

BOARD of SUPERVISORS



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MEMORANDUM

TO: Trent Rhorer, Executive Director, Human Services Agency
Abigail Stewart-Kahn, Interim Director, Department of Homelessness and Supportive Housing

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

DATE: October 20, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Haney on October 20, 2020:

File No. 201185

Ordinance amending the Administrative Code to establish a standard of 30% of the monthly adjusted household income as the maximum contribution to rent for households participating in Permanent Supportive Housing Programs operated by the City and County of San Francisco.

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: Elizabeth LaBarre, Human Services Agency
Dylan Schneider, Department of Homelessness and Supportive Housing
Emily Cohen, Department of Homelessness and Supportive Housing

1 [Administrative Code - Permanent Supportive Housing - Rent Contribution Standard]

2

3 **Ordinance amending the Administrative Code to establish a standard of 30% of the**
4 **monthly adjusted household income as the maximum contribution to rent for**
5 **households participating in Permanent Supportive Housing Programs operated by the**
6 **City and County of San Francisco.**

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

11

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

13

14 Section 1. Findings.

15

16 (a) The City and County of San Francisco contains approximately 8,000 units of
17 Permanent Supportive Housing serving approximately 10,000 formerly homeless individuals
18 and families that are funded by a variety of local, state, and federal programs.

18

19 (b) Recognizing the impacts of “rent burden” on low income households, providers
20 of Permanent Supportive Housing subsidize rents in amounts based on the rules of the
21 funding source for the respective housing unit, and calculate the household’s rent contribution
22 accordingly.

22

23 (c) Due to the diversity of funding sources with different regulations, rent
24 contributions can vary greatly between buildings, or even between units in a particular
25 building. These inconsistent practices lead to inequities among Permanent Supportive

25

1 Housing clients based simply on the funding stream. This ordinance is intended to reduce
2 such inequities.

3
4 Section 2. The Administrative Code is hereby amended by revising Section 20.54.1;
5 adding a new Section 20.54.2; renumbering existing Sections 20.54.2 and 20.54.3 as
6 Sections 20.54.3 and 20.54.4 respectively, and revising both of those Sections; adding a new
7 Section 20.54.5; renumbering existing Section 20.54.4 as Section 20.54.6, and revising that
8 Section; renumbering existing Section 20.54.5 as Section 20.54.7; and adding new Sections
9 20.54.8 and 20.54.9, to read as follows:

10 **ARTICLE VI:**

11 **ENROLLMENT IN SOCIAL SERVICES**

12 **SEC. 20.54.1. TITLE.**

13 This Article VI shall be known as the "Permanent Supportive Housing and Public Benefits
14 Utilization Ordinance."

15
16 **SEC. 20.54.2. FINDINGS.**

17 (a) In 2004, the "San Francisco Plan to Abolish Chronic Homelessness" (the "Ten Year
18 Plan") prepared by the S.F. Ten Year Planning Council, developed the City's "Housing First" policy,
19 finding that "permanent supportive housing has been proven to be the most effective and efficient way
20 to take chronically homeless off the streets."

21 (b) The U.S. Department of Housing and Urban Development ("HUD") considers housing
22 "affordable" if it costs no more than 30% of a household's monthly income.

23 (c) Based on the U.S. Housing Act of 1937, and on the McKinney-Vento Act of 1987, HUD
24 limits the monthly maximum rental occupancy charges for housing provided through the federal
25 Continuum of Care Program ("CoC") to the highest of: 1) 30% of the family's monthly adjusted

1 income; 2) 10% of the family's monthly income; or 3) the portion of a family's welfare assistance that
2 is designated for housing costs.

3 (d) It is in the best interest of the City and of the individuals living in Permanent Supportive
4 Housing funded by the City and County of San Francisco, regardless of funding stream, to pay a
5 standard rent contribution that is consistent with federal policy and regulations.

6
7 **SEC. 20.54.23. DEFINITIONS.**

8 For purposes of this Article VI, the following definitions shall apply.

9 "CalFresh" shall mean the program that provides monthly benefits to low-income
10 households that can be used for the purchase of food, as set forth in California Welfare and
11 Institutions Code Sections 18900 et seq., including any future amendments to those sections.

12 "CALM" shall mean Cash Assistance Linked to Medi-Cal, as set forth in Administrative
13 Code, Chapter 20, Article ~~XVII~~, including any future amendments to that Article.

