



LEGISLATIVE ANALYST REPORT

To: Land Use Committee members
From: Gabe Cabrera, Office of the Legislative Analyst (OLA)
Date: May 18, 2005
Re: **Institutions Responsible for Delivery of Housing and Related Services** (OLA No. 039-05)

SUMMARY OF REQUESTED ACTION

Identify and describe all City departments and agencies responsible for delivery of housing and related services in San Francisco.

INSTITUTIONS RESPONSIBLE FOR DELIVERY OF HOUSING AND RELATED SERVICES

The Mayor's Office of Housing (MOH) - Administers a variety of housing finance programs funded by federal, state and local sources, including:

- Community Development Block Grant (CDBG) Program – The U.S. Department of Housing and Urban Development (HUD) provides formula grants to entitled local governments to develop urban communities by providing housing and expanding economic opportunities, principally for low and moderate-income persons.
 - Notably, CDBG funds MOH's Community Housing Rehabilitation Program, which offers financial assistance to low and moderate-income owner-occupants for the rehabilitation of residential property. The maximum loan amount is \$75,000 for a single-family home and \$150,000 for a two-unit home. Qualified homeowners may be eligible for deferred payment loans.
- HOME Investments Partnership Program – HUD provides formula grants to States and local governments that communities use (often in partnership with local nonprofit groups) to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
 - HOME funds MOH's American Dream Downpayment Initiative, which provides financial assistance to low-income first-time homebuyers with loans for downpayments and closing costs. Funds are used to enhance other City homeownership programs. The maximum loan amount cannot exceed the greater of 6% of the total purchase price, or \$10,000.
- City Second Loans for Purchase of Designated Townhouse Units - Offers financial assistance to eligible first-time buyers with no interest, deferred payment loans. In lieu of interest, repayment will

include a share of appreciation in the value of the property at the time of resale. An applicant's combined household income cannot exceed 120% of area median income (AMI). The maximum loan amount is \$100,000 or 30% of the purchase price, whichever is less. Funded by City bonds.

- Downpayment Assistance Loan Program – Administered by MOH in conjunction with participating lenders. Assists eligible low and moderate-income first-time homebuyers in the purchase of their first homes. The maximum loan amount is \$100,000 or 30% of the purchase price, whichever is less. Funded by City bonds.
- Extra Credit Home Purchase Program – MOH administers this State program targeted to teachers, administrators and other eligible credentialed school personnel who work in “low performing” schools to purchase their first homes. Provides mortgage credit certificates to eligible applicants up to 20% of their annual mortgage interest payment as a dollar-for-dollar tax credit against their federal income taxes.
- Inclusionary Program – MOH administers the City’s Inclusionary Housing Ordinance, which requires developers of certain market rate developments to include or construct off-site residential units made affordable to low and moderate-income households (or to pay an in-lieu fee to support affordable housing elsewhere). MOH provides guidance to developers on the payment of in-lieu fees. Inclusionary units are available to first-time homebuyers whose incomes do not exceed 100% of AMI (adjusted for household size), and to renters whose income do not exceed 60% of AMI (adjusted for household size). The sale (or resale) of the units are handled directly by the developer or owner with compliance monitoring performed by MOH.
- Code Enforcement Rehabilitation Loan - Offers loans for a maximum of \$15,000 to correct any conditions, which violate the City’s Building Code. Properties of up to 3 units, which are owner-occupied by households earning no more than 80% of AMI, are considered eligible for these interest-free, deferred payment loans. Funded by the City’s Code Enforcement and Rehabilitation Fund.
- Lead Based Paint Program – HUD provides grants to State and local governments to develop and implement cost effective methods for the inspection and reduction of lead-based paint hazards in private owner-occupied and rental housing for low and moderate-income families.
 - In San Francisco, HUD grants fund MOH’s Lead Hazard Reduction Program, which provides free lead inspections, risk assessments, project management, remediation and clearance services to owners of properties occupied by low and moderate-income renters.

