

**REVISED LEGISLATIVE DIGEST**

(7/11/2016, Amended in Committee)

[Administrative Code - Preferences in Affordable Housing Programs]

**Ordinance amending the Administrative Code to create a fourth preference for people who live or work in San Francisco in addition to existing preferences in allocating City affordable housing units, and to create an additional category of eligible displaced tenants that includes tenants displaced by fire, affirming the Planning Department's determination under the California Environmental Quality Act, and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.**

Existing Law

Currently, three tenant selection preferences apply to all affordable housing programs that the Mayor's Office of Housing and Community Development ("MOHCD") administers or funds ("City Affordable Housing Programs"). Current law provides preference to holders of Certificates of Preference (COPs) issued under a former Redevelopment Agency program to tenants displaced from certain redevelopment areas. The COP preference applies to 100% of all available affordable housing, both at initial sale or lease and upon re-sale or re-lease.

Second, current law provides preference in all City Affordable Housing Programs to certain "Displaced Tenants," defined as tenants evicted under the State Ellis Act, California Government Code 7060 and following, who have lived in their unit continuously for at least ten years, or five years if they have a life-threatening illness or are disabled. The preference applies to 20% of all new affordable housing units during initial sale or lease up, and 100% of all existing affordable housing units upon re-sale or re-lease. A person can use the preference on an existing unit for up to three years after displacement, and on a new unit for up to six years after displacement.

Third, current law provides a "Neighborhood Preference." "Neighborhood" is defined as any one of San Francisco's 11 supervisorial districts plus a buffer such that for each unit or project that is part of a City Affordable Housing Program "Neighborhood" means the Supervisorial District in which the unit or project is located, plus a ½ mile buffer around the location of the unit or project. "Neighborhood Resident" means a person who has a primary residence in a certain Neighborhood at the time they apply for an affordable housing unit. The preference applies only to 40% of the units in newly constructed affordable housing during initial sale or lease, and only after the COP and Displaced Tenant preferences.

A holder of any preference applying for a unit must still meet all eligibility requirements applicable for that unit under the applicable affordable housing program.



### Amendments to Current Law

The proposed ordinance makes no changes to the COP preference or the Neighborhood preference. The proposed ordinance adds to the Displaced Tenant preference a new category for tenants residing in San Francisco who have been required to vacate a unit by a public safety official due to fire, and who can demonstrate that they cannot return to the unit within a period of six months from the date of the order to vacate the unit. This new category will expire on December 31, 2020.

The proposed ordinance also creates a fourth preference for people who live or work in San Francisco. The preference applies to newly constructed affordable housing units during initial sale or lease and to units in all re-sales and subsequent leases.

In all cases, the preference does not apply if prohibited by an applicable State or Federal funding source. And, in all cases a holder of any preference applying for a unit must still meet all eligibility requirements applicable for that unit under the applicable affordable housing program.

### Background

On November 2, 2015 at the Land Use and Transportation Committee, the Committee duplicated the file, forwarding on version to the full Board and amending the second version to add the fourth preference for people who live or work in San Francisco. The Committee referred that second version to the Planning Commission. On December 1, 2015, the Board of Supervisors finally passed the original ordinance. The Mayor signed and the ordinance became effective on January 2, 2016. The ordinance that is currently pending is the second version. On July 11, 2016, the Land Use and Transportation Committee amended the second version to add a preference for tenants displaced by fire. Because the original ordinance has already become law, this second version includes only the amendments proposed by the Land Use Committee to create the fourth preference and the preference for tenants displaced by fire.

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