

City and County of San Francisco



2013-2018 Analysis of Impediments to Fair Housing Choice

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1 Executive Summary

“The Analysis of Impediments (AI) is a review of impediments or barriers that affect the rights of fair housing choice. It covers public and private policies, practices, and procedures affecting housing choice. Impediments to fair housing choice are defined as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin. The AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.”

- Department of Housing and Urban Development

In conducting this analysis of impediments, the City of San Francisco completed:

- An extensive review of laws, regulations, administrative policies, procedures, and practices;
- An assessment of how those laws affect the location, availability, and accessibility of housing;
- An evaluation of conditions, both public and private, affecting fair housing choice for all protected classes; and
- An assessment of the availability of affordable, accessible housing in a range of unit sizes.

Whenever possible, the AI presents the most recent available data on market, demographic, and economic conditions. The AI examines fair housing information on a citywide and, where applicable, neighborhood level. Data on market rate housing affordability, subsidized housing access, and fair housing complaints were reviewed to gain an in-depth perspective on local housing conditions.

The AI also relied on qualitative research to identify barriers that limit housing choice and to craft recommendations. Qualitative information was gathered in multiple ways including community meetings, focus-group discussions, and one-on-one interviews.

The resulting analysis identifies key impediments. These impediments fall into three broad categories: (1) impediments related to housing affordability - including issues specific to assisted housing programs and market rate housing, (2) direct discrimination, and (3) impediments for specific protected classes – seniors, people with disabilities, people of specific ethnicities, people with a criminal record, immigrants, and people with limited English proficiency. The grid below represents a summary of impediments identified through the AI process.

Impediments to Affordable Housing Development
City funding alone cannot cover costs for affordable housing development. Affordable housing developers depend on a variety of federal, state, and local funding sources. Unfortunately, Federal, State and local funding sources are vulnerable to the budgeting process and economic conditions.
Infrastructure costs sometimes pose an impediment to affordable development as in the case of HOPE SF developments where a large portion of development costs will be infrastructure costs such as new roads and sewers.

Most of the city is housed in smaller buildings (75% of the building stock is comprised of buildings with fewer than 20 units) Deterioration, TIC (Tenant in Common) conversions, condominium conversions, and demolitions all threaten to remove these units from the rental stock. However, Tax credit programs, the principle funding source for affordable housing rental development, have traditionally been difficult to use for scattered site developments.

Impediments to Utilization of Assisted Housing Programs

Affordable housing and public housing are predominantly located in low-income neighborhoods and neighborhoods with low-achieving schools.

A disproportionate number of voucher holders live in low-income neighborhoods like Bayview, SOMA, and the Western Addition.

Information about affordable housing is complex and non-centralized.

Applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for particular populations such as those with mental health issues or limited literacy.

Strict screening standards can have the effect of restricting access on the basis of race or disability status to the extent that screening criteria such as criminal history correlate with protected factors.

Impediments to Healthy Living in Low-Cost Market Rate Housing and SROs

Some renters in San Francisco, particularly recently arrived immigrants, people with limited English proficiency, low levels of education, or disabilities, are not aware of their rights to healthy, habitable housing under City Code.

Single Room Occupancy Hotels are amongst the oldest building in the City, and buildings continue to deteriorate.

Tenants who suffer from mental or psychiatric disabilities, or who have hoarding and cluttering behavior, can have difficulties vacating their room for building managers to do needed improvements.

Some buildings have elevators that break frequently and require special parts for repairs. Senior and disabled tenants in SRO buildings who need an elevator can become trapped in their units. Furthermore, a majority of SRO buildings lack elevators entirely.

Unlike nonprofit staff, who specialize in working with high-need populations, hotel staff in privately owned SROs seldom know how to approach persons with mental illness or in crisis.

Impediments to Reducing Direct Discrimination

Based upon reported incidents, alone, it is impossible to know the true prevalence of housing discrimination because many people experiencing discrimination do not make a formal report.

Impediments Facing Seniors and Adults with Disabilities

5% of older adults and 9% of disabled adults need, but cannot access home repair and modifications programs

Because the Planning Department does not have a single, uniform procedure for reasonable accommodations requests, some persons in need of a reasonable accommodation may slip through the cracks. For instance, staff may not always recognize a “reasonable accommodations request” when it is not phrased in that terminology.

Accessibility issues in affordable housing could often be avoided if parties involved with affordable housing development and oversight—MOH, DPH, HSA, and developers, had improved communication and coordination with representatives from the disability community.

The application and wait-list process can make it difficult to “match” people with specific impairments to a suitable unit.

People with disabilities who need live-in care have exceptional difficulty accessing City-supported affordable housing if there are too few 2 bedroom units available, or because these units are financially out of reach

MOH does not collect complete data on the disability status of residents in City supported housing.

Security deposit assistance programs primarily focus on families at risk of homelessness.

Impediments Due to Race/Ethnicity
Low-income families often lack asset building opportunities. In San Francisco, an estimated 40,000 households (11%) are un-banked.
A large share of this most recent wave of foreclosures was precipitated by subprime and predatory lending that often targeted racial/ethnic and linguistic minorities
Foreclosure counselors in neighborhoods that are hard hit by foreclosures are having difficulty keeping up with the need for their assistance, and can no longer provide intensive one-on-one guidance.
The Office of the Assessor-Recorder has taken a leadership role in addressing foreclosures in San Francisco. However, the office has limited capacity to address a full range of policy and legislative issues related to the foreclosure crisis. In particular, little is known about the prevalence of foreclosures in rental buildings.
Criminal background checks, credit checks, and eviction history are commonly used to help judge applicant qualifications. However, these methods may result in disproportionate refusal of African American and Latino applicants.
Consistent underrepresentation of Latino and Hispanic households in City-supported rental housing
Applicants to BMR housing do not reflect the demographic mix of qualified San Francisco residents. Latino, African American and white applicants are under-represented relative to Asian applicants.
Multiple steps and requirements for BMR home purchase result in many drop-outs and disqualifications. Almost 10 applicants begin the process for every one that succeeds. As a general trend, Asian and white households appear to be more successful in making it through the process.
Impediments Facing People with a Criminal Record
Barriers to housing and work, in particular, hinder their ability to establish a healthy productive lifestyle. Housing discrimination on the basis of a criminal record is a Fair Housing issue as disproportionate numbers of African Americans, Latinos, and people with a disability have had criminal justice system involvement.
Housing managers are under pressure to fill units quickly so it is important that applicants have a timely opportunity to offer corrections, evidence of mitigating circumstances, evidence of rehabilitation, and requests for reasonable accommodation.
Most landlords are not adequately informed about laws regarding private criminal background checks and violate them unknowingly in an attempt to identify the best possible tenants
Some transitional housing programs bar those with a criminal background from enrollment.
For those who do not struggle with addiction or mental illness, the current stock of transitional housing is not a good fit, as most transitional housing includes a treatment regime. However, even those with an employment history and in-demand skills, when released without a home, need a transitional housing program to get back on their feet.
SFHA considers a wide range of criminal allegations and convictions, but does not call for blanket exclusions except those required by HUD for registered sex offenders and methamphetamine production. Some have voiced concern about the unpredictable nature of a broadly discretionary policy.
Impediments Facing Immigrants and People with Limited English Proficiency
City residents can safely access City-sponsored housing, regardless of their immigration status, but fear of deportation remains a significant barrier; many families and individuals opt for substandard or overcrowded conditions rather than become known to government staff or programs.
Housing-related transactions that might be easy for a high-school educated native-born American, such as filling out an application forms, can pose a substantial barrier to entry for anyone who cannot speak, write or read English.

Conclusion

San Francisco has a deep commitment to promoting fair housing. Yet this AI challenges the City to look even more closely at the issues and ask: “how can we do a better job of promoting fair housing to become

a more just City?”

The unfortunate truth is that unequal access to housing remains a fact of life for many San Francisco residents. San Francisco is amongst the most costly housing markets in the nation. Income is highly correlated with race, age and disability status as well as other federally protected factors. Because federally protected factors are tied to earning potential, the scarcity of low-cost ownership and rental opportunities in San Francisco has a disparate impact on protected classes. In other words, San Francisco’s high cost housing market is a far-reaching impediment to fair housing choice.

In this Analysis of Impediments to Fair Housing we strive to identify concrete, achievable solutions to affordability problems and fair housing issues in the City.

Introduction

1.1 Purpose of the Analysis of Impediments to Fair Housing

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions receiving federal Entitlement Grant funds to develop and update an Analysis of Impediments to Fair Housing Choice (AI). HUD defines these impediments as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

This AI contains fair housing information on a citywide and, where applicable, neighborhood level. Data on market rate housing affordability, subsidized housing access, and fair housing complaints were reviewed to gain an in-depth perspective on local housing conditions. The AI then identifies potential barriers that limit housing choice and proposes actions to overcome those barriers.

This document will serve as a resource for City staff, local policy-makers, practitioners, and service providers looking to understand fair housing needs and craft fair housing policy within San Francisco. It has been prepared in compliance with all HUD requirements and federal fair housing guidelines.

1.2 Methodology and Community Participation

1.2.1 *Quantitative Data Collection*

The AI incorporates quantitative data from a variety of sources, including:

- the United States Census;
- the Association of Bay Area Governments;
- the California Department of Finance;
- Claritas, Inc.; (a private demographic data vendor);
- the HUD Office of Fair Housing and Equal Opportunity (FHEO);
- RealFacts and Dataquick (private housing market data providers);
- the San Francisco Mayor's Office of Housing;
- the San Francisco Redevelopment Agency;
- the San Francisco Housing Authority;
- the City Human Rights Commission; and
- the California Department of Fair Employment and Housing.

Whenever possible, the AI presents the most recent available data on market, demographic, and economic conditions.

1.2.2 **Qualitative Data Collection**

Qualitative information for the Analysis of Impediments was gathered in multiple ways: first, community meetings and public feedback for the Consolidated Plan gathered information on the housing challenges facing San Franciscans. Second, an Analysis of Impediments Oversight Committee, which included diverse stakeholders such as community-based organizations, disability advocates, housing developers, and fair housing counselors engaged in in-depth discussions with City staff in a series of focus-groups. A list of the eighteen Oversight Committee members is listed in the Appendix. Third, thirteen additional experts were interviewed, including legal experts in Fair Housing, service providers working with specific populations, and City staff overseeing programs. Lastly, the draft Analysis of Impediments was posted to the Mayor's Office of Housing Website, notice advising the public of the opportunity for input was advertised in a major newspaper, and over 1,000 individuals and organizations were notified via mail of the opportunity to provide feedback.

Below describes the community participation process for the Consolidated Plan and Analysis of Impediments

The Analysis of Impediments relied upon community input gathered for the Consolidated Plan, as well as additional research to update and deepen learnings from that process. In preparation for the development of the past Consolidated Plan, during the fall of 2009, MOH, along with OEWD and SFRA, convened 10 public hearings in key neighborhoods, including each of the six HUD-approved Neighborhood Revitalization Strategy Areas, to collect more detailed public input on specific community needs. In addition, a separate hearing was convened specifically with homeless providers and individuals to receive comments specifically on homeless strategies. All locations were accessible to persons with disabilities, and translation services were made available to the public.

Notice of the hearings was published in the San Francisco Examiner, in neighborhood-based newspapers, and on MOH's website. MOH also sent out a mass mailing of the public notice. The mailing list consisted of more than 1,000 non-profit organizations, neighborhood-based groups and public agencies, including the San Francisco Housing Authority. The notice was translated into Chinese and Spanish and was distributed to public libraries and to other neighborhood organizations that serve low-income and hard-to-reach residents. Persons who did not want to speak at a public hearing were encouraged to provide written comments to MOH.

The Draft 2010 Five-Year Consolidated Plan and Draft 2010-2011 Action Plan were available to the public for review and comment between March 22, 2010 and April 20, 2010. The City published a notice in the San Francisco Chronicle on March 15, March 31 and April 14, 2010 informing the public of the availability of the two documents for review and comment. Notices were also published in several neighborhood newspapers regarding the availability of both documents for review. The public had access to review the documents at the Main Branch of the Public Library and at the offices of MOH, OEWD and SFRA. The documents were also posted on the MOH, OEWD and SFRA websites.

The public was invited to provide comments on the Draft 2010-2014 Consolidated Plan and Draft 2010-2011 Action Plan at the regular monthly meeting of the CCCD on April 20, 2010. Comments underscored the importance of housing for the lowest income residents, such as those on disability, SSI or who are

disabled. The Consolidated Plan includes strategies to address the needs of persons with disabilities and seniors, and the Analysis of Impediments examines impediments to fair housing choice facing these populations.

Below describes the process for obtaining qualitative information and community feedback specifically on impediments to fair housing choice. This process was supplemental to the Consolidated Plan public engagement.

Analysis of Impediments Oversight Committee, a panel of respected experts and practitioners in relevant fields was convened in January, 2011 and received introduction to Fair Housing Law and the purpose of the Analysis of Impediments. After an introductory meeting, the Oversight Committee divided into two smaller groups for focused conversations. One group examined impediments facing seniors and younger adults with disabilities. The second group examined impediments facing families, people of color, immigrants, and people having limited English proficiency. Both groups discussed impediments facing people with a criminal record, as people of color and persons with disabilities are heavily represented in this group.

Subcommittees began by reviewing the data analysis already completed for the AI and made recommendations for additional data that ought to be included to describe impediments more fully. Each subcommittee then discussed impediments facing specific populations, and formulated recommendations for remedy. In total, each subcommittee met 3 times, and the Oversight Committee met as a whole twice.

Congruent with Oversight Committee convenings, the Mayor's Office of Housing staff interviewed thirteen subject-matter experts on issues facing particular populations. Interviews averaged 1-2 hours in length. Through these conversations, staff collected detailed information on impediments and reviewed existing programs and policies. Importantly, interviews provided a safe and confidential space to have candid conversations with program managers, and brainstorm with diverse stakeholders on policy solutions. A list of interviewees is listed in the Appendix.

Finally, after qualitative data from the Oversight Committee convenings and expert interviews were incorporated into a draft AI, that draft was made available to City Department heads, non-profit stakeholders and the public for comment. The City published a notice in the San Francisco Examiner on December 4, 2012 and December 19, 2012 informing the public of the availability of the document for review and comment. Notice of the opportunity to provide input on the Draft AI was sent to over 1,000 community-based organizations. The public had access to review the documents at the Main Branch of the Public Library and at the MOH office. The documents were also posted on the MOH website. The draft was available between December 5, 2012 and January 4, 2013 for public review and comment.

1.3 Organization of the AI

Following the Executive Summary and this Introduction, the AI is organized into the following sections:

Background Information

The background section offers the reader a context for understanding impediments to fair housing. It offers an overview of San Francisco's housing market and demographics.

After setting the context, the report delves into three broad categories of impediments to fair housing choice:

Impediments Tied to Affordability

First, impediments that result from high housing costs are examined.

Direct Discrimination

Second, direct discrimination is examined. Direct discrimination is often the result of personally held stereotypes or prejudices that result in favoritism for one group over another. Data on fair housing complaints are analyzed and recommendations to reduce discrimination are proposed.

Impediments Facing Specific Populations

Third, impediments facing specific populations are examined, focusing on six groups: seniors, adults with disabilities, racial and ethnic minorities, people with a criminal record, immigrants, and English language learners. While these groups are characterized by lower earnings, this section examines population-specific impediments beyond the affordability issues previously discussed. This section relies heavily on qualitative data gathered from the Analysis of Impediments Oversight Committee, expert interviews, and community feedback to identify population-specific barriers to housing access.

Within each section impediments are described and then solutions are recommended. A summary of all impediments and recommendations may be found in the Appendix.

1.4 Local Obligations Under Fair Housing Law

Multiple laws define who and what is subject to Fair Housing protections. Fair housing is defined by HUD1 to mean the ability of persons of similar income levels to have the same housing choice regardless of race, color, religion, sex, handicap, familial status, or national origin. Discrimination in the sale or rental of housing is prohibited against these protected classes. California fair housing laws expand on the federal laws, adding marital status, ancestry, sexual orientation, source of income, and “any arbitrary discrimination” as protected categories. The City of San Francisco has gone one step further to add age, gender-identity, place of birth, height, weight, and HIV status as prohibited grounds for discrimination in housing.

Title VIII of the Federal Civil Rights Act of 1968 prohibits housing discrimination based on race, color, national origin or ancestry, sex, or religion. The 1988 Fair Housing Amendments Act added familial status and mental and physical handicap as protected classes. These two federal fair housing laws prohibit a wide range of discriminatory actions, including refusal to rent, sell, or negotiate for housing, make housing unavailable, set different terms, conditions, or privileges, provide different housing services or facilities, refusal to make a mortgage loan, or impose different terms or conditions on a loan.

¹ 23CFR 570.904(c)(1)

Fair housing laws at the local, state, and national level are intended to further equal opportunity in housing, mortgage lending, and the purchase of mortgage insurance.

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice. HUD interprets a jurisdiction's obligations to include the following:

Analyze and eliminate housing discrimination in the jurisdiction;
Promote fair housing choice for all persons;
Provide opportunities for racially and ethnically inclusive patterns of housing occupancy;
Promote housing that is physically accessible to and usable by all persons, and particularly for persons with disabilities; and
Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

Fair housing laws are in place at the federal and state levels. Federal, state, and local governments all share a role in enforcing these laws, as well as conducting activities to affirmatively further fair housing.

Disability under the Fair Housing Act

Disability, under the federal Fair Housing Act, is broadly defined to include any physical or mental condition that creates a substantial "major life impairment" such as difficulty seeing, walking, thinking, and so forth. It covers the actual home seeker, a family member, or a guest. It covers actual impairments, a history of disability, or a mistaken belief that a person is disabled.²

Fair housing law is intended to equalize housing opportunity. However, only in the case of disability does the law require the provider to take affirmative steps to increase access. These three fair housing requirements do not apply in the case of other protected classes:

1. Accessible common areas and "readily adaptable" ground floor dwelling units in most newly constructed multi-family apartment buildings. The act also requires accessible exterior routes into the building and ground floor units.
2. Structural Reasonable Modification to increase accessibility. Housing providers must consider all requests by a housing consumer to make reasonable structural changes at the tenant's expense so s/he has full use of the dwelling unit. Public funding may obligate the landlord to pay.
3. Reasonable Accommodations in rules, policies, procedures, and practices. This legal obligation applies most often in the rental arena. The housing provider must make reasonable adjustments in rules when necessary both because of a disability and to acquire or maintain the tenancy.³

At the State level, the Rumford Housing Act prohibits housing discrimination toward all classes protected under Title III, and adds marital status as a protected class. The Unruh Civil Rights Act prohibits discrimination in all business establishments in California, including housing and public

² Fair Housing Council of Oregon, <http://www.fhco.org/disability.htm>

³ Ibid.

accommodations, based on age, ancestry, color, disability, national origin, race, religion, sex, or sexual orientation.⁴

The California Fair Employment and Housing Act (FEHA) prohibits discrimination and harassment in all aspects of housing including sales and rentals, evictions, terms and conditions, mortgage loans and insurance, and land use and zoning. The Act also requires housing providers to make reasonable accommodation in rules and practices to permit persons with disabilities to use and enjoy a dwelling and to allow persons with disabilities to make reasonable modifications of the premises. In addition to those classes of individuals protected under the Unruh Act, FEHA provides protection from discrimination on the basis of source of income.

San Francisco City Fair Housing Laws are detailed in Chapter 12 of the Administrative Code and Articles 33, 38, and 1.2 of the Police Code.

Under local law, it is unlawful for any person to “To interrupt, terminate, or fail or refuse to initiate or conduct any transaction in real property” because of a person’s actual or perceived race, color, ancestry, national origin, place of birth, sex, age, religion, creed, disability, sexual orientation, gender identity, source of income, weight, or height, families with minor children, and people with AIDS (San Francisco Police Code, Articles 33, 38, and 1.2) To the list of classes protected under state or federal law, City ordinance adds place of birth, creed, gender identity, weight, and height. As well, the local ordinance definition of “source of income” is more expansive than that in State law. The state law definition of “source of income” effectively exempts the Section 8 voucher because the Section 8 subsidy is paid directly to the landlord: “verifiable income paid directly to a tenant or paid to a representative of a tenant. For the purposes of this section, a landlord is not considered a representative of a tenant.”(California State Government Code 12955(p)). However, the local definition of “source of income” includes “all lawful sources of income or rental assistance from any federal, State, local, or nonprofit-administered benefit or subsidy program. "Source of income" also means a rental assistance program, homeless assistance program, security deposit assistance program or housing subsidy program.” (San Francisco Police Code, Article 33)

1.5 Prior AI Accomplishments

The following summarizes progress since the last Analysis of Impediments Report in addressing the recommendations made at that time.

1.5.1 Actions To Increase Supply of Affordable Units

Recommendation: Advocate for increased sources of funding for affordable housing development, including through State and local bond measures.

After the success of the \$100 million General Obligation Bond for affordable housing was approved by the San Francisco voters in 1996, two subsequent bond measures were attempted but unsuccessful in

⁴ The protection afforded under the law is extended by case law to include sexual orientation. Sexual orientation includes persons who are homosexual, bisexual, or heterosexual.

2002 and 2004. Both of the subsequent bond measures were for \$250 million each. Housing advocates successfully got State Proposition 1C approved in 2006 for \$2.85 billion. It has been used for affordable rental development, homeownership opportunities and transit-oriented development. At the Federal level the National Housing Trust Fund was established in 2008 to serve as a permanent source for the development and preservation of affordable rental housing and homeownership opportunities for households earning at or less than 50% of area median income.

Recommendation: Continue working to improve the loan terms available to buyers of inclusionary condos by increasing the marketability of mortgages for inclusionary condos on the secondary market. If efforts to convince Fannie Mae and Freddie Mac to accept recorded affordability restrictions fail, ask the San Francisco Board of Supervisors to modify the inclusionary program to open up the lending opportunities without loss of affordability.

The Mayor's Office of Housing is in the process of working with Fanny Mae to streamline their processing of mortgages for Inclusionary Units. Fannie Mae has always provided insurance for these mortgages, but MOH has just learned that the units fall between 2 of their programs and thus banks need to apply for a special waiver. MOH is working to streamline the process so mortgage lending to inclusionary buyers is more attractive to brokers. MOH has not approached Freddie Mac- Freddie Mac will not accept affordability restrictions. However, MOH will also be pursuing the option of releasing newer units upon resale to open-up government insured loans to potential buyers.

Recommendation: Increase affordable, accessible housing by requiring housing providers with inclusionary units to accept Section 8 as part of the permit process. Amend the inclusionary ordinance to require developers to accept vouchers for rental units.

The Mayor's Office of Housing now requires the acceptance of Section 8. This policy will be codified in the upcoming Procedures Manual update.

1.5.2 Actions to Increase Community Acceptance of Affordable Housing

Recommendation: Continue and expand community outreach and public education efforts to build support for affordable housing within a broad cross-section of the population of San Francisco.

Community outreach and public education is a vital component to any affordable housing development in San Francisco to not only gain community acceptance and support for the project but also to establish community connections between the development and its neighbors. Community outreach and education about a particular development is usually the responsibility of the project's developer.

Recommendation: Continue review of implementation of the "Citizens Right to Know Act" to determine whether it has a discriminatory impact on housing for low-income and minority people, and, if so, advise Board of Supervisors of these impacts.)

All borrowers or grantees are required to post a large "Prop I" notice on the property 15 days prior to the City approving the project, and in MOH's case the Mayor approving a loan or grant and executing the loan/grant agreement. The Prop I notice specifies the MOH staff contact for the project and his or her contact information. The borrower/grantee must submit proof of the notice to MOH by sending a

photograph of the posted notice to the project's MOH project manager. The Prop I notice does solicit public inquiry about the proposed project and potential NIMBY response.

1.5.3 **Actions to Promote Accessibility**

Recommendation: Continue efforts to create more accessible and adaptable units in affordable housing developments.

In MOH's Notice of Funding Availabilities, accessibility requirements are specified, typically to be: Project sponsors will be responsible for meeting all applicable accessibility standards related to publicly-funded multifamily housing development under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco. New construction projects will be required to have at least 50% of all units adaptable and 10% of all rehabilitated units assisted with funds from this NOFAs shall be adaptable.

1.5.4 **Actions to Further Fair Housing Enforcement**

Recommendation: Extend the monitoring, reporting and record keeping system by which City agencies involved in the funding and development of affordable housing gather pertinent household income, demographics and ethnic composition data for publicly subsidized housing to any other affordable housing required to be developed under any City program or by any City policy.

The San Francisco Mayor's Office of Housing has a robust annual monitoring report in which affordable housing managers report detailed financial information, and relevant information about tenant's income and demographics. This data was crucial for the Analysis of Impediments to Fair Housing, as it enabled us to examine representation by ethnicity and senior status in City-supported housing.

Recommendation: Identify and correct any current policies and practices by City agencies involved in the development or preservation of affordable housing which may lead to discriminatory effects against any person or group of persons on the basis of race, ethnicity, religion, national origin, disability, sexual orientation, family status, or income level.

This 2012 Analysis of Impediments to Fair Housing has identified policies and practices by City agencies involved in the development and preservation of affordable housing which lead to discriminatory effects on persons on the basis of race, ethnicity, disability and income level. Recommendations for correction are included in this report.

Recommendation: Monitor all city-funded housing providers to ensure that they are following the recommended guidelines and providing equal access to all people in the application process.

In MOH's loan agreement, borrowers or grantees of MOH funds must comply with the following Section 6.2 of our loan/grant agreement.

6.2 Affirmative Marketing Elements. Borrower's marketing plan must include as many of the following elements as are appropriate to the Project, as determined by the City:

(a) The marketing plan must include a reasonable accommodations policy that indicates how Borrower intends to market Units to disabled individuals, including an indication of the types

of accessible Units in the Project, the procedure for applying for vacant Units and a policy giving disabled individuals a priority in the occupancy of accessible Units.

(b) Borrower must advertise vacant Units in local neighborhood newspapers, community-oriented radio stations and other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(c) Borrower must provide notice of vacant Units to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(d) Borrower must provide notice of vacant Units to SFHA.

(e) At least thirty (30) days before any anticipated vacancy and immediately after all other vacancies, Borrower must provide notice to MOH's housing information systems manager for inclusion in MOH's Affordable Housing Information System or other database of available housing units.

(f) To the extent practicable, Borrower must give preference to potential tenants who have been displaced from other units in the City by rehabilitation or construction work financed in whole or part by the City. To implement this requirement, Borrower agrees to give preferential consideration to applications of displaced persons provided to Borrower by the City.

(g) To the extent practicable, without holding Units off the market, the community outreach efforts listed above must take place before advertising vacant Units to the general public.

1.5.5 **Other Recommended Actions**

Recommendation: Expand housing for youth aging out of foster care. San Francisco's Continuum of Care⁵ for 2001-2006, developed by the Local Homeless Coordinating Board, specifically recommends increasing supportive housing programs (including transitional housing) for youth with mental health needs and creating scattered-site housing with off-site support services for additional youth who are more prepared for independent living.

San Francisco is home to over 5,700 youth and young adults who need services and support to reconnect to school, work and communities. San Francisco's TAY include young people "aging out" of the foster care system; formerly homeless and runaway youth; and those who are on their own due to unstable or abusive families. For many youth, secure housing is the critical first step toward success in work, school, training and community service programs. "Couch surfing," sleeping on the street or living in abusive households prohibit youth from successfully transitioning into adulthood.

In March 2006, Mayor Gavin Newsom established the Mayor's Task Force on Transitional Youth and charged it with developing a set of policy recommendations to improve outcomes for the City's most vulnerable youth ages 16 through 24. Stable, affordable housing emerged as a critical need, with an estimated 1,600 homeless youth at any given time, and under 350 existing units aside for TAY. Per the report recommendations, the Mayor's Office of Housing (MOH) subsequently convened the "TAY Housing Workgroup" to create a tangible plan to meet the housing goals established by the Task Force. The workgroup represented diverse stakeholders from City departments (MOH, Human Services Agency, Department of Public Health), as well as representatives of housing developers, service providers, the Youth Commission, and Corporation for Supportive Housing.

⁵ City and County of San Francisco Continuum of Care: A Five Year Strategic Plan for Homeless Services 2001-2006, pages 38-39, 75, 76.

The TAY housing plan goal is to create 400 new units for TAY by 2015. Units were identified in the City's affordable housing pipeline already underway, and 74 units to date have been carved out of affordable housing projects recently completed that target a portion of their units to TAY. The remainder units will be created through a mix of permanent supportive housing, master leased or scattered site units.

San Francisco is one of a very few communities nationwide that has prioritized TAY housing needs by providing dedicated funding for this population. In an effort to stimulate the development of additional TAY units, in Fall 2009, MOH issued a Notice of Funding Availability (NOFA) for sponsors to apply for City funds to develop housing for TAY. Scoring under the competitive application favored those projects located in lower-crime neighborhoods and those projects leveraging a large amount of non-City financing. As the TAY Housing workgroup had concluded that there is no "best model" for TAY housing, the NOFA considered a wide range of models depending on the population and housing type.

A total of 119 units of TAY housing are in predevelopment, and are located in diverse neighborhoods throughout the City. Ongoing operating and services support for many of these units is expected to be available from the Human Services Agency and/or the Department of Public Health.

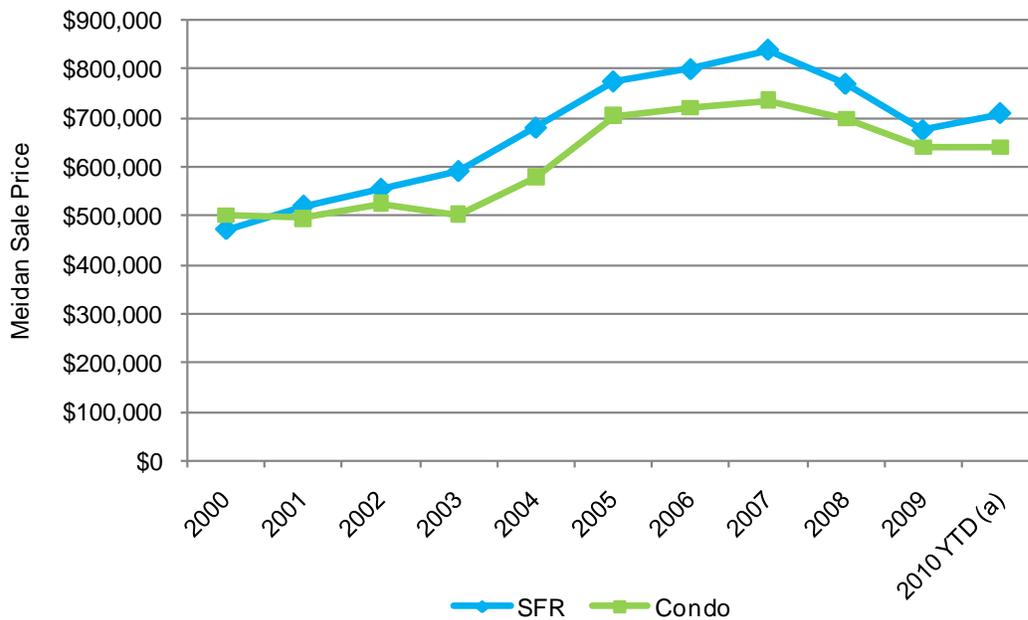
2 Background Information

2.1 Housing Market Trends

2.1.1 Home Sale Trends

As shown in Figure 2-1, single-family home sale prices in San Francisco rose steadily between 2000 and 2007, during which the median sale price grew by 78 percent. After peaking in 2007, prices began to fall, causing the median sale price to decline by 20 percent by 2009. Between January and September of 2010, however, the median sale price showed signs of growth, once again. While condo prices showed less strength in the earlier part of the decade, they shot up even faster than single-family home prices between 2003 and 2005, causing the median sale price to rise by 40 percent in just two years. While condo prices declined in tandem with those of single-family homes between 2007 and 2009, they remained flat between January and September of 2010.

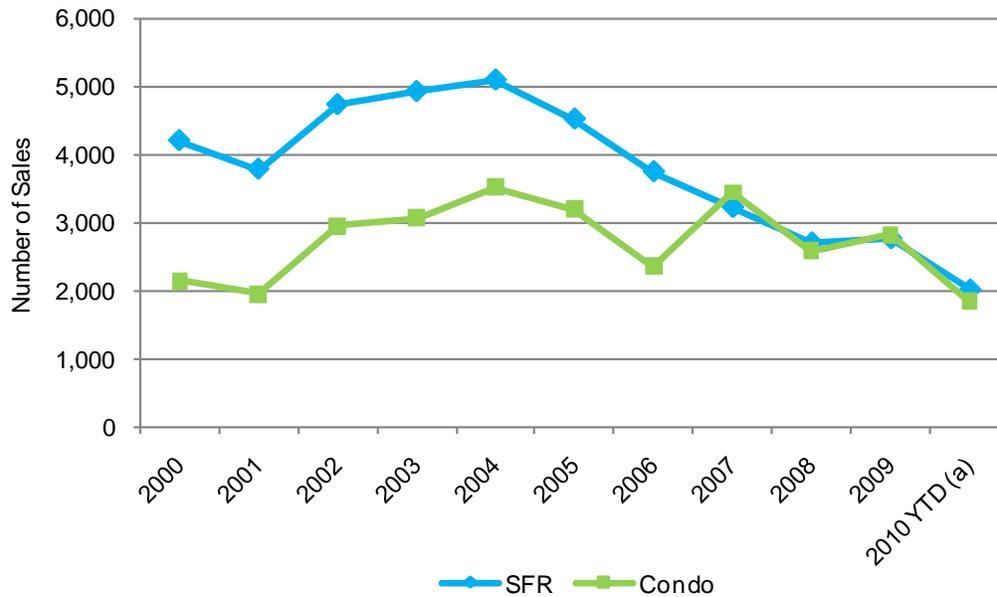
Figure 2-1: Median Sale Price, 2000-2010 YTD (a)



Note: (a) 2010 YTD includes data through September 2010.
Sources: DataQuick, 2010; BAE, 2010.

After the economic downturn instigated by the “dot com” crash, the annual volume of single-family home sales rose between 2001 and 2004, and has declined almost every year since. Condominium sales showed similar trends, with the exception of a bump between 2006 and 2007. While the annual volume of condo sales ended the decade about where it started, single-family home sales experienced a ten-year decline of 52 percent.

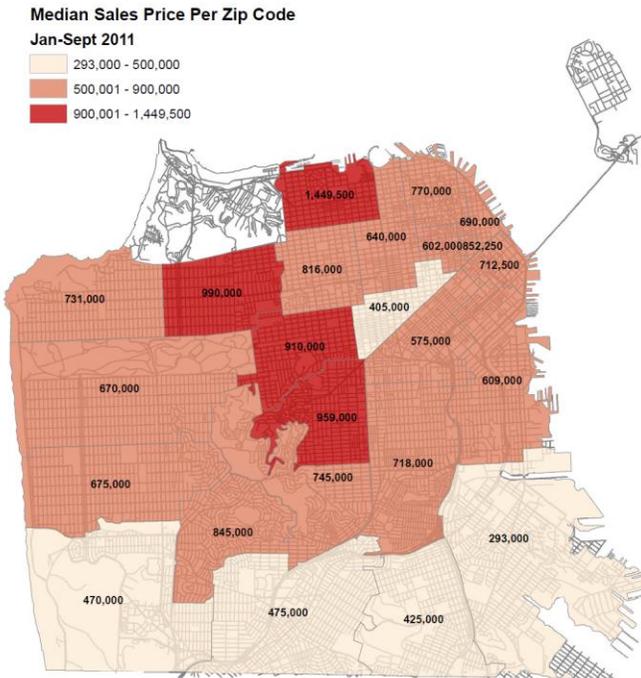
Figure 2-2: Sales Volume, 2000-2010 YTD (a)



Note: (a) 2010 YTD includes data through September 2010.
Sources: DataQuick, 2010; BAE, 2010.

The cost of buying a home in San Francisco varies widely by neighborhood. While no sales information was available at the neighborhood level, Figure 2-3 shows the median sale price in each ZIP code that falls entirely within the city. As of September 2011, the median sale value was lowest in the Bayview (\$293,000) and highest in the Marina (\$1.4 million).

Figure 2-3: Median Sale Price by ZIP Code, January to September 2011



Sources: DataQuick, Seifel Consulting.

Figure 2-3 shows that in certain neighborhoods many homes for sale are priced substantially below the average. Nevertheless, the vast majority of homes are financially out of reach for low and moderate income households. Table 2-1 shows that even upper income households earning 50% above average face an affordability gap of \$112,000 between the house they could afford and the median sales price. Although home prices grew more slowly than incomes between 2007 to 2011, it remains true that only relatively wealthy families are able to afford a typical home in San Francisco.

Table 2-1: Affordable Prices Compared to Median Sales Price, 2007 and 2011

Income Levels ^b	2007		2011	
	Affordable Sales Price ^c	Affordability Gap ^d	Affordable Sales Price ^c	Affordability Gap ^d
150% AMI	\$460,000	(\$377,000)	\$556,000	(\$112,000)
120% AMI	\$383,199	(\$453,801)	\$437,000	(\$231,000)
80% AMI	\$243,914	(\$593,086)	\$278,000	(\$390,000)
Median Sales Price	\$837,000		\$668,000	

Notes:

- a. Median sales price is for a 2-bedroom single family or condominium from Zillow for July of each year.
- b. Income categories are based on Maximum Income by Household Size published by HUD.
- c. Affordable sales prices and median sales prices are rounded to nearest \$1,000. Affordable sales price calculation assumes 33 percent of income is spent on housing, a 10 percent downpayment and 90 percent financing based on

an annual average interest rate per Federal Reserve Bank and includes utilities, real estate tax and insurance.
d. Affordability gap equals affordable sales price minus median sales price for 2-bedroom unit.

Sources: San Francisco Mayor's Office of Housing, Federal Reserve Bank, San Francisco County Assessor's Office, California HCD, Zillow, Seifel Consulting Inc.

2.1.2 Rental Market Trends

A review of rental market trends in San Francisco was conducted using RealFacts, a private data vendor that collects quarterly rental data from apartment complexes with 50 or more units. Between 2004 and 2008, rents consistently rose. Between 2008 and 2010, rents around the city eased slightly, declining by six percent from around \$2,400 to \$2,200 per month across all unit types. However, 2010 to 2011 saw a large increase, resulting in the highest rents in history. As of Q4 2011, the average rent for units in large apartment complexes with over 50 units was \$2,472 per month.

Housing economists generally consider a rental vacancy of five percent as sufficient to provide adequate choice and mobility for residents, as well as sufficient income for landlords. Lower rates may begin to impinge on residential mobility and lead to housing concerns such as overcrowding and overpayment. San Francisco's vacancy rate has remained in the range of just four to five percent between 2001 and 2010. Data from the 2010 census indicate the ownership vacancy rate of 2.4% and the rental vacancy rate of 5.5%.⁶ More recent data from Realfacts show an even lower vacancy rate - 3.8% for rental units. Furthermore, this is the lowest vacancy rate for large apartment buildings in at least 10 years.

Table 2-2: Rental Market Overview, Q4 2011 (a)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	4 Yr. Change
AVERAGE	\$1,766	\$1,750	\$1,809	\$1,958	\$2,175	\$2,368	\$2,262	\$2,243	\$2,472	13.7%
studio	\$1,260	\$1,248	\$1,319	\$1,439	\$1,586	\$1,723	\$1,584	\$1,595	\$1,894	19.4%
1bd 1bth	\$1,615	\$1,622	\$1,676	\$1,799	\$1,988	\$2,152	\$2,010	\$2,052	\$2,330	17.2%
2bd 1bth	\$1,875	\$1,821	\$1,885	\$1,930	\$2,192	\$2,359	\$2,258	\$2,149	\$2,403	9.6%
2bd 2bth	\$2,225	\$2,262	\$2,367	\$2,635	\$2,954	\$3,242	\$3,001	\$3,011	\$3,379	14.4%
2bd TH	\$3,083	\$3,000	\$1,979	\$2,144	\$2,424	\$2,675	\$2,678	\$2,504	\$2,652	9.4%
3bd 2bth	\$2,878	\$2,539	\$2,327	\$2,390	\$2,610	\$2,702	\$2,812	\$2,902	\$2,983	14.3%
3bd TH	\$3,996	\$4,046	\$2,662	\$2,893	\$3,263	\$3,622	\$3,665	\$3,652	\$3,236	-0.8%

Units Absorbed

	Units Built	Total Units	Occupancy Rate	Occupied Units	Units Absorbed
2001	486	15,885	94.9%	15,074	N/A
2002	823	16,708	94.1%	15,722	648
2003	0	16,708	94.8%	15,839	117
2004	0	16,708	94.7%	15,822	-17
2005	0	16,708	96.0%	16,039	217
2006	148	16,856	96.0%	16,181	142
2007	265	17,121	94.9%	16,247	66
2008	179	17,300	95.6%	16,538	291
2009	302	17,602	95.5%	16,809	271
2010	601	18,203	92.8%	16,892	83
2011	0	18,203	96.2%	17,511	619

⁶ Vacancy calculations exclude units in the following categories: "rented but not occupied", "sold but not occupied", "for seasonal, recreational or occasional use", "for migratory workers" and "other vacant units". Thus, the calculation only considers unoccupied housing units on the market for rent or for sale.

Note: (a) Data only available for housing complexes with 50 units or more. Does not represent an exhaustive summary of all apartments in San Francisco.

Source: RealFacts, 2011

Rent in San Francisco is unaffordable for low-income residents, a fact that will be explored in-depth in the section of this report on impediments tied to affordability. Table 2-3 shows that fair market rent is unaffordable to households in the 30% and 50% AMI categories and to large households in the 80% AMI category. A theoretical two-person household earning 50% AMI (\$40,650 in 2011)⁷ would need to find an extra \$528 every month in order to afford a typical 1-bedroom apartment in the City.

Table 2-3: Fair Market Rent Compared to Affordable Rent Levels, 2011

Number of Bedrooms	Fair Market Rent ^c	30% AMI		50% AMI		80% AMI		100% AMI	
		Affordable Rent ^a	Affordability Gap ^b						
Studio	\$1,238	\$523	(\$715)	\$870	(\$368)	\$1,393	no gap	\$1,740	no gap
1-Bedroom	\$1,522	\$596	(\$926)	\$994	(\$528)	\$1,590	no gap	\$1,988	no gap
2-Bedroom	\$1,905	\$671	(\$1,234)	\$1,119	(\$786)	\$1,789	(\$116)	\$2,236	no gap
3-Bedroom	\$2,543	\$745	(\$1,798)	\$1,243	(\$1,300)	\$1,988	(\$555)	\$2,485	no gap
4-Bedroom	\$2,688	\$805	(\$1,883)	\$1,343	(\$1,345)	\$2,148	(\$540)	\$2,684	no gap

Notes:

a. Affordable rent is based on San Francisco Mayor's Office of Housing published rents and equals maximum monthly rent for each unit type and includes the cost of utilities.

b. Affordability gap equals affordable rent minus HUD fair market rent.

c. Fair market rent is HUD's estimate of the 40th percentile of gross rents for typical, non-standard rental units occupied by recent movers.

Source: San Francisco Mayor's Office of Housing, HUD published Fair Market Rents for San Francisco, Seifel Consulting Inc.

2.2 Demographic Profile

2.2.1 Population and Household Trends

Between 2000 and 2010, the population of San Francisco grew from 776,700 to an estimated 823,200 people, representing a six percent increase. The growth rate among individual neighborhoods varied widely. Unsurprisingly, the areas of the city that have recently undergone major redevelopment efforts saw the largest percent increases. At the high end, the populations of Mission Bay and Downtown grew by 67 percent and 16 percent, respectively. The populations of Twin Peaks and the Richmond remained largely static, while the Western Addition, Pacific Heights, and Merced all experienced modest growth at

⁷ Source: Mayor's Office of Housing

rates less than half of the citywide trend.⁸

Household growth trends in San Francisco generally paralleled population growth. Between 2000 and 2010, the number of households in the city grew from 329,700 to an estimated 347,600, representing roughly a five percent increase. Over the course of the decade, the city added new residents at a marginally faster rate than it did households, indicating that the average household size increased, albeit slightly.

Table 2-4: Population and Household Growth, 2000-2010

Neighborhood	Population			Households		
	2000	2010	% Change	2000	2010	% Change
Bayview	34,677	36,842	6.2%	9,776	10,230	4.6%
Downtown	76,668	89,239	16.4%	42,925	49,173	14.6%
Excelsior	91,553	97,226	6.2%	24,560	25,451	3.6%
Ingleside	26,027	27,498	5.7%	7,514	7,758	3.2%
Marina	12,290	12,811	4.2%	7,955	8,286	4.2%
Merced	17,132	17,565	2.5%	6,883	6,887	0.1%
Mission	125,224	130,133	3.9%	51,463	52,985	3.0%
Mission Bay	15,208	25,415	67.1%	7,641	12,876	68.5%
North Beach	50,520	52,239	3.4%	26,961	28,114	4.3%
Pacific Heights	32,426	33,207	2.4%	18,805	18,960	0.8%
Presidio	2,234	2,472	10.7%	802	900	12.2%
Richmond	67,885	68,159	0.4%	28,223	28,408	0.7%
Sunset	100,927	104,429	3.5%	37,652	38,263	1.6%
Tw in Peaks	36,879	36,820	-0.2%	15,488	15,391	-0.6%
Western Addition	86,946	88,963	2.3%	43,017	43,927	2.1%
Total (a)	776,733	823,166	6.0%	329,700	347,648	5.4%

Note:

(a) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

2.2.2 Household Composition and Size

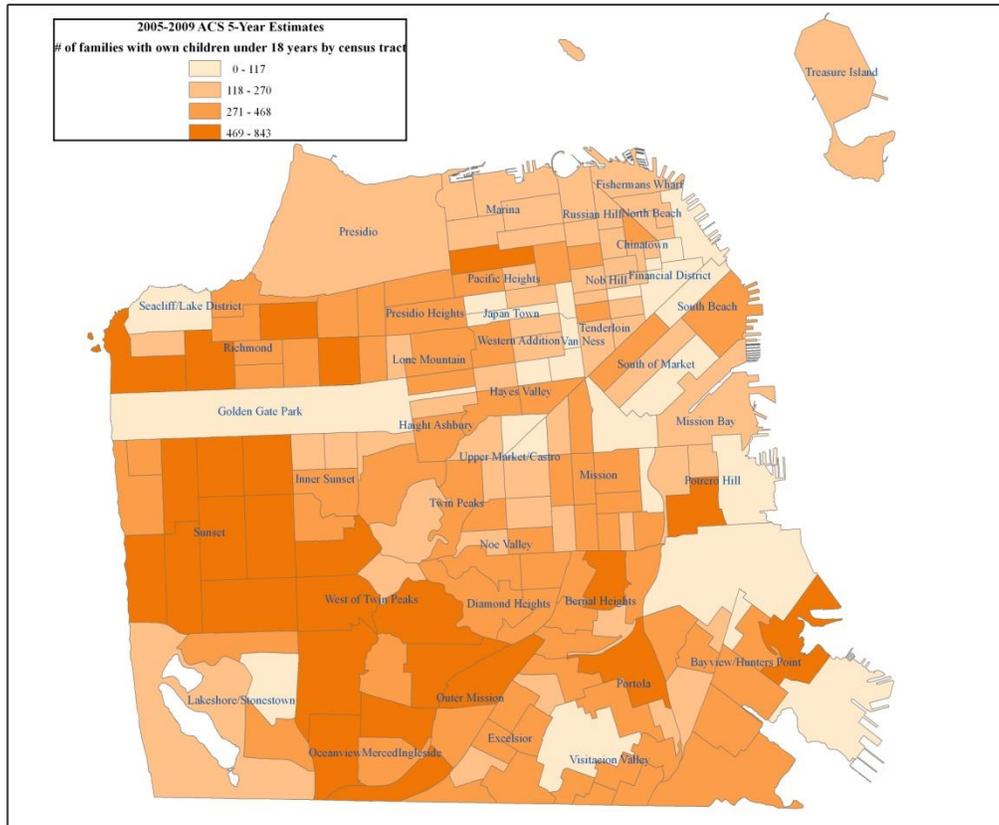
In 2010, single-person households represented the largest proportion of households in San Francisco, or 39 percent. Family households without children comprised 27 percent of all households, while the remaining households were split between families with children and non-family households (17 percent each).

Among the neighborhoods, families with children comprised the largest proportion of households in the Bayview, at 40 percent. The proportions of families with children in Excelsior and Ingleside were near double the citywide average, as well. These are some of the city's lowest-income neighborhoods, which is consistent with the income distribution of families. 61% of all families in San Francisco are extremely

⁸ The 2000 Census counted 140 individuals living in Golden Gate Park. While information on this small population has been folded into the citywide totals in the tables and charts that follow, Golden Gate Park is not treated as a distinct neighborhood because the data is strongly skewed by the small sample size. Similarly, the Presidio—though included in the tables—is largely excluded from analysis due to the small number of households living in that precinct.

poor, low-wage working families, or middle-income families (0-120% AMI). Only 39% are upper-income families (over 120% AMI). As well, more families in San Francisco are low-income (43% are 0-80% AMI) than middle-income (17% are 80-120% AMI).⁹

Figure 2-4: Families with Children by Census Tract, 2009



Source: American Community Survey (ACS), 5-year Estimates, 2005-2009.

Between 2000 and 2009, the number of children declined in some neighborhoods but grew in others. Most of the family growth was in higher-income neighborhoods like Potrero Hill, Noe Valley, the Castro, the Marina, while lower-income neighborhoods like the Mission, Bayview, OMI, Excelsior and the Tenderloin saw declines in total child population.

⁹ Coleman Advocates for Children and Youth, "Is there a future for children in San Francisco?", from website: <http://www.colemanadvocates.org/>

Table 2-5: Change in Child (0-5) Population by Neighborhood and Citywide, 2000-2010

Neighborhood	0 thru 5 Population	% of City 0-5 Population	% Change in 0-5 Population from 2000 Census	Change in 0-5 Population from 2000 Census
San Francisco (Citywide)	41,340	100.0%	9.1%	3,450
South of Market / Embarcadero	222	0.5%	865.2%	199
Treasure Island	151	0.4%	184.9%	98
Financial District	25	0.1%	92.3%	12
Presidio	320	0.8%	91.6%	153
South of Market / Potrero Hill	1,463	3.5%	90.5%	695
Haight / Cole Valley / Western Addition	1,779	4.3%	66.1%	708
Duboce / Castro / Noe Valley	1,523	3.7%	60.8%	576
Marina / Cow Hollow	1,174	2.8%	50.1%	392
Embarcadero / Barbary Coast	96	0.2%	37.1%	26
Twin Peaks / Glen Park	1,676	4.1%	29.7%	384
Inner Richmond	2,319	5.6%	25.5%	471
Western Addition	1,587	3.8%	20.0%	265
Inner Sunset	2,894	7.0%	12.6%	324
South of Market / Mission Dolores	929	2.2%	10.6%	89
Outer Richmond	2,153	5.2%	10.1%	198
West Portal	1,259	3.0%	9.7%	111
Parkside / Outer Sunset	2,244	5.4%	3.6%	77
Excelsior / OMI	4,810	11.6%	-2.1%	(101)
Bayview / Hunter's Point	2,836	6.9%	-2.2%	(63)
Nob Hill / Russian Hill	1,452	3.5%	-3.9%	(59)
North Beach	903	2.2%	-4.7%	(45)
Civic Center / Tenderloin	1,037	2.5%	-5.3%	(58)
Chinatown	393	1.0%	-6.4%	(27)
Lake Merced	1,207	2.9%	-7.4%	(96)
Visitacion Valley	2,664	6.4%	-12.6%	(383)
Mission / Bernal Heights	4,058	9.8%	-14.0%	(662)
Mission Bay	166	0.4%		166

Sources: San Francisco Department of Children, Youth and Families; 2000 Census; 2010 Census.

Overall, the decline in families with children between 2000 and 2010 was about 1%, a smaller decline than San Francisco experienced in the prior decade.¹⁰ However, the total number of children in San Francisco has declined faster than the number of families with children because people tend to have fewer children. Decreasing family sizes and birthrates reflect a nationwide trend. In 2010, there were about 805,235 children under 18, comprising a 5% decline from 2000.

Table 2-6: Child Population Trends, 2000-2010

	2000 Census	2010 Census	Change	Percentage Change
Overall Population	776,733	805,235	28,502	3.7%
Under 18	112,802	107,524	-5,278	-4.7%
Five and Younger	37,890	41,340	3,450	9.1%

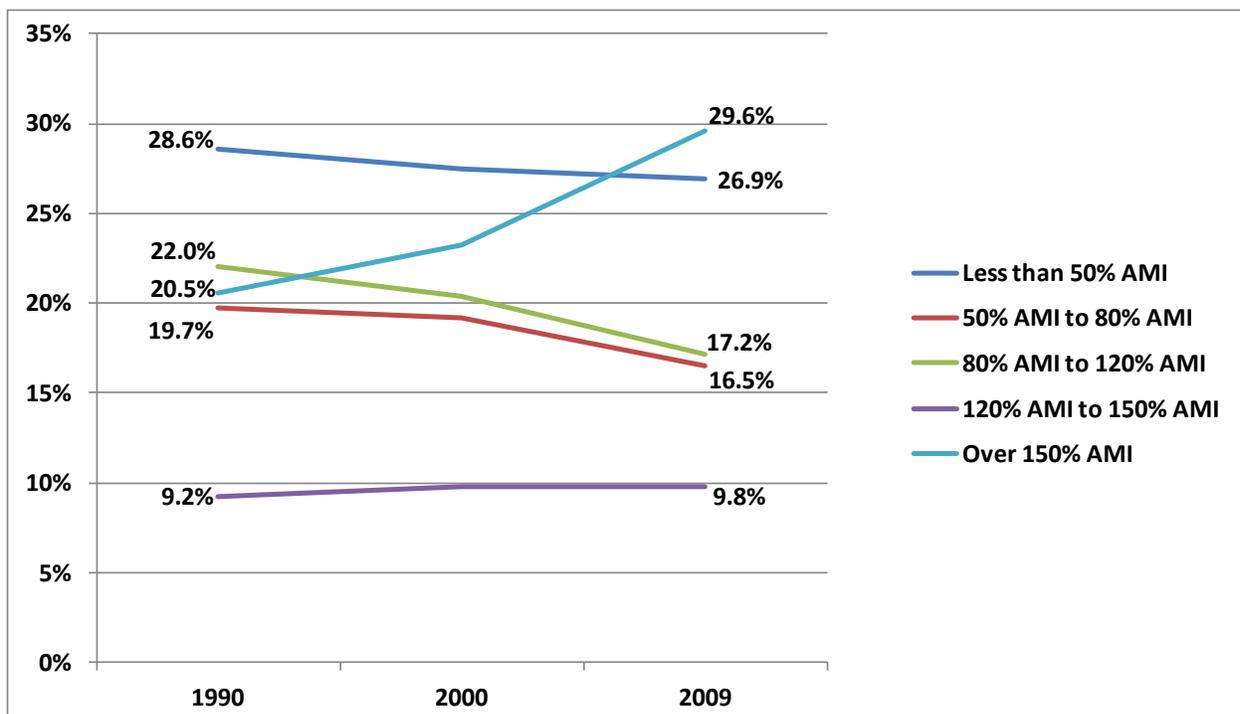
Sources: San Francisco Department of Children, Youth and Families; 2000 Census; 2010 Census.