14 "CalWORKs" shall mean the California Work Opportunity and Responsibility to Kids
15 program as set forth in California Welfare and Institutions Code Sections 11200 et seq.,
16 including any future amendments to those sections.

17 "City" shall mean the City and County of San Francisco.

18 "Client" shall mean any person residing in or seeking to reside in Permanent
19 Supportive Housing. "Client" shall include any dependent children under 18 years of age
20 residing with or seeking to reside with the Client in Permanent Supportive Housing.

21 "Contractor" shall mean any person or persons, firm, partnership, corporation, or combination
22 thereof, or other entity that enters into a Housing-Related Contract with the City.

23 "General Assistance" shall mean the General Assistance Program as set forth ~~under in~~
24 Administrative Code, Chapter 20, Article VII, Sections 20.55 et seq including any future amendments to
25 that Article.

1 "Housing Provider" shall mean any ~~Person~~ Contractor that contracts with the ~~Department~~
2 ~~of Human Services or~~ the Department of Homelessness and Supportive Housing, or other City
3 departments to administer Permanent Supportive Housing.

4 "Housing-Related Contract" shall mean any ~~City-funded~~ contract, lease, memorandum
5 of understanding, or other agreement or amendment thereto entered into ~~on or after the~~
6 ~~operative date of this Article VI~~ between the ~~Department of Human Services or the Department of~~
7 ~~Homelessness and Supportive Housing~~ City and a Housing Provider that provides for the
8 administration of Permanent Supportive Housing paid for in whole or in part by the City to Clients
9 ~~of the Department of Human Services~~. "Housing-Related Contract" shall not include agreements
10 between the San Francisco Housing Authority and the City, or contracts to provide City-
11 funded services at Housing Authority developments.

12 "IHSS" shall mean the In-Home Supportive Services Program, as set forth in
13 Administrative Code, Chapter 70, including any future amendments to that Chapter.

14 "Medi-Cal" shall mean the Medi-Cal Program as set forth in California Welfare and
15 Institutions Code Sections 14000 et seq., including any future amendments to those sections.

16 "PAES" shall mean the Personal Assisted Employment Services Program, as set forth
17 in Administrative Code, Chapter 20, Article ~~IX~~VII, including any future amendments to that
18 Article.

19 "Permanent Supportive Housing" shall mean housing units for Clients that include on-
20 site supportive services, including, without limitation, intake and assessment of Clients' needs,
21 outreach to the Clients to assist them with health or social needs, management of the health
22 or social needs of Clients, mediation of disputes with the property management, and referrals
23 for services to the Clients. "Permanent Supportive Housing" shall not include any shelter or
24 site that offers temporary overnight sleeping space on a short-term basis provided by the City
25 on City-owned or leased property or through a contractual arrangement.

1 ~~"Person" shall mean an individual, proprietorship, corporation, partnership, limited~~
2 ~~partnership, limited liability partnership or company, trust, business trust, estate, association, joint~~
3 ~~venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.~~

4 "Public Benefits" shall mean CalFresh, CalWORKs, General Assistance, Medi-Cal,
5 SSI, VA Benefits, PAES, IHSS, SSIP, and CALM, or any comparable successor programs.

6 "SSI" shall mean Supplemental Security Income/State Supplementary Program for
7 Aged, Blind, and Disabled as set forth in California Welfare and Institutions Code Section §
8 12000 et seq., including any future amendments to those sections.

9 "SSIP" shall mean Supplemental Security Income Pending, as set forth in
10 Administrative Code, Chapter 20, Article ~~XVII~~, including any future amendments to that
11 Article.

12 "VA Benefits" shall mean benefits and entitlements provided by the United States
13 Department of Veterans Affairs, as set forth in 38 U.S.C. Sections 101 et seq., including any
14 future amendments to those sections.

