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January 26, 2022

Public Safety and Neighborhood Services Committee, Board of Supervisors The Honorable Gordon Mar, Chair The Honorable Catherine Stefani, Member The Honorable Matt Haney, Member
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Agenda Item #1, Board File 211158: Senior Housing

Dear Chair Mar and Members of the Public Safety and Neighborhood Services Committee,

As you consider the continuum of housing needs of San Francisco's growing senior population, I ask that you take a very close look at the senior housing projects slated to be funded by the \$600 million 2019 Affordable Housing Bond.

As you'll learn from this testimony, MOHCD's published reports to CGOBOC about the 2015 Affordable Housing Bond and the 2019 Affordable Housing Bond consistently "pad" the numbers of housing units actually being constructed from Bond proceeds by inflating the number of units actually constructed from a given Bond by adding on the number of units receiving "predevelopment" funding that **might** be built in the future using non-bond funding sources.

Projects receiving predevelopment funding may not produce any housing units at all that are actually developed. Instead, projects receiving predevelopment funding may only pre-develop infrastructure — like roads, sidewalks, sewers, and regrading of slopes, etc. — that may later support future housing units developed and funded by non-general obligation bond funding sources.

This is not just a matter of semantics. It's a public-relations game MOHCD plays to boost its "metrics of success" performance by artificially inflating the number of affordable housing units it has funded and produced. The amount of bond funding spent on infrastructure development to support future housing projects — not actual construction of the housing itself — is significant. While infrastructure predevelopment is obviously important, it is not the same thing as constructing and producing actual affordable housing units.

Indeed while monitoring CGOBOC's hearings and MOHCD's quarterly reports about progress on the 2015 Bond, I discovered that a significant amount of the number of housing units MOHCD claims had been produced in the Public Housing category were in fact, infrastructure projects in the Bayview-Hunters point redevelopment area that produced no actual housing, but were instead units that *might be* constructed in the future, including infrastructure like streets and sidewalks to support future *market-rate housing*.

As you explore the continuum of housing needs of the growing population of senior San Franciscans, you should keep this in mind and require greater transparency and statistical reporting about actual housing units produced for our senior citizens vs. costs involved in developing the infrastructure to support those senior housing units. They're two different things.

Background Information

A <u>report</u> authored and published by the Mayor's Office of Housing and Community Development (MOHCD) prior to the November 2019 election promised voters the *2019 Bond* would produce 500 units of senior housing funded, in part, by allocating \$150 million reserved for senior housing projects from *Bond* proceeds for seniors on fixed incomes of up to 30% AMI or lower, and low-income seniors at incomes up to 80% AMI. The pre-election report claimed the senior housing would come on-line between 2020 and 2025.

Section 4-A, titled *Oversight*, of the legal text in the Voter Guide (on page 98 in the hardcopy Voter Guide) assured voters that the Citizens' General Obligation Bond Oversight Committee (CGOBOC) would conduct an annual review of *Bond* spending and *shall* provide an annual report to the Mayor and the Board of Supervisors on progress on spending the *Bond*.

Unfortunately, the first tranche (\$252.6 million) of the *2019 Bond* was not issued until March 2021. Of that \$252.6 million approximately 24% of the first tranche has been spent and another 16.2% has been encumbered as of December 2021 for all of the four main housing categories funded in the first tranche. The senior housing category may have a higher percentage spent and encumbered in the first tranche.

Because the first tranche wasn't issued until the end of the first quarter of calendar year 2021, it does not appear that CGOBOC issued an annual report in 2020 following passage of the *Bond* in 2019, nor was an annual report issued to either the Mayor or Board of Supervisors. And it's thought no annual report was issued about the 2019 Bond in 2021, to either the Mayor or the Board of Supervisors.

MOHCD finally published its first official report on the 2019 Bond, which is dated December 2021; however, the metadata of the PDF file shows it was created and modified on January 14, 2022 and was only posted on MOHCD's web site and MOHCD announced it's availability on the Internet to this author on January 14. It should <u>not</u> have taken 27 months — over two years — following the November 2019 election for the first report on the 2019 Bond to be published listing the affordable housing projects to be funded by the Bond by street name!