¹⁰ 2000 Census; 2010 Census

Familial status can affect access to owner-housing in a number of ways. First, market preferences may compel many families with children to leave San Francisco. For example, the city’s housing stock, which is dense and often affords smaller rooms and less green space than in suburban locales, does not match the preferences of all families with children. Concerns about the public school system in San Francisco, or issues characteristic to the urban environment like crime and traffic, may also contribute to the departure of families with children looking to purchase a home.

As another factor leading families with children to leave San Francisco, these households may not be able to rent or buy a home in such a high-cost market, because raising children represents an additional financial burden. The fact that predominantly low (0-80% AMI) and moderate (80-120% AMI) income families are leaving the City, implies that affordability of housing and the overall high cost of living in San Francisco could be a factor driving family flight.

Figure 2-5: Changes in Family Demographics, 1990-2009



Sources: San Francisco Mayor’s Office of Housing; Seifel Consulting; 1990 Census; 2000 Census; American Community Survey, 1-year Estimates, 2009.

In summary, impediments to fair housing choice facing families in San Francisco are primarily tied to income, not to familial status as a protected class.¹¹ Policies and practices related to housing do not seem to have a strong disparate impact on families with children. The stock of multi-bedroom homes and apartments is adequate to accommodate many more family households. As well, lenders and real-estate brokers are not known to discriminate against families with children.

However, to examine family flight in full, a more thorough study of families with children who recently left San Francisco would be necessary.

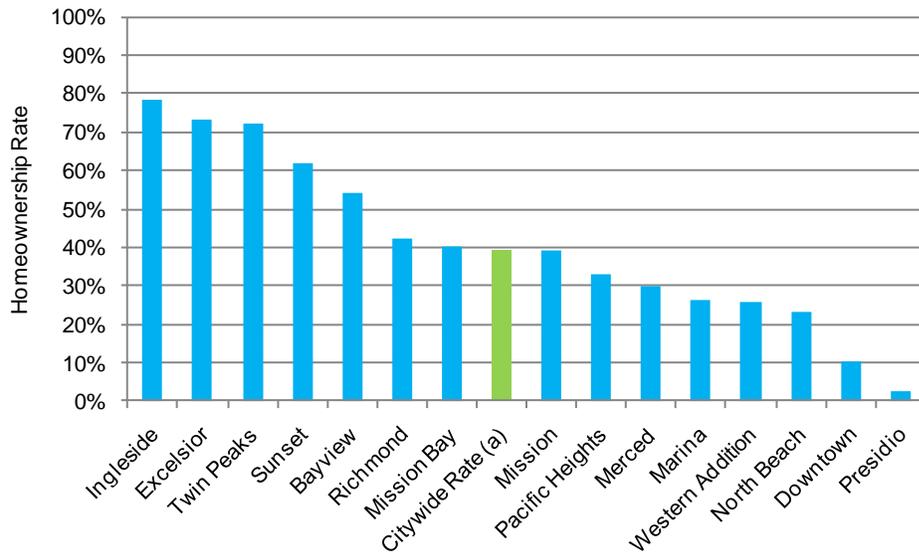
2.2.3 *Tenure*

In 2010, only 39 percent of households in San Francisco owned the homes in which they lived, reflecting the high costs of ownership housing in the city. In comparison, approximately 58 percent of households in the nine-county San Francisco Bay Area own their homes.

At nearly 79 percent, Ingleside had the highest homeownership rate. Other outlying neighborhoods—including Excelsior, Twin Peaks, and the Sunset—mirrored this trend, all with homeownership rates of 60 percent or greater. By contrast, only ten percent of Downtown households were homeowners, while neighborhoods surrounding the downtown core—including North Beach, the Western Addition, and the Marina—all featured homeownership rates below 30 percent.

¹¹ With the exception that direct discrimination on the part of landlords is a fair housing issue confronting families who rent. 6-10% of fair housing complaints are on the basis of familial status. Direct discrimination is discussed in Section 5.

Figure 2-6: Homeownership Rate by Neighborhood, 2010



(a) Total includes a small number of individuals and households living in Golden Gate Park.
Sources: Claritas, 2010; BAE, 2010.

2.2.4 Age Distribution

In 2010, San Francisco residents had a median age of 41 years. Among the neighborhoods, median age was highest in Twin Peaks, which, with the largest proportion of residents age 45-64 in the city (32 percent), had a median age of nearly 46 years old. At 45 years old, North Beach had the second highest median age due to the fact that it housed the largest proportion of seniors in the city (22 percent). In contrast, the Bayview had the largest share of children (27 percent) and an above-average proportion of residents age 18-24 (13 percent), resulting in the lowest median age in the city, at 33 years old. Both Excelsior and Ingleside had above-average proportions of children, as well, but their overall median ages were counterbalanced by larger percentages of older residents.

Table 2-7: Age Distribution by Neighborhood, 2010

Neighborhood	Age Cohort					Median Age
	Under 18	18 - 24	25 - 44	45 - 64	65 & Older	
Bayview	27.2%	12.6%	27.5%	22.3%	10.3%	32.8
Downtown	9.1%	4.7%	38.3%	29.7%	18.2%	43.1
Excelsior	22.1%	9.2%	28.5%	25.2%	15.0%	39.0
Ingleside	20.7%	9.0%	29.0%	26.5%	14.8%	39.6
Marina	9.7%	1.7%	49.1%	24.5%	15.0%	40.3
Merced	14.4%	16.4%	29.6%	22.6%	17.0%	38.2
Mission	16.6%	6.5%	39.3%	27.5%	10.0%	39.1
Mission Bay	13.1%	4.6%	43.3%	28.5%	10.6%	40.0
North Beach	9.9%	4.1%	35.8%	28.6%	21.6%	45.1
Pacific Heights	11.5%	3.3%	42.5%	27.9%	14.8%	41.2
Presidio	20.8%	12.6%	47.7%	17.1%	1.9%	30.5
Richmond	14.8%	6.3%	33.8%	28.6%	16.5%	41.8
Sunset	15.6%	7.0%	31.8%	28.4%	17.2%	42.0
Twin Peaks	16.2%	6.2%	26.0%	32.2%	19.3%	45.8
Western Addition	10.5%	5.9%	44.7%	25.5%	13.4%	39.6
Total (a)	15.2%	6.8%	35.6%	27.3%	15.0%	41.3

Note:

(a) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

2.2.5 Seniors

The senior population in San Francisco is large and growing. In 2000, San Francisco was home to more than 136,000 seniors and in 2010, there were over 154,000.¹² Seniors make up a higher proportion of the City's population (19%) than they do statewide or nationally.¹³ San Francisco's senior population is also more diverse. The majority (53%) of San Francisco's seniors are non-white, compared to only 26% statewide.¹⁴

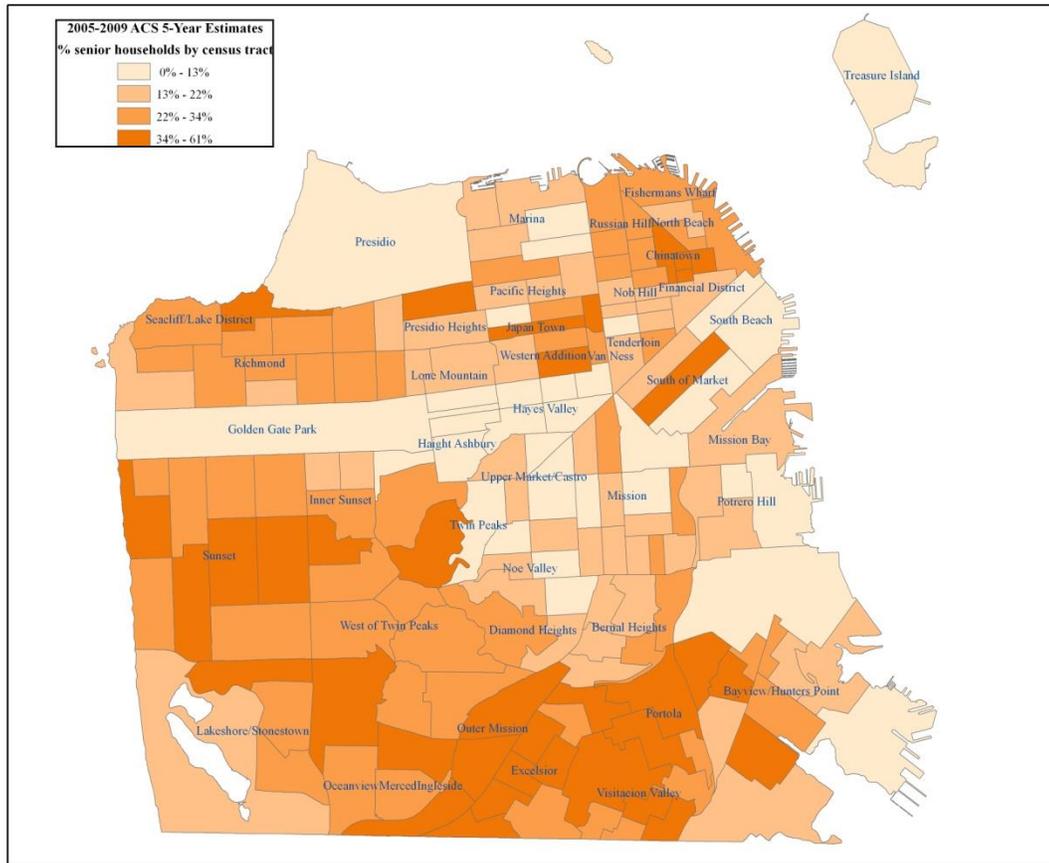
While seniors reside in all San Francisco neighborhoods, the proportion of seniors varies by neighborhood (Table 2-7). Those parts of the City with high homeownership rates, including Portola, Visitacion Valley, Excelsior, and the Sunset have high proportions of seniors. In addition, neighborhoods with high-density apartments and SRO building, like Chinatown, South of Market, Japantown, and the Western Addition, also have a high proportion of seniors. The geographic distribution of seniors in San Francisco implies two distinct groupings- senior homeowners aging in place, and low-income senior renters living in inexpensive rental housing. Issues facing each of these groups will be explored in greater detail later in this report.

¹² Defined as adults at least 60 years of age; Census Bureau, 2000 Census

¹³ Ibid.

¹⁴ Ibid. Figure based on data for seniors 65 and older.

Figure 2-7: Geographic Distribution of Senior Households, 2009



Source: American Community Survey (ACS), 5-year Estimates, 2005-2009.

Asian, African American, and Latino seniors are also more likely to be poor. 15% of Latinos and African American seniors are low-income, compared with 12% of Asians and 8% of Whites. In absolute numbers, however, Asians have the most low-income seniors, with three times as many as other minority groups.

Many seniors in San Francisco also experience impediments to fair housing related to language access. The American Community Survey 2011 1-year estimates indicate that approximately 40.6% of San Francisco residents over 60 are LEP (speaking English “less than very well”) compared with the 23.2% of the total City/County population. Nearly three quarters of those seniors speak Asian or Pacific Island languages. As Chinese seniors make up by far the largest number of Asian/Pacific Islander seniors overall (71%), it is likely that the majority of these individuals are Cantonese-or Mandarin-speaking.

Many impediments to housing choice facing seniors are related to income. The older a person is, the more likely he or she is living in poverty. Almost one in three people age 75 or older in San Francisco lives in poverty. Furthermore, the population of older seniors is projected to grow in coming years. In line with national trends, San Francisco’s population is getting older as the baby boom generation ages.

While the Impediments to fair housing choice report examines issues facing Seniors separately from issues of race and language access, it must be remembered that many seniors in San Francisco face impediments to fair housing choice as a result of their age in combination with other factors—particularly poverty, race, and limited English proficiency. Furthermore, diversity in San Francisco goes beyond race, ethnicity and language. San Francisco is also home to a large population of LGBT seniors. A 2002 report from the National Gay and Lesbian Task Force Foundation estimates that three to eight percent of all seniors nationwide are lesbian, gay, bisexual, or transgender. It is difficult to estimate the exact size of this population in San Francisco, especially because older adults are more likely than their younger peers to remain closeted. However, local service providers estimate that as high as 17% of San Francisco’s older adults may be LGBT.

2.2.6 *Race/Ethnicity and Minority Concentrations*

Demographic and Geographic Trends. San Francisco is a diverse city, and in 2010, no one racial/ethnic group represented a majority of the population. Non-Hispanic white residents comprised the largest share of city residents at 45 percent, while non-Hispanic Asian residents made up the next largest share at 31 percent. Hispanic residents (14 percent) and non-Hispanic black residents (6 percent) made up most of the remainder of the population.¹⁵

African American outmigration has been occurring at varying rates for over 20 years, and today there are approximately one half the African American population in San Francisco compared to the population in 1990. However, between 2000 and 2010, San Francisco’s racial/ethnic composition remained largely static at the citywide level. The only major proportional shift was among black residents, whose share of the total population declined from eight percent to six percent over the decade. At the neighborhood scale, their representation declined in every single area of the city, save Downtown, where it remained steady. Significant proportional drops occurred in Ingleside and the Western Addition. The proportion of black residents fell most drastically, however, in the Bayview. In this neighborhood, the share of Hispanic and Asian residents increased by a combined ten percentage points, while the proportion of Blacks fell from 46 percent to 36 percent.

By examining a broader context of African American Outmigration from San Francisco, it is evident that African American Outmigration has substantially slowed, the largest declines in African American population occurred between 1990 and 2000. Furthermore, outmigration is most frequent amongst middle and upper-income African Americans earning over 80% AMI.

¹⁵ For clarity's sake, all future references to particular racial groups can be assumed to be “non-Hispanic” unless otherwise noted.

Table 2-8: Race and Ethnicity, 2010

Neighborhood	Non-Hispanic Population						All Hispanic Races
	White	Black	Native American	Asian	Native Hawaiian/ Pac. Islander	All Other (a)	
Bayview	8.5%	35.6%	0.3%	27.9%	2.9%	3.1%	21.7%
Downtown	41.8%	8.1%	0.6%	30.8%	0.3%	4.9%	13.6%
Excelsior	12.6%	4.7%	0.1%	52.5%	0.8%	3.1%	26.2%
Ingleside	14.8%	15.8%	0.1%	50.9%	0.5%	3.4%	14.4%
Marina	84.2%	0.3%	0.1%	9.6%	0.1%	2.5%	3.3%
Merced	40.0%	3.5%	0.1%	42.8%	0.2%	5.5%	7.9%
Mission	50.8%	2.9%	0.3%	9.7%	0.2%	3.6%	32.5%
Mission Bay	57.6%	11.2%	0.4%	18.4%	0.5%	3.8%	8.2%
North Beach	54.2%	1.2%	0.1%	38.3%	0.1%	2.6%	3.6%
Pacific Heights	82.9%	1.1%	0.1%	9.9%	0.1%	2.5%	3.5%
Presidio	76.2%	2.8%	0.3%	6.5%	1.3%	3.4%	9.5%
Richmond	51.8%	1.1%	0.1%	38.7%	0.1%	3.8%	4.3%
Sunset	40.4%	1.0%	0.1%	50.1%	0.1%	3.8%	4.5%
Twin Peaks	57.4%	4.1%	0.2%	25.6%	0.2%	4.3%	8.3%
Western Addition	65.4%	9.6%	0.2%	13.2%	0.2%	4.3%	7.1%
Total (b)	44.9%	6.0%	0.2%	30.6%	0.4%	3.7%	14.1%

Note:

(a) "All Other" includes the categories "Some Other Race Alone" and "Two or More Races," as counted by the Census.

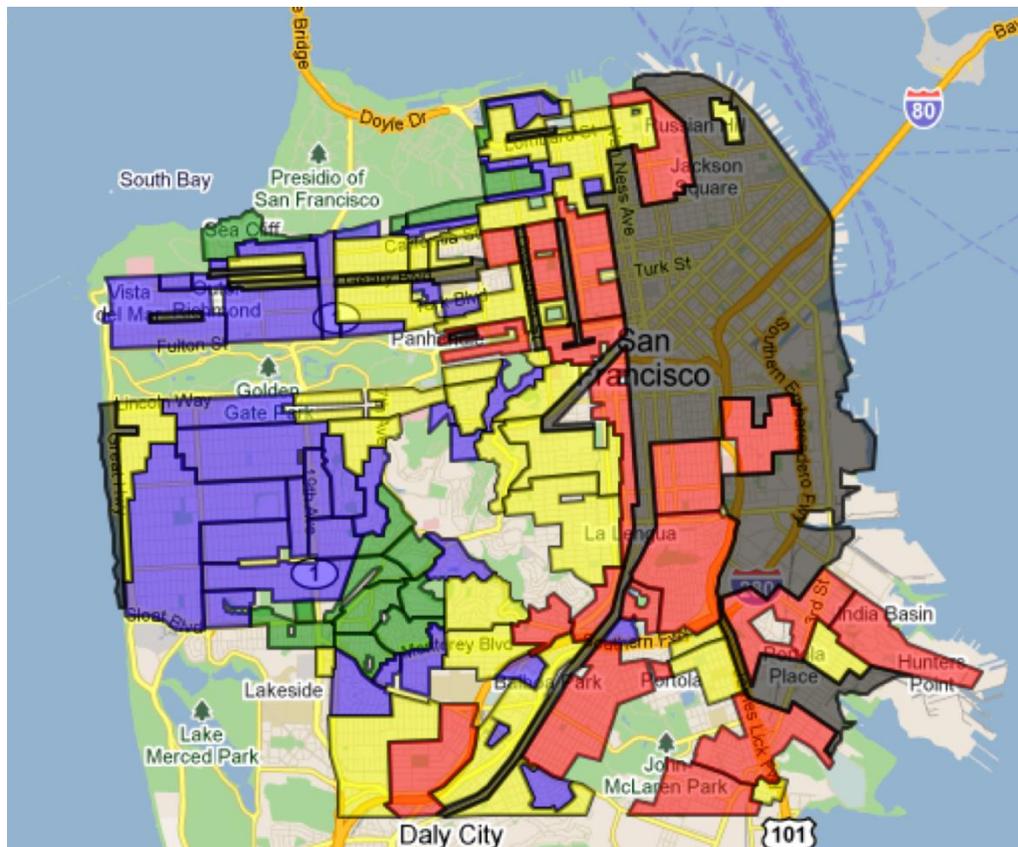
(b) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

San Francisco's overall diversity notwithstanding, the concentration of racial/ethnic groups varies from neighborhood to neighborhood, sometimes significantly. Figure 2-9 depicts which racial/ethnic group made up a majority of the population, if any, in each block group in 2010. As shown, whites formed a large proportion of the population in several neighborhoods, including Twin Peaks, the Western Addition, Pacific Heights, and the Marina. The largest concentration of Hispanic and black residents lived in the Mission and the Bayview, respectively, while Asian residents comprised the majority of the population in Excelsior, Ingleside, and the Sunset.

San Francisco’s ethnically identified neighborhoods have complex historical roots. Below is a redline map of San Francisco- created in 1937 for the Federal Home Loan Bank Board. Such maps defined many minority neighborhoods as ineligible to receive mortgage financing. Today, most areas of minority concentration are in neighborhoods that were deemed “undesirable” or unfit for mortgage investing in 1937. In contrast, nearly all “First Grade” (green) neighborhoods of 1937 are a majority white today. The largely unchanging geography of wealth, poverty, and minority concentration implies that as San Francisco became increasingly diverse (Table 2-9) government policies and other forms of institutional racism were partially responsible for segregating people of color into less desirable neighborhoods. African Americans and Latinos are particularly concentrated in formerly red-lined areas, while Asian communities have moved into formerly white, middle class neighborhoods in the Sunset and the Richmond.

Figure 2-9: San Francisco Redline Map, 1937



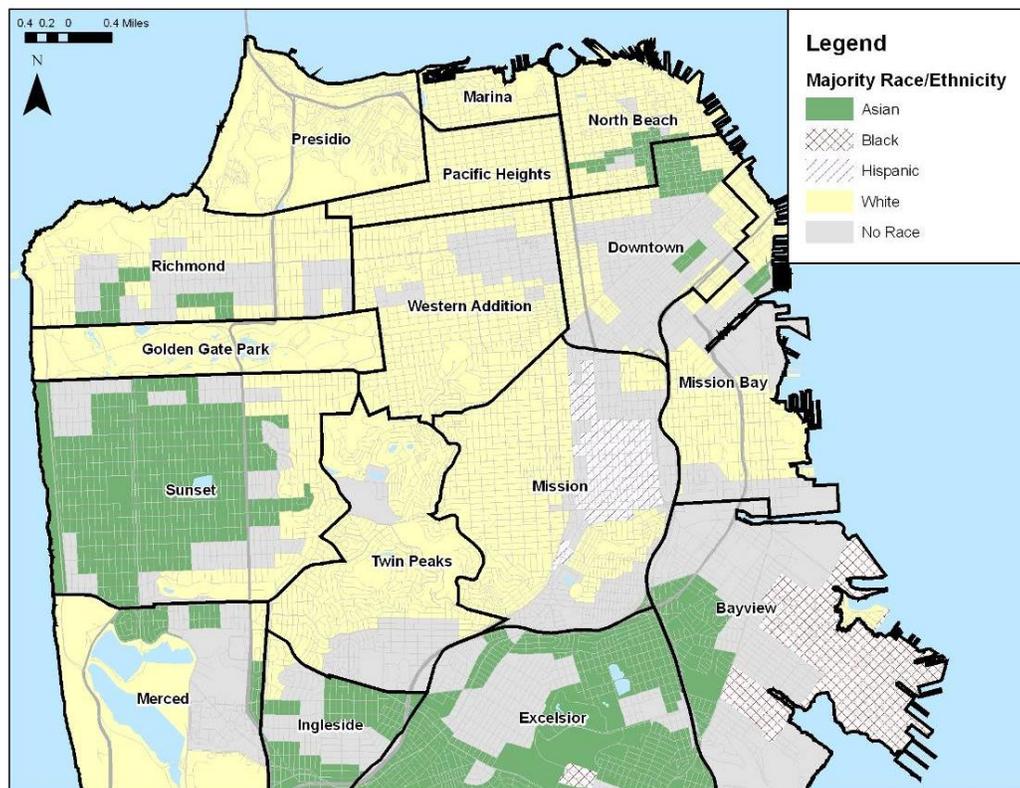
Source: Testbed for the Redlining Archives of California’s Exclusionary Spaces (T-Races). Downloaded at <http://salt.unc.edu/T-RACES/mosaic.html>

Table 2-9: Change in Non-White Population, 1940-1990

Year	Total Population	Percent White
1990	723 959	53.6
1980	678 974	58.2
1970	715 674	71.4
1960	740 316	81.6
1950	775 357	89.5
1940	634 536	95.0

Source: Census Bureau.

Figure 2-9: Majority Population by Race/Ethnicity, 2010



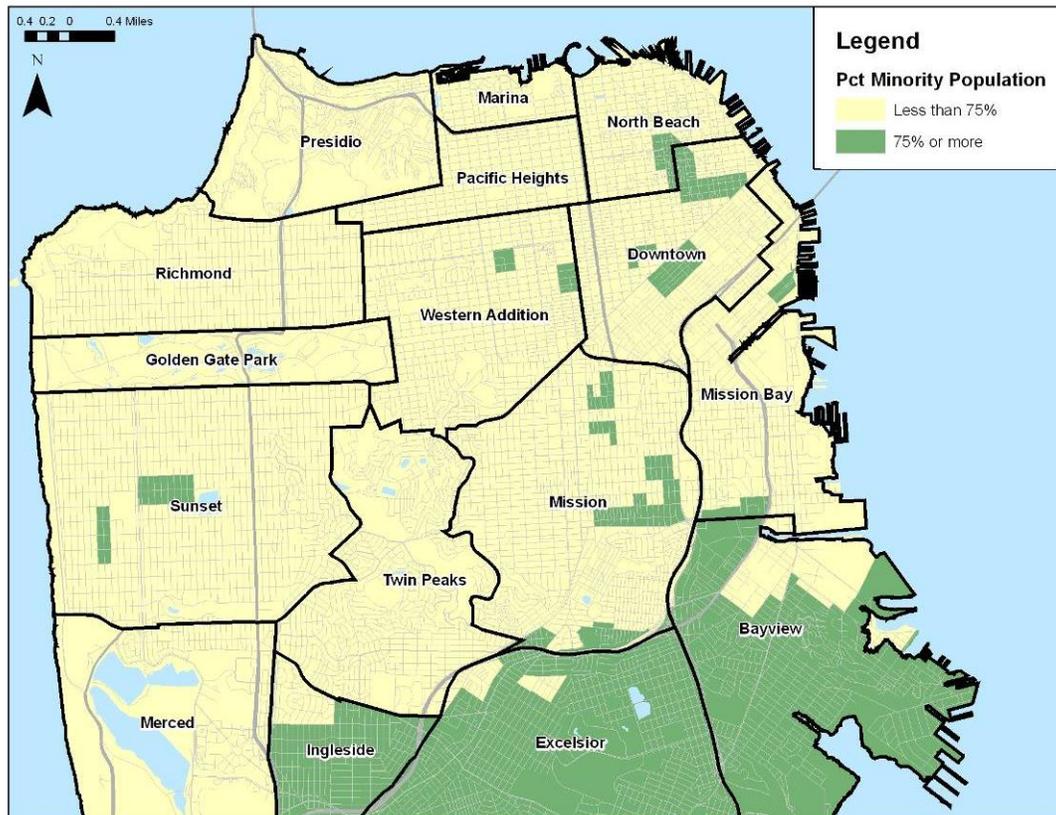
Sources: Claritas, 2010; BAE, 2010.

Figure 2-10 highlights areas of minority concentration in the city, or those areas in which non-white persons made up 75 percent or more of the population in 2010, per HUD guidelines. As shown, the southeastern region of the city had the largest minority concentration, owing to the amalgamation of Asian, black, and Hispanic persons in the area. Smaller areas of minority concentration also occurred in the Mission, the Sunset, the Western Addition, the Tenderloin, and Chinatown.

In comparing the two maps, one can see that there is a correlation in San Francisco between high concentrations of a specific racial/ethnic group (of at least 50%) and overall minority concentration (of at

least 75%). Interestingly, while certain block groups that were majority Hispanic or Asian were also areas of minority concentration, not all such block groups were. By contrast, all block groups that were majority black (i.e., portions of the Bayview) were also areas of minority concentration. In other words, areas with a large black population categorically featured a small number of white residents, while that was only true some of the time in other minority neighborhoods.

Figure 2-10: Areas of 75%+ Minority Concentration, 2010



Sources: Claritas, 2010; BAE, 2010.

A third measure commonly employed by demographers and sociologists to analyze patterns of racial/ethnic concentration is the “dissimilarity index.” The index is a measure of the evenness with which two groups (generally a minority group and whites) are distributed across the geographic areas that make up a larger area, such as block groups within a city. The index ranges from 0 to 100, with 0 indicating no segregation or spatial disparity, and 100 indicating complete segregation between the two groups. The index score can also be interpreted as the percentage of one of the two groups that would have to move to a different geographic area in order to produce a completely even distribution.¹⁶

¹⁶

The formula for calculating the dissimilarity index for the City of San Francisco by block group is as follows: $D = 0.5 \sum |P_{ig}/P_g - P_{ih}/P_h|$

- P_{ig} is the population of group g in block group i
- P_{ih} is the population of group h in block group i
- P_g is the total population of group g in the city

An analysis of the 2010 data cited above revealed the following dissimilarity index scores for each minority group:

- Blacks - 62
- Asians - 48
- Hispanics - 55

This analysis indicates that 62 percent of black residents, 48 percent of Asian residents, and 55 percent of Hispanic residents would need to move to a different block group in order to achieve the same spatial distribution as that of the white population.¹⁷ In general, an index score above 60 is considered high, 30 to 60 is considered moderate, and below 30 is considered low.¹⁸ As such, this analysis reveals that as of 2010, San Francisco's black population experienced a high degree of segregation, relative to whites, while Asians and Hispanics experienced a high-moderate degree of segregation. These index scores are consistent with the analysis above, which points to the relatively high degree of racial isolation experienced by the black community in southeastern San Francisco.

Through a fair housing lens we must examine whether minority ethnic groups are confined to specific neighborhoods due to discrimination, affordability, and harmful policies. Simultaneously, ethnically identified communities are an important asset to San Francisco's economy, diversity, and social fabric. In many cases "minority concentration" reflects healthy community and cultural pride rather than impediments to fair housing choice. History, voluntary consumer choices, and modern impediments to fair housing choice are all contributors to the pattern of urban segregation we see in San Francisco and across America today. This report aims to tease out the harmful causes of residential segregation from those that are neutral or even positive. The report section on Race/Ethnicity contains an in-depth analysis of fair housing impediments on the basis of race.

Homeownership Rate. Table 2-10 compares the homeownership rate between racial/ethnic groups.¹⁹ As income is a major factor in determining whether or not a household can afford to own a home, the table disaggregates information for each racial/ethnic group by household income. The HUD income categories are defined below²⁰:

- Extremely Low-Income: Up to 30 percent of AMI
- Very Low-Income: 31 percent to 50 percent of AMI
- Low-Income: 51 percent to 80 percent of AMI

¹⁷ Ph is the total population of group h in the city

¹⁸ This analysis assumes that no white residents move.

¹⁹ Massey, D.S. and N.A. Denton. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge: Harvard University Press. 1993.

²⁰ No information was provided for Native American and Pacific Islander households, as the data was limited by the small number of such households.

The most recent information available to conduct an income-controlled analysis of this sort is a series of special tabulations made from the American Community Survey conducted between 2005 and 2007. Published by HUD under the aegis of the Comprehensive Housing Affordability Strategy (CHAS), this data categorizes households as extremely low-income, very low-income, or low-income based on percentages of the Area Median Income (AMI), which is calculated annually by HUD for different household sizes. Note that this differs from CHAS 2000 data, which was published according to Median Family Income (MFI).

In 2007, Asian households had the highest homeownership rate in San Francisco, at 46 percent, compared to a citywide rate of 39 percent. In fact, Asian households consistently had homeownership rates in excess of the citywide average, excluding extremely low-income households, where the homeownership rate fell slightly below the citywide figure.

In contrast, white households had lower homeownership rates than the citywide average at all income levels, with the exception of extremely low-income households.

Homeownership trends were somewhat less pronounced among other ethnic groups. In total, black households and Hispanic households had homeownership rates below the citywide average. However, these groups occasionally showed homeownership rates in excess citywide figures at particular income levels. These data indicate that the primary impediment to homeownership in San Francisco is not race, but affordability.

Table 2-10: Tenure by Race by Income, 2007

Household Income (a)	% Homeowner						Total
	White	Black	Asian	Native American (b)	Pacific Islander (b)	Hispanic	
Up to 30% AMI	21.5%	11.8%	17.1%	NA	NA	15.9%	17.9%
31-50% AMI	26.3%	24.8%	38.8%	NA	NA	25.5%	29.6%
51-80% AMI	29.7%	37.4%	47.9%	NA	NA	23.5%	34.7%
81-95% AMI	31.4%	35.5%	61.5%	NA	NA	42.6%	40.7%
96% AMI or Above	45.9%	55.6%	66.1%	NA	NA	46.5%	50.2%
Total	37.9%	28.1%	46.4%	NA	NA	31.1%	38.7%

Notes:

(a) AMI stands for area median income.

(b) Data on Native Americans and Pacific Islanders not included because the sample sizes were too small.

Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations from the American Community Survey 2007; BAE, 2010.

2.2.7 Immigration Status

San Francisco has historically been a haven for immigrants. In the 2000 Census, San Francisco ranked fifth of the 68 large cities (cities with over 250,000 residents), with the highest percentage of foreign born-residents in the nation. Currently, 37% of San Francisco's residents are immigrants.

Immigrant residents in San Francisco hold a variety of legal status's:

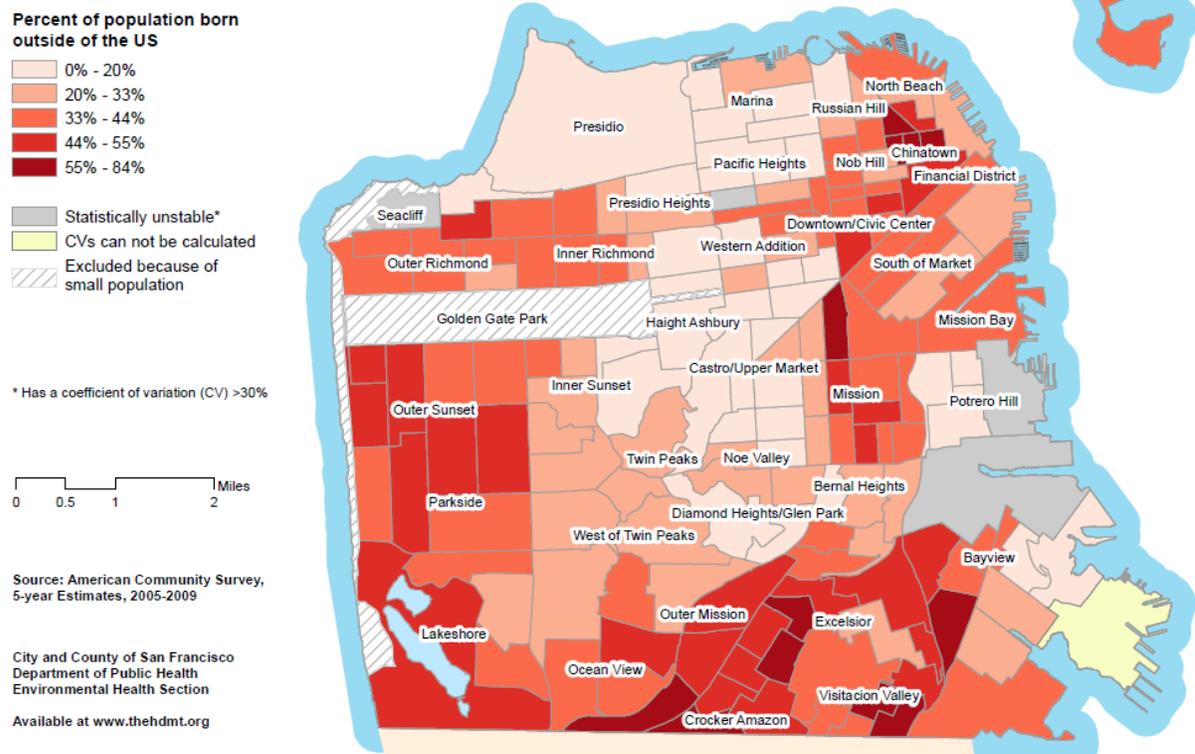
- Legal permanent residents are authorized by the U.S. Citizenship and Immigration Services (USCIS) to live and work in the United States of America on a permanent basis
- Undocumented residents have not been formally authorized to live in the United States.
- Legal permanent residents eligible to naturalize can apply for United States citizenship- which typically is allowed after five years of residency.
- Naturalized immigrants have become US citizens.

San Francisco has an estimated 76,986 legal permanent residents, 57,851 adults that have been naturalized and 41,546 undocumented immigrants. Over 63% of the legal permanent residents are eligible to naturalize.

70,000 children and youth ages 0 through 17 are either foreign born or have at least one foreign-born parent. They represent 64% of the San Francisco child population²¹.

Figure 2-11: Geographic Distribution of Foreign-Born Population, 2009

Proportion of Population that is Foreign-born



Source: San Francisco Department of Public Health, Healthy Development Measurement Tool (HDMT) Accessed at: <http://www.thehdm.org/img/indicators/pdf/ForeignBorn.pdf>

Foreign-born residents are concentrated in specific neighborhoods. Chinatown has the highest percentage of foreign-born individuals among its population (76%). There are 12 neighborhoods with 40% or higher rate of foreign-born residents, and 6 with a rate of 50% or higher. The concentration of foreign born residents is the result of multiple factors. While history, land uses, and housing prices all play a role in isolating ethnic communities, consumer choices also play a role. Some foreign born San Franciscans prefer to reside in ethnically identified neighborhoods with better language access to goods and services, specialized grocery stores and restaurants, social supports, and other assets. These locational preferences

²¹ Consolidated Plan, page 25.

are not necessarily negative- ethnically identified neighborhoods support cultural diversity and social cohesion. Because there are multiple factors at work, it is difficult to discern the extent to which concentrations of foreign-born residents are caused by impediments to housing choice.

Table 2-11: Percent Foreign-Born by Neighborhood, 2009

San Francisco	34%
Bayview	33%
Bernal Heights	28%
Castro/Upper Market	16%
Chinatown	75%
Crocker Amazon	52%
Diamond Heights/Glen Park	19%
Downtown/Civic Center	41%
Excelsior	51%
Financial District	44%
Golden Gate Park	NA
Haight Ashbury	15%
Inner Richmond	32%
Inner Sunset	26%
Lakeshore	38%
Marina	15%
Mission Bay	42%
Mission	39%
Nob Hill	37%
Noe Valley	16%
North Beach	33%
Ocean View	45%
Outer Mission	47%
Outer Richmond	40%
Outer Sunset	49%
Pacific Heights	15%
Parkside	43%
Potrero Hill	17%
Presidio	12%
Presidio Heights	19%
Russian Hill	25%
Seacliff	14%
South of Market	34%
Treasure Island/YBI	36%
Twin Peaks	32%
Visitacion Valley	51%
West of Twin Peaks	27%
Western Addition	24%

Source: American Community Survey (ACS), 5-year Estimates, 2005-2009.

2.2.8 *Limited English Proficiency Individuals*

San Francisco's diversity is also encapsulated in the many languages spoken by its residents. In 2010, 45 percent of the city's population, age five and older, spoke a language other than English at home. Among those individuals, the largest proportion, or 26 percent of the total population, spoke an Asian or Pacific Islander language. Persons who spoke Spanish or an Indo-European language made up the majority of the remaining non-English speakers, representing 11 and seven percent of the city's population, respectively.

HUD defines Limited English Proficiency (LEP) individuals as those "who do not speak English as a primary language and who have a limited ability to read, write, speak, or understand English."²² However, for purposes of this analysis, LEP households are those in which the householder either does not speak English well or does not speak English at all and the remaining households are considered English-speaking households.

²² HUD, "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficiency Persons," 72 Fed. Reg. 2732,2740 (Jan. 22, 2007).

Table 2-12a: Limited English Proficient Population Ages 5+, 2009-2011

Language Spoken at Home	Population 5yrs and Over Speaking English less than "very well"
Chinese	95,160
Spanish or Spanish Creole	40,849
Tagalog	10,115
Russian	8,363
Vietnamese	5,699
Korean	3,992
Japanese	3,046
Other Asian languages	1,726
Other Pacific Island languages	1,480
French (incl. Patois, Cajun)	1,197
Arabic	1,107
Thai	1,056
Mon-Khmer, Cambodian	875
Italian	826
Other Indic languages	581
Serbo-Croatian	498
Persian	486
Portuguese or Portuguese Creole	467
Other Slavic languages	434
Hindi	404
Other Indo-European languages	389
Gujarati	355
German	346
Polish	335
Armenian	312
Urdu	259
African languages	202
Laotian	199
Hebrew	134
Other and unspecified languages	120
Other West Germanic languages	73
Greek	71
Hungarian	69
Scandinavian languages	47
Hmong	44
Total	181,316

Source: 2009-2011 American Community Survey 3-Year Estimates

Many children and youth speak another language at home. During the 2008 - 2009 school year, 28%²³ of students in the San Francisco Unified School District were classified as English Language Learners. 40% of those identified as ELLs spoke Spanish and 36% spoke Cantonese.

Among the neighborhoods, the majority of persons in Excelsior, Ingleside, the Sunset, and the Richmond

²³ SFUSD

spoke a language other than English at home, owing to a strong presence of persons who spoke an Asian or Pacific Islander language. The Mission, on the other hand, was home to the largest proportion of Spanish-speaking residents, or 30 percent, though Excelsior and the Bayview also housed above-average numbers of Spanish-speakers. By contrast, the Marina and Pacific Heights had the smallest proportion of non-English speaking residents at just 16 and 18 percents, respectively.

Table 2-12b: Language Spoken at Home for Population Ages 5+, 2010

Neighborhood	English	Asian or Pacific Islander	Indo-European	Spanish	Other	Language Other than English Spoken at Home
Bayview	58.3%	23.6%	2.0%	14.4%	1.6%	41.7%
Downtown	52.0%	29.0%	8.1%	9.6%	1.3%	48.0%
Excelsior	30.7%	44.5%	2.7%	21.3%	0.9%	69.3%
Ingleside	46.2%	40.5%	1.5%	11.2%	0.6%	53.8%
Marina	83.6%	4.1%	9.5%	2.3%	0.6%	16.4%
Merced	51.7%	29.5%	12.9%	4.6%	1.3%	48.3%
Mission	55.7%	9.3%	4.1%	30.3%	0.7%	44.3%
Mission Bay	77.9%	10.3%	6.6%	4.1%	1.1%	22.1%
North Beach	52.2%	39.9%	4.8%	2.9%	0.2%	47.8%
Pacific Heights	81.7%	6.4%	8.1%	3.1%	0.7%	18.3%
Presidio	84.2%	4.5%	3.6%	6.8%	1.0%	15.8%
Richmond	47.8%	35.9%	12.4%	3.2%	0.6%	52.2%
Sunset	47.2%	39.9%	8.6%	3.5%	0.9%	52.8%
Twin Peaks	68.6%	17.0%	7.2%	6.3%	0.9%	31.4%
Western Addition	76.4%	9.6%	7.7%	5.2%	1.1%	23.6%
Total (a)	55.3%	25.9%	6.5%	11.4%	0.9%	44.7%

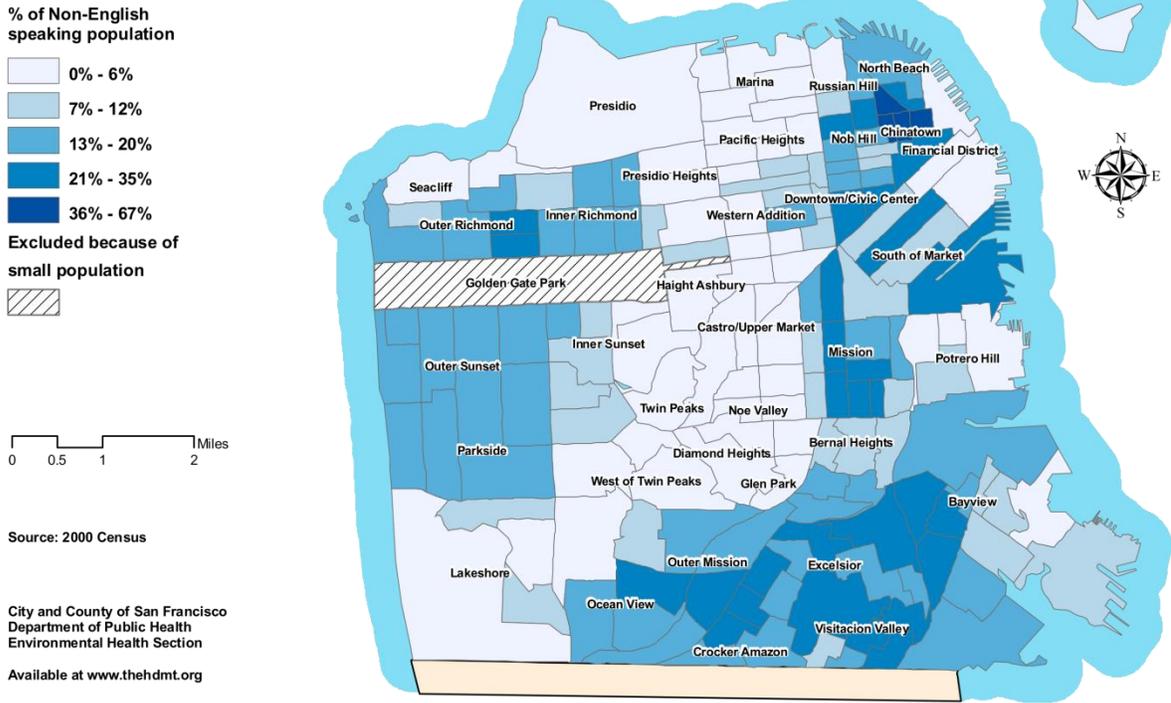
Note:

(a) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

Figure 2-12: Geographic Distribution of Non-English Speaking Population, 2000

Proportion of Population that Does Not Speak English at Home



Source: San Francisco Department of Public Health, Healthy Development Measurement Tool (HDMT) Accessed at: <http://www.thehdm.org/indicators/view/168>

Table 2-13 compares homeownership rates between Limited English Proficiency (LEP) households and English-speaking households in each income category.

On the whole, LEP households were far more likely to be low-income. Because adequate income is a prerequisite for homeownership, income status is one reason that LEP individuals are less likely to be homeowners. LEP households face additional barriers to homeownership to the extent that applications, forms, information, and negotiations are in English only. In 2000, LEP households had an overall homeownership rate of 31 percent, somewhat below the English-speaking rate of 35 percent. Additionally, LEP households earning 50 percent or less of AMI had a homeownership rate of 13 percent, versus 20 percent for English-speaking households in this cohort. Conversely, when examining the higher income categories, households earning 50% AMI and above, LEP households were actually more likely to own their homes.

Table 2-13: Tenure of LEP Households by Income, 2000

Household Income (a)	% Homeowner	
	LEP Householder (b)	Householder Speaks English (c)
Up to 50% AMI	13.2%	20.2%
51-80% AMI	43.0%	27.9%
81-120% AMI	53.9%	35.7%
121% AMI or Above	68.0%	45.5%
Total	31.1%	35.0%

Notes:

(a) AMI stands for Area Median Income.

(b) Householder indicated that he/she spoke English either "not well" or "not at all."

(c) Householder indicated that he/she either only spoke English or spoke English "very well" or "well."

Sources: Public Use Microdata Sample (PUMS), U.S. Census, 2000; BAE, 2010.

2.2.9 Household Income

In 2010, the median household income in San Francisco was \$73,500. Among the neighborhoods, household income was highest in Pacific Heights and lowest in Downtown, where just over half of all households earned less than \$35,000 per year, making Downtown the only neighborhood in which one income group comprised the majority of the residential population. Downtown's income profile is due to the preponderance of lower-income households in Tenderloin, Chinatown, and parts of SoMA. Excelsior and Merced had the highest proportions of households earning \$35,000 to \$75,000 per year, while Ingleside and the Sunset featured the highest proportions of households earning \$75,000 to \$150,000. Figure 2-14 exhibits the median household income of each neighborhood in order from highest to lowest. As shown, a majority of the city's neighborhoods have median household incomes that surpass the citywide median, suggesting that lower-income households are more clustered in select neighborhoods.

Table 2-14: Household Income, 2010

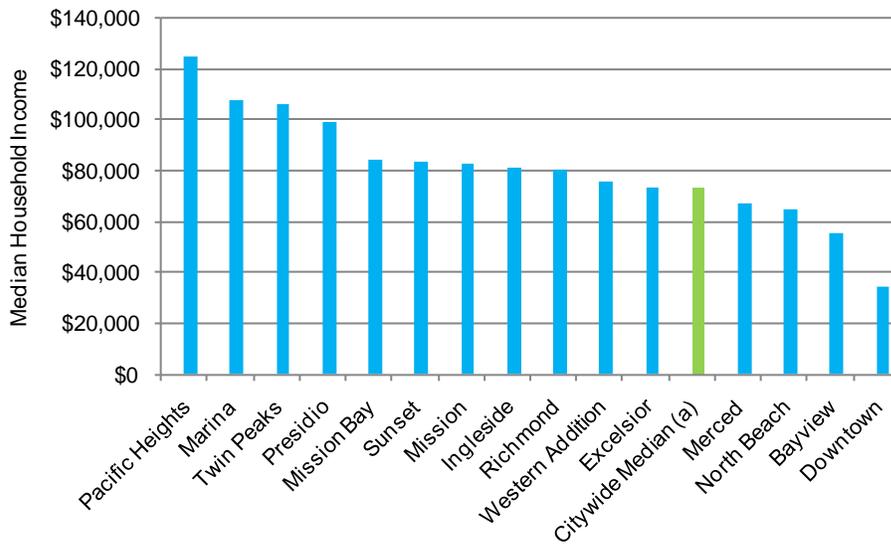
Neighborhood	Percentage of Households				Median HH Income
	Less than \$35,000	\$35,000 to \$74,999	\$75,000 to \$149,999	\$150,000 or More	
Bayview	34.9%	27.8%	26.3%	11.0%	\$55,500
Downtown	50.7%	26.9%	15.3%	7.1%	\$34,300
Excelsior	19.4%	31.8%	34.5%	14.3%	\$73,600
Ingleside	16.0%	29.8%	37.7%	16.5%	\$81,300
Marina	12.6%	22.2%	30.0%	35.2%	\$107,700
Merced	24.7%	30.6%	29.9%	14.9%	\$67,300
Mission	19.4%	25.9%	33.6%	21.1%	\$82,800
Mission Bay	21.9%	24.5%	26.0%	27.5%	\$84,500
North Beach	31.0%	24.9%	25.0%	19.1%	\$64,500
Pacific Heights	12.5%	17.9%	27.2%	42.4%	\$124,600
Presidio	10.0%	26.1%	37.6%	26.3%	\$98,900
Richmond	18.1%	28.8%	32.4%	20.8%	\$80,500
Sunset	18.1%	26.5%	35.3%	20.1%	\$83,800
Twin Peaks	13.2%	20.7%	33.7%	32.4%	\$106,400
Western Addition	23.2%	26.5%	30.0%	20.3%	\$75,600
Total	24.7%	26.2%	29.1%	19.9%	\$73,500

Note:

(a) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

Figure 2-13: Median Household Income by Neighborhood, 2010



(a) Total includes a small number of individuals and households living in Golden Gate Park.

Sources: Claritas, 2010; BAE, 2010.

2.2.10 Household Income by Household Type

In 2000, 47 percent of San Francisco households were low- or very low-income, meaning that they earned

80 percent or less of MFI.²⁴ However, 70 percent of elderly households fell into this income category, making housing affordability for seniors a more significant challenge. In addition, large family households—or those with five or more related persons living together—were slightly more likely than the population at large to earn 80 percent or less of MFI. Small family households, by contrast—or those with two to four related persons living together—were the least likely household type to be low- or very-low income.

Table 2-15: Percent Low- and Very Low-Income Households by Household Type, 2000 (a)

Household Type	% Low- and Very Low-Income (a)
Elderly (b)	69.5%
Small Family (c)	37.7%
Large Family (d)	48.6%
All Others	41.5%
Total	46.6%

Notes:

(a) Very low -income households are defined as those earning up to 50% of median family income (MFI). Low income-households are defined as those earning between 51-80% of MFI.

(b) Elderly households consist of 1 or 2 person households in which at least one member is older than 62.

(c) Small family households consist of 2-4 related members living together.

(d) Large family households consist of 5 or more related members living together.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) from Census 2000; BAE, 2010.

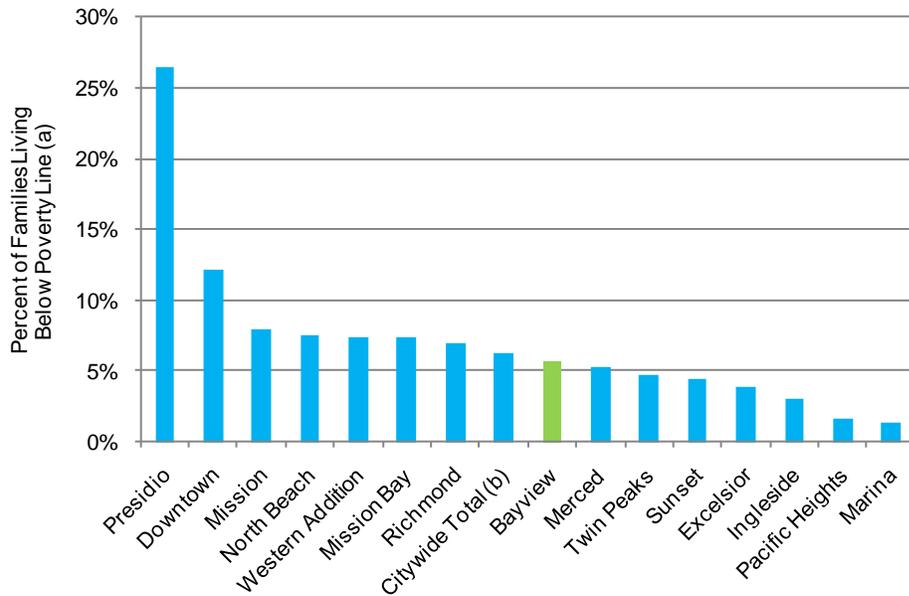
2.2.11 Concentrations of Low-Income Population

An estimated six percent of family households in San Francisco were living below the federal poverty line in 2010²⁵. Among the neighborhoods, Downtown had the incidence of poverty, with a poverty rate nearly double that of the city on the whole. The Mission, North Beach, and the Western Addition all featured elevated levels of poverty, as well. By contrast, only one percent of family households in the Marina lived below the poverty line.

²⁴ While HUD published data on housing conditions for various household types by income in an earlier version of CHAS, which was based on special tabulations from Census 2000, that data was not updated in 2007 through the American Community Survey.

²⁵ Nonfamily households not included in this analysis.

Figure 2-14: Poverty Rate by Neighborhood, 2010



(a) Percentages calculated from the universe of family households for which poverty status is known, not from the universe of either total households or total family households.
(b) Total includes a small number of individuals and households living in Golden Gate Park.
Sources: Claritas, 2010; BAE, 2010.

