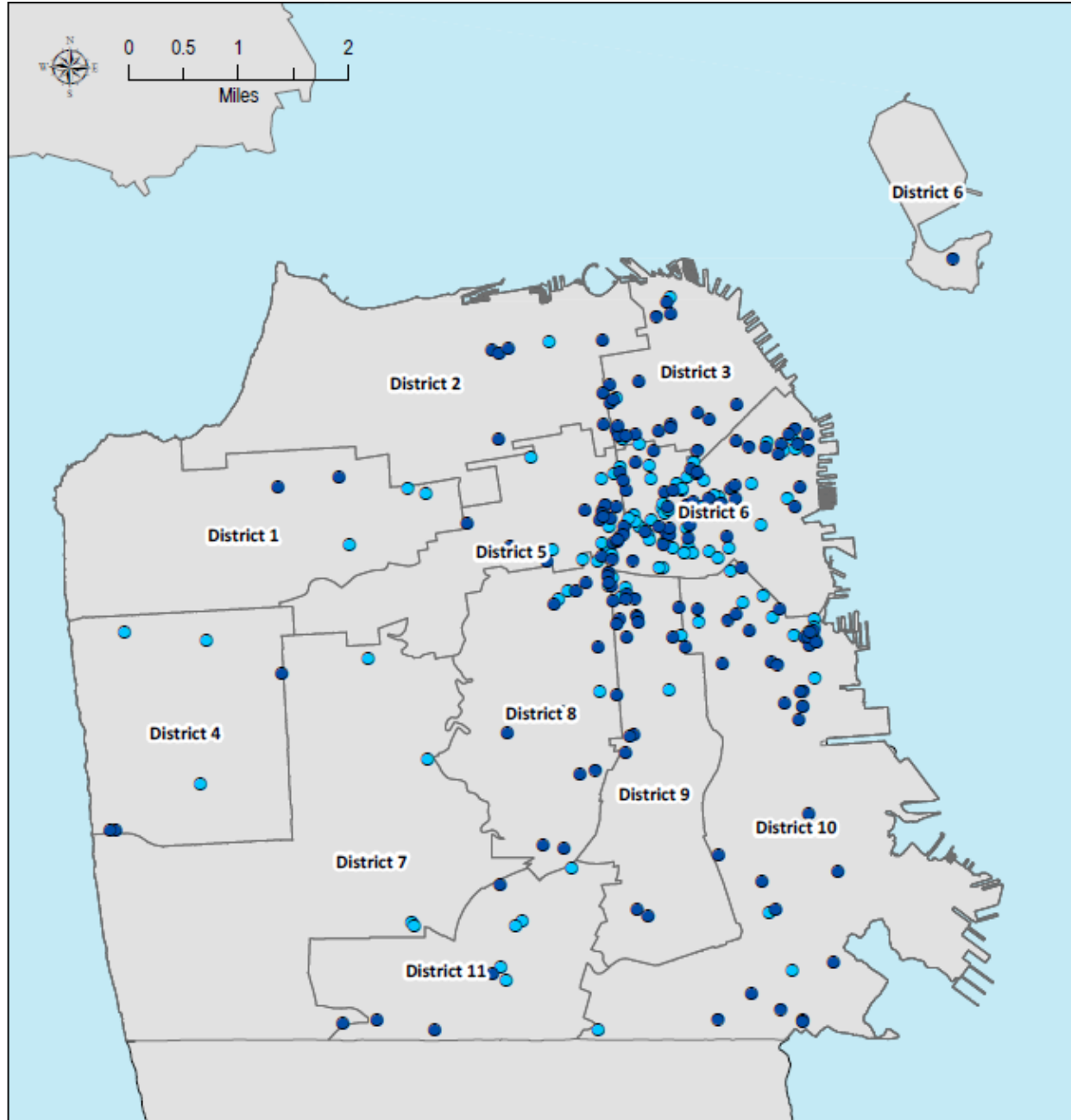
- Online portal
- Adequate time for applications
- Streamline process
- Technical Assistance for tenants/owners and property developers
- Supporting lenders for ownership



