CITY AND COUNTY
OF SAN FRANCISCO

ROSA PARKS SENIOR CENTER

San Francisco Housing Authority

before
Buchanan Mall entrance - after
Grand Opening
May 15, 2012

SFHA Re-Envisioning

Recommendations to Mayor Ed Lee
on how to transform the San Francisco
Housing Authority

Prepared by City Administrator Naomi Kelly and Olson Lee, Director,
Mayor’s Office of Housing and Community Development

CITY AND COUNTY
OF SAN FRANCISCO
Table of Contents

• Executive Summary 1
• SFHA by the Numbers 4
• An Agency in Crisis 8
• End It, Don’t Mend It: Re-Envisioning Public Housing in San Francisco 10
  ○ Governance and Administration 11
  ○ Financing/Re-Capitalization 12
  ○ Section 8 Operations 13
  ○ Public Housing Operations 14
  ○ Resident Services 15
  ○ Tenant Leadership 16
• From Plan to Action: Implementing the Transformation 17
• Conclusion 19

Mayor Edwin M. Lee appoints new Housing Authority Commissioners with Acting Director Barbara Smith.
SFHA Re-Envisioning
EXECUTIVE SUMMARY

Background:
In his January State of the City speech, Mayor Edwin Lee called for a community process to help re-envision the San Francisco Housing Authority (SFHA). He asked City Administrator Naomi Kelly and Mayor’s Office of Housing and Community Development (MOHCD) Director Olson Lee to lead this process and provide him with actionable recommendations by July 1st.

For the last four months, over a hundred representatives from 72 different organizations including residents, non-profit service providers, affordable housing developers, local labor unions, and private sector development experts, along with 20 City departments and representatives from United States Department of Housing and Urban Development (HUD) met a total of 18 times to discuss strategies for improving the delivery of services to public housing residents in the face of declining federal funding and a history of local mismanagement.

With the understanding there would be overlap between topic areas, working groups were formed on these topics: governance, public housing operations, Section 8 operations, resident services, resident organizations and leadership, and tools to re-finance public housing.

Below is the key finding and a summary of actionable recommendations for the Mayor’s consideration:

Key Finding:
With a severe decline in federal funding over the years, the San Francisco Housing Authority as it is currently constituted cannot adequately deliver housing services to its residents. The SFHA must adapt its 75-year-old organizational structure, governance, and housing model to become a more professional, accountable and transparent housing provider that meets the complex and varied needs of its residents.

In order to deliver quality housing and services to meet resident needs, the SFHA will need to develop an enhanced partnership with the City and County of San Francisco, HUD, affordable housing developers, community based organizations, and SFHA residents.

This report’s recommendations fall into six categories: Governance and Administration, Financing and Re-Capitalization, Section 8 Operations, Public Housing Operations, Resident Services, and Tenant Leadership. In addition, there are steps that the City can take to begin to strengthen its working partnership with the SFHA.

Key Recommendations:

1. Governance and Administration
   a. Ensure the Housing Authority Commission remains a professional but independent oversight body. Create qualification requirements to ensure future commissioners have similar professional capacity and expertise.
b. The priority of the current Commission should be to adopt and direct the staff to implement HUD’s Corrective Action Plan, and overall recovery agreement.

c. Direct the Commission to work with the City Administrator to establish and chair a working group that will improve the administration of SFHA to increase the transparency and effectiveness of its finance and human resource management within the next two years. This working group should include the SFHA, Controller, Treasurer, Mayor’s Budget Office, Department of Human Resources, Human Services Agency (HSA), and MOHCD.

2. Financing and Recapitalization

a. Direct the Commission to engage MOHCD to evaluate the building conditions at all 48 SFHA properties and facilitate the necessary improvement to the 6,139 units within the public housing portfolio through public-private partnerships.

b. The goal is to upgrade building conditions in a minimum of 2,000 homes using a public-private land trust model within the next 3 years and provide improvements to the remaining non-HOPE SF SFHA portfolio within the next 8 years, while continuing to progress on the four active HOPE SF sites with the goal of completing the first two sites and getting the remaining projects entitled and into construction within the next 10 years. This is dependent on securing the necessary federal resources, which to date have not been fully committed by HUD.

3. Section 8 Operations

a. Direct the Commission to find an effective program administrator to manage this troubled department in the short term, while they search for a permanent administrator.

b. The identification of a permanent administrator should begin immediately in coordination with HUD’s staffing assessment. The goal is to establish a permanent administrating entity for the program within two years.

c. Maximize the use of vouchers for financing affordable housing and use vouchers more efficiently for veterans, domestic violence survivors, and homeless families.

4. Public Housing Operations

a. The Commission should develop a maintenance plan that includes the creation of a maintenance mechanic position that provides efficient and timely on-site repairs.

b. The Commission should authorize the HA to partner with MOHCD to develop strategies to improve management, maintenance, and operations through public-private partnerships that leverage additional resources (see Financing/Re-Capitalization section).
5. **Resident Services**
   a. The Commission should create a rent collection and eviction prevention strategy that aims to increase rent collection while providing residents with opportunities to get current on their rent if they fall behind.
   b. Build on the existing HOPE SF services coordination role and create a resident services and leadership coordination unit.

6. **Tenant Leadership**
   a. Expand HOPE SF Leadership academy to train leaders at all HA sites.
   b. Housing Authority residents should have access to the same housing code enforcement process as every other San Franciscan – one of the strongest and most effective in the country. Residents should be educated on how to participate in making this system work more effectively. This is one key area of resident engagement.

In order to improve the quality of service to the residents, the Housing Authority Commission should partner with the City and County Departments to align critical Housing Authority functions with the city infrastructure.

We also recognize that while improving the SFHA administration and providing long overdue capital improvements to the housing stock is important, that by itself will not disrupt the inter-generational poverty that exists in many of our SFHA developments, especially the family sites.

**City Actions**

We recommend the following changes to increase city coordination in the Housing Authority with the goal of reducing inter-generational poverty:

- Issue a mayoral executive directive requiring MOHCD to evaluate and pursue options for increasing resident choice by incorporating a portion of units affordable to public housing residents within MOHCD’s 9,000 unit construction pipeline of affordable housing.
- Require City Department Heads to catalogue their respective departments’ existing service delivery to SFHA residents, evaluate its effectiveness, and develop a plan to extend existing services to all SFHA residents in the most cost-effective way possible. Those plans should be submitted to the Mayor’s Chief of Staff by Monday October 1, 2013.
- Create a Director of Public Housing Initiatives who reports directly to the Mayor and who is responsible for ensuring cross-departmental coordination and communication with residents, policy makers, foundations, and HUD to meet your vision.
- This director will build on the HOPE SF service model, and structure the departments’ plans for improving existing service delivery to SFHA residents into one holistic and culturally-competent plan that is measurable and goal-oriented for each of the SFHA sites.
By minimizing their direct role in service provision over time as the portfolio shifts to a public-private partnership model, the SFHA can focus on the delivery of housing services to public housing residents and Section 8 voucher holders through an asset and contract management role.

We believe this will allow the agency to leverage the city’s strengths - such as its ability to produce and maintain affordable housing through a strong network of community based affordable housing developers while also allowing the city to enhance what is essential to the SFHA future success: an independent oversight body comprised of skilled experts in their field who are solely focused on improving the lives of our city’s residents who rely on the SFHA for their housing.

Attached, please find documents we used to inform our work, including a Re-envision report prepared by HomeBase and recommendations of San Francisco Planning and Urban Research Association and the Council of Community Housing Organizations.

SAN FRANCISCO HOUSING AUTHORITY: BY THE NUMBERS

- Founded in 1938, the San Francisco Housing Authority (SFHA) was the first in the state of California and receives nearly all of its over $200 million in funding from the US Department of Housing and Urban Development (HUD).

- The SFHA is overseen by seven citizen commissioners, all of whom are appointed by the Mayor. Two of those commissioners must be current SFHA residents.

- The 17th largest housing authority in the country, SFHA administers public housing and voucher programs that currently serve over 31,000 San Francisco residents, including:
  - 12,259 residents living in 5,383 public housing units and 1,149 HOPE VI mixed income units (756 public housing and 393 other affordable) at 48 different properties; and
  - 19,102 residents living in 8,652 privately owned housing units subsidized by Section 8 vouchers and the Section 8 Moderate Rehabilitation program.

- The SFHA has an annual budget exceeding $200 million. For the fiscal year ending September 30, 2013, operating subsidies and revenues supporting SFHA’s public housing and other programs are 38% of the budget ($79.9 of the $210.6 million budget) and housing assistance payments are 62% ($130.7 of the $210.6 million budget).

- After federal sequestration took effect on March 1, 2013, HUD’s contribution to SFHA was slashed. The formula funding to cover public housing was reduced from 92% to 82%, and its Section 8 administrative fee dropped from 94% to 72%.

- There are 286 full-time employees represented by eight separate bargaining units and 108 part-time resident concierges who make up the SFHA workforce.

- Of the 31,000 residents it serves, over 95% of SFHA clients are people of color, according to the last demographic analysis completed by SFHA.

- The average annual household income for SFHA clients is $15,858.
The average annual household income for public housing residents is $14,639.

Public Housing:

- The SFHA public housing portfolio is divided into three categories: family and senior/disabled – both of which are managed directly by the Housing Authority, and HOPE VI, which are ground-leased to private owners for the day-to-day management and operations.
- There are 3,340 family units in 19 developments; 2,043 senior and disabled units in 23 developments, 756 public housing and 393 other affordable units in 6 HOPE VI developments. Of the 3,340 family public housing units, 1,819 are part of HOPE SF initiative.

HOPE VI:

- HUD implemented the Housing Opportunities for People Everywhere (HOPE) VI program in 1992 to fund redevelopment of severely distressed public housing. From 1993 to 1997, SFHA received $115.3 million in federal HOPE VI funds to redevelop six housing projects: (1) Bernal Housing, (2) Plaza East, (3) Hayes Valley North, (4) Hayes Valley South, (5) North Beach, and (6) Valencia Gardens.
- SFHA is managing general partner of the four limited partnerships that own and operate: (1) Bernal Housing Associates LP, (2) Plaza East Associates LP, (3) Hayes Valley Apartments LP, and (4) Hayes Valley Apartments II LP. SFHA, which owns the land, has long-term ground leases with each limited partnership. Each limited partnership is separate from SFHA, and files separate audited financial statements, which are also included in SFHA’s audited financial statements.
- SFHA also has long-term ground leases with North Beach Housing Associates and Valencia Gardens Housing Limited Partnership, who operate the respective housing developments. The SFHA is a member of North Beach Housing Associates and created the Valencia Gardens LLC as a special limited partner to the Valencia Gardens Housing limited partnership. Rent to SFHA includes annual base rent, adjusted by residual receipts.

Housing Vouchers and Housing Assistance Payments

- SFHA currently has nearly 9,000 vouchers under lease, serving more than 19,000 residents.
- HUD provides housing assistance payments to landlords (private, nonprofit or public) through housing vouchers for qualified low-income individuals and families.
- There are two main types of housing vouchers available to eligible San Francisco residents through SFHA: Section 8 (or “Housing Choice Vouchers”) for low-income individuals and families and Veterans Affairs Supportive Housing (VASH) vouchers for US Veterans and their families.
- Some housing assistance payments are used as “project-based vouchers,” in which the funds are used to construct or renovate low-income housing units. These vouchers differ from “tenant-based vouchers” in that the subsidy is attached to the actual unit, whereas tenant-based vouchers are attached to the tenant, who must then find a suitable unit and landlord to accept the voucher on the open market.
In response to a 2006 task force report calling for a new approach to rebuild and sustain San Francisco’s public housing, the City authorized $95 million in local bond funding to launch HOPE SF.

HOPE SF is an initiative aimed at transforming some of San Francisco’s most distressed public housing sites into vibrant mixed-income communities.

MOHCD is the lead implementing agency for HOPE SF, working in close collaboration with the San Francisco Housing Authority.

HOPE SF calls for a wide variety of capital improvements which will help address deficiencies at a number of public housing sites. Major program improvements include:

1. Renovating or replacing dilapidated public housing with new units while adding affordable rental and market rate homes, as well as retail and commercial space;
2. Constructing new streets and improving public right-of-way infrastructure that connect communities to their surrounding neighborhood fabric; and
3. Investing in community facilities such as community centers, parks and playgrounds.

Currently there are four active HOPE SF sites:

1. Hunters View has completed the first of three phases of construction;
2. Alice Griffith will begin construction in 2014;
3. Potrero Annex/Terrace is completing environmental review and land use entitlement; and
4. Sunnydale-Velasco is completing environmental review and land use entitlements.

**INTRODUCTION**

In his 2013 State of the City address, Mayor Edwin M. Lee called on San Franciscans to help create a new vision for public housing, and to reinvent the governance and management of the Housing Authority. Mayor Lee stated that if we can’t mend the troubled agency, then we should end it.

Over the last few months, Mayor Lee convened an inclusive and representative working group comprised of residents, community leaders, nonprofit housing partners, and private sector development experts to identify key issues and brainstorm solutions to problems that have plagued the housing authority for years.

This group of diverse leaders reached a unified conclusion that the San Francisco Housing Authority as it is currently structured is unsustainable. Unchanged since 1938, the Housing Authority and its residents have become isolated from the broader prosperity experienced by nearly every other San Franciscan.