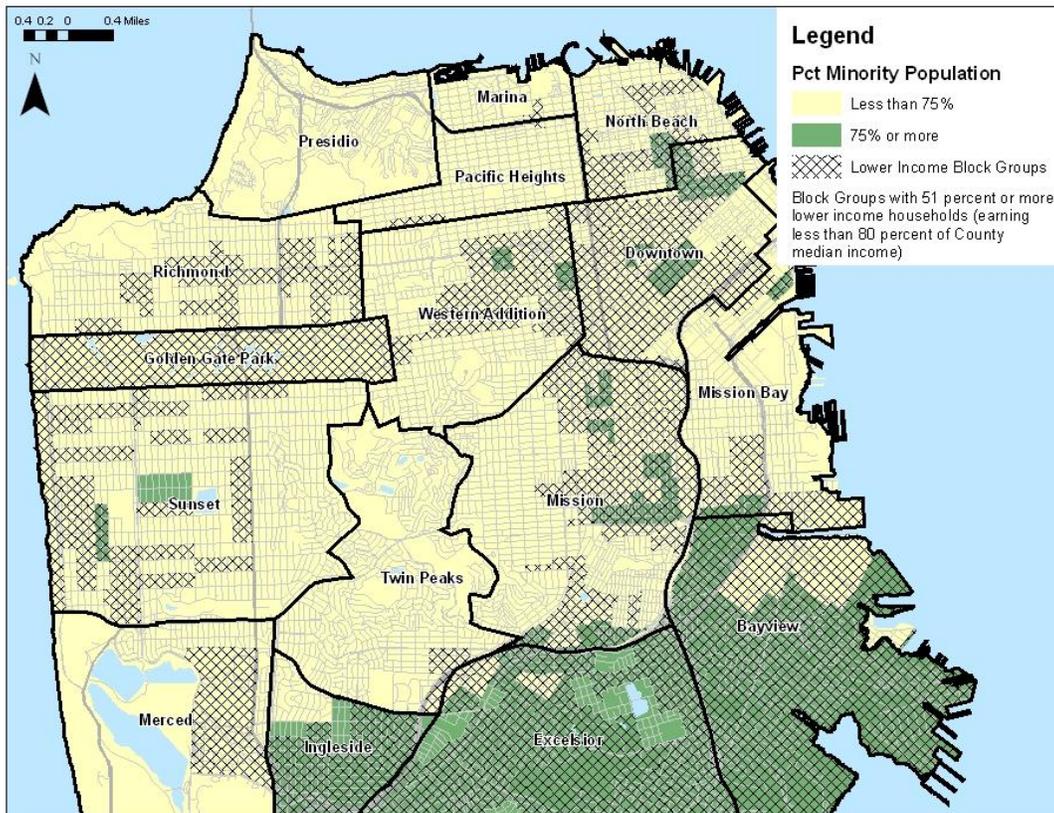
Figure 2-15 shows the distribution of low-income households across the city. Per HUD, areas of low-income concentration are defined as those in which more than half of all households earn 80 percent or less of MFI.

While Figure 2-13 reveals that in 2010 the median household income Downtown was more than \$20,000 less than in the Bayview, Figure 2-15 shows that the presence of low-income households was more widespread in the latter neighborhood. Every block group in the Bayview was an area of low-income concentration, while certain areas of Downtown—namely SoMA and the Financial District—were not.

Figure 2-15 shows that while almost all areas of minority concentration were also areas of low-income concentration, a large number of low-income block groups were not areas of minority concentration. Specifically, Downtown, the Mission, the Western Addition, the Richmond, the Sunset, and Merced all featured areas of low-income concentration that were not areas of minority concentration. Conversely, Ingleside and Excelsior each featured zones that were not areas of low-income concentration, despite being areas of minority concentration.

However, on the whole, areas of minority concentration in San Francisco were far more likely to be low-income than not. These areas are located within parts of the city where housing prices are the lowest (see Figure 2-3). As such, the high cost of housing, in tandem with the correlation between race and low-income status, has created areas of San Francisco that are subject to de facto residential segregation. This trend is not monolithic—again, large parts of the city are low-income but not areas of minority concentration. Yet, the San Francisco features several large neighborhoods in which non-white households tend to be surrounded by low-income neighbors and a dearth of communal resources, and thus presents a fair housing concern.

Figure 2-15: Areas of Low-Income and Minority Concentration, 2010



Sources: Claritas, 2010; BAE, 2010.

2.2.12 *Persons with Disabilities*

In 2007, the American Community Survey found that 14 percent of San Francisco residents, or some 100,000 individuals, had a disability of some type.

The U.S. Census Bureau places disabilities into six categories, defined below:

- **Sensory disability** – blindness, deafness, or a severe vision or hearing impairment
- **Physical disability** – a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying
- **Mental disability** – a physical, mental or emotional condition that made it difficult to perform certain activities like learning, remembering, or concentrating
- **Self-care disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like dressing, bathing, or getting around inside the home
- **Going-outside-the-home disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like going outside the home alone to shop or visit a doctor’s office
- **Employment disability** – a physical, mental, or emotional condition that made it difficult to perform certain activities like working at a job or business

As shown in Table 2-17, the largest proportion of disabled individuals in San Francisco had an employment disability (46 percent), followed closely by disabled individuals with a going-outside-the-home disability (45 percent).

Many disabilities are age related—45% of people 65 and older have one or more disability, while 8% of those under 65 have a disability, and the distribution of disability types varied widely by age. Among disabled children age five to fifteen, more than 76 percent were mentally disabled, while among disabled individuals age 16 to 64, employment disabilities were the most common (68 percent). Finally, among disabled seniors, 65 percent suffered from a physical disability. It should be noted that individuals may suffer from more than one disability type.

Table 2-16: Number of People with Disabilities by Age Group, 2007

Age	Total number of people	Number with one or more type of disability	% in this age group with a disability
5 to 15	59,121	2,701	5%
16 to 20	33,522	2,467	7%
21 to 64	519,167	44,958	9%
65 and older	109,508	49,598	45%
Total	721,318	99,724	14%

Source: American Community Survey (ACS), 1-year Estimates, 2007.

Table 2-17: Disabilities by Type and Age, 2000²⁶

Disability Type	Age 5-15		Age 16-64		Age 65+		Total	
	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)	Number	Percent of Persons with Disabilities (a)
Sensory Disability	462	15.4%	9,624	9.5%	15,646	33.8%	25,732	17.1%
Physical Disability	558	18.6%	26,317	26.1%	29,899	64.7%	56,774	37.8%
Mental Disability	2,288	76.2%	20,993	20.8%	15,836	34.3%	39,117	26.1%
Self-Care Disability	628	20.9%	8,800	8.7%	12,982	28.1%	22,410	14.9%
Go-Outside-Home Disability	N/A	N/A	42,635	42.3%	25,077	54.3%	67,712	45.1%
Employment Disability	N/A	N/A	68,605	68.0%	N/A	N/A	68,605	45.7%
Total Persons with Disabilities (b)		150,131						
Percent of Population		20.3%						

Notes:

(a) Percentage calculated from universe of non-institutionalized civilians with disabilities in each age cohort. Total percent exceeds 100 because individuals may have more than one disability type.

(b) Sum of disability types exceeds total persons with disabilities because individuals may have more than one disability type.

Sources: U.S. Census, SF3-P41 & SF3-P42, 2000; BAE, 2010.

²⁶

Experts believe that the number of individuals with disabilities was inflated significantly in the 2000 Census, in particular, disabilities associated with going outside of the home and employment. Thus, data from 2000 should be interpreted cautiously with this potential inaccuracy in mind.

Many disabled individuals, especially younger adults, rely exclusively on social security income (OASDI) and/or supplemental security income (SSI) for survival. Seniors with disabilities are more likely to earn additional retirement income and have other assets. The average Social Security check in San Francisco is only \$1,000 per month and the average SSI payment is \$633/month. In total, about 27,000 younger adults with disabilities live on either SSI or OASDI or a combination of the two.²⁷ According to the American Community Survey, 22% of younger persons with disabilities (11,395 total) in San Francisco are living below the federal poverty line (\$908 for a single adult in 2011).²⁸

2007 estimates show that whites and Asians have the highest numbers of younger persons (age 16 to 64) with disabilities (20,771 and 9,929 respectively), compared to 7,673 African Americans and 7,172 Latinos, as there are higher numbers of Whites and Asians in the City overall. However, African Americans have the highest rate of disability, as 23% of African Americans have a disability, compared to just 8% of Whites, 6% of Asians and 9% of Latinos. People of color with disabilities face multiple barriers to housing choice- those associated with race as well as those associated with disability.

Diversity within the disability community goes well beyond traditional demographic issues. Adults with disabilities have tremendously diverse experiences and stigmas depending on factors such as the type of the disability they have (e.g., physical, mental, developmental, etc.); whether the person was born with the disability or it was acquired in mid- or later life; whether the disability results from or is complicated by an accompanying chronic illness; or the stigma that the person may experience due to the way that his or her disability is viewed in society as a whole or in his or her ethnic or cultural community. Unfortunately, available data are insufficient to thoroughly represent the fair housing issues associated with each type of disability and life experience.

Table 2-18 compares the rate of homeownership among households with a disabled householder (“disabled households”) to that of households with a non-disabled householder (“non-disabled households”) in 2007. Among households earning 31 percent of AMI or more, disabled households featured consistently higher homeownership rates than their non-disabled counterparts. This is likely due to the relationship between age and homeownership rates—seniors in San Francisco are more likely to own their own home than are other age groups, and seniors are also more likely to be disabled. The conflation of these two factors make it difficult to discern whether disability status, on its own, poses substantial barriers to homeownership. Advocates and service providers argue that barriers to employment result in low earnings amongst younger adults with disabilities, and thus create an impediment to homeownership. Indeed, one study found that 54 percent of persons with disabilities were working during a selected week, while 84% of the population without a disability was working. Consistent with this finding- a disproportionate number of disabled households are extremely low income and earn 30 percent or less of AMI – 45 percent, compared to 17 percent of non-disabled households. At this income level, disabled households were far less likely to own their home than their non-disabled counterparts, bringing down the overall homeownership rate.

²⁷ Approximately 37% of SSI beneficiaries receive OASDI as well. U.S. Social Security Administration, data accessed 8/3/2011 from website: <http://www.ssa.gov/policy/docs/statcomps/index.html>

²⁸ DAAS 2006 Community Needs Assessment, page 16

Table 2-18: Tenure by Disabled Status by Income, 2007

Household Income (a)	% Homeowner	
	Households with Disabled Householder	Households with Non-Disabled Householder
Up to 30 % AMI	14.9%	18.5%
31-50% AMI	42.2%	27.6%
51-80% AMI	51.5%	32.5%
81% AMI or Above	70.0%	47.8%
Total	37.8%	38.5%

Note:

(a) AMI stands for Area Median Income.

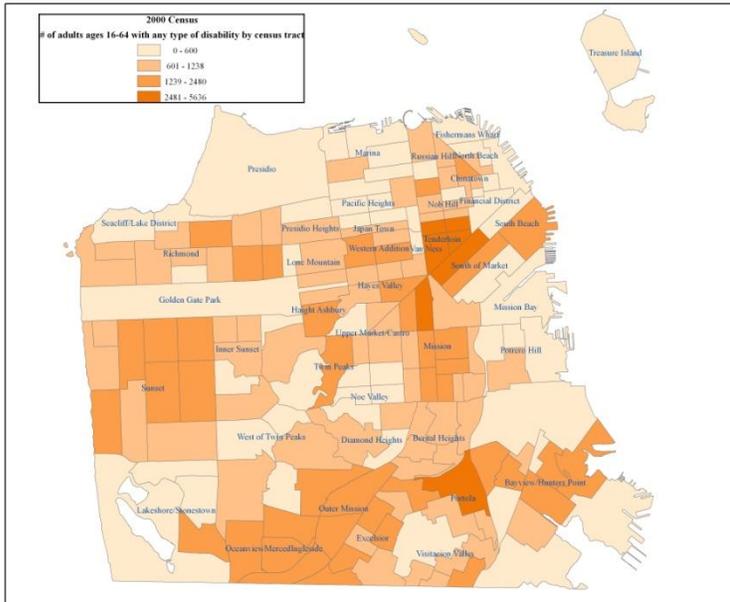
Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations from the American Community Survey 2007; BAE, 2010.

Figure 2-16 shows the number of younger adults with disabilities living in each census tract. Many younger adults with disabilities live in the central, western, and southeastern neighborhoods. As a proportion of the total population, younger adults with disabilities are more highly concentrated in the Tenderloin, South of Market, and Mission neighborhoods—all lower income neighborhoods with a substantial number of low-cost residential hotels. Younger adults with disabilities are also more highly concentrated in southeastern neighborhoods of Bayview, Portola, and Excelsior.

Seniors with disabilities have a different pattern. In total numbers, seniors with disabilities are most often found in western neighborhoods and in the lowest income census tracts in the Tenderloin, SOMA, Western Addition, and Chinatown. However, compared to the distribution of seniors overall, those with disabilities are more likely to live in newly developed neighborhoods on the eastern shore of the City, where some housing has been built specifically for low-income seniors, and many central neighborhoods including Castro/Upper market and Hayes valley (which tend to be higher income than the Tenderloin, SOMA, and Western Addition neighborhoods)

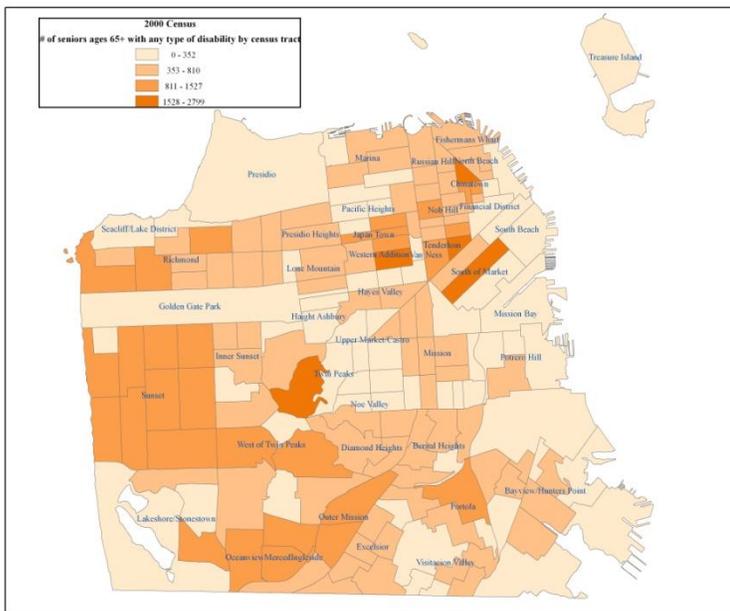
These findings imply that for younger adults with disabilities, affordability is the most significant barrier to housing choice. However, for seniors with disabilities, the availability of senior-specific housing designed to accommodate the needs and preferences of older adults, is a significant factor in determining location of residence.

Figure 2-16: Number of Disabled Adults by Census Tract, 2000



Source: 2000 Census.

Figure 2-17: Number of Disabled Seniors by Census Tract, 2000



Source: 2000 Census.

2.3 Linkages between Housing and Employment Centers

Impediments to fair housing choice may exist when poor linkages exist between the locations of major employers and affordable housing. Under these conditions, persons who depend on public transportation—such as lower-income households, seniors, and disabled persons—would be more limited in their housing options. As such, affordable housing developments and community care facilities should be located in transit accessible areas.

2.3.1 *Employment Projections and Trends*

The Association of Bay Area Governments (ABAG) estimates that as of 2010, San Francisco was home to 568,700 jobs. ABAG projects that the city will add over 238,000 jobs by 2035, amounting to a 42 percent increase over 2010 levels. During the same time period, the number of jobs in the greater Bay Area is projected to increase by 47 percent, causing San Francisco's share of regional employment to dip slightly as job growth in the central city lags behind the metropolitan region.

Table 2-19: Job Projections, 2010-2035

Location	Number of Jobs					% Change '10-'35	
	2010	2015	2020	2025	2030		2035
San Francisco	568,730	606,540	647,190	694,830	748,100	806,830	41.9%
9-County Bay Area (a)	3,475,840	3,734,590	4,040,690	4,379,900	4,738,730	5,107,390	46.9%

Note:

(a) The 9-County Bay Area consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties.

Sources: ABAG Projections, 2009; BAE, 2010.

Table 2-20 lists the city's largest employers in 2010, the distribution of which can be seen in Figure 2-18 below.²⁹ Predictably, most of these employers were located Downtown, either in the Financial District or off of Market Street. All of the job centers listed were located within a quarter mile of either a bus or transit stop, making them accessible to job seekers who rely on public transit for their mobility.

Table 2-20: Major Employers in San Francisco, 2010

Employer Name	Industry	Number of Employees (a)
UC San Francisco	Schools - Universities & Colleges	10,000+
Pacific Gas & Electric Corp.	Utilities - Holding Companies	5,000-9,999
San Francisco General Hospital	Hospitals	5,000-9,999
San Francisco State University	Schools - Universities & Colleges	5,000-9,999
UC San Francisco Medical Center	Hospitals	5,000-9,999
Bechtel Group	Engineers - Civil	1,000-4,999
Black Rock Inc.	Pension, Health & Welfare Funds	1,000-4,999
California Pacific Medical Center	Hospitals	1,000-4,999
California State Auto Association	Automobile Clubs	1,000-4,999
Deloitte	Accountants	1,000-4,999
General Services Admin. - Pacific Rim Region	Government Offices - U.S.	1,000-4,999
Hilton San Francisco	Hotels & Motels	1,000-4,999
Kaiser Permanente Medical Center	Hospitals	1,000-4,999
Pacific Gas & Electric Co. Inc.	Electric Companies	1,000-4,999
San Francisco Chronicle	Newspapers	1,000-4,999
San Francisco Municipal Railway (MUNI)	Government Offices - City	1,000-4,999
San Francisco Patrol Special Police Assoc.	Security Guard & Patrol Services	1,000-4,999
San Francisco Police Dept.	Police Depts.	1,000-4,999
State Compensation Insurance Fund	Insurance	1,000-4,999
UC San Francisco Mt. Zion Medical Center	Medical Centers	1,000-4,999
VISA Inc.	Credit Cards & Other Credit Plans	1,000-4,999

Note:

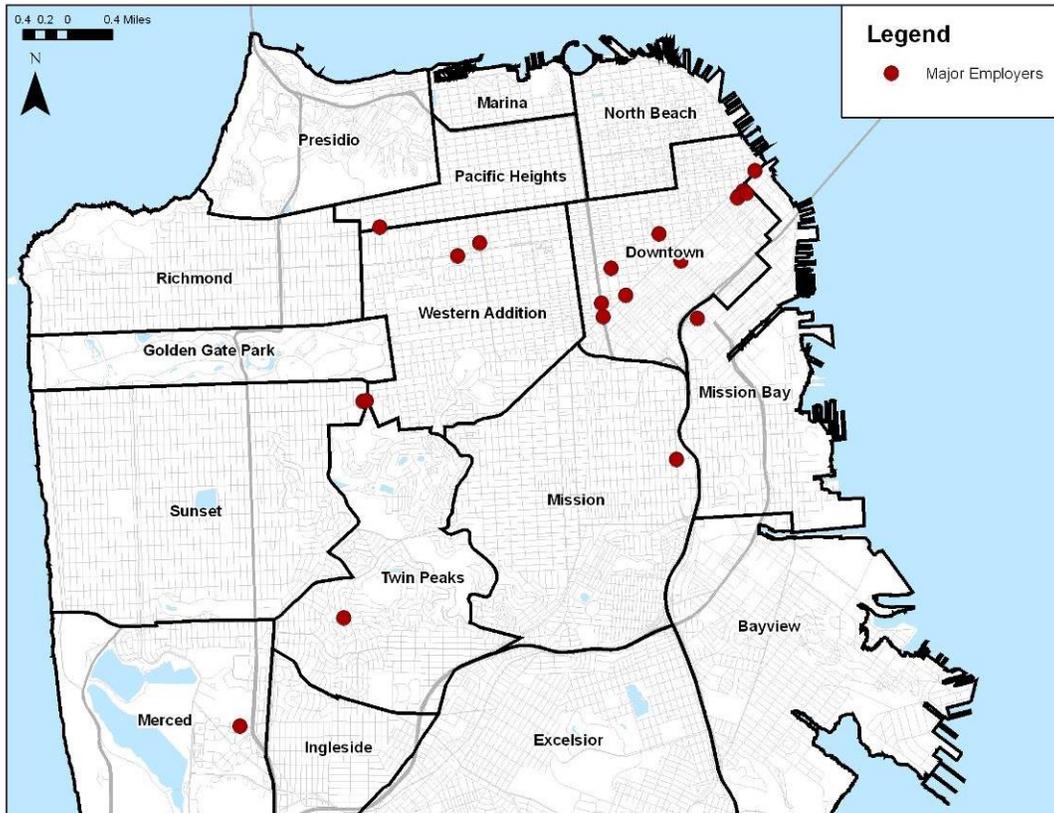
(a) Companies ranked by employment size category.

Sources: CA Employment Development Dept., America's Labor Market Information System Employer Database, 2011 1st Edition, 2010; BAE, 2010.

²⁹

Note that the map appears to contain fewer employers than the corresponding table because so many employers are concentrated in a small area of Downtown.

Figure 2-18: Major Employers, 2010



Sources: CA Employment Development Dept., America's Labor Market Information System Employer Database, 2011 1st Edition, 2010; BAE, 2010.

2.3.2 *Commute Patterns*

The Census Bureau reports that the vast majority of San Francisco residents who had a job in 2000 worked in the city (77 percent). However, only about half of those employed in San Francisco are able to live in the City. Regional transit and road networks are crucial for residents working outside of the City as well as employees who reside in the surrounding region. Otherwise, the financial and time burden of commuting can be a prohibitive impediment for those who travel beyond city boundaries for their job.

Additionally, given the high proportion of San Francisco residents who both live and earn their livelihoods in the city, open access to housing within the City is a critical issue for both social equity and workforce development. In fact, as shown in Figure 2-19, lower-income workers in San Francisco are more likely to live in the city than their higher income counterparts, highlighting the importance of housing access for these workers.

Table 2-21: San Francisco Residents by Place of Work, 2000

Place of Work	Number	% Total
San Francisco	322,010	77.0%
Oakland	8,870	2.1%
South San Francisco	8,785	2.1%
Redwood City	5,190	1.2%
San Mateo	4,645	1.1%
Palo Alto	3,690	0.9%
Burlingame	3,610	0.9%
San Jose	3,410	0.8%
Berkeley	3,175	0.8%
Other Bay Area (a)	42,730	10.2%
Other Places in CA (b)	10,737	2.6%
Out of State	1,609	0.4%
Total	418,461	100.0%

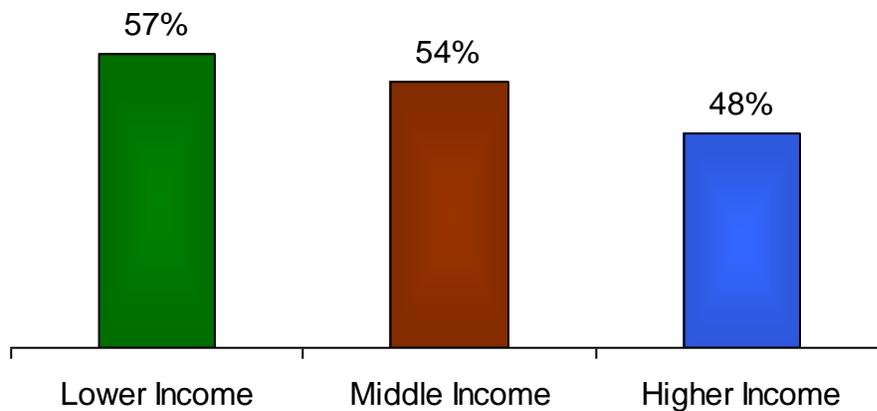
Notes:

(a) "Other Bay Area" includes other areas in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties that are not specifically listed.

(b) "Other Places in CA" includes unincorporated areas within California.

Sources: U.S. Census, Census Transportation Planning Package (CTPP), 2000; BAE, 2010.

Figure 2-19: Percent of San Francisco Workers that Reside in San Francisco by Occupational Income Category, 2000



Sources: 2000 Census; City of San Francisco, 2010.

2.3.3 *Public Transit*

Several transit systems provide service to San Francisco, as enumerated below. Figure 2-20 illustrates the many routes that serve the city.

San Francisco Municipal Transportation Agency (MUNI). MUNI operates both light rail and bus service in San Francisco. The system provides coverage to all of the city’s neighborhoods, and includes 54 bus lines, 17 trolley lines, and seven light rail lines that converge Downtown in the MUNI Metro—the city’s lone subway tube—in addition to tourist-serving heritage services.

Bay Area Rapid Transit (BART). BART is the main commuter rail system connecting communities in four Bay Area counties to the major metropolitan centers in the region. BART operates five heavily-trafficked transit lines, all but one of which pass through San Francisco. The city is served by eight BART stops, including four that provide an intermodal interchange with MUNI light rail service.

Caltrain. Caltrain is a heavy-rail commuter service operated by Amtrak between San Francisco and San Jose, with weekday commuter-hour service running as far south as Gilroy. While the line has a total of 32 stations, only a handful fall within San Francisco, including the terminus at 4th and King Streets.

At the time of writing, one hundred percent of the affordable housing and community care sites identified in Figures 3-5 and 3-11—as well as the major employers identified in Figure 2-18—were located within a quarter mile of either a bus or transit stop, giving the city’s residents, including its neediest, access to a wide range of mobility options.

Unfortunately, not all bus/transit lines are efficient and reliable, thus short distances to bus and transit stops does not necessarily guarantee strong linkages between these affordable housing sites and places of work. The City Survey shows that the further someone lives from the center city, the more likely they are to be frustrated with MUNI – in particular its timeliness and reliability.³⁰ Residents from the Southeast, in particular, are less likely to ride MUNI, suggesting that access may not be equal across the City. Furthermore, San Francisco’s steep topography and freeway layout can create islands of transit-isolation. The west side of the Potrero Hill neighborhood, for instance, is close to public transit hubs when traveling as the bird flies, but access to these stops are rendered impossible by nearly vertical, un-walkable slopes. Topography is a particular challenge for people with mobility limitations.

³⁰ The San Francisco City Survey is part of an ongoing effort to measure and improve the performance of City government. The 2009 City Survey is the twelfth City Survey which includes a core set of questions on streets and sidewalks, parks and recreation, libraries, public transportation, public safety, and overall rating of local government.

Figure 2-20: San Francisco Transit Routes, 2008



Sources: Metropolitan Transportation Commission, 2008; BAE, 2010.

Identification of Impediments to Fair Housing Choice

Many Analysis of Impediments to Fair Housing reports are structured in three discrete sections: Identification of Impediments to Fair Housing Choice, Assessment of Current Programs and Activities, and Recommendations. The San Francisco AI is structured differently to ensure that issues are tied to solutions. A description of each issue is followed immediately by a description of current policies and practices to ameliorate the problem. Finally, remedies are proposed where interventions are currently lacking or insufficient.

To document impediments to fair housing, assess current programs, and identify solutions, City staff conducted outreach to community members and local service providers. In addition, the City's Housing Element and other relevant plans and reports were reviewed for discussion on each item below.³¹ Finally, a variety of data were analyzed. The result is a set of high priority fair housing issues that are demonstrated using both quantitative data and qualitative information.

³¹ Per State law, California jurisdictions must prepare a Housing Element every five to seven years to analyze local housing needs, and provide strategies and actions to address these needs. Housing Elements are discussed in more detail subsequently in this section.

3 Impediments Tied to Affordability

3.1 Background

Income correlates with race, age, family status, neighborhood of residence, and disability status, as described in the previous section. Because federally protected factors are tied to earning potential, the scarcity of low-cost ownership and rental opportunities in San Francisco has a disparate impact on protected classes. In fact, one could consider San Francisco's high cost housing market to be the most powerful and far-reaching impediment to Fair Housing Choice.

Affordability is generally discussed in the context of households with different income levels. Households are categorized by HUD as extremely low-, very low-, or low-income based on household size and income as a percentage of AMI. These income limits are established annually by HUD. Federal, State, and local affordable housing programs generally target households earning up to 80 percent of AMI, though some programs also provide assistance to households earning up to 120 percent of AMI. San Francisco spends a high percentage of locally controlled funds on housing for extremely low income households. The HUD-defined income categories are as follows:

- Extremely Low-Income: Up to 30 percent of County AMI
- Very Low-Income: 31 percent to 50 percent of County AMI
- Low-Income: 51 percent to 80 percent of County AMI

3.1.1 *Affordability of Ownership Housing*

Between 2000 and 2007, home prices soared. Although purchase prices have declined slightly as a result of the current economic downturn, market-rate ownership housing remains out of reach for most lower-income households in San Francisco (see Table 3-1).

Table 3-1 analyzes the affordability of ownership housing for four-person households earning qualified extremely low-, very low-, and low-incomes. This analysis compares the maximum affordable sale price for each of these households to market rate prices for units with two or more bedrooms in San Francisco.³² As of September 2010, the maximum price that a low-income household could afford for a single-family home was \$354,500. Of the homes sold that month, only nine percent fell below this price point.

The maximum affordable sale price for condominiums was slightly lower than the price for single-family homes because monthly homeowners' association (HOA) fees are factored into the calculation, thereby reducing the amount available for mortgage payments. The maximum affordable condominium sale price for a low-income household in September 2010 was \$316,400. Of the qualifying units that sold that month, approximately 12 percent were affordable to low-income households.

³² The maximum affordable sale price was calculated using household income limits published by HUD, historic interest rates for 30-year fixed mortgages, and assuming that households provide a 20 percent down payment and spend 30 percent of gross income on mortgage payments, taxes, and insurance.

In addition to housing affordability, credit accessibility and uncertainty in the job market have emerged as challenges for potential homebuyers. Challenges associated with mortgage financing will be discussed later in this section.

Table 3-1: Affordability of Market Rate For-Sale Housing, September 2010

Single-Family Residences			
Income Level (4-person household)	Income Limit (a)	Max. Affordable Sale Price (b)	Percent of 2+ BR SFRs within Price Range (c)
Extremely Low -Income (Up to 30% MFI)	\$32,250	\$132,900	1.9%
Very Low -Income (Up to 50% MFI)	\$53,750	\$221,600	2.8%
Low -Income (Up to 80% MFI)	\$86,000	\$354,500	9.4%
Median Sale Price (c)			\$599,500
Number of Units Sold (c)			106
Condominiums and Townhomes			
Income Level (4-person household)	Income Limit (a)	Max. Affordable Sale Price (b)	Percent of 2+ BR Condos within Price Range (c)
Extremely Low -Income (Up to 30% MFI)	\$32,250	\$86,600	0.0%
Very Low -Income (Up to 50% MFI)	\$53,750	\$178,500	0.0%
Low -Income (Up to 80% MFI)	\$86,000	\$316,400	12.0%
Median Sale Price (c)			\$700,000
Number of Units Sold (c)			75

Notes:

(a) Income limits published by U.S. Dept. of Housing and Urban Development for a four-person household in San Francisco County, 2010.

(b) Assumptions used to calculate affordable sales price:

Annual Interest Rate (fixed)	6.04%	Freddie Mac historical monthly Primary Mortgage Market Survey data tables. Ten-year average.
Term of mortgage (years)	30	
Percent of sale price as down payment	20.0%	
Initial property tax (annual)	1.2%	Office of the Treasurer and Tax Collector of San Francisco.
Mortgage Insurance as percent of loan amount	0.00%	Only included if down payment is less than 20%.
Annual homeowner's insurance rate as percent of sale price	0.34%	CA Dept. of Insurance website, based on average of all quotes, assuming \$500,000 of coverage and a 41-70 year old SFR.
	0.07%	CA Dept. of Insurance website, based on average of all quotes, assuming \$100,000 of coverage for condominiums.
Homeowners Association Fee (monthly)	\$300	Average taken from condos currently on the market.
PTI = Principal, Interest, Taxes, and Insurance		
Percent of household income available for PTI	30.0%	

(c) Analysis based on all full and verified sales of single-family residences and condos with two or more bedrooms sold between September 1, 2010 and September 30, 2010.

Sources: U.S. Dept. of Housing and Urban Development, 2010; Freddie Mac, 2010; Office of the Treasurer and Tax Collector of San Francisco, 2010; CA Dept. of Insurance, 2010; DataQuick, 2010; BAE, 2010.

3.1.2 *Affordability of Rental Housing*

Table 3-2 compares the maximum affordable monthly rent with average asking rents in San Francisco for households of various sizes and incomes. In this table, the average asking rent statistics are derived from a sample of large rental complexes, which tend to be newer and slightly more expensive than smaller buildings. More representative data are not available. Maximum affordable monthly rent assumes that households pay 30 percent of their gross income on rent and utilities.

This analysis shows that market rate asking prices in empty rental housing in San Francisco are generally unaffordable to extremely low-, very low-, and low-income households regardless of household size, often by drastic margins. The affordability gap for extremely low-income households ranges from \$1,450 to \$1,740 per month and \$1,020 to \$1,200 per month for very low-income households. While the affordability gap is somewhat lower for low-income households (\$290-590 per month), this analysis suggests that San Francisco's rental housing costs present a sizeable burden for low-income households.

Table 3-2: Affordability of Market Rate Rental Housing

	Household Size			
	1 person	2 person	3 person	4 person
Average Market Rate Rent (a)				
City of San Francisco	\$2,001	\$2,001	\$2,113	\$2,395
Maximum Affordable Monthly Rent				
Extremely Low-Income (Up to 30% MFI)				
Household Income (b)	\$22,600	\$25,800	\$29,050	\$32,250
Max. Affordable Monthly Rent (c)	\$472	\$552	\$610	\$659
Monthly Affordability Gap (d)	\$1,529	\$1,449	\$1,503	\$1,736
Very Low-Income (Up to 50% MFI)				
Household Income (b)	\$37,650	\$43,000	\$48,400	\$53,750
Max. Affordable Monthly Rent (c)	\$848	\$982	\$1,094	\$1,197
Monthly Affordability Gap (d)	\$1,153	\$1,019	\$1,019	\$1,198
Low-Income (Up to 80% MFI)				
Household Income (b)	\$60,200	\$68,800	\$77,400	\$86,000
Max. Affordable Monthly Rent (c)	\$1,412	\$1,627	\$1,819	\$2,003
Monthly Affordability Gap (d)	\$589	\$374	\$294	\$392

Notes:

(a) The following unit sizes are assumed based on household size:

- 1 person - 1 bedroom/1 bathroom
- 2 person - 1 bedroom/1 bathroom
- 3 person - 2 bedroom/1 bathroom
- 4 person - 3 bedroom/2 bathrooms

Based on average rents reported by RealFacts for Q1 2010.

(b) Household income published by the U.S. Dept. of Housing and Urban Development for San Francisco County, 2010.

(c) Assumes 30 percent of income spent on rent and utilities. Utility costs based on utility allowance established by San Francisco Housing Authority, 2010.

(d) Monthly affordability gap is average monthly rent minus max. affordable rent.

Sources: RealFacts, 2010; U.S. Dept. of Housing and Urban Development, 2010; San Francisco Housing Authority, 2010; BAE, 2010.

The American Community Survey provides another source of data for examining rental affordability. The ACS captures information on rental costs facing renters, rather than the asking rents for vacant apartments. Due to rent control, rental costs for long-term renters can be substantially below the asking prices for apartments. Nevertheless, ACS data show high average rents. In 2009, the average rental cost faced by tenants in San Francisco was \$1,363. More than 43% of households paid over \$1,500 per month in gross rent.

Table 3-3: San Francisco Rents Paid (Gross), 2009

Occupied units paying rent	196,190	196,190
Less than \$200	2,924	1.5%
\$200 to \$299	9,383	4.8%
\$300 to \$499	9,402	4.8%
\$500 to \$749	18,905	9.6%
\$750 to \$999	21,930	11.2%
\$1,000 to \$1,499	49,098	25.0%
\$1,500 or more	84,548	43.1%
Median (dollars)	1,363	(X)

Source: American Community Survey (ACS), 1-year Estimates, 2009.

3.1.3 *Disparate Impact of High Housing Costs*

3.1.3.1 *Overpayment*

According to HUD standards, a household is considered “cost-burdened” (i.e., overpaying for housing) if it spends more than 30 percent of gross income on housing-related costs. Households are “severely cost-burdened” if they pay more than 50 percent of their income on housing costs. ACS data show that during the 2007-2010 period, 45 percent of all renters in San Francisco were cost-burdened. Rates of overpayment are similarly high among owner households. Amongst owners with a mortgage, 50 percent were cost burdened (paying over 30% of income toward mortgage payments, utilities, and other ownership costs). Low-income households face the highest levels of overpayment. Of renter households earning under \$35,000 per year, 83% were cost burdened. However, even higher income households, such as those earning \$50,000 to \$75,000, commonly pay more than 30% of their income toward housing. Forty-four percent of households in this income group were cost-burdened during the 2007-2010 period. Table 3-4 shows detailed information on cost burden by income group and household type. Unfortunately, this level of detail is not available for a more recent year.

Table 3-4: Overpayment by Income Group and Household Type, 2000 (a)

Household Income (b)	Renters					Owners					Total Households
	Elderly Households (c)	Small Families (d)	Large Families (e)	All Other	Total Renters	Elderly Households (c)	Small Families (d)	Large Families (e)	All Other	Total Owners	
Up to 30% MFI											
% with any housing problems (a)	69.1%	81.0%	92.1%	79.4%	76.6%	64.2%	78.9%	93.8%	70.3%	69.4%	75.4%
% Cost Burden >30% (f)	60.8%	69.9%	72.7%	72.2%	67.6%	63.8%	73.5%	68.4%	70.3%	66.8%	67.5%
% Cost Burden >50% (g)	39.1%	50.9%	47.7%	59.6%	49.9%	48.2%	61.1%	62.2%	64.5%	54.0%	50.6%
31-50% MFI											
% with any housing problems (a)	64.4%	80.0%	87.5%	82.8%	78.6%	34.1%	69.0%	94.5%	71.7%	56.0%	72.7%
% Cost Burden >30% (f)	53.1%	51.7%	35.0%	74.7%	60.4%	32.7%	61.5%	70.2%	71.4%	49.9%	57.7%
% Cost Burden >50% (g)	21.3%	15.6%	10.6%	31.4%	23.2%	21.6%	44.6%	32.4%	60.3%	33.6%	25.9%
51-80% MFI											
% with any housing problems (a)	42.5%	57.3%	87.7%	50.9%	54.7%	23.6%	62.1%	79.8%	74.9%	53.3%	54.3%
% Cost Burden >30% (f)	32.8%	28.5%	17.3%	45.1%	37.1%	23.0%	56.0%	46.1%	73.3%	45.2%	39.6%
% Cost Burden >50% (g)	8.5%	4.3%	1.8%	7.7%	6.4%	11.2%	24.7%	11.1%	43.1%	20.4%	10.7%
81% MFI or Above											
% with any housing problems (a)	19.3%	19.2%	69.5%	12.8%	17.1%	14.1%	24.4%	53.8%	31.4%	28.2%	22.0%
% Cost Burden >30% (f)	14.0%	6.4%	2.9%	9.2%	8.5%	13.4%	20.1%	14.1%	30.4%	20.6%	13.8%
% Cost Burden >50% (g)	2.6%	0.3%	0.0%	0.5%	0.6%	3.9%	3.8%	2.1%	7.5%	4.5%	2.3%
Total											
% with any housing problems (a)	56.6%	45.8%	82.9%	38.1%	45.5%	28.6%	34.0%	64.1%	40.9%	38.0%	42.9%
% Cost Burden >30% (f)	48.0%	28.0%	27.8%	33.0%	33.9%	27.9%	29.2%	27.5%	39.9%	30.9%	32.9%
% Cost Burden >50% (g)	26.0%	11.9%	12.6%	14.9%	15.8%	16.5%	11.1%	8.8%	17.9%	13.8%	15.1%

Notes:

- (a) Housing problems are defined as spending more than 30% of household income on housing and/or overcrowding and/or living in a unit without complete kitchen or plumbing facilities.
- (b) MFI stands for median family income.
- (c) Elderly households consist of 1 or 2 person households in which at least one member is older than 62.
- (d) Small family households consist of 2-4 related members living together.
- (e) Large family households consist of 5 or more related members living together.
- (f) A household is cost burdened if it spends more than 30% of its income on housing.
- (g) A household is severely cost burdened if it spends more than 50% of income on housing.

Sources: HUD, State of the Cities Data System: Comprehensive Housing Affordability Strategy (CHAS) from Census 2000; BAE, 2010.

3.1.3.2 *Overcrowding*

A lack of affordable housing can result in overcrowded households, which is one type of HUD-recognized housing problem. The U.S. Census defines “overcrowding” as households in which there is more than 1.0 person per room, excluding bathrooms and kitchens. Households face “severe overcrowding” if there are more than 1.5 persons per room. In 2000, 12 percent of households in San Francisco lived in overcrowded situations, while eight percent faced severe overcrowding. In both cases, renter households faced higher rates of overcrowding. Among severely overcrowded households, renters faced problems at twice the rate of owner households.³³

Table 3-5: Overcrowding by Tenure, 2010 (a)

	Owner Occupied	Renter Occupied	All Occupied Units
Percent Overcrowded (a)	2.8%	2.3%	2.5%
Percent Severely Overcrowded (b)	1.2%	4.6%	3.3%

Notes:

(a) A household is defined as “overcrowded” if the number of occupants per room exceeds 1.0.

(b) A household is defined as “severely overcrowded” if the number of occupants per room exceeds 1.5.

Source: American Community Survey (ACS), 3-year Estimates, 2008-2010

However, more recent data from the 2010 American Community Survey indicate that overcrowding has become a less popular solution to housing costs. Only 2.5 percent of all households were overcrowded and 3.3% were severely overcrowded in recent years.

3.1.3.3 *Any Housing Problems*

HUD data on housing problems confirm that San Francisco’s high-cost housing market has the effect of disproportionately limiting housing choices for people and households of color. HUD data examine “housing problems” that result from a market where much of the housing stock is unaffordable, and find that Hispanic households, black households, and Asian households are all more likely to have housing problems than white households.

HUD defines a “housing problem” as any one of the following conditions: spending more than 30 percent of household income on housing, living in an overcrowded situation, or living in a housing unit that lacks complete kitchen or plumbing facilities. While the data on housing problems by household type and income in Table 3-4 above has not been recalculated since the 2000 Census, updated data on housing problems by race was published as part of CHAS 2007. As of that year, 44 percent of households in San Francisco faced some housing problem. Table 3-6 compares the percentage of households with some housing problem across race/ethnicity while controlling for income.

³³ While more recent data on overcrowding is available through the American Community Survey (ACS), a review of overcrowding trends going back to 1990 suggest that sampling issues with the ACS may have lead to understated rates of overcrowding, particularly for renter households.

On the whole, white households faced the lowest degree of housing problems (38 percent). Within each income category, white households faced housing problems about on par with the population as a whole, irrespective of income. But overall, white households faced housing problems at a significantly lower rate because their incomes were skewed toward the highest income category, in which households faced relatively low levels of housing problems.

Asian households suffered from housing problems at the next lowest rate (49 percent). As with white households, Asians faced housing problems at comparable rates to the population as a whole, regardless of income. The higher rate of housing problems overall, was due to the concentration of Asian households at lower income levels where more households faced more housing problems.

An above-average proportion of black households faced housing problems (53 percent) despite the fact that within each income category, they suffered from housing problems at the lowest or second lowest rate. This can be attributed to the skew toward lower incomes among San Francisco's black community.

Finally, Hispanic households suffered from the highest rate of housing problems both within each income category and as a population as a whole (56 percent).

Table 3-6: Housing Problems by Income and Race, 2007 (a)

Household Income (b)	% Facing Any Housing Problem (a)						Total
	White	Black	Asian	Native American (c)	Pacific Islander (c)	Hispanic	
Up to 30% AMI	76.5%	71.6%	72.6%	NA	NA	80.6%	75.0%
31-50% AMI	75.2%	59.1%	68.5%	NA	NA	75.7%	71.7%
51-80% AMI	58.4%	48.4%	57.9%	NA	NA	60.3%	57.8%
81-95% AMI	41.2%	34.3%	44.7%	NA	NA	45.7%	42.2%
96% AMI or Above	18.8%	19.4%	22.5%	NA	NA	27.1%	20.2%
Total	38.0%	53.3%	49.0%	NA	NA	55.6%	43.7%

Notes:

(a) Housing problems are defined as spending more than 30% of household income on housing and/or overcrowding and/or living in a unit without complete kitchen or plumbing facilities.

(b) AMI stands for area median income.

(c) Data on Native Americans and Pacific Islanders not included because the sample sizes were too small.

Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations from the American Community Survey 2007; BAE, 2010.

HUD data confirm that income disparities result in unequal access to decent and affordable housing for other groups as well as people of color. Data on housing problems for senior households and disabled households show that:

- 48.5% of seniors age 62 and up have some sort of housing problem, while only 31.7% of non-seniors face a housing problem.
- 55.7% of people with disabilities face a housing problem, while only 43.8% of non-disabled San Franciscans do.

Unfortunately, data on housing problems are not available for other low-income groups such as people with limited English proficiency, immigrants, and people with a criminal background. However, we can infer that affordability challenges result in similar outcomes for these households.

3.2 Housing Cost Factors

3.2.1 Private Sector Factors

Issues inherent in the Bay Area's economy and geography contribute to housing costs. These include market-related conditions such as the cost of land, construction costs, and the availability of financing for development. The following section examines these private sector housing issues that drive up housing costs and exacerbate those impediments to fair housing that are tied to income.

3.2.1.1 Land Availability and Costs

Much of San Francisco exhibits an established, relatively dense development pattern and is considered by many to be substantially built-out. While there are parcels of land still potentially available for development, San Francisco's tight land market increases pressures on land values. Both market-rate and

affordable housing developers report that acquiring land for housing in the City is a challenge. The heightened values of land make some of the land identified as a potential housing site infeasible for actual housing development, especially housing affordable to lower income households.

The City's finite supply of land, coupled with strong development pressure, means that landowners can expect high prices for parcels they own, if they choose to sell for housing development at all. Sites identified as potential housing sites may not be sold to residential developers as some property owners are satisfied with the state of their properties' development. Institutions, for example, may keep surface parking uses to support other adjacent properties' more intense uses. Similarly, building owners may keep smaller but profitable commercial buildings instead of fully developing their properties. Furthermore, except in purely residential zoning districts, housing developers must compete with other potential users. If it is more profitable for a landowner to hold or sell land for office space, the land will not be available for housing. Private vacant or underdeveloped lands identified as housing opportunity sites will only see development if landowners decide to sell, and the prices they demand from housing developers will allow for profitable development.

Though specific land costs varied greatly depending on an area's location and underlying zoning, the price of land is a major component of a developer's overall cost of producing housing. A recent Planning Department study that explored options for expanding the City's inclusionary housing requirements compiled cost information from a variety of data sources. It showed that land for housing development in San Francisco often cost around \$110,000 per unit and comprises almost a quarter of the total development costs.³⁴

³⁴ City of San Francisco, Housing Element, 2011, p. 73-74.

Table 3-7: Development Costs, 2009 (a)

Cost Categories	Costs	% of Total Costs
DIRECT CONSTRUCTION COSTS		
Land Cost	\$110,000	21.6%
Building Construction	\$247,900	48.8%
Parking Space Construction	\$20,000	3.9%
<i>Total Direct Costs</i>	<i>\$377,900</i>	<i>74.4%</i>
INDIRECT CONSTRUCTION COSTS		
Planning and Building Entitlement Fees	\$9,893	1.9%
School Impact Fees	\$2,072	0.4%
Developer Project Management, Architecture, Engineering and Other "Soft" Costs	\$92,500	18.2%
Construction Financing	\$25,900	5.1%
<i>Total Indirect Costs</i>	<i>\$130,365</i>	<i>25.6%</i>
TOTAL DEVELOPMENT COST	\$508,265	100.0%
Total Cost per Square Foot (Average Net Unit Size: 925 sq ft)	\$549	

Source: City of San Francisco, Housing Element, 2011.

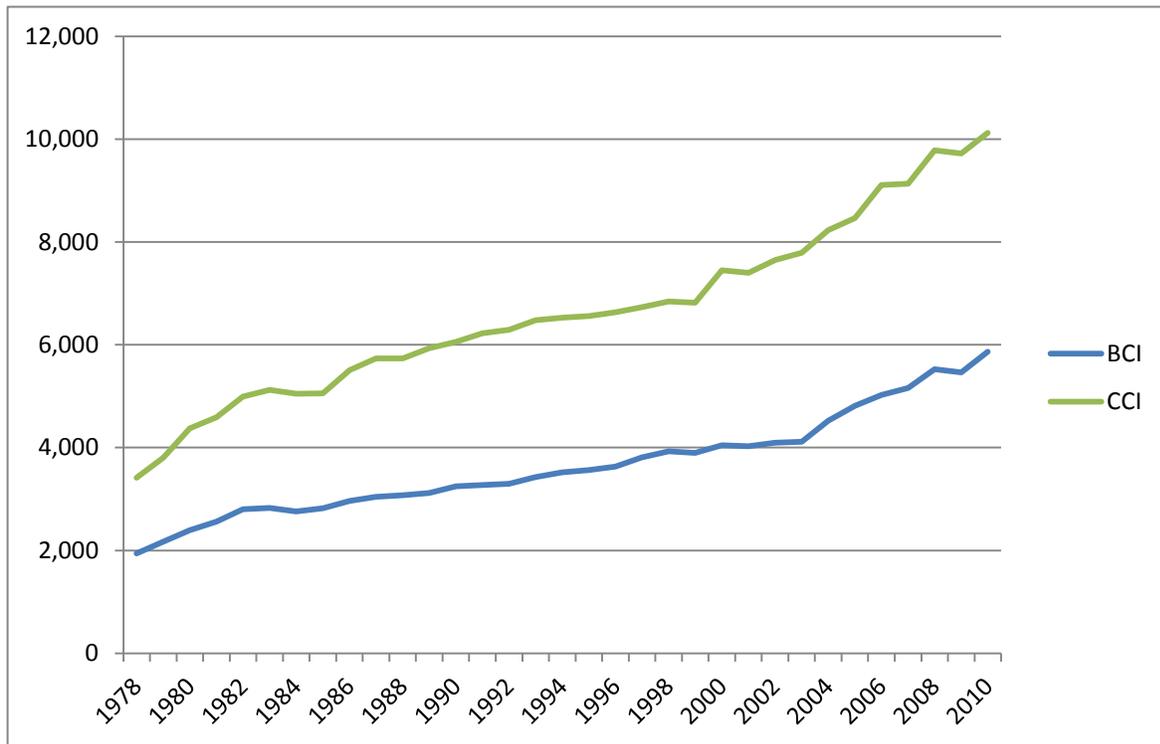
3.2.1.2 Construction Costs

In addition to high land costs, other direct costs of building new housing – the cost of labor, of construction materials and contractor fees – continue to escalate. Steep construction costs are generally seen as a major constraint on housing development and especially impacts affordability. In 2007, total development cost for an average two-bedroom condominium totaling 925 square feet was about \$508,265 a unit or \$549 per square foot.³⁵ Together, land and construction costs account for about ¾ of total development costs. Building and construction costs in San Francisco have been consistently on the rise for decades. During 2008, key construction costs fell nationally in conjunction with the residential real estate market. However, costs began to rise again during the second half of 2009. Figure 3-1 illustrates escalating construction costs since 1978 based on the ENR Construction Cost index and Building Cost Index³⁶. When compared to other cities, San Francisco's costs are on par with other high-cost cities such as Seattle, Boston and Los Angeles.

³⁵ City of San Francisco, Housing Element, 2011, p. 75.

³⁶ CCI includes: local union wages, plus fringes, for laborers, national average price for structural steel, local prices for portland cement, plus local prices for lumber. BCI includes: local union wages, plus fringes, for carpenters, bricklayers and iron workers, national average structural steel prices, local portland cement at prices, and local lumber prices.

Figure 3-1: Escalation in Construction Costs, 1978-2010



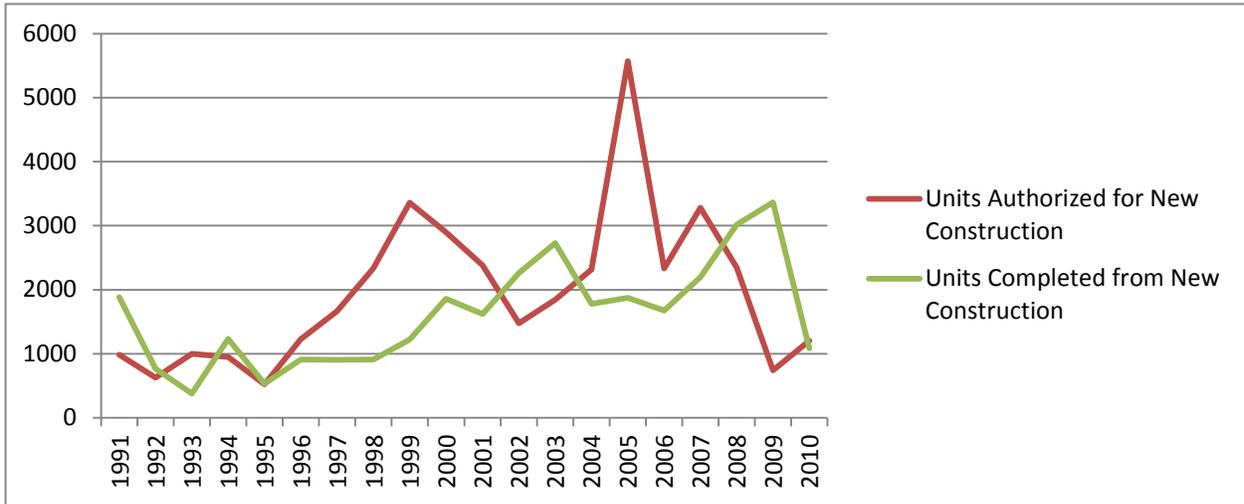
Source: Engineering News-Record, 2010, accessed at ENR.com.

3.2.1.3 Availability of Financing for Market Rate Housing

A major short-term constraint to housing development is the lack of available financing due to tightening credit markets. Local developers report that there is less private financing available for both construction and permanent loans, particularly for condominiums. Developers also report that lenders are currently offering loans up to 50 percent of the building value, compared to 70 to 90 percent historically. This tightening credit market has slowed the pace of housing development in San Francisco, as evidenced by a large decline in construction during 2009. However, firms involved in housing construction believe the overall development market will begin improving by late 2011³⁷, revealing optimism about the future of financing availability.