Existing Section 415 BMR Units

1,961 rental units in
101 buildings

1,370 ownerships in
99 buildings



Existing 415 Housing Developments

Housing Type

- Ownership
- Rental



Pipeline

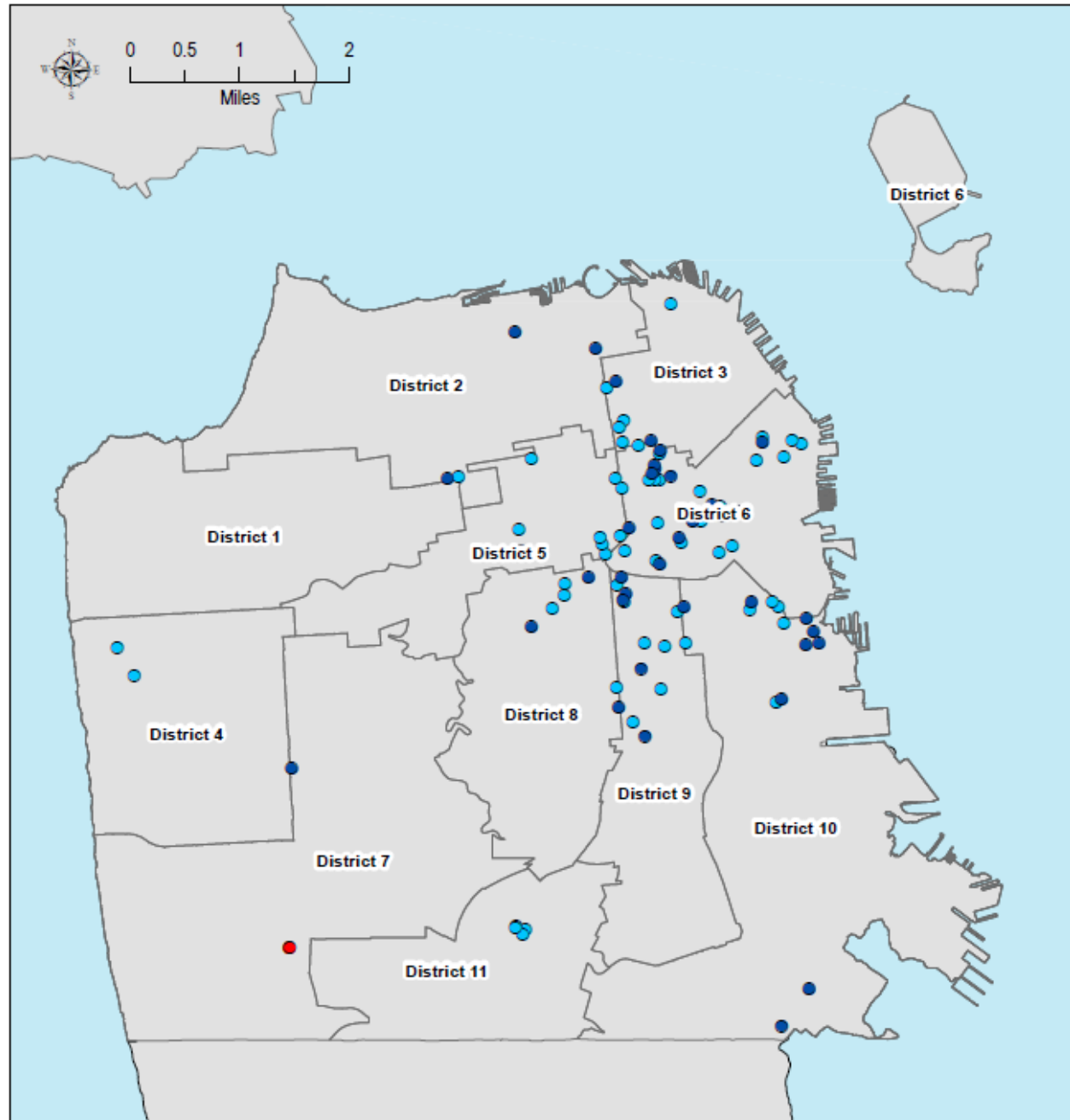
Anticipated in the next 5 years:

371 ownership units in 36 buildings

1,226 rental units in 61 buildings

75 units in 2 buildings of unknown tenure

Total: 1,672 units in 99 buildings



Pipeline of 415 Housing Developments

Housing Type

- Ownership
- Rental
- Unknown



Section 415 Below Market Rate Units

Privately Funded Inclusionary Homes in Market Rate Buildings of 10 or More Units

Tenure	2022 On-Site Affordability Percentage	Affordability AMI Levels Served
Rental	14% = 10-24 units 20% = >25 units	55% - 80% - 110%
Ownership	14% = 10-24 units 23% = >25 units	80% - 105% - 130%



Affordable Housing Lottery Background

2008 *Certificate of Preference*: For households displaced by the former SF Redevelopment Agency in the 1960s and 1970s

2014 *Lottery Preference for Displaced Tenants*: 20% lottery units reserved for evicted tenants

2015 *Board Hearings*: Requests for expanded lottery process timeline for applicants