So much for "oversight."

Section 4-B, titled *Transparency*, of the legal text in the Voter Guide (also on page 98 in the hardcopy Voter Guide) assured voters MOHCD would create a web site page for the *2019 Bond* to provide progress reports and activity updates regarding the *Bond* and the City "*shall*" hold an annual public hearing to review the *2019 Bond* program and its implementation before the Capital Planning Committee and before CGOBOC.

To date, CGOBOC has been provided with very little information — and has engaged in almost no discussion among CGOBOC members — during its meetings regarding the 2019 Affordable Housing Bond. Indeed, the first official report on the 2019 Bond, dated December 2021 that MOHCD just released to the public on January 14, 2022 has not been presented to, or discussed by, CGOBOC and won't be heard until CGOBOC's next meeting scheduled for February 28, 2022. It's not known if the Capital Planning Committee has held public hearings on the 2019 Bond in either 2020, in 2021, or held hearings on MOHCD's first report on the 2019 Bond released in January 2022.

So much for "transparency."

Ever since MOHCD first published its first status report about the 2015 Affordable Housing Bond six years ago in December 2016 and presented it CGOBOC, the Glossary has consistently published an incomplete sentence in MOHCD's definition of the term "*predevelopment*" funding. I didn't notice the incomplete sentence and then place a records request to MOHCD asking for a clarification until just a few days ago on January 21, 2022 (after all these years reading MOHCD status reports). On January 25, I received a response from MOHCD saying that the incomplete definition of "*predevelopment*" funding (shown below in red bold italics) is:

"Costs prior to actual construction, including architectural, engineering, environmental, and permitting costs. [The costs] May be related directly to housing development, or may be infrastructure predevelopment which supports *future housing development*."

There you have it: MOHCD's admission that portions of the 2015 Bond, and 2019 Bond have all along not produced actual housing units, but infrastructure to support *future* housing development — including market-rate, not affordable housing units — funded by other non-bond-funded sources. Across all the years I've attended and reported on CGBOC's meetings on the affordable housing bonds, apparently no members of CGOBOC ever noticed or ever asked for clarification about the incomplete *predevelopment* term, or ever bothered to ask about whether MOHCD's reported housing production "achievement metrics" have been wrongly padded to inflate the number of housing units produced to tout MOHCD's the effectiveness and accomplishments of bond-funded affordable housing construction, despite my public testimony on multiple occasions over the years about the problem that the data clearly appears to have been inflated.

Getting Down to Brass Tacks: Senior Housing Progress in the 2019 Bond

MOHCD's first official <u>report</u> just published on January 14, 2022 describing the *2019 Bond* shows that of the promised 500 senior housing units, just 368 units — only 76.3% of the 500 units promised — are being funded from the first tranche of the bond at three separate locations: 200 units on the campus of Laguna Honda Hospital (LHH) in District 7, 98 units at 4200 Geary Boulevard in the Inner Richmond area of District 1, and 70 units at 722 Pacific Avenue at Stockton Street in Chinatown in District 3. It's possible of course that additional senior housing projects may be identified at other locations in subsequent tranche issuances of the *2019 Bond*.

However, Mercy Housing Corporation's <u>draft</u> <u>LHH Senior Living Master Plan</u> MOHCD released on October 13, 2021 — but dated September 17, 2021 in the PDF file metadata — in response to a public records request I had placed, shows Mercy is considering building as few as 169 independent living senior housing units at LHH — not 200 units. (MOHCD claims Mercy housing has not yet completed a final "Master Plan" for its LHH project.) The potential 169 senior housing units at LHH would lower MOHCD's projected 368 senior housing units from the 2019 Bond to only 337 units, just 67.4% of the 500 units promised.