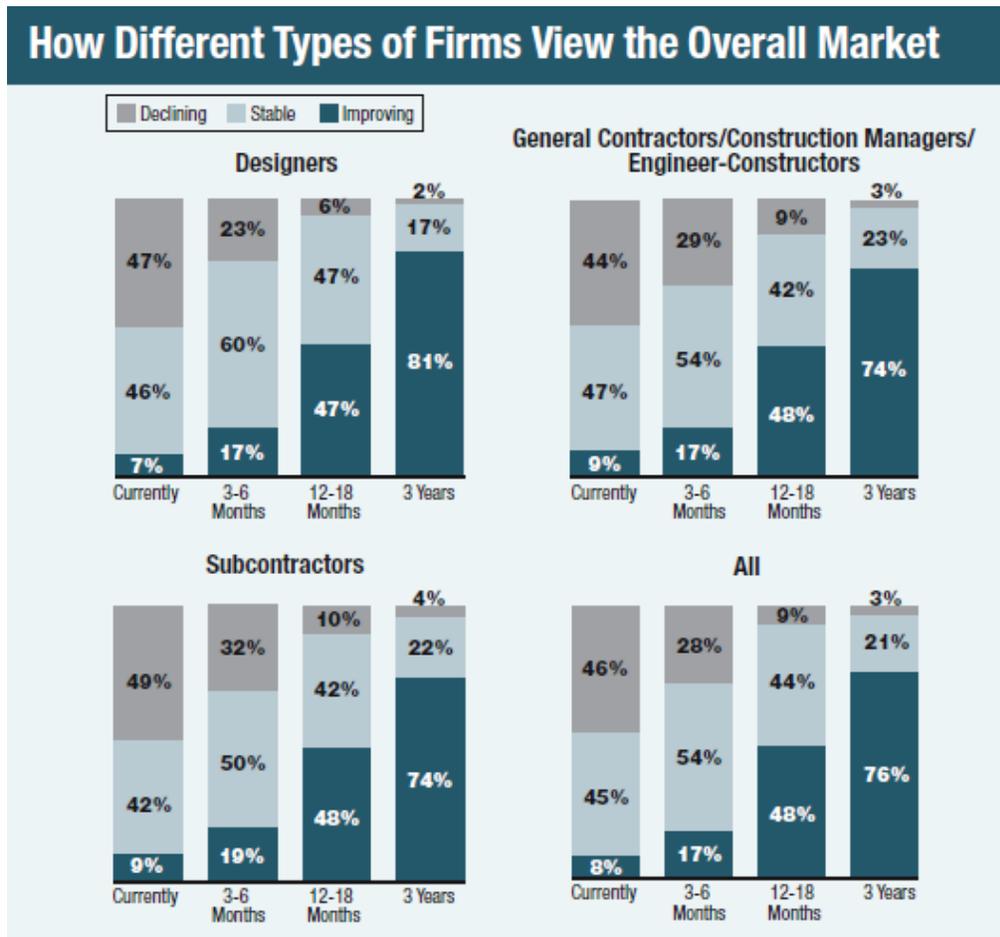
³⁷ ENR Q4 Cost Report, December 27, 2010

Figure 3-2: New Construction of Housing Units, 1991-2010



Source: Engineering News-Record, 2010, ENR Q4 Cost Report, December 27, 2010.

Figure 3-3: Housing Market Predictions, 2010



Source: Engineering News-Record, ENR Q4 Cost Report, December 27, 2010.

3.2.1.4 Community Acceptance

San Francisco has a strong tradition of public involvement in policy discussions and possesses an engaged citizenry on development issues. While many neighborhood organizations are in favor of affordable housing, activism can take the shape of organized opposition to housing development, especially affordable housing for low-income residents. Such vocal opposition poses very real impediments to project sponsors and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process while also working to increase the supply of housing. Two recently approved planning initiatives – the Market/Octavia plan and the Eastern Neighborhoods Community Planning plan and re-zoning – have engaged residents, property owners, workers, and other stakeholders and sought broad public community backing through participatory programs of education, public dialogue and input, and consensus building.³⁸

³⁸ City of San Francisco, Housing Element, 2011, p. 78.

SF will continue to combat community resistance to affordable housing with outreach, education, and inclusive planning processes.

3.2.2 **Public Sector Factors**

Government regulations can affect housing availability and costs by limiting the supply of buildable land, setting standards and allowable densities for development, and exacting development fees. Publicly imposed constraints on housing supply can subsequently lead to fair housing concerns, as particular segments of the population lose access to affordable homes. For instance, zoning codes that restrict the development of small in-law units result in fewer low-cost housing units for small households and seniors than would otherwise be offered. Thus, this government regulation has the effect of restricting housing choices on the basis of disability and familial status. This section examines these public sector constraints in more detail to evaluate their impact on affordability as an impediment to fair housing choice in the City.

3.2.2.1 *Local Land Use Controls and Regulations*

Planning Code Restrictions. The San Francisco Planning Code establishes development standards and densities for new housing in the City. These regulations include minimum lot sizes, maximum number of dwelling units per acre, lot width, setbacks, lot coverage, maximum building height, and minimum parking requirements. The City's Planning Code allows for a variety of housing types and is not considered a constraint to new housing production. Residential development is allowed as-of-right in most of the City's zoning districts. All residential and residential-commercial (RH, RC and RM) districts permit dwelling units as of right. Housing is also permitted in most of the South of Market's mixed-use districts and all of the mixed-use districts in Chinatown; similarly, residential developments are allowed in downtown and commercial zoned districts. In the neighborhood commercial districts, housing is permitted but generally encouraged above the commercial ground floor in new construction projects. Housing development is a conditional use in industrial districts and the South of Market's Service and Secondary Office (SSO) district. The only zoning district wherein housing projects are not permitted unless it is affordable to low-income households is in the South of Market's Service-Light Industrial (SLI) district. New residential development is not allowed in the new Production, Distribution and Repair (PDR) districts.³⁹

Residential Hotel Regulations. Residential hotel units (also called Single Room Occupancy or SROs) typically provide affordable rental housing for solo occupancy and are generally rented to lower-income persons. Residential hotels are permitted as of right in nine zoning districts in the City. There are over 500 residential hotels in San Francisco containing about 19,120 rooms; most of these SRO units have shared bathroom and kitchen facilities. Since 1990, non-profit organizations have purchased residential hotels and now maintain nearly a quarter of the units with a guaranteed level of affordability and, in some cases, related supportive services to residents. Of the residential hotels operated by private entities, about 3,000 of the 14,230 rooms operate as tourist rooms and therefore do not contribute to the affordable

³⁹ City of San Francisco, Housing Element, 2011, p. 62.

housing stock.⁴⁰

The City of San Francisco preserves residential hotel units for affordable housing through its Residential Hotel Ordinance. The Ordinance was adopted in 1980 in response to a severe shortage of affordable rental housing, particularly for the elderly, disabled, and low-income persons, and the declining number residential hotel units as a result of conversion to tourist units. The Ordinance requires hotel owners seeking to convert residential units to tourist units to obtain a conversion permit. Conversion permits may be obtained by constructing new residential units, rehabilitating old units, or paying an in-lieu fee.

Second Unit Regulations. Second units, also known as accessory dwelling units (ADUs), often referred to as in-law units, are self-contained apartments with a kitchen, bathroom, and sleeping facilities that are attached to a single-family residence or located on the same property as the principal residence. Due to their smaller sizes, second units may provide affordable housing opportunities for lower-income households, seniors, and/or disabled individuals. Local land use regulations that constrain the development of second units may therefore have a negative impact on housing for special needs populations.

San Francisco only allows second units in the RH-1(S) zoning district. Most residential neighborhoods also require off-street parking for ADU's, thus pushing many existing ADU's into the illegal rental market, and preventing development of new secondary units. Although 72 secondary units were legalized from 2000-2007, 185 were removed during the same period.⁴¹ The Planning Department reports that a substantial informal stock is in use, but data on these quantity and quality of these units are unavailable. Several measures have been introduced in the last 20 years that sought to create additional housing opportunities by increasing opportunities for legal secondary units, but were deemed politically infeasible due to neighborhood opposition. The initiatives proved quite controversial in some neighborhoods, as they failed to convince residents that reduced parking requirements for secondary units would not have adverse neighborhood effects, even for those located near transit and services. Thus, the City's housing interests have been better served by incorporating second units in Area Plans. All specific area plans allow for ADU's.

Regulations Governing Emergency Shelters, Transitional Housing, and Supportive Housing. Local land use controls can constrain the availability of emergency shelters, supportive housing, and transitional housing for homeless individuals if these uses are not permitted in any zoning district or if additional discretionary permits are required for their approval. SB2, a State law that became effective on January 1, 2008, seeks to address this potential constraint by strengthening planning requirements around emergency shelters and transitional housing. The law requires all jurisdictions to identify a zone where emergency shelters are permitted by right without a conditional use permit or other discretionary permit. In addition, transitional and permanent supportive housing must be considered a residential use and only be subjected to restrictions that apply to other residential uses of the same type in the same zone.⁴²

⁴⁰ City of San Francisco, Housing Element, 2011, p. 32.

⁴¹ City of San Francisco, Housing Element, 2011, p. 103-104.

⁴² California Department of Housing and Community Development, Memorandum: Senate Bill 2 – Legislation Effective January 1, 2008: Local Planning and Approval for Emergency Shelters and Transitional and Supportive Housing, May 7, 2008. http://www.hcd.ca.gov/hpd/housing_element2/SB2memo071708_final.pdf

San Francisco’s Planning Code classifies emergency shelters, transitional housing, and supportive housing as “group housing.” Group housing in San Francisco includes emergency shelters, transitional supportive housing. Consistent with state law, group housing is accommodated in the moderate density residential, downtown, commercial, and neighborhood commercial districts where other supportive amenities are more accessible. Group housing is also allowed on a conditional basis in low- to medium-density residential districts, the industrial districts and most South of Market districts. Group housing is not permitted in low density, single-family residential districts (RH-1, RH-2 and RH-3) or in the South of Market’s residential enclave districts (RED).⁴³

Regulations for Community Care Facilities. Local zoning ordinances also may affect the availability of housing for persons for community care facilities serving special needs populations. In particular, zoning ordinances often include provisions regulating community care facilities and outlining processes for reasonable accommodation. The Lanterman Developmental Disabilities Services Act requires local jurisdictions to treat licensed group homes and residential care facilities with six or fewer residents no differently than other permitted residential uses. Cities must allow these licensed residential care facilities in any area zoned for residential use and may not require conditional use permits or other additional discretionary permits.

Residential care facilities for six or fewer residents are allowed by right in all residential zoning districts in San Francisco. In addition, these facilities are also permitted as of right in certain other commercial, mixed-use, industrial, and public use districts throughout the City. Residential care facilities for seven or more residents are allowed in residential zoning districts and select other districts with a conditional use permit.⁴⁴ As such, the City of San Francisco does not impose policies that limit the availability of this resource.

Parking Requirements. Providing parking represents a significant cost to developers and can affect housing prices, adding as much as \$50,000 to the price of a new unit. Surface level parking also takes up valuable real estate that could be devoted to housing or other uses. As such, parking requirements can act as a constraint to housing development. Parking requirements vary throughout the City’s zoning districts, based on factors like density and transit access. For example, in the City’s low density districts (one-, two- or three-family housing districts), one parking space is required for each dwelling unit. The City’s high-density residential districts, including RC-4, RSD, and other mixed use areas, require one parking space for every four units. In Downtown districts such as the DTR, NCT, RTO or C-3 Districts, no parking is required. Provision of guest parking is not required by the City for any housing development; it is only required for temporary stay uses such as hotel, motel or medical institution. Parking is not required for housing designed for and occupied by senior citizens, for group housing or for single-room occupancy dwellings; parking requirements for 100 percent affordable housing developments can be modified as a “variance” to reduce the 1:1 parking ratio requirement.

⁴³ City of San Francisco, Housing Element, 2011, p. 62.

⁴⁴ City of San Francisco, Housing Element, 2011, p. 163-171.

Recent amendments to the Planning Code removed parking requirements altogether in a number of zoning districts; instead, a maximum number of parking spaces serves as a cap. Newly adopted zoning districts such as Downtown Residential (DTR), C-3, Neighborhood Commercial Transit (NCT), and Residential Transit Oriented (RTO) Districts, have been established in several parts of the City and do not require parking; provision of parking space is capped at one car for every four dwelling units (or less with a conditional use).

To address the cost parking adds to the development price tag, the “unbundling” of parking spaces has also been institutionalized through the Planning Code. Unbundling means off -street parking spaces that are accessory to residential uses can be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units, so potential renters or buyers have the option of renting or buying a residential unit at a price lower than would be the case if there were a single price for both the residential unit and the parking space.⁴⁵ The newly adopted Section 167 of the Planning Code requires that parking costs be separated from housing costs in housing developments of 10 or more units. In sum, San Francisco’s planning code is exceptionally progressive in reducing parking requirements as an impediment to low-cost housing development.

3.2.2.2 *Permit and Development Impact Fees*

Like cities throughout California, San Francisco collects permit and development impact fees to recover the capital costs of providing community services and the administrative costs associated with processing applications. Depending on the type of residential project, developers may be required to pay school and transportation impact fees, sewer and water connection fees, building permit fees, wastewater treatment plant fees, and a variety of handling and service charges. Development impact fees may result in higher housing costs if developers pass fees on to homebuyers.

Projects of smaller scale – such as interior rehabilitation, minor alterations or upgrading – generally require over-the-counter Planning Department approval and a building permit. Projects that are broader in scope, however, may require additional permits, such as conditional use, demolition, and coastal zone permit, or may require other actions such as a variance, a zoning re-classification, a subdivision, or a more in-depth environmental evaluation. Payment of an application fee may be required for these additional permits. The application fee for most of these additional permits is also based on the total estimated cost of construction of the project. Other new housing construction fees include water and sewer hook-up and school fees. Table 3-8 provides an example of various fees imposed on new market rate housing construction.

⁴⁵ City of San Francisco, Housing Element, 2011, p. 81.

Table 3-8: Residential Fee Burden in 5 Bay Area Cities. Prototype: 40 Ownership Units

Area	\$ Per Market Rate Unit	\$ Per Market Rate Sq. Ft.	Composition
Walnut Creek	\$42,200	\$36.62	48% Affordable Housing; 43% Water; 3% Parkland Dedication; 3% Wastewater; 2% Traffic Mitigation; 1% Various
San Ramon	\$27,602	\$24.09	65% Water; 28% Traffic Mitigation; 5% Wastewater; 2% School Age Childcare Fee
Oakland	\$20,323	\$17.73	73% Water; 15% Schools; 7% Wastewater; 5% City Sewer Permit Fee
San Jose ^y	\$17,530	\$11.61	50% Parkland Dedication; 42% Construction Taxes; 5% Storm and Sanitary Sewers; 2% Water
San Francisco	\$54,492 to \$112,470	\$47.55 to \$98.14	88.3% Inclusionary; 5.7% Schools; 3.1% Water; 2.9% Wastewater (Citywide fee composition)

Source: Ted Walter, "The Economic Costs of Taxing Development", Prepared for the Office of Economic and Workforce Development, 2012.

According to Office of Economic and Workforce Development, residential development fees in San Francisco are higher than many cities in the Bay Area, largely due to the Inclusionary Housing Ordinance. For example, development fees for a typical condo in Oakland, which does not have an inclusionary housing ordinance, are \$20,323 whereas the fees in San Francisco would range from \$54,500 to \$112,470 for an equivalent home. The City is currently reviewing inclusionary fees and will be updating the ordinance to reflect current market conditions and stakeholder feedback, with a goal to ensure that inclusionary requirements do not hinder market rate development.

Inclusionary Housing. The City's Planning Code requires that developments of five units or more pay an Affordable Housing Fee or qualify for an alternative to provide 15 percent of their units as affordable to low- and moderate-income households. Qualified projects are required to either build on the site of their principal project or to build the equivalent of 20 percent of their units in an off-site project. New ownership below-market-rate units are typically affordable to households at 90 percent of the median income while rental units target households at 55 percent of median income.⁴⁶

On- and Off-Site Improvements. The City imposes fees on sponsors of new development for various on- and off-site infrastructure improvements when necessary. Various standards for street widths, curb requirements, and circulation improvements have been developed over time and are not believed to be excessive or to impose undue burdens on development. They apply citywide and conform to the developed pattern of the City. More specific infrastructure improvements, such as particular streetscape design treatments, may be required of major new developments in the City's project areas. Given the densities at which residential land is developed in San Francisco, these infrastructure costs, even when borne partially by the developer, represent a relatively small cost per unit.

⁴⁶ City of San Francisco, "Below Market Rate Program: Information for Developers/Building Managers," Accessed November 2010. <http://sf-moh.org/index.aspx?page=308>

The capacity of the City’s infrastructure, including water, sewage treatment, and utility services can sometimes be a constraint to meeting San Francisco’s housing goals established in its Housing Element. Many potential development sites are in areas that are well-served by the existing infrastructure. However, some proposed area or neighborhood plans and very large development projects require additional local infrastructure improvements.⁴⁷ As well, water and wastewater fees add to the development cost for housing. When the cost of infrastructure improvements are born by nonprofit affordable housing developers rather than by market rate developers with profit potential, these infrastructure costs can pose an impediment to development.

3.2.3 **Recommendation**

Collaborate across City Departments to find creative funding solutions for cost-sharing the infrastructure costs associated with large scale affordable housing development.

Partners: MOH, PUC, DPW, SFCTA, SFMTA

3.3 **Description of Assisted Housing Programs**

San Francisco’s primary strategy to address high housing costs is the development and maintenance of affordable housing. The term “affordable housing” refers to homes and apartments that are price-restricted to be affordable for low-income households. Affordable housing in San Francisco is diverse and serves a broad variety of tenants with homes that fit a range of needs. The following sections describe the current status of affordable housing, including unit types, financing, preservation efforts, and neighborhood locations.

3.3.1 **Affordable Housing Financing**

While the City can encourage housing development and preservation through its regulatory capacity, actual housing production or rehabilitation is dependent on adequate financing. Assembling the necessary funding to produce and maintain adequate affordable housing for the City’s low- and moderate-income residents remains an enormous challenge, particularly in light of the recent national financial crisis and the State fiscal crises. Provision of local financial assistance for affordable multifamily housing development and preservation is a critical City strategy to address affordability as an impediment to fair housing choice. However, City funding alone cannot cover costs for affordable housing development. Affordable housing developers depend on a variety of federal, state, and local funding sources.

Unfortunately, Federal, State and local funding sources are vulnerable to the budgeting process and economic conditions. For instance, San Francisco’s HOME and CDBG funding, the major federal funding sources for affordable housing development and rehabilitation work, received substantial cuts over the past 2 years. In addition, on February 1st 2012 local redevelopment agencies (RDAs), the primary mechanism for locally funding affordable housing, were eliminated by ABx1 26 in order to help

⁴⁷ City of San Francisco, Housing Element, 2011, p. 76.

balance the State’s budget. Tax increment dollars and bond revenues available to through the San Francisco Redevelopment Agency contributed approximately \$50 million annually toward affordable housing development and preservation. Most other local sources, such as the Jobs-Housing Linkage Fund and the Inclusionary Zoning fee are dependent on economic trends.

Despite uncertainty in the broader landscape of affordable housing finance, the City of San Francisco is committed to continued provision of assistance to households that cannot afford to rent or own safe and decent housing—as well as those that have special housing needs—through a variety of programs. Maintenance and expansion of San Francisco’s assisted housing stock is a core strategy to affirmatively further fair housing choice.

The Mayor’s Office of Housing (MOH) provides financial assistance to residential developers to subsidize the construction, rehabilitation, and preservation of low-income housing throughout the city, among other programs. Prior to dissolution, the San Francisco Redevelopment Agency (SFRA) provided similar assistance to low-income housing developers within designated redevelopment project areas. In addition, MOH oversees the implementation of the City’s inclusionary zoning ordinances within their respective areas of oversight. Finally, the San Francisco Housing Authority (SFHA) manages the city’s stock of federally funded public housing and administers the dissemination of federal monies through the Section 8 Housing Program.

A San Francisco Housing Trust Fund

In recognition of the dire need for a permanent source of funding to replace the loss of Redevelopment Agency tax increment financing, Mayor Ed Lee introduced a Charter Amendment to establish a local Housing Trust Fund (May 2012). If approved by voters in November 2012, the Trust Fund will establish new fee revenues and a general fund set-aside of \$30-50 million/year over the next 30 years. The Housing Trust Fund will be used to boost production of low and moderate income housing, provide down payment loan assistance to first-time homebuyers, and reduce foreclosures.

The following section provides an overview of the City of San Francisco’s assisted housing stock according to the various entities responsible for its financing and/or management.

3.3.2 Overview of MOH and SFRA Developments

As of 2011, MOH and SFRA had assisted in the financing and development of 280 low-income rental housing developments, providing homes to over 20,000 households in neighborhoods throughout the city. Among MOH & SFRA developments, family rental housing and supportive housing with onsite services are common (Table 3-9, “Target Group Served”). Additionally, 35% of rental buildings target single persons, 29% target individuals with disabilities and 27% house formerly homeless individuals and families⁴⁸. Twenty-one percent specifically set aside some or all units for seniors, although seniors are present as residents in all types of MOH and SFRA rental housing.

⁴⁸ Because a single building may serve multiple target groups, percentages derived from Table 3.20 sum to over 100%.

In addition, MOH & SFRA oversee the provision of approximately 4,600 below-market rate (BMR) rental and ownership units. Most of these units were developed as a requirement of the City's inclusionary zoning ordinance or the Redevelopment Area inclusionary requirements. As of 2011, about 48 percent of BMR units were ownership units.

Table 3-9: Overview of City-Assisted Housing and Below-Market Rate Units

MOH & SFRA Assisted Rental Housing, 2011

Affordable Rental <i>Buildings</i>	280
Affordable Rental <i>Units</i>	18,000
<i>Beds</i> in Transitional Housing and Residential Treatment Facilities	560

Target Group Served (a)(b)	Number of Developments
Families with Children	131
Singles	98
Seniors	59
Formerly Homeless	75
Needing Onsite Supportive Services	103
Disabilities/Special Needs	83
HIV/AIDS	28

Size of Units	Number	% of Total Recorded
SROs	4,748	30%
Studios	2,025	13%
1 BRs	4,508	29%
2 BRs	2,578	16%
3+ BRs	1,952	12%
Total with unit-size recorded	15,811	100%

Income Limit	Number of Units	% of Total Recorded
<30%AMI	5,899	36%
<50%AMI	6,927	42%
<60%AMI	2,551	15%
<80%AMI	1,120	7%
Total with AMI recorded	16,497	100%

SFRA and MOH Inclusionary, Mixed Income & Ownership Buildings, 2011

Unit Type	Number of Units
BMR Ownership	1,523
BMR Rental	1,664
100% Affordable Ownership	1,463
Total	4,650

Notes:

(a) Target group categories are not necessarily mutually exclusive. For instance, a development targeting homeless seniors and would be counted in both categories.

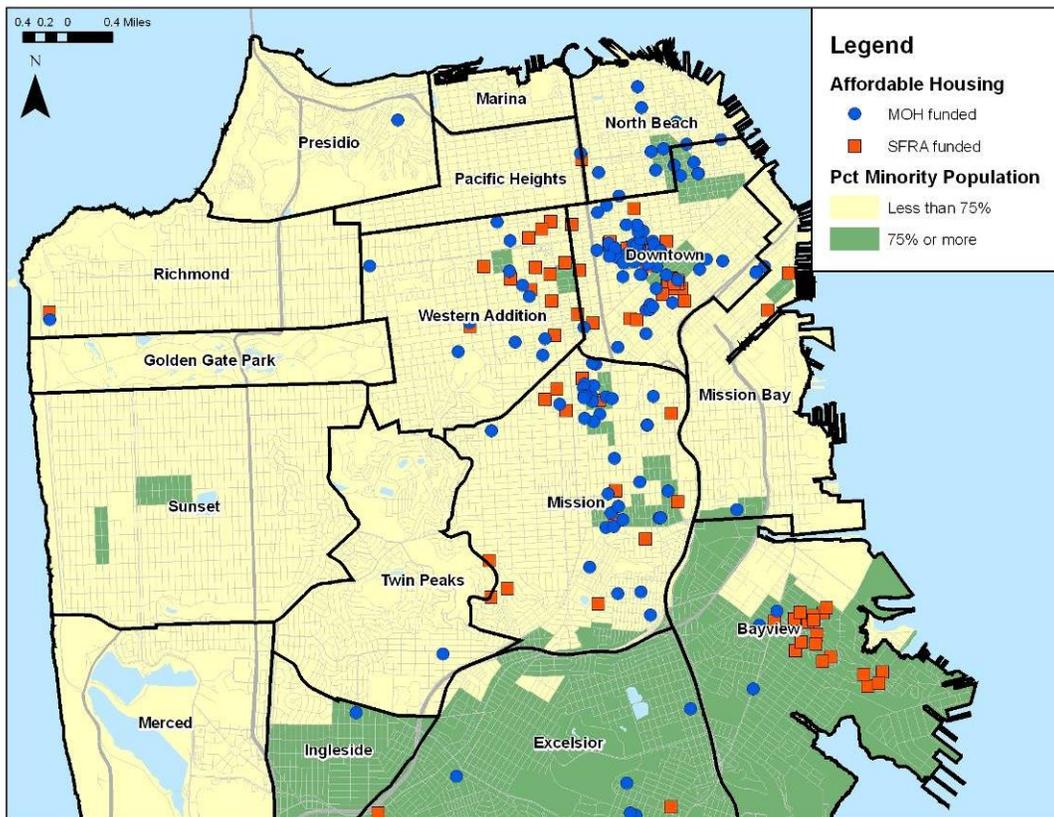
(b) A development may target multiple groups. For instance, a development with some family units and some units for singles would be counted in both categories.

Sources: MOH, 2011; SFRA, 2011.

3.3.3 Location of Subsidized Housing

Figure 3-4 displays the location of affordable housing in relation to areas of minority concentration. MOH-assisted developments are distinguished from those financed by SFRA. As of 2010, San Francisco's affordable housing stock was well balanced between areas of minority concentration and other sections of the city. The largest overlap between affordable housing and areas of minority concentration occurred in the Bayview due to SFRA redevelopment activity in this low-income neighborhood. In Chinatown, the Tenderloin and the Mission, the active role of neighborhood-based non-profit housing developers has increased the amount of available affordable housing.

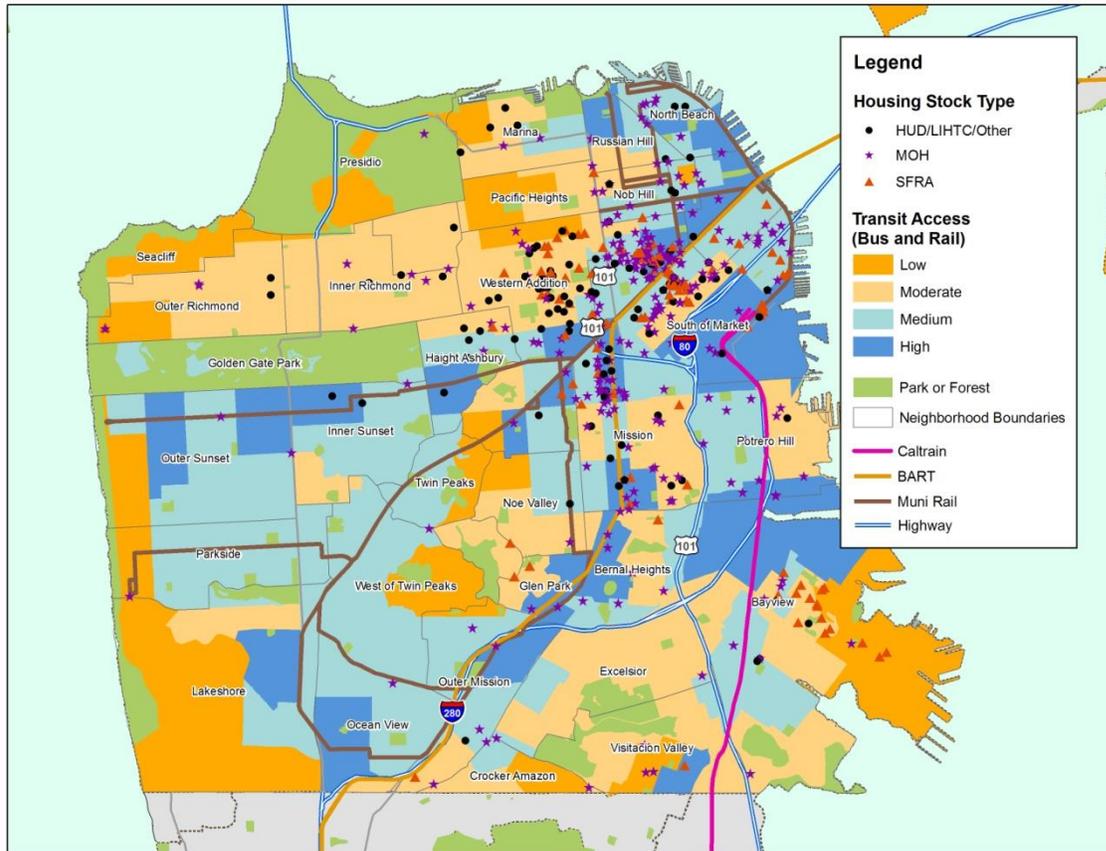
Figure 3-4: Subsidized Rental Housing and Areas of Minority Concentration, 2010



Sources: MOH, 2010; BAE, 2010.

Affordable housing is mostly found in higher density neighborhoods. Building affordable housing in low-density neighborhoods is often financially infeasible as cost-efficiencies and subsidies are maximized at approximately 50 units per building. Figure 3-4 shows housing units per planning district, and demonstrates higher housing density in the northeasterly neighborhoods where most affordable housing is found.

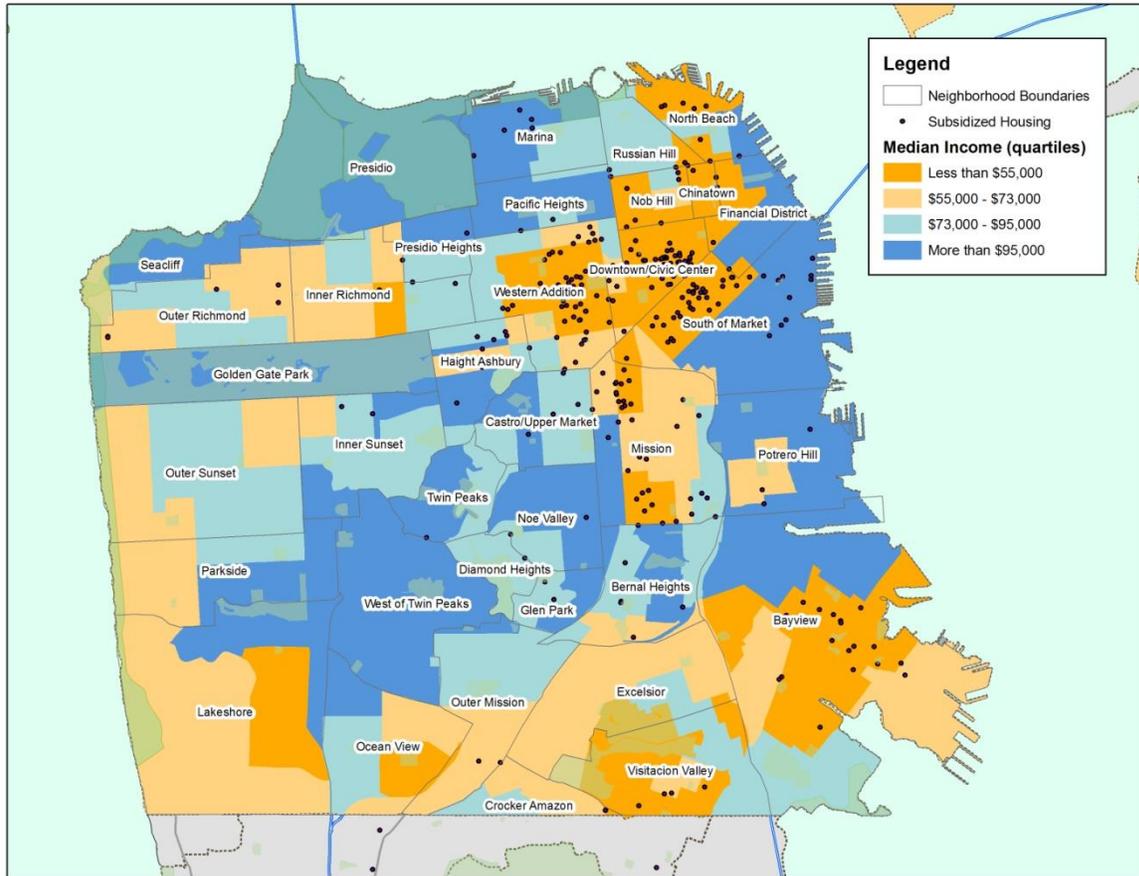
Figure 3-5: Subsidized Rental Housing and Transportation Access, 2010



Sources: MOH, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

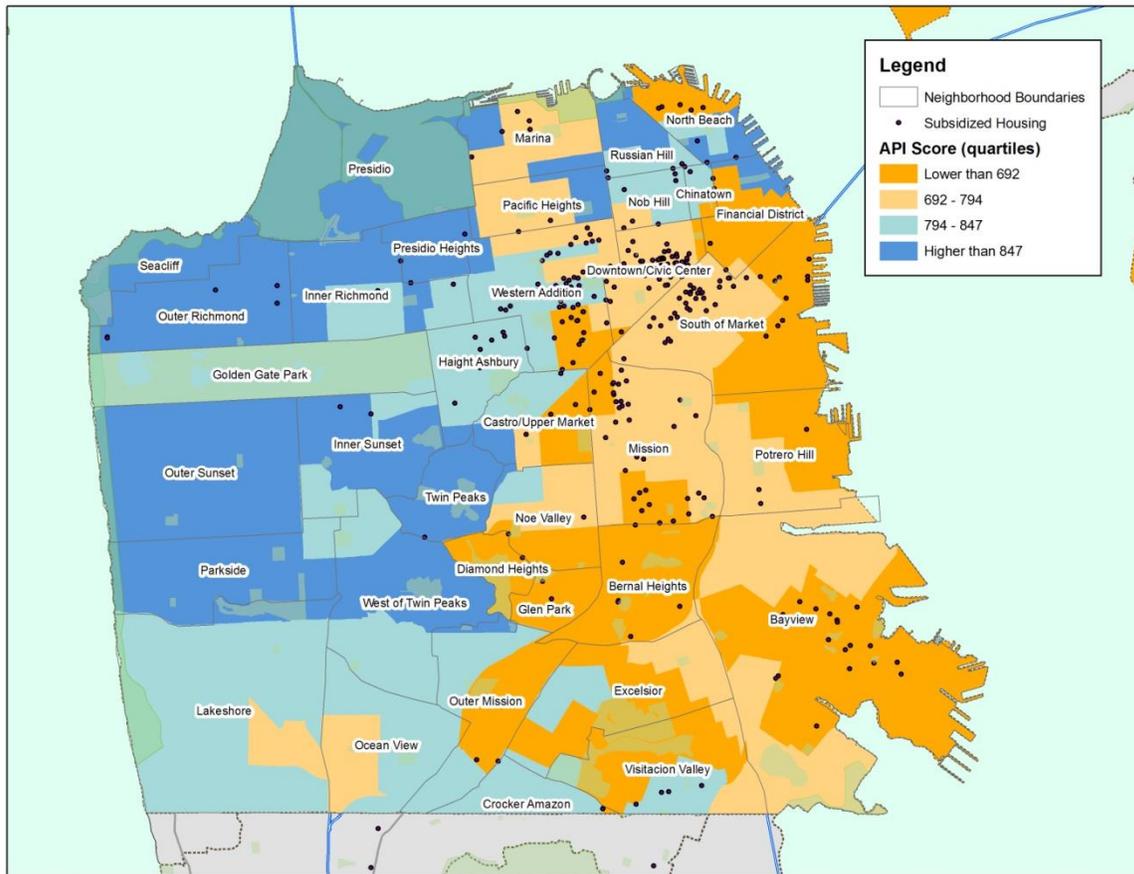
At the time of writing, 100 percent of the city’s affordable housing sites were located within a quarter mile of either a bus or transit stop, giving the city’s neediest residents access to a wide range of mobility options. Affordable housing funders and developers have prioritized transit access in citing new developments- and for good reasons. However, transit-accessible neighborhoods in San Francisco are also lower-income. While our analysis has found that affordable housing in San Francisco is not overly concentrated in minority neighborhoods, we discovered that affordable housing and public housing are predominantly located in low-income neighborhoods and neighborhoods with low-achieving schools (Figures 3-6 & 3-7).

Figure 3-6: Subsidized Rental Housing and Neighborhood Median Income, 2010



Sources: MOH, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

Figure 3-7: Subsidized Rental Housing and School Quality, 2010



Sources: MOH, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

This trend is not unique to San Francisco. In many Cities of the bay area, low-income neighborhoods are the only places with infill opportunities large-enough to build at a cost-efficient scale. Furthermore, program requirements of the Low Income Housing Tax Credit Program (LIHTC) favor transit-accessible locations, which tend to be in denser, lower income neighborhoods.

3.3.4 Overview of Public Housing

SFHA owns and manages 45 different public housing complexes in neighborhoods throughout the city, which provide over 6,500 affordable rental units to nearly 10,000 individuals. Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing is an important resource for low-income families with children-about a third (32%) of residents are under 18 years old, as well as seniors- 24% of the residents are over 62.

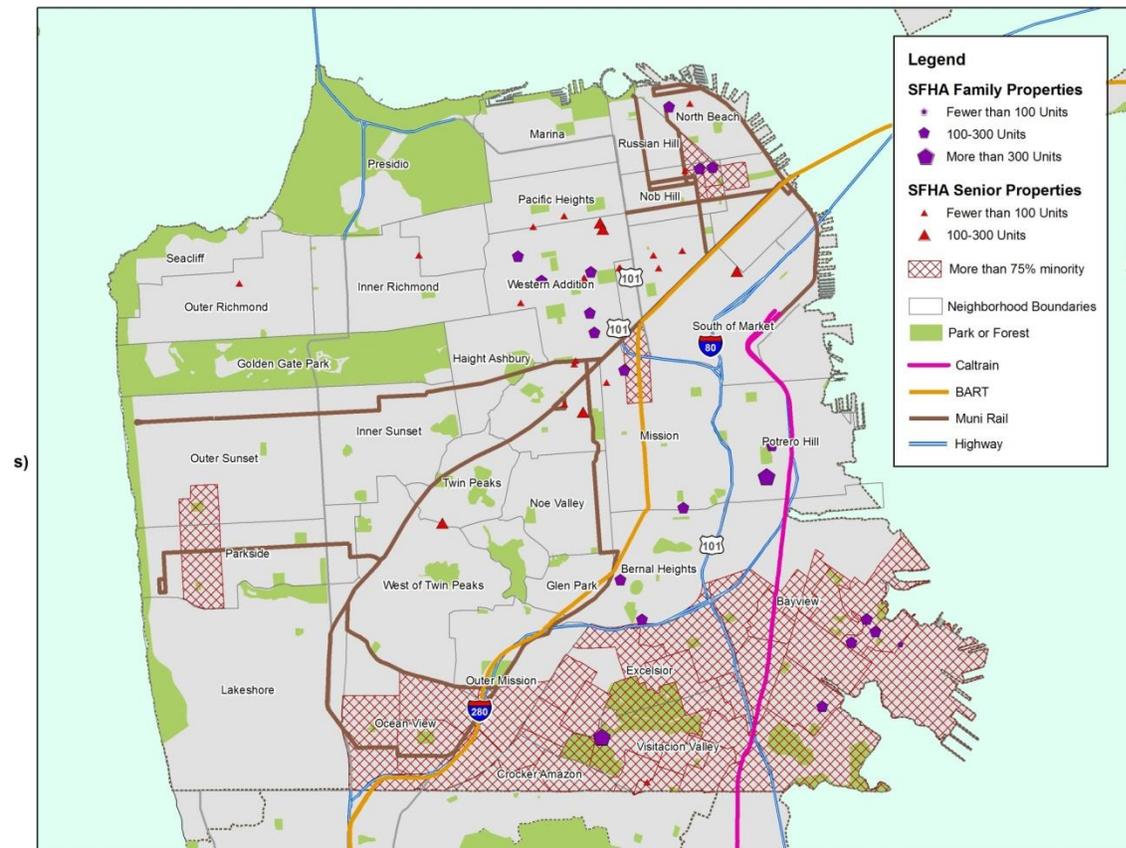
The SFHA is responsible for the management and operations including:

(1) On-going functions: (a) Assure compliance with leases, (c) Perform periodic reexaminations of the family's income at least once every 12 months; (d) Transfer families from one unit to another, in order to correct over/under crowding, repair or renovate a dwelling, or because of a resident's request to be transferred; (e) Terminate leases when necessary; and (f) maintain the development in a decent, safe, and sanitary condition.

In general, residents may stay in public housing as long as they comply with the lease. Rent is adjusted annually, as it is based on household income. Each household pays 30% of their monthly adjusted income. The average reported annual income for households in Public Housing is just \$13,640.

3.3.5 Location of Public Housing

Figure 3-8: Public Housing, Transit Access and Areas of Minority Concentration, 2010



Sources: SFHA, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

Public Housing developments serving families are typically located in San Francisco's lowest income neighborhoods—Bayview, Visitacion Valley, Chinatown and Western Addition. Bayview, Visitacion Valley and Chinatown are areas of minority concentration (over 75% minority) in addition to being low-income. There are a few exceptions to the pattern. One mid-sized family development is located in North Beach, one large family development is located in the upscale neighborhood of Potrero Hill, and two small developments sit in the income-diverse neighborhood of Bernal Heights.

Public Housing developments serving seniors and disabled residents have a different geographic pattern. Most developments are located near downtown San Francisco, in dense neighborhoods with proximity to goods and services. These neighborhoods- Western Addition, Civic Center and SOMA are also low-income neighborhoods but they are not areas of minority concentration. As with the family developments, there are a few senior public housing locations in wealthy and middle class neighborhoods like Twin Peaks, Pacific Heights, the Castro, and the Richmond.

3.3.6 *Overview of Section 8*

In addition to Public Housing, SFHA administers several housing subsidy programs through the Federal Section 8 Housing Program, often in tandem with other departments and agencies of the City of San Francisco. Among the programs administered, in 2010, the tenant-based voucher program served the largest number of individuals, at over 15,600 persons (80 percent of total served). These vouchers allow qualified low-income households to search for market-rate housing that they would otherwise be unable to afford. Program participants pay up to 30 percent of their income on rent and utilities, while HUD pays for the remainder of the cost by way of the Housing Authority. Project-based vouchers served the next largest number of individuals, or 1,500 (eight percent of total served). Like the tenant-based ones, these vouchers reduce rental costs for qualified low-income households, but the subsidy remains attached to a specific affordable housing development. Therefore, if a household leaves a unit subsidized with a project-based voucher, it cannot take that subsidy elsewhere in the market, as with the tenant-based program. In total, SFHA provided housing assistance to over 19,600 individuals through the various Section 8 programs under its purview.

Table 3-10: Individuals Served by Section 8 Housing Programs by Type, 2010

Program Type	Individuals	
	Served	% of Total
Tenant-Based Vouchers	15,627	79.7%
Project-Based Vouchers	1,505	7.7%
Moderate Rehab Program	1,103	5.6%
Housing Opportunities for People with AIDS (HOPWA)	332	1.7%
Shelter Plus Care Program	762	3.9%
Veterans Affairs Supportive Housing (VASH)	176	0.9%
Family Unification Program	96	0.5%
Homeownership Program	4	0.0%
Total	19,605	100.0%

Sources: SFHA, 2010; BAE, 2010.

3.3.7 *Location of Section 8 Vouchers*

Section 8 voucher programs are intended to offer housing choice to participants, with the option to use their voucher in a broad variety of apartments and neighborhoods around the City. However, landlords are not required to accept Section 8 vouchers by law, and many choose not to.

According to interviews with stakeholders and discussions with AI Oversight Committee, there are several reasons a Section 8 voucher holder may be denied the apartment of their choice. San Francisco's "tight" rental market means many vacant apartments demand high prices. Thus, asking rents for prime properties are often higher than the Fair Market Rent (FMR) payment rate to landlords participating in the Section 8 Program. 2012 FMR was \$1,905 for a 2 bedroom apartment. Data from RealFacts, a private vendor that compiles data from large apartment buildings, show that the average asking rent in Q2 2012 for a 2 bedroom was \$3,310 – more than \$1,000 above FMR.

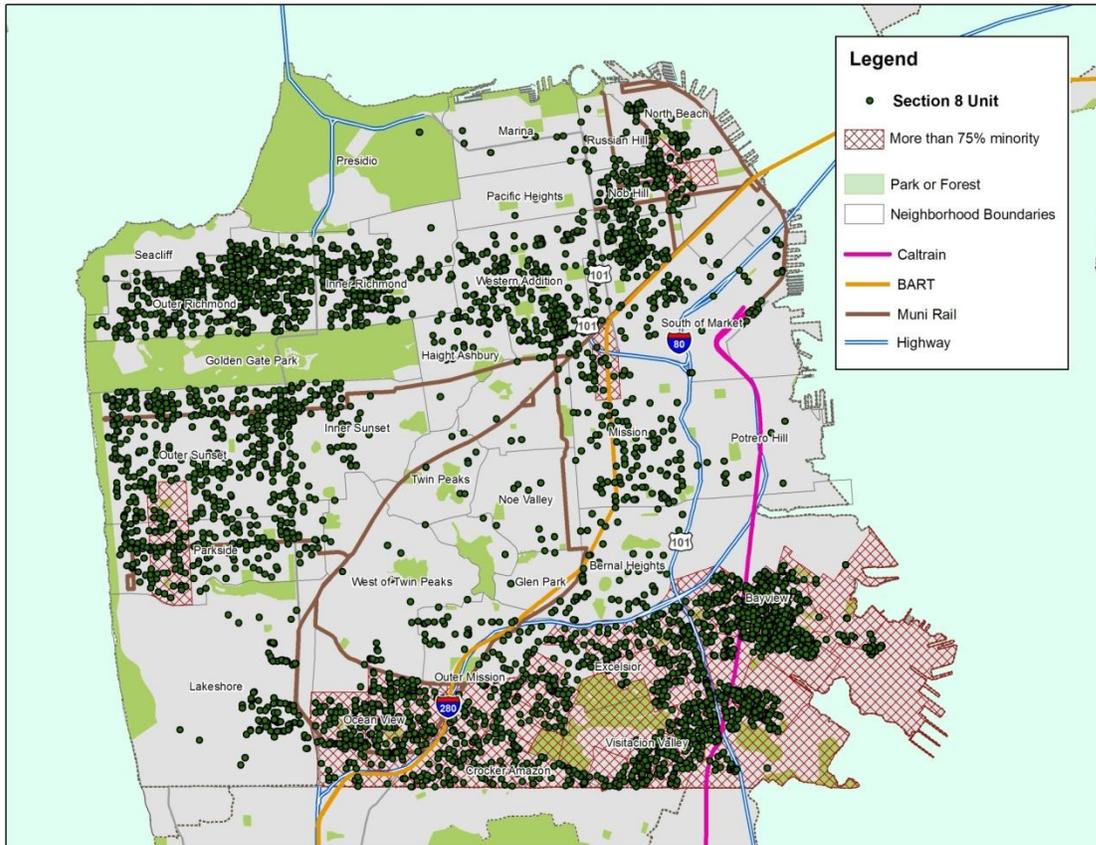
Since competition is especially fierce for less expensive opportunities, these landlords have their pick of applicants. Some landlords offering apartments at or below FMR choose not to participate in the Section 8 Program for the sake of convenience. Reimbursement through the San Francisco Housing Authority is less timely and more hassle than responsible tenants who pay directly.

Furthermore, Section 8 requires that units meet specific livability standards, so participating properties undergo inspection from the Housing Authority. Owners of rental units that violate some aspect of City code or Federal standards may veer clear of the program fear of stiff fines or costly upgrade requirements.

Finally, landlords may turn down Section 8 participants based on prejudice toward those who receive public benefits or apprehension about renting to low-income families. Section 8 recipients may face additional discrimination as people of color, seniors, and people with disabilities. The obvious result: voucher holders are limited in their housing choices.

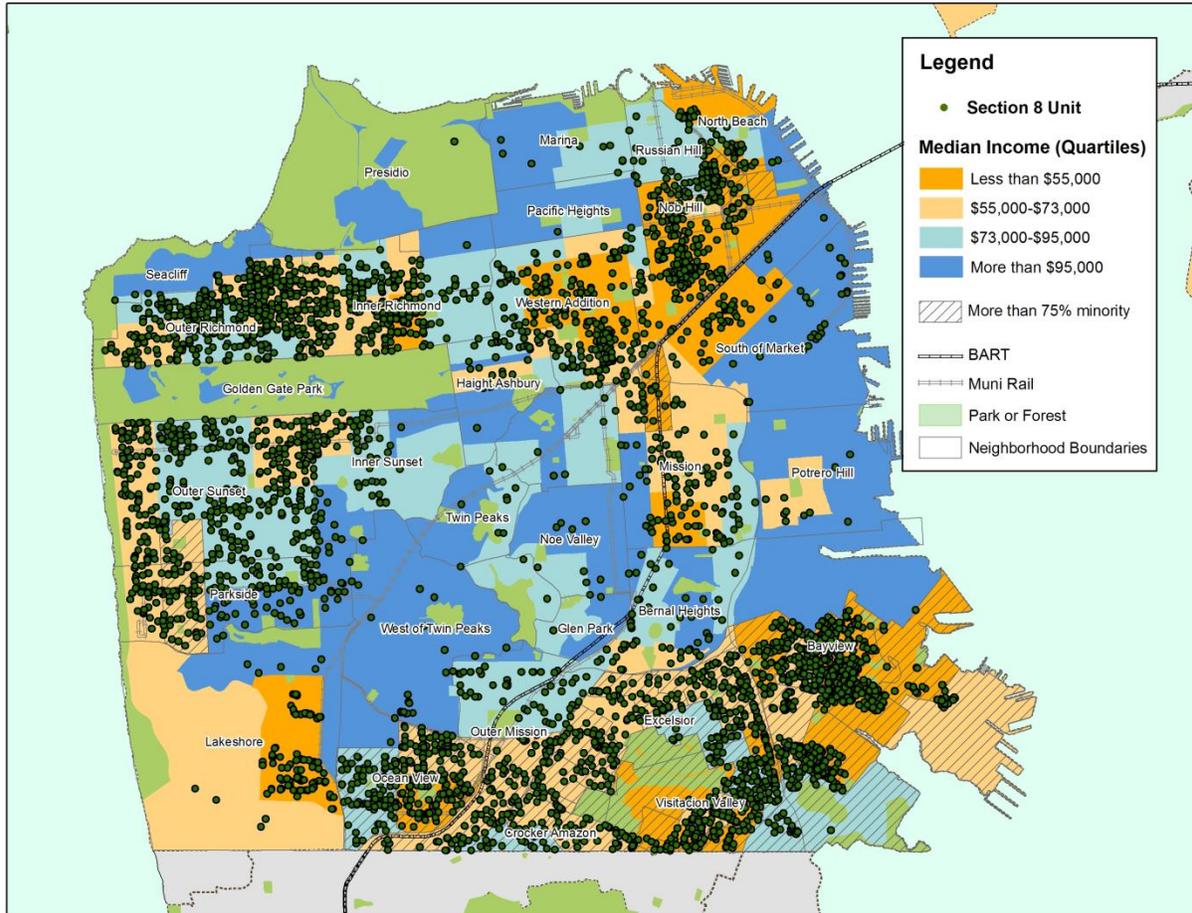
Almost 16,000 people in San Francisco rely on Section 8. Maps of Section 8 Housing Choice voucher holder addresses are below. The Section 8 voucher appears to provide more neighborhood choice than deed restricted affordable housing in San Francisco—voucher holders live in nearly all neighborhoods. However, there is an intense concentration of vouchers in Southeastern neighborhoods characterized by high poverty rates, low property values and high minority concentrations. Many voucher users also reside in SOMA, Tenderloin, and Western Addition- other high poverty neighborhoods. On the other hand, Section 8 vouchers clearly offer participants expanded choice to live in the western neighborhoods of Sunset and Richmond. These neighborhoods are particularly desirable for their low crime rates and good schools.

Figure 3-9: Section 8 Vouchers, Transit Access and Areas of Minority Concentration, 2010



Sources: SFHA, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

Figure 3-10: Section 8 Vouchers, Transit Access and Areas of Minority Concentration, 2010



Sources: SFHA, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

Table 3-11: Section 8 Vouchers by Neighborhood, 2010

Neighborhood	# Section 8 Vouchers	Neighborhood	# Section 8 Vouchers
Diamond Heights	2	Crocker Amazon	129
Glen Park	2	North Beach	191
Presidio	2	Outer Mission	213
Pacific Heights	4	Parkside	228
Twin Peaks	7	Nob Hill	229
Marina	9	Mission	235
Noe Valley	10	<i>Missing Data</i>	284
Presidio Heights	10	Ocean View	294
Potrero Hill	11	Lakeshore	307
Castro/Upper Market	13	Excelsior	354
Seacliff	18	Visitacion Valley	359
West of Twin Peaks	22	Inner Richmond	392
Financial District	28	Outer Sunset	458
Chinatown	37	Downtown/Civic Center	591
Russian Hill	50	Outer Richmond	608
Haight Ashbury	62	Western Addition	683
Bernal Heights	95	South of Market	737
Inner Sunset	105	Bayview	973
Grand Total			7752

Sources: SFHA, 2011; Federal Reserve Bank of San Francisco, Community Development Department, 2011.

3.3.8 *Affordable Housing Preservation*

Many subsidized affordable housing developments receive government funding subject to a specified affordability term. Units funded by the San Francisco Redevelopment Agency or the Mayor’s Office of Housing have life-long affordability restrictions and are not particularly at-risk. As such, the City’s efforts have been focused on projects not financed by these entities. Some 6,770 units funded through tax-credit, HCD, bond, and FHA identified as at-risk with expirations between 2000 and 2006 have been secured through renewed contracts.

Due to diligent efforts to extend affordability restrictions, today, rental housing with project-based Section 8, and coop ownership housing with HUD subsidized mortgages are the primary housing types at risk of conversion to market rate in San Francisco.

3.3.8.1 *Project-Based Section 8*

The SF Housing Authority manages contracts for over 8,000 project-based Section 8 units. Almost half of these units are in developments owned or managed by non-profit organizations. Section 8 units receive Federal subsidies that provide the owners of these units with the difference between 30 percent of the tenant’s income, and a HUD established rent for the units. Expiration of Section 8 subsidies in privately owned developments could force tenants to pay market rate rents for their unit, or face eviction.

Expiration of Section 8 contracts in nonprofit owned developments would burden organizations that lack sufficient income to meet operating costs and mortgage payments. Preservation costs for these units are estimated to be \$43,275,000.⁴⁹ As of 2008, almost 580 low-income units are at risk of losing their Federal Rental Section 8 subsidies by 2014.

For years, SFRA and MOH have successfully replaced Section 8 subsidies and other expiring HUD subsidies. As they have in the past, MOH will provide financial assistance to the nonprofit general partner to purchase the for-profit equity investor's ownership interest in the tax credit limited partnership. MOH may also issue tax-exempt mortgage revenue bonds on behalf of the non-profit to refinance their existing tax credit structure.