2017 *DAHLIA launch*: Online lottery application portal

2017 *MOHCD Monitoring Program*: Oversight of developer/tenant placement

2017 *Lottery Neighborhood Preferences*: 40% lottery units reserved

2017 *Board Ordinance*: Modified AMI levels and percentage of BMR units

2018 *Inclusionary Manual Update*: Standardized eligibility criteria





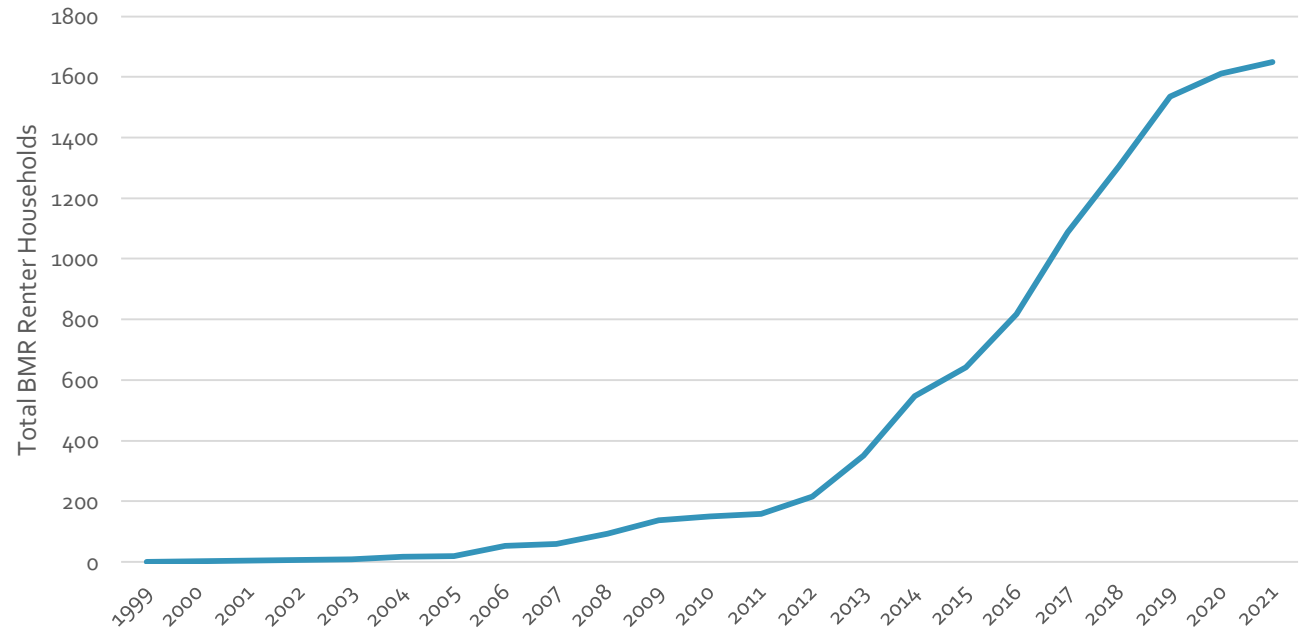
**BELOW
MARKET
RATE
RENTAL
PROGRAM**

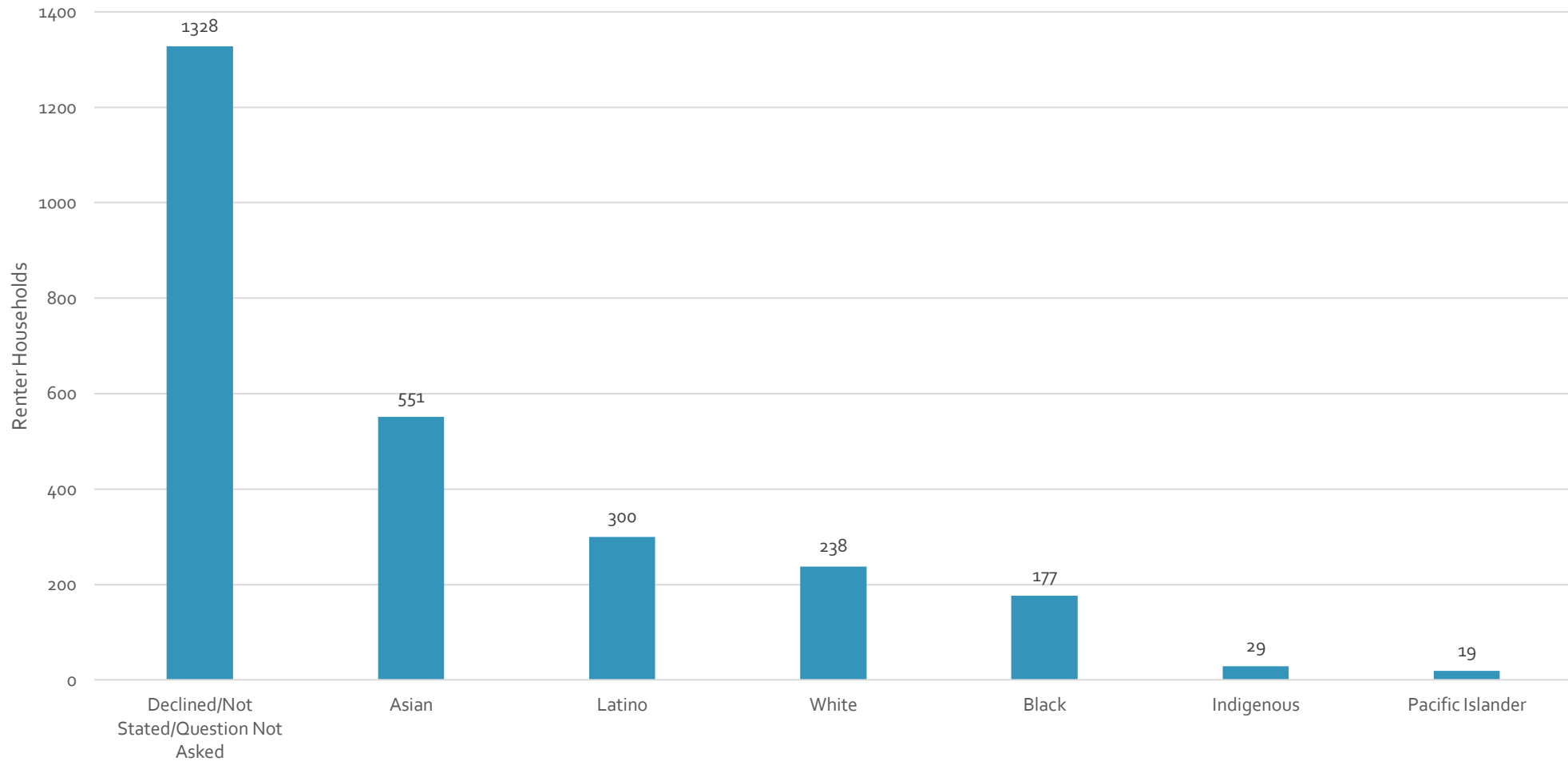
Section 415 BMR Rental Program

- 1961 units in 101 market rate buildings
- Rents set between 40% - 110% AMI
- 10% of BMR renters use a Section 8 voucher to help support their rent payments.
- Average household income at move-in is ~43% AMI
- 30% of current households have 1 or more children
- 9% of current households have at least 1 senior