San Francisco Redevelopment Agency – This Agency is an entity legally separate from the City, but exists primarily to redevelop project areas designated by the Board of Supervisors. The Agency improves the City’s environment by creating better living conditions through the removal of blight. The Agency administers the following housing programs:

- Citywide Tax Increment Housing Program - Dedicates a portion of the tax increment funds generated through the Agency's real estate activities to the development of affordable housing. Funds are generated within “redevelopment areas”, but are invested in affordable housing development throughout the City. Funds are committed as grants and loans to nonprofit housing organizations for the development of a range of affordable housing, including new construction, rehabilitation of existing buildings, family apartments, single room occupancy residential hotels, special needs housing, emergency shelters and transitional facilities.
- Housing Opportunities for People with Aids Program – HUD provides funds for a wide range of housing and related supportive services for people with HIV/AIDS. Funds are allocated based on the reported number of people with HIV/AIDS in each county.

San Francisco Housing Authority – This Authority is an independent agency and a state chartered corporation. It derives a portion of its revenues from rents (residents pay 30% of their income for rent), but its budget and activities are substantially dependent on HUD. The Authority’s overall mission is to provide safe, decent and sanitary housing for very low-income households.

- Public Housing - The Authority includes 45 public housing developments located in many different San Francisco neighborhoods, with over 6,575 units of public housing serving very low-income families, seniors and disabled residents.
- Section 8 Program - Families apply to the program and are placed on a waiting list based on a random lottery. Once selected from the wait list, families find rental units in the private rental market and pay 30% of their income for rent. HUD, through the SFHA, provides a subsidy for the balance of the rent directly to the owner each month.

Planning Department - Provides yearly data and analysis of housing trends which other agencies and the public use for the development of housing programs. Develops several types of zoning controls, which attempt to directly or indirectly encourage the retention of existing affordable housing or the production of new affordable housing. In the past, these controls have included:

- Affordable housing special use districts;
- Density bonuses for senior and disabled housing;
- Floor area ratio and height exceptions for affordable housing in certain areas;
- Jobs-housing linkage requirements;
- Inclusionary zoning requirements;
- Restrictions on condominium conversions; and
- Restrictions on the conversion of residential units to commercial or hotel uses.

Planning Commission - Prepares the Residence Element of the City’s General Plan. The Residence Element sets forth the City’s objectives, policies, and programs that address broadly defined housing needs over five year periods.

Department of Human Services - Administers a variety of housing and related supportive services funded by federal, state and local sources, including:

- Care Not Cash - The City's County Adult Assistance Program (CAAP) is a cash aid program for adults without dependent children. Under Care Not Cash, homeless CAAP clients receive housing/shelter and associated amenities as a portion of their benefit package. Funding that would have otherwise been used for cash aid is used to expand permanent housing and services for this population (including access to mental health, substance abuse, and other support services).
- Shelter Plus Care system – HUD provides funds for rental assistance to homeless single adults and families with multiple disabilities (mental health, substance abuse, and HIV/AIDS).
- McKinney Supportive Housing Grants – HUD provides funds for a range of services to homeless people, including emergency shelter, transitional housing and permanent supportive housing.

Department of Building Inspection - Permits and inspects new construction and alterations, maintains building records and enforces residential energy conservation standards. Conducts plan checking and performs building, electrical, housing and plumbing inspections. Administers the seismic retrofitting requirements of the City's Building Code, which were enacted to strengthen unreinforced masonry buildings, many of which contain affordable rental units.

Department of Public Works – Develops and maintains streets and utilities. Decisions regarding the location, type and scale of capital improvements influence the feasibility and capacity for new development in the City. Administers the condominium conversion lottery for the Planning Department.

Rent Stabilization Board – Administers the City's Rent Control Ordinance and hears appeals of the decisions of hearing officers who arbitrate disputes over rent increases. Monitors owner move-in evictions and Ellis Act evictions and advises the Mayor on rent control and eviction policies.

Human Rights Commission – Supports and monitors fair housing access laws and reports to the Mayor and the Board of Supervisors with findings and recommendations on accessibility and discriminatory barriers. Protects persons from housing discrimination on the basis of medical disability, sexual orientation, family status, race, religion or national origin. Assists in resolving problems with single room occupancy hotels and does advocacy work for disenfranchised groups. Monitors fair housing practices at housing projects, which receive public assistance, and assists in correcting policies and practices with potentially discriminatory effects.

