

1 [Administrative Code - Priority for Veterans in City Affordable Housing Programs]

2
3 **Ordinance amending the Administrative Code to add a priority for veterans within each**
4 **category of preferences in the City's affordable housing programs funded or**
5 **administered by the Mayor's Office of Housing and Community Development.**

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 – more than 80% – were members of minority groups: 33% were Black, 23% multi-
17 racial, 20% Hispanic or Latinx, 6% Asian, and 2% Hawaiian or Pacific Islander. The top
18 reasons cited in the Survey for chronically homeless veterans in San Francisco include: loss
19 of employment (22%), alcohol or drug abuse (19%), eviction (12%), medical problem or
20 mental illness (10%), and incarceration (8%). According to the "State of the American Citizen:
21 the San Francisco Veterans Study" in 2017 by the USC Suzanne Dworak-Peck School of
22 Social Work Center for Innovation and Research on Veterans & Military Families, over 40% of
23 post-9/11 veterans in the City reported being homeless in the previous year and 40% of post-
24 9/11 veterans in the City reported concerns about having housing in the next two months.

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
21 Section 2. Chapter 47 of the Administrative Code is hereby amended by revising
22 Sections 47.1, 47.2, and 47.3, and adding Section 47.6, to read as follows:

23 **SEC. 47.1. FINDINGS AND PURPOSE.**

24 Based on the information presented to the Board of Supervisors in Board of
25

1 Supervisor's File Nos. 150622 and 220642, staff presentations, and public testimony, the
2 Board of Supervisors makes the following findings:

3 * * * *

4 (o) Many below market rate units under the City's affordable housing programs are rented
5 to households who earn between 50% to 80% of AMI. Based on the findings in the ordinance in Board
6 File No. 220642 amending this Chapter 47, prioritizing eligible veterans who qualify for an existing
7 housing preference under this Chapter in the City's affordable housing programs will support low-
8 income veterans (50% to 80% of AMI) transitioning into stable housing and economic self-sufficiency
9 and mitigate the risk of homelessness faced by many veterans in San Francisco.

10
11 **SEC. 47.2. DEFINITIONS.**

12 * * * *

13 "Tax Exempt Bond Development" shall mean any housing development financed
14 through a tax-exempt bond issuance that imposes rent and occupancy restrictions as a
15 condition of the financing.

16 "Veteran" shall mean any person who (i) served in the active military, naval, or air service,
17 and was discharged or released therefrom under conditions other than dishonorable, and (ii) is
18 recognized by the United States Department of Veterans Affairs to receive or qualify for benefits or
19 assistance. MOHCD shall establish a process for a person to verify their status as a "Veteran," which,
20 at a minimum, shall require a person to show: (a) records or identification provided by the United
21 States Department of Veterans Affairs, or (b) other evidence sufficient to establish, in MOHCD's
22 reasonable discretion, that the person is a Veteran. If a person disputes a MOHCD determination that
23 they do not qualify as a "Veteran" under this Section 47.2, such person shall have the right to a
24 hearing conducted by a Rent Board Administrative Law Judge (as defined in Administrative Code
25 Section 37.2(f)), with MOHCD as the responding party.

1 **SEC. 47.3. APPLICATION OF PREFERENCE.**

2 Except to the extent prohibited by an applicable State or Federal funding source,
3 MOHCD shall give, or require project sponsors or their successors in interest funded through
4 MOHCD to give, preference in occupying units or receiving assistance under all City
5 Affordable Housing Programs after any priority given under Administrative Code Section 39.4.
6 If a Veteran has been verified by MOHCD as eligible for any preference enumerated below, said
7 Veteran shall receive priority for the applicable preference over any other applicants eligible for the
8 same preference in occupying units or receiving assistance under all City Affordable Housing
9 Programs.

10 Each preference enumerated below shall be applied as of the effective date of the
11 legislation establishing each preference. The City established preference for holders of
12 Certificates of Preference in Ordinance 232-08, Displaced Tenants, Category 1 in Ordinance
13 277-13, and Displaced Tenants, Category 2 and Neighborhood Residents in legislation adding
14 this Chapter 47. The preference requirements are intended to have prospective effect only,
15 and shall not be interpreted to impair the obligations of any pre-existing contract entered into
16 by the City. Notwithstanding the prior sentence, the preference requirements shall apply to
17 contracts entered into by the City on or after the effective date of the legislation establishing
18 each preference, including contracts materially amended on or after the effective date.

19 Preference shall be given:

20 * * * *

21
22 **SEC. 47.6. UNDERTAKING FOR THE GENERAL WELFARE.**

23 In enacting and implementing this Chapter 47, the City is assuming an undertaking only to
24 promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Ordinance

File Number: 220642

Date Passed: July 26, 2022

Ordinance amending the Administrative Code to add a priority for veterans within each category of preferences in the City's affordable housing programs funded or administered by the Mayor's Office of Housing and Community Development.

July 07, 2022 Government Audit and Oversight Committee - RECOMMENDED

July 19, 2022 Board of Supervisors - PASSED ON FIRST READING

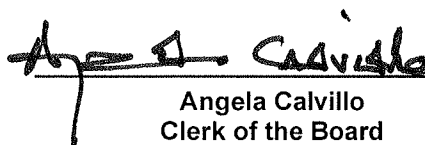
Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 26, 2022 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220642

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 7/26/2022 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor

8/4/22
Date Approved