Unfortunately, MOHCD lists the LHH and 772 Pacific Avenue senior housing units as being "*pre-development*" projects, with no indication of whether the predevelopment will support future housing development units funded by non-general obligation bond funding sources, or whether the pre-development funding will be used to fund constructing actual housing units. Should the LHH and 722 Pacific Avenue projects fund only infrastructure improvements and not actual housing, that portends the 98 senior housing units at 4200 Geary Boulevard may produce just 19.6% of the 500 senior housing units promised for the 2019 Bond.

The first three senior housing projects identified by name so far are receiving just \$21 million in funding from the first tranche of the *2019 Bond* issued in 2021: \$3 million in predevelopment of the LHH project, \$3 million in predevelopment for the 772 Pacific Avenue, and \$15 million for the 4200 Geary Boulevard senior housing project.

MOHCD's first report on the 2019 Bond has now pushed back completion and delivery of the affordable housing bond projects by an additional year, until 2026 not 2025. For all we know, there may be additional delays in producing all of the projects funded by the 2019 Bond, including senior housing projects.

Housing on Laguna Honda Hospital's Campus

Ever since former-Supervisor Norman Yee first floated the idea of building senior housing on LHH's campus four years ago in 2018, there have been zero public hearings held by the Health Commission, the Health Commission's "*LHH Joint Conference Committee*" (comprised of senior management of LHH and three Health Commissioners), or by the Board of Supervisors about the wisdom of using LHH's campus for any type of housing rather than preserving it for hospital facilities the campus had been designated for and zoned as a "P, Public" City resource, and certainly not using the campus for any type of market-rate housing. Members of the public *not* have been afforded any chance to weigh in on the use of that precious land. It's completely outrageous that there have been no public hearings on how LHH's campus may soon become a power land-grab for housing developers.

As I've repeatedly <u>written</u>, LHH's campus is a completely inappropriate location for housing seniors, particularly seniors who have mobility issues given the elevation, steep topography of LHH's campus, lack of neighborhood-serving amenities, and its severe isolation. LHH's campus is also designated as an open space area, which should be preserved for open space.

Lack of Senior Housing Equity Across the City

The initial MOHCD report issued prior to the 2019 Bond election claimed the \$150 million senior housing category of the 2019 Bond would be for site acquisition and pre-development of projects either in neighborhoods with limited affordable housing production, or in neighborhoods facing both limited affordable housing production as well as a high number of housing units that have been removed from protected affordable housing status.

MOHCD's first report issued on January 14, 2022 on the *2019 Bond* shows that of the promised 500 units of senior housing to be funded by this bond shows that only 337 senior housing units (adjusted downwards slightly to account for the lower number of units Mercy Housing has proposed for the LHH campus) are currently being proposed and may be under development. Again, the 337 units represent just 67.4% of the 500 units promised.

Those 337 units are targeted for Districts D-1, D-3, and D-7, but not the other eight Supervisorial districts that may also have limited affordable housing production neighborhoods or are facing both limited affordable housing production and perhaps a high number of housing units that have been removed from protected affordable housing status. That suggests those other eight districts will not receive equity in affordable housing production for their senior citizens.

Of note, the *2015 Bond* contained only two senior housing projects: One project of 53 low-income senior housing units at 735 Davis Street in District 3 (which was actually funded by other non-Bond funding sources) and a 94 unit senior housing project at 1296 Shotwell Street in District 9 in the Mission District that received \$22 million in construction funding from the *2015 Bond*.

So, between the 2015 Bond and 2019 Bond, only four Supervisorial districts have received funding from San Francisco's affordable housing bonds, leaving out seven other Supervisorial districts, even if they have also experienced limited affordable senior housing production neighborhoods or are facing both limited affordable housing production and perhaps a high number of senior housing units that have been removed from protected affordable housing status.

The Public Safety and Neighborhood Services Committee should aggressively investigate the lack of equity in bond-funded senior housing production across all Supervisorial districts.