Mayor's Office on Disability - Ensures access to City programs and facilities for people with disabilities. With respect to affordable housing development, it works closely with MOH to review its projects and ensure that they provide accessibility required by federal, state and local laws.

Institutions Responsible for Delivery of Housing and Related Services

San Francisco Board of Supervisors
Office of the Legislative Analyst
May 18, 2005

Institutions Responsible for Delivery of Housing and Related Services

- Mayor's Office of Housing (MOH)
- San Francisco Redevelopment Agency (SFRA)
- San Francisco Housing Authority (SFHA)
- Planning Department and Planning Commission
- Department of Human Services (DHS)
- Department of Building Inspection
- Department of Public Works
- Rent Stabilization Board
- Human Rights Commission
- Mayor's Office on Disability

Housing Programs & Services by Type

- Programs that Create/Develop Housing
- Programs that Assist Homebuyers
- Programs that Assist Homeowners
- Programs that Assist Renters
- Institutions that Provide Related Services

Programs that Create/Develop Housing

- Community Development Block Grants (MOH) - HUD provides formula grants to develop housing and economic opportunities, principally for low and moderate-income persons .
- HOME Investments Partnership Program (MOH) - HUD provides formula grants that communities use (often in partnership with local nonprofit groups) to build, buy or rehabilitate housing for rent or homeownership.
- Citywide Tax Increment Housing Program (SFRA) - Dedicates a portion of tax increment funds for the development of affordable housing.
- Public Housing (SFHA) - Includes 45 public housing developments located in many different San Francisco neighborhoods, with over 6,575 units of public housing serving very low-income families, seniors and disabled persons.

Programs that Assist Homebuyers

- City Second Loans for Purchase of Designated Townhouse Units (MOH) - Offers financial assistance to eligible first-time buyers with no interest, deferred payment plan. In lieu of interest, repayment includes a share of appreciation value at the time of resale.
- Extra Credit Home Purchase Program (MOH) - This State program provides eligible teachers up to 20% of their annual mortgage interest as a tax credit against their federal income taxes.
- Downpayment Assistance Loan Program (MOH) - Assists low and moderate income first-time homebuyers with downpayments up to \$100,000.

Programs that Assist Homeowners

- Community Housing Rehabilitation Program (MOH) - Offers loans to low and moderate-income owner-occupants with loans up to \$150,000 for the rehabilitation of residential property.
- Code Enforcement Rehabilitation Loan (MOH) - Offers loans up to \$15,000 to correct any conditions, which violate the City's Building Code.
- Lead Hazard Reduction Program (MOH) - Provides free lead inspections, risk assessments, project management, remediation and clearance services to owners of properties occupied by low and moderate-income renters.

Programs that Assist Renters

- Section 8 Program (SFHA) - Families find rental units in the private rental market and pay 30% of their income for rent. HUD, through the Housing Authority, provides a subsidy for the balance of the rent directly to the owner each month.
- Care Not Cash (DHS) - Homeless CAAP clients receive housing/shelter and associated amenities as a portion of their benefit package.
- Shelter Plus Care (DHS) - Provides rental assistance to homeless single adults and families with multiple disabilities.
- McKinney Supportive Housing Grants (DHS) - HUD provides funds for a range of services to homeless people, including emergency shelter, transitional housing and permanent supportive housing.
- Housing Opportunities for People with Aids Program (SFRA) - HUD provides funds for a wide range of housing and related supportive services for people with HIV/AIDS.

Institutions that Provide Related Services

- Planning Department - Develops several types of zoning controls, which attempt to directly or indirectly encourage the retention of existing affordable housing or the production of new affordable housing.
- Planning Commission - Prepares the Residence Element of the City's General Plan.
- Department of Public Works - Administers the condominium conversion lottery for the Planning Department.
- Rent Stabilization Board - Administers the City's Rent Control Ordinance. Monitors owner move-in evictions and Ellis Act evictions.
- Human Rights Commission - Supports and monitors fair housing access laws.
- Mayor's Office on Disability - Works with MOH to review projects and ensure that they provide accessibility required by federal, state and local laws.