San Francisco’s strength is its community. For most San Franciscans, basic services, transportation, shopping and employment are a few blocks away. The creation of complete communities was no accident – it was an intentional planning process that unfortunately left public housing behind. Where community activists, public housing residents, affordable housing developers, nonprofit leaders and others joined together to transform public housing—North Beach Place and Valencia Gardens—the results have been positive.
We must re-envision the relationships between SFHA and City government. Public housing must not be housing of last resort, but housing of choice that better serves its residents and is integrated into the City’s fabric.

**AN AGENCY IN CRISIS**

On December 13, 2012, HUD notified SFHA that it has been declared “Troubled” – its lowest classification prior to placing an agency under federal receivership.

SFHA has faced significant financial challenges in recent years due to the reduction of federal funding for public housing. In the previous two fiscal years, SFHA's public housing program experienced a budget shortfall of $4.0 million and $2.6 million respectively. In the first five months of the fiscal year ending September 30, 2013, the shortfall had already exceeded $1.7 million.

Although some public housing properties are well maintained and in good condition, a large number suffer from deferred maintenance and require extensive capital improvements. According to the Housing Authority’s portfolio-wide physical needs assessment, there are $270 million of immediate maintenance needs across all of its properties. In addition, as noted in the independent audit and thorough stakeholder input, even before federal sequestration the Housing Authority struggled to provide efficient property management, as evidenced by high vacancy rates, lengthy and expensive unit turnover, and consistently poor response to maintenance requests.

SFHA has not fully implemented asset management, and as a consequence, has forfeited at least $7.5 million in HUD operating subsidies over the last two fiscal years. SFHA does not effectively enforce rent payment obligations and payment plans are not consistently required or enforced. HUD Occupancy Standards have not been met and vacant units remain unoccupied far too long reducing income, and decreasing the availability of needed housing.

After federal sequestration took effect on March 1, 2013, HUD’s contribution to SFHA was slashed. The Formula funding to over public housing was reduced from 92% to 82%, and its Section 8 administrative fee from 94% to 72%.

SFHA currently has no cash reserves to cover the shortfall, and according to HUD’s March 26, 2013 status report, SFHA was expected to run out of cash sometime between May 2013 and July 2013. Due to staff layoffs and savings earned by re-negotiating service contracts, SFHA projects it can last until mid-September before being out of money.

The Working Group concluded that the current Housing Authority's “model is overly reliant on federal funding. Over the years, HUD funding levels have not kept up with the increased cost of managing and operating public housing, hindering the SFHA's ability to provide adequate services, maintenance, and oversight. The continued mismatch of resources and demand result in a decline in SFHA operational capacity and an increase in performance issues.” The problems at SFHA are not only financial. They include serious maintenance response management issues at a high number of Housing Authority properties and extended turnover rates of vacant units. In addition, the current coordination of existing services available
across the public housing portfolio does not achieve our goal of eradicating inter-generational poverty experienced by residents.

Existing organizational structures do not foster resident and community empowerment agendas to adequately address these inter-generational poverty issues. Residents have expressed concerns over the inadequacy of resources available to resident organizations, including lack of resident leadership and board trainings, equipment, and language access. Resident leaders are also frustrated by the lack of access to information and opportunities to provide feedback to policy makers.

The Board of Supervisors directed the Budget and Legislative Analyst’s Office to conduct a performance audit of the San Francisco Housing Authority on February 5, 2013. The performance audit evaluated the economy, efficiency and effectiveness of SFHA’s financial, operational, and program management. In nearly every area, the Budget and Legislative Analyst found that SFHA did not meet basic performance standards.

Performance standards were found to be especially poor within the Section 8 program. HUD assessments support this finding. Over the past ten years, on 14 specific indicators annually measured by HUD, SFHA consistently received low assessment scores. SFHA’s score decreased from 85% in 2009 to 59% in 2012. Waiting lists have not been opened or purged in several years and have resulted in a severely delayed intake process. The time that units remain vacant is prolonged and eligible tenants do not receive housing. Despite urgent housing needs and HUD guidelines to update program waiting lists annually, SFHA has not updated the Section 8 waiting list since 2001. The Public Housing waiting list has not been open since 2008. Currently, there are 8,974 San Francisco households on the Section 8 waiting list, and 26,070 San Francisco households on the Public Housing waiting list. Despite previous corrective action processes with HUD under prior SFHA leadership, the SFHA has yet to demonstrate significant improvements within Section 8 program management and administration.

Compounding financial troubles for the agency, the SFHA has continually been unable to meet Stop Loss criteria or implement a corrective plan in partnership with HUD to address the following deficiencies:

- Non-compliance with HUD budgeting standards, i.e. property by property accounting
- Inefficient response to maintenance issues
- Lack of a maintenance generalist position
- Lack of an effective program for proper rent collection
- Management fees in excess of reasonable standards
END IT, DON’T MEND IT: RE-ENVISIONING PUBLIC HOUSING IN SAN FRANCISCO

Engagement Process and Guiding Principles

The community input process commenced on March 5, 2013 at a kickoff meeting for key public housing stakeholders identified by the Mayor’s Office and the Office of the City Administrator. The kickoff meeting included presentations by SFHA, HUD, and City Administrator Naomi Kelly on the current status of the agency, to help orient participants to the task of re-envisioning the SFHA. Stakeholders were then encouraged to sign up for working groups, and signup sheets were distributed at community meetings, including meetings of the Public Housing Tenants Association and all SFHA Residents’ Councils. The signup sheets were used to recruit stakeholders, gauge interest levels, and facilitate scheduling; however, working groups were open to all interested persons.

Working groups were formed to address six topics and included:

1. Governance
2. Public Housing Operations
3. Section 8 Operations
4. Resident Services
5. Resident Organization and Leadership
6. Hope VI/HOPE SF/Public Land/Financing Tools

Over a hundred residents participated in the working group process as well as nearly 72 different agencies, offices, and organizations, including housing rights and housing advocacy groups, tenant groups, non-profit and for profit developers of affordable housing, representatives from elected officials, and City departments.

Each working group met two to three times from April to June of 2013 for a total of 18 meetings. The first meetings were conducted as listening sessions, during which working group members discussed problems, strengths, and desired changes to the SFHA within their topic areas. Due to the large size of the Resident Services, Public Housing Operations, and Section 8, each had a smaller executive committee.

Based on the input gathered during the first 1-2 meetings, each working group compiled a comprehensive list of priorities by topic area and strategies, which were then prioritized.

Due to the overlapping nature of the working groups, the priorities established through the working group were then organized into six cross-cutting topics or “guiding principles.”

• Focusing on Transparency and Accountability
• Improving Housing Choice and Access
• Creating a Safe, Secure Living Environment
• Supporting Resident Self-Sufficiency
• Developing Community Connections; and
• Facilitating Resident Empowerment
The below recommendations, organized by working group topic areas, intend to follow the guiding principles established through the stakeholder input process. Furthermore, they address directly the priorities that the groups articulated, and reflect many of the specific strategies presented. The recommendations draw on the Budget and Legislative Analyst Audit, HUD’s Corrective Action Plan, the Council of Community Housing Organization’s (CCHO) review, San Francisco Planning and Urban Research Association’s (SPUR) analysis, and numerous conversations with HUD officials and respected experts in the field.

The fundamental goal is to transform public housing in San Francisco by breaking down the barriers that have existed between public housing and the rest of our City, to connect public housing into our communities, to integrate public housing residents into our support services infrastructure, and improve public housing properties by creating new partnerships that bring in additional resources.

RECOMMENDATIONS

Governance and Administration

Objective: Transform the Housing Authority Commission into a body of qualified professionals with applicable management and operating expertise, and transform the Housing Authority’s administrative structure through the alignment of core public housing functions with appropriate City agencies.

Working Group priorities:

- Improve the transparency of the SFHA and the SFHA Board of Commissioners through greater openness, public access to information, and resident input.
- Ensure that the SFHA and the SFHA Board of Commissioners are more accountable to the local community, including City Agencies, the Board of Supervisors, SFHA Residents, and the public.
- Take steps to increase the long-term organizational capacity of the SFHA and the SFHA Board of Commissioners.
- Improve the SFHA and the SFHA Board of Commissioners’ connections to the community through formalized relationships with City agencies, resident organizations, and other community stakeholders.

Recommendation: A rethinking of the governance and administrative structure of public housing is at the core of a successful transformation to a functioning Housing Authority. Specific recommendations include:

The Commission should be a professional but independent oversight body. The Mayor should create qualification requirements to ensure transition to future commissioners with similar professional capacity.

1. The Commission should be a professional but independent oversight body. The Mayor should create qualification requirements to ensure transition to future commissioners with similar professional capacity.

2. The Housing Authority Commission should:
• Select a permanent Executive Director to implement these changes. He or she should possess the required affordable housing development, finance, human resource and management experience to be effective.

• Ensure that senior staff positions are filled on a permanent basis.

• Oversee the implementation of HUD’s Corrective Action Plan to ensure its effectiveness and SFHA compliance with Stop Loss Funding criteria in current and future years
  • With feasible and appropriate times for the public, relocate Commission hearings to City Hall and record and archive hearings on the SFHA website
  • Meet at least once a month, and establish permanent committees
  • Conduct an immediate evaluation of staffing levels needed to improve operating capacity and to manage transitions.
  • Work with the City Administrator to establish and chair a working group to improve the administration of SFHA to increase the transparency and effectiveness of its finance and human resource management within the next two years.

3. In order to improve quality of service to residents, the Housing Authority Commission should partner with city departments to align critical Housing Authority functions with the City’s infrastructure. Better alignment and coordination with the City’s services and housing infrastructure will permit the Housing Authority to focus on the delivery of housing services to residents and voucher holders as it moves toward an asset management and contract management role.

Financing/Re-capitalization

Objective: Transform public housing properties into financially viable real estate assets offering affordable housing that is competitive with housing offered by other affordable housing providers. Build on San Francisco’s successful affordable housing delivery and management model to improve resident experience, increase resident choice, and ensure the sustainability of the City’s public housing infrastructure.

Working Group priorities:
  • Identify potential sources of additional resources and tools for the SFHA.
  • Ensure SFHA tenant protections (e.g. non-discrimination, grievance procedures, etc.) are preserved under alternative financing structures

Recommendation: Build on HOPE VI, HOPE SF, and affordable housing land trust models to ensure preservation of public housing assets, and to increase investment to address capital needs and make the buildings’ operations more sustainable. Specific recommendations include:

1. The Housing Authority Commission should authorize the Housing Authority to engage MOHCD to evaluate building conditions at all SFHA properties, assess options for financing, and facilitate the improvement of the public housing portfolio through public-private partnerships and public land trusts. Under any partnership, the Housing Authority would retain ownership of the land to guarantee that all assets are maintained as part of the City’s permanent affordable housing infrastructure.
2. Based on the evaluation of the public housing portfolio, MOHCD should develop a work plan, in partnership with HUD, for the conversion of all or a portion of the portfolio to a public/private land trust model. The feasibility of this work is dependent on the cooperation of HUD to provide necessary tools to ensure that any conversion is financially viable. The work plan shall include:

- Consideration of available rent subsidies through HUD, including Rental Assistance Demonstration (RAD) program vouchers, Section 8 vouchers, and project-based rental assistance
- Timelines and critical milestones for submission of required applications to HUD
- Framework for issuing a Request for Proposals to convert properties to a public-private partnership model, leveraging tax credit equity and private debt to address immediate and long term capital needs
- An upgrade to building conditions in 2,000 public housing homes within the next 3 years using the public/private partnership model
- An application for “Moving to Work” status for the primary purpose of upgrading living conditions at the non-HOPE SF family housing sites within the next 8 years
- Progress on the four active HOPE SF sites with the goal of getting those projects entitled and into construction within the next 10 years
- Mayoral executive directive requiring MOHCD to evaluate and pursue options for increasing resident choice by incorporating a portion of units affordable to public housing residents within MOHCD’s 9,000 unit pipeline of affordable housing
- Assurances that tenant protections will be maintained as properties are converted and there will be no net loss of public housing units
- Staffing and budget needs in order to oversee financing and recapitalization activities

Following approval by the Mayor’s Office and Housing Authority Commission, MOHCD should oversee the execution of the work plan in order to take best advantage of available HUD funding.

**Section 8 Operations**

**Objective:** Transform Section 8 Operations into a highly responsive system that allows low income residents to stay in San Francisco.

**Working Group Priorities**

- Increase effectiveness and efficiency of Section 8 operations to serve more low-income San Francisco residents.
- Increase housing choices for SFHA residents, including choices in housing location, accessibility, and type.
- Ensure that SFHA residents’ needs, including unit inspections and re-certifications, are timely met.
- Ensure that the waiting list is current, effective, and transparent, as well as easily understood/utilized by SFHA residents.
• Change the public’s perception of the Section 8 Program to align with the SFHA’s new vision and to reflect the progress being made on proposed reforms.

**Recommendation:** SFHA must identify an effective program administrator in the short term while searching for a permanent replacement.

Specific recommendations include:

1. Immediately, the Housing Authority Commission should work with a technical assistance provider, engaged by HUD, to effectively manage and administer the Section 8 Program.
2. Within 2 years, SFHA should identify and make recommendations for the permanent administration of the Section 8 program. The identification of a permanent administrator should begin immediately in coordination with HUD’s staffing assessment.
3. Immediately, the HA Commission should consult with MOHCD to evaluate and propose as appropriate Section 8 program policies that will prioritize the use of vouchers to better integrate San Francisco’s most vulnerable populations, including veterans, domestic violence survivors, and homeless families, into the City’s award winning permanent affordable housing program.
4. Provide outreach, education and training to property owners in order to increase the number of participants in the program.