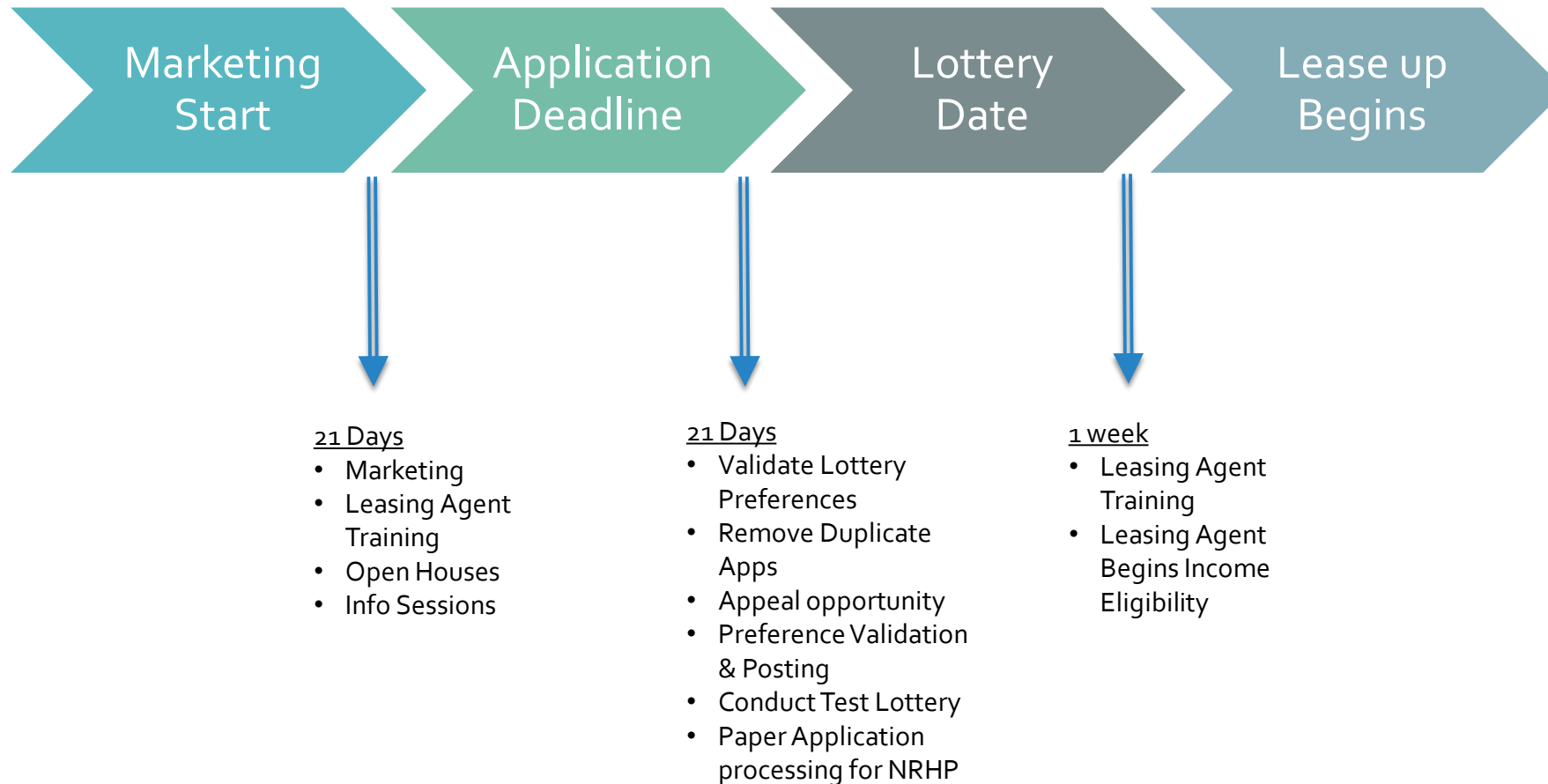
The majority of BMR renter households moved in between 2016-17