3.3.8.2 *HUD-Assisted Coops*

Some 700 units in five cooperatively owned buildings are at risk. These cooperatives were originally financed with HUD-subsidized mortgages through HUD's Section 236 program, and have loan maturity dates between 2010 and 2016. Under the Section 236 program, HUD provides a mortgage subsidy or Interest Reduction Payment which reduces the debt service payable by the project to the equivalent of a 1% loan. These 5 cooperatives house many older African Americans who are very low income. Many of the buildings are also in need of substantial rehabilitation or renovations that are unaffordable for the current owners. The City is examining how to assist owners in these buildings to accomplish much-needed repairs and ensure continued affordability so the current low-income population can age safely in place. Unfortunately, accomplishing these goals could be costly, and in today's funding climate, resources are greatly restricted.

3.3.9 *Licensed Community Care*

The Analysis of Impediments requires examination of licensed community care facilities to ensure policy impediments to building and maintaining these facilities are addressed. Seniors and younger adults with disabilities who are unable to live independently may rely on in-home support services or may, depending upon the type and severity of limitation, choose a residential facility with onsite supportive services. Table 3-12 shows the number and capacity of licensed community care facilities in San Francisco, while Figure 3-11 shows the location of these facilities. Licensed facilities are defined by the California Department of Social Services, Community Care Licensing Division, as follows:

- **Adult Residential Facilities** provide 24-hour non-medical care for adults ages 18 years through 59 years old, who are unable to provide for their own daily needs. ARFs include board and care homes for adults with developmental disabilities and mental illnesses.
- **Residential Care Facilities for the Elderly** provide care, supervision, and assistance with daily living activities, such as bathing and grooming.
- **Group Homes** provide 24-hour non-medical care and supervision to children. Services include social, psychological, and behavioral programs for troubled youth.
- **Small Family Homes** provide 24-hour care in the licensee's family residence for six or fewer

⁴⁹ City of San Francisco, *Draft 2 Housing Element*, June 2010, p. 46.

children who require special supervision as a result of a mental or developmental disability or physical handicap.

As of 2010, there were 194 licensed care facilities with the capacity to accommodate approximately 4,100 individuals in San Francisco. Residential Care Facilities for the Elderly made up the largest number of facilities, comprising almost half of all community care centers, but represented over three quarters of total capacity. As shown in Figure 3-11, community care facilities were concentrated in some neighborhoods and largely absent from others. In the southeastern neighborhoods of Ingleside, Excelsior, and the Bayview, large concentrations of community care facilities existed in areas of minority concentration. However, the bulk of the remaining facilities—which were located in the Sunset, the Richmond, and the Western Addition—did not correspond to areas of minority concentration. Such facilities were largely absent from the Downtown neighborhoods, as well as the Marina, Pacific Heights, and Twin Peaks—three of the city’s more high-priced neighborhoods. At the time of writing, 100 percent of the community care facilities identified were located within a quarter mile of either a bus or transit stop, giving those with special needs access via public transportation to everything from jobs to services.

Table 3-12: Licensed Community Care Facilities, 2010

Facility Type	Number of Facilities	Beds
Adult Residential Facilities (a)	84	764
Residential Care Facilities (b)	90	3,160
Group Homes (c)	18	163
Small Family Homes (d)	2	12
Total	194	4,099

Notes:

(a) Adult residential facilities provide 24-hour non-medical care to adults who are unable to provide for their own daily needs.

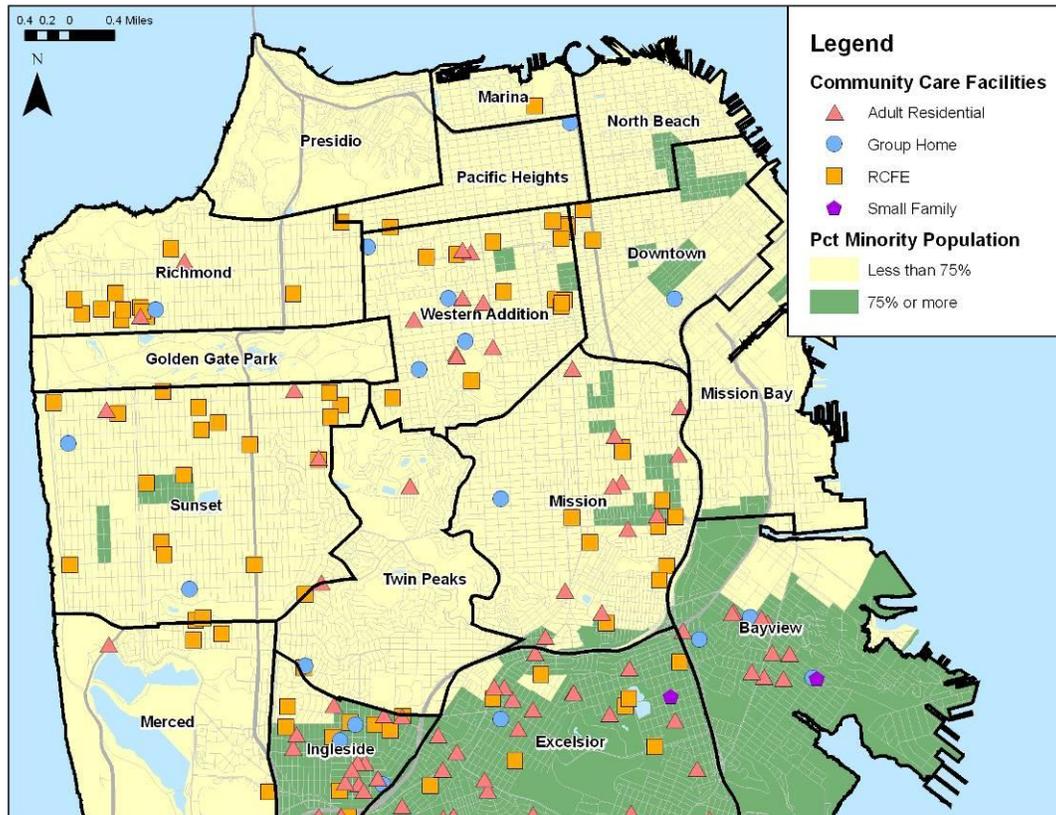
(b) Residential care facilities provide care, supervision, and assistance with daily living activities to the elderly.

(c) Group homes provide non-medical care and supervision to children.

(d) Small family homes provide twenty-four hour care in the licensee's family residence for six or fewer children who require special care and supervision due to mental or developmental disabilities or physical handicap.

Sources: CA Dept. of Social Services, Community Care Licensing Division, 2010; BAE, 2010.

Figure 3-11: Licensed Community Care Facilities in San Francisco, 2009



Sources: CA Dept. of Social Services, Community Care Licensing Division, 2010; BAE, 2010.

3.3.10 **Conclusion**

The City of San Francisco offers a broad range of Government supported housing for low-income residents and does an exceptional job of facilitating affordable new development to help address barriers to housing choice for low-income households.

Between 2002 and 2011, over 6,300 new affordable housing units, including inclusionary affordable units, were added to San Francisco’s housing stock. Since 2002, 29% of all new housing units built in the City have been affordable units. Nearly 63% of these qualified as affordable at very low-income levels targeting families and individuals earning under 50% AMI. Another 13% was affordable for low income households (50-80% AMI). “Affordable” rent, the rent charged to tenants in affordable housing developments, must be 30% or less of the total household income.⁵⁰

⁵⁰ The 2006 Housing Inventory Report, The 2011 Housing Inventory Report

3.4 Recommendations for Assisted Housing Programs

Build affordable housing projects in middle and upper-income neighborhoods to the maximum degree possible.

Partners: MOH, Affordable Housing Developers

To provide residents fair access to safe neighborhoods, quality education, and other community amenities, it is recommended that City partner’s preference development and preservation projects in middle and upper-income neighborhoods. While this analysis did not find that affordable housing developments are predominantly located in areas of minority concentration, it did find that affordable housing and public housing are predominantly located in low-income neighborhoods and neighborhoods with low-achieving schools.

Reduce Section 8 Discrimination

Partners: SFHA, Landlord Associations, Landlords, Human Rights Commission, Fair Housing Legal Specialists

A disproportionate number of voucher holders live in low-income neighborhoods like Bayview, Tenderloin, Chinatown and the Western Addition. It is recommended that the City and the Housing Authority implement strategies to increase landlord participation in the program.

Strategies may include:

- Proactive enforcement of San Francisco’s Source of Income Discrimination law.
- Strengthening local ordinance to bar discrimination against Section 8 voucher holders.
- Additional outreach and education to landlords. Outreach should clarify that the Section 8 program has changed since its inception and that current recipients are required to a) undergo criminal/credit screening and b) pay security deposits.
- Streamlining the Section 8 voucher administration so participation is easy for landlords.

Federal Law does not bar source of income discrimination, and the Section 8 housing choice voucher program is, in fact, intended to solicit voluntary landlord participation. However, source of income discrimination is a fair housing issue needing examination in the AI due to the disproportionate impact on people of color, seniors, and persons with disabilities. Furthermore, recipients of direct government income assistance are explicitly protected under California’s FEHA law- which bars source of income discrimination. The Section 8 Housing voucher program is not considered “income” under state definition, but San Francisco City Code includes all public subsidies under the local definition of source of income. City Ordinance protections against Section 8 discrimination are a response to unique market conditions. Thus, San Francisco property owners and managers violate local law when refusing applicants on the basis of Section 8 participation.

Source of income discrimination, including discrimination against people who receive Section 8, reveals landlord prejudices about people who are poor, disabled, or reliant on public assistance. It also reveals an aversion to renting to individuals who are on limited, fixed incomes, who must sometimes pay more than 50% of their income toward rent. Source of income discrimination is issue for families on TANF, people

receiving unemployment insurance, seniors and adults with disabilities who rely on SSI or OASDI for their primary income, and others receiving some form of public assistance. However, stakeholders and service providers who were interviewed for the Analysis of Fair Housing report that the most prevalent form of source of income discrimination is against Section 8 Housing Choice Voucher recipients. Experts and advocates who participated on the Oversight Committee indicate that some Section 8 Program participants have difficulty finding an apartment in San Francisco. Some families are even forced to leave the City and transfer their Section 8 voucher to another Bay Area Housing Authority.

Centralize information about affordable housing opportunities & qualifications

Partners: MOH, Affordable Housing Developers

Information about affordable housing is complex and non-centralized. It is recommended that the Mayor's Office of Housing create a database of all restricted housing units Citywide that could be posted online in several formats to provide user-friendly information about the location and application process for each development.

Successfully navigating affordable housing opportunities and application processes can require literacy, persistence, English proficiency, and internet access. Challenges in obtaining information and completing applications can be particularly difficult for those who are disabled, have limited English proficiency, or are homeless. Because the lack of centralized information or a streamlined application process could disproportionately prevent access for particular protected classes of individuals, it is a fair housing issue requiring consideration.

The Mayor's Office of Housing publicizes some vacancies as they arise- the BMR program distributes vacancy announcements to thousands of individuals and organizations in a periodic email. Additionally, City funded housing counselors help clients navigate the network of affordable housing opportunities. However, there is no comprehensive list of all affordable housing citywide. While it would be difficult to keep a database of new affordable rental *vacancies* accurate and current, a simple list and map of all affordable housing developments could provide links to contacts, waitlists, and application documents. Centralized information made available to the general public should also be translated to ensure fair access for LEP individuals.

Streamline Process for Submitting Multiple Applications

Partners: MOH, Affordable Housing Developers

The Mayor's Office of Housing should explore the extent to which a more standardized application would be use-able for property managers and owners of affordable housing developments.

According to service providers and advocates represented on the Analysis of Impediments Oversight Committee, the requirements associated with various affordable housing funding sources applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for individuals who lack access to communication systems and information networks, as well as the skills to complete and submit the necessary

documentation. Housing counseling agencies funded by the City work with individual clients to complete applications, but they are not able to reach all those in need of assistance. The Mayor’s Office of Housing should continue to fund housing counseling agencies, but also explore the extent to which a more standardized application would be use-able for property managers. Because each development serves a different population, has different funding restrictions, and implements its own management practices, it would be both unwise and infeasible to attempt adoption of a strictly uniform application. However, there may be ways in which application processes and paperwork could be more standardized and streamlined so that applicants can apply for multiple opportunities with greater ease. For instance, people with disabilities have the legal right to submit a Renters Resume in lieu of filling out the landlord’s application if their disabilities make it difficult to complete the “regular” application. With City approval, this right could be extended to most applicants and a Renters Resume template could be developed; much of the information that nonprofit landlords require is the same.

Analyze Screening Criteria and Processes for Undue Restrictions

Partners: MOH, Affordable Housing Developers

It is recommended that MOH lead discussions with developers about the extent to which screening criteria and processes could be made less restrictive, especially in terms of credit history and criminal background.

Applicants who are selected through the lottery or who come off the waitlist go through an interview and/or screening process that filters out individuals with lack of consistent rental and/or poor credit histories, or criminal records. Data suggest that screening criteria may disproportionately exclude people of color and people with disabilities.

According to interviews conducted for the Analysis of Impediments, practices vary between property managers. However, common screening criteria for affordable housing include income qualifications, rent payment and eviction history, credit history, and criminal background. Many advocates believe that the screening practices of some property managers are unnecessarily restrictive. This practice, commonly referred to as creaming, can improve the safety, security, and economic viability of properties. However, excessive creaming can have the effect of restricting access on the basis of race or disability status to the extent that screening criteria such as criminal history correlate with these protected factors. One stakeholder reports that “Housing providers either do not know or do not care that a person with a disability can rightfully ask that bad credit or even certain quasi-criminal offenses caused by a disability that are no longer a current problem be disregarded.” Alongside discussions about streamlining and standardizing applications, it is recommended that MOH lead discussions with developers about the extent to which screening criteria and processes could be made less restrictive. MOH has already begun to explore this topic with the Human Services Agency and the Department of Public Health, and should continue to collaborate with the relevant City departments in this effort.

3.5 Impediments Resulting from High Housing Costs

3.5.1 *Substandard Housing*

Substandard apartment rentals, result, in part, from the affordability crisis in San Francisco. With high prices for high quality apartments, lower income renters must seek less ideal housing to fit their budget. Those with extremely limited income have the fewest options and are vulnerable to landlord abuses or unsafe conditions.

Landlords, too, face challenges to upgrade their property and address maintenance issues. Construction and renovation costs are substantial, and public sector impediments such as San Francisco’s extensive building code and planning code requirements, drive up the costs of property improvements. Furthermore, some owners are not fully informed of their obligations as landlords, and unknowingly offer substandard or illegal accommodations.

People of color, persons with a disability, seniors, and other protected classes are more likely to be very low income or extremely low income, thus substandard housing has a disproportionate impact on protected classes and is a fair housing issue.

The exact number of substandard housing units or units needing rehabilitation is difficult to estimate. While the Census asks whether your dwelling has complete kitchen and plumbing facilities, it does not account for other more subtle housing problems, such as inadequate wiring, leaks, mold, lack of ventilation, or heating. This section begins with an overview of what we can know about substandard housing in San Francisco through quantitative data, and moves onto a discussion of specific impediments and recommendations. Four different measures are examined in the data overview: age of buildings, lack of kitchen or plumbing facilities, health and building code violations, and presence of lead-based paint.

3.5.1.1 Older Buildings

San Francisco has an older housing stock, with 53% of all units built before 1940. This is the largest concentration of older housing stock in the State; only 10% of the occupied housing in California was build before 1940.

New construction since 2000 accounts for just under 4% of the City’s total housing stock and housing added in the last 30 years represents only 12% of all units (Table 3-13). Most of the housing stock is in sound condition, however, there are significant substandard housing challenges, particularly with lead paint and seismic retrofit needs in certain areas of San Francisco and particular building types⁵¹.

Table 3-13: Ages of San Francisco Housing Stock, 2009

Year Built	All Units	No.
2000 and later	3.7%	12,821
1980-1999	8.5%	29,455
1960 – 1979	14.6%	50,593
1940 – 1959	20.0%	69,305
1939 or earlier	53.3%	184,699

⁵¹ San Francisco Housing Element, 2011

Total

100%

346,874

Source: San Francisco Housing Element, 2011

3.5.1.2 *Lack of Kitchen and Plumbing Facilities*

A unit has complete kitchen facilities when it has all three of the following: (d) a sink with a faucet, (e) a stove or range, and (f) a refrigerator. All kitchen facilities must be located in the house, apartment, or mobile home, but they need not be in the same room. Residential Hotels, by definition, lack individual kitchens. The census definition of substandard is ill-suited for a city where SRO hotels house a substantial number of low-income individuals but vary widely in their maintenance and quality. A closer examination of SRO hotels begins on page 102.

Complete plumbing facilities include: (a) hot and cold running water, (b) a flush toilet, and (c) a bathtub or shower. All three facilities must be located inside the house, apartment, or mobile home, but not necessarily in the same room.

Citywide, only a small percentage of housing units lack kitchen facilities (4.2%) or plumbing facilities (2.3%). However, housing without kitchen or plumbing facilities are highly concentrated in three small neighborhoods: the Tenderloin, Chinatown, and the Financial District. These low-income neighborhoods have many of the City's SRO buildings.

Table 3-14: Units Lacking Kitchen or Plumbing Facilities, 2007

	Lack Kitchen Facilities	Lack Plumbing Facilities	Lack Kitchen and/or Plumbing Facilities (unduplicated)
Number of Units	10,725	5,601	11,480

Sources: American Community Survey (ACS), 3-year Estimates, 2005-2007, 2009 CHAS.

3.5.1.3 *Health and Building Code Violations*

Health and Building Code violations are another proxy for substandard housing. The Department of Building Inspection tracks violations in the following areas:

- Building Section
- Fire Section
- Interior Surfaces
- Lead Section
- Other Section
- Plumbing and Electrical Section
- Sanitation Section
- Security Requirements
- Smoke Detection

Additionally, the Department of Health tracks violations in the following areas:

- Insanitary (e.g. Accumulation of filth, garbage, debris...)
- Housing (e.g. Standing water on disrepair roof, gutter)
- Food (e.g. Rodents/Roaches/Flies/Other Animals)

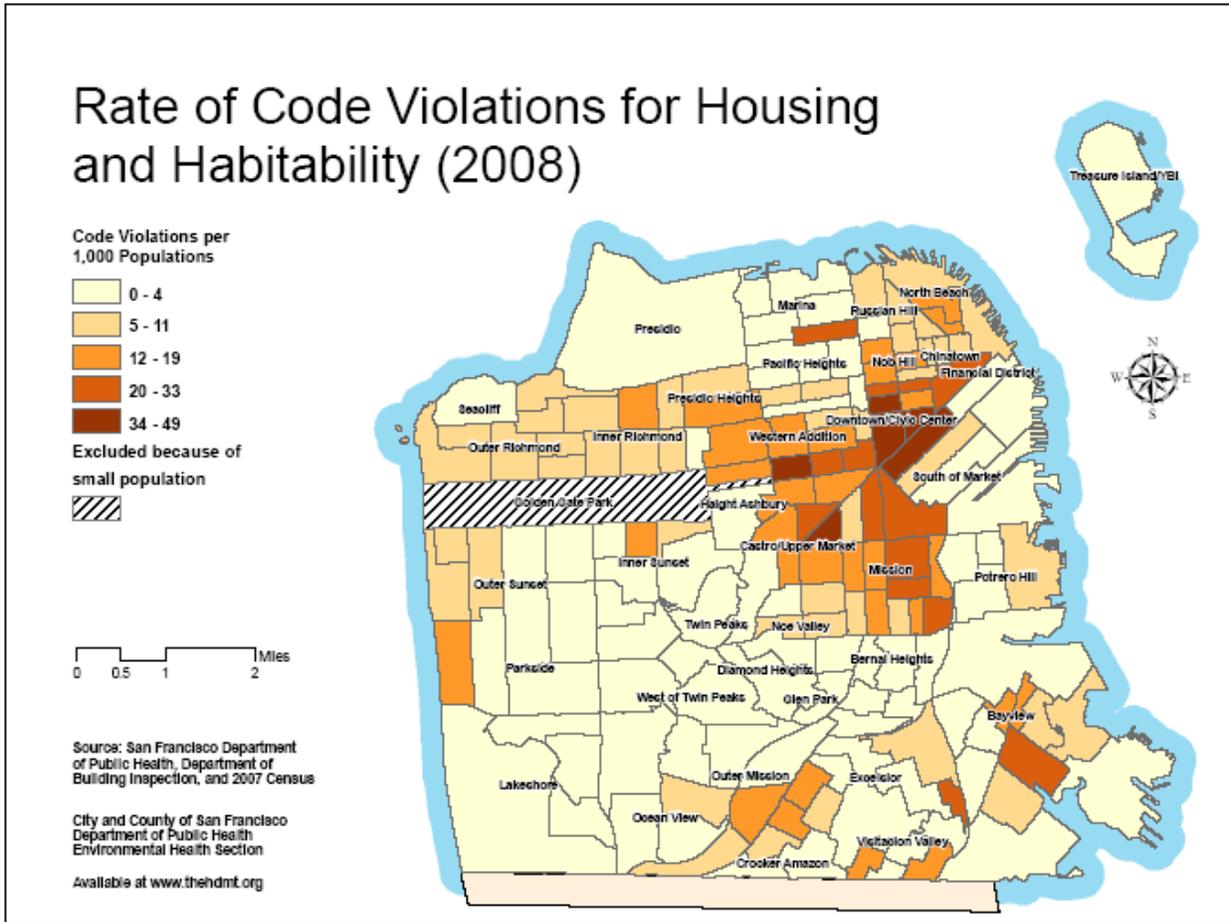
In 2008, there were 6,669 examples of health and building code violations in San Francisco (Table 3-15). The highest concentration of violations were, again, in those low-income, high density neighborhoods near downtown San Francisco, including Chinatown, Tenderloin, Civic Center, and the Financial District. Data also indicate a high rate of violations in the Inner Mission, Hayes Valley, and Upper Market/Castro neighborhoods (Figure 3-12).

Table 3-15: Health and Building Code Violations, 2008

Health Code Violations	Building Code Violations	Total Code Violations	Total Violations per 1,000
819	5,850	6,669	9.2

Sources: SF Dept. of Health, SF Dept. of Building Inspection.

Figure 3-12: Rate of Code Violations for Housing and Habitability, 2008



Sources: San Francisco Department of Public Health, American Community Survey (ACS), 1-year Estimates, 2007.

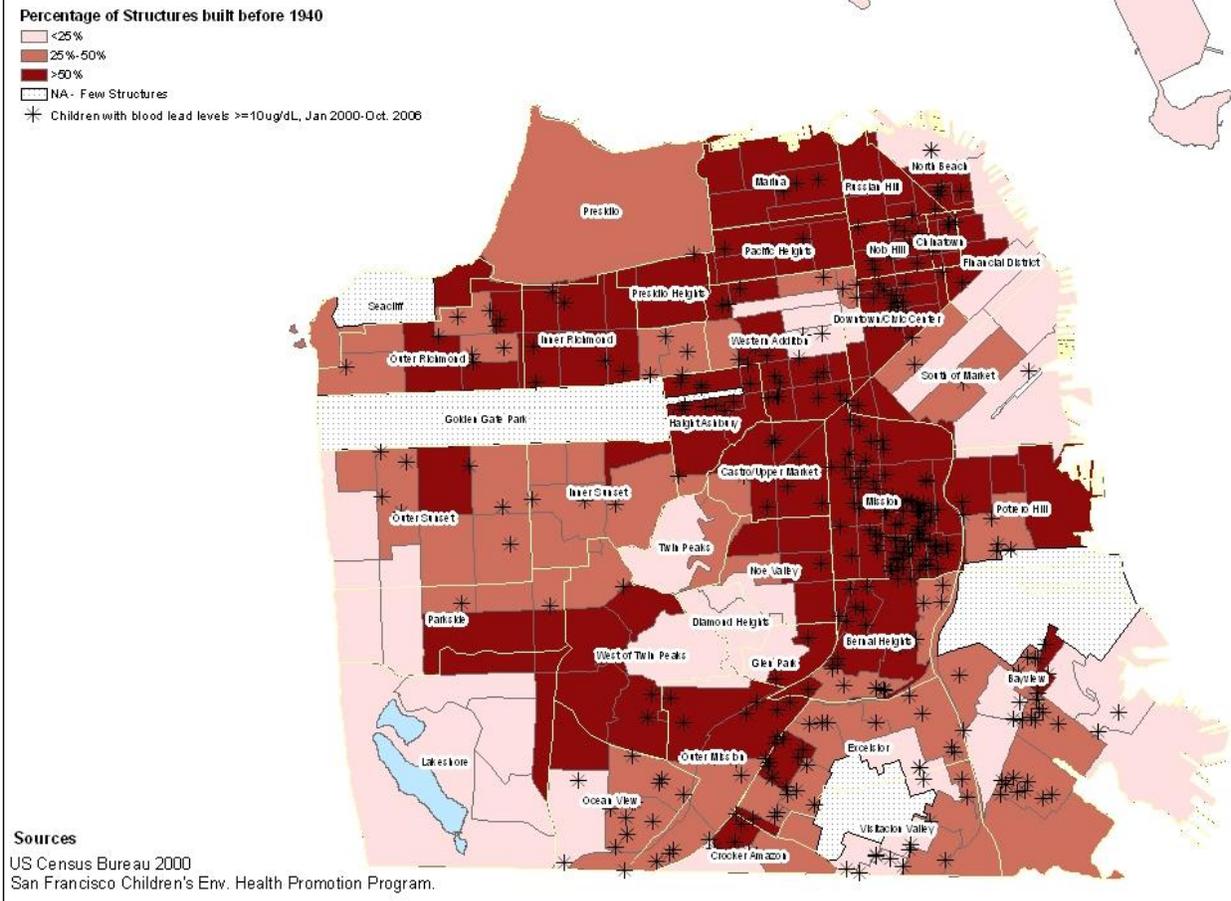
3.5.1.4 Presence of Lead Based Paint

Lead was added to paint prior to 1978 to make it more durable. 94% of San Francisco housing units were built prior to the 1978 ban on residential lead-based paint and 68% (235,874 units) of the housing stock is pre-1950, which is considered the time frame when paint contained the greatest concentration of lead. There are approximately 22,000 housing units in San Francisco with lead-based paint hazards that are occupied by low-and moderate-income families.

Figure 3-13 shows that most children with elevated blood levels detected 2000-2006 were living in low-income communities with older housing stock.

Figure 3-13: Elevated Blood Levels and Pre 1940 Housing, 2000

San Francisco: Elevated Blood Lead Levels & Pre 1940 Housing



Sources: San Francisco Department of Public Health, 2000 Census.

3.5.2 *Programs to Reduce Substandard Housing*

The solution to substandard housing is renovation and maintenance activities. The City focuses on two strategies to incentivate maintenance of older multi-family buildings: code enforcement and funding incentives.

3.5.2.1 Code Enforcement

Because landlords are not always adequately motivated by profit or by ethics to keep-up their properties, City and State codes require minimum health and safety standards. Five San Francisco Departments are involved in code enforcement: The Department of Building Inspection, the Fire Department, the Department of Public Health, the Department of Public Works, and the Planning Department. The Department of Building Inspection, Fire Department and the Department of Public Health are the most frequently involved in health and safety code violations. Their roles are summarized below.

DBI

Housing Inspection Services (HIS) is the Division within San Francisco's Department of Building Inspection which implements and enforces the San Francisco Housing Code and pertinent related City codes. The San Francisco Housing Code contains minimum maintenance requirements for existing residential buildings to safeguard life, limb, health, property and public welfare.

Housing Inspection Services provides assistance by:

- Responding to complaints associated with safety hazards and the lack of maintenance in residential buildings.
- Performing Routine Inspections of Apartment Buildings and Hotels in San Francisco.
- Advising residential property owners how to comply with Housing and related Code requirements.
- Annual inspections are made for all Residential Hotels.
- Investigating complaints regarding lack of heat to apartments, dwelling units, and guest rooms.
- Processing and enforcing the San Francisco Housing Code by issuing Notices of Violation, Citations & Emergency Orders where appropriate, when the provisions of the Housing Code are not complied within a timely manner.⁵²

Fire Department

The San Francisco Fire Department is responsible for ensuring that fire and life safety is provided and maintained in the buildings. The Fire Department Plan Check Section reviews: fire-rated construction; fire suppression systems of all types; fire alarm systems; mechanical smoke control systems; exiting (including exit signs and emergency lighting) and all high-rise construction (new and existing). Plans, including new work that triggers separate Fire Department permits (such as storage or use of hazardous materials, public assembly occupant loads, and high-pile storage), are routed to the Fire Department Plan Check Section to ensure compliance with the San Francisco Fire Code.⁵³

Department of Public Health

The Department of Health's environmental inspectors investigate and enforce the city's health protective laws. Inspectors work with property owners, employers, residents, other community stakeholders, and government agencies to achieve compliance with these laws. Environmental health staff can help

⁵²

DBI pamphlet: What you should know about the Department of Building Inspection Code Enforcement Processes

⁵³ SF Fire Department website: <http://www.sf-fire.org/>

residents address many health nuisances and hazards in housing and neighborhoods, commercial and government buildings, and industrial settings.

These nuisances and hazards include:

- Air pollution from second hand smoke
- Contaminated water
- Excessive noise
- Garbage and refuse
- Lead, asbestos, pesticides, and other chemical hazards
- Mold and other indoor allergens
- Pests and disease vectors including mice, rats, mosquitoes, birds, and bedbugs
- Unsafe food⁵⁴

Together, DBI, DPH, and the Fire Department proactively address substandard housing conditions in San Francisco. Systematic inspections, complaint investigation, and community outreach all help the City keep substandard housing to a minimum.

3.5.2.2 *Outreach and Education*

Public education about tenants' rights and landlord responsibilities in the San Francisco code is a critical component of enforcement. The City relies on tenants and neighbors to report most code violations. DBI's Code Enforcement Outreach Program is designed to support tenants and owners and expedite the code enforcement procedure by setting out their respective rights and responsibilities. For tenants, the Code Enforcement Outreach Programs helps get needed repairs in rental units, answers questions about tenant's rights, acts as a liaison to landlords and DBI staff and conducts educational workshops. For landlords, the Code Enforcement Outreach Program helps clarify code enforcement and building code issues, mediates with tenants and provides classes on landlord responsibilities. DBI spends over 1 million annually and collaborates with five nonprofit organizations to implement the program.

In addition to the Code Enforcement Outreach Program, DBI has numerous easy-to-read informational brochures online, and uses the City's Central Information line, 311, as central point of contact for all public inquiries regarding code enforcement issues. 311 receives toll-free calls from the public and directs issues to the correct department for intervention. DBI, DPH, and the Fire Department have worked together to educate 311 operators so they can offer callers accurate referrals.

In addition to those agencies involved in Code Enforcement, the Rent Board is responsible for protecting renters rights granted under the Rent Control Ordinance. Provisions of the rent control ordinance protect renters from unjust eviction and other landlord abuses in buildings built prior to 1979. Rental apartments constructed after this date are not subject to rent control.

Under the rent control ordinance, a Landlord may not evict a tenant without a "just cause", a landlord may not harass a tenant, and a landlord must maintain the apartment, and the landlord may not increase rent

⁵⁴ SF Department of Public Health website: <http://www.sfdph.org/dph/EH/Complaints2EH/default.asp>

more than 60% of the increase in the Consumer Price Index for the Bay Area (which is generally between .1% and 2% of the tenant's base rent). Landlord requirements are enforced in various ways. Often, violations in required maintenance and repairs result in a rent reduction if the tenant submits a petition.

Unfortunately, while tenants renting with Section 8 vouchers can take advantage of all DBI programs, they are barred from using the rent control ordinance to lower their rents when the landlord fails to repair. According to one service provider, Section 8 tenants are often afraid to complain to the DBI because the landlord has a powerful retaliatory weapon: s/he can stop accepting the Section 8 voucher, which effectively evicts the low-income tenant from the unit.

3.5.2.3 *Renovations of Low-Income Apartment Buildings*

Housing restoration, remodeling, and maintenance is an on-going activity throughout the City. Renovation projects completed between 2000 and 2007 improved 18,900 units, with an average cost of \$25,000 per unit. However over 92% of the permits for residential improvements are for one and two unit buildings. Considerable rehabilitation is also needed in many multi-unit buildings and residential hotels. This important stock of lower cost housing does not always receive adequate attention to maintenance needs.

The Mayor's Office of Housing funds the acquisition and rehabilitation (also termed adaptive re-use) of existing apartment buildings. In exchange for funding, MOH requires deed restrictions to guarantee apartments will be affordable for low-income residents. Acquisition and rehabilitation projects accomplish dual housing goals: they preserve the City's aging housing stock from deterioration and they increase the number of permanently affordable housing units. As funding for building acquisition and rehabilitation is available, the City will continue to fund this activity. Unfortunately, regulatory restrictions in the Low-Income Housing Tax Credit (LIHTC) program make it difficult to finance acquisition and rehabilitation of small apartment buildings.

3.5.3 ***Recommendations to Reduce Substandard housing***

Increase distribution of rent board materials and other existing information on tenant rights.

Partners: MOH, DBI, DPH, HRC, Rent Board, Housing Counseling Agencies

Some renters in San Francisco, particularly recently arrived immigrants, people with limited English proficiency, low levels of education, or disabilities, are not aware of their rights to healthy, habitable housing under City Code. It is recommended that City Agencies and advocacy agencies work together to broadly distribute informational materials.

The San Francisco Rent Board produces 10 fact sheets about tenant and landlord obligations in Rent Controlled Units. Additionally, DBI has numerous easy-to-read informational brochures online, DPH produces information about Health Code Violations, and Fair Housing Advocacy organizations public their own guides. These materials should, at a minimum, be published on the Mayor's Office of Housing website, and be distributed by housing counseling agencies funded by the City. These materials

concerning tenants' rights should also be translated into languages commonly spoken by LEP individuals, including Chinese, Spanish, Tagalog, and Russian.

Launch a small building acquisition and rehabilitation pilot program.

Partners: MOH, Affordable Housing Developers

It is advised that San Francisco develop and implement a small site acquisition and rehabilitation program that effectively channels future fees paid to the city, leveraged with other public and private resources, to the preservation of small buildings serving low-income tenants.

San Francisco has an older housing stock, with 53% of all units built before 1940. Most of the housing stock is in sound condition, however, there are significant substandard housing challenges. Large-scale acquisition/rehabilitation of SRO-type housing has been successful in preserving thousands of low-income units, but has a draw-back: large-scale single-site rehabilitation efforts must concentrate in areas of the city where available parcels and size of buildings allow for the needed economies of scale to access tax credit funding. These neighborhoods are also the poorest areas of the City. Most of the city's population is housed in smaller buildings (75% of the building stock is comprised of buildings with fewer than 20 units) and many neighborhoods are characterized exclusively by smaller sites and buildings. According to the SF Planning Department's 2010 report on San Francisco's Housing Inventory, 65% of San Francisco's housing stock is comprised of 1-9 unit properties.

This type of housing is not only at-risk for deterioration, it is also susceptible to evictions through owner move-ins. The past decade has seen a steep increase in smaller rental buildings being purchased as tenancies-in-common (TICs), whereby several owners share a percentage of one mortgage and co-own a building. Although this has been one of the few affordable ways into homeownership for many households, it has resulted in the loss of many affordable and rent-stabilized rental housing units, and the displacement of many low-income renters from the City. In addition to TIC conversions, other forces contribute to the loss of long term affordable housing, including: 1) Ellis Act and Owner-Move-In evictions⁵⁵; 2) Replacement of existing rent-controlled properties with new market rate condo projects; 3) Units that have experienced "significant rehabilitation" allowing owners to remove these units from being subject to rent control; and 4) Simple rental unit turnover that leads to vacancy de-control.

Recognizing the importance for new strategies to preserve affordability in small apartment buildings, the San Francisco Board of Supervisors in 2009 established a funding source for Small Site Acquisition and Rehabilitation. In an amendment to the planning code, the ordinance mandates that ten percent (10%) of in lieu fees paid under the city's Inclusionary Housing program be designated for the acquisition and rehabilitation of affordable housing sites consisting of less than 25 units. Unfortunately, the depressed housing market has slowed development to nearly a stand-still, and in lieu fees are no longer a reliable source for funding. Furthermore, Tax credit programs, the principle funding source for affordable

⁵⁵ The Ellis Act is a state law allowing landlords to evict tenants when all of the units in the building are being removed from the rental market. When a landlord invokes the Ellis Act, the apartments cannot be re-rented, except at the same rent the evicted tenant was paying for five years following the evictions. While there are restrictions on ever re-renting the units, there are no such restrictions on converting them to ownership units (e.g., tenancies in common or condos).

housing rental development, have traditionally been difficult to use for scattered site developments. The City must identify new sources of funding in order to move this important program forward.

3.5.4 *Tenant abuses in Illegal Units*

In San Francisco, illegal units provide an important stock low cost housing, yet in these unregulated units, tenants are more vulnerable to unfair or unsafe conditions. Rental apartment are considered “illegal” (not a DBI approved dwelling units) if they violate any City code requirements. Some code violations are quite serious, such as inadequate ventilation- which can lead to mold growth or fume inhalation- and others, such as lack of off-street parking, are less serious from a health and safety perspective. Tenants in illegal units also face challenges advocating for reasonable repairs and maintenance of the apartment. Although illegal units are subject to rent control and Just Cause eviction proceedings, tenants in illegal units who contact the Department of Building Inspection to report code violations risk losing their home. Building inspectors must cite the owner for having an illegal unit and in such cases, the unit may have to be demolished or removed from residential use if it cannot be brought up to code requirements. One tenant advocate reports that landlords almost always elect to tear out illegal units when cited. Structural limitations such as ceiling heights, size of lot, and planning code restrictions often make legalization infeasible. Furthermore, required building improvements and fees associated with any prior unpermitted construction/renovations can make bringing the unit up to code cost-prohibitive. Demolition or permanent removal of the unit from housing use is a "just cause" for eviction under the Rent Ordinance, thus reporting health and safety code violations in illegal units can result in eviction.

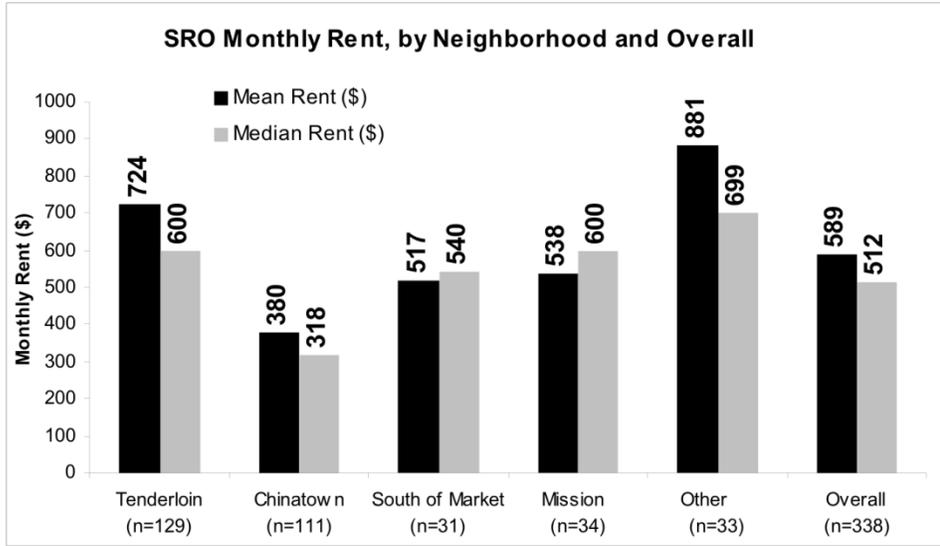
3.5.5 *Health Hazards and Accessibility in SRO Units*⁵⁶

Single Room Occupancy Hotels are an important source of naturally affordable housing. The median monthly rent in an SRO is only \$512, as opposed to \$1,363 for an average apartment.⁵⁷

Figure 3-14: SRO Monthly Rent by Neighborhood and Overall, 2008

⁵⁶ All data, tables and figures on SRO's cited in this section reference a report conducted for the SF Human Services Agency entitled "San Francisco's Single-Room Occupancy (SRO) Hotels: A Strategic Assessment of Residents and Their Human Service Needs" by Aimée Fribourg, 2009.

⁵⁷ Fribourg, 2009.



Source: Fribourg, 2009.

An estimated 18,500 people live in the 530 buildings classified as SROs by the Planning Department⁵⁸. Because SRO's house disproportionate numbers of Asians, African Americans, seniors, and people with disabilities, building deterioration, safety, health, and accessibility in these buildings are fair housing issues.

Table 3-16: Racial Composition of Public Housing, Section 8, and SRO Residents, 2008

	Public Housing	Section 8	SROs (based on this report's master profile)
African-American	41.6%	31.8%	18.2%
Asian/Pacific Islander	26.8%	30.0%	45.6%
White	18.6%	28.1%	23.7%
Latino	10.6%	9.1%	6.5%
Native American	0.5%	0.7%	0.6%
Other	1.9%	0.3%	5.5% (other / unknown / decline to state)

⁵⁸

SRO definition used in the Planning Code excludes some buildings commonly referred to as SRO's if there are any kitchen facilities or common living spaces in the building, or if the floor area per room exceeds 350 square feet. "A dwelling unit or group housing room consisting of no more than one occupied room with a maximum gross floor area of 350 square feet and meeting the Housing Code's minimum floor area standards. The unit may have a bathroom in addition to the occupied room... A single room occupancy building (or "SRO" building) is one that contains one or more SRO units and no nonaccessory living space."

Source: Fribourg, 2009.

The San Francisco Human Services Agency conducted 4 studies on the needs and demographics of SRO residents, noting that “SROs offer a unique opportunity to reach clusters of the city’s most vulnerable citizens. Eight thousand seniors, many at risk of institutionalization, live in SROs. Younger adults with disabilities are concentrated in Tenderloin and South of Market SROs, often using expensive city services. Over 1,100 children live in SROs.”

PRIVATE OWNERSHIP VS. PUBLIC/NONPROFIT OWNERSHIP

While the majority of SRO hotels are privately owned and operated. The City’s homeless intervention strategies, particularly the Direct Access to Housing (DAH) and Care Not Cash (CNC), programs rely on SRO buildings to provide permanent supportive housing for chronically homeless singles. These buildings are “Master-Leased” by either City Departments directly or by an affiliated nonprofit.

Interviews conducted by the Human Services Agency reveal a clear distinction between perception of privately-owned SROs and those that have city or nonprofit involvement. The generalizations below reflect notions held by some service providers. Service provider feedback indicates that city funding and oversight improves the quality of life for SRO residents.

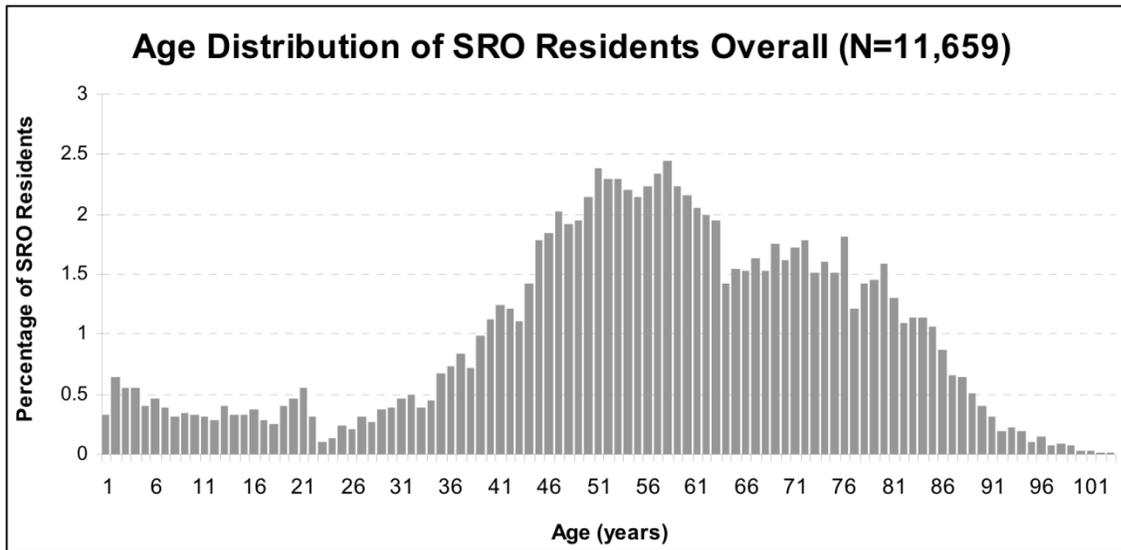
Privately-owned SROs

- no resources or on-site support
- often have no lease and no/unclear rules
- residents often stay for very short periods of time (e.g., one week)
- incidents of prostitution, drug-dealing, break-ins, violence, noise, unhygienic bathrooms
- buildings in ill repair
- more expensive rent

City-leased / Nonprofit-run SROs

- on-site case managers
- coordinated responses, rules (may be overly restrictive), security
- buildings must be well-maintained
- base of stable residents
- foster a sense of community and social networks (e.g., welcome parties for new tenants, communal events)
- more connected to services (for example, 70%-80% of Glide’s SRO clients live in nonprofit hotels)
- more difficult to get into, long waitlists (at least ten to twelve months)

Figure 3-15: Age Distribution of SRO Residents, 2008



Source: Fribourg, 2009.

Single Room Occupancy Hotels are amongst the oldest building in the City. San Francisco SRO construction began in earnest at the beginning of the 20th century. The 1906 earthquake and subsequent fires had caused widespread destruction throughout the city, resulting in an upsurge of SRO construction between 1907 and 1915. While construction of SROs began to dwindle in the 1930s, Public Housing construction began in earnest in the 1950s, ramping up through the end of the 1970s.

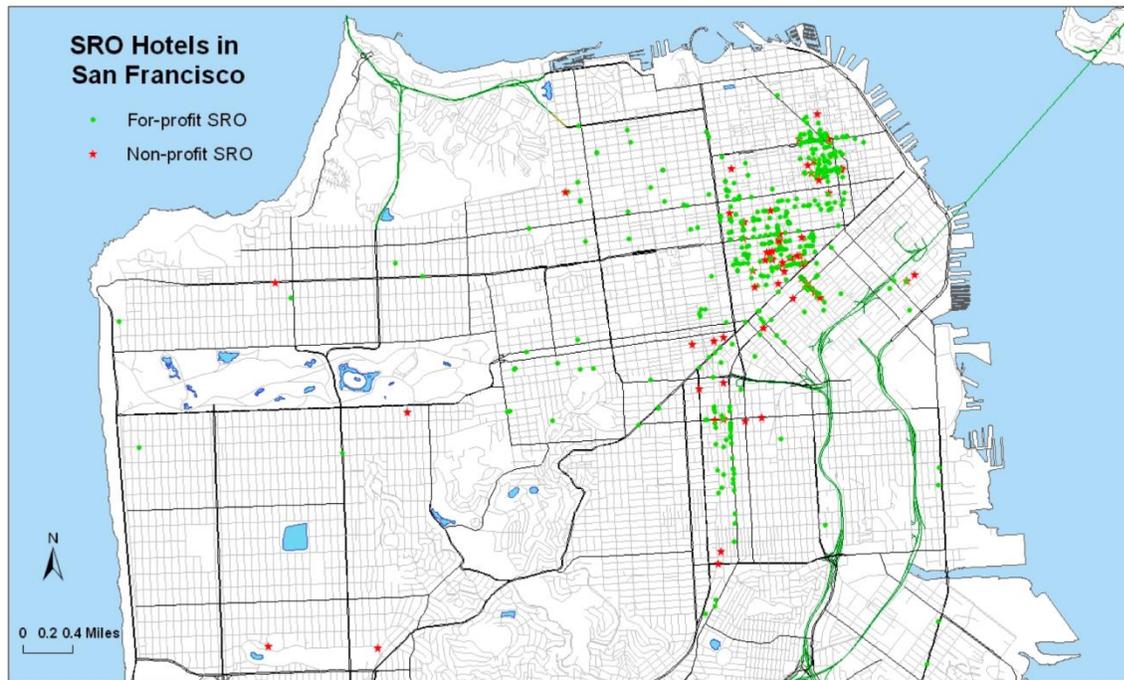
To date, the City has engaged in improving circumstances for SRO residents issue through collaborations with non-profit developers to identify buildings that are good candidates for acquisition and rehabilitation and has invested in converting these buildings into deed-restricted affordable housing. The City also implements two “Master Lease” programs through the Human Services Agency and the Department of Public Health. Under these programs, SRO owners agree to upgrade their building and in exchange, the City leases all units. While progress has been made to maintain the SRO stock through these programs, in the absence of a specific initiative to catalyze substantial investment, many buildings continue to deteriorate.

Unfortunately, the City cannot commit adequate resources for a comprehensive SRO building improvement program in today’s budget climate- rehabilitation efforts are costly. Voluntary improvements at the expense of property owners are uncommon as the Hotel Conversion ordinance does not incentivate substantial plumbing and electrical upgrades. The Hotel Conversion ordinance has successfully preserved SROs as a source of naturally affordable housing stock by restricting build-out and conversion to alternate uses, but as a result, SRO landlords have limited incentive to make substantial upgrades to core-systems. The majority of SRO’s are privately owned buildings with for-profit landlords that are not explicitly mission-driven in their business model, so code enforcement in SRO buildings is particularly critical for maintenance of this housing stock.

While effective code enforcement can pressure landlords to make necessary repairs, construction work is often disruptive to tenants. Tenants who suffer from mental or psychiatric disabilities, or who have hoarding and cluttering behavior, can have difficulties vacating their room for building managers to do needed improvements. According to the Department of Building Inspection, many long-term SRO tenants do need assistance packing and moving for landlords to be able to make improvements to bathrooms, eradicate bedbugs, and improve building security.

In sum, there are multiple barriers to maintenance of SRO housing: the lack of financial incentive and/or financial resources to complete difficult and costly upgrades, insufficient staffing or accountability mechanisms for exclusive reliance on code enforcement to maintain the stock, and residents who sometimes pose a barrier to building improvements.

Figure 3-16: Location of For-profit and Non-profit SRO Hotels, 2008



Source: Fribourg, 2009.

To strengthen code enforcement in SRO buildings, the Department of Building Inspection funds four nonprofit organizations to organize and represent tenants in SRO's. These SRO Collaboratives are neighborhood based, as populations and code enforcement issues vary in each neighborhood. Since 87 percent of San Francisco's SRO's are located in three areas: the Mission, SOMA/Tenderloin, and Chinatown, these are neighborhoods are foci of the SRO Collaboratives. An additional collaborative organization works with families residing in SROs. The SRO Collaboratives conduct tenant outreach, education, ensure that tenants are aware of their rights, work with landlords, the rent board, and the department of building inspection with the goal of ensuring building safety and maintenance. Continued outreach to tenants is crucial. For instance, tenant advocates report that some SROs require tenants to reregister every 3-4 weeks so the tenants do not acquire tenant rights under CA Civil Code and the SF

rend ordinance, although this practice is illegal.

The SRO Task Force is another entity that works to improve conditions in SRO's. The task force includes SRO owners, tenants, city staff, and representatives from each of the four SRO Collaboratives. Together, task force members collaborate across sectors to address issues like fire safety, accessibility, and bedbugs.

In addition to continuing to fund the SRO Collaboratives and convene SRO Task Force, two recommendations for improving conditions in privately owned SRO buildings are as follows:

3.5.6 Recommendations to Improve Health and Accessibility in SRO Units

Require City-funded non-profit service providers and case managers who place clients in SRO hotels or provide services to tenants in SRO's to report code violations and elevator "lock-outs".

Partners: DPH, HSA

Familiarity with the code enforcement process and an agreement to report issues ought to be stipulated requirements in City contracts with vendors providing services to SRO tenants.

Many SRO tenants receive some form of City program assistance, whether it is rental assistance through the San Francisco Homeless Outreach Team⁵⁹, In-Home Support Services (2,374 Seniors and Adults with Disabilities receive IHSS services in SRO units), or some other program, City contractors who work with SRO tenants could help improve with building safety and maintenance by regularly reporting problems to department responsible for enforcement (DBI, DPH, or the Fire Department). They could also ensure that any working elevators in the building are unlocked and available for use by helping mobility impaired tenants make a fair housing complaint to the Human Rights Commission when this issue arises (see 3.5.6.2 for further explanation).

Table 3-17: Ownership Type for SROs, 2008

Owner Type	Number	Proportion of Total
Nonprofit	66	12.5%
INC, CORP, LLC, LTD, LP	283	53.4%
Family Trust	96	18.1%
Other	85	16.0%

Source: Fribourg, 2009.

Compile and Distribute a list of SRO's with consistently working elevators

⁵⁹ SF HOT operates "stabilization rooms" in private SROs, mostly in the Tenderloin, where clients may stay temporarily while searching for permanent housing

Partners: MOH, HSA, DPH, DBI, CA Department of Industrial Relations

It is recommended that the City reach out to the Division of Occupational Safety and Health (DOSH) at the California Department of Industrial Relations to determine which SROs have working elevators.

SRO buildings are some of the City's oldest housing stock and, as such, tend to have old and out-of-date elevators. Some buildings have elevators that break frequently and require special parts for repairs. Senior and disabled tenants in SRO buildings who need an elevator can become trapped in their units. In other hotels, the elevator is working but locked off (for security reasons) at the ground level, requiring all residents and guests to walk upstairs past the manager's second-floor office to reach residents' rooms- a hardship for the mobility impaired. Furthermore, a majority of SRO buildings lack elevators entirely. Of the 15 Tenderloin SROs examined in this study, only four, or 26.7% had working elevators, and Chinatown SROs have an even lower rate. The Human Services Agency found that seniors or disabled persons were living in at least 6 of the eleven hotels without a working elevator, suggesting mobility difficulties that might lead to isolation or safety problems for these residents.

The San Francisco Office of the Elevator, Ride, and Tramway unit should be able to provide this information. HSA can use this information and check it against address information for IHSS clients to ensure that clients with mobility issues are living in buildings with working elevators. In addition, this will permit HSA and DPH to advise IHSS clients and other persons with mobility issues that are looking for an SRO on which properties have elevators. This will not require a large time or resource commitment on the City's part and is likely to yield very practical benefits for a number of clients.