**Public Housing Operations**

**Objective:** Transform public housing from housing of last resort to housing of choice by improving management, operations, and maintenance. Build SFHA’s asset management capabilities through the implementation of established best practices and industry standards.

**Working Group Priorities:**

- Improve the efficiency and responsiveness of how repair and maintenance requests are handled.
- Develop a comprehensive strategy for reducing vacancy rates, recognizing that vacancies are caused by a variety of factors and require a coordinated response.
- Develop and implement long-term strategies to give public housing residents more choice in housing.
- Improve the effectiveness and financial stability of public housing operations by streamlining administrative policies and procedures.
- Change the SFHA’s culture to one of culturally competent customer service.

**Recommendation:** Take immediate steps to address current deficiencies, and engage MOHCD to evaluate options for improving public housing operations through public-private partnerships. Specific recommendations include:

1. The SFHA should adopt, and direct SFHA staff to implement, HUD’s Corrective Action Plan. Technical assistance from HUD should be accessed to assist with implementation. The Action Plan includes requirements to:
   - Prepare monthly operating financial statements by AMP.
   - Establish a maintenance mechanic position to provide efficient on-site repairs.
• Develop a Commission-approved rent collection and eviction prevention plan.
• Develop a Commission-approved maintenance plan.

2. The SFHA should partner with MOHCD to develop strategies to improve management, maintenance, and operations through public-private partnerships that leverage additional resources (see Financing/Recapitalization section)

3. In partnership with MOHCD, the SFHA should identify resources to address identified capital emergency repair needs. Any City funds shall be secured against the property and repaid through available cash flow. MOHCD shall oversee use of any City funding provided for capital emergency repair needs.

4. Once the Corrective Action Plan and overall recovery agreement requirements are in place, Housing Authority should re-negotiate its MOU with the Dept. of Building Inspection to allow for more effective housing code enforcement. This is a key area of resident engagement. Housing Authority residents should have access to the city’s housing code enforcement process – one of the strongest and most effective in the country. Residents should be encouraged to participate in making this system work more effectively.

Resident Services

Objective: Provide SFHA residents with full, equal access to all of the services offered to San Francisco residents.

Working Group priorities:

• Ensure that all SFHA residents are able to live in a safe and healthy environment.
• For SFHA’s young residents and their families, focus resident services on educational opportunity and achievement.
• Utilize Resident Services as a platform to increase SFHA residents’ economic security and self-sufficiency.
• Develop a services strategy for SFHA residents that is both strengths-based and culturally competent.

Recommendation: Create a resident services/community outreach and coordination unit to evaluate and ensure that services being promised are also services being delivered. Better connect both existing service providers and resident leadership with the City’s services infrastructure. Specifically, the City should:

1. Provide service coordination and oversight to the entire public housing portfolio, guided by the HOPE SF City Services Team model established to coordinate service provision to HOPE SF sites. The Team should include participants from MOHCD, HSA, DPH, DCYF, Office of Economic and Workforce Development, SF Unified School District, First Five, Police, Juvenile Probation and Adult Probation. Support Team capacity with a position established at four key departments – DPH, HSA, OEWD and DCYF - that provide or fund essential direct services to public housing sites.

2. Build on the existing HOPE SF services coordination role and create a resident services and leadership coordination unit to: 1.) link on-site service connection staff to services agencies and the City Services Team; 2) provide capacity building, technical assistance, and support to resident councils. Liaison staff would carry primary responsibility for a portfolio of properties based on neighborhood and population,
and serve as the City’s primary linkage to specific sites.

3. Ensure financing and re-capitalization plans include financial support for on-site service connection staff to facilitate service provision to residents and adequate and identified space within each property for service and community building activities (see Financing/Re-Capitalization section).

4. Integrate public housing units into the broader homeless housing continuum by utilizing the City’s existing homeless access point for entry into the system. Use the existing access points system for public housing residents who qualify for DPH and HSA assisted housing the needs for supportive services. Ensure households are directed to developments with appropriate level of services within both SFHA and City portfolio.

5. Increase access to supportive services at all public housing developments using the City’s supportive service network. Utilize network of Family Resource Centers (FRC) and other organizations to connect residents with neighborhood-based or population-based service providers; look at opportunities to expand FRC network as an integrated framework to build comprehensive service delivery.

6. Coordinate with the City’s Interrupt, Predict, and Organize (IPO) initiative to reduce street and domestic violence by partnering with property managers, public safety officers, and service providers to target and remove tenants involved with particularly destabilizing activities, and to identify crime hotspots in and around SFHA’s developments.

7. Require department heads to catalogue City departments’ existing service delivery to SFHA residents, evaluate its effectiveness, and develop a plan to extend their existing services to SFHA residents in the most cost effective way possible. Those plans should be submitted to the Mayor’s Chief of Staff by Monday, October 1, 2013.

**Tenant Leadership**

**Objective:** Reform current jurisdiction-wide/local resident council structure to bolster relationships among resident leaders, to expand opportunities for meaningful participation by residents in leadership positions, and to better connect resident leaders to the City services intended to support them.

**Working Group Priorities:**

- Increase opportunities for SFHA residents to participate in policy decisions that impact them.
- Increase resources and information available to resident leaders to better serve the residents that they represent.
- Ensure accountability of SFHA, City agencies and local service providers to SFHA residents and resident leaders.
- Strengthen relationships within and among local resident councils, jurisdiction-wide organizations and other organizations to increase leadership opportunities for SFHA residents.
- Increase resident participation in associations, leadership roles and attendance at resident meetings.

**Recommendation:** Develop neighborhood/resident councils in accordance with best practices and with an eye toward integrating inclusive and culturally competent mixed-income neighborhood leadership opportunities into the larger leadership structure. Specific recommendations include:
1. Ensure support to tenant councils allows for full and representative participation by residents, including appropriate staffing support, access to meaningful aggregate site-based demographics and assistance with translation and other culturally competent support.

2. Create peer-to-peer learning and centralized training opportunities that are culturally accessible to all residents.

3. Provide education and training, including succession training; improve election process to provide more equitable representation

4. Expand HOPE SF Leadership academy to train leaders at all HA sites

FROM PLAN TO ACTION: IMPLEMENTING THE TRANSFORMATION

The above-listed recommendations are intended to support the Housing Authority so that it can be successful in pursuing its mission, transforming it into a functioning agency with a more limited and better defined role. In addition, they intend to ensure that the City’s public housing assets are “safe, solvent, and successful” over the long term, and can continue to play a vital role in providing affordable housing to San Franciscans. The key to the achieving these goals is to pursue an unprecedented integration with the City’s affordable housing and services infrastructure, and to connect public housing developments into the larger community through physical improvements, redevelopment, and enhanced service provision.

When the transformation is complete, the stark line that exists today between public housing and the rest of the City will diminish, if not vanish completely.

The transformation process, however, will not happen overnight. It will require significant planning, outreach, and cross-departmental coordination, as well as new resources for service provision and capital improvements. The City should create an implementation structure, with staffing and budget, to manage the effort. Below is an initial outline of short-, mid- and long-term objectives:

Short Term Objectives: Interim Management and Transformation Planning

There are three immediate priorities for sustaining current operations and laying the groundwork for future transformation efforts:

1. Reinforce current operations and management to ensure the short term viability of existing housing and services.
   a. The Housing Authority Commission should oversee immediate implementation of organizational improvements and cost-saving policies as outlined in HUD’s Corrective Action Plan.
   b. The Housing Authority Commission should immediately identify an effective Section 8 program administrator.
   c. SFHA, in partnership with the MOHCD should identify financial assistance to address emergency repairs and immediate capital improvements.

2. Authorize and enact interagency agreements. The Housing Authority Commission should authorize necessary interagency MOUs in order to:
   a. Receive immediate technical and financial assistance to preserve existing programs and services; and,
b. Facilitate evaluation and analysis necessary to create a detailed transformation work plan.

3. Establish the staffing and oversight infrastructure necessary for carrying out the transformation. The Mayor’s Office should:

   a. Create and fund a Director of Public Housing Initiatives reporting directly to the Mayor, whose primary responsibility will be to ensure cross departmental coordination and consistent communication to residents, stakeholders, policy makers, and HUD. The Director of Public Housing Initiatives, with input from participating departments, should establish an integrated 24-month work plan for the transformation of the Housing Authority.

   b. Form a Public Housing Transformation Working Group to coordinate outreach efforts with residents and provide a forum for resident and stakeholder input during the transformation process.

   c. Require department heads to catalogue City departments’ existing service delivery programs available to SFHA residents, evaluate their effectiveness, and develop a plan to extend existing services in the most cost-effective way to SFHA properties by October 1, 2013.

**Medium Term Objectives: Implement 24-month Transformation Plan**

With staffing, an oversight body, and a work plan in place, the City’s medium term objective will then be to implement the plan and ensure that all necessary deadlines and milestones are met.

Key components include:

1. Initiate and complete required evaluations, including analysis of current and needed services, public safety priorities, and capital needs throughout the portfolio.

2. Establish a permanent Section 8 administrator by October 1, 2015.

3. Define parameters for public/private partnership land trust conversions, issue RFP, and oversee initial predevelopment, financing and rehabilitation activities.

4. Initiate enhanced services coordination at all properties.

5. Define and support tenant leadership.


7. Complete staffing adjustments at SFHA.

8. Provide consistent communication and updates to all parties.

**Long Term Objectives: Sustainable Governance and Major Redevelopment Implementation**

While completion of the work plan will transform public housing to a more socially and economically sustainable model, its long term viability will depend on ongoing oversight and management, as well as the commitment by the City to complete major redevelopment work that, given its scale, requires a longer term timeline for completion.

Long term objectives are:

1. Implement and support professional governance structure that includes the necessary breadth of representation as well as technical skills to oversee the City’s public housing.
2. Complete major redevelopment work, including HOPE SF, the timeline for which will extend beyond the 2 year transition period.
3. Provide consistent reporting on transformation activities to all relevant stakeholders in order to maintain a high degree of transparency and inclusiveness through the process and over the long term.

CONCLUSION

If the SFHA stays on its current course without any dramatic changes to its organizational model, it will be bankrupt or in HUD receivership within the year. It doesn’t have to be this way. San Francisco is a city of neighborhoods and nearly every neighborhood has a public housing development in it. The best examples of public housing done right, like North Beach Place and Valencia Gardens brought together community activists, businesses, affordable housing providers, and neighborhood non-profit social workers. They combined federal, local and private dollars to transform the lives of the residents who live there. While every development won’t look like these ones, San Francisco must learn the lessons from that experience. We all work more effectively to improve living conditions and alleviate poverty when we come together as one community.

What is unique about the history of public housing here in San Francisco is that it has failed while the development and preservation of affordable housing has been such a success.

San Francisco’s affordable housing community and neighborhood service networks excel at serving residents, yet public housing residents have only marginally benefited from what is at the center of their success: the neighborhood development corporations, activists, and service providers. We need to harness all their energy and their efforts and combine them with federal and local government work in this area if we are to have any chance of turning public housing into the community asset that it was designed to be. Since the gap between SFHA’s needs and the available resources is so vast, we need a fundamentally new approach to meet the challenge – one that has everyone working together to turn these recommendations into reality. We believe San Francisco can meet this challenge.

Leader Nancy Pelosi, Mayor Edwin M. Lee and Supervisor Malia Cohen tour efforts to improve public housing.
Housing
San Francisco

The Process to Make Recommendations to Mayor Ed Lee and the Board of Supervisors

March 5, 2013
San Francisco Housing Authority

- 364 Housing Authority employees serve over 40,000 residents through Public Housing and Section 8 program
- $12,000 average annual household income.
- Resident population in critical need of social services.
  - Jobs
  - Education
  - Health
  - Child care
  - Financial Management
  - Safety
Public Housing

- Public Housing: ~16,000 Residents
- ~6,500 Units are managed in Public Housing.
  - 48 Property Sites.
- Before 3/1, HUD funds 92% of the cost to operate Public Housing. After sequestration, that number is ~77%. 33,000 work orders (unit maintenance requests)/year.
- $270 Million in deferred maintenance. Repair backlog of aging properties continues to grow.
- 500 units turned-over annually – average cost $12k per unit. ~300 units are currently vacant.
Leased Housing

- 10,000 Section 8 vouchers distributed.
- 26,000 residents served by Section 8.
- Prior to 3/1, the Section 8 program generated reserves. After sequestration, the administrative fee is reduced from 82% to 68%. Future reserves are in question.
- Property owners report concerns about the management of Section 8.
- Income verification and unit inspection delays cause uncertainty for nonprofit housing providers.
San Francisco Housing Authority today…
“A treadmill (cycle) of troubled lists and repair backlogs that will never get fully funded.”

- 16,000 Public Housing Residents
- $12,000 Ave. annual household income.
- 364 Employees.
- 48 Property sites.
- 33,000 Work Orders for unit maintenance.
- $270 Million in deferred maintenance Aging properties.
- 500 Units turned over annually – ave. $12k per unit.
- ~6,500 Units managed.
- HUD funds 92% of Cost to operate Public Housing.
- Resident Social Services Required

Growing financial deficit. Inadequate funds to support residents.
Goal - Mayor’s Charge.

