

1 [Urging the 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;**
7 **urging large corporate landlords to voluntarily reserve these funds for small property**
8 **owners and affordable-housing providers; and requesting a monthly report from the**
9 **Mayor’s Office of Housing and Community Development on the amount of federal rent**
10 **relief funds received by each landlord in San Francisco.**

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

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

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

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

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

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

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

23 RESOLVED, That the San Francisco Board of Supervisors urges MOHCD and any
24 other state and city agencies to work together to prioritize small property owners and
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1 affordable-housing providers in the administration of the City's state and federally funded rent-
2 relief programs; and, be it

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

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

12 FURTHER RESOLVED, That the Board of Supervisors requests a monthly written
13 report from MOHCD to the Clerk of the Board on the amount of federal rent relief funds
14 received by each landlord in San Francisco, until all funds have been distributed.

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