Develop desk clerks as professionals

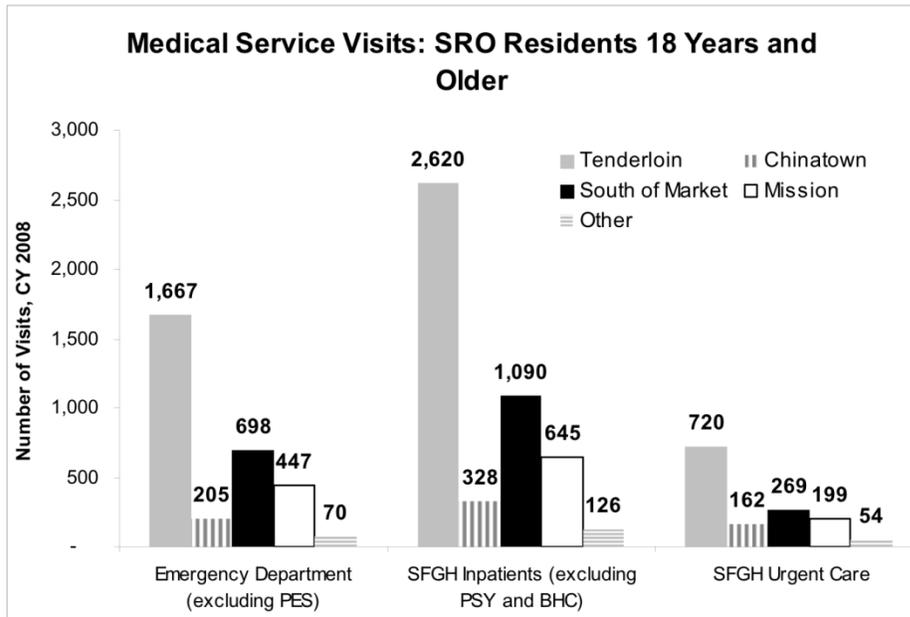
Partners: DPH, HSA, SRO Task Force, SRO Owners, Training providers

Developing desk clerks in privately owned single room occupancy hotels as trained professionals would not only improve the quality of life for residents, but would also prevent unnecessary institutionalizations and arrests.⁶⁰

SRO residents in privately owned SRO's face many of the same challenges with health, disability, poverty, mental health and substance abuse, as tenants in supportive housing. Yet, unlike nonprofit staff, who specialize in working with these populations, hotel staff seldom know how to approach persons with mental illness or in crisis. Rather than calling upon crisis intervention services, many desk clerks call the police when faced with a tenant who appears to be a risk to themselves, to property, or to others. SRO residents in crisis cost the city millions per year in public health costs, and additional costs are born by criminal justice departments when the police are called upon to intervene.

⁶⁰ Memo to SF-HSA Managers/ City Department Representatives, Dan Kelly, November 2009

Figure 3-17: Medical Service Visits for SRO Residents, 2008



Source: Fribourg, 2009.

An exemplary model for training desk clerks has been developed by the Community Housing Partnership, which covers such topics as “customer service, safety, emergency procedures, de-escalating conflicts, and setting boundaries.” At this time, however, the training is only used by community based organizations that manage hotels. On an ad hoc basis, the city directly rents about 300 “stabilization beds” in private SROs, as well as rooms for probation, treatment, and other purposes across departments, yet it has no formal standards for desk clerks in those hotels where it rents rooms. The city should explore possibilities to expand desk clerk training opportunities and collaborate with private SRO hotel owners/managers to ensure the program structure and curriculum meets their needs. Nonprofit landlords that rent SRO rooms should abide by the same standard. With trained clerks, SROs would work with health and social service providers proactively and prevent the use of emergency services.⁶¹

⁶¹ Memo to SF-HSA Managers and City Department Staff, Dan Kelly, December 2009

4 Direct Discrimination

As discussed in the introduction, the Analysis of Fair Housing Choice examines both direct and indirect forms of discrimination. Most limitations to housing choice in San Francisco are indirect- they are the unintended consequence or result of private market forces or imperfectly crafted government policies. All affordable housing issues examined thus far- affordability, substandard housing, single room occupancy hotel standards, and information access, are all issues that have a disparate impact on protected classes of individuals, but are not intentional discrimination. The following section examines the prevalence of direct discrimination and the policies/interventions used to combat it. The chapter begins by describing complaint processes that occur at the federal, state, and local levels. Then data from each responding agency - HUD's Office of Fair Housing and Equal Opportunity (FHEO), the California Department of Fair Employment and Housing (DFEH), and the City of San Francisco's Human Rights Commission - are analyzed for trends. Finally, programs and recommendations for reducing direct housing discrimination are discussed.

4.1 Background

4.1.1 *Federal/State Complaint Process*

Fair housing complaints filed with HUD are automatically filed with the California DFEH. In most cases, HUD will send the complaint to the State DFEH for investigation as part of a contractual agreement between the two agencies. Similarly, if a complaint is filed with the State DFEH and is jurisdictional with HUD, it will be filed at the federal agency as well.

Fair housing rights are protected under the Fair Housing Act of 1968. Individuals may file complaints about violations with HUD or local fair housing providers through the following process:⁶²

- **Intake.** Any entity, including individuals and community groups, can file fair housing complaints at no cost by telephone, mail, or via the internet. An intake specialist will interview the complainant, usually by telephone, and determine whether the matter is jurisdictional.
- **Filing.** If the local fair housing provider or HUD accepts the complaint for investigation, the investigator will draft a formal complaint and provide it to the complainant, typically by mail. The complainant must sign and return the form to HUD. HUD will then send the complaint to the respondent, who must submit an answer to HUD within 10 days.
- **Investigation.** As part of the investigation, the local provider or HUD will interview the complainant, the respondent and pertinent witnesses, as well as collect relevant documents and conduct onsite visits and audits (tests) when appropriate. Local providers refer some cases that warrant federal scrutiny to HUD. For these types of cases, HUD has the authority to take depositions, issue subpoenas, conduct interrogations, and compel testimony or the submittal of

⁶² U.S. Department of Housing and Urban Development, HUD's Title VIII Fair Housing Complaint Process, <http://www.hud.gov/offices/fheo/complaint-process.cfm>

documents. Local fair housing providers may take the same course of action by filing injunctions or similar complaints first with the courts.

- **Conciliation.** The Fair Housing Act requires HUD to bring the parties together to attempt conciliation. Most local fair housing agencies, including Project Sentinel, the City's fair housing provider, also prescribe to this process. The choice to conciliate the complaint is voluntary on the part of both parties. If a conciliation agreement is signed, the oversight agency will end its investigation.
- **No Cause Determination.** If HUD's or the fair housing provider's investigation finds no reasonable cause to believe that housing discrimination has occurred or is about to occur, it will issue a determination of no reasonable cause and close the case. Complainants who disagree with the decision may request reconsideration. If complainants disagree with a no cause determination in the reconsideration, the complainant can file a civil court action in the appropriate U.S. district court.
- **Cause Determination and Charge.** For cases filed with HUD, if the investigation finds reasonable cause to believe that discrimination has occurred or is about to occur, HUD will issue a determination of reasonable cause and charge the respondent with violating the law. A HUD Administrative Law Judge will then hear the case unless either party elects to have the case heard in federal civil court. Local fair housing providers may directly file their complaints in civil court.
- **Hearing in a U.S. District Court.** For federal cases filed by HUD or the local housing providers, the Department of Justice will commence a civil action on behalf of the complainant in U.S. District Court. If the court finds that a discriminatory housing practice has or is about to occur, the court can award actual and punitive damages as well as attorney fees.
- **Hearing before a HUD ALJ (For cases referred directly to HUD).** If neither party elects to go to federal court, a HUD ALJ will hear the case. An attorney from HUD will represent the complainant before the ALJ. The ALJ will decide the case and issue an initial decision. Either party may petition the initial decision to the Secretary of HUD for review.

4.1.2 **Local Complaint Process**

Residents who believe they have been the victim of discrimination can file a discrimination complaint with the Commission. Commission staff then attempts to resolve the complaint through mediation. However, if mediation is unsuccessful, staff investigates the complaint. If there is adequate evidence, the Commission issues a Director's Finding of Discrimination. Upon making a Director's Finding the Commission may refer cases to the Office of the City Attorney or the Office of the District Attorney for enforcement⁶³. Any person who is deemed guilty of violating local anti-discrimination law related to

⁶³ Human Rights Commission Website: <http://www.sf-hrc.org/index.aspx?page=21>

housing may be convicted of a punished by a fine up to \$2,000 and/or imprisonment up to six months.⁶⁴

4.2 Analysis of Fair Housing Complaints

4.2.1 HUD Fair Housing Complaints

Nearly 400 fair housing complaints to HUD were closed in San Francisco since 2000. As shown in Table 4-1, between 17 complaints and 53 complaints have been closed each year. The most common basis of complaint has been disability, which appeared in 66 percent of all complaints filed in the past decade. As noted in the earlier section on Fair Housing Laws, disability protections are unique in Fair Housing Law-requiring affirmative steps to ensure access⁶⁵. This aspect of the law results in higher rates of complaint on the basis of disability. It is not possible to distinguish complaints related to refusal to rent from complaints related to refusal to grant a reasonable accommodation request.

Other common bases for complaint included race and national origin, which were identified in 21 percent and 13 percent of complaints, respectively. Color and religion were the least frequently cited bases for complaint in San Francisco.

⁶⁴ San Francisco Police Code, Articles 33, 38, and 1.2

⁶⁵ Reasonable accommodations include structural modifications to the building and exceptions to rules, policies, procedures, and practices

Table 4-1: HUD Fair Housing Complaints by Bases, San Francisco, 2000-YTD 2010

Basis	Number of Complaints											Total Bases for Complaints (b)	% of Total Complaints Closed
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD 2010 (a)		
Race	6	8	4	9	4	5	7	18	9	5	5	80	20.7%
Color	1	1	0	0	1	0	0	0	0	1	0	4	1.0%
National Origin	3	5	3	2	5	3	8	9	6	3	3	50	12.9%
Sex	3	3	1	0	1	4	2	2	4	4	3	27	7.0%
Disability	18	19	10	26	27	17	20	30	32	32	25	256	66.1%
Religion	1	0	0	1	2	1	1	0	2	0	1	9	2.3%
Familial Status	1	1	1	4	1	1	1	3	5	5	1	24	6.2%
Retaliation	1	0	2	1	3	0	2	1	3	4	3	20	5.2%
Total Complaints Closed (t)	28	35	17	37	34	28	33	46	53	44	32	387	

Notes:

(a) YTD 2010 data is current through October 20, 2010.

(b) Total bases for complaint may exceed total complaints closed because a complaint can have multiple bases for complaint.

Sources: HUD, San Francisco Regional Office, Dept. of Fair Housing and Equal Opportunity, October 2010; BAE, 2010.

The largest proportion of HUD fair housing complaints in San Francisco was found to have no cause for discrimination. As shown in Table 4-2, 44 percent of cases were closed with a no cause determination. Approximately 32 percent of cases were conciliated or resolved and 19 percent were closed administratively.⁶⁶ The remaining five percent of cases were found to have cause for discrimination. For these cases, HUD charged the respondent with violating the law and the cases were heard by a HUD Administrative Law Judge or in federal civil court. HUD ALJs can award a maximum civil penalty of \$11,000 for first offenses.

Table 4-2: HUD Fair Housing Complaints by Resolution, San Francisco, 2000-YTD 2010

Type of Resolution	Number of Resolutions											Total Resolutions	Percent of Total
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD 2010 (a)		
Admin Closure	9	7	4	5	2	2	3	7	12	11	11	73	18.9%
Conciliated or Resolved	8	13	4	14	13	10	9	11	16	16	11	125	32.3%
No Cause	9	12	8	16	19	12	19	27	23	17	9	171	44.2%
Cause	2	3	1	2	0	4	2	1	2	0	1	18	4.7%
Referred and Closed by DOJ	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Total	28	35	17	37	34	28	33	46	53	44	32	387	100.0%

Notes:

(a) YTD 2010 data is current through October 20, 2010.

Sources: HUD, San Francisco Regional Office, Dept. of Fair Housing and Equal Opportunity, October 2010; BAE, 2010.

4.2.2 State Fair Housing Complaints

As noted previously, the State DFEH also processes fair housing complaints. Table 4-3 summarizes the bases of complaints filed with DFEH since 2000. As shown below, California fair housing law recognizes additional protected classes above those identified in the federal Fair Housing Act. Consistent with the HUD complaint data, the largest proportion of fair housing complaints filed with DFEH were for disability (physical and mental), race/color, and national origin. Source of income, a State recognized

⁶⁶

An administrative closure occurs when an investigation cannot be completed and there is inadequate information to make a determination, the complainant has decided not to proceed, or when a trial has commenced, pursuant to the provisions of the Fair Housing Act.

protection, and familial status were also common bases of complaint, each appearing in 10 percent of complaints filed since 2000.

Table 4-3: State Fair Housing Complaints by Bases, San Francisco, 2000-YTD 2010

Basis	Number of Complaints										YTD 2010 (a)	Total Bases for Complaints (b)	% of Total Complaints Filed
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009			
Association (Must be Used with Another Basis)	0	0	2	2	0	0	1	0	0	0	0	5	1.6%
Familial Status	2	1	4	0	0	5	4	5	3	4	4	32	10.1%
Marital Status	0	0	1	0	2	0	5	0	1	0	0	9	2.8%
Mental Disability	1	2	4	1	6	4	5	5	12	7	6	53	16.7%
National Origin/Ancestry	6	3	7	1	4	3	6	5	2	3	1	41	12.9%
Physical Disability	4	12	11	11	7	11	24	10	17	21	20	148	46.7%
Race/Color	3	4	9	7	2	6	9	6	6	3	5	60	18.9%
Religion	0	0	1	1	0	1	0	2	0	1	0	6	1.9%
Retaliation	2	0	0	1	0	1	2	0	2	0	3	11	3.5%
Sex	4	0	3	2	1	8	3	4	3	3	2	33	10.4%
Source of Income	0	0	0	0	0	0	0	0	1	0	2	3	0.9%
Other	0	0	0	0	0	0	0	3	0	0	0	3	0.9%
Total Complaints Filed (b)	17	18	30	19	21	30	48	36	32	34	32	317	

Notes:

(a) YTD 2010 data is current through October 31, 2010.

(b) Total bases for complaint may exceed total complaints filed because a complaint can have multiple bases for complaint.

Sources: CA Dept. of Fair Employment and Housing, October 2010; BAE, 2010.

4.2.3 Local Fair Housing Complaints

The City of San Francisco’s Human Rights Commission processes fair housing complaints locally, and provides technical assistance regarding fair housing concerns among homeseekers. As shown in Table 4-4, the HRC received a total of 1,427 complaints between 2007 and 2010.⁶⁷

Among these complaints and technical assistance requests, violations of San Francisco Police Code 33, which prohibits discrimination based on race, color, ancestry, national origin, place of birth, sex, age, religion, creed, disability, sexual orientation, gender identity, weight, source of income, and height, consistently emerged as the most commonly violated ordinance.⁶⁸ From 2007 to 2010, 57 percent of complaints and technical assistance requests fell within this category. Since San Francisco Police Code 1.2 prohibits discrimination against families with minor children and Police Code 38 prohibits discrimination against people with AIDS. Administrative Code 12A echoes Police code 33, and outlines the responsibilities of the Human Rights Commission in enforcement, so it is difficult to determine how these complaints differ from those classified as Police Code 33 allegations.

Figure 4-1 offers more detail on HRC data from 2007 to 2010, showing the protected class of person submitting the complaint or technical assistance request. As shown, fair housing violations surrounding disability were by far the most common basis for complaint or technical assistance request, consistent with the FHEO and State DFEH data. Race, family status, and age surfaced as other common bases, again showing general consistency with federal and state fair housing data.

⁶⁷ 2010 data through November 17, 2010.

⁶⁸ Violated articles do not sum to either complaints or technical assistance requests because more than one ordinance may be violated in any given complaint or technical assistance request.

Table 4-4: HRC Housing Complaints and Technical Assistance Requests by Violation, San Francisco, 2007-2010

YEAR	TYPE OF ACTIVITY		ORDINANCE VIOLATED ARTICLES (c)							
	Complaint (a)	Technical Assistance (b)	33	38	1.2	12A	12B	12C	12H	Arbitrary
2007	199	222	174	8	95	60	0	0	1	143
2008	903	400	867	35	88	21	5	0	1	280
2009	130	88	149	3	14	88	0	0	0	0
2010 (d)	195	206	193	4	8	57	0	0	0	134
TOTAL	1,427	916	1,383	50	205	226	5	0	2	557
		% of Total	57%	2%	8%	9%	0%	0%	0%	23%

Notes:

(a) Complaints regarding housing discrimination submitted to the HRC.

(b) Requests to HRC for technical assistance regarding housing discrimination issues.

(c) Applicable codes are as follows:

San Francisco Police Codes:

33: Prohibits Discrimination Based on Race, Color, Ancestry, National Origin, Place of Birth, Sex, Age, Religion, Creed, Disability, Sexual Orientation, Gender Identity, Weight, Source of Income and Height

38: Prohibiting Discrimination on the Basis of Aids and Associated Conditions

1.2: Prohibits Discrimination in Housing for Families with Minor Children

San Francisco Administrative Codes

Chapter 12A. Unfair Neighborhood Practices, Adjustments and Settlement of Complaints

Chapter 12B. All Contracts and Property Contracts to Include Nondiscrimination Provisions

Chapter 12C. Nondiscrimination in Property Contracts

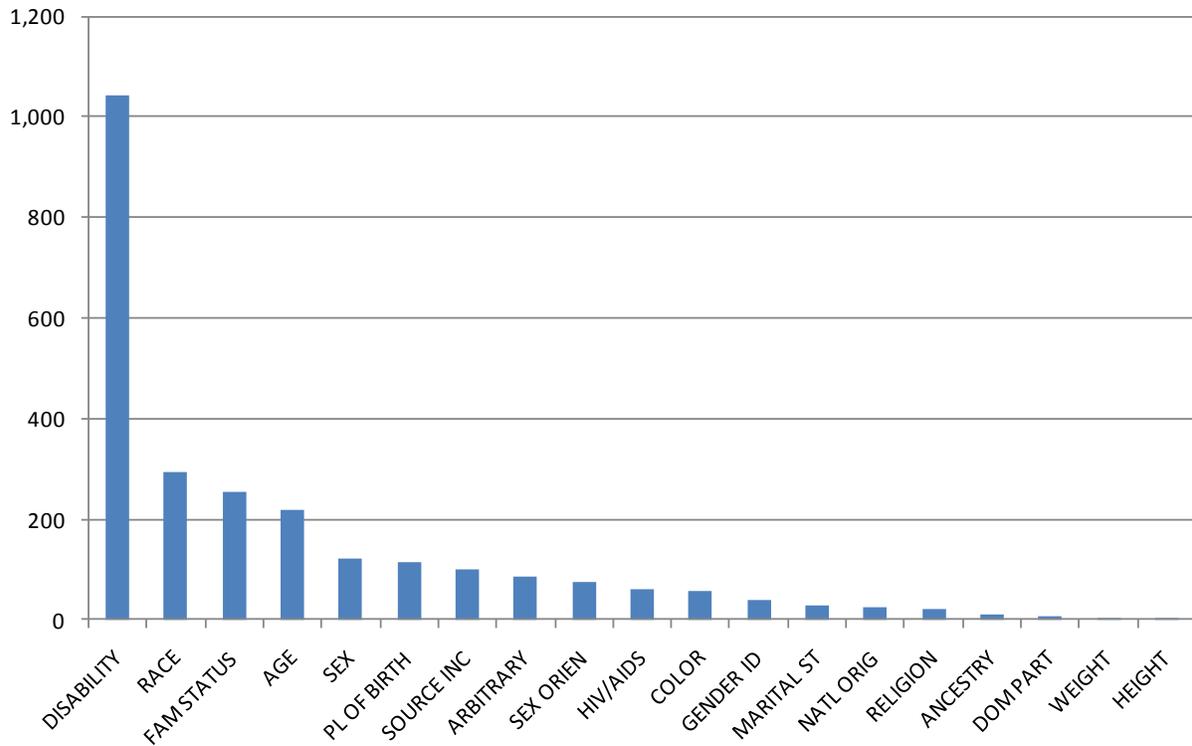
Chapter 12H. Immigration Status

Violated articles do not sum to either complaints or technical assistance requests because more than one ordinance may be violated in any given complaint or technical assistance request.

(d) 2010 data through 11/17/10.

Source: HRC Fair Housing and Public Accommodations Unit, 2010; BAE, 2010.

Figure 4-1: HRC Housing Complaints and Technical Assistance Requests by Basis, 2007-2010 YTD



Notes: (a) 2010 data through 11/17/10.

Source: HRC Fair Housing and Public Accommodations Unit, 2010; BAE, 2010.

Impediments to Fair Housing Choice on the basis of Disability status will be examined in Section 6: Analysis of Impediments for Specific Populations.

4.3 Direct Discrimination Programs & Recommendations

The primary intervention for direct discrimination is legal recourse through the federal, state, and local complaint processes described above. The City of San Francisco also funds services that are complimentary to these established processes- housing counseling and legal assistance services.

4.3.1 *Housing Counseling and Legal Assistance*

The Mayor’s Office of Housing and the Department of Building Inspection both fund community based organizations to conduct outreach and education about housing rights. These organizations typically offer housing counseling and/or legal services and have staff that offer guidance on a diversity of housing issues including fair housing rights, reasonable accommodations, renter protections, rent control and landlord obligations. Many jurisdictions contract with an independent organization to process fair housing complaints and to conduct outreach and education specifically on fair housing topics. In San

Francisco, this responsibility falls upon the Human Rights Commission.

4.3.2 **Recommendations**

Conduct Further Research on Housing Discrimination

Partners: MOH, HRC, Community Based Organizations, Fair Housing Researcher

It would be advisable to research the prevalence of housing discrimination in San Francisco and identify information gaps amongst renters and owners about fair housing law. Once issues are identified, the City may tailor interventions appropriately.

Questions have arisen about whether the Human Rights Commission, in combination with currently funded housing counseling organizations, are able to thoroughly disseminate information regarding fair housing. Possibly, renters and landlords lack knowledge of the Federal, State, and Local discrimination protections, thus may unknowingly violate the law or unknowingly be victims of unlawful discrimination.

The question of whether current information dissemination and enforcement mechanisms are adequate warrants further inquiry. Based upon reported incidents, alone, it is impossible to know the true prevalence of housing discrimination, for how many people experience discrimination and do not report it? Research may include “testing” - an established research tactic that involves hiring individuals with various characteristics (race, disability, English language proficiency etc.) to pose as applicants for housing. With testing, research and enforcement can be conducted in tandem, yielding both estimates of the incidence of discrimination and case-specific evidence of individual violations.⁶⁹

Increase Outreach, Education, and Legal Services to Support Fair Housing Rights

Partners: MOH, HRC, Community Based Organizations

Although the Mayor’s Office of Housing and the Department of Building Inspection both fund outreach, education, and legal services to support Fair Housing rights, there are still many individuals and landlords who remain uninformed about their tenant/landlord rights and fair housing rights and obligations. Stakeholders have expressed the need for additional community-based services in this arena, particularly for legal services to prevent eviction. As one stakeholder puts it, “the entire service delivery system is just overwhelmed.” To ensure that landlords and tenants in all language communities benefit from any outreach efforts, educational activities be conducted in languages other than English. One respondent to the AI request for public input pointed out that “the City could maximize the effectiveness of reaching non-English speakers by collaborating with housing advocacy and community groups that already conduct trainings and disseminate fair housing information to specific populations.”

⁶⁹ Fix & Turner, 1998

5 Analysis of Impediments For Specific Populations

The following section drills down on impediments that have the effect of limiting housing choices for particular classes and sub-classes. The groups and issues identified are not comprehensive- impediments to fair housing choice are multitudinous and a single report cannot fully examine every barrier. The current report focuses on those groups facing the most common or profound barriers, as determined by an examination of available quantitative data as well as insight from the Analysis of Impediments Oversight Committee members, expert interviews, and community feedback. Traits examined are: age, disability status, race/ethnicity, immigration status, English proficiency, and criminal background. While English proficiency and criminal background are not explicitly included amongst the seven protected factors listed in the Fair Housing Act, courts have determined that federal anti-discrimination protections apply due to their strong relationship with race.

5.1 Seniors and Adults with Disabilities

Housing impediments facing seniors and those facing persons with disabilities often overlap. For both groups, the lack of affordable *and* accessible housing⁷⁰ is the core issue.

Individuals with specific needs, including seniors and younger adults with physical or mental disabilities, need access to housing suitable for their specific needs abilities and circumstances. For many, proximity to public transportation, services, and shopping is critical. For others, units equipped with wheelchair accessibility or other special features are necessary. Specific unit requirements vary tremendously, as they depend on the type and severity of functional limitations.

In the following section we examine how to expand access to housing that is both accessible and affordable to people with disabilities and seniors. These solutions are organized as follows:

- (1) Improving access to market rate buildings
- (2) Improving access to existing affordable housing
- (3) Expanding programs that increase affordability

5.1.1 *Accessibility in Market Rate Buildings*

Owned homes and rent-controlled apartments are critical assets for low-income San Francisco seniors and people with disabilities.

Nearly half (44%) of seniors over 65 are homeowners. Many of these homeowners bought their home decades ago, and now own them outright. In fact, over half (53%) of the senior homeowners moved in before 1970 (Census 2000). As a result, senior homeowners pay a smaller portion of their income for

⁷⁰ Accessible has a variety of definitions. Here it is used in the broadest sense to mean well-suited for an individual with specific needs like a physical, mental, psychiatric, or sensory disability.

housing costs than younger homeowners.

Similarly, many senior renters and people with disabilities are protected from untenable housing costs as long-term residents in rent-controlled buildings. As of 2000, a majority of older apartment-dwelling households had lived in the same place for over 10 years and 93% (16,000) lived in rent controlled apartments. Older renters pay less rent in absolute terms than the younger cohort, but even those who find themselves in relatively low-cost apartments bear a heavy rent burden relative to their incomes. The median household income of seniors in rent-controlled units was just \$15,000 in 1997 (the most recent data available.) Because new housing and institutional care are both extremely expensive, “aging in place” is not only the preference of most elders, it is also a financial necessity.⁷¹

Unfortunately, San Francisco’s older housing stock is largely inaccessible. While California State law now requires new housing in multi-family buildings to be accessible to people with disabilities, most of San Francisco’s housing stock was built before this requirement came into effect in 1982. As a result, most owned homes and rent-controlled apartments were built without regard to the accessibility needs of people with physical or sensory disabilities. In these buildings, design, construction, and maintenance issues limit access for people with disabilities.

Several solutions are in place for improving the physical accessibility of older buildings. In rental buildings, landlords are required to grant reasonable accommodations for persons with disabilities. Reasonable accommodations refer to either physical changes to the building or modifications/exemptions to particular policies that facilitate equal access to housing. In publically subsidized stock, the cost of reasonable accommodations falls on the building owner. However, private landlords do not have an obligation to pay for accessibility improvements and low-income tenants often lack savings to pay for improvements. Accessibility improvements like wheelchair ramp installation, are too costly for low-income renters or even homeowners to afford. Extremely low-income tenants and homeowners would have difficulty paying for simple accessibility improvements as well, such as grab bar installation. Finally, most housing in San Francisco simply cannot be made fully accessible due to their layout and design.

5.1.2 Programs to Improve Accessibility in Market Rate Buildings

5.1.2.1 Regulations Governing New Construction

The California Code of Regulations, Title 24, Part 2 (commonly referred to as Title 24) generally requires new multi-family buildings of three or more apartment units or four or more condominium dwelling units must be accessible. However, buildings single-family and duplex or 2-family dwellings are generally not required to be accessible except when they are part of a condominium or planned-use development. In San Francisco, the Department of Building Inspection enforces Title 24 to ensure new multifamily buildings are in compliance.

It is not possible for the San Francisco Building code to have more demanding accessibility requirements

⁷¹ DAAS Community Needs Assessment, 2006

than Title 24. Local governments are only permitted to adopt more restrictive requirements as necessary because of local climatic, geological, or topographical conditions.⁷²

Furthermore, many people with disabilities cannot afford to live in new market rate buildings. The best housing option for many low-income disabled individuals is tenancy in City supported affordable housing. Efforts to increase the availability of affordable *and* accessible housing are crucial for this population. For discussion of accessibility in affordable housing see Section 5.1.4.

5.1.2.2 *Programs to Increase Accessibility in Existing Buildings*

The Mayor's Office of Housing manages the CalHOME program to assist homeowners of one to four unit properties to address code deficiencies, health and safety hazards, deferred maintenance, meet housing standards, remediate lead based paint hazards, and to provide accessibility modifications in their property.

As well, one San Francisco nonprofit provides low-income elderly and disabled San Franciscan's free light home repair and modification services, including installing/replacing smoke detectors and installing grab bars and other bathroom safety equipment, such as raised toilet seats and shower chairs.

A program of the Department of Public Health facilitates home safety improvements through the Community and Home Injury Prevention Project for Seniors (CHIPPS). CHIPPS is an educational program, which aims to

- Create awareness that many injuries to older people can be prevented.
- Develop simple ways to recognize and correct injury hazards.
- Provide resources and information to health professionals and the public

Given the large population of very low and extremely low-income disabled adults, as well as a growing population of older homeowners and renters, it is advised that the Mayor's Office of Housing and the Department of Public Health examine whether programs of this type should be scaled-up or supplemented so that all low-income residents in need can access simple home improvements to live safely and independently.

5.1.3 *Recommendations to Increase Accessibility in Market Rate Buildings*

Increase availability of free or low-cost accessibility upgrades in rental apartments and homes

Partners: DPH, MOH, HSA, Landlords

A program to provide low-cost modifications, such as grab-bar installation, would improve safety and convenience for seniors and adults with disabilities, as well as reducing fall-related injury.

According to a 2006 San Francisco phone survey, 5% of older adults and 9% of disabled adults need, but cannot access home repair and modifications programs (National Research

⁷² Health and Safety Code Section 18941.5 & 17958.5

Center, 2006). Meanwhile, the CHIPPS program (Community and Home Injury Prevention Project for Seniors) and Rebuilding Together's Home Safety program are functioning at full capacity. Expanding or replicating programs that provide accessibility upgrades could reduce health hazards, prevent premature institutionalization, and expand housing choice for seniors and adults with disabilities. Renters are particularly in need, as the existing programs focus on homeowners. A program to provide low-income renters with resources to complete modifications could take the form of direct service delivery or provision of small grants.

Implement Reasonable Accommodations Training for Planning Department Staff
Partners: Planning Department, MOD

It is recommended that the Planning Department and the Mayor's Office on Disability collaborate on a training for planning department staff to ensure that all relevant personnel are aware of legal obligations to grant reasonable accommodations, can identify when a need is present, and understand the avenues to grant a request.

In addition to Title 24 requirements for accessibility, both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on cities and counties to make reasonable accommodations in their zoning and land use policies when such accommodations are necessary to provide equal access to housing for persons with disabilities. Examples include exemptions to setbacks for wheelchair access structures or reductions to parking requirement.

While the San Francisco planning department currently grants reasonable accommodations to the planning code through a number of avenues, there is no single uniform process by which a particular individual may be granted reasonable accommodation. The Mayor's Office on Disability states that few people needing an exception are aware of their rights on the issue or know-how to request an exception. MOD often serves as an advocate and engages with the Planning Department on behalf of clients in these circumstances. On the planning department side, staff acknowledges that the process for granting a reasonable accommodation to the planning code is complex and may feel inconsistent or opaque from an outside perspective. Both departments agree that a positive solution would be periodic trainings to ensure that Planning Department staff can identify and assist when they are faced with the need for accommodation, even if an individual doesn't explicitly state that they are "disabled" nor use the term "reasonable accommodation".

- Conditional Use Authorizations are granted for land uses that are otherwise restricted under the zoning code. Conditional Use Authorization would be used for exemptions from off-street parking in certain zoning districts.
- A Variance is a request for exception from the quantitative standards of the Planning Code, such as rear yard, front setback and parking. A variance would be required to allow a resident or homeowner to build into the required set-back from a neighboring home in order to install a wheelchair ramp.
- The Exceptions Process is used to grant exceptions to the zoning code requirements in

commercial areas. Exceptions to parking requirements, setbacks, and rear yard requirements may be granted through this process.

A reasonable accommodations request may lead a resident through any one of these three exceptions processes, depending upon the specific location and nature of their request. Staff in the Planning Department's Planning Information Center guide residents through the appropriate process to meet their needs.

5.1.4 *Accessibility in Affordable Housing*

5.1.4.1 *New Construction*

Publicly funded buildings and facilities conducted by or on behalf of the City and County of San Francisco must comply with the Mayor's Office on Disability's policies related to Reasonable Accommodation for Accessible Housing. In reviewing building permit applications for new construction, alteration and additions, MOD follows state and federal law, specifically referring to CA building code Title 24, Uniform Federal Accessibility Standards (UFAS), Fair Housing Act, ADA Accessibility Guidelines (ADAAG), and Section 504 of the Rehabilitation Act.

Affordable housing developers are required to set aside 5% of their units to be ADA compliant and 100% of elevator accessible units must be adaptable. Additionally, publicly funded dwelling units must provide and install notices in common areas and dwelling units notifying tenants of their right to reasonable accommodation.⁷³ The Mayor's Office on Disability (MOD) is actively involved in the negotiations and application approvals for proposed City-funded development projects to ensure the maximum level of accessibility feasible. In senior buildings, typically all units are accessible. Physically-able tenants may age in place and later develop mobility limitations, so building accessible units in senior housing is a practical investment from the developers perspective as well as the tenants perspectives. In general, the proportion of accessible units is determined by balancing additional construction costs against the accessibility needs of qualifying tenants.

Still, there is room for improvement in building for accessibility. For instance, to enhance marketability and neighborhood appeal, some affordable and moderate income developments are designed as townhouses- 2 or 3 story single-family dwellings that share sidewalls with the neighboring units. Townhouses often have stairs up to the front entry and a small footprint that does not allow room for wheelchair maneuvering inside. In the building code, townhouses have less rigorous accessibility requirements than multi-story apartment buildings- only the first floor entrance, bathroom, and lavatory of townhouses must be accessible or visitable, rather than all floors and rooms. To ensure that every City sponsored development is accessible or adaptable to the greatest practical degree, MOD will continue to participate in the building permit review process and seek ways for affordable housing developers to maximize accessibility within cost constraints.

⁷³ City & County of San Francisco, Mayor's Office on Disability, "Reasonable Accommodations Notice," Accessed November 2010, <http://www.sfgov2.org/index.aspx?page=439>

5.1.4.2 Existing Affordable Housing

San Francisco’s affordable housing stock is diverse in terms of building ages and construction types. Some of this housing is offered in renovated Single Room Occupancy hotels that were originally built in the early 20th Century, while others are newly built multi-bedroom apartments.

43% of MOH-supported affordable housing units are accessible or adaptable for persons with a physical impairment (Table 5-1). This substantial stock ought to be sufficient to offer fair and equal access to people with physical impairments. Unfortunately, the application and wait-list process can make it difficult to “match” people with specific impairments to a suitable unit. When an apartment becomes available, property managers generally begin by contacting applicants at the top of a waitlist. If no persons with disabilities are at the “front of the line” for that development, then an accessible apartment may be rented to an applicant with no need for the special features. Property managers need to fill vacancies quickly to minimize losses, but this process could have an unintended consequence by making it less likely a disabled applicant will receive an accessible unit in a timely manner.

Table 5-1: Accessibility & Adaptability of MOH Affordable Rental Units, 2008

Accessibility / Adaptability of Units	# Units	%age
<i>Occupied By Person/s With An Impairment</i>	1,111	12.30%
<i>Accessible To Persons With Physical Impairment</i>	1,385	15.33%
<i>Adaptable For Persons With Physical Impairment</i>	2,503	27.70%
<i>Accessible To Persons With Visual Impairment</i>	1,026	11.36%
<i>Accessible To Persons With Hearing Impairment</i>	1,293	14.31%

Source: MOH, 2009.

The Human Services Agency (HSA) and the Department of Public Health (DPH) oversee operations in most City-supported homeless housing. Both departments have facilitated accessibility upgrades in the older buildings when necessary. While homeless housing relies on older SRO buildings that were not constructed with disability access in mind, building retrofits and elevator replacements have improved accessibility. Today, approximately 50% of the DPH “Direct Access to Housing” portfolio is accessible or adaptable. While SRO buildings overseen by HSA and DPH are not all accessible, program staff indicate that homeless housing programs are able to offer accessibility across their portfolios and place persons with disabilities into an appropriate room in a timely manner.

5.1.5 Recommendations to Improve Accessibility in Affordable Housing

Improve ongoing City Coordination to trouble-shoot accessibility issues in the affordable housing stock.

Partners: MOH, Long Term Care Coordinating Council, Community Based Organizations

It is recommended that the Mayor’s Office of Housing have a consistent seat and staffing to attend

the Long Term Care Coordinating Council when housing issues are on the agenda and explore additional ways to improve coordination.

Accessibility issues in affordable housing could often be avoided if parties involved with affordable housing development and oversight—MOH, DPH, HSA, and developers, had improved communication and coordination with representatives from the disability community. A working group of department staff and disability advocates once existed, but was too resource-intensive to continue. Today, there is no clear mechanism for cross-communication. A first step to improve lines of communication will be for MOH to send consistent representation to the Long Term Care Coordinating Council Housing Subcommittee. However, as one stakeholder puts it, this solution maybe “woefully inadequate” to fully coordinate City partners, as not all relevant agencies and individuals participate on the Long Term Care Coordinating Council. One disability advocate explained their frustration thusly, “If we could count the number of times we have had the City do one thing with one hand and do the opposite with the other hand.” As staff resources are available, MOH will assess additional ways to coordinate with other city departments, nonprofits, and advocates to ensure fair and equal access to affordable housing for people with disabilities and seniors.

Identify and implement solutions to the “matching” problem in affordable housing.

Partners: MOH, Affordable Housing Managers, Community Based Organizations

Application procedures should ensure that accessible apartments are occupied by persons needing accessibility features to the greatest extent practical while remaining fair to all applicants.

Collaborative discussion between affordable housing managers, disability advocates, and City departments should craft recommendations for the City to implement. Recommendations and implementation must take care not to conflict with other marketing and lease-up requirements. Process may include the following:

- (1) Requirement to hold accessible units vacant until a person needing the features is identified or until a minimum wait-time is been reached.
- (2) Improve connections to service providers and referral network in the disability community
- (3) Allow people needing accessible units to “jump the line” and move to the front of a waitlist when an appropriate unit opens.
- (4) Require that a tenant residing in an accessible unit and not needing the accessible features of the unit would move to a similar vacant unit if the accessible unit is needed by another tenant.
- (5) Prioritize people with disabilities holding Section 8 vouchers for fully accessible units.

Determine availability and rent requirements for affordable two bedroom apartments for persons needing an in-home aid.

Partners: MOH, Housing Managers

It is recommended that the City research impediments facing persons needing an in-home aid attempting to access affordable rental housing.

While building code requirements ensure that most units in new multifamily buildings are accessible, there is no requirement regarding bedroom number. Unit mix is determined on a project by project basis depending upon financial feasibility, funding sources, physical restrictions and target population.

Advocates have voiced concern that people with disabilities who need live-in care have exceptional difficulty accessing City-supported affordable housing if there are too few 2 bedroom units available, or because these units are financially out of reach.

5.1.6 *Representation in Affordable Housing*

The following section examines potential scarcity and exclusion from the existing affordable housing stock facing seniors and people with disabilities.

5.1.6.1 *Seniors in Affordable Housing*

About 36% of MOH affordable housing units have an elderly head of household, while 34% of qualified households were headed by a senior. This implies that seniors have access to MOH-supported affordable housing equal to other low-income populations. Many seniors are housed in buildings that are age-diverse and include families or younger single adults. Some seniors prefer to reside in housing that exclusively serves and older population, or are in need of more specialized services than those typically offered in affordable family housing. To meet the needs of these seniors, the City of San Francisco invests in senior affordable housing—about 15% of the units built since 1990 were for seniors only. The proportion of senior affordable housing has consistently risen over the years, due to community pressure, need, and funding availability.

Table 5-2: Affordable Senior Housing Construction 2000-2009

Senior Affordable Housing Constructed 1990-2009			
Years	Senior Affordable Units Constructed	Total Affordable Units Constructed	Senior Units as % of New Units
1990-2000	414	3450	12%
2001-2004	310	2214	14%
2005-2009	668	3794	18%
Total	1392	9458	15%

Source: MOH, 2010.

5.1.6.2 *Seniors in Public Housing*

As with some of the data on race, the public housing comparison is complicated by the fact that while CHAS reports data for households with a senior householder, SFHA count seniors as individuals. Seniors are more likely to be the householder than young people in a family, so we would expect the proportion of senior householders in public housing to be larger than the proportion of senior individuals. Thus, while

there appears to be a small disparity among public housing units, in which 24 percent of residents were seniors in 2010, as compared to 39 percent of the comparison households, this could be a result of an analysis that compares senior individuals to senior heads of household.

5.1.6.3 *Disabled Residents in Affordable Housing*

In the Annual Monitoring Report (AMR) completed for all MOH-supported housing, property managers indicate that 1,111 (12.3%) of all units were occupied by at least one person with a physical, hearing, or visual impairment (Table 5-1). According to the 2000 census, between 8% and 11% of all San Franciscans have a physical and/or sensory disability. Thus, people with physical and sensory disabilities appear to be represented in MOH housing roughly in proportion to the total population.

However, MOH data on other types of disabilities are incomplete. While it is likely many individual with mental or psychiatric disabilities reside in MOH-supported housing, AMR data are only reliable in reference to physical impairment, hearing impairment, and visual impairment.

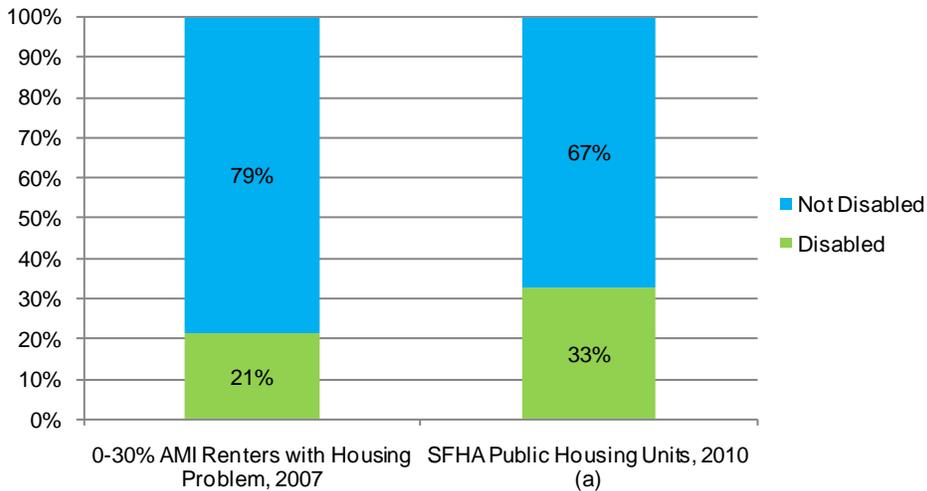
Community members posit that application and screening process for entry into affordable housing disproportionately restrict access for people with mental, psychiatric, and other disabilities. Indeed, property management considers applicant's credit history, rent payment history, criminal history, and income to determine whether they would be good tenants. To the extent that people with disabilities are likely to perform poorly on these factors, they may be disproportionately excluded. Another concern is that interviews, particularly tenant-led interviews, may lead to prejudicial recommendations when an applicant appears "different" or "odd" due to their disability.

All affordable housing providers in San Francisco have formal processes for appealing a housing denial, for making reasonable accommodations requests, and for providing supplemental information explaining any mitigating circumstances. Processes vary, and it is unclear whether these measures adequately prevent disproportionate exclusion of persons with disabilities.

5.1.6.4 *Disabled Residents in Public Housing*

Figure 5-1 compares the presence of disabled persons in San Francisco's public housing stock to their representation among qualified households. Again, the comparison is rendered imperfect by the fact that SFHA counts individual residents while CHAS reports data for households. As of 2010, 33 percent of public housing residents reported having a disability, implying that persons with a disability were somewhat overrepresented relative to the comparison group, in which only 21 percent of qualified households had a disabled householder.

Figure 5-1: Distribution of Residents of Public Housing by Disability Status, 2010



Note: (a) SFHA collects data on the disability status of individuals, not heads of household. Therefore, the above chart compares household data to population data and thus does not provide a direct comparison.
 Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations from the American Community Survey 2007; SFHA, 2010; BAE, 2010.

5.1.7 Recommendations to Ensure Fair Representation of Adults with Disabilities in Affordable Housing

As discussed, affordable housing development and preservation is the City’s key strategy to address high housing costs that impede fair housing choice. However, interviews with advocates and community members have revealed flaws in policies and procedures that may make affordable housing more difficult for people with disabilities to access.

Improve data collection on residents with disabilities in affordable housing.
Partners: MOH, DPH, HSA, affordable housing property managers

It is recommended that the Mayor’s Office of Housing lead an effort improve data collection on residents with disabilities to determine whether the City-supported stock fairly represents people with the broad range of disabilities.

Currently, MOH does not collect complete data on the disability status of all residents in City supported housing. The Mayor’s Office of Housing Annual Monitoring report only requires property managers to provide information on the number of units occupied by a person with physical impairment, hearing impairment or visual impairment.

Engage stakeholders to determine additional recommendations.
Partners: MOH, HSA, DPH, MOD, Community Based Organizations

Pending findings from data collection, **the City should explore policy solutions to improve access to affordable housing for younger adults with disabilities.** City-supported affordable housing typically targets families, seniors, and homeless persons. Units that exclusively serve younger adults with disabilities are less common. If persons with disabilities are not fairly represented in City supported developments, the below measures ought to be explored.

- (1) Increase the number of units set-aside specifically for younger adults with disabilities.

Many new affordable housing developments for seniors and adults with disabilities receive funding under the US Department of Housing and Urban Development's (HUD) "202" and "811" programs. Because approximately three times as much funding is available through the 202 program, which provides funding specifically for senior-targeted housing, seniors are relatively better served. For example, in 2006 the San Francisco HUD office had funding for 148 units of "202/Senior" housing in San Francisco and 49 units of "811/ Disabled" housing. As of June, 2011, about a third of the units currently planned and under construction with oversight by MOH are for homeless persons. An additional 20% will house seniors. Yet less than 1% will serve disabled persons who are neither formerly homeless nor elderly.

Several strategies could increase the number of units targeting younger adults with disabilities. As data become available on representation of younger adults with disabilities, these strategies will warrant further exploration.

- Lobby for HUD to prioritize the Section 811 program, and encourage local applications

The recently passed Frank Melville Supportive Housing Investment Act made improvements to the Section 811 program. Supportive housing for people with disabilities can now be integrated into larger multi-family affordable rental properties. In light of this new opportunity, MOH may encourage developments in the pipeline to apply for 811 funds.

- Offer financial incentives to developers who set-aside units for younger adults with disabilities.

Similar to the Local Operating Support Program (LOSP), a program to fund operating expenses could increase access for younger adults with disabilities who need supportive services. Difficult to serve individuals with disabilities, such as those with mental illness, are sometimes excluded from mainstream affordable housing. A LOSP-model would be less appropriate for younger adults with disabilities who do not need services or supports in their apartment building.

- Require that "minimum income requirements" set by nonprofit landlords be as low as feasible.

Extremely low-income persons with disabilities are sometimes excluded from affordable housing because their rent payment would be more than 35% of their income. Minimum income

requirements could be reduced to two times the rent when possible, which would allow tenants to pay up to 45% or 50% of income on rent when necessary. Additionally, nonprofit landlords should be encouraged to offer applicants with MediCal and other non-cash benefit an income “credit” to account the effective income of these supplements.

- As funds become available, prioritize resources for acquisition/rehabilitation and new construction to serve younger disabled populations.

In the current funding climate, the City has scant opportunity to issue new Requests for Proposal (RFPs) for more affordable housing. If Federal or State sources expand, the City should consider prioritizing funding for housing that targets younger adults with disabilities.

Maintain rental assistance programs for vulnerable populations with disabilities

Partners: DPH, Mayor’s Budget Office, Board of Supervisors

It is recommended that DPH and other City partners seek other mechanisms to continue funding for two small but important City programs provide housing for persons with serious health and mental health concerns.

One of these programs provides rental subsidies and housing assistance for in-patients ready for discharge from the County hospital. Funding is at risk for this program. It is recommended that the City ensure DPH can continue to provide housing assistance as an alternative to institutionalization.

Another small program serves aging seniors with HIV. This population faces increasingly complex health and financial issues in a time of dwindling public assistance. Higher incidences of cancer, lymphoma, liver disease, and osteoperosis all occur in people with HIV. Furthermore, 80% of the people with HIV in San Francisco are over 40 years old, and 9% of the homeless population is HIV infected. In total, there are an estimated 2,794 low-income people living with AIDS in San Francisco (1996). Program cuts affecting aging seniors with disabilities include the Ryan White Program, HOPWA, ADAP (AIDS drug assistance program). Given these cuts, and the loss of the San Francisco Redevelopment Agency, it will be difficult to maintain all facilities and services currently offered without new sources of funding. This is also an area where better interdepartmental coordination would be particularly beneficial, as stakeholders find that problems of emergency shelter and permanent housing for especially vulnerable populations often are uncoordinated.

Expand rental assistance for single adults

Partners: MOH, HSA, Community Based Organizations

It is recommended that MOH and the Human Services Agency expand security deposit assistance, emergency back-rent assistance, and short-term rental subsidies available to single adults, including seniors and younger adults with disabilities.

The Mayor’s Office of Housing and the Human Services Agency both fund nonprofit organizations to

administer security deposit loans and rental assistance. Assistance typically accompanies housing counseling services and may include security deposit assistance, emergency back rent, assistance with move-in expenses, or short-term rental subsidies. Eight City-funded nonprofit agencies provide some form of monetary assistance to renters at risk for homelessness. Upon examination of the programs funded by MOH and SFHSA, it is clear that a disproportionate number of City-supported nonprofit agencies in this service category emphasize service to families with children rather than service to singles, seniors, or disabled adults. Approximately three-quarters of those served annually are households with children. Service providers and City partners have discussed this imbalance in Analysis of Impediments Oversight Committee Meetings and in the Homeless Prevention and Financial Assistance Workgroup. There is widespread support for increasing the rental subsidies and deposit assistance available to seniors and disabled persons at risk for homelessness.

5.2 Racial and Ethnic Minorities

5.2.1 *Barriers to Homeownership*

5.2.1.1 *Mortgage Access*

As a result of the recession and credit crisis, access to financing has emerged as a major barrier to housing choice in San Francisco, the Bay Area, and across the state and country. Lenders are implementing stricter underwriting, reporting, and verification of information practices. Banks also look for larger down payments of 10 percent to 20 percent of the purchase price, which is higher than what was previously required. Many of these requirements directly address problems in the lending industry that contributed to the current housing and economic downturn. Nevertheless, these standards make it more difficult for buyers to access a mortgage, particularly households with lower incomes, weaker credit scores, and lacking down payment funds.

Loan requirements disproportionately exclude people of color from accessing a conventional mortgage. Enacted by Congress in 1975, the Home Mortgage Disclosure Act requires lending institutions to publically report home loan data. As shown in Table 5-3, 10,287 home purchase loan applications were submitted in the City of San Francisco in 2009. Overall, 55 percent of home purchase loan applications were approved in the City.

Table 5-3: Disposition of Home Purchase Loans by Race and Ethnicity, San Francisco, 2009

Race	Total Number of Loan Applications	Action Type		
		Approved (a)	Denied	Other (b)
American Indian or Alaska Native	17	64.7%	11.8%	23.5%
Asian	2,661	68.2%	14.7%	17.2%
Black or African American	82	45.1%	23.2%	31.7%
Native Hawaiian or Other Pacific Islander	39	69.2%	10.3%	20.5%
White	3,757	70.5%	12.3%	17.2%
Information not provided by applicant	1,498	68.6%	11.7%	19.6%
Not applicable	2,233	4.7%	0.1%	95.2%
Total	10,287	55.1%	10.3%	34.6%
Ethnicity				
Hispanic or Latino	255	59.2%	18.0%	22.7%
Not Hispanic or Latino	6,230	69.7%	13.0%	17.3%
Information not provided by applicant	1,569	68.5%	12.3%	19.2%
Not applicable	2,233	4.7%	0.1%	95.2%
Total	10,287	55.1%	10.3%	34.6%

Notes:

(a) Includes loans originated and applications approved but not accepted.

(b) Includes applications withdrawn by applicant, incomplete applications, loans purchased by institution, and preapproval requests denied.

Sources: Home Mortgage Disclosure Act (HMDA), 2009; BAE, 2010.

Loan approval rates varied by race and ethnicity. As shown in Table 5-3, white borrowers had the highest loan approval rate at 71 percent. Black borrowers had the lowest approval rate in the City, with 45 percent of home purchase loan applications approved. The data also indicates that Hispanic borrowers had a lower approval rate than non-Hispanic borrowers⁷⁴. This analysis, however, does not identify a reason for the discrepancy. Many factors can influence loan application approval rates, including household income, income-to-debt ratio, credit rating, and employment history. As such, while these findings may point to discriminatory lending practices, they may also be a function of financial criteria used during the underwriting process.

5.2.1.2 Subprime Lending

Just as people of color are less likely to be approved for conventional mortgages, racial minorities are also more likely to purchase their home with a subprime mortgage. African-American and Latino borrowers are over 30 percent more likely to receive a high-cost loan (a proxy for subprime lending) than white borrowers, even controlling for credit risk. Approximately 52 percent of African-American borrowers and 40 percent of Latino borrowers received a higher-cost loan in 2005, compared to only 19 percent of white borrowers.⁷⁵

Nationally, there is a strong link between subprime lending and foreclosures in communities of color.

⁷⁴ A Chi-Square test determined that the differences in approval rates across races and ethnicities are statistically significant.

⁷⁵ *Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages*. Center for Responsible Lending. May 31, 2006.

During the most recent housing boom, rapid home price escalation spurred lenders to adopt looser, more automated underwriting criteria, assuming greater risk to generate more mortgages. Lenders also offered new loan products, allowing buyers to enter the market with little to no money down and low initial “teaser” interest rates.

Lenders then pooled subprime loans with lower risk mortgages for sale to the secondary market, which failed to hold lenders accountable for these products. Mortgage brokers whose commissions are unaffected by a loan’s foreclosure also contributed to this shift in the mortgage market by originating almost 60 percent of subprime loans, sometimes through predatory lending practices.⁷⁶

Through these policies, some lenders provided some buyers with imperfect credit and/or lower incomes larger mortgages than they could otherwise afford. Unfortunately, as teaser rates (and other low-variable rates) expired and interest rates increased, many of these households defaulted on their loans, initiating the current rash of foreclosures. Households that have been foreclosed on often have a difficult time finding replacement housing due to their poor credit rating and affordability levels of rental housing.

5.2.1.3 Foreclosure

During the current economic downturn, foreclosure rates across the country have spiked to unprecedented highs. Conditions in the San Francisco Bay Area have been no different. During the second quarter of 2010, 431 homeowners received notices of default, which is the first step in the foreclosure process in San Francisco. While this represents a decline in the number of notices of default, foreclosures continue to be higher than historic levels.

Table 5-4: Foreclosure Filings, Q2 2009-Q2 2010

Location	Q2 2009	Q2 2010	% Change Q2 2009-Q2 2010
San Francisco	589	431	-26.8%
9-County Bay Area (a)	19,983	12,231	-38.8%

Note:

(a) The 9-County Bay Area consists of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties.

Sources: DataQuick News, 2010; BAE, 2010.