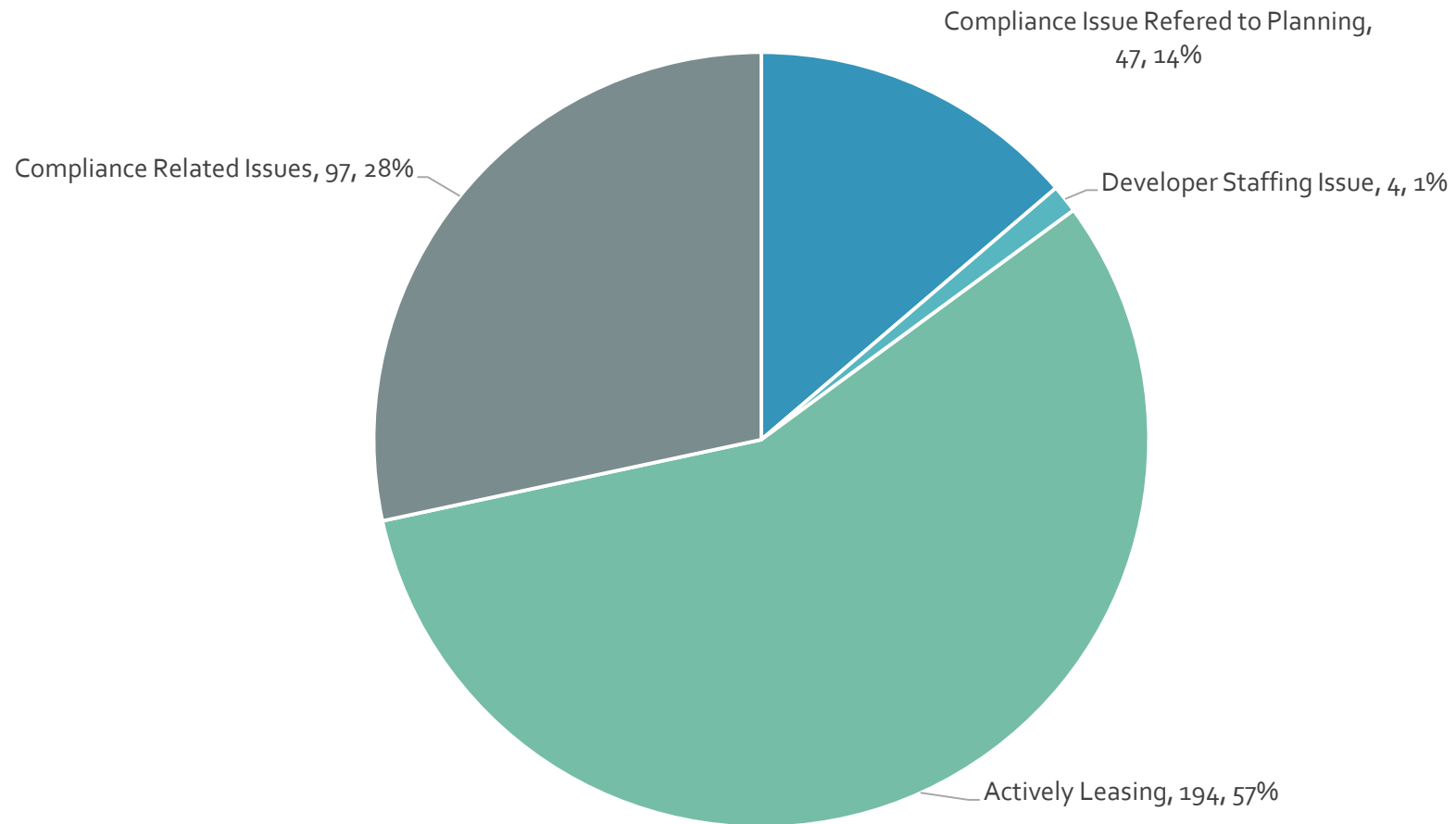


BMR RENTER DEMOGRAPHICS

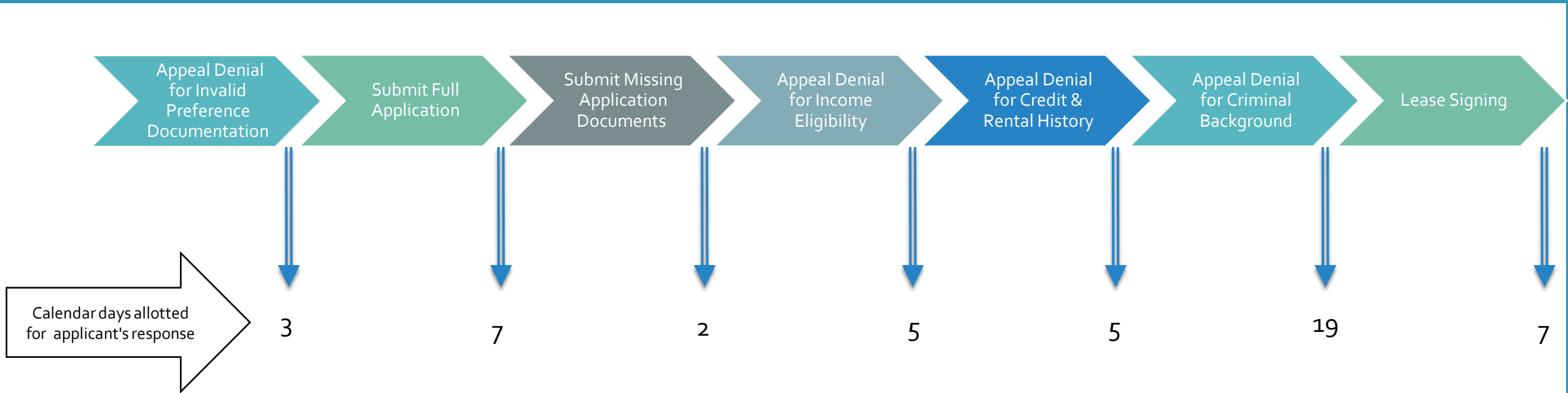
Marketing & Lottery Timeline



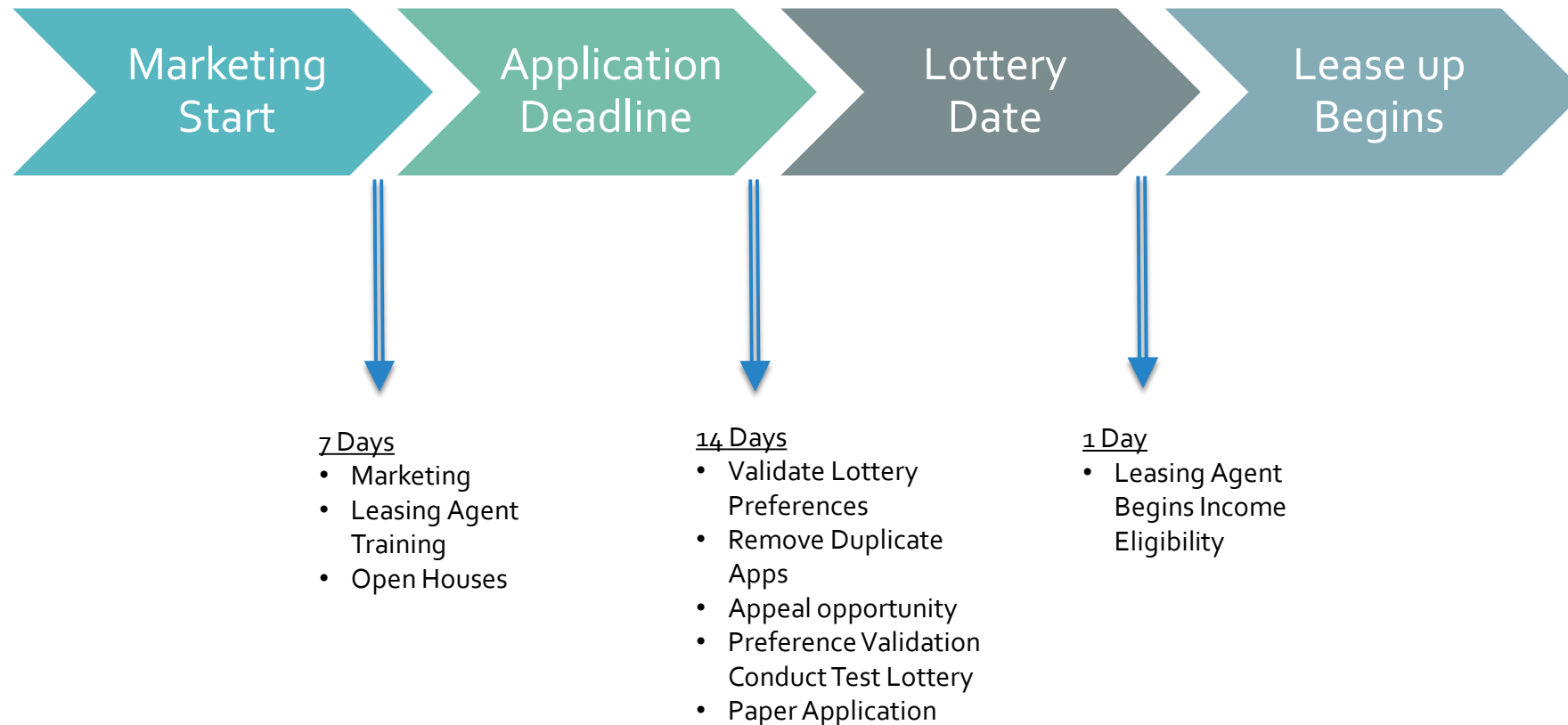
Current Vacant New Units: 342



Post-Lottery Applicant Timeline



Re-Rental Marketing & Lottery Timeline



MOHCD Rental Developer Resources



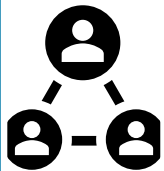
**Onboarding 1:1 with
Developer Leasing
Teams**



**Program Trainings
& Webinars**



1:1 DAHLIA Trainings



**DAHLIA Partners to
Manage Lease Up**



**Affirmative Fair
Housing Marketing
Support**



**Income Eligibility
Tools**



Bi-weekly office hours



Template Forms



Rental Applicant Resources & Technical Assistance

MOHCD provides \$2.22 million to 10 non-profit community organizations to assist applicants



Application Assistance



DAHLIA Tutorials



1:1 Housing Counseling



On-Demand Appeal Assistance



Monthly Workshops



Language Access



Challenges

- COVID Rental Market Impacts:
 - Loss of applicant income and desire to move during pandemic
 - Less margin between market and higher AMI BMR rents
- Construction Delays
- Mismatches Between Market Offerings & Household Needs:
 - Size of units; number of bedrooms
 - Limited parking