City Administrator Naomi Kelly and Mayor’s Office of Housing Director Olson Lee will partner with HUD staff and stakeholders to develop a set of recommendations to re-envision public housing, by 7/1/13.
Objectives - Mayor’s Charge.

- Engage residents, community leaders, nonprofit housing partners, City staff, & private sector development experts.
- Improve the condition of public housing and live up to our obligations to our lowest-income residents by building on what’s working through HOPE SF and collaborate with HUD and our partners in the nonprofit and private sectors.
- A model of public-private partnerships that integrates people of all ages, classes, and ethnicities into one thriving community.
Process Objectives - Mayor’s Charge.

- A model for helping people out of poverty. A system that creates a housing ladder that allows mobility rather than socially, racially and economically isolated complexes.
  - Integrate public housing with other local housing opportunities that better meet the needs of the family/resident.

- A model Section 8 program. A more efficient program for both voucher holders and landlords.

- A funding model that leverages diverse and sustainable funding sources: federal, state, local, and private investment.
Process Objectives - Mayor’s Charge.

- A model organization with the right governance and management to implement the recommendations, up to and including replacing the Housing Authority, that is sustainable for the next 50 years.

- Mayor Lee recently replaced Housing Authority commissioners with subject matter experts to assist in short term problem solving.
The Process

- Define the Problem:
  - Housing that traps generation after generation in socially, racially and economically isolated complexes.
  - A chronically underfunded San Francisco Housing Authority with permanently distressed housing stock that “does not work for getting people out of poverty.”
  - Public housing and Section 8 on the HUD troubled list.
  - Property owners have reluctance to accept Section 8, strained interactions with Housing Authority.
  - HUD previously funded 92% of the cost to operate public housing & 82% for Section 8, now 77% and 68%, respectively, with sequestration impact.

- Analyze Current Situation:
  - San Francisco Housing Authority data.
  - HUD audits, data and corrective action reports.
  - Evaluate HOPE SF model – Social Impact.
  - Engage residents, SFHA staff, community leaders, nonprofit housing partners, and private sector development experts.
  - Involve stakeholders, HUD, City Administrator, MOH, SFHA, City staff.
  - Clearly understand and define the problem.
Define Objectives/Principles:

- Safe, clean place to call home for low income residents.
- Enhanced resident’s lives.
- Residents with pathways out of poverty.
- Financially sustainable housing developments and organization.
- Seamless housing system that houses families and individuals according to their need.
- Maintain a culturally rich and diverse population of San Franciscans.

Develop Ideas, Strategies, Solutions:

- Research various models. Benchmark other cities’ housing solutions.
- Apply learnings from the HOPE SF model and other strategies that are currently working in SF.
- Consolidate and analyze ideas.
- Verify that ideas align with objectives.
- Review suggested strategies with key stakeholders.
The Process

- Recommendations:
  - Kickoff, midpoint and final “big tent” meetings.
  - 2-4 meetings of six working groups.
  - Technical assistance from HomeBase to record, synthesize and report back community input.
  - Develop preliminary ideas and strategy.
  - Review with key stakeholders.
  - Present final recommendations to Mayor by 7/1/13.

- Working groups:
  - Public housing operations
  - Section 8
  - Governance
  - Hope VI, Hope SF
  - Social service integration
  - Tenant leadership development
Contact to join working groups

Ashley Hart McIntyre
Ashley@homebaseccc.org
415.788.7961 x306
In October of 2012, the Department of Housing and Urban Development (HUD) downgraded the status of the San Francisco Housing Authority (SFHA) to “troubled”, based on HUD’s annual review of SFHA performance. The SFHA also faced significant budget shortfalls in 2011 and 2012, which has led to layoffs of many employees and restructuring within the agency.

In response to these and other issues facing the SFHA, San Francisco Mayor Ed Lee determined that a Re-Envisioning Process was needed, drawing upon the expertise of HUD and City agencies as well as residents, community leaders, and nonprofit organizations, in order to transform the SFHA into a model Housing Authority that is able to provide improved public housing throughout San Francisco.

In February of 2013, the Mayor’s Office requested that the Office of the City Administrator draft recommendations for a re-envisioned San Francisco Housing Authority, to be presented to the Mayor’s Office by July 1, 2013. In developing its recommendations, the City Administrator’s Office partnered with the Mayor’s Office of Housing (MOH) and HomeBase, a technical assistance provider, to gather community input about the SFHA and public housing in San Francisco. A public input process was designed around a system of working groups to elicit feedback from as many voices as possible within a limited timeframe.
THE WORKING GROUP PROCESS

The community input process commenced on March 5, 2013 at a kick-off meeting for key public housing stakeholders, identified by the Mayor’s Office, the Office of the City Administrator, and MOH. The kick-off meeting included presentations by HUD and the City Administrator’s Office on the current status of the agency, to help orient participants to the task of re-envisioning the SFHA. Stakeholders were then encouraged to sign up for working groups, and sign-up sheets were distributed at community meetings, including meetings of the Public Housing Tenants Association and all SFHA Residents’ Councils, around this time. The sign-up sheets were used to recruit stakeholders, gauge interest levels, and facilitate scheduling; however, working groups were open to all interested persons.

Working groups were formed to address six topics, selected by the Mayor’s Office, the City Administrator’s Office, and MOH. The working groups included:

- Governance
- Public Housing Operations
- Section 8 Operations
- Resident Services
- Resident Organization and Leadership
- Hope VI/HOPE SF/Public Land Trust/Financing Tools
HomeBase staff facilitated meetings of the Public Housing Operations, Section 8 Operations, Resident Services, and Governance groups. MOH facilitated the Hope VI/Hope SF/Public Land Trust/Financing Tools group, and technical assistance provider Enterprise Community Partners facilitated the Resident Organization and Leadership group. Working group participants included SFHA residents, community members, representatives of tenants’ organizations, community-based organizations and nonprofits, union and trade organizations, and various City departments and agencies.

Descriptions of each working group, meeting dates, attendance lists, and facilitators can be found in Appendix A to this report.

Organizations represented in the working group process include:

- 25 Sanchez Tenants Association
- Alemany Resident Council
- Potrero Hill Annex Resident Management Corporation
- Public Housing Tenant Association
- Holly Courts Resident Council
- Alice Griffith Residents’ Council
- Westside Courts Residents’ Council
- Hunters’ View Residents’ Council - Mother’s Committee
- Western Addition Family Resource Center
- Homeless Prenatal Program
- Northern California Presbyterian Homes and Services
- Bayview YMCA
- A. Philip Randolph Institute
WORKING GROUP PARTICIPANTS

- Asian Law Caucus
- Catholic Charities CYO
- SF Coalition on Homelessness
- Council of Community Housing Organizations
- San Francisco Municipal Executives Association
- Walter & Elise Haas Fund
- Bayview Hunters Point Multipurpose Senior Services
- Mo’MAGIC
- Mission Housing
- Urban Strategies
- TODCO
- Local Initiatives Support Coalition
- McCormack Baron Salazar
- Chinatown Community Development Center
- The John Stewart Company
- SRO Families United Collaborative
- Community Housing Partnership
- Recology
- Equity Community Builders
- Catholic Charities Treasure Island Development Center
- First 5 San Francisco
- Hamilton Family Center
- Lawyer’s Committee for Civil Rights of San Francisco Bay Area
- Tenderloin Neighborhood Development Corporation
- San Francisco Apartment Association
- Enterprise Community Partners
- Alioto & Keenan (representing Supervisor London Breed)
- Brightline
- Bernal Heights Neighborhood Center
- San Francisco Foundation
WORKING GROUP PARTICIPANTS

• Mercy Housing Management Group
• Hunters Point Redevelopment Citizen’s Advisory Committee
• PATH
• PHARMC
• Devine & Gong
• Eviction Defense Collaborative
• San Francisco Housing Development Corporation
• Hunters Point Family
• Together United Recommitted Forever
• Bayview Senior Services
• Bay Area Legal Aid
• SPUR
• Treasure Island Supportive Housing Program
• Bridge Housing
• Episcopal Community Services
• Senior and Disability Action
• National Housing Law Project

• United Way of the Bay Area
• Citywide Council Senior Disabled
• Asian Neighborhood Design
• Related California
• San Francisco NAACP
• Young Community Developers
• Human Rights Commission of San Francisco
• Carpenters Local 22
• Laborer’s Local 261
• Painters and Allied Trades District Council 16
• San Francisco Building and Construction Trade Jobs
• SEIU Local 1021
• San Francisco Mayor’s Office of Housing
• San Francisco Mayor’s Office of Education
• San Francisco Housing Authority
WORKING GROUP PARTICIPANTS

- San Francisco Human Services Agency
- San Francisco City Administrator’s Office
- San Francisco Board of Supervisors
- Supervisor Kim’s Office
- Supervisor Breed’s Office
- Supervisor Cohen’s Office
- San Francisco Adult Probation Department
- San Francisco Mayor’s Office
- San Francisco Department of Building Inspection
- San Francisco City Attorney’s Office
- San Francisco Department of Public Health
- San Francisco Department of Child Support Services
- San Francisco Police Department
- San Francisco Department of Children, Youth and Their Families
- San Francisco Department of Public Works
- San Francisco Office of Economic and Workforce Development
- San Francisco Department of Aging and Adult Services
- Department of Housing and Urban Development (HUD)
WORKING GROUP MEETINGS

Each working group met 2-3 times from April to June of 2013. The first meetings were conducted as listening sessions, during which working group members discussed problems, strengths, and desired changes to the SFHA within their topic areas. Notes were compiled from these first meetings summarizing all comments, found in Appendix B. Due to the large size of the Resident Services, Public Housing Operations, and Section 8 Operations working groups, smaller executive committees were formed with participants invited by the Mayor’s Office, the City Administrator’s Office, and MOH, and the Resident Organization and Leadership working group held a residents-only meeting. Executive committee and residents-only meetings allowed for in-depth discussions, building on issues raised at the initial listening sessions.

Based on the input gathered during the first 1-2 meetings, each working group compiled a comprehensive list of priorities and strategies, found in Appendix C. All working group members re-convened to review prior meeting notes, as well as proposed priorities and strategies, for accuracy and completeness.

As a final step in the public input process, working group members were asked to identify the most pressing priorities and strategies for re-envisioning the SFHA. Surveys were sent out through an online service to everyone who expressed interest in the Resident Services, Resident Organization and Leadership, Public Housing Operations, and Section 8 Operations working groups, to allow for as much broad-based feedback as possible. The survey results, found in Appendix D, was primarily used to identify recommendations with the most community support.
PRIORITY AREAS

The priority areas identified by the working group participants are:

• Improve the transparency of the SFHA and the SFHA Board of Commissioners through greater openness, public access to information, and resident input.

• Ensure that the SFHA and the SFHA Board of Commissioners are more accountable to the local community, including City Agencies, the Board of Supervisors, SFHA Residents, and the public.

• Take steps to increase the long-term organizational capacity of the SFHA and the SFHA Board of Commissioners.

• Improve the SFHA and the SFHA Board of Commissioners’ connections to the community through formalized relationships with City agencies, resident organizations, and other community stakeholders.
PRIORITY AREAS

PUBLIC HOUSING OPERATIONS

• Improve the efficiency and responsiveness of how repair and maintenance requests are handled.

• Develop a comprehensive strategy for reducing vacancy rates, recognizing that vacancies are caused by a variety of factors and require a coordinated response.

• Develop and implement long-term strategies to give public housing residents more choice in housing.

• Improve the effectiveness and financial stability of public housing operations by streamlining administrative policies and procedures.

• Change the SFHA's culture to one of (culturally competent) customer service.
SECTION 8 OPERATIONS

- Increase overall Section 8 capacity to serve more low-income San Francisco residents, and SFHA staff's Section 8 operational capacity.
- Increase housing choices for SFHA residents, including choices in housing location, accessibility, and type.
- Ensure that SFHA residents’ needs, including unit inspections and recertifications, are timely met.
- Ensure that the waiting list is current, effective, and transparent, as well as easily understood/utilized by SFHA residents.
- Change the public's perception of the Section 8 Program to align with the SFHA's new vision and to reflect the progress being made on proposed reforms.
RESIDENT SERVICES

- Provide SFHA Residents with full, equal access to all of the services offered to San Francisco residents.
- Ensure that all SFHA residents are able to live in a safe and healthy environment.
- For SFHA's young residents and their families, focus Resident Services on educational opportunity and achievement.
- Utilize Resident Services as a platform to increase SFHA residents' economic security and self-sufficiency.
- Develop a services strategy for SFHA residents that is both strengths-based and culturally competent.
RESIDENT ORGANIZATION
AND LEADERSHIP

• Increase opportunities for SFHA residents to participate in policy decisions which impact them.
• Increase resources and information available to resident leaders to better serve the residents that they represent.
• Ensure accountability of SFHA, City agencies and local service providers to SFHA residents and resident leaders.
• Strengthen relationships within and among local resident councils, jurisdiction-wide organizations and other organizations to increase leadership opportunities for SFHA residents.
• Increase resident participation in associations, leadership roles and attendance in resident meetings.
PRIORITY AREAS

HOPE VI, HOPE SF, PUBLIC LAND TRUST & NEW FINANCING TOOLS

- Identify potential sources of additional resources and tools for the SFHA to address capital needs and improve operations.
- Ensure SFHA tenant protections (e.g., housing rights, nondiscrimination, grievance procedures, etc.) are preserved under alternative financing structures.
Due to the overlapping nature of the working groups, the Re-Envisioning Process findings have been categorized into six cross-cutting topics:

- Focus on Transparency and Accountability
- Improving Housing Choice and Access
- Creating a Safe, Secure Living Environment
- Supporting Resident Self-Sufficiency
- Developing Community Connections; and
- Facilitating Resident Empowerment

The development of some of these findings was aided by research materials distributed at meetings of the Public Housing, Section 8, and Resident Services working group meetings, attached as Appendix E.
Since the start of the Re-Envisioning Process, the City and the SFHA have reported making significant strides in improving the Housing Authority’s overall performance. The SFHA Commission, SFHA staff, City officials, resident and labor groups, and HUD representatives have been working together to identify and respond to key performance issues. As noted by working group participants, however, the governance structure currently in place has not changed since the SFHA’s inception, and is based on an insulated model of public housing that is overly reliant on federal funding.