Recommendations for PSNS Committee

I recommend that the PSNS look into the following issues:

- Explore alternatives to fund infrastructure improvements that do not build actual housing units in Affordable Housing Bond measures and instead build only infrastructure improvements like streets, roads, and sewers to support future housing projects that are funded from non-Bond sources of funding, so that the Affordable Housing Bonds fund only construction of actual housing units in all of the main categories of Bond spending projects (Public Housing, Low-Income Housing, teacher housing, Middle-income Housing, senior housing, etc.).
- Require that MOHCD stop padding its quarterly status reports to CGOBOC and annual reports to the Board of Supervisors by falsely inflating the total number of affordable housing units constructed by creatively adding in units that may be built at some point in the future using predevelopment infrastructure-only improvement funding. As an alternative, consider requiring that MOHCD report separately the actual number of housing units produced, and a separate number of housing units that may built in the future from non-Bond funding sources from infrastructure investments for all projects in each of the main categories of bond spending in order to accurately document for the Board of Supervisors, CGOBOC, and members of the public the actual affordable housing actually constructed using Bond proceeds.
- Require that MOHCD clearly identify at the outset of issuing the first Bond status report each project by street location that are planned for each of the main categories of housing over the entire life of the Bond from all issuances of the Bond up front, and not just report the street locations of projects anticipated in a single issuances of successive tranches of a given affordable housing Bond so that the Board of Supervisors, CGOBOC, and members of the public can learn of the equity of project locations across the entire Bond, and not have to wait for years between successive Bond tranches to eventually learn what MOHCD envisions as the full scope of projects across the entire Bond.
- Require that both the Health Commission and the Board of Supervisors schedule and hold public hearings rapidly about building any type of housing including senior housing and more importantly market-rate housing on the Laguna Honda Hospital campus and instead preserve that public land for expanding only healthcare facilities that may well be needed in the future, given the severe shortage of public land available in San Francisco for healthcare facilities, and preserve LHH's campus as open space.

Respectfully submitted,

Patrick Monette-Shaw

Columnist Westside Observer Newspaper

cc: The Honorable Connie Chan, Supervisor, District 1 The Honorable Aaron Peskin, Supervisor, District 3 The Honorable Dean Preston, Supervisor, District 5 The Honorable Myrna Melgar, Supervisor, District 7 The Honorable Rafael Mandelman, Supervisor, District 8 The Honorable Hillary Ronen, Supervisor, District 9 The Honorable Shamann Walton, Supervisor, District 10 The Honorable Ahsha Safai, Supervisor, District 11 Angela Calvillo, Clerk of the Board John Carroll, Clerk of the Public Safety and Neighborhood Services Committee Daisy Quan, Legislative Aide to Supervisor Gordon Mar Edward Wright, Legislative Aide to Supervisor Gordon Mar Li Miao Lovett, Legislative Aide to Supervisor Gordon Mar Alan Wong, Administrative Aide to Supervisor Gordon Mar Lee Hepner, Legislative Aide to Supervisor Aaron Peskin January 27, 2022

Chair Gordon Mar Public Safety and Neighborhood Services Committee City Hall San Francisco, CA

RE: Hearing on Senior Housing

Dear Supervisors:

We thank Supervisors Mar and Stefani for calling this hearing on this crucial topic. We look forward to hearing the Departments' presentations on their plans to address the growing population of seniors who need access to affordable housing. As a follow up to these presentations, after some time to reflect upon their testimonies, we hope we will have a subsequent opportunity to present additional comments and recommendations from a community perspective.

At that future discussion we urge that the scope of the hearing be expanded to address the needs of both seniors <u>and</u> people with disabilities. Many non-senior adults with disabilities face significant policy and economic barriers accessing our affordable housing programs, often similar barriers to those faced by seniors. And many seniors, particularly the oldest, are also people with disabilities. It is thus appropriate and fruitful for us to address the housing needs of both populations together.

For today we highlight three basic points based upon the findings contained in SFDAS's "2021 Overview Report on Affordable Housing for Seniors and People with Disabilities." These findings reveal very significant gaps in this City's affordable housing programs that unfairly exclude many seniors and people with disabilities from the housing that they desperately need.

1. The SFDAS report reveals that absent significant change in the City's policies and priorities, most 'affordable' housing in San Francisco

will remain unaffordable to a majority of seniors and persons with disabilities.

