

BOARD of SUPERVISORS



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MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development

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

DATE: October 22, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Mar on October 19, 2021:

File No. 211094

Ordinance directing the Mayor's Office of Housing and Community Development to conduct a disparate impact analysis of granting a priority for veterans who qualify for an affordable housing preference under Administrative Code, Chapter 47.

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
Lydia Ely, Mayor's Office of Housing and Community Development
Brian Cheu, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development

1 [Priority for Veterans with an Affordable Housing Preference under Administrative Code,
2 Chapter 47 - Disparate Impact Analysis]

3 **Ordinance directing the Mayor’s Office of Housing and Community Development to**
4 **conduct a disparate impact analysis of granting a priority for veterans who qualify for**
5 **an affordable housing preference under Administrative Code, Chapter 47.**

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

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

14 Section 1. Findings.

15 (a) There are approximately 23,600 veterans residing in the City and County of San
16 Francisco (the “City”). This veteran population has been a cornerstone of this City for
17 decades. Veterans have helped build the City and can be found today among the ranks of first
18 responders and public safety workers. Veterans contribute to the economy and operate
19 approximately 6,400 businesses in the City. Veterans have made significant professional and
20 personal sacrifices to serve our community, the City, the State of California, and the United
21 States, and such sacrifices make veterans specially deserving of recognition and respect.

22 (b) Veterans face many challenges when they come home and begin their
23 reintegration back into society. Housing and employment for veterans are cornerstones of
24 societal reintegration and are necessary to keep veterans out of poverty.

25 (c) Under United States Code, Title 5, Section 2108, veterans receive a preference
for federal employment in recognition of the economic loss often suffered by veterans who

1 have served their country in uniform, to restore veterans to a favorable competitive position for
2 employment, and to acknowledge the larger obligations owed to disabled veterans. The State
3 of California and the City each implement employment preferences for veterans under
4 California Government Code Sections 18791 et seq. and the City’s Civil Service Commission
5 Rules 111.36 and 111.37, respectively. Further, under California Health & Safety Code
6 Section 34322.2(b), veterans receive a preference for public housing units governed by public
7 housing authorities. Housing programs for veterans, such as Veterans Affairs Supportive
8 Housing (“VASH”) and the Veterans Affairs Home Loan (“VA Loan”), are critical in
9 transitioning veterans back into civilian life.

10 (d) Nevertheless, many veterans have slipped into poverty and are at risk of
11 homelessness when either affordable housing or employment is not available. According to
12 the California Research Bureau, the City has the sixth highest number of homeless veterans
13 in California. Per the 2019 San Francisco Point in Time Count Survey (the “Survey”), it is
14 estimated that in the City at that time there were 600 chronically homeless veterans in the
15 City, amounting to 9% of the chronically homeless. Of the 600 chronically homeless veterans,
16 most were members of minority groups: 33% were Black, 23% multi-racial, 20% Hispanic or
17 Latinx, 6% Asian, and 2% Hawaiian or Pacific Islander. The top reasons cited in the Survey
18 for chronically homeless veterans in San Francisco include: loss of employment (22%),
19 alcohol or drug abuse (19%), eviction (12%), medical problem or mental illness (10%), and
20 incarceration (8%). According to the “State of the American Citizen: the San Francisco
21 Veterans Study” in 2017 by the USC Suzanne Dworak-Peck School of Social Work Center for
22 Innovation and Research on Veterans & Military Families, over 40% of post-9/11 veterans in
23 the City reported being homeless in the previous year and 40% of post-9/11 veterans in the
24 City reported concerns about having housing in the next two months.

25 ///

1 (e) According to data from 2018 Integrated Public Use Microdata Series, 5,285 or
2 19.99% of San Francisco veterans were at or below 30% of the San Francisco area median
3 income (“AMI”), 4,584 or 17.34% of San Francisco veterans were at 30% to 50% of AMI, and
4 11,064 or 41.86% of San Francisco veterans were at 50% to 80% of AMI.

5 (f) According to the October 2021 Apartment List Rent Report, a median two-
6 bedroom unit in San Francisco rents for \$2,815 per month at market rates. At that cost, a
7 three-person veteran household at 80% of AMI would pay 35% of income toward market rate
8 rent, but a veteran household at 50% of AMI would pay 56% of income toward market rate
9 rent. According to Zillow Data through August 31, 2021, the typical home value in San
10 Francisco is \$1,504,311. At that price, veteran households earning up to 80% of AMI cannot
11 obtain a mortgage to purchase a market rate home without significantly more financial
12 assistance than is currently available.

13 (g) Existing rental housing programs for veterans, such as public housing and
14 VASH, are only available to veterans earning up to 50% of AMI. Many veterans with income
15 above 50% of AMI who are not eligible for such rental programs are rent-burdened by paying
16 more than 30% of income for rent and are at risk of homelessness. In addition, because of
17 limitations under the VA Loan program and price restrictions under the City’s affordable
18 housing programs, veterans are unable to utilize the VA Loan for the City’s below market rate
19 homeownership programs.

20 (h) Under Administrative Code Chapter 47, the Mayor’s Office of Housing and
21 Community Development (“MOHCD”) administers preferences for certain eligible households
22 to occupy affordable housing under the City’s affordable housing programs. Many below
23 market rate units under the City’s affordable housing programs are rented to households who
24 earn between 50% to 80% of AMI. Prioritizing eligible veterans who qualify for an existing
25 housing preference in the City’s affordable housing programs could support low-income

1 veterans (50% to 80% of AMI) transitioning into stable housing and economic self-sufficiency
2 and mitigate the risk of homelessness faced by many veterans in San Francisco.

3
4 Section 2. Disparate Impact Analysis and Report.

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

11 (b) For purposes of this Section 2, “Veteran” means any person who (1) served in
12 the active military, naval, or air service of the United States, and was discharged or released
13 therefrom under conditions other than dishonorable, and (2) is recognized by the United
14 States Department of Veterans Affairs to receive or qualify for benefits or assistance.

15
16 Section 3. Effective Date. This ordinance shall become effective 30 days after
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
19 of Supervisors overrides the Mayor’s veto of the ordinance.

20
21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By: /s/ KEITH NAGAYAMA
24 KEITH NAGAYAMA
25 Deputy City Attorney

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LEGISLATIVE DIGEST

[Priority for Veterans with an Affordable Housing Preference under Administrative Code, Chapter 47 - Disparate Impact Analysis]

Ordinance directing the Mayor's Office of Housing and Community Development to conduct a disparate impact analysis of granting a priority for veterans who qualify for an affordable housing preference under Administrative Code, Chapter 47.

Existing Law

Under Administrative Code Chapter 47, the Mayor's Office of Housing and Community Development ("MOHCD") administers preferences to certain applicants to occupy affordable housing under the City's affordable housing programs. Under Administrative Code Section 47.3, an applicant receives a preference to occupy affordable housing if such applicant is eligible as a certificate of preference holder, displaced tenant, neighborhood resident, or household who lives or works in the City.

Amendments to Current Law

This is an uncodified ordinance.

Background Information

This legislation directs MOHCD to 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. MOHCD is required to submit such analysis to the Board of Supervisors by no later than February 28, 2022.

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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.
- 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):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only