Over the years, HUD funding levels have not kept up with the increased costs of managing and operating public housing, hindering the SFHA’s ability to provide adequate levels of services, maintenance, and oversight. The continued mismatch of resources and demand resulted in a decline in the SFHA’s operational capacity and an increase in performance issues.

Without an open, flexible governance structure, and without proper support for existing monitoring and feedback mechanisms such as the SFHA Commission, resident organizations, and resident grievance procedures, the SFHA was slow in identifying operational issues and developing appropriate responses.
The operational issues that the SFHA was slow to identify and address included:

- The use of Section 8 administrative fees and capital improvement funding to fill operational gaps
- Backlogged income recertifications, including interim recertifications of reduced income leading to widespread failures to pay rent
- Missing HUD’s four-year deadline to convert to the new Asset Management Model, resulting in the annual loss of about $1.5 million in additional HUD funding
- Widespread delays in unit inspections, including delayed moving inspections resulting in Section 8 landlords withdrawing offers from potential tenants
- The backlog of maintenance repair requests that was allowed to increase to over 2,500 outstanding requests
- Closed waiting lists (since 2008 for public housing and since 2001 for Section 8) with almost 9,000 households on the Section 8 list and over 26,000 households on the Public Housing list
- High vacancy rates in public housing with long turnover periods (an average of over six months)
- Lack of a list of available services provided at each public housing development
In response, the participants in the working groups proposed various strategies, including:

- **Create a Public Housing Strategic Planning Taskforce** to develop and implement long-term strategies to improve the responsiveness of each public housing development to the needs of its residents, including decentralized property management policies and procedures, and coordination with the City’s homeless programs to identify appropriate interventions to prevent homelessness.

- **Hold regularly scheduled resident summits/forums at SFHA housing sites or other meeting spaces easily accessible by SFHA residents in order to gather resident feedback on an ongoing basis.**

- **Allow jurisdiction-wide resident leadership (PHTA and CCSD) to vote on contracts (e.g., laundry room and food machine vendors, maintenance and security contracts) and policies that impact residents at multiple family or senior/disabled developments (as applicable); allow local resident councils to vote on contracts and policies that impact that particular development.**

- **Include resident leadership in discussions and decisions regarding contracting, service delivery and coordination decisions for developments involved in HOPE SF and other multi-stakeholder initiatives to ensure higher levels of resident engagement, smoother transitions, and greater accountability (e.g., meetings regarding selection of contractors and Section 3 issues, service provision and coordination of relocation).**

- **Include participation by jurisdiction-wide and, as appropriate, by local resident councils, in City/service provider/SFHA discussions and decisions about policies that address systemic issues at family and senior/disabled developments (e.g., productive means of addressing homelessness and on-site mental health or substance abuse issues, enforcement of health policies).**

- **Require on-site service providers and City agencies providing direct services to SFHA residents to produce a regular report of services offered (e.g., number and diversity of residents served, types of services provided, goals and plans for future services).**
In response, the participants in the working groups proposed various strategies, including:

- Require agencies with resources or policies that directly impact developments to meet with and report to resident leadership (e.g. develop Public Housing Working Groups with SFPD - to meet regularly with local resident councils to report on incidences and outcome of investigation of crimes in and around developments and the time spent on community policing strategies at the sites, with DPW to address dumping issues, MUNI to address transportation issues, etc.)

- Move the meeting location of the Board of Commissioners to City Hall to improve overall transparency and underscore the SFHA’s connectedness to the City (while taking steps, however, to ensure that residents have open, easy access to the meetings and feel comfortable entering City Hall).

- Hold meetings of the Board of Commissioners during times that are more convenient for residents, and video-record the meetings so they can be viewed by interested stakeholders.

- Provide timely and detailed agendas and minutes of Board of Commissioners’ meetings.

- Make Commission Bylaws and the Commissioners’ qualifications publicly available, and post them prominently on the SFHA website.

- Make SFHA data, including Demographics, Operational Outcomes, and Resident Outcomes publicly available, and post procedures for requesting information from SFHA on the SFHA website.

- Conduct ongoing resident outreach and education about any changes to SFHA policies and procedures.

- Subject to changes in State law, move toward a split-appointment authority model for the Board of Commissioners, under which Commissioners are appointed by the Mayor, the Board of Supervisors, and/or SFHA residents.

- Develop a public review process for Commissioner nominees similar to how other City board and commission nominees are confirmed.
In response, the participants in the working groups proposed various strategies, including:

- **Develop a system for the City to provide feedback on a Commissioner’s performance (e.g., a report card including attendance rates, committee participation, and resident interaction, etc.) during the re-appointment process.**

- **Ensure that the Board of Commissioners conduct a performance review of the Executive Director at least annually, based on pre-set criteria including key performance indicators (e.g., crime, rent collection, transfer rates, vacancies, leasing and turnover rates, waiting lists, work orders, inspections, and recertifications) and benchmarks (e.g., progress on transition to Asset Management Model, and Reopening Waitlists).**

- **Ensure that the SFHA conduct regular performance reviews of its contractors and make the results publicly available.**

- **Create specific expertise requirements for certain Commission seats; specifically, ensure there is at least one seat each requiring affordable housing and housing finance expertise, and at least two seats for resident representatives. (Governance)**

- **Ensure that the SFHA’s hiring process is clear, open, and streamlined in order to attract the best possible talent for SFHA staff positions. (Governance)**

- **Work with HUD, City Agencies and CBOs to provide ongoing training for SFHA staff. (Governance)**

- **Develop a monitoring system for onsite service providers that scores, among other criteria, the providers' use of culturally competent policies and practices.**

- **Create a separate "customer service" grievance/complaint process for poor service, slow response time, lack of service and ensure that all residents have access to the process.**
One of the core themes identified by working group members was the importance of being able to access housing that is appropriate for the needs and circumstances of the resident, and to do so within a reasonable time frame. However, due to lack of resources, inefficient procedures, inadequate resident outreach and education, and programs that don’t take the individual needs into account, SFHA residents reported finding themselves stuck where they are, or worse, facing the prospect of homelessness.

Among the issues hampering SFHA resident choice and access to appropriate living situations included:

- Long turnover times for vacant units reducing the overall housing options available to them
- Residents need to accumulate capital in order to move out of public housing, but they lose eligibility if they accumulate too much capital
- Low Payment Standards for Section 8 vouchers preventing them from finding housing in neighborhoods where they wish to live
- Lack of access to/knowledge about translation and interpretation services preventing them from pursuing available housing options
- Slow response to moving inspection requests resulting in the Section 8 landlord pulling the offer
- An inefficient recertification process in which the landlord is not notified of the recertification or doesn’t receive the updated subsidy, resulting in threatened evictions
- Closed Section 8 and Public Housing waiting lists
- Resident reluctance to move to a different location due to confusion from different waiting list protocols
The participants in the working groups proposed strategies in three categories, including:

CREATE MORE HOUSING OPTIONS:

- Consider mixed-finance solutions for SFHA's 24 un-rehabbed public housing developments using a public-private partnership ("PPP") model, under which SFHA owns the land, and a limited partnership (including a nonprofit and an investor) owns the project.

- Further explore the Rental Assistance Demonstration Program (RAD), a HUD program that provides a greater subsidy than the Annual Contributions Contract (ACC), increases operating income, is a longer-term contract which can be used to leverage outside debt, and offers potential for flexibility in response to SF needs; Pursue RAD conversion under HUD’s Project Based Rental Assistance category, which is more stable, more robustly funded, supported by private developers, and safer from effects of sequestration.

- Explore possibilities for integrating public housing units into the City’s affordable housing infrastructure.

- Consider alternative financing models, including cap and trade, social investment bonds, and HUD’s Capital Fund Financing Program.

- Pursue increased use of project-based Section 8 vouchers, which can be used to leverage more private debt (perhaps with shared guarantees/standby agreements); request HUD waiver of 20% cap if possible.

- Develop a plan for projects that need more than rehab to serve existing residents (e.g. buildings where heads of household have aged in place and now require elevators, smaller units, ADA accommodations).

- Coordinate with permanent supportive housing providers to develop a “graduation voucher” program for successful long-term residents who can transition to SFHA housing with reduced levels of supportive services.

- Seek a temporary waiver of the 20% cap on project-based vouchers to increase the inventory of suitable units for Section 8 voucher holders.
The participants in the working groups proposed strategies in three categories, including:

**CREATE MORE HOUSING OPTIONS:**

- Facilitate movement between types of subsidized housing, such as from SROs to Shelter Plus Care or to Section 8, based on the residents’ current levels of need.

- Identify alternative methods of calculating payment standards to give Section 8 voucher holders more housing options in the City (e.g., modifying the payment standard to reflect the neighborhood-based divergence of housing prices in San Francisco).

- Develop a housing advocate program modeled after the successful HOPWA program to help residents with disabilities obtain accessible housing.

- Allow the homeless system to place people directly into appropriate SFHA housing units as they become available (e.g., if a project-based unit sits vacant for over a certain amount of time due to lack of interest from the waiting list, allow the homeless system to place currently homeless households in their system into that unit).
The participants in the working groups proposed strategies in three categories, including:

**STREAMLINE PROCEDURES:**

- Identify the housing preferences/exclusions of prospective tenants when updating the waiting list, including accessibility needs, neighborhoods, development locations, etc., in order to reduce the time and cost associated with filling a vacant unit and reduce rates of transfer requests.

- Develop a prioritized recertification protocol that ensures that interim recertifications for a drop in income are given priority in processing, that the recertification is processed and notice provided to the property manager and resident before the next billing period (or if that is not possible, that the next billing statement identifies the prorated amount due and the new payment amount per month).

- Develop a waiting list system that updates pertinent information in real-time for both residents and project managers.

- Simplify the recertification program by requesting a waiver of the annual recertification requirement of individuals with fixed incomes, including seniors and disabilities, and develop partnerships with other income-based benefits programs (e.g., CalWORKS) under which another program's certification of eligibility can be used for SFHA's initial intake process.

- Develop and implement transition procedures for individuals who are living on SFHA property but not on lease (e.g., because they've been terminated from the program or the person who has the lease has died, etc.).

- Create mechanism to adjust income certification while on waiting list (e.g., use of tax returns to certify income; develop partnerships with other income-based benefits (CalWorks, food stamps), creating presumptive eligibility if individual qualifies for other programs).
The participants in the working groups proposed strategies in three categories, including:

**STREAMLINE PROCEDURES:**

- Increase the number of prospective tenants on the waiting list who are contacted about available units (while ensuring that prospective tenants are made aware that they have not been chosen for the unit yet) in order to reduce the time and costs associated with filling a vacant unit.

- Develop a universal unit inspection form (i.e., develop one form that can be used for all agencies that perform inspections).

- Eliminate evictions caused by SFHA delays or errors (e.g., revise the Section 8 contract form to prohibit eviction based on a delayed payment from SFHA).

- Maintain separate waiting lists for project-based and tenant-based vouchers (alternatively, screen for individuals not interested in project based vouchers so the SFHA doesn’t have to waste time contacting them).

- Create a Section 8 “One-Stop Shop” where a voucher holder can find waiting list openings and determine all of the benefits for which he/she is eligible.

- Expedite the unit inspection system (e.g., move more inspectors to initial inspections; allow move to biannual inspections if previous inspection was 100% of HQS).
STRATEGIES
HOUSING CHOICE & ACCESS

The participants in the working groups proposed strategies in three categories, including:

CONDUCT BETTER OUTREACH AND EDUCATION:

- Conduct resident and property manager outreach and education on the enforcement of HUD’s rent determination and collection policies and procedures. (Public Housing)

- Conduct SFHA resident and property manager outreach and education to ensure that all SFHA residents have access to the list of approximately 300 non-English language speakers and translated SFHA forms. (Public Housing)

- Develop a coordinated landlord outreach and education strategy with the City Attorney’s Office and the Department of Building Inspection about San Francisco laws regarding habitability standards and discrimination against income source. (Section 8)

- Develop a housing advocate program modeled after the successful HOPWA program to help residents with disabilities obtain accessible housing. (Section 8)

- For SFHA residents whose incomes are increasing, prepare them for the impact that increased income will have on monthly rental payments. (Resident Services)
Working group members felt a safe, secure living environment is key to the successful operation of public housing and Housing Choice Vouchers. Concerns about the safety of SFHA housing generally fell into two categories: the physical condition of the housing itself and resident safety from criminal activity.