15
16 **SEC. 20.54.34. CONTRACT REQUIREMENTS.**

17 Every Housing-Related Contract executed after the operative date of this Article VI
18 shall contain provisions in which the Housing Provider agrees to the following requirements:

19 (a) (1) The Housing Provider shall make reasonable efforts to help Clients
20 determine the Public Benefits for which they may be reasonably eligible, and help Clients
21 enroll in all Public Benefits for which they may be reasonably eligible. "Reasonable efforts"
22 within the meaning of the previous sentence shall include but not be limited to meeting, or
23 attempting to meet, with all Clients within three months of the Client's placement in Permanent
24 Supportive Housing and at least once per calendar year thereafter to discuss the Public
25 Benefits the Client is receiving, the Public Benefits for which the Client has applied, and the

1 Public Benefits for which the Client may be eligible but for which the Client has not applied. A
2 Housing Provider satisfies the requirement of "attempting to meet" with a Client within the
3 meaning of the previous sentence if the Housing Provider supplies the Client with a written
4 notice of the date, time, and location of the proposed meeting at least two weeks before the
5 meeting, then attempts to notify the Client at least twice by phone and at least once in person
6 of the date, time, and location of the meeting. A Client "may be reasonably eligible" for a
7 Public Benefit within the meaning of this Section 20.54.~~34~~ if the Housing Provider determines
8 that the Client satisfies all of the criteria set forth on the worksheet created by the *Department*
9 *of Human Services Agency* pursuant to Section 20.54.~~46~~ of this Article VI.

10 (2) During each meeting with the Client described in subsection (a)(1), the
11 Housing Provider shall provide the Client with a document listing all Public Benefits for which
12 the Client may be reasonably eligible and the different manners in which the Client may apply
13 for those Public Benefits. The Provider shall assist the Client to apply for all Public Benefits for
14 which the Client may be reasonably eligible by: making an intake appointment for the Client at
15 the *Department of Human Services Agency* and providing the date, time and location of the
16 appointment to the Client in writing; by assisting the Client to apply online; by assisting the
17 Client to fill out and mail a paper application; or by assisting the Client to call the *Department of*
18 *Human Services Agency* to apply by phone.

19 (b) During each meeting with the Client described in subsection (a)(1), the Housing
20 Provider shall provide the Client with the release described in subsection (b) of Section
21 20.54.~~46~~ of this Article VI. The Housing Provider shall explain to the Client the purpose of the
22 release.

23 (c) Each Housing Provider shall produce and provide to the Department of
24 Homelessness and Supportive Housing and *Department of the Human Services Agency* a report
25 each year that includes the following information:

1 (1) The percentage of Clients enrolled in each Public Benefit;

2 (2) The percentage of Clients who have applied for all of the Public Benefits for
3 which they may be reasonably eligible;

4 (3) A summary of the reasonable efforts made pursuant to subsection (a) of this
5 Section 20.54.~~34~~ to help Clients enroll in all Public Benefits for which they may be reasonably
6 eligible; and

7 (4) If all Clients are not enrolled in the maximum Public Benefits for which they
8 may be reasonably eligible, an explanation as to why a higher percentage of Clients are not
9 so enrolled and a description of efforts that will be made to enroll more Clients in all Public
10 Benefits for which they may be reasonably eligible.

11 A Housing Provider's first report required by this subsection (c) shall be due one year
12 from the execution of any Housing-Related Contract entered into after the operative date of
13 this Article VI.

14 (d) Each Housing Provider shall retain for three years copies of all documents
15 generated or received pursuant to this Section 20.54.~~34~~ *of this Article VI.*

16 (e) Each Housing Provider shall cooperate fully with the Department of Homelessness
17 and Supportive Housing when it conducts its annual contract monitoring visit, as well as any
18 audits and investigations, including allowing the Department full and complete access to
19 documents and employees.

20 (f) No Housing Provider shall discharge, reduce in compensation, or otherwise
21 discriminate against any employee for notifying the Department of Homelessness and
22 Supportive Housing of a possible violation of this Article VI.

23
24 **SEC. 20.54.45. STANDARD RENT CONTRIBUTION.**

1 (a) Every Housing-Related Contract executed after the effective date of this Section 20.54.5
2 (the effective date of the ordinance in Board File No. _____) shall contain provisions in which the
3 City and Housing Provider agree to the following rent standards:

4 (1) Housing Providers are not required to impose occupancy charges on clients as a
5 condition of participating in Permanent Supportive Housing.

6 (2) If rent is required, the rent contribution of clients participating in Permanent
7 Supportive Housing Programs shall not exceed 30% of the household's monthly adjusted income, as
8 calculated in accordance with a specific project and/or unit's prescribed calculation methodology. In
9 any instance where the rent contribution calculation methodology is not governed by the project's
10 existing contracts, the calculation methodology set forth in 24 C.F.R. Sections 5.603 and 578.77, and
11 related regulations, or any successor provisions, shall apply.