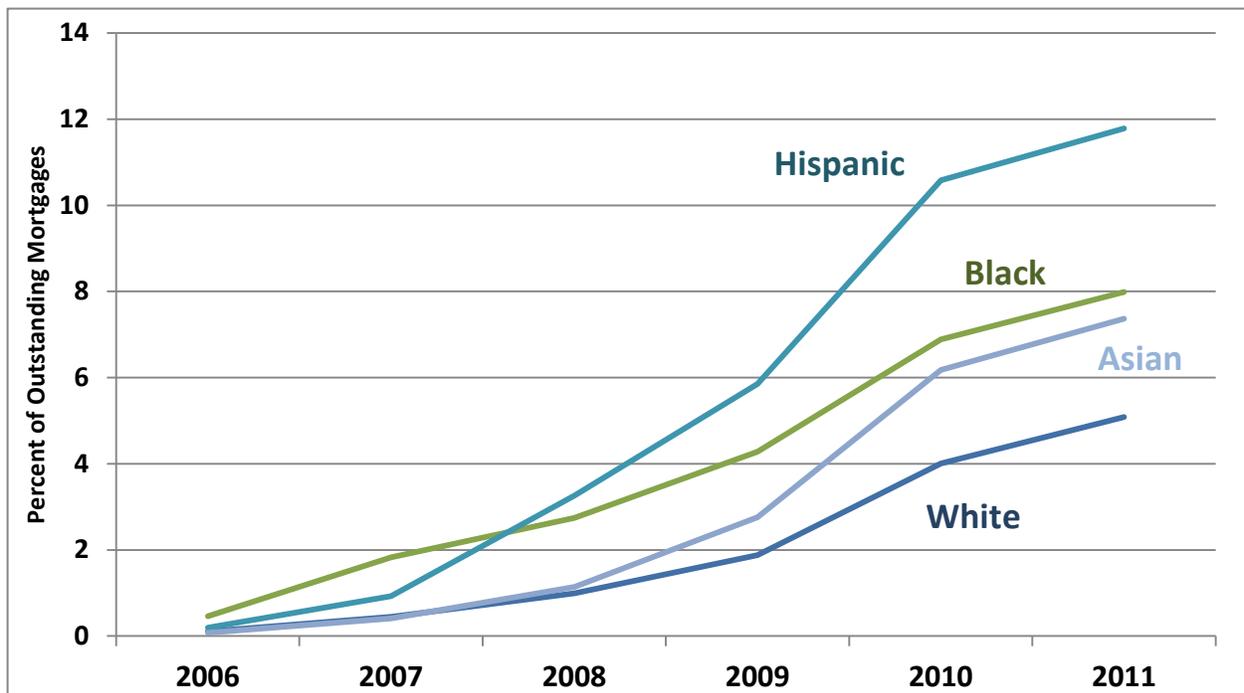
Between the second quarters of 2009 and 2010, the number of foreclosures in San Francisco declined by 27 percent, as opposed to 39 percent throughout the region at large. Therefore, while the number of regional foreclosures dropped between 2009 and 2010, they did so at a slower pace in San Francisco than in surrounding communities. Research has shown that a large share of this most recent wave of foreclosures was precipitated by subprime and predatory lending that often targeted racial/ethnic and

⁷⁶ *Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners*. Center for Responsible Lending. December 2006.

linguistic minorities, making it a fair housing issue.

Nationally, foreclosure rates for Latino/Hispanic households are the highest. In one study, nearly 12% of Latino/Hispanic owned mortgages were in foreclosure or REO status after five years. African American households follow, with foreclosure rates of about 8%, 5 years following loan inception (Figure 5-2).

Figure 5-2: Loans in REO or Foreclosure by Race, 2006-2011



Note: Data are from a representative sample of loans from the largest 50 MSAs, originated in 2005. Data are measured in January of each year. Source: Carolina Reid, PhD, Federal Reserve Bank Of San Francisco.

Foreclosure data at the local level are not disaggregated by race but data do indicate higher foreclosure rates in San Francisco neighborhoods with higher minority concentration; low-income neighborhoods in the southeast have been disproportionately affected by the foreclosure crisis. Foreclosures are most prevalent in the Southeastern neighborhoods of Bayview/Hunter’s Point, Visitacion Valley, and the Excelsior. In these neighborhoods the foreclosure rate is 4-6%- of all mortgages 4-6% of them are expected to foreclose in a single year.

In response to rising foreclosures across the country, the federal government has initiated several programs that provide homeowners facing foreclosure with opportunities to modify or refinance their mortgage to make monthly payments more affordable. However, one challenge associated with these some of these programs is that borrowers must actually be in default to qualify for assistance. Homeowners who have not yet missed payments but are struggling to make their payments are ineligible. Another challenge for San Francisco is that the City is ineligible for funding through the Neighborhood Stabilization Program (NSP), one of the largest foreclosure intervention programs. While foreclosure rates in Southeastern neighborhoods are destabilizing families and communities, the City’s overall

foreclosure rate is too low to qualify for NSP funds that could address this crisis.

A growing number of private loan modification institutions prey on low-income homeowners in default or having difficulty meeting their mortgage payments. Some of these groups scam borrowers by illegally collecting up-front fees,⁷⁷ misrepresenting services, or knowingly taking on borrowers would clearly not qualify for a loan modification. As discussed later in this AI, homeowners with limited English proficiency are particularly vulnerable to these scams.

5.2.2 ***Programs to Remove Barriers to Homeownership***

5.2.2.1 *FHA Loans*

Households which face difficulty qualifying for a conventional mortgage may decide to use a Federal Housing Administration (FHA) loan. FHA loans are insured by the federal government, and have traditionally allowed lower-income households to purchase homes that they could not otherwise afford. Thanks to the FHA insurance, these loans have lower interest rates, require a low down payment of 3.5 percent, and have more accessible underwriting criteria. FHA loans have become more popular as underwriting practices for conventional mortgages have become stricter.⁷⁸ In addition, more homebuyers are eligible for FHA loans as a result of declining home prices. In San Francisco County the FHA loan limit for a single-family residence is \$729,750.⁷⁹ (Between January 1 and September 10, 2010, the median sale price for a single-family residence in San Francisco was \$710,000. As such, slightly more than half of the homes sold during that timeframe were eligible for an FHA loan.)

Despite the more favorable terms associated with FHA loans, there are some challenges associated with purchasing a home with a FHA-backed mortgage. First, stringent guidelines regulate what properties are eligible for purchase. Properties must meet certain requirements related to the condition of the home and pass an inspection by FHA representatives.⁸⁰

FHA also has stringent requirements for condominium purchases that pose additional challenges. One requirement is that a certain percentage of units in a condominium project must be under contract before FHA will back a condominium mortgage. Recently FHA raised the presale requirement 25 percent to 51 percent of units. This can create a “Catch-22” situation where FHA will not issue loans until a certain percentage of units are sold, but developments cannot reach that threshold if buyers are unable to get mortgages. Additionally, FHA will not back mortgages in developments where more than 15 percent of homeowners are 30 days delinquent on homeowners’ association dues or in projects where a single entity owns more than 10 percent of units. This latter restriction can create problems as many developers are

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In California, as of October 11, 2009, Senate Bill 94 prohibits any person, including real estate licensees and lawyers, from demanding, charging, or collecting an advance fee from a consumer for loan modification or mortgage loan forbearance services.

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Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

⁷⁹

FHA Loan Limits for California, http://www.fha.com/lending_limits_state.cfm?state=CALIFORNIA.

⁸⁰

Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

forming companies to buy units and rent them out due to the slow housing market.⁸¹

Another potential barrier is that not all banks issue FHA loans. Moreover, many loan officers prefer to focus on conventional mortgages because of the added time and effort associated with processing and securing approval on a FHA loan.⁸²

5.2.2.2 *First-Time Homebuyer Programs*

In addition to conventional mortgages and FHA loans, the City offers various first-time homebuyer programs. These include the Down payment Assistance Loan Program (DALP) and the City Second Loan Program. Down payment assistance and second mortgage programs are attractive to potential homebuyers, particularly during times when financial institutions are approving loans at lower loan to value ratios. However, loan officers sometimes seek to avoid homebuyers utilizing first-time homebuyer programs due to the added time and labor associated with these programs. While lenders typically process conventional loans in 30 days, the closing period for homebuyers using first-time homebuyer programs is often 45 days. In addition, loan officers receive smaller commissions under these programs, as they reduce the amount homebuyers need to borrow from the lender.⁸³

San Francisco has dealt with these issues by developing relationships with particular loan officers who are familiar with the State and local programs and are willing to assist homebuyers with the application process.

Some real estate brokers also prefer not to work with homebuyers using first-time homebuyer programs. Brokers aim to expedite the closing period, while first-time homebuyer programs generally result in extended loan approval processes. As a result, agents may not tell homebuyers about potential State and local programs they would qualify for. Homebuyers who do not attend first-time homebuyer classes or work with nonprofit housing counseling agencies are often unaware of programs available to assist them.⁸⁴

5.2.3 ***Recommendations to Remove Barriers to Homeownership***

Invest in financial literacy programs for low-income households, particularly targeting African American and Latino communities.

Partners: MOH, OEWD, Community Based Organizations

Given large racial disparities in loan approval rates, it is recommended that the City assess how financial education services could be further expanded, especially in African American and Latino communities.

⁸¹ "Condo buyers find it tough to get mortgages," *San Francisco Chronicle*, August 5, 2009. <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/08/05/BUCT190GMM.DTL&tsp=1>

⁸² Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

⁸³ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009.

⁸⁴ Thompson, Samuel, Chase Bank, phone interview with BAE, July 8, 2009. Zhovreboff, Walter, Bay Area Homebuyer Agency / First Home, Inc., phone interview with BAE, July 16, 2009.

Economic security is only achieved when families save and build assets, as they do through homeownership. Yet low-income families often lack asset building opportunities. In San Francisco, an estimated 40,000 households (11%) are un-banked. Check cashing companies, pawnshops, and payday lenders are among the alternative financial services to the formal financial sector for lower-income households. Low- and moderate-income people see these banking alternatives as more convenient and accessible than conventional sources; unfortunately, they are associated with high fees and do not enable families to build long-term, sustainable asset wealth. Financial education programs and IDAs (individual development accounts) can help low-income families spend and invest more wisely. Some community-based organizations are funded with CDBG dollars to provide financial literacy services in accordance Consolidated Plan goals- such programs may be expanded.

Invest in pre-purchase homeownership counseling for potential first-time homebuyers.

Partners: MOH, Community Based Organizations

It is recommended that the City increase investment in pre-purchase homeownership counseling for first-time homebuyers.

Homeownership counseling can include everything from credit repair, financial planning, and information on mortgage products available. First time homebuyer education is a critical piece in preventing foreclosure, as it prepares buyers to make savvy and realistic purchase decisions rather than accepting loan terms beyond their means. Research has shown that a large share of this most recent wave of foreclosures was precipitated by subprime and predatory lending that often targeted racial/ethnic and linguistic minorities, making it a fair housing issue. MOH provides grants to community based organizations to provide group and individual counseling, and clients give positive reports of their experiences- these services should be expanded to reach a broader constituency.

Invest in foreclosure counseling for neighborhoods experiencing a high number of foreclosures.

Partners: MOH, Community Based Organizations

It is recommended that the City prioritize additional funds for foreclosure counseling services in the Southeastern Neighborhoods, so that counselors can be effective in advocating for every client they receive.

MOH funds several organizations who provide foreclosure counseling, however, the City has been a stronger leader in providing first-time homeowner counseling than in supporting foreclosure counseling services. Foreclosure counselors in neighborhoods that are hard hit by foreclosures are having difficulty keeping up with the need for their assistance, and can no longer provide intensive one-on-one guidance. Individual advocacy is perceived as more effective than group training, as counselors can interface directly with loan officers in negotiating loan modifications and other solutions to a default.

Collaborate with the San Francisco assessor recorder's office to research the issue of foreclosures, particularly foreclosures in multifamily properties, and examine opportunities for City intervention.

Partners: MOH, City Assessor's Office, Community Based Organizations, Landlords, Loan Servicers.

As the office responsible for Citywide housing policy, it is advised that MOH partner with the Assessor-Recorder to ensure that opportunities for local policy action to prevent and mitigate foreclosures are identified and implemented.

To date, the Office of the Assessor-Recorder has taken a leadership role in addressing foreclosures in San Francisco. However, the office has limited staff time to address the full range of policy and legislative issues related to the foreclosure crisis. For instance, little is known about the prevalence of foreclosures in rental buildings and issues facing the tenants. A partnership between MOH and the Office of the Assessor-Recorder will need to begin with a review of data available from the Assessor-Recorder and/or the Department of Building Inspection to better understand local foreclosure trends.

5.2.4 Representation of Racial and Ethnic Minorities in Affordable Housing and Public Housing

Each type of assisted housing targets households at a particular income range. In many cases, income is the only qualifying factor for housing assistance (this does not include housing developments and programs that are dedicated to the assistance of target populations, such as seniors or those with special needs). Therefore, the distribution of households in the City's assisted housing stock should generally resemble the distribution of households that are income-qualified to live in that stock. A disparity may indicate a fair housing concern insofar as institutional arrangements unfairly favor one group over another in providing access to assisted housing. Such institutional arrangements could include the outreach and recruitment practices of the management company, the failure to provide universally accessible units, or the underfunding of certain targeted housing types.⁸⁵ The following section provides an analysis of representation in affordable housing by race/ethnicity.

5.2.4.1 Overview

Figure 5-3 displays the racial/ethnic composition of the residents of assisted rental housing developments and Section 8 voucher recipients. The racial background of tenants of assisted developments was compared to renter households that earned up to 50 percent of AMI in 2007.⁸⁶ This comparison group was

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The Mayor's Office of Housing analyzed the following data to examine this potential fair housing issue.

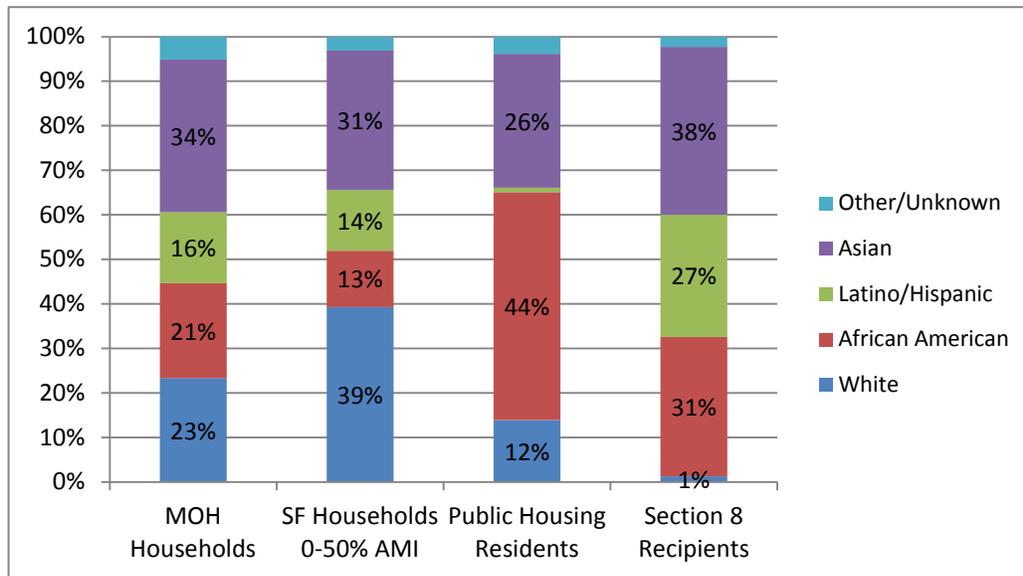
- MOH Annual Monitoring Report from 2008: includes all MOH-supported affordable rental buildings
- Redevelopment Agency data on applicants for ownership developments
- MOH data on the Below Market Rate units that result from Inclusionary Zoning
- San Francisco Housing Authority data on race/ethnicity in Public Housing and Section 8 programs
- Lottery data from four affordable rental buildings that opened for lease-up in recent months
- The Census Bureau's American Community Survey (2005-2007 3-year Estimates)
- HUD 2009 CHAS data

⁸⁶ The most recent year for which such data are available

selected because households must earn no more than 50 percent of AMI to qualify for these developments.

African American households were represented in proportion to their presence in the comparison group, and Latino/Hispanic households as well as white households racial/ethnic were underrepresented.

Figure 5-3: Comparison of Assisted Housing Residents And Other Very Low Income Residents by Ethnicity



Sources: SFHA, 2010; MOH, 2010; CHAS, 2009.

5.2.4.2 City Assisted Affordable Housing

The decline in African American and white low-income renters in San Francisco (see page 29) is mirrored by a decline in residents from those ethnic groups in new affordable housing (Figure 5-4). There is likely a relationship between the net decline in African American population, and the decline in African American residents applying to new affordable housing. Still, some stakeholders believe the City should do more to increase the number of African Americans served by affordable housing and BMR units. For instance, one respondent to the AI request for public feedback stated:

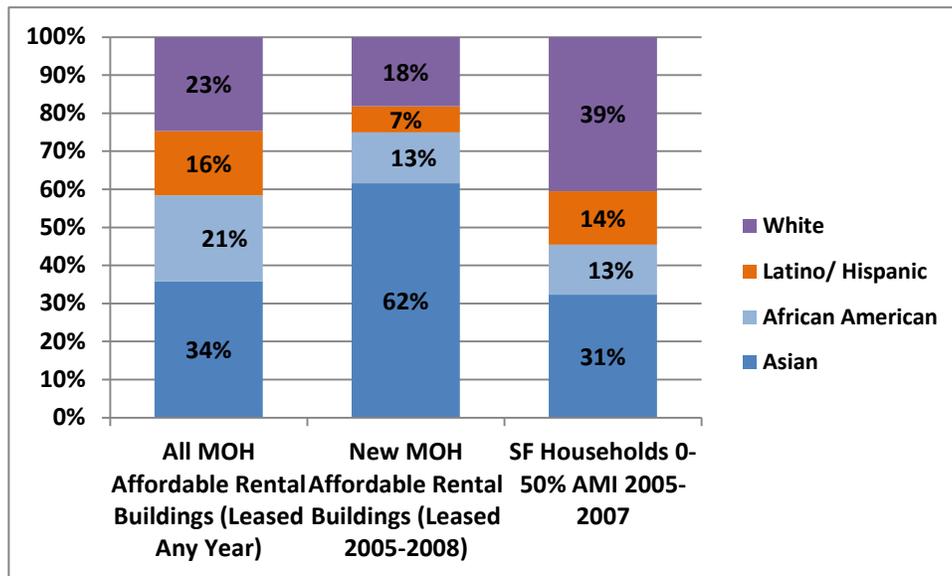
“There are many people who do not know that they qualify for the [Certificate of Preference Program] as they were children when the redevelopment in Western Addition and Bayview occurred. Many of these people are now seniors, often long time residents, and are still in need of housing. Greater outreach is needed to identify African Americans with Certificates of Preferences, as well as an extension of the COP program beyond 2016.

“The concern is the primarily African American population who suffered the most during the redevelopment will not have access to the new housing being created. There is a

general lack of knowledge about how to apply for housing and a perception that the lottery system will not benefit African Americans because they are such a small part of the population.”

Alongside a decline in African American and white low-income populations, the City has seen a slight increase in the population of low-income Asian renters and a large increase in low-income Latino residents. Considering the overall growth in low-income Latino residents, the significant under-representation of Latino households in new affordable housing developments warrants concern. 14% of the City’s very low-income households are Latino/Hispanic but only 7% of the residents in new MOH housing are Latino/Hispanic. Figure 5-4 shows that MOH-supported building which have leased-up recently have a higher proportion of Asian tenants and a lower proportion of all other ethnicities than in older buildings.

Figure 5-4: Comparison of Residents in New And Old MOH Assisted Housing and Other Very Low Income Residents

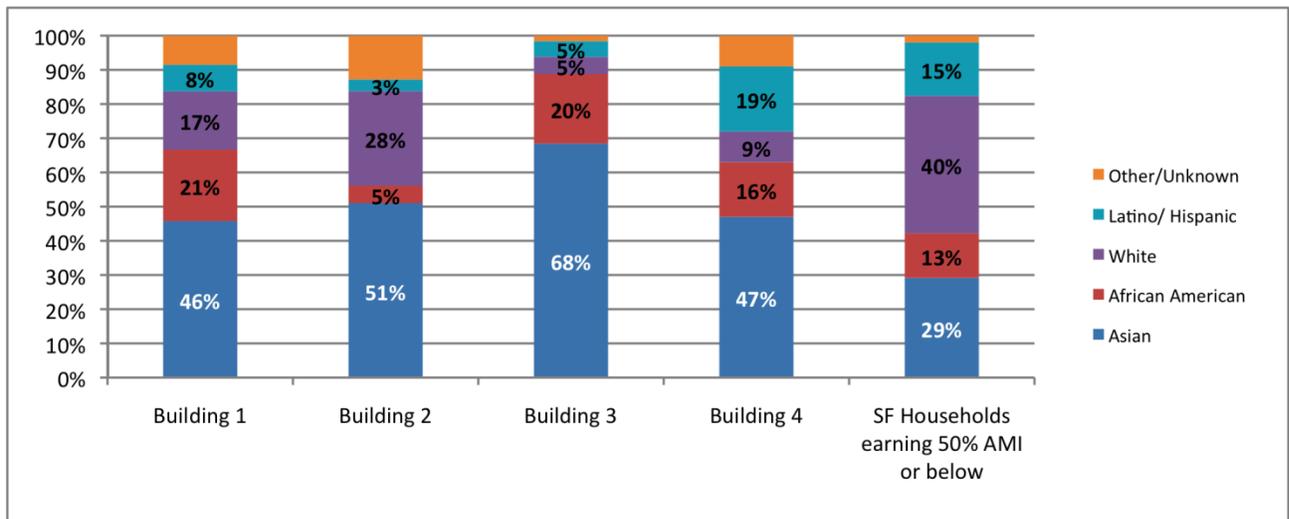


Sources: MOH, 2010; CHAS, 2009.

Although complete data are not available on the race/ethnicity of applicants to affordable housing, data for four specific developments imply that underrepresentation of white and Latino households is reflective of underrepresentation in the applicant pool, as well as possible disproportionate impact of screening and lease-up practices. The racial breakdown of applicants to any particular building reflect a variety of factors that correlate with race, such as the neighborhood location and the specific target population (e.g. seniors, families, homeless, transition age youth).

Because each building targets a slightly different population, and is located in a specific neighborhood, MOH does not require that the racial breakdown of every building perfectly represent that of the comparison group (0-50% AMI households with at least one housing problem). Nevertheless, the consistent over-representation of Asian American households and the persistent under-representation of Latino/Hispanic and white households is cause for concern. This pattern demonstrates a need for more robust outreach and marketing strategies to all ethnic groups, and most particularly to Latino/Hispanic households.

Figure 5-5: Applicants to Four Affordable Rental Buildings by Ethnicity



Sources: MOH, 2010; CHAS, 2009.

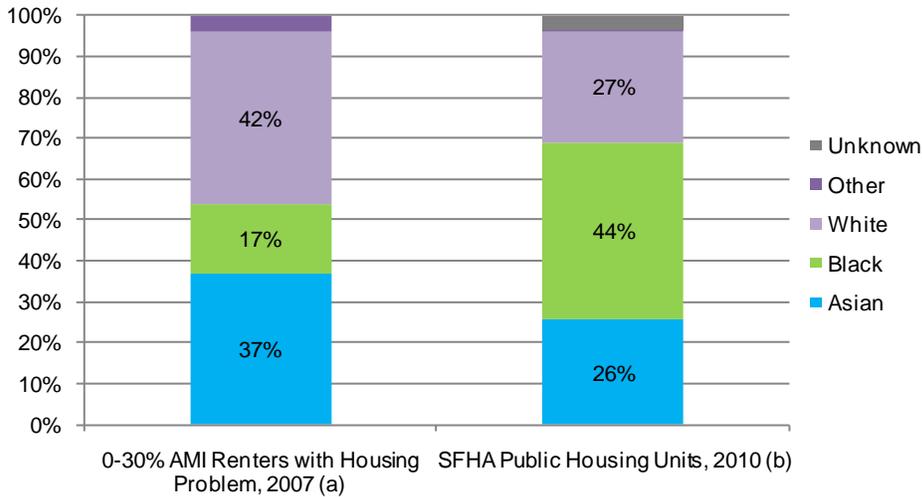
5.2.4.3 Public Housing

As of 2010, the average household income among SFHA residents was \$13,640. The socioeconomic status of Section 8 voucher recipients was similar. Therefore, for the purposes of this analysis, both public housing residents and Section 8 voucher recipients were compared to renter households with housing problems that earned up to 30 percent of AMI.

Comparing the distribution of public housing residents to the comparison group was complicated by two factors. First, SFHA did not provide data on Hispanic residents. Therefore, the comparison group was limited to the universe of non-Hispanic households only. Second, SFHA collected data on individual residents, rather than the head of household. This makes comparison to CHAS data problematic, which focuses exclusively on the head of household.

Even accounting for these caveats, Figure 5-6 below shows that among the non-Hispanic residents of SFHA public housing units in 2010, Blacks were significantly overrepresented relative to the comparison group, while the number of whites was correspondingly low. Contrary to the trends seen in MOH-assisted and BMR units above, the representation of Asian residents in SFHA units was either on par with the comparison group, or somewhat lower.

Figure 5-6: Distribution of Residents in Public Housing Units by Race, 2010 (a)

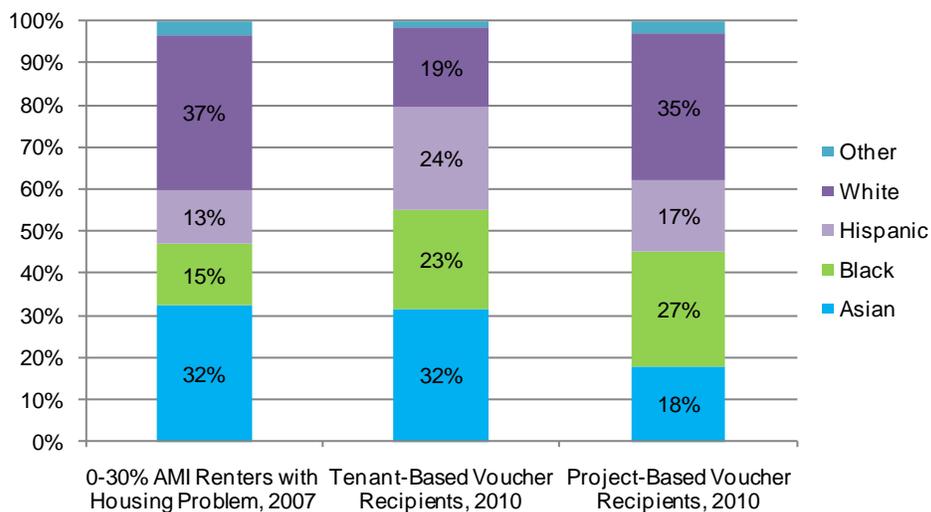


Notes: (a) Data on Hispanic residents of SFHA units were not available. As such, the household distribution among the comparison group was taken from the universe of non-Hispanic households.
 (b) The SFHA tracks the race of individuals, not heads of household. Therefore, the above chart compares household data to population data and thus does not provide a direct comparison.
 Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations

Comparing the distribution of Section 8 voucher recipients to the CHAS comparison group is similarly complicated by the fact that SFHA tracks the race/ethnicity of individuals served, rather than the heads of household. Again, the comparison group was limited to those renter households with housing problems that earned up to 30 percent of AMI.

In 2010, among tenant-based voucher recipients, Asians were represented on par with their proportion of the comparison households. Hispanic and black recipients were somewhat overrepresented among this group. In contrast, the representation of white recipients (19 percent) fell far below their share of comparison households (37 percent). One stakeholder offered an explanation that “The overrepresentation of African Americans in public housing is due in part to the past history of discrimination and low economic opportunity [as well as] redevelopment activities in the 1960s and 1970s.” Among project-based voucher recipients, Asian residents were underrepresented, while black residents were overrepresented.

Figure 5-7: Distribution of Section 8 Vouchers by Race, 2010 (a)



Note: (a) The SFHA tracks the race of individuals, not heads of household. Therefore, the above chart compares household data to population data and thus does not provide a direct comparison.

Sources: HUD, Comprehensive Housing Affordability Strategy (CHAS), Special Tabulations from the American Community Survey 2007; SFHA, 2010; BAE, 2010.

5.2.4.4 Conclusion

In summary, among San Francisco’s various forms of assisted housing, whites were consistently underrepresented relative to the comparison group. Hispanic/Latino households were the next most underrepresented group. The population of tenant-based voucher recipients was the only group among which Hispanic/Latino identified household were represented in excess of their share of the comparison group. African Americans tended to be represented either on par with or somewhat in excess of their representation in the comparison group, with the exception of the Below Market Rate (BMR) ownership program. African Americans were represented more heavily in public housing developments and as recipients of Section 8 vouchers than in other forms of assisted housing. Finally, while Asians were underrepresented among the recipients of SFHA subsidies, they were overrepresented among new MOH-assisted units and BMR units.

5.2.5 Recommendations to Ensure Fair Representation of Racial and Ethnic Minorities Affordable Housing

Eliminate unintended discrimination in screening applicants for City-Supported Affordable Housing.

Partners: MOH, DPH, HSA, Managers of Affordable Housing

It is recommended that City agencies and the managers of affordable housing work together to create screening standards for City sponsored affordable housing. These standards should follow best practices to reduce disproportionate impact on people of color. For instance, best practices recommend individualized assessments rather than blanket exclusions in considering criminal records. New standards will require affordable housing managers to re-examine their application forms and processes, as currently application forms and processes are variable and specific to particular developers and projects.

In selecting tenants, MOH funded affordable housing developments screen tenants based on whether they will be able to pay rent, maintain property, and live safely with other tenants and staff. Criminal background checks, credit checks, and eviction history are commonly used to help judge these qualifications. However, these methods may result in disproportionate refusal of African American and Latino applicants.

Information on criminal record clearly has a disproportionate impact on African Americans. African Americans represent 60% of the parole population (all parolees have been incarcerated within the past 2-5 years). Impediments to fair housing facing people with a criminal record will be examined in the next section.

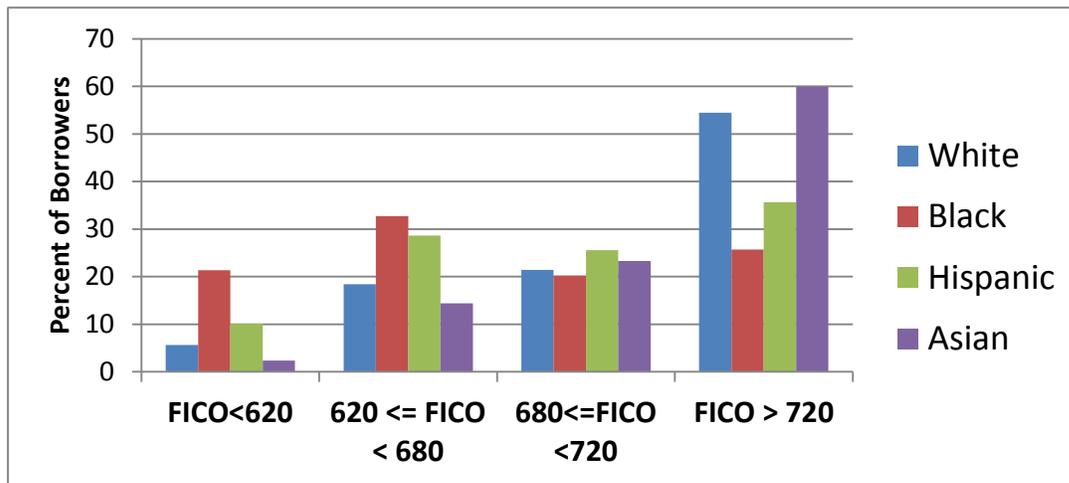
Table 5-5: Jail Population, Parole Population and General Population by Race

		Jail Population	Parole Population	General Population
Race/Ethnicity	African American	58%	60%	7%
	Hispanic/Latino	15%	7%	14%
	White (non-hispanic)	18%	25%	45%
	Asian/Other/Unknown	9%	8%	31%

Source: Joan Allen, San Francisco Reentry Council

Similarly, reliance on credit history may have a disproportionate impact on African Americans and Latinos, as these ethnic groups represent the largest proportion of low-credit scores and the smallest proportion of high credit scores. FICO scores are the most widely used credit score model in the United States, the FICO score is calculated statistically, with information from a consumer's credit files.

Figure 6.8: Comparison of Credit Scores by Race



Source: Carolina Reid, San Francisco Federal Reserve Bank

Implement an outreach and attraction strategy for qualifying Latino/Hispanic households.

Partners: MOH, Affordable Housing Developers

Due to the consistent underrepresentation of Latino and Hispanic households in City-supported rental housing, it is advised that deliberate and culturally appropriate marketing to these residents be increased.

All developers are required to design and implement a “marketing plan” for every new building. Marketing plans include detailed outreach and lease-up procedures that affirmatively further fair housing goals. In practice, however, developers vary in their effectiveness at reaching particular populations. Evidence suggests that as a whole, affordable housing developers in San Francisco are less effective at reaching Latino/Hispanic families than other low-income populations, which leads to an underrepresentation of this ethnic group in affordable housing.

New strategies may include:

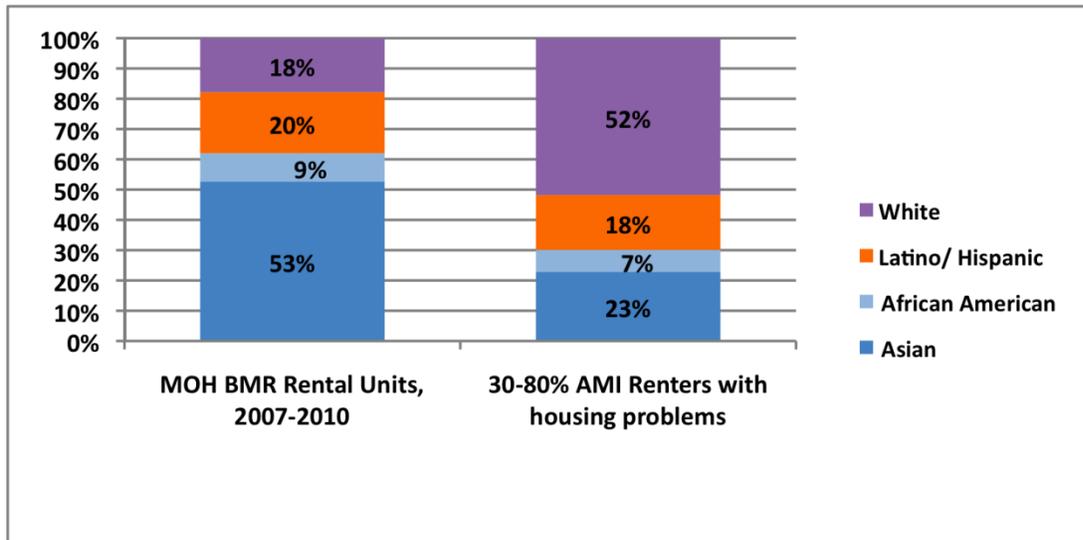
- Translation of key documents like application forms and leases into Spanish
- Translation of media like websites, brochures, and flyers into Spanish
- Feedback from Latino households in the master planning process to ensure unit and building design are culturally appropriate
- Locations for affordable housing in neighborhoods desirable to Latino/Hispanic residents
- Outreach through service providers as well as businesses, churches, and other liaisons
- Improve knowledge regarding the City’s Sanctuary City Ordinance to ensure potential applicants know that immigration status will not be considered in the application process.

5.2.5.1 Inclusionary and BMR Programs

In addition to units that receive direct loan or grant assistance from the City, some affordable housing units are built in compliance with San Francisco’s Inclusionary Zoning Ordinance. This ordinance offers market-rate developers a choice between paying a fee into the Affordable Housing Fund or offering a

portion of their units at a below-market rate to qualified low income renters and buyers. Figure 5-9 shows racial/ethnic representation in the MOH stock of BMR rental units. In the case of BMR units, the comparison group is somewhat different than that used in the analysis of MOH-assisted units. Residents of BMR rental units tend to earn between 40 and 60 percent of AMI. These income limits do not correspond to those available in the CHAS dataset. Therefore, the comparison group was limited to renter households with some housing problem that earned between 31 and 80 percent of AMI.

Figure 5-9: Demographic Comparison of MOH Assisted Housing Residents and Low Income Residents with Housing Problems, 2007



Sources: MOH, 2011; CHAS, 2009.

Table 5-6: MOH BMR Residents by Race, 2007-2010

Mayor's Office of Housing BMR Program				
	Renters		Owners	
	#	%	#	%
African American	10	11%	7	1%
Asian	48	53%	351	69%
White	14	16%	113	22%
Latino/Hispanic	18	20%	36	7%
Total	90	100%	507	100%

Source: MOH, 2011.

As with the stock of new MOH-assisted units, Asian households were heavily overrepresented in both the BMR rental and ownership units built between 2007 and 2010, while white households were underrepresented more than any other racial/ethnic group. Among the BMR rental units, the proportion of both Hispanic and black households was slightly higher than in the comparison group. However, all

non-Asian households were significantly underrepresented in the ownership units, among which nearly 70 percent were sold to Asian households. African Americans were particularly under-represented. In explaining the under-representation of African Americans in BMR housing, and declining representation in affordable housing, one stakeholder states, “There is a general lack of knowledge about how to apply for housing and a perception that the lottery system will not benefit African Americans because they are such a small part of the population. Credit issues are another large barrier to applying for housing to the point where people assume they won’t pass the credit test before they even try. Past criminal histories are also a barrier no matter how long ago the crime was committed.”

Unlike the Mayor’s Office of Housing, the San Francisco Redevelopment Agency (SFRA) directly invested in affordable home-ownership opportunities. Examining racial representation in SFRA ownership buildings, African Americans are better represented, but Latino households are still under represented. African American buyers purchased 28% SFRA Ownership Units. To better understand why SFRA buildings have been more successful at attracting African American buyers, we closely examined data on several Affordable Homeownership buildings that have recently opened in redevelopment areas. Data show that success varied from one development to another. Variation is likely due to a combination of factors including location, efficacy of marketing, occupancy criteria, downpayment assistance, unit prices, and income targeting. Unfortunately, data also show that a large percentage of the initial applicants fail to make it through the entire home-purchase process to become homeowners. Across three recent SFRA affordable homeownership developments, African Americans represented 13% of the total applicants but only 5% of those with final approval to buy. This discrepancy is tied to issues of credit history, employment history, and the willingness of buyers to move through a complicated and intimidating process.

Table 5-7: MOH & SFRA Affordable Homeownership Units by Buyer’s Race, 2010

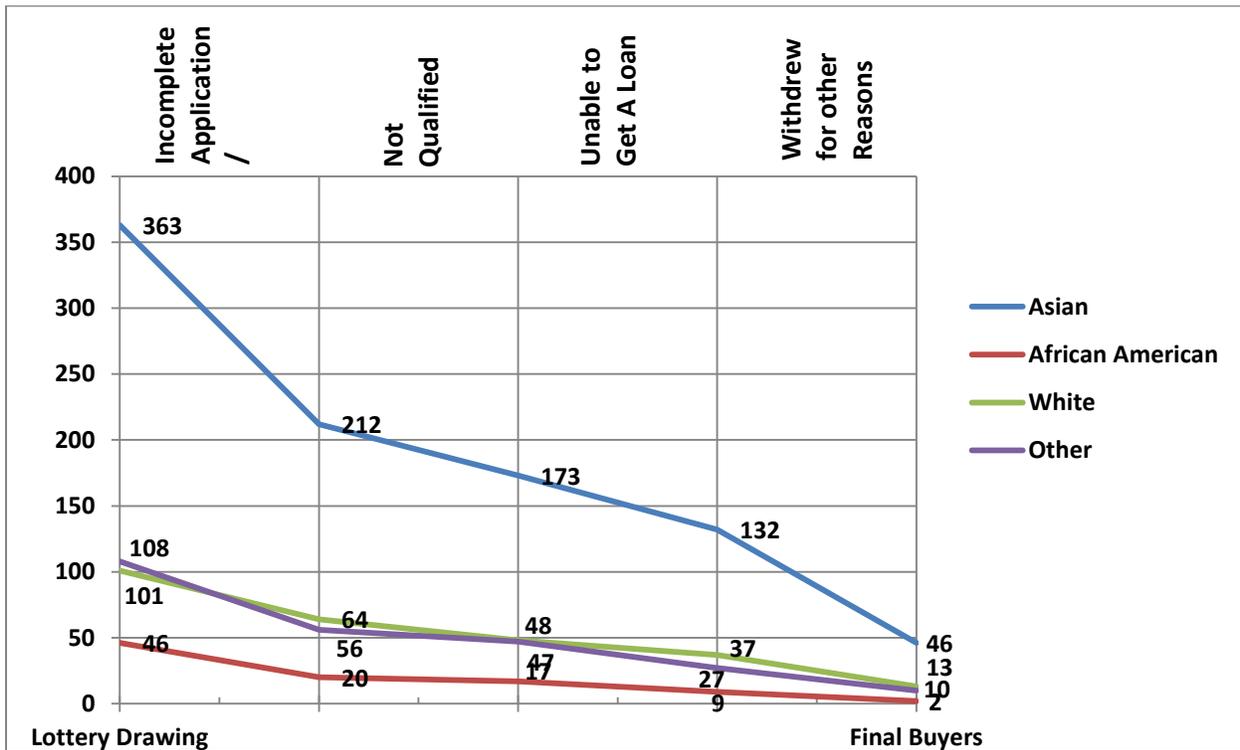
MOH & SFRA Ownership Unitsⁱ				
	SFRA		MOH BMR	
	#	%	#	%
African American	89	28%	7	1%
Asian	132	41%	351	69%
White	74	23%	113	22%
Latino/Hispanic	25	8%	36	7%
Total With Data	320	100%	507	100%

Note: Data do not include all ownership units, only those with buyer’s race data available.

Sources: MOH, 2011; SFRA, 2011.

Once case study, shown below, indicates that over half of the African American buyers failed to complete the application process. Of those who were qualified to buy by SFRA, half couldn’t get a mortgage. Asian and white applicants were more successful in making their way through the purchase process. Unfortunately, no data were available on Latino/Hispanic buyers.

Figure 5-10: SFRA BMR Applicant Attrition, 2010



Source: SFRA, 2011.

Strengthen outreach and publicity for City-supported ownership housing to Latino and African American communities.

Partners: MOH, Housing Developers

Data on applicants for affordable homeownership suggest that the City needs to strengthen its efforts to consistently publicize the availability of ownership housing to all ethnic groups.

All developers are required to affirmatively further fair housing in their marketing of new BMR and affordable ownership units. However, in practice some developers invest more deeply in community-based outreach than others. Due to differences in marketing, as well as differences in the buildings themselves, each affordable ownership building has a different demographic profile. However, taken together, disproportionate numbers of Asian applicants suggest that pathways by which people learn about and apply for BMR housing are more developed within the Asian community than others.

Support potential homebuyers with counseling to provide support and technical assistance throughout the entire process.

Partners: MOH, Community Based Organizations, Housing Developers

It is recommended that the City increase investment in intensive pre-purchase homeownership counseling and support for BMR applicants.

Homeownership counselors can help families entering the complex BMR purchase process to navigate an intimidating, sometimes intrusive process of financial scrutiny. Counselors can also help families find an appropriate mortgage. Given extremely high drop-out and disqualification rates in the BMR home purchase process (almost 10 applicants begin the process for every one that succeeds), and a trend indicating Asian and white households are more successful in making it through the process, it is recommended that the City increase investment in pre-purchase support for BMR applicants. Currently, applicants are required to take a “homeownership basics” class but do not receive ongoing counseling support throughout the process. Priority should be placed on culturally appropriate services for African American and Latino/Hispanic applicants.

5.3 Criminal Record

5.3.1 *Background*

One in four adults in California (almost 7 million Californians) has a misdemeanor or felony arrest or conviction record. Due to expansion of the for-profit criminal background check industry, criminal background checks are routinely used to determine the risk of renting to a prospective tenant.

Housing discrimination on the basis of a criminal record is a Fair Housing issue as disproportionate numbers of African Americans, Latinos, and people with a disability have had criminal justice system involvement. In particular, African Americans are grossly overrepresented in the San Francisco parole and probation populations (Table 5-8), while Asians and non-Hispanic whites are underrepresented. This pattern is consistent with nationwide trends and points to institutional racism in the criminal justice system as well as socio-economic factors, like poverty, that increase a person’s likelihood for criminal justice involvement. A young black man aged 16 in 1996 had a 29-percent chance of spending time in prison at some time in his life. The comparable figure for white men was 4 percent.⁸⁷

More than one in three jail inmates report a disability and nearly 1 in 5 inmates in U.S. prisons reports having a mental illness.⁸⁸ In fact, prisons and jails in the U.S. treat more people with mental illness than hospitals and residential treatment facilities combined.

Housing for people with a criminal record a fair housing issue, and it is also an issue the City must consider for fiscal and safety reasons. Individuals who have been released from prison but who have no permanent housing are much more likely to commit crimes again and to be reincarcerated. This cycle is self-defeating and it is a factor in destabilizing families and communities.⁸⁹ Furthermore, repeat offences are a financial and administrative burden for the City. Public safety departments account for 38% of General Fund spending.⁹⁰

⁸⁷

Ibid.

⁸⁸

Ibid

⁸⁹

Bishop, 2008

⁹⁰

From the Mayor’s proposed budget for FY 2011-2012 available here: <http://sfmayor.org/index.aspx?page=434>

Table 5-8: San Francisco Jail and Parole Population by Gender and Race, 2008

		Jail Population	Parole Population	General Population
Gender	Male	87%	94%	51%
	Female	13%	6%	49%
Race/Ethnicity	African American	58%	60%	7%
	Hispanic/Latino	15%	7%	14%
	White (non-Hispanic)	18%	25%	45%
	Asian/Other/Unknown	9%	8%	31%

Sources: Allen, 2008.

5.3.2 *Impediments to Fair Housing*

5.3.2.1 *Blanket Disqualification*

While the use of arrest and conviction records can help ensure public safety, as long as that use is clearly defined and balances the need for equal opportunity and personal privacy, much of the discrimination against people with criminal records is based on fear, lack of information, and prejudice. Many offenses are unrelated to housing and irrelevant to consider in judging a person’s potential as a good tenant. Nevertheless, according to the San Francisco Adult Probation Department, many landlords automatically disqualify applicants with a criminal record.

5.3.2.2 *Inaccurate Background Checks*

Criminal background checks are notoriously inaccurate. The first problem results from the fact that criminal records are compiled by numerous entities in the criminal justice system, each with a different purview and with distinct laws governing access to their records. Local RAP sheets, FBI RAP sheets and court records from State, County, and Federal courts are common sources of criminal records. Private companies rely on one or more of these sources to compile their history, but there is very little external or internal regulation of the industry. According to research, there is “a striking contrast between public repositories’ obvious concern about accuracy of the information they dispense and the lack of such concern on the part of private companies...[Furthermore,] the absence of reliable identification procedures [amongst private vendors] raises the possibility of serious mistakes based on scrambled identities.”⁹¹

Private criminal background check services are commonly used by employers and landlords. 50% of employers use a private contractor to do a criminal background check on potential employees and the use of such services is nearly universal in determining eligibility for City funded affordable housing.

⁹¹ Bushway, Stoll, Weiman, 2007

5.3.2.3 Access to Shelter

In San Francisco there are 9,500 people who are on parole or probation and a severe lack of transitional reentry housing for people leaving jail and prison, resulting in a high rate of homelessness for this population. For those with no place to go upon release, shelter beds are the only alternative to sleeping on the street. The rate of homelessness amongst parolees is as high as 30% to 50%.⁹² Rates of shelter use are higher for people exiting prison than for people exiting mental hospitals.⁹³

5.3.2.4 Access to Transitional Housing

Most of the affordable housing options in San Francisco are permanent affordable housing intended for long-term residency. However, there are a few transitional housing opportunities. The Mayor's Office of Housing oversees 430 apartment units and residential treatment beds in transitional facilities.⁹⁴ Many focus on drug treatment, and some specifically serve those with mental disabilities or psychiatric disabilities. One transitional housing program overseen by MOH houses people leaving jail or prison.

Many people leave jail or prison with a history of addiction and need support to transition into the community smoothly without falling prey to their addiction. In fact, 70 to 85 percent of State prisoners need drug treatment; and just 13 percent receive it while incarcerated.⁹⁵

5.3.2.5 Access to Public Housing

On June 17, HUD Secretary Shaun Donovan sent a letter to public housing agency (PHA) directors regarding efforts to allow ex-offenders to reunite with their families living in subsidized housing, and discourage PHA's from using their discretionary authority to exclude broad categories of ex-offenders. The letter states, "There are only two explicit bans on occupancy from HUD assisted housing based on criminal activity. PHAs must establish a lifetime ban on admission to the public housing and voucher programs for individuals found to have manufactured or produced methamphetamine on the assisted housing premises, and for sex offenders subject to a lifetime registration requirement under a state sex offender registration program."⁹⁶

5.3.3 Recommendations to Remove Impediments to Housing Access

Update San Francisco Code to improve Fair Housing rights for people with a criminal record.

Partners: SF Reentry Council, Board of Supervisors

⁹² When Prisoners Return to the Community: Political, Economic, and Social Consequences, Petersilia, Joan, Nov 2000

⁹³ Getting Out with Nowhere to Go: The Case for Reentry Supportive Housing, CSH, 2009

⁹⁴ Mayor's Office of Housing data held in "AMRCompletenessLog-TransHsgShelters." For purposes of this report, shelters are excluded from unit count.

⁹⁵ Ibid

⁹⁶ National Low Income Housing Coalition, Memo to Members, June 24 2011. View Secretary Donovan's June 17 letter at <http://www.nlihc.org/doc/Donovan-PHA-ExOffenders-Letter.pdf>. View the 2004 report from Human Rights Watch at <http://www.hrw.org/en/reports/2004/11/17/no-second-chance>.

It is recommended that the City of San Francisco pass legislation to reduce housing discrimination against people with a criminal record.

An ordinance under development by the San Francisco Reentry Council⁹⁷ includes restrictions on considering criminal record for the purpose of determining housing eligibility in both market-rate and affordable housing. The ordinance would add criminal record to the list of protected factors under San Francisco Municipal Code, making it illegal to discriminate on the basis of a person's criminal record. In the case of housing, an exception would allow landlords to consider convictions that are substantially housing-related to assess an applicant's suitability to rent. The ordinance itself and procedural guidelines are currently under development with feedback from stakeholders, including private landlords and agencies involved in the management of affordable housing. The Mayor's Office of Housing has been involved with drafting this ordinance and will continue to provide feedback and support to ensure that a practical, implementable law comes into effect.

Fear and prejudice follow people with a criminal record in nearly all aspects of their life. Barriers to housing and work, in particular, hinder their ability to establish a healthy productive lifestyle. Housing discrimination on the basis of a criminal record is a Fair Housing issue as disproportionate numbers of African Americans, Latinos, and people with a disability have had criminal justice system involvement.

Require all landlords in affordable and market rate housing to provide criminal background-check back to client if it was used as basis for rejection.

Partners: MOH, SF Reentry Council, Board of Supervisors

It is advised that the criminal background check be provided to all housing applicants before a final decision is made regarding their tenancy.

The ordinance under development by the San Francisco Reentry Council would require landlords to provide a copy to the applicant if a criminal background check is run during the screening process. It is recommended that this component of the ordinance be supported. As housing managers are under pressure to fill units quickly, it is important that applicants have a timely opportunity to offer corrections, evidence of mitigating circumstances, evidence of rehabilitation, and requests for reasonable accommodation.

⁹⁷

The purpose of the Reentry Council of the City & County of San Francisco is to coordinate local efforts to support adults exiting San Francisco County Jail, San Francisco juvenile justice out-of-home placements, the California Department of Corrections and Rehabilitation facilities, and the United States Federal Bureau of Prison facilities. The Reentry Council is composed of 23 members. The membership includes 16 representatives from the departments and agencies of involved with public safety and health and human services in San Francisco. Learn more: <http://sfreentry.com/about-us/>

Train affordable housing providers and market rate landlords on the legal uses and contents of a private background check.

Partners: MOH, SF Re-entry Council, Legal Expert

The City should facilitate trainings for housing providers (both for-profit and non-profit) to increase compliance with legal restrictions on use of private background checks.

Protections in California state law intend to prevent misuse of privately generated criminal background checks, but these laws are habitually violated. Most landlords are not adequately informed about these laws and violate them unknowingly in an attempt to identify the best possible tenants. A summary of State prohibitions and requirements for use of private criminal background reports is below:

- A private criminal background report cannot include: (1) arrests or (2) convictions over seven years old. Cal. Civ. Code 1786.18(a)(7).
- Convictions dismissed under Cal. Penal Code 1203.4 and 1203.4(a) cannot be reported. Cal. Civ. Code 1786.18(a)(7).
- Within 3 days after requesting a background report from a reporting agency, a landlord must inform the prospective tenant that the agency is going to compile a report. The notice must include the name and address of the agency and explain how the prospective tenant can access his or her file. Cal. Civ. Code § 1786.16(a)(3)
- A landlord must give the prospective tenant the option to receive a copy of the report. If the prospective tenant opts to receive a copy, the landlord must send the report, along with contact information for the reporting agency that produced the report, to the prospective tenant within 3 business days of receiving it. § 1786.16(b)(1).
- If a landlord takes adverse action on the basis of information obtained from a private reporting agency, the landlord must provide notice that includes contact information for the agency that furnished the report and inform the applicant of his or her right to obtain a free copy from the CRA and to contest the accuracy or completeness of the report. § 1681m(a).
- If a landlord obtained a report from a CRA and then denied the applicant, the landlord must advise the prospective tenant of the adverse action and provide the name and address of the CRA that made the report. Cal. Civ. Code § 1786.40(a).

Develop a protocol within SF's Emergency Shelter bed reservation system for people who are exiting jails and prisons.

Partners: Sheriff's Office, SF Reentry Council, HSA, DPH, Homeless Coordinating Board

It is recommended that the City allow reservations to be made for incarcerated people by setting aside a number of beds for this population for their reservation during daytime that can then be released for others if not used. Furthermore, the City should establish an additional access point for staff and service providers inside jail facilities to use for connection to the real-time reservation system for Emergency Shelter beds.⁹⁸

Most parolees in California are released at the nearest bus station to their prison with \$200, no belongings, and no ID. It may be as long as 72 hours before they meet their parole officer for guidance

⁹⁸ Ibid

and an ID.⁹⁹ Approximately 55,000 people are booked into San Francisco city jails annually. When prisoners are released, they are escorted to County Jail #1, at 425 7th Street where their clothing, property, and money are returned. Some arrestees with significant health or mental health conditions receive help planning their release, including finding housing. However, most of those released from Jail have received no case management at all. Those without a home may be forced to sleep on the street because the reservation system for SF's Emergency Shelter beds has been designed to meet the needs of those who are currently homeless, not those leaving an institutional setting. Because many jail discharges occur after 7pm, there is scant opportunity for a homeless individual to secure shelter on their first night out.