**HOUSING CONDITIONS**

When public housing units require repair, residents submit work order requests to SFHA, to which a team of maintenance generalists (available for less skilled repairs) and specialists (including electricians and plumbers) respond. Because of current SFHA budget realities, the maintenance workforce has been substantially reduced; for example, as of this writing, 3 electricians serve the 44 public housing properties across the city.

Working group members identified the long backlog of open work orders and sometimes poor-quality repair work as primary concerns. Additionally, working group members identified poor communication between SFHA, property managers, and residents as a significant barrier. Residents are sometimes unaware of the proper method of submitting work orders, property managers and 311 staff are both reluctant to take responsibility for repair requests, and residents struggle to find information on the status of work requests.

Working group members recognized that SFHA is currently working to improve the existing work order request system, and submitted a number of strategies to assist with successfully implementing the new system.
CRIMINAL ACTIVITY

Working group participants expressed gratitude for SFPD outreach to public housing residents, indicating that the result has been increased trust of SFPD officers. Working group members also recognized that the vast majority of public housing residents do not pose a threat to public safety; a survey conducted by SFPD and SFHA identified only 70 individuals (of over 12,000 total public housing residents) found with firearms in 2012.

In addition to feeling that safety is a right of SFHA residents, working group members stated that a dangerous environment impedes residents’ ability to achieve self-sufficiency; residents who fear theft or violence are unwilling to leave home to seek employment or education. In some locations, residents noted a lack of police presence—drug dealing and gang activity are common, and vacant units are vulnerable to squatting and other illegal activity.

The current eviction standard, emergency transfer process, and off-lease residents are among the causes of criminal activity that working group participants identified. Participants felt that the for-cause eviction process is used too sparingly, and that SFHA should more aggressively pursue residents engaged in illegal behavior. Participants also cited the emergency transfer process as problematic; though appreciating that residents are able to transfer units for safety reasons, the working groups felt that the process is too complicated and drawn-out to respond to an emergency.

Finally, working group members expressed concern about persons living in public housing units off-lease, whether as couch surfers or adult children of residents, indicating that SFHA has little control over the presence or activities of these persons.
The working group participants proposed the following strategies:

- Increase the proportion of maintenance generalists who can respond to maintenance and repair jobs that do not require specialist craft workers.
- Develop a standardized repair request form that is streamlined, simple to use, and which can be submitted electronically, by mail, by telephone, or in-person.
- Ensure universal accessibility to the work order request system—translate forms, websites, and other online resources into a wider variety of languages that is more representative of the public housing resident population.
- Conduct regular resident and property manager outreach and education to ensure that all residents, regardless of disability, age, or language background, are aware of the new work order request system, understand how to use the system, and know how to get technical support.
- To reduce the likelihood of inconsistent or inaccurate messaging to SFHA residents, the new work order request system and the new rent enforcement system should be implemented at the same time.
- Coordinate with the City’s Interrupt, Predict and Organize (IPO) initiative to reduce street and domestic violence.
- Coordinate with property managers, public safety officers, and service providers to target and remove tenants involved with particularly destabilizing activities, such as gang membership and drug dealing.
- Engage in data-sharing opportunities with the SFPD and resident organizations that allow stakeholders to identify crime hotspots in and around SFHA developments, and to assign key stakeholders.
- Reinstate the practice of billing tenants for non-wear and tear damage to units, to encourage more careful use of public housing units.
- Ensure that unit repair problems are resolved before they affect the residents’ tenancy.
Working group members agreed that a re-envisioned SFHA will minimize the occurrence of second- and third-generation residents and, wherever possible, move residents into self-sufficiency and market-rate housing. Working group members agreed that existing services are often too scattered to access easily and that service providers do not always comply with confidentiality requirements regarding resident services.

Working group members felt that in some cases, service providers are reluctant to assist SFHA residents; some working group participants felt that service providers are afraid of SFHA residents, and all members agreed that service providers should be active, visible members of the community.

EDUCATION

Working group participants identified a lack of appropriate education as a major barrier to long-term self-sufficiency for SFHA residents. Participants stressed the importance of ensuring that youth graduate from high school, and noted that SFHA residents face barriers to GED access.

Participants appreciated the training in trades such as carpentry and plumbing that San Francisco provides; however, because these certification courses are not available outside of business hours, working residents are often not able to attend.
SUPPORTING RESIDENT SELF-SUFFICIENCY

EMPLOYMENT

Working group members emphasized the importance of SFHA resident access to careers (as opposed to short-term or unskilled employment) as a means of achieving self-sufficiency. While participants were enthusiastic about the high percentage of residents hired by SFHA, it was noted that these employment opportunities are typically short-term and do not contribute toward self-sufficiency in the long term.

Additionally, the loss of employment specialists for public housing residents has increased resident difficulty in accessing employment.

LIFE SKILLS

A cornerstone of long-term self-sufficiency for SFHA residents is understanding their rights and responsibilities as renters. Working group participants specifically discussed the residents’ need to understand their recourses in the event of landlord non-responsiveness, as well as needing education in simple home maintenance such as toilet plunging.

OTHER SERVICES

Working group members discussed the importance of case management for residents with behavioral health issues. In particular, participants noted that for residents of senior/disabled and family public housing, those with behavioral health issues should have access to services prior to move-in, as stability of all residents is important in mixed-population buildings.

Finally, access to quality, reliable, affordable childcare is essential to young families’ financial success.
STRATEGIES
RESIDENT SELF-SUFFICIENCY

To address these issues, working group members proposed the following strategies:

- Conduct ongoing resident and property manager outreach and education to ensure that all SFHA residents are aware of available services and feel comfortable accessing them (e.g., an annual resident services fair).

- Cooperate with behavioral health providers to provide appropriate interventions, including case management, to persons engaging in high-risk behavior.

- To the extent that it’s not financially feasible to locate a key service at each housing development site, place them at 23 strategically located development sites and publicize their locations to all SFHA residents.

- Improve long-term health outcomes of SFHA residents by adopting a patient-centered medical home model of care.

- Leverage the expertise of SFHA residents by having knowledgeable residents provide basic peer trainings on proper unit usage and upkeep.

- Anticipate the needs of SFHA residents with behavioral health (mental health and substance abuse) disabilities in disabled & senior developments through standardized behavioral health assessments at entry and developing individualized case management plans as necessary.

- Provide parenting skills classes for parents of infants and young children, and leverage the knowledge and expertise of SFHA residents by training qualified SFHA residents to provide peer mentoring and support.

- For SFHA residents who have minimal work experience or significant gaps in their work history, provide cost-effective, individualized employment support that includes CBO-led classes and trainings and peer-led mentoring and support groups.

- Increase SFHA resident access to career-oriented supported employment programs, such as internships and apprenticeships for high-wage careers, or volunteer opportunities that help develop soft skills and basic work experience.
To address these issues, working group members proposed the following strategies:

- Coordinate with City agencies and CBOs to lower the participation costs for resume-building activities like DPT's Project 20 and Food Pantry volunteer opportunities.

- Provide stagewise financial literacy trainings that help prepare SFHA residents for long-term self-sufficiency and financial stability e.g., for SFHA residents whose incomes are increasing, prepare them for the impact that increased income will have on monthly rental payments.

- Provide dependable, affordable, quality childcare to allow parents to attend school or find employment opportunities.

- Remove a common employment barrier among SFHA residents by widely offering basic computer skills classes.

- Develop a "renter's academy" to educate Section 8 tenants about renters' rights and responsibilities and provide them with the tools to become successful tenants.

- Develop an incentive system for self-sufficient, high performing SFHA residents: e.g., reward SFHA residents who consistently pay rent on time by lowering his/her monthly rental payment for as long as he/she continues to pay on time.

- For SFHA families, develop a family-focused, strength-based service model that teaches resilience to increase their long-term likelihood of success.

- Institute a mentoring program at all SFHA development sites that matches SFHA youth residents with adult role models who are high-performing current or former SFHA residents.

- Leverage the capacity of SFHA residents by having resident volunteers lead orientations for new SFHA residents.

- Provide residents with access to pre-emergency legal assistance that helps resolve landlord/tenant issues before an eviction notice is issued.
The working groups agreed that SFHA residents should be part of an active, vibrant wider community. Participants felt that enhancing relationships between public housing and project-based Section 8 community members would reduce violence and property crime as neighbors watch out for one another, and reduce the occurrence of many generations of families growing up in SFHA housing.

Members of the wider community sometimes regard SFHA residents with fear, in some cases simply because there is no existing positive relationship between SFHA residents and other community members. Finally, the working groups suggested that building relationships between SFHA residents and their surrounding neighborhoods may be a way to increase landlord participation in Section 8.

Participants noted that many public housing and project-based Section 8 developments are geographically isolated and lack adequate access to public transportation, employment, and educational facilities. Many residents struggle to access jobs and education due to excessive commute times, and residents of many developments feel unsafe walking the sometimes long distances to the nearest public transit stops.

Working group members discussed a lack of recreational opportunities in these developments. Participants noted that providing children and youth with safe, productive activities is an important part of raising productive adults, and that strong connections between adult residents developed through recreation support stability and self-sufficiency.

Finally, working groups discussed the importance of pride in one’s housing and the opportunity to contribute to one’s community to long-term stability.
Develop neighborhood and population-specific (e.g., Elderly, Disabled) task forces that bring together SFHA and City representatives, residents, nonprofits, owners, and managers to develop strategies and policies to improve the quality of life of SFHA residents.

Coordinate with successful youth-oriented programs (e.g., SFUSD programs, Parks & Recreation Dept. programs, the Boys & Girls Clubs, & the YMCA) to provide needed social development services for SFHA children & youth.

Develop a coordinated strategy with City agencies and community based organizations to provide fast, cheap and reliable transportation for SFHA residents to and from employment, nonessential services, etc.

Hold regularly scheduled resident summits/forums at SFHA housing sites or other meeting spaces easily accessible by SFHA residents in order to gather resident feedback on an ongoing basis.

Invest in access to alternative transportation options, such as bicycles.

Locate essential resident services (especially nighttime services like afterschool programs) onsite at each housing development, to minimize the amount of time residents must spend traveling to and from basic services.

Introduce healthy eating and living (HEAL) zones in public housing developments that recognize the importance of healthy communal spaces in improving community health outcomes.

Locate preschools, afterschool programs, and other evidence based cognitive development services onsite at SFHA developments.

Strengthen the linkages between Resident Commissioners and resident organizations through regularly scheduled meetings and other forms of communication and coordination between the Resident Commissioners and their constituents.

Formalize the SFHA's relationships with City agencies whose core competencies complement SFHA functions (e.g., HSA, MOH, DAAS, DBI).
Residents and resident advocates participating in the working groups emphasized the importance of leveraging the knowledge, expertise, and willingness of SFHA residents to help each other. Whether on a volunteer or paid basis, engaging residents to educate and help each other was repeatedly cited as an effective tool for empowering residents and addressing the many issues facing SFHA residents today.

Residents expressed concerns about the inadequacy of resources available to residents and resident organizations, including lack of resident leadership and board trainings, office equipment, and language access for tenant organization applicants and members. Resident leaders were also frustrated by the lack of resident access to information, and the paucity of feedback opportunities in policy decisions affecting them.
To address these issues, working group members suggested a variety of strategies, including:

- Provide de-identified/aggregated demographic information to local resident councils (especially senior/disabled developments) to allow resident leadership to better accommodate needs of specific resident population (e.g. primary language spoken for translation, number of hard to serve residents, etc.)

- Identify best practices for resident leadership models in all public housing settings, including jurisdiction-wide, local resident councils, senior/disabled, mixed-income communities, etc.

- Ensure that resident elections are neutral, representative, and accessible to all residents regardless of location and primary language.

- Provide Board training and ongoing staff support for residents serving as SFHA Commissioners to ensure they can participate on equal footing in Commission decisions.

- Provide resource list of specific site-based City/SFHA/CBO services to jurisdiction-wide/local resident councils for dissemination to residents (e.g. a current directory with names of resources and point people for senior/disabled and broader family development services.)

- Create a “One-stop Shop” where an individual can learn about all of the opportunities and resources being offered to residents at each development to ensure greatest reach of opportunities.

- Provide an inventory of who’s providing what service to whom and establish clear lines of communication between City agencies/service providers and jurisdiction-wide resident leadership to prevent duplication of services and to encourage alignment of resources and goals.

- Develop a tenant participation and employment plan for any construction or major rehab effort, to preserve tenants’ rights and ensure hiring diversity and opportunities for residents.
STRATEGIES

RESIDENT EMPOWERMENT

Ensure that self-sufficiency opportunities available through HUD, SFHA and City agencies are made available and well publicized to residents and resident leaders (e.g. stipends to encourage first time homebuyers from public housing, resources for developing tenant-run businesses, etc.).

Explore opportunities to expand the HOPE SF Leadership Academy to support the goals of re-envisioned SFHA and the jurisdiction-wide and local resident councils.

Explore ways to expand peer leadership opportunities offered at Potrero to other housing development sites, including completion of inventory of resident skills and interests.

Strengthen the linkages between Resident Commissioners and resident organizations through regularly scheduled meetings and other forms of communication and coordination between the Resident Commissioners and their constituents.

Develop taskforce or working group to recommend and implement ways to improve the working relationships and opportunities for mutual support among the jurisdiction-wide and local resident councils, and independent organizations, like the Tenant’s Union (e.g. election practices, accountability, resident representation on jurisdiction-wide bodies, dissemination of information, etc.).

