

1 [Urging Prioritization of Small Property Owners and Affordable Housing Providers in the
2 Distribution of Rent Relief Funds]

3 **Resolution urging the Mayor’s Office of Housing and Community Development to**
4 **prioritize small property owners and affordable housing providers in the distribution of**
5 **rent relief funds through speedy review and approval timelines, technical assistance,**
6 **high-quality customer service, and in-language support to non-English speakers; and**
7 **urging large corporate landlords to voluntarily reserve these funds for small property**
8 **owners and affordable-housing providers.**

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10 WHEREAS, Corporate landlords have profited immensely before and during the
11 COVID-19 pandemic, including nearly \$50 billion from the 2017 Tax Cuts and Jobs Act,
12 federal tax code benefits worth nearly \$250 billion through 2027, LLC and REIT status
13 benefits to reduce taxation, and millions of dollars from the federal Paycheck Protection
14 Program, including PPP loans to corporate landlords Mosser Companies, Inc. in the range of
15 \$2 to \$5 million, and a high-profile \$3.6 million loan to Veritas Investments, each with billions
16 in assets and a history of rent hikes subverting rent control measures and alleged tenant
17 harassment; and

18 WHEREAS, Tenants in San Francisco, according to the Budget & Legislative Analyst’s
19 report on SF rental debt, have accumulated over \$100 million in rental debt due to COVID-19,
20 while San Francisco is set to receive only \$54 million from Senate Bill No. 91 (SB 91) and the
21 U.S. Treasury, a fraction of what is needed to ensure housing stability for tenants, small
22 property owners, and affordable-housing providers in the City; and

23 WHEREAS, While the State of California, through SB 91, retains control of \$28 million
24 of the \$54 million pool, the City of San Francisco, through the Mayor’s Office of Housing and
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1 Community Development (MOHCD), will control the remaining \$26 million, allowing the City to
2 establish equitable controls on the distribution of these limited public funds; and

3 WHEREAS, Large real-estate investment firms like Veritas Investments and Mosser,
4 who own hundreds of properties throughout San Francisco, have already begun efforts to
5 secure these first-come, first-serve public funds, potentially ahead of small property owners
6 and affordable-housing providers who have neither the resources nor the staff to secure these
7 funds as quickly as large firms; and

8 WHEREAS, These large real-estate investment firms have well-documented access to
9 capital that small property owners and affordable-housing providers do not, shown most
10 recently by Veritas' acquisition of an 87-unit property in Nob Hill, bought from a San Francisco
11 family for \$43 million through a combination of debt and equity; and

12 WHEREAS, The real-estate publication *GlobeSt* has written extensively on the
13 enormous amount of capital that investors are pouring into the rental market, with lending
14 poised to strengthen in 2021 and well-capitalized investment firms already positioned to take
15 advantage of these trends; and

16 WHEREAS, It is in the interest of San Francisco to prioritize small property owners and
17 affordable-housing providers for limited public funds to ensure equitable access to these funds
18 for owners who do not have extensive staff, industry contacts, and capital sources, and whose
19 buildings are primarily for housing San Francisco residents instead of for securing returns for
20 institutional investors; now, therefore, be it

21 RESOLVED, That the San Francisco Board of Supervisors urges MOHCD and any
22 other agencies to work together to prioritize small property owners and affordable-housing
23 providers in the administration of the City's rent-relief program; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors urges large, corporate
2 landlords to voluntarily reserve these funds for small property owners and affordable-housing
3 providers and negotiate in good faith with tenants and existing tenant associations; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors urges the City to promote its
5 rent-relief program to small property owners and affordable-housing providers across the City
6 neighborhoods, and in languages other than English, to ensure an equitable opportunity to
7 participate in the program; to provide specialized assistance in navigating the program
8 requirements and application to non-English speaking monolingual small property owners;
9 and to list these organizations on the MOHCD website under additional resources.

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