The Reentry Council Subcommittee Health and Wellbeing notes, "there is not an access point for people exiting jails and prisons to allow for reserving a shelter bed prior to release, resulting in lack of immediate shelter upon release for those who do not know about reservation system, or who are unable to arrive at reservation site in time."¹⁰⁰

Ensure fair access to transitional housing

Partners: MOH, DPH, HSA, Transitional Housing Providers

It is advised that MOH work with other city partners and property managers to review admissions policies in transitional housing programs. Where screening criteria based on criminal background is unnecessarily discriminatory, screening processes and standards should be modified.

Transitional housing programs, such as residential rehabilitation programs for drug and alcohol abuse, could provide much-needed temporary support to certain individuals leaving jail and prison. However, some transitional housing programs bar those with a criminal background from enrollment. As the number of units is extremely limited, fair access is crucial.

Explore new funding sources for transitional reentry housing.

Partners: MOH, DPH, HSA, Sheriff, Adult Probation, Reentry Council, Courts

Housing agencies should work with the department of public health and public safety departments (especially the Sheriff's Department and the Adult Probation Department) identify funding for new transitional reentry housing.

Many people leaving jail and prison need a short-term housing solution while seeking employment and a permanent residence. However, for those who do not struggle with addiction or mental illness, the current stock of transitional housing is not a good fit, as most transitional housing includes a treatment regime.

With changes in the State budget, more funding may become available to local governments in order to serve local offenders (rather than sending low-level offenders to prison). The FY 2011-12 state budget assumes \$5.1 billion in public safety programs for realignment from the state to local governments in the budget year. This "realignment" funding may, in future years, be able to fund housing development. If realignment funding is unavailable or insufficient, it is advised that City agencies work together to identify other sources, especially since reentry housing results in cost-savings for the City as a whole, and for criminal justice departments in particular.

⁹⁹ The First 72 Hours of Reentry: Seizing the Moment of Release, Stanford Law School, 2008

¹⁰⁰ Reentry Council, 2010

Revise the tenant screening protocol and standardize practices as needed to ensure that promising applicants with a criminal record are not unnecessarily excluded from access to City supported affordable housing, Public Housing or Section 8 programs.

Partners: San Francisco Housing Authority, MOH, Affordable Housing Developers, Property Management Companies

It is recommended that the Mayor’s Office of Housing and the Housing Authority conduct internal reviews of current screening procedures and practices which may result in training or policy changes to ensure criminal records are not misused.

Stakeholders interviewed for the Analysis of Impediments to Fair Housing report that individuals with a relatively benign criminal history are too often denied access to affordable housing and public housing.¹⁰¹ MOH has not, to date, closely monitored how criminal records are used in the tenant screening process for City-supported affordable housing. Anecdotal evidence suggests widely varying practices. Many affordable housing owners and managers have valid concerns about the safety and security of their property and consider a wide range of criminal allegations and convictions to assess risks. However, when these risk aversion dwarfs the need for fairness, as when housers “play it safe” by excluding a broad group of formerly incarcerated individuals, practices may violate fair housing principles.

Like many affordable housing providers, the San Francisco Housing Authority uses arrest and conviction records to examine criminal activity and allegations for a 5 year period prior to consideration for admission:

“Examples of criminal offenses that will be considered include, but are not limited to: disturbing the peace, drunk and disorderly conduct, threats or harassment, domestic violence, including actual or threatened violence toward members of an applicant household, assaults, destruction of property, vandalism, citations for health and sanitary code violation, possession of an unlawful weapon, criminal damage, arson, and home invasion.”¹⁰²

Thus, the SFHA considers a wide range of criminal allegations and convictions, but does not call for blanket exclusions except those required by HUD for registered sex offenders and methamphetamine production. The SFHA uses criminal record to determine “the likely impact on a SFHA community and the danger to the health or safety of residents or staff”, taking into consideration dates, circumstances, seriousness of the offense, repeat offenses, rehabilitation efforts, and mitigating circumstances.

The San Francisco Housing Authority strives for the highest quality screening practices that do not unnecessarily exclude promising applicants who have a criminal record. However, members of the Analysis of Impediments Oversight Committee and the San Francisco Reentry Council have expressed that SFHA’s broadly discretionary tenant screening policies sometimes result in unjust or unnecessary denials.

¹⁰¹ Assessing Need for Reentry Services Among Probationers & Parolees in San Francisco, Allen, Joan, May 2008

¹⁰² San Francisco Housing Authority Admissions and Continued Occupancy Policy (ACOP): <http://sfha.org/sfha-plans-policies.html?PHPSESSID=f537c9dda1cd81c7fb2be926d8604182>

Disseminate guidance for affordable housing providers to follow, clarifying which programs and funding streams require restrictions.

Partners: MOH, Affordable Housing Providers

Certain State and Federal regulations allow or require screening for violent offences (See Appendix). Unfortunately, a lack of understanding about these regulations often leads to screening/admissions policies that are stricter than those required by law or HUD policy. MOH will work with fair housing experts to create a factsheet and disseminate this information to City-monitored affordable housing providers.

5.4 Immigration Status

Immigrants face a maze of complex immigration laws that govern the most fundamental aspects of their lives. In order to navigate this maze, nonprofit legal service providers offer supportive services to these residents such as adjusting their immigration status, sponsoring a family member to join them in the United States, and accessing housing. Nevertheless, lack of information, cultural differences, immigration status and fear all pose barriers to housing access.

Newly arrived immigrants, in particular, may lack familiarity with San Francisco's neighborhoods, housing options, and customary application procedures. Cultural norms also mean certain ethnic groups tend to more pro-actively seek government assistance, like housing, when in need.

5.4.1 Barriers to Affordable Housing Access

Undocumented status is a significant barrier to accessing housing- for one thing, social security numbers (issued to all citizens and legal residents) are typically used by landlords to verify identity and run credit checks. Additionally, undocumented immigrants are ineligible for Public Housing and Section 8 voucher assistance, two of the largest housing assistance programs in San Francisco.¹⁰³

Nevertheless, most federal housing assistance, including CDBG, HOME, Section 202, Section 811, and LIHTC are unrestricted programs and allow residents with any immigration status to qualify. While undocumented immigrants may reside in the majority of City-supported affordable housing, many steer clear of government-supported programs due to concern of being reported to Immigration and Customs Enforcement. Since access to housing requires provision of detailed personal information, many qualifying immigrants perceive the application process itself as risky. In an effort to reduce the risk of deportation for undocumented immigrants, San Francisco has a "City and County of Refuge" Ordinance (also known as the Sanctuary Ordinance) which prohibits City employees from helping Immigration and

¹⁰³ Important to note, however, is the fact that while undocumented immigrants cannot apply for these forms of assistance, undocumented immigrants can still reside in the same home as someone who is eligible for these forms of assistance. The housing assistance is then prorated to include only eligible individuals living in the household. The eligible person can be the minor child of undocumented immigrant parents. Thus, while undocumented immigrants cannot directly receive housing assistance in the form of Section 8 vouchers or public housing, they may still be able to reside in a home that receives these types of assistance.

Customs Enforcement (ICE) with immigration investigations or arrests unless such help is required by federal or state law or a warrant. Thus, City residents can safely access City-sponsored housing, regardless of their immigration status, but fear of deportation remains a significant barrier; many families and individuals opt for substandard or overcrowded conditions rather than become known to government staff or programs.

5.4.2 Recommendations to Remove Barriers to Affordable Housing Access

On affordable housing application forms, allow applicants an alternative to providing their Social Security number.

Partners: MOH, Affordable Housing Providers, HSA, DPH

Social security numbers are used to conduct background checks and credit checks on applicants to affordable housing and market rate housing. However, undocumented immigrants do not have a social security number. California law forbids both discrimination in housing on the basis of national origin, and landlords from making “any written or oral inquiry” concerning national origin from prospective tenants. Thus, the practice of asking for Social Security numbers, if not mandatory for verification purposes, could be construed as violating California law. To avoid intimidating applicants or forcing them to falsify a Social Security number, it is recommended that forms make it clear that Social Security numbers are optional or allow applicants to provide an alternate ID, such as an Individual Tax Payer Identification (ITIN) number. The City should work with landlords to promote understanding that providing a Social Security number can be optional, and to allow other forms of identification so that undocumented immigrants will not be forced to forego housing or to provide a false Social Security number.

5.5 Language Status

5.5.1 Impediments to Housing Access

Language barriers impact resident’s abilities to have equal access to housing as well as other necessities like as employment, healthcare, and police protection.¹⁰⁴ Fourteen percent of San Francisco households are “linguistically isolated” with no one in the household over the age of 14 indicating that they speak English “well” or “very well”. Among Asian households, that number increases to 35%. At the individual level, about 25% of all San Franciscans in the 2008 survey indicated that they did not speak English “very well”, which is the third highest percentage in the state of California, and the 10th highest percentage of any county in the entire United States.

In addition to verbal language isolation, many adult immigrants and refugees are not literate in their own native languages. Reading and writing in English, is thus doubly challenging. Housing-related transactions that are easy for a high-school educated native-born American, such as filling out an application forms, can pose a substantial barrier to entry for anyone who cannot speak, write or read English. Complex legal issues, such as understanding lease requirements or tenant rights, pose even

¹⁰⁴ Excerpt from City and County of San Francisco, 2010-2014 Consolidated Plan, page 41.

greater difficulties.

When LEP tenants cannot read or interpret important notices that impact the status of their housing, it leaves them uninformed about decisions or actions that substantially affect their rights. Furthermore, when LEP tenants lack information about rules in the lease concerning maintenance or upkeep, it places them at risk for eviction.

Because a high proportion of Limited English Proficient individuals in San Francisco are seniors, any measures taken to address language access issues must account for considerations specific to the senior community, such as technological divides between older and younger generations.

5.5.2 *Recommendations to Remove Barriers to Affordable Housing Access*

Improve Language Access Plans implemented by Affordable Housing Developers and Management companies.

Partners: MOH, Affordable Housing Providers

City departments should examine current requirements for Language Access Plans and increase the standard to ensure more pro-active outreach occurs in multiple languages and all key documents are translated.

The Mayor's Office of Housing requires recipients of City support to have a Language Access Plan. However, some organizations are far more effective than others at offering truly multi-lingual access to housing opportunities. Some providers, such as Chinatown Community Development Corporation, go well beyond the minimum requirements. Organizations like Chinatown CDC, whose mission emphasizes language access, should be examined as potential models to help strengthen universal requirements.

6 Conclusion

According to the US Department of Housing and Urban Development, the “Analysis of Impediments (AI) is a review of impediments or barriers that affect the rights of fair housing choice. It covers public and private policies, practices, and procedures affecting housing choice. Impediments to fair housing choice are defined as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin. The AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.”

San Francisco has a deep commitment to promoting fair housing and we hope we have exceeded the minimum requirements set forward by HUD, challenging ourselves to take a closer look and ask: “how can we all promote fair housing to have a more just City?”

San Francisco already has a strong track record for affirmatively furthering fair housing. Today, through dozens of City programs, our local government seeks to eradicate direct discrimination and to reform policies, practices, and procedures that reduce housing choice for any protected group. Just a few examples of the City’s commitment to affirmatively further fair housing are:

- Local fair housing laws go above and beyond those required by Federal and State law by acknowledging that discrimination can occur on the basis of height, weight, sexual orientation, gender identity, and place of birth.
- The Mayor’s Office of Housing uses Community Development Block Grant funding to provide financial support to housing counseling agencies that educate tenants about their rights, provide legal services to prevent unjust evictions, educate potential first time home-buyers on financial opportunities and risks associated with home purchase, and help homeowners in default on their mortgage avoid a foreclosure.
- The Human Rights Commission (HRC) advocates on behalf of residents who report experiencing discrimination in the housing market.
- The Human Services Agency provides deposit assistance for families at-risk for homelessness seeking an apartment.
- The Department of Aging and Adult Services helps seniors age safely in their homes by supporting Rebuilding Together- an organization that provides free accessibility upgrades, like railings and grab bars, to low-income homeowners.
- The Mayor’s Office of Housing provides financing for development and preservation of deed-restricted affordable housing throughout the City.

Yet despite these, and dozens of other programs and policies, unequal access to housing remains a fact of life for many San Francisco residents. San Francisco is one of the highest-cost areas in the nation, and for this reason, many low-income populations, experience barriers to finding decent and affordable housing.

With this analysis, the Mayor’s Office of Housing examines entrenched, often uncomfortable housing

discrimination in our City, as well as the “low hanging fruit” of more easily resolved issues. Within each section impediments are described and then solutions to help remedy the impediment are recommended. As the AI is intended to be updated every 5 years, solutions are intended to be implemented over a 5-year time frame to the extent feasible. Many recommendations require additional resources, and thus will be subject to budget considerations. Nevertheless, many recommendations are revenue neutral or inexpensive and maybe implementable without fiscal impact. Others will be weighed alongside other priorities as new resources become available.

A summary of key impediments and recommendations follows. For a complete list of recommendations, see Appendix.

Affordable Housing

San Francisco’s primary strategy to address high housing costs is the development and maintenance of affordable housing. Over 20,000 households live in City-supported affordable housing. Affordable housing developments are diverse in their clientele, building types, and locations. By and large the City does an exceptional job of facilitating new development to help address barriers to housing choice for low-income households. Nevertheless, areas for improvement include:

- Centralize information about affordable housing opportunities
- Build affordable housing in all neighborhoods, including middle and upper-income neighborhoods to the extent possible
- Analyze screening criteria for restrictions that may disproportionately impact African American and Latino applicants

Substandard Housing and SROs

City investments in code enforcement, home rehab programs and tenant education are examples of how the San Francisco goes beyond deed-restricted affordable housing to support low-income residents in privately owned buildings. To further improve habitability for extremely low-income tenants in privately owned apartments, the City could:

- Expand distribution of existing materials on tenant rights
- Implement a small site acquisition and rehabilitation program
- Improve health and accessibility in residential hotels

Seniors and People with Disabilities

Nearly 20% of San Francisco residents have a disability. Amongst seniors, nearly half (45%) have one or more disabilities. The vast majority of San Francisco’s housing stock is inaccessible to people with physical disabilities, as most of the City’s housing was built before legal requirements to build accessible housing came into effect. The City could do a better job of improving accessibility in existing buildings, suggestions include:

- Implement a program to provide low-cost modifications, such as grab-bar installation, would improve safety for senior and disabled renters
- Ensure that the fully accessible apartments located in affordable and below market rate (BMR) buildings are occupied by persons needing the accessibility features whenever possible
- Explore policy solutions to improve access to affordable housing for younger adults with disabilities

Race/Ethnicity

In examining data on Race/Ethnicity, we find substantial segregation by neighborhood. San Francisco's black population, in particular, experiences a high degree of segregation relative to whites. History, voluntary consumer choices, and impediments to fair housing choice are all contributors to the neighborhood segregation we see in San Francisco.

Although San Francisco is about 60 percent rental households, barriers to homeownership contribute to segregation. Credit scores and mortgage access disproportionately affect the ownership rates amongst black and Hispanic families. For example, Asian households have consistently higher homeownership rates when compared to non-Asian households of equivalent income.

- To remove race-related barriers to homeownership, the City should expand financial education services, first-time homebuyer education programs and foreclosure counseling services- especially in black and Latino communities.

Another issue is that Latino and Hispanic households are consistently underrepresented in City-supported housing, and African American households are consistently underrepresented in below market rate (BMR) ownership buildings.

- The City should increase deliberate and culturally appropriate marketing for these housing opportunities to ensure equal access by all ethnicities.

Criminal Records, Immigrant Status and English Proficiency

Having a criminal record, undocumented status, or limited English proficiency all correlate with race and create specific barriers to housing access. The City should proactively work to equalize opportunities for these groups.

- Require all landlords to provide the criminal background check back to the client if it was used as a basis for rejection
- Review the screening policies used by affordable housing providers and establish norms to prevent rejection solely on the basis of criminal background when convictions are old, mitigated, or unrelated to tenancy
- Raise the standard for the Language Access Plans used by affordable housing developers

With this robust Analysis of Impediments to Fair Housing complete, we now look forward to our next step: implementing AI recommendations. We look forward to collaboration with community based organizations, businesses, individuals, and government agencies to implement, to the fullest degree possible, the recommendations articulated in this report.

7 Appendices

7.1 Summary of Key Findings & Recommendations

IMPEDIMENT	RECOMMENDATION	PARTNERS	
Impediments to Affordable Housing Development			
Infrastructure costs can pose an impediment to affordable development.	Collaborate across City Departments to find creative funding solutions infrastructure costs associated with affordable housing development	MOH, PUC, DPW, SFCTA, SFMTA	
Most of the city is housed in smaller buildings (75% of the building stock is comprised of buildings with fewer than 20 units) Deterioration, TIC conversions, and replacement of with new market rate condo projects, all threaten to remove these units from the rental stock. However, Tax credit programs, the principle funding source for affordable housing rental development, have traditionally been difficult to use for scattered site developments.	Develop and implement a small site acquisition and rehabilitation program that effectively channels future fees paid to the city, leveraged with other public and private resources, to the preservation of small buildings serving low-income tenants.	MOH, Affordable Housing Developers	
Impediments to Utilization of Assisted Housing Programs			
Affordable housing and public housing are predominantly located in low-income neighborhoods and neighborhoods with low-achieving schools.	Build affordable housing projects in middle and upper-income neighborhoods to the maximum degree possible.	MOH, Affordable Housing Developers	
A disproportionate number of voucher holders live in low-income neighborhoods like Bayview, SOMA, and the Western Addition.	Implement strategies to increase landlord participation in the program. Strategies may include: <ul style="list-style-type: none"> • Proactive enforcement of San Francisco’s Source of Income Discrimination law. • Strengthening local ordinance to bar discrimination against Section 8 voucher holders. • Additional outreach and education to landlords. • Streamlining the Section 8 voucher administration so participation is easy for landlords. 	MOH, Landlord Associations, Landlords, Human Rights Commission, Fair Housing Legal Specialists	
Information about affordable housing is complex and decentralized.	Create a database of all restricted housing units Citywide that could be posted online to provide user-friendly information about the location and application process for each development.	MOH, Affordable Housing Developers	
Applications can involve a large amount of paperwork and require households to provide records for income verification. In some cases, short application time frames and submittal requirements (e.g., by fax) create additional challenges. These requirements present obstacles for particular populations such as those with mental health issues or limited literacy.	Explore the extent to which a more standardized application would be use-able for property managers and owners of affordable housing developments.	MOH, Affordable Housing Developers	
Strict screening standards can have the effect of	Lead discussions with developers about	MOH, Affordable Housing	

restricting access on the basis of race or disability status to the extent that screening criteria such as criminal history correlate with protected factors.	the extent to which screening criteria could be modified and standardized to ensure access to housing for otherwise qualifying applicants with credit challenges or criminal histories.	Developers	
Impediments to Healthy Living in Low-Cost Market Rate Housing and SROs			
Some renters in San Francisco, particularly recently arrived immigrants, people with limited English proficiency, low levels of education, or disabilities, are not aware of their rights to healthy, habitable housing under City Code.	Broadly distribute informational materials.	MOH, DBI, DPH, HRC, Rent Board, Housing Counseling Agencies	
Single Room Occupancy Hotels are amongst the oldest building in the City, and buildings continue to deteriorate.	Require City-Funded Non-profit organizations who place clients in SRO hotels or provide services to tenants in SRO's to report code violations and elevator breakdowns.	DPH, HSA	
Tenants who suffer from mental or psychiatric disabilities, or who have hoarding and cluttering behavior, can have difficulties vacating their room for building managers to do needed improvements.	Support SRO tenants in rooms needing repairs or substantial rehabilitation by providing moving assistance	DBI, DPH, SRO Task Force, Community Based Organizations	
Some buildings have elevators that break frequently and require special parts for repairs. Senior and disabled tenants in SRO buildings who need an elevator can become trapped in their units. Furthermore, a majority of SRO buildings lack elevators entirely.	Compile and Distribute a list of SRO's with consistently working elevators	HSA, DPH, DBI, CA Department of Industrial Relations	
Unlike nonprofit staff, who specialize in working with these populations, hotel staff seldom know how to approach persons with mental illness or in crisis.	Develop desk clerks in privately owned single room occupancy hotels as trained professionals in order to improve the quality of life for residents, prevent unnecessary institutionalizations/arrests.	DPH, HSA, SRO Task Force, SRO Owners, Training providers	
Impediments Due to Direct Discrimination			
Based upon reported incidents, alone, it is impossible to know the true prevalence of housing discrimination, for how many people experience discrimination and do not report it?	Research the prevalence of housing discrimination in San Francisco and identify information gaps amongst renters and owners about fair housing law.	MOH, HRC, Community Based Organizations, Fair Housing Researcher	
Impediments Facing Seniors and Adults with Disabilities			
5% of older adults and 9% of disabled adults need, but cannot access home repair and modifications programs	Increase availability of free or low-cost accessibility upgrades in rental apartments and homes	DPH, MOH, HSA, Landlords	
Because the Planning Department does not have a single, uniform procedure for reasonable accommodations requests, some persons in need of a reasonable accommodation may slip through the cracks. For instance, staff may not always recognize a "reasonable accommodations request" when it is not phrased in that terminology.	Train planning department staff to ensure that all relevant personnel are aware of legal obligations to grant reasonable accommodations, can identify when a need is present, and understand the avenues to grant a request.	Planning Department, MOD	

Accessibility issues in affordable housing could often be avoided if parties involved with affordable housing development and oversight—MOH, DPH, HSA, and developers, had improved communication and coordination with representatives from the disability community.	Have a consistent seat and staffing from the Mayor’s Office of Housing to attend the Long Term Care Coordinating Council (LTCCC) when housing issues are on the agenda.	MOH, Long Term Care Coordinating Council, Community Based Organizations	
The application and wait-list process can make it difficult to “match” people with specific impairments to a suitable unit.	Ensure that accessible apartments are occupied by persons needing accessibility features to the greatest extent practical while remaining fair to all applicants.	MOH, Affordable Housing Managers, Community Based Organizations	
People with disabilities who need live-in care have exceptional difficulty accessing City-supported affordable housing if there are too few 2 bedroom units available, or because these units are financially out of reach	Determine availability and rent requirements for affordable two bedroom apartments for persons needing an in-home aid.	MOH, Housing Managers	
MOH does not collect complete data on the disability status of all residents in City supported housing.	Improve data collection on residents with disabilities in affordable housing.	MOH, DPH, HSA, affordable housing property managers	
TBD	TBD: The City will engage stakeholders to determine any needed actions to ensure fair housing access for people with disabilities once data are available.	MOH, HSA, DPH, MOD, Community Based Organizations	
Security deposit assistance programs primarily focus on families at risk of homelessness.	Expand security deposit assistance available to single adults, including seniors and younger adults with disabilities.	MOH, HSA, Community Based Organizations	
Impediments Due to Race/Ethnicity			
Low-income families often lack asset building opportunities. In San Francisco, an estimated 40,000 households (11%) are un-banked.	Assess how financial education services could be further expanded, especially in African American and Latino communities.	MOH, OEWD, Community Based Organizations	
A large share of this most recent wave of foreclosures was precipitated by subprime and predatory lending that often targeted racial/ethnic and linguistic minorities	Increase investment in pre-purchase homeownership counseling for first-time homebuyers.	MOH, , Community Based Organizations	
Foreclosure counselors in neighborhoods that are hard hit by foreclosures are having difficulty keeping up with the need for their assistance, and can no longer provide intensive one-on-one guidance.	Prioritize additional funds for foreclosure counseling services in the southeastern neighborhoods, so that counselors can be effective in advocating for every client.	MOH, Community Based Organizations	
The Office of the Assessor-Recorder has taken a leadership role in addressing foreclosures in San Francisco. However, the office has limited capacity to address a full range of policy and legislative issues related to the foreclosure crisis. In particular, little is known about the prevalence of foreclosures in rental buildings.	As the office responsible for Citywide housing policy, it is advised that MOH partner with the Assessor-Recorder to ensure that opportunities for local policy action to prevent and mitigate foreclosures are identified and implemented.	MOH, City Assessor’s Office, Community Based Organizations, Landlords, Loan Servicers.	
Criminal background checks, credit checks, and eviction history are commonly used to help judge applicant qualifications. However, these methods may result in disproportionate refusal of African	Create more standardized screening policies and procedures for city-sponsored affordable housing.	MOH, DPH, HSA, Managers of Affordable Housing	

American and Latino applicants.			
Consistent underrepresentation of Latino and Hispanic households in City-supported rental housing	Increase deliberate and culturally appropriate marketing of affordable rental opportunities.	MOH, , Affordable Housing Developers	
Disproportionate numbers of applicants suggest that pathways by which people learn about and apply for BMR housing are more developed within the Asian community than others.	Publicize the availability of affordable ownership opportunities to all ethnic groups.	MOH, Housing Developers	
extremely high drop-out and disqualification rates in the BMR home purchase process (almost 10 applicants begin the process for every one that succeeds), and a trend indicating Asian and white households are more successful in making it through the process, it is recommended that the City increase investment in pre-purchase support for BMR applicants.	Implement intensive pre-purchase cased management support for BMR applicants. Priority should be places on culturally appropriate services for African American and Latino/Hispanic applicants.	MOH, Community Based Organizations, Housing Developers	
Impediments Facing People with a Criminal Record			
Barriers to housing and work, in particular, hinder their ability to establish a healthy productive lifestyle. Housing discrimination on the basis of a criminal record is a Fair Housing issue as disproportionate numbers of African Americans, Latinos, and people with a disability have had criminal justice system involvement.	Pass legislation to reduce housing discrimination against people with a criminal record.	SF Reentry Council, Board of Supervisors	
Housing managers are under pressure to fill units quickly so it is important that applicants have a timely opportunity to offer corrections, evidence of mitigating circumstances, evidence of rehabilitation, and requests for reasonable accommodation.	Provide the criminal background check to all housing applicants before a final decision is made regarding their tenancy.	SF Reentry Council, Board of Supervisors, MOH	
Many landlords are inadequately informed about laws regarding private criminal background checks and violate them unknowingly in an attempt to identify the best possible tenants.	Implement trainings for affordable housing providers to increase compliance with legal restrictions on use of private background checks.	MOH, SF Re-entry Council, Legal Expert	
Some transitional housing programs bar those with a criminal background from enrollment.	Review admissions policies in transitional housing programs. Where screening criteria based on criminal background is unnecessarily discriminatory, modify processes and standards.	MOH, DPH, HSA, Transitional Housing Providers	
Many people leaving jail and prison need a short-term housing solution while seeking employment and a permanent residence.	Identify funding for new transitional reentry housing.	MOH, DPH, HSA, Sheriff, Adult Probation, Reentry Council, Courts	
Individuals with a relatively benign criminal history are too often denied access to affordable housing and public housing	Revise the tenant screening protocol and standardize practices as needed to ensure that promising applicants with a criminal record are not unnecessarily excluded from access to affordable housing, Public Housing or Section 8 programs.	San Francisco Housing Authority, Property Management Companies	

Impediments Facing Immigrants and People with Limited English Proficiency			
<p>City residents can safely access City-sponsored housing, regardless of their immigration status, but fear of deportation remains a significant barrier; many families and individuals opt for substandard or overcrowded conditions rather than become known to government staff or programs.</p>	<p>On affordable housing application forms, make it clear that Social Security numbers are optional and/or allow applicants to provide an alternate ID, such as an Individual Tax Payer Identification (ITIN) number.</p>	<p>MOH, Affordable Housing Providers, HSA, DPH</p>	
<p>Housing-related transactions that might be easy for a high-school educated native-born American, such as filling out an application forms, can pose a substantial barrier to entry for anyone who cannot speak, write or read English.</p>	<p>Examine current requirements for Language Access Plans and increase the standard to ensure more pro-active outreach occurs in multiple languages and all key documents are translated.</p>	<p>MOH, Affordable Housing Providers</p>	

7.2 Addendum on the Dissolution of Redevelopment Agencies

MAYOR'S OFFICE OF HOUSING CITY AND COUNTY OF SAN FRANCISCO



EDWIN M. LEE
MAYOR

OLSON LEE
DIRECTOR

October 17, 2012

ADDENDUM TO THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING REPORT

On June 28th, 2011 Governor Jerry Brown signed into law Assembly Bill 1x 26 (AB 26) and Assembly Bill 1x 27 (AB 27).

AB 26 barred redevelopment agencies from engaging in new business and provided for their windup and dissolution. AB 27 offered an alternative: redevelopment agencies could continue to operate if the cities and counties that created them agreed to make payments into funds benefiting the state's schools and special districts.

The California Redevelopment Association, the League of California Cities, and other affected parties promptly sued, arguing that each measure was unconstitutional. They contended the measures violated Proposition 22, which amended the state Constitution to place limits on the state's ability to require payments from redevelopment agencies.

On December 29, 2011, the Supreme Court issued their decision to uphold AB 26 and invalidate AB 27. According to the Court's decision, provisions of AB 26 became operative on February 1, 2012, at which point all California redevelopment agencies dissolved and their assets and functions transferred to successor agencies. In San Francisco, the City and County became the successor agency and created a new Oversight Board to oversee fiscal management of former Agency funds and assets other than affordable housing. The City chose to transfer of all former housing assets and functions to the Mayor's Office of Housing.

The dissolution of redevelopment and the designation of MOH as the successor housing agency occurred after the writing of this Analysis of Impediments of Fair Housing Report. However, the changes have several noteworthy Fair Housing implications.

- (1) Reduction of housing resources
- (2) Implementation responsibilities

Reduction of Housing Resources

The City's Consolidated Plan relies heavily on the provision of local financial assistance to produce and preserve affordable housing as a means of promoting fair housing. (See pp. 123-144 of Con Plan). Prior to February, 2012, Redevelopment tax increment was a major source of financial assistance for affordable housing. The loss of these funds available through SFRA tax allocation bonds and tax increment revenues will limit the ability of San Francisco to respond to conditions affecting fair housing choice for all protected classes.

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The City has already taken steps to fill the massive affordable housing funding gap left by the SFRA dissolution. Firstly, the City has identified all “enforceable housing obligations” that may continue to receive property tax revenue. According to AB 26, enforceable obligations include:

- a) bonds, including debt service, reserves, or other required payments;
- b) loans borrowed by the agency for a lawful purpose including loans from the Low and Moderate Income Housing Fund;
- c) payments required by the federal government;
- d) pre-existing obligations to the state or obligations imposed by state law;
- e) legally enforceable payments to agencies' employees, including pension obligations and other obligations conferred through a collective bargaining agreement;
- f) judgments and settlements entered into by a court or arbitration, retaining appeal rights;
- g) legally binding contracts that do not violate the debt limit or public policy; and,
- h) contracts necessary for administration of the agency, such as for office space, equipment and supplies, to the extent permitted.

Included amongst SFRA’s enforceable obligations is a legal commitment to build approximately 5,900 replacement affordable housing units under California’s Community Redevelopment Law (Statutes 2000, Chapter 661 codified at Section 33333.7 of the Health and Safety Code) (“SB 2113”). Prior to the adoption of replacement housing requirements, SFRA demolished and did not replace 6,700 affordable housing units housing units to make way for redevelopment of “blighted” neighborhoods. Housing demolished by the Redevelopment Agency, disproportionately affected communities and people of color. Replacement units will further fair housing goals as affordable housing serves low income families which are predominately of color.

In addition to development of replacement rental housing, SFRA used tax increment financing to support and assist the development, improvement and preservation of affordable housing throughout the City and within redevelopment project areas. With the elimination of the Redevelopment Agency, the City has lost its primary local source for funding affordable housing. In addition, federal funds have declined substantially over the past three years. Without a steady source of funding, these federal cuts could further decimate affordable housing production in San Francisco, a sector that is a proven economic anchor during a difficult economic climate. After the economic downturn, affordable housing represented 42 percent of the new housing units produced in 2010.

To replace lost SFRA resources, Mayor Edwin Lee has introduced a Housing Trust Fund Charter Amendment to the Board of Supervisors. The Charter Amendment was developed by the Housing Trust Fund Working Group, a group assembled by Mayor Lee with representatives from different sectors of the real estate industry, including affordable housing developers, market rate developers, realtors, lenders, and small property owners; and members of the Board of Supervisors. The Group was asked to develop a long-range sustainable plan to stimulate market-rate production, especially in areas planned for growth; increase homeownership opportunities for moderate income households; and fund affordable housing production for lower-income households while not impacting the City’s General Fund.

The Housing Trust Fund will begin with a set aside \$20 million in general fund revenue and increase to \$50 million over time. If approved by voters, an estimated \$1.2 billion will be invested in affordable housing production over the next 30 years. The fund will:

- Develop more than 9,000 units of permanently affordable housing for residents whose average median income (AMI) is 60 percent or below.
- Invest at least \$15 million over the first five years in a down payment assistance program for residents to purchase a home in San Francisco with no-interest loans to first-time homebuyers;

- Create a Homeowner Stabilization Program to help distressed homeowners remain in their homes; and
- Give the City the ability to purchase up to 20% of a development's units to create permanent below market rate units available for moderate income renters and home buyers.

If the Housing Trust Fund does not pass, the City of San Francisco will be forced to drastically reduce investments in affordable housing as well as other critical programs that affirmatively further fair housing goals.

Implementation Responsibilities

As the successor housing agency, the Mayor's Office of Housing will be the primary City agency empowered to develop and rehabilitate affordable housing. In addition to financing for affordable housing development, SFRA managed an inclusionary housing program to develop mixed-income housing, and provided funding to community based organizations for down payment loan assistance programs and housing counseling. These SFRA programs are in the process of sunseting or merging with MOH programs. Thus, MOH will be the primary entity responsible for implementation of any recommendations in the AI that would have previously fallen to SFRA.

7.3 HUD Program Restrictions Pertaining To Immigration Status



FEDERALLY ASSISTED HOUSING AND IMMIGRANT ELIGIBILITY

Section 214 of the Housing and Community Development Act of 1980

Programs Covered

Public Housing
 Section 8 Vouchers
 Section 236 Housing, with or without Rent Supplements (low-income units only)
 Section 235 Homeownership housing
 Housing Development Grants (HoDAG) (low-income units only)
 Section 23 Leased Housing Assistance Program

Eligible Immigrants

U.S. Citizens and Nationals	Persons Granted Withholding of Removal
Lawful Permanent Residents (LPR)	IRCA Amnesty
Asylees/Refugees	Qualified Victims of Trafficking
Parolees	

Rural Development Programs

Programs Covered

Section 514/516 Farm Labor Housing
 Section 502 New Construction and Major Rehabilitation Rural Homeownership Loan Program
 Section 504 Minor Rehabilitation Program for Single Family Homes
 RD Voucher Programs

Eligible Immigrants

Section 514/516: Lessee (but not household) must be U.S. Citizen or LPR
 Section 502/504: Persons responsible for paying the loan must be U.S. Citizen or Section 214 eligible immigrant.
 RD Voucher: Section 214

Unrestricted Programs (non-comprehensive list)

Indian Housing	CDBG
HOME	HOPWA
Section 202	Section 811
Section 221(d)(3) and (5)	Rental Rehabilitation
McKinney Act Programs	Low Income Housing Tax Credit
Section 515 Rural Rental Housing Program	HOPE 2
Rural Housing Preservation Grants	Section 538 Multi-family Loan Guarantees

Special Topics

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)

- Established immigrant restrictions in certain government benefit programs.
- Has not been implemented in most housing programs.
- Applies to:
 - Public Housing
 - Section 8
- HUD has issued guidance instructing PHAs not to implement PRWORA until further notice.
- Further, HUD has instructed unrestricted programs not to check immigration status based upon PRWORA until HUD determines which, if any, of its currently unrestricted programs are covered by the statute.
- Exemption for Nonprofits.

Immigrant Survivors of Domestic Violence

- While not explicitly listed among Section 214's categories of eligible immigrants, qualified victims of trafficking, including T Visa holders, are eligible for HUD-subsidized housing.
- This is because persons who have made a bona fide application for a T Visa are eligible for federal benefits (including subsidized housing) to the same extent as refugees, who are an eligible 214 category.
- U Visa holders may fit under the victim of trafficking eligibility category.
- VAWA self-petitioners were made eligible to receive "federal public benefits" as part of the Immigration Reform & Immigrant Responsibility Act of 1996; Congress has ordered HUD and DOJ to clarify that self-petitioners are eligible.

Fair Housing

- Covers persons regardless of immigration status.
- Protected classes include race and national origin.
- Note that the Court of Appeals for the Third Circuit found that immigration restrictions in private housing have are preempted by federal law. *Lozano v. City of Hazleton*, 2010 WL 3504538, __ F. 3d __ (3d Cir. Sept. 9, 2010).

Title VI

- All recipients of federal financial assistance must assess the language needs of the community and provide meaningful language access.
- Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d *et seq.*; Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," 65 F.R. 50121 (August 16, 2000); 24 C.F.R. Part I; E. HUD "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons," 72 FR 2732 (January 22, 2007).

7.4 Key Informants

Oversight Committee

Subcommittee on Aging & Disability Status

Margot Antonetty, Department of Public Health
Linda Edelstein, Department of Aging and Adult Services
Bill Hirsh, Aids Legal Referral Panel
Dan Kelly, Human Services Agency
Phillip Morgan, Bay Area Legal Aid
Christina Olague, Senior Action Network
Ken Stein, Mayor's Office on Disability
Victoria Tedder, Independent Living Resource Center

Subcommittee on Ethnicity, Language Access, and Families

Lupe Arreola, Human Rights Commission
Tom Casey, Homebricks
Tracy Dearman, HSM Realty, Finance, Management
Lariza Duggan-Cuadra, Mayor's Office of Housing, Community Development Division
Navneet Grewal, National Housing Law Project
Sumi Imamoto, Bernal Heights Neighborhood Center
Lucia Kimble, Causa-Justa
Nicole McCray Dickerson, San Francisco Housing Authority
Pam Palpallatoc, San Francisco Housing Authority
David Sobel, Redevelopment Agency

Interviewees

Brian Basinger, AIDS Housing Alliance SF
Sarah Dennis-Phillips, Planning Department
Jessica Flintoft, San Francisco Reentry Council
Chris Harris, San Francisco Redevelopment Agency
Ruby Harris, Mayor's Office of Housing
Bruce Ito, Mayor's Office of Housing, Community Development Division
Carla Johnson, Mayor's Office on Disability
Mike McCloone, Mayor's Office of Housing, Housing Division
Anne Romero, Mayor's Office of Housing, Housing Division
Dan Sider, Planning Department
Scott Walton, Human Services Agency
Cindy Ward, Human Services Agency
Delene Wolf, San Francisco Rent Board

7.5 Public Review Notes

Welcome to San Francisco's Draft 2013-2018 Analysis of Impediments to Fair Housing Choice

NOTES FOR PUBLIC REVIEW and COMMENT:

- 1) This draft document is available for public review and comment between December 5, 2012 and January 4, 2013.
- 2) You may review the on-line version posted on the MOH website or review a hard copy of the draft document at the following locations:
 - Offices of MOH, 1 South Van Ness Avenue, 5th Floor;
 - Main Branch of the SF Public Library, 100 Larkin Street, 5th Floor, Government Information Center.
- 3) Staff welcomes your comments in writing. They may be directed to: MOH, Analysis of Impediments Staff, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. In your comment, please be specific about your issue and refer to a specific section of the Draft AI, if appropriate.
- 4) The close of the public comment period is January 4, 2013.
- 5) Thank you in advance for your participation in this process.
- 6) For more information, please call (415) 701-5500.

7.7 Public Comment Summary

<p>Comment Summary: It would be helpful to include information on LGBT status and access to affordable and market rate programs.</p> <p>If you are unable to locate data, a recommendation on formalizing a process to collect data could be helpful.</p>	<p>Response: Neither HUD nor the State Department of Fair Housing and Equal Opportunity record complaints on the bases of gender identity or sexual orientation. Thus, these data are missing from tables 4-1, 4-2, and 4-3 of this report.</p> <p>The AI already includes a recommendation to formalize a process to collect data. See page 123 for the recommendation that City and Nonprofit partners “Conduct further research on housing discrimination.”</p>
<p>Comment Summary: Can you please expand clarification on rental assistance programs that disproportionately target household with children</p>	<p>Response: Per comment, explanatory text was added to clarify that that singles are currently underserved in comparison to households with children.</p>
<p>Comment Summary: I would like to submit a memo of concern regarding the draft analysis in terms of the overall review of Rental Housing Stock analysis and the overall impacts of Institutional Growth (ex: CPMC Medical Center and the SFSU-CSU Master plan purchase of University Park North and University Park South) MOU’s and the lack of housing impact analysis on the western side of San Francisco, and the need to more accurately document the expulsion of families as a protected class in San Francisco.</p>	<p>Response: Letter of response reads:</p> <p>While the loss of low-cost family-friendly housing in San Francisco is a serious concern to the City, it is not closely examined in this AI report for several reasons.</p> <ol style="list-style-type: none"> (1) The topics for scrutiny were determined through an extensive public input process that is described on page vi. (2) The Analysis of Impediments is a 5-year planning document to affirmatively further fair housing for seven federally protected classes. Due to the breadth of subject matter covered, it cannot offer highly specific analyses, such a nexus study on the SFSU-CSU housing impacts on Parkmerced and Stonestown Apartments. <p>Please bear in mind that one of the most effective ways to provide input on the specific developments mentioned in your comment letter is to engage with the planning department as they review plans and approvals.</p> <p>You may also be interested to note that the issue of Family Flight has received in-depth analysis and</p>

	<p>investigation in the report by Coleman Advocates for Children and Youth, “Families Struggle To Stay: Why Families are Leaving San Francisco and What Can Be Done” That report is accessible from their website at: http://colemanadvocates.org/what-we-do/publication-media/</p> <p>Another resource on this topic is the Mayor’s Office of Housing presentation to the Government Audit & Oversight Committee Hearing on Family Flight, March 8, 2012. That presentation is accessible from the MOH website at: http://sf-moh.org/index.aspx?page=25</p>
<p>Comment Summary: The African American outmigration has been occurring for the past 20 years prior to 2008, to the point that today there are approximately one half the African American population in San Francisco today compared to the population in 1990.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The loss of housing for African Americans during the Redevelopment era in the 1960s and 1970s resulted in the Certificate of Preference program, which is under-utilized. There are many people who do not know that they qualify for a preference as they were children when the redevelopment in Western Addition and Bayview occurred. Many of these people are now seniors, often long time residents, and are still in need of housing. Greater outreach is needed to identify African Americans with certificates of preferences, as well as an extension of the COP program beyond 2016.</p> <p>The gains in housing development made during the redevelopment era are just coming into fruition and the concern is the primarily African American population who suffered the most during the redevelopment will not have access to the new housing being created. There is a general lack of knowledge about how to apply for housing and a perception that the lottery system will not benefit African Americans because they are such a small part of the population.</p>	<p>Response: Comment was incorporated into the new draft AI, including insertion of an additional recommendation: “Increase outreach to residents displaced during the large-scale redevelopment efforts that took place from 1960-1980.”</p>
<p>Comment Summary: The over representation of African Americans in public housing is due in part to the past history of discrimination and low economic opportunity.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>

<p>Comment Summary: There is a general lack of knowledge about how to apply for housing and a perception that the lottery system will not benefit African Americans because they are such a small part of the population. Credit issues are another large barrier to applying for housing to the point where people assume they won't pass the credit test before they even try. Past criminal histories are also a barrier no matter how long ago the crime was committed.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The City and SFHA need aggressive outreach to landlords about the Section 8 voucher program. "Marketing" needs to include the fact that the Section 8 program has changed since its inception and that current recipients are required to a) undergo criminal/credit screening and b) pay security deposits.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The City needs to, in conjunction with HUD, require that all open waiting list info for all SF subsidized units be coordinated at a central info point, either the MOH website or a participating nonprofit (who should receive funding for this service).</p>	<p>Response: MOH does not believe that a central waitlist for all affordable housing would be feasible at this time. However, centralizing rental information is critical, as noted in the recommendation on page 97 to "Centralize information about affordable housing opportunities & qualifications"</p>
<p>Comment Summary: Requiring a "database" of affordable housing is not cost-effective, is difficult to keep both accurate and current, and has proven to be ineffective in providing the crucial info of which lists are open at any time, since landlords have no incentive to report their open waiting lists.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: People with disabilities have the legal right to submit a Renters Resume in lieu of filling out the landlord's application if their disabilities make it difficult to complete the "regular" application. With City approval, this right could be extended to most applicants and a Renters Resume template could be developed; 95% of the info that nonprofit landlords require is the same.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: While tenants renting with Section 8 vouchers can take advantage of all DBI programs, they are barred from using the rent control ordinance to lower their rents when the landlord fails to repair. Often Section 8 tenants are afraid to complain to the DBI because the landlord has a powerful retaliatory weapon: s/he can stop accepting the Section 8 voucher, which effectively evicts the low-income tenant from the unit.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>

<p>Comment Summary: Landlords almost always elect to tear out the “illegal” unit (we have known of only one case to the contrary in 19 years, in which the tenant and landlord both successfully went to the Board of Permit Appeals.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: Private owners of some SROs require tenants to reregister every 3-4 weeks so the tenants don’t acquire tenant rights under CA Civil Code and the SF rent ordinance, although this practice is illegal.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: You list 10-12 months as a typical wait for a master leased or nonprofit hotel room: however, the master lease programs often run a nontraditional waiting “pool” of applicants without a fixed wait time, and the typical wait for a nonprofit-owned hotel room is over one year.</p>	<p>Response: The AI was amended to say “at least ten to twelve months”</p>
<p>Comment Summary: In privately-owned SROs, the elevator is often working but locked off (for security reasons) at the ground level, requiring all residents/guests to walk upstairs past the manager’s second-floor office to reach residents’ rooms (a hardship for the mobility impaired). Solution: we are unsure whether fair housing complaints, or financing front-door cameras, would work better as a solution to combat this practice.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: Solution for actually nonfunctioning elevators: a City elevator fund would be as helpful as a list of hotels with better elevators. Repairing elevators doesn’t give total access, but it helps.</p>	<p>Response: At this time, it is the landlord’s responsibility to fund elevator repairs and comply with applicable state laws. If additional funding comes to light, a City Elevator Fund may become feasible.</p>
<p>Comment Summary: If you’re going to include PWD in this section, you should include them in your first sentence! We understand that the data about homeownership in the next paragraph are senior-specific, but some of the analysis in the following paragraph could include all ages.</p>	<p>Response: Insertion of the phrase “people with disabilities” made in two places to clarify that the analysis refers to both seniors and people with disabilities.</p>
<p>Comment Summary: Even if low-income renters were given modification funds, most units in SF can’t be made accessible (can’t be served by 1:12 ramp or by stair glide—not to mention bathrooms).</p>	<p>Response: Comment was incorporated into the new draft AI with the phrase, “most housing in San Francisco simply cannot be made fully accessible due to their layout and design.”</p>
<p>Comment Summary: Thank you for mentioning the problem of matching accessible units to renters who need access. Solutions: 1. Require language in City-sponsored development</p>	<p>Response: Suggested solutions were incorporated into the new draft AI.</p>

<p>that the renter, if residing in an accessible unit and not needing the accessible features of the unit, agrees to move to a similar vacant unit if the accessible unit is needed by another tenant. This will make it possible to “rent up” fairly quickly while allowing some flexibility in unit assignment later on.</p> <p>2. Be as flexible as legally possible in space allotments for these units (the “one up or one down” allocation of bedroom size). Often landlords refuse to transfer tenants for this reason.</p> <p>3. Find a way to prioritize PWD with Section 8 vouchers as tenants of these units, since the biggest housing problem in SF for the mobility impaired is that the affordable housing isn’t accessible, while the accessible housing isn’t affordable.</p>	
<p>Comment Summary: Access is a problem in City-sponsored housing, especially in the Master Lease programs. Partial solution: The City needs to assess all housing connected with City funding, including master leased units and including residential treatment programs for mental health/substance abuse, and provide accurate, up-to-date info about the accessibility (both path-of-travel and bathrooms) of all units (including the shared units in residential treatment programs). Then advocates/City staff can begin to address the problem.</p>	<p>Response: At this time, we are not able to incorporate your recommendation. On a building-by-building basis, Property management staff and City staff who review tenant applications are aware of accessibility issues and are able to inform applicants when a particular vacancy would not meet their mobility needs. To the extent that many SRO rooms in Master Lease programs remain inaccessible, it is due to the prohibitive cost of making them accessible, not due to lack of knowledge.</p>
<p>Comment Summary: Any PWD who became disabled as an adult will have “bad credit” for several years following the date of disability. Housing providers either do not know, or do not care, that PWD can rightfully ask that “bad credit” or even certain quasi-criminal offenses caused by a disability that are no longer a current problem be disregarded.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary:</p> <p>1. Require that “minimum income requirements” set by nonprofit landlords be as low as feasible. Yes, we know that HUD recommends that rent be no more than 30% of a tenant’s income, but requiring applicants to have income up to 3.5 times the rent of a unit excludes the very people the landlord is supposed to be helping. Any “minimum income requirement” more than two times the rent is, in our opinion, unfair.</p> <p>2. Give any applicant who receives MediCal an income “credit” of several hundred dollars, as MediCal not only pays for medical treatment and medication, it also pays the entire premium.</p> <p>3. If the applicant is receiving any other non-cash benefits, such as meals, the applicant should be encouraged to include the dollar value of these benefits in his/her income.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>

<p>Comment Summary: Could you check on your statement of legal set-asides for younger PWD? We don't believe that any younger PWD can live in Sec. 202 (Fed funding for age 62+) buildings built after 1992 (unless they are part of a "senior household").</p>	<p>Response: Correction to the draft AI was made.</p>
<p>Comment Summary: I didn't bother looking at the report. I am a disabled senior who has been very frustrated in my attempts to find handicapped accessible housing to the point where I actually looked into the City's BMR program; I learned that seniors and disabled are barred from the program by the way retirement funds are viewed. I sincerely doubt that I would not take a jaundiced view of your report.</p>	<p>Response: Letter of response reads: Thank you for your comment. For more information regarding the City's BMR program please contact Rey Javier at (415) 701-5551 for questions about ownership eligibility or Aissia Ashoori at (415) 701-5559 for questions about rental eligibility.</p>
<p>Comment Summary: Using more updated information would be more accurate in demonstrating that limited English proficiency remains an important issue within the senior community. For example, the American Community Survey 2011 1-year estimates (ACS) indicate that approximately 40.6 percent of San Francisco residents over 60 are LEP (speaking English "less than very well") compared with the 23.2 percent of the total City/County population.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The AI should include a definition of what level of English skill is included in the classification of "limited English proficient." HUD provides one possible definition in its LEP administrative guidance, defining LEP individuals as those "who do not speak English as a primary language and who have a limited ability to read, write, speak, or understand English."</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: Instead of grouping languages into the Census-defined categories such as "Asian or Pacific Islander" languages, it would be more useful to list specific language groups.</p>	<p>Response: Per suggestion, inserted a new chart into the draft AI, with detailed data from the 2009-1011 ACS 3year estimates.</p>
<p>Comment Summary: The AI states, "LEP households were far more likely to be low-income and thus they were less likely to own their homes." This statement appears to suggest that income is the sole impediment to homeownership among low-income LEP individuals... the AI should aim to clarify this assertion to prevent minimizing the importance of language access in obtaining a home."</p>	<p>Response: Amended the AI text to read:" On the whole, LEP households were far more likely to be low-income. Because adequate income is a prerequisite for homeownership, income status is one reason that LEP individuals are less likely to be homeowners. LEP households face additional barriers to homeownership to the extent that applications, forms, information, and negotiations are in English only. "</p>

<p>Comment Summary: The AI mentions an existing database of restricted housing units, and proposes making existing information about affordable housing opportunities and the accompanying application processes more centralized. However, the AI does not specifically point out whether such centralized information would be accessible in languages other than English.</p>	<p>Response: Per recommendation, the following insertion was made, “Centralized information made available to the general public should also be translated to ensure fair access for LEP individuals.”</p>
<p>Comment Summary: The AI should recommend that materials concerning tenants’ rights be translated, and specify for which languages the translations would be made. It is our recommendation that, as a starting point, translations should be provided in the following languages...: Chinese, Spanish, Tagalog, and Russian.</p>	<p>Response: Suggestion was incorporated into the new draft AI.</p>
<p>Comment Summary: The AI should include a recommendation that the Mayor’s Office of Housing, the Human Rights Commission, and community based organizations – conduct citywide testing for discrimination against LEP individuals.</p>	<p>Response: The AI recommendation to conduct additional research on housing discrimination encompasses all varieties of discrimination, including discrimination against LEP individuals. Calling out LEP individuals specifically would imply that this population should be a priority above other victims of discrimination. However, we have included English language proficiency as one of the examples used to describe the potential of “testing” as a research method.</p>
<p>Comment Summary: To ensure that landlords and tenants in all language communities benefit from any outreach efforts, the AI should recommend that any educational activities be conducted in languages other than English.</p>	<p>Response: Recommendation was incorporated into the new draft AI.</p>
<p>Comment Summary: Any measures taken to address language access issues must account for considerations specific to the senior community, such as technological divides between older and younger generations.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The AI states that “undocumented immigrants are ineligible for Public Housing and Section 8 voucher assistance, two of the largest housing assistance programs in San Francisco.” This language, while technically accurate, requires additional clarification. While undocumented immigrants cannot apply for these forms of assistance, undocumented immigrants can still reside in the same home as someone who is eligible for these forms of assistance. The housing assistance is then prorated to include only eligible individuals living in the household. The eligible person can be the minor child of</p>	<p>Response: Comment was incorporated into the new draft AI.</p>

<p>undocumented immigrant parents. Thus, while undocumented immigrants cannot directly receive housing assistance in the form of Section 8 vouchers or public housing, they may still be able to reside in a home that receives these types of assistance. This clarification should be made in the AI.</p>	
<p>Comment Summary: California law forbids both discrimination in housing on the basis of national origin, and landlords from making “any written or oral inquiry” concerning national origin from perspective tenants. Thus, the practice of asking for Social Security numbers, if not mandatory for verification purposes, could be construed as violating California law. As the AI rightly points out, the City should work with landlords to promote understanding that providing a Social Security number can be optional under certain circumstances, and to allow other forms of identification so that undocumented immigrants will not be forced to forego housing or to provide a false Social Security number.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: The AI should discuss issues such as tenants not receiving important notices that impact the status of their housing (“vital documents”), leaving them uninformed about decisions or actions that substantially affect their rights.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>
<p>Comment Summary: While the AI acknowledges that language barriers can make lease requirements difficult to understand, the AI could expand this statement to discuss the lack of information about rules concerning maintenance or upkeep for LEP tenants—such information could prevent future eviction issues.</p>	<p>Response: Comment was incorporated into the new draft AI.</p>