Broadway Cove; Photo by Bruce Damonte





BELOW MARKET RATE OWNERSHIP PROGRAM

Section 415 BMR Ownership Program

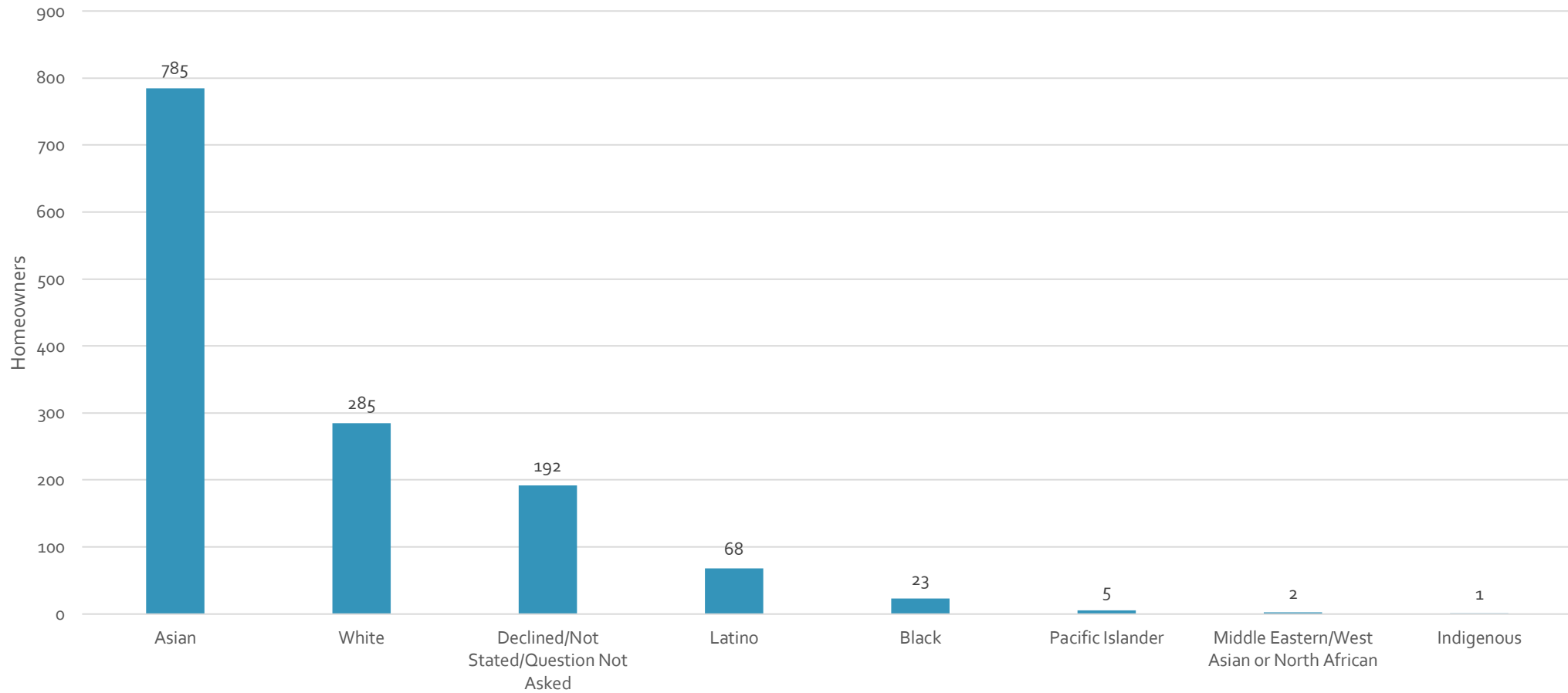
Total Units

- 1,369 in 155 Buildings

AMI Range
of Units

- 50% - 150%





BMR HOMEOWNER DEMOGRAPHICS

Sales Timeline

-45 Days- Application Period

Applicant: complete
10-hr homebuyer
education

Applicant: obtain a
first mortgage loan
pre-approval

-21 Days- Application Audit & Preference Verification Prior to Lottery

MOHCD: review
applications and
contact applicants for
missing info

MOHCD: prep lottery;
verify preferences;
remove duplicate
applications; post
preference results

Applicant: 48 hours to
submit missing info or
appeal a preference
denial

-7 Days- Full Application Deadline After Lottery

Sales Agent: invite
lottery winners by
phone/email/text to
submit a full
application

Applicant: 5 days to
submit full app

Applicant: contact
housing counselor for
application assistance
if needed

-21 Days- MOHCD Conditional Approval

MOHCD: underwrite
household program
eligibility and contact
applicant for additional
info

Applicant: 3 business
days to respond to
underwriting requests

Disqualified Applicant:
3 business days to
appeal to MOHCD

-37 Days- Sales Contract & First Mortgage Loan Approval

Sales Agent &
Applicant: 7 days to
select unit and sign
sales contract

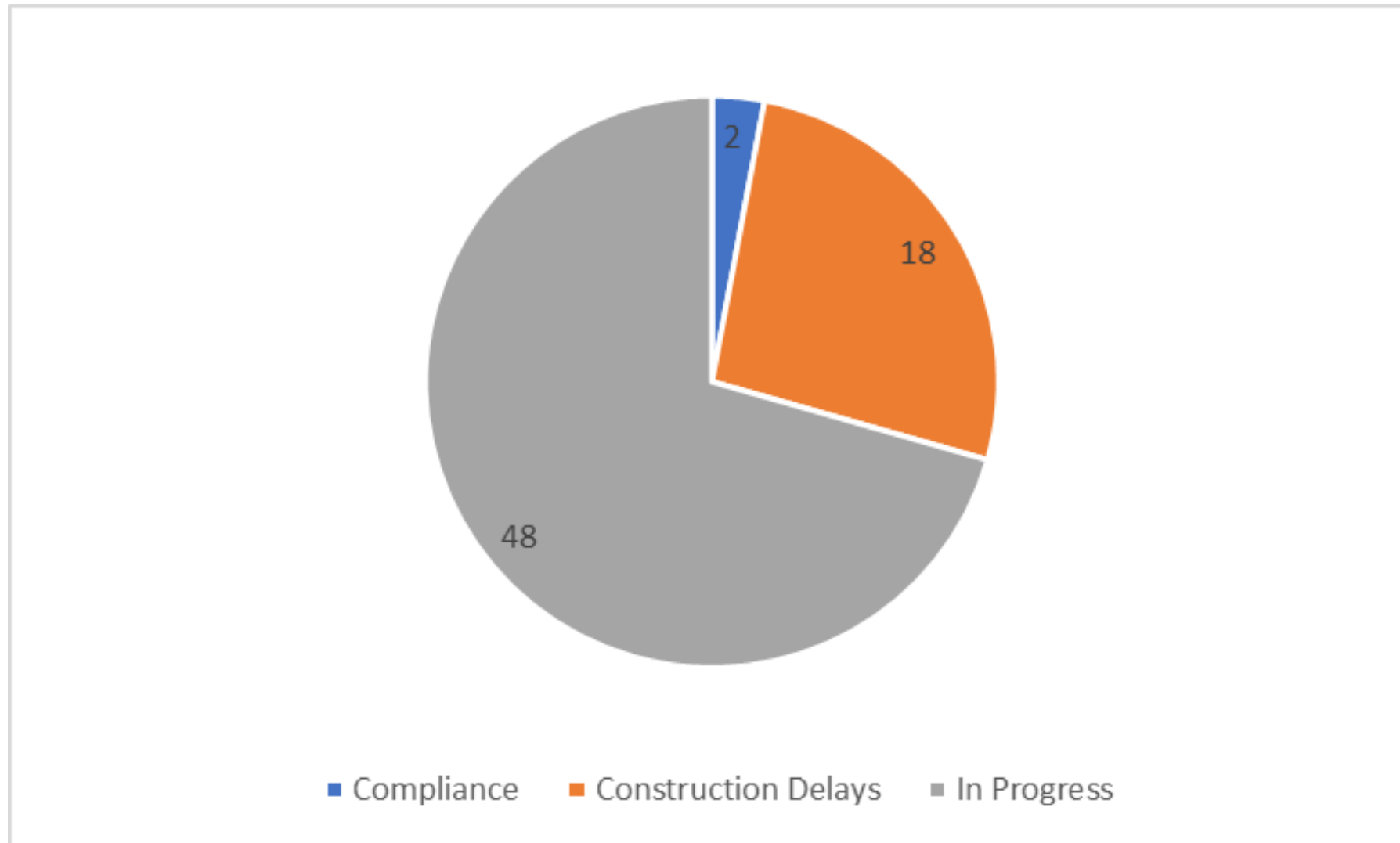
First Lender: 30 days
to submit lender
package to MOHCD
for final approval