The Overview Report clearly documents the lack of alignment between City's future plans for affordable housing and the ability of most seniors and people with disabilities to afford to live in that housing.

The report notes that for the general population 50% AMI for a single person living alone is \$3,887. But as the Overview Report finds, the *median* income of a San Francisco senior living alone is \$2,250, and the *median* income of a non-senior single person with disabilities is \$1,125 (p. 7).

Yet the pipeline data provided shows that the City's senior and non-senior affordable housing pipelines are designed primarily to provide affordable housing for tenants with incomes of 50% AMI or above – with only a fraction of units targeted for households below 50% AMI.

Thus, absent new or additional interventions, San Francisco's affordable housing programs will continue to be mostly unaffordable for a <u>majority</u> of our City's seniors and persons with disabilities.

2. Present plans for the Senior Operating Subsidy (SOS) significantly underserve seniors, leaving out and marginalizing most seniors from affordable housing.

In 2019 the Board of Supervisors took an important first step to reducing the barriers to senior housing by creating the SOS program. The program for the first time assured Extremely Low Income (ELI) seniors an increment of access to the City's affordable housing without relying upon declining federal rent assistance. In its first year SOS successfully enabled 40 ELI senior households to move into senior housing who would have been excluded because they could not otherwise pay the 50% AMI rents (over a thousand dollars a month for a studio). But the DAS analysis reports that over the next *five years*, the City only plans to expand the program to assist *a total* of 150 senior households, providing rental assistance for *only 17%* of new senior units for the period (p. 19). This result will severely limit access to the seniors who need assistance.

SOS was launched as a *pilot* program and has proved very effective. In order to proportionally and equitably reflect the needs of San Francisco seniors it must be expanded. We strongly urge the Mayor and the Board to develop a strategy to fully fund and support the successful SOS program to fulfill its potential.

3. The City must correct a flawed system that builds 'accessible' units that are, by policy and practice, made <u>in</u>accessible to most people with disabilities who need those units.

The DAS Overview Report states that affordable housing units that are designed and built to be accessible are not necessarily assigned to persons with disabilities (p. 5-6). The report simply explains that this outcome is a result of legal restrictions on reserving accessible units exclusively for persons disabilities absent specified federal funding. But this is only part of the explanation. The bigger issue is that-high 'affordable' rent levels leave persons with disabilities unable to even be considered for accessible units that they need.

As noted in the report, the median income for people with disabilities is even lower than for seniors. Yet there is no comparable program to SOS for persons with disabilities. Thus, most persons with disabilities cannot even qualify to apply for accessible 50% AMI units. In addition, the City does not ensure that if ultimately a person who needs an accessible unit_is approved for housing they will actually be assigned_to the appropriate unit.

San Francisco tenants with disabilities need a project-based rent subsidy equivalent to SOS coupled with more appropriate assignment policies to provide them with a fair chance to move into affordable accessible units. The above basic points do not address all the needs or solve all the housing issues facing seniors and people with disabilities. But these are core starting points for the housing our City builds in order to be truly accessible for all.

Respectfully,

Anni Chung, President & CEO Self Help for the Elderly

Hice Lehman

Jessica Lehman, Executive Director Senior and Disability Action

Gen Fujioka, Senior Counsel and Policy Analyst Chinatown Community Development Center

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Good afternoon,

I have spent over 14 years working within housing (aging in place, polity and assisted living facilities) as well as with the senior and disability community and I am submitting additional comments as an individual, NOT on my employers time or on behalf of them. Additional comments/details for the hearing on senior housing within the Public Safety & Neighborhood Services meeting today:

I believe the following changes would be greatly beneficial and are relatively easy lifts:

