

**Hunters Point Shipyard Citizens Advisory  
Committee**

**Housing Subcommittee**

**Senate Bill 593**

**Replacement Housing  
and COP Program Update**

**November 16, 2023**



# Background

- **Prior to 1976:** the former Redevelopment Agency destroyed 14,207 affordable units, but only produced 7,498 affordable units. The areas with the greatest loss of housing were: Western Addition A-1 and Yerba Buena Center
- **2000:** State Legislature approved Senate Bill 2113 authorizing the former Agency to use tax increment financing to fund and develop units that were destroyed prior to 1976 and not replaced.
- **2003:** The State Department of Housing and Community Development certified “a net loss of 6,709 units the Agency must replace”
- **2003-2012:** The former Agency funded 867 replacement housing units pursuant to Senate Bill 2113
- **2012:** The former Agency, and all California Redevelopment Agencies are dissolved by the State of California, OCII created to complete “enforceable obligations” of former Agency
- **2012-2022:** OCII and the City unsuccessfully sought to establish the replacement housing obligation under Senate Bill 2113 as an “enforceable obligation”
- **2023:** Senate Bill 593 (Wiener) approved by Senate and Assembly establishing the replacement housing obligation as an “enforceable obligation,” but funded with residual tax increment available to the City.

# Summary of Senate Bill 593

- Authorizes OCII to fund and develop up to 5,842 units destroyed by the former Redevelopment Agency.
- Replacement housing funds are a limited source of tax increment funds available after payment of OCII's current enforceable obligations and thus will only be available through multiple bond issuances over time.
- First availability of replacement housing funds is projected to occur in late 2025 and the last allocation in the mid- to late 2050s.
- Replacement housing units must be developed pursuant to affordable housing standards in state law, i.e. Community Redevelopment Law

# CRL Replacement Housing Standards

- Units may be built anywhere in San Francisco
- Units are restricted to income-eligible households; they must be affordable to “persons in the same or a lower income category” (low, very low, or moderate), as the persons displaced.
- Units must remain affordable and subject to affordability restrictions.
- Replacement housing is additive to OCII’s current housing obligations; it is independent of a OCII’s other obligations to produce housing
- Replacement housing funds must leverage other financing and subsidies for affordable housing.

# Potential Replacement Housing Funding Categories

- Adding units in excess of existing obligations to Project Areas where sites are available for development and are subject to time constraints to begin construction
- Developing affordable housing in former redevelopment project areas, particularly those subject to urban renewal displacement
- Developing affordable housing in other areas of the City where the City, through MOHCD, has identified priority projects in need of funding

# Impact of Replacement Housing on Certificate of Preference “COP” holders

- Household members displaced by Redevelopment received a Certificate of Preference (“COP”)
- OCII and MOHCD currently provide first preference in 100 percent of all units in OCII affordable housing projects to COP holders.
- In 2022, the state legislature expanded this preference to include the descendants of COP holders.
- Replacement Housing expands the supply of affordable housing for which COP holders are eligible.
- COP holders including descendants, will receive first preference for all replacement housing.

# Administration of COP Program

- Mayor's Office of Housing and Community Development ("MOHCD") provides, under an MOU with OCII, staffing and operational support to the program and OCII pays its costs for services provided in OCII-assisted affordable housing.
- Program is incorporated into MOHCD's Homeownership and Below Market Rate division.
- MOHCD staff continues to work with members of the public that request Certificates and verifies their eligibility

# Early Outreach Plans

- Starting in 2016, OCII required new affordable housing projects to create an Early Outreach Plan.
- COP holders receive advance notice of OCII affordable housing opportunities.
- Developers work with a housing counseling agency to outreach to COP holders.
- Postcards are mailed out to “active” COP holders with information on the housing development and workshops to be held on credit repair, money matters, and rental readiness.

# COP Holder Survey

- In 2017/2018, OCII conducted a COP Holder survey
- Goals: to better determine the demographics, and know the housing needs and interests of COP holders
- Reached out to 891 “active” COP holders
- Total number of respondents = 114
- Findings:
  - 88% of respondents had not used their certificate
  - 83% of respondents intended to use their certificate
  - Majority are African American, female, between 50-70 years old, and have an annual household income below \$60,000

# COP Holder Survey cont.

- Most need:
  - Units with 1-2 bedrooms
  - Senior housing
  - Assistance with the application process
- Recommendations:
  - Assure OCII pipeline includes:
    - senior units
    - units with 1-2 bedrooms
  - Non-senior buildings need to provide senior “focused” services
  - Unit tiering options (both higher and lower than 60% AMI)
  - Educate COP holders about unfamiliar neighborhoods where affordable housing is being offered

# COP Holder Location Efforts

- 2009: Keane Organization, Inc. completed a survey for the SFRA
  - Scanned and created digital records of the Site Occupancy Records
  - Confirmed if original COP holders were still living
  - Conducted an electronic and manual search for last known address
- 2022: Lynx Insights and Investigations, Inc. with New Community Leadership Foundation
  - Locate as many as individuals as possible who may not be aware they are eligible for a COP certificate
  - 5,893 households were displaced; approximately 12,188 individuals
  - Seeking to improve current contact information for individuals who were displaced

# COP Information

**If you think you may be eligible for a Certificate of Preference more information is available here:**

- [Learn about the Certificate of Preference \(COP\) | San Francisco \(sf.gov\)](#)
- **Certificate hotline at 415-701-5613**

# Next Steps

- Work with CACs, MOHCD, and other key constituents to determine priority projects
- Solicit bond financing team for the initial replacement housing bond issuance
- Continue work on locating COP holders, determining housing needs and preferences

# Replacement Housing Priorities

Questions / Comments