-45 Days- Final Approval & Closing

MOHCD: 15 days to
review lender package
and request
additional/missing info
and schedule a pre-
closing session with
homebuyer; prepare
closing documents

MOHCD, Lender, Title
Company: 30 days for
final approvals,
signatures, and
funding the
transaction to close

Current Vacant Ownership Units: 68



Ownership Developer Resources & Technical Assistance



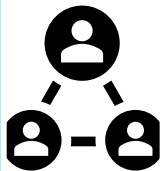
Onboarding 1:1 with Developer Sales Team



Trainings & Webinars



Lender Coordination



Sales tracking and reporting



Affirmative Fair Housing Marketing Support



MOHCD conducts program eligibility



Weekly sales team check-in meetings



Option to work with HomeownershipSF for marketing assistance



Homeowner Resources & Technical Assistance

MOHCD provides \$1.83 million to 7 HUD-approved housing counseling agencies to assist homebuyers and owners.



Application Assistance



DAHLIA Tutorials



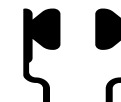
1:1 Housing Counseling



Down payment Assistance for BMR Purchase



First Time Homebuyer Education



Language Access



Post Purchase Education & Resources



Final 1:1 meeting with MOHCD Confirming Restrictions



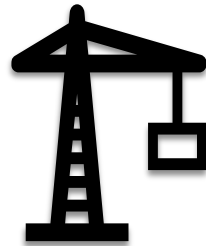
Ongoing Services to Support Sustainable Homeownership



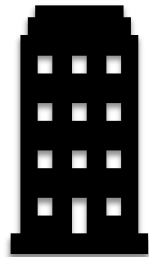
Challenges



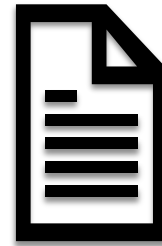
**COVID
Impacts**



**Construction
Delays**



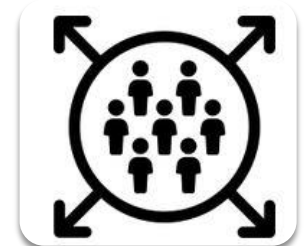
**Volatile
Condo
Market**



**Slow State
HOA
Approval**



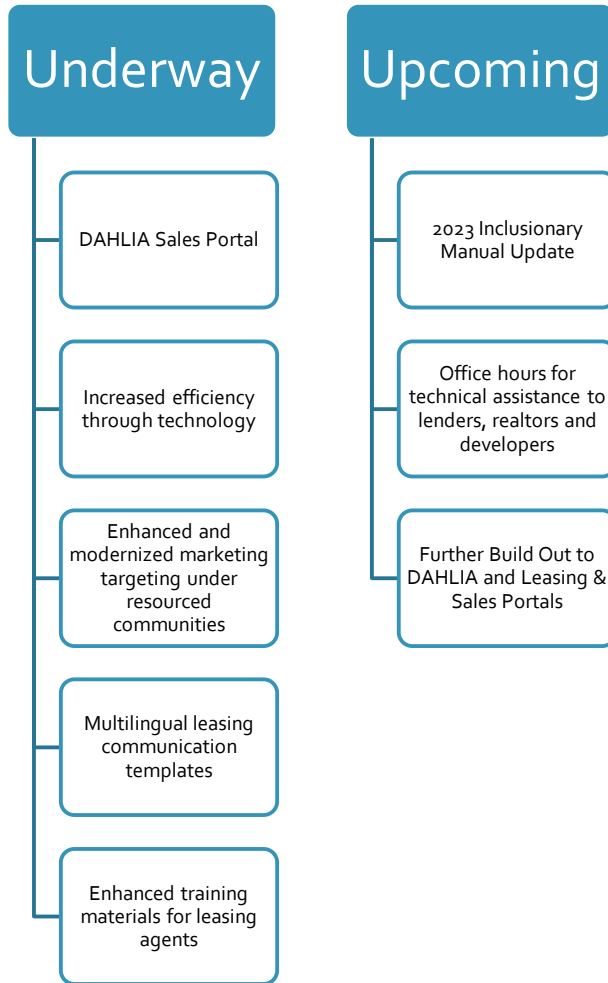
**Buyer
Hesitancy**



**Lender
Capacity**



Program Enhancements





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THANK YOU