12 (b) All Housing-Related Contracts executed before the effective date of this Section shall be
13 amended by October 1, 2023, to contain provisions in which the City and Housing Provider agree to
14 the above stated rent standards.

15
16 **SEC. 20.54.46. DOCUMENTS TO BE CREATED BY THE ~~DEPARTMENT OF~~**
17 **HUMAN SERVICES AGENCY.**

18 (a) The ~~Department of~~ Human Services Agency shall create a worksheet that lists the
19 general criteria for eligibility for each Public Benefit. The Department of Homelessness and
20 Supportive Housing shall provide this worksheet to all Housing Providers and shall post this
21 worksheet on its website. The ~~Department of~~ Human Services Agency shall regularly update
22 this worksheet to reflect any changes that are made to the laws regarding eligibility for Public
23 Benefits.

24 (b) The ~~Department of~~ Human Services Agency shall create a consent to release
25 information form that allows the Housing Providers, other service providers, the ~~Department of~~

1 Human Services Agency, and the Department of Homelessness and Supportive Housing to
2 exchange information regarding the public aid status of the Client. The Department of
3 Homelessness and Supportive Housing shall provide this release to all Housing Providers and
4 shall post this release on its website.

5
6 **SEC. 20.54.57. NO CONFLICT WITH FEDERAL OR STATE LAW.**

7 Nothing in this Article VI shall be interpreted or applied so as to create any
8 requirement, power, or duty in conflict with any federal or state law.

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10 **SEC. 20.54.8. UNDERTAKING FOR THE GENERAL WELFARE.**

11 In enacting and implementing this Article VI, the City is assuming an undertaking only to
12 promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an
13 obligation for breach of which it is liable in money damages to any person who claims that such breach
14 proximately caused injury.

15
16 **SEC. 20.54.9. SEVERABILITY.**

17 If any section, subsection, sentence, clause, phrase, or word of this Article VI, or any
18 application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
19 decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining
20 portions or applications of the Article. The Board of Supervisors hereby declares that it would have
21 passed this Article and each and every section, subsection, sentence, clause, phrase, and word not
22 declared invalid or unconstitutional without regard to whether any other portion of this Article or
23 application thereof would be subsequently declared invalid or unconstitutional.

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

5
6 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the “Note” that appears under
11 the official title of the ordinance.

12
13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16 By: /s/ Virginia Dario Elizondo
17 VIRGINIA DARIO ELIZONDO
18 Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Permanent Supportive Housing - Rent Contribution Standard]

Ordinance amending the Administrative Code to establish a standard of 30% of the monthly adjusted household income as the maximum contribution to rent for households participating in Permanent Supportive Housing Programs operated by the City and County of San Francisco.

Existing Law

S.F. Administrative Code Chapter 20, Article VI, defines Permanent Supportive Housing (“PSH”) as housing with on-site supportive services, and requires agencies that contract with the City to administer PSH (“Housing Providers”) to provide those PSH tenants with information regarding the availability of, and assistance in applying for, various public benefit programs for which those tenants may be eligible.

Amendments to Current Law

This amendment will require Housing Providers to set a standard rent contribution for tenants in Permanent Supportive Housing of 30% of the household’s monthly adjusted income, as calculated in accordance with a specific project and/or unit’s prescribed calculation methodology, or under the calculation methodology set forth in 24 C.F.R. Sections 5.603 and 578.77.

Background Information

The City and County of San Francisco contains approximately 8,000 units of Permanent Supportive Housing serving approximately 10,000 formerly homeless individuals and families that are funded by a variety of local, state, and federal programs. Recognizing the impacts of “rent burden” on low income tenants, providers of PSH subsidize rents in amounts based on the rules of the funding source for the respective housing unit, and calculate the tenant’s rent contribution accordingly. However, due to the diversity of funding sources with different regulations, rent contributions can vary greatly between buildings, or even between units in a particular building. These inconsistent practices lead to inequities among PSH tenants based simply on the funding stream. This ordinance is intended to reduce such inequities and set a consistent 30% standard of adjusted household income rent contribution for all participants in PSH programs.

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