Host Citywide, resident-led, public housing resident summit or convention to share information about policies, resources, leadership opportunities.

Include community organizing training to activate broader spectrum of residents.

Cultural competency classes should be made available for all SFHA residents.

Allow stakeholders to weigh in on the criteria for selecting new ownership entities under the PPP model for neighborhoods and project types.

Make availability of translation services a priority to ensure truly representative tenant associations.
SHORT-TERM STRATEGIES

Among the strategies listed above, community stakeholders identified the following short-term strategies that they wanted the SFHA to focus on:

- Ensure that self-sufficiency opportunities available through HUD, SFHA and City agencies are made available and well publicized to residents and resident leaders (e.g., stipends to encourage first-time homebuyers from public housing, resources for developing tenant-run businesses, etc.).
- Create a “One-stop Shop” where an individual can learn about all of the opportunities and resources being offered to residents at each development to ensure greatest reach of opportunities.
- Increase the proportion of maintenance generalists who can respond to maintenance and repair jobs that do not require specialist craft workers.
- Seek a temporary waiver of the 20% cap on project-based vouchers to increase the inventory of suitable units for Section 8 voucher holders.
- Expedite the unit inspection system (e.g., move more inspectors to initial inspections; allow move to biannual inspections if previous inspection was 100% of HQS).
- Reinstate the practice of billing tenants for non-wear and tear damage to units, to encourage more careful use of public housing units.
RE-ENVISIONING THE SAN FRANCISCO HOUSING AUTHORITY

SPUR MEMORANDUM

Released June 24, 2013

Staff contacts:
Sarah Karlinsky, skarlinsky@spur.org
Tomiquia Moss, tmoss@spur.org

SPUR
654 Mission St., San Francisco, California 94105
www.spur.org
INTRODUCTION

The San Francisco Housing Authority (SFHA) is in crisis. The agency owns and manages 6,300 public housing units and administers roughly 9,000 Section 8 vouchers throughout San Francisco, representing a critical part of San Francisco’s affordable housing delivery system. However the SFHA suffers from a structural operating deficit. As a recent San Francisco legislative analyst and budget report notes, the agency had a budget short fall of $4 million in fiscal year 2011 and $2.6 million in 2012. In the first five months of this fiscal year, the budget shortfall has already exceeded $1.7 million.

Meanwhile, the agency does not have nearly enough funding to meet its capital needs. A recent SFHA presentation estimated the cost of current unfunded capital needs at more than $270 million and funding at only $10 million. Currently roughly 2,500 SFHA units have a “high need” for capital improvements out of a total portfolio of nearly 6,300 units. This number will only increase as maintenance continues to be deferred. In addition, the agency is expected to run out of cash at some point between May 2013 and July 2013.

At the same time the SFHA is experiencing this crisis, federal resources for public housing continue to dwindle. Absent additional resources, SFHA’s physical assets will decline further.

Currently the City of San Francisco is seeking to provide housing and services for housing authority residents and voucher holders that is both high quality and financially sustainable. Without a major new strategy for managing SFHA resources, these goals will not be met, and the roughly 31,000 low-income residents served by the SFHA will suffer the consequences.

SPUR would like to offer recommendations to help transform the SFHA so that high-quality affordable housing can be offered to public housing residents in a way that is financially sustainable over the long term.

CRITERIA FOR EVALUATING STRATEGIES

In order to determine which actions should be taken by the City of San Francisco to stabilize and support SFHA programs, SPUR recommends the following evaluation criteria:

- Does the proposed action help to provide high-quality housing and services to Housing Authority residents and voucher holders?
- Does the proposed action contribute to the economic and financial sustainability of both the City of San Francisco and the Housing Authority?

Both criteria should be taken into account when future actions are considered.

---

2 Ibid, page 89.
3 Ibid, page iii.
5 Estimate of those units to be redeveloped as part of HOPE SF.
7 Ibid, page iii.
STRENGTHS TO BUILD ON

Although the SFHA is experiencing substantial challenges, there are significant resources that both the City of San Francisco and the private sector can bring to bear to help address SFHA’s challenges. The city should build on these strengths when considering new actions or models for providing housing and services.

The Bay Area has a high concentration of some of the most sophisticated and experienced nonprofit and for-profit affordable housing providers in the country. These include both large regional and local community-based organizations.

San Francisco has experience with transforming public housing into high-quality affordable housing that is privately owned and managed.

The City of San Francisco, unlike many local jurisdictions, has financial resources it can bring to help address the current situation. This includes Housing Trust Fund dollars for HOPE SF developments and other financial assets such as general fund revenues, revenue bonds and other potential resources.

The City and County of San Francisco has in place an effective Mayor’s Office of Housing (MOH) that currently administers a number of programs targeted toward low-, very low- and extremely low-income residents.

The City of San Francisco is committed to addressing the existing challenge.

THE SFHA’S CHALLENGE

The SFHA has struggled for many years due to operational mismanagement, high cost structures and programmatic isolation from other city services. For many years the SFHA has experienced a structural operating deficit in its Section 8 program that is exacerbating its longstanding public housing operating and capital improvement deficits. This is due to the following factors:

- For more than a decade, the federal government has been cutting public housing operating and capital funds, and more recently the Section 8 program.
- SFHA’s cost structure for the maintenance of its public housing properties is very high.
- The SFHA has not addressed deferred maintenance of its properties, creating bigger and more expensive capital issues over time.
- Inefficient and inconsistent management practices have reduced the operating income of SFHA’s housing portfolio.

Other housing authorities around the country have faced similar challenges. Some of these agencies have developed effective responses, including:

- Contracting out a significant portion of property management (Oakland, Los Angeles, Santa Clara County, Monterey County, Seattle);
- Allowing public housing to be rebuilt by private entities that include public housing units within the newly rebuilt property (Oakland, San Mateo, San Diego, Los Angeles, Ventura and Pleasanton, to name just a few);
- Using the project based Section 8 rental assistance program to help finance such redevelopment;
- Pursuing Moving to Work program status to gain financial and regulatory flexibility (Oakland, San Mateo, Santa Clara, Seattle, Portland);
- Better integrating housing authority functions into the rest of local government to ensure coordination across departments (San Diego, Sacramento).

For more information on other housing authorities see Appendix 1.

**RECOMMENDATIONS**

1. Transition SFHA’s role in public housing to asset management to enable affordable housing developers and managers to modernize and manage the portfolio.
   - Retain public ownership of housing authority land to ensure the long-term affordability of the portfolio.
   - Where possible, engage affordable housing developers to rebuild or rehabilitate distressed properties.
   - Pursue effective private property management of public housing (either nonprofit or for-profit).
   - Charge the Mayor’s Office of Housing with implementing this strategy, subject to SFHA Commission oversight.

The city, working through the Mayor’s Office of Housing, should retain public ownership of housing authority land to ensure the long-term affordability of the portfolio while pursuing a combination of strategies to better manage the existing portfolio.

Given the depth and breadth of the reforms required to bring the Housing Authority out of its troubled state and to generate sufficient revenue to provide modern, well-managed housing for its residents, a strong case can be made for the complete dissolution of the SFHA. However, short of complete dissolution, SPUR recommends that SFHA transfer the development and management of all public housing developments to third parties and that the ultimate role of the housing authority be reduced to asset management through a public land trust model.

In this model, the improvements (developments) would be ground-leased to high-functioning, private affordable housing developers and property managers who would either rehabilitate and manage or just manage the developments subject to all of the income and other restrictions intended to provide permanently affordable rental opportunities for public housing residents.

While almost all of SFHA’s properties need some modernization, not all of them require demolition and rebuilding. In addition, it is not likely that resources will be available to redevelop the entire portfolio. Utilizing third party developers under this public land trust model will allow SFHA and MOH to leverage public housing resources through use of rental assistance demonstration, the Low Income Housing Tax Credit and other financing tools not available for direct use by the SFHA. The following chart categorizes the SFHA’s existing portfolio by rehabilitation need, the probable tools for revitalization and the approximate number of units in each category.
## Portfolio Strategy

<table>
<thead>
<tr>
<th>Rehabilitation Need</th>
<th>Tool for Revitalization</th>
<th>Number of Units*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units in existing HOPE VI properties that do not require much, if any, modernization.</td>
<td>HOPE VI</td>
<td>1,200 units</td>
</tr>
<tr>
<td>Units in current active HOPE SF projects likely to be redeveloped in the next 10-15 years. These units will be demolished and rebuilt.</td>
<td>HOPE SF</td>
<td>1,800 units</td>
</tr>
<tr>
<td>Units that should be demolished and rebuilt as HOPE SF developments, but there currently isn’t funding identified to make this happen.</td>
<td>Future HOPE SF</td>
<td>800 units</td>
</tr>
<tr>
<td>Senior units that require better property management and some rehabilitation. These units should be preserved and modernized using 4 percent rental assistance demonstration credits.</td>
<td>Preservation, Property Management + Rehabilitation (Senior Properties)</td>
<td>1,800 units</td>
</tr>
<tr>
<td>Family units that require better property management and some rehabilitation. These units should be preserved and modernized using 4 percent rental assistance demonstration credits. May have greater damage and may be more difficult to upgrade than senior units.</td>
<td>Preservation, Property Management + Rehabilitation (Family Properties)</td>
<td>1,100 units</td>
</tr>
</tbody>
</table>

*Unit counts represent a rough approximation of the number of units in each category.*
Identifying the appropriate partner to acquire the leasehold interest, secure financing and begin rehabilitation will take time. By way of phasing, SPUR recommends that the SFHA immediately identify and engage third-party property managers to assume management of all, or substantially all, of the developments. These would likely be interim property management contracts that would allow SFHA and MOH to engage in simultaneous processes of identifying the rehabilitation needs of the SFHA portfolio and identifying the appropriate partner to ground lease and rehabilitate each property.

### Phasing Strategy

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>SFHA Role</th>
<th>MOH Role</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short Term</strong></td>
<td>Contract with private property managers to manage SFHA developments.</td>
<td>Work with SFHA to transition voucher program. Work with SFHA and others to prioritize which properties will enter into long-term leases with affordable housing providers. Continue to support HOPE SF program.</td>
</tr>
<tr>
<td><strong>Medium Term</strong></td>
<td>Continue to manage those properties that are not in long-term leases with affordable housing providers.</td>
<td>Manage the voucher program. Work with affordable housing providers to implement transition plan, negotiate long-term leases. Implement HOPE SF.</td>
</tr>
<tr>
<td><strong>Long Term</strong></td>
<td>Remain as long-term lease holder.</td>
<td>Continue to manage the voucher program. Work with affordable housing developers to address long-term capital needs of the portfolio.</td>
</tr>
</tbody>
</table>

Lastly, the city should resource and authorize MOH to staff this effort. Given the lack of SFHA staffing and financial capacity, and MOH’s role as the city’s housing finance agency, this is a natural fit. Unlike past efforts, where MOH and SFHA worked through the SFHA, the MOH staff should report directly to the SFHA Commission in carrying out this vision.

2. **Transfer oversight of the Public Housing Voucher Program to the Mayor's Office of Housing.**

Given the importance of the voucher program in the provision of housing, and given also that vouchers can be used to help finance the rehabilitation and rebuilding of public housing, MOH should be responsible for overseeing the voucher program over the long term.

There are many options for how this management can be implemented. MOH can chose to run the voucher program in house or can contract other city agencies, nearby public agencies or private entities to administer some or all of SFHA’s Section 8 vouchers. Potential contractors include other local housing authorities, such as the Oakland Housing Authority, or private consulting firms, such as Quadel, which
currently operates the Section 8 programs of housing authorities in Baltimore, Memphis, Miami-Dade and Newark.

It is critical that the voucher program be managed in a professional manner. MOH should develop a set of best practices to ensure that the voucher program is effectively managed.

MOH should also evaluate:

- The cost of effectively managing the voucher program in house versus contracting out with a private entity, and
- The quality of service offered by a public agency versus a private entity. This analysis should take into account the cost of developing the technology platform needed to effectively manage the voucher program.

We recommend that in the immediate term, MOH contract out the voucher program to a private entity and take the time needed to determine how the voucher program should be managed over the long term, including how it should be integrated with other city programs.

3. Clearly define the role of the Housing Authority Commission.

Given the state of the SFHA’s operations, it is hard to imagine how the commission can function as an effective oversight body unless it begins to focus its staff on a more limited set of roles. In doing so, the Housing Authority Commission should also proscribe its focus to concentrate solely on issues that are of strategic importance to protect the long-term viability of the assets of the SFHA.

The authority of the SFHA Commission should include and be limited to:

- Review and approval of disposition agreements
- Review and approval of long-term leases
- Review and approval of annual plans
- Review and approval of annual operating budget
- Review and approval of changes to major policies
- Review and approval of major contracts (more than $1 million)

In addition, SPUR recommends that the mayor continue to appoint commissioners to the San Francisco Housing Authority Commission, but that those appointments be confirmed by the Board of Supervisors. This is similar in practice to many San Francisco commissions and boards (such as the Municipal Transportation Agency board), and to many other housing authority commissions throughout the country.8

The mayor should consider recruiting commissioners based on specific skills and qualifications and should consider implementing terms and term limits to ensure the expertise and on-going accountability of commissioners. The mayor must establish and communicate a clear code of ethics to prevent commissioners from inappropriately voting on matters where they may have conflicts of interest.