- Ensuring that there's an option to build accessible ADU's: The Planning Dept's ADU policy, technical assistance & handbook have no mention of accessibility it's a terrible oversight to create an entire ADU process and technical assistance without providing guidance on making sure it's accessible, especially if it's being touted as senior or multigenerational housing. It doesn't need to be a requirement, but including different architectural designs, guidance or recommendations within their existing handbook would be sufficient.
- **Consistent data on people with disabilities:** there is currently no consistent way that data re: people with disabilities is captured, and depending on the source and how disability is defined, the numbers might be wildly different (Census vs. American Community Survey vs. SF City needs assessments, etc.). We can't have an adequate picture of the needs, gaps and population changes with people with disabilities if we don't have adequate data. Nicole, from the Mayor's Office on Disability has been a huge advocate for this and if it was a multi-departmental effort, could help us really understand the population and needs.
- A multi-departmental approach to housing: The speakers mentioned how housing is split across various departments depending on expertise, which is appropriate, but operating in silos means that when the Housing Element is being updated by Planning, agencies are brought in at the end for a review, rather than included from the initial drafting as subject matter experts. Assisted living facilities, residential care facilities and other supportive housing are very complicated and nuanced, with a wide range of licensing agencies, funding streams and tremendous economic pressure. These are, primarily, women of color owned small private businesses, often hiring other women of color (often immigrants or family members) so penalizing small businesses for trying to go out of business is a terrible idea. But if potential policies or programs had all departments (MOHCD, DPH, DAS, DP) at the table from the beginning, then it's more likely that effective policies would be drafted from the beginning.

the following are truly critical for creating meaningful impact and are heavy lifts:

- **State funding:** The financial reality is that Counties need to advocate collectively about reinstating critical housing funding, particularly Section 202 and State level redevelopment funding. These were critical funders of affordable senior and disability housing.
- Purchasing and leasing RCFE's/ALF's, etc.: the financial costs of running these facilities as a new business are no longer feasible in San Francisco (read report and financial modeling of opening a new facility here), so any attempt to keep existing facilities should be a building buy-out, similar to MOHCD's small sites program. It's costly, but once these single family homes are sold on the open market, they will be lost as an affordable RCFE forever the entry costs are just too high for a 2-6 bed facility to be financially feasible.
- State level advocacy: HSA was advocating at the state level, and with other counties, around the Assisted Living Waiver program or other initiatives that recognize the need to address this critical

decline. Continued state level advocacy around this complicated program could potentially provide additional funding streams to these small facilities, who are small for profit businesses.

Thank you, Valerie Coleman

From:	john lang
To:	Somera, Alisa (BOS)
Subject:	I spoke at the hearing on 1/27/2022/ REQUEST to send to Supervisors at the hearing /Aged low income tenant facing eviction
Date:	Thursday, January 27, 2022 12:24:06 PM

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RE I present my situation as a reason for the Board to pass an emergency measure to immunize tenants like me who have a rent controlled apartment and are in State Covid 19 Rent Relief program for their tenancy to be protected from cause for eviction " habitual late payment of rent" when the reason for the late payment is the "manner" the State is administering the program. Tenants in the program are protected "while the program is in place" but after wards there is NO protection.

Thanks to the Supervisors for the presentation of this important topic that is life and death to aging people living in SF.

I introduced the topic of an aging (I am 75 years of age), low income, SF tenant who was affected by Covid 19.

I applied for rent help for a few months from the State Rent Relief Covid 19 program. The program was initially run by SF who then passed it to the state who run the program in violation of the rules that they established (this is another story I will not introduce here)

As a result, the help they provide in terms of rent is months late.

I have lived in my apartment for many years. The landlord could charge more than 2X the rent I pay. He has a "motive" to evict me and he doesn't really want the rent he wants me out. <u>This is different from what other people in this rent program face for the most part the landlord just wants the rent not for the tenant to be gone.</u>

1. In San Francisco there are 15 just cause reasons for eviction under Ordinance Section 37.9(a). The most common are:

"Habitual late payment of rent" – this means more than once or twice [Ordinance Section 37.9(a)(1)];

2. If a tenant is "habitually late" paying rent – <u>defined as late more than three times in</u> a calendar year, <u>then there is also "just cause" for an eviction.</u>

When Landlords Should Consider Eviction in San Francisco Under Rent

Control Regulations - Gordon Property Management Blog (gpmsf.com)

Thanks for consideration I would appreciate any response.

John Lang 415 845 6371