

From: [Low, Jen \(BOS\)](#)
To: [Major, Erica \(BOS\)](#)
Subject: Letter for Public Comment - File No. 230276
Date: Thursday, May 4, 2023 1:25:40 PM
Attachments: [BMR Program.pdf](#)

Hi Erica,

Please include the attached public comment letter for File No. 230276 - Hearing - Impact of the Housing Market on Below Market Rate Units] Sponsors: Melgar; Chan.

Thank you!

Jen

From: Amy Jansuk <amyjansuk@gmail.com>
Sent: Tuesday, May 2, 2023 10:26 PM
To: Low, Jen (BOS) <jen.low@sfgov.org>
Cc: Simon Jansuk <sjansuk@gmail.com>
Subject: Hearing for BMR program

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Jen,

We are so grateful to you and Supervisor Melgar for investigating the MOHCD's current BMR practices.

We have included a letter that describes our current struggles with the BMR program.

Please don't hesitate to reach out to us with any questions or concerns.

We look forward to seeing you on Monday (as close to 1:30pm as we can) to give a public comment.

Respectfully Yours,
Amy and Simon

May 2, 2023

Dear Supervisor Melgar, Supervisor Peskin and Supervisor Preston,

We are homeowners with limited income and a family to raise, which is why we chose to buy a BMR unit. Our understanding when we bought the unit was that the value of the unit would go up with the cost of living index. We counted on this small amount of appreciation as well as the amount we were paying down in principle every month to build a future for our family.

We bought our unit in 2018. It was my understanding that BMR units sometimes take a long time to sell but they generally do sell for the price that the Mayor's Office of Housing sets based on appreciation from the last purchase. We are experiencing an urgent need to move out of my unit to care for my aging parents. Also, the unit has become quite cramped for our family who is growing up. We spent the entire pandemic in this unit and we are looking for more space.

Last fall when we looked into selling the unit, we were required to spend a fair amount of money on inspections and repairs before the City would give us a price for the unit. It was hard for our family to come up with this money, even though it might not seem like much to some people. We bought a new fridge and painted the unit and made other repairs to things like light switches. We had to pay professionals to do this.

When the City gave us the price, it was what we expected it to be, but it came with a surprise addendum of the addition of an "affordable resale price" that was not explained. Only in digging through the buyer side of the MOHCD website were we able to figure out what it was. The Affordable Resale Price is "what a household earning a certain level of average median income (AMI) can afford". Even though we have asked a lot of questions we have been unable to determine who exactly came up with this policy, what the process was for determining this policy, and indeed, with the purpose is.

It is clearly advertised to potential buyers at this time, as it was not when we purchased, that they may not get all their money back if they pay more than the "affordable price." It is also made very clear to buyers that if they pay more than the affordable price, they will not be able to take advantage of the City's down payment assistance programs (DALP). This greatly impacts the number of potential buyers. It is in giant bold type on our listing on the Dalia housing portal that the price is "negotiable." Consequently, no one wants to pay more than the "affordable price." We are trapped in this program.

The City has decided our condo's affordable resale price is \$386,263. In order to break even we have to sell our condo at \$484,995. The City's affordable resale price is about \$100,000 below what we expected to sell it for it. Although we are marketing our unit below our expected sale price based on appreciation, we have had few showings and no offers in 186 days.

In March we brought the price down to \$459,900 which means we will lose \$25,000 of our original 'downpayment'. We are losing real cash money on our BMR purchase but the City has nothing to lose.

MOHCD has made up additional policies that only serve them. For example, our unit is set at 100% of AMI. We qualified to buy the unit at 100% of AMI because we are four people. The city's affordable price calculation they are using now is for two people. This is another lever that the MOHCD could potentially choose to pull to allow a higher affordable price. However, since we do not know how they came up with this policy, in the first place, who is responsible for it, whether the City Attorney ever reviewed it or really anything about this black box that is affecting our lives so drastically, it is impossible to figure out who to talk to,

In order to formally increase our percentage to 120% we have to remain on the market over six months and I think maybe a year. My family is in misery at this point and needs this resolved.

The MOHCD has made exceptions for us but these exceptions do not help us or the next buyer including raising the AMI to 120% sooner than a year, however the next buyer will be stuck trying to sell the unit at 100% AMI. The buyer will be at a disadvantage.

We inquired about renting the unit out, given our circumstances of dire need. We were told that this might be granted only in cases where we intend to move back into the unit after 12 months. I don't see how we could move back into a unit in the City and County of San Francisco once a tenant is in there paying low rent. As to the topic of the rent, the MOH sets the rent at the lower of either our actual cost or the "affordable Rent" again calculated based on an Average Median Income (AMI) of 100% for two people. The number they gave us was somewhere around \$3000 a month and our cost is around \$3300 a month. We cannot afford to go into a situation that can never be ended where we lose \$300 a month.

Cissy Yin told us on March 23rd that "when the HOA fee goes higher, the affordable resale price goes lower". This means that every BMR condo will go down in value. Buying a BMR is a bad investment. Our monthly HOA fee is currently \$962 and will be over \$1,000 a month by January.

MOHCD is controlling the market and determining the value of our condo. It is not their place to do so. It should be left up to the actual real estate market to determine what our home is worth. We are asking MOHCD to remove the Affordable Resale Price and let the market decide what our unit will sell for. To avoid harming the lives of others who buy into the MOHCD BMR program, they need to consider letting some units, like ours, out of the program entirely.

My family has been damaged by the MOHCD's invention of an "Affordable Resale Price". This change in policy was not disclosed, potentially not reviewed by the City Council, and was written by someone unknown, who we cannot find to make accountable. It is clear that the BMR program is not serving the families it intended to serve. As we have experienced first hand, there are multiple flaws in the BMR program. Please help us find a way out and make this program work for us and everyone after us who buys into this program.

Thank you.

Respectfully Yours,
Amy and Simon Jansuk
amyjansuk@gmail.com
Sjansuk@gmail.com