

**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 \$60,00

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