---

8 “Performance Audit of the San Francisco Housing Authority,” prepared by the San Francisco Budget and Legislative Analyst, June 3, 2013, page 15.
4. Put the Mayor’s Office of Housing in charge of managing the long-term implementation of the recommendations outlined above.

San Francisco currently has a well-organized and efficient housing department. MOH is in the best position to oversee the long-term implementation of the recommendations outlined above; to integrate and better coordinate the city’s housing priorities, resources and programs; and to achieve economies of scale by avoiding duplication of administrative functions.
APPENDIX 1: HOUSING AUTHORITY CASE STUDIES

SPUR evaluated several public housing authorities nationally and throughout California to help inform our recommendations for how to reimagine the structure and operations of the San Francisco Housing Authority. We used five categories to evaluate the housing authorities:

1. Portfolio Size
   We looked at the number of units the agency manages and how many residents it serves or, in many cases, how many vouchers it administers.

2. Regulatory Flexibility
   This category included the capacity of the housing authority to access the Moving to Work and rental assistance demonstration (RAD) programs.

   Moving to Work is a demonstration program for public housing authorities that provides them the opportunity to design and test innovative, locally created strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. Moving to Work gives housing authorities exemptions from many existing public housing and voucher rules and more flexibility with how they use their federal funds.

   The RAD program allows proven financing tools to be applied to at-risk public and assisted housing and has two components:
   - **Component 1** allows public housing and moderate rehabilitation properties to convert, under a competition limited to 60,000 units, to long-term Section 8 rental assistance contracts.
   - **Component 2** allows rent supplement, rental assistance payment, and moderate rehabilitation properties to convert tenant-based vouchers issued upon contract expiration or termination to project-based assistance.

3. Functions
   We looked at both the management of public housing as well as the administration of the housing authority’s voucher program. We explored if public housing and the voucher program was managed by a third party or by the housing authority itself.

4. Governance
   This category was used to evaluate whether or not housing authorities operated as separate entities or were managed within an existing city department. Additionally, we looked at the commission structure and composition for housing authorities.

5. Coordinating Strategies
   This category examined the role of the city and the housing authority as a separate agency and its formal or informal coordination with the city.
Case Study 1: Oakland Housing Authority (OHA)

Portfolio Size
OHA oversees roughly 1,600 public housing units on 14 sites — 966 units at large developments, 383 units at designated senior sites and 307 units in mixed-finance partnerships. OHA’s Section 8 voucher program serves 11,000 families and involves more than 5,200 property owners.

Regulatory Flexibility
Oakland is a Moving to Work site and as such is able to access RAD financing.

Functions
Oakland owns 2,600 public housing units. The remaining units are owned by an affiliate of OHA in an arrangement where the affiliate owns the improvements of the units and leases the land from OHA. Some of OHA public housing portfolio is property managed by third party entities.

OHA administers and manages its own voucher program. OHA provides services to its public housing residents through the Family and Community Partnership as well as the Oakland Housing Authority Police Department.

Governance
The OHA is governed by a seven-member board of commissioners appointed by the mayor of the City of Oakland, with the approval of the Oakland City Council. Two members are residents of the housing authority. Commissioners establish policies under which OHA conducts business, ensuring that policies are followed by OHA staff and ensuring that OHA is successful in its mission. OHA has a formal and informal relationship with the City of Oakland. The formal partnerships allow OHA to compete for city notices of funding availability refer youth to the mayor’s summer job program and assign vouchers to certain projects being developed or managed.

Coordinating Strategies
OHA also works with the City of Oakland and Alameda County to provide services for their most vulnerable residents. Some properties have contracts with specific nonprofits to administer services to a particular population.
Case Study 2: Housing Authority of the County of San Mateo (HACSM)

Portfolio Size
HACSM manages 200 public housing units and administers 4,200 vouchers.

Regulatory Flexibility
San Mateo is a Moving to Work site and also able to access RAD financing tools.

Functions
HACSM provides property management for all of its public housing units. The agency plans to move to a land trust model for its public housing, where the housing authority will retain ownership of the land but will outsource the rehabilitation and management of the properties. HACSM manages its voucher programs in house.

Governance
The San Mateo County Board of Supervisors, in a separate legal capacity, serves as the housing authority's board of commissioners.

Coordinating Strategies
HACSM is a separate agency from the city but coordinates and works closely with city departments.

Case Study 3: Sacramento Housing and Redevelopment Agency (SHRA)

Portfolio Size
SHRA provides housing for 51,000 residents. It manages 3,100 public housing units and administers 11,000 vouchers and is combined with the redevelopment agency, which oversees close to 5,000 affordable housing units.

Regulatory Flexibility
SHRA is not a Moving to Work site and does not use RAD financing.

Functions
SHRA provides property management for all of its public housing units. The voucher program is administered in house. SHRA works with the city and county to provide services to residents. It also contracts with private and nonprofit organizations to manage services to particular sites.

Governance
SHRA is a joint powers authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. The city council serves as the governing board of the housing authority for the City of Sacramento, while the county board of supervisors serves as the governing board of the housing authority for the county. The Sacramento Housing and Redevelopment Commission serve as an advisory panel to the agency on projects, programs and activities relating to redevelopment, community development and the housing authority.

Coordinating Strategies
As a joint powers authority, SHRA coordinates all housing and housing authority staff under the joint powers authority.
Case Study 4: Fresno Housing Authority (FHA)

Portfolio Size
FHA owns and/or manages more than 4,500 residential units, which are rented to low-income households. Within this portfolio, nearly 2,300 housing units are public housing while 2,414 units were created through a combination of Low Income Housing Tax Credits, grants and/or conventional funding. In addition, FHA also administers 12,500 Housing Choice vouchers for qualified individuals and families, including specific populations such as veterans and people with disabilities.

Regulatory Flexibility
Fresno is not a Moving to Work site. It does have three properties that qualified for RAD financing.

Functions
Fresno owns and manages its public housing portfolio. FHA also manages its voucher program in house. FHA provides services to its public housing residents through an affiliate and works with the city and county for additional services to residents.

Governance
FHA uses a joint powers model for its commission structure but for not the operation of the housing authority itself. FHA is governed by 14 commissioners: seven are appointed as city commissioners; five are appointed by the mayor in staggered terms; and two are Fresno Housing Authority residents. The FHA operates as a separate agency and is not within any city department.

Coordinating Strategies
Not available

Case Study 5: San Diego Housing Commission (SDHC)

Portfolio Size
SDHC currently manages 35 public housing units and administers 13,900 vouchers.

Regulatory Flexibility
Not available

Functions
SDHC has disposed of most of its public housing portfolio. What remains is in a land trust model. SDHC manages its voucher program in house. It works with the county to provide services to its residents.

Governance
SDHC has seven commissioners. Five are county board supervisors and two are residents of the housing authority. SDHC has a separate internal staffing structure within the city’s housing department that manages the housing authority functions.

Coordinating Strategies
SDHC maintains a high level of coordination between the city and the housing authority due to its shared governance structure.
Case Study 6: Seattle Housing Authority (SHA)

Portfolio Size
SHA manages 6,000 public housing units and administers 8,400 vouchers.

Regulatory Flexibility
Seattle is a Moving to Work site and uses RAD financing tools.

Functions
SHA manages a portion of its public housing portfolio. The authority outsources a small amount of its public housing sites to third-party property management entities. SHA provides services in house to its public housing residents and has several contracts with private and nonprofit entities for additional services for specific sites.

Governance
SHA is governed by a seven-member board of commissioners, two of whom are housing authority residents. The mayor appoints the board members, subject to confirmation by the Seattle City Council. SHA’s policies are reviewed and approved by the board of commissioners.

Coordinating Strategies
The mayor has a strong presence in the operations of the SHA, and therefore there is a great deal of coordination with the city and the housing authority.

Case Study 7: Portland Housing Authority (PHA)

Portfolio Size
The Portland Housing Authority manages 3,100 public housing units and administers 7,900 vouchers.

Regulatory Flexibility
PHA is a Moving to Work site and qualifies for RAD financing tool.

Functions
PHA provides property management for its public housing portfolio. The voucher program is also managed in house. PHA contracts with nonprofit organizations for services to its public housing residents.

Governance
PHA operates within a city department and has dedicated housing authority staff. Four commissioners represent the City of Portland, two represent the City of Gresham and two represent Multnomah County. A ninth member — who participates in one of Home Forward’s housing programs — represents residents and program participants. Commissioners are recommended from the area they serve, appointed by the Mayor of Portland and approved by the Portland City Council.

Coordinating Strategies
PHA has a high level of coordination with the city because it is located within a city department. The city heavily influences the operations and management of the PHA.
MEMO: June 21, 2013
FROM: Council of Community Housing Organizations
TO: Mayor Edwin Lee, City Administrator Naomi Kelly, Housing Director Olson Lee
RE: PUBLIC HOUSING RE-ENVISIONING

Per your request, below is a short list of broad recommendations that we have developed in response to the re-envisioning of public housing upon which this Administration has embarked. The Council of Community Housing Organizations (CCHO) welcomes this long overdue process, and we stand ready to assist the City of San Francisco as this moves forward.

CCHO has a long history of bringing our experience as affordable housing developers and community development advocates to the discussions around improving public housing and voucher programs (Shelter Plus Care, Section 8). On the public housing side, we have been involved in both policy advocacy and development partnerships related to HOPE VI and HOPE SF. CCHO’s community-based housing developers also have a long history of interaction with both the Housing Authority and public housing tenants in Chinatown, the South of Market, Bernal Heights, and the Mission. In addition, we have been deeply involved with the Section 8 program, as both landlords of family and supportive housing properties and resources to voucher holders.

We have learned from this ongoing experience that the long-term problems of the Housing Authority are not just about the deteriorated physical condition of the Agency’s public housing communities, but reflect deeper problems including: the abandonment of funding for public housing and the imposition of unrealistic policies by the Federal Government; a deeply dysfunctional Commission and the use of the Authority as a political patronage plum; the failure to change policies given the changing public housing tenant profile; the persistent denial of tenants’ rights; and the deepening social and economic isolation of public housing tenants.

Thus, we believe that the direction of re-envisioning the SFHA must move towards a complete transformation of the organization’s role, including:

1. **A focus on addressing immediate needs while also expanding future opportunities for existing public housing residents.** The focus of this transformation should be rooted in a firm commitment to public housing residents to assure decent and safe housing in existing developments while expanding access to other affordable housing in the City with enhanced services and improved opportunities.

2. **Transforming Section 8 into a model program.** The Section 8 program must not be an afterthought in the re-envisioning of public housing, despite the fact that it does not have the same public “visibility” as dilapidated housing authority sites. In fact, close to two-thirds of residents served by the Housing Authority are Section 8 residents, and a priority must be to transform Section 8 into a model program.
3. **Create real choices for public housing tenants without losing units**
   - Given the tight rental market, San Francisco should maintain a policy of **no-net loss** of units; however, this should be done not simply by rebuilding 100% public housing properties, but by incorporating these extremely-low-income homes into other affordable housing developments with a range of incomes.
   - Likewise public housing should not simply be rebuilt in the current segregated distribution pattern. It must be re-conceived so that low-income citizens have access to safe, well-managed homes in a wider variety of neighborhoods.
   - However, public housing should not simply be rebuilt; it must be re-conceived so that low-income citizens have access to safe, well-managed homes in a wider variety of neighborhoods than the current segregated distribution pattern.

4. **Community Integration Strategies.** Break down the current isolation experienced by many public housing tenants by integrating the properties into the surrounding communities and neighborhoods, both physically and functionally. Encourage community- and neighborhood-based organizations to participate in service provision, management, replacement housing plans, and leadership development with residents. Public housing sites should follow a “services-enriched” model, with wraparound services including access to workforce training and employment opportunities, including the integration of City departments and community-based social services agencies in the funding for such services.

5. **Bringing the Housing Authority into City Family.** The Housing Authority should, as much as legally possible, be encouraged to become part of the “City Family,” with particular functions assigned to appropriate departments within the city.

Within this framing, we have outlined four major topics of discussion: 1.) public housing transformation; 2.) tenant protections and expectations; 3.) the future of the Section 8 program; and 4.) governance structure and public accountability.

**SPECIFIC TOPICAL RECOMMENDATIONS**

A. **Public Housing Transformation.**

Public housing has been in crisis in San Francisco for many years as federal appropriations and lease revenue have not kept pace with the maintenance demands of an aging physical stock. Operating issues have ranged similar financial challenges in terms of costs and expenses as well as long-standing concerns around safety, property management, and other core issues.

The current crisis in the San Francisco Housing Authority brings an opportunity for the City to engage its community-based housing resources to save the homes of 16,000 of San Francisco's poorest residents. The strength and success of San Francisco’s affordable housing movement is rooted in its history of neighborhood-focused community-based development organizations that combine housing development expertise with deep commitment to community organizing and leadership development. Collectively, San Francisco’s community-based organizations have created and/or preserved more than 20,000 units of deeply affordable housing.

San Francisco community-based housing organizations have a proven track record in effective asset and fiscal management, intentional and genuine tenant engagement, and transparent governance and administration. Our commitment to this effort is to foster leaders who will be prepared to represent the interests of their developments and communities, identify issues that can be addressed in the near term, and develop financing and redevelopment strategies for future sustainability for the buildings themselves and the people who call them home.
Recommendations

1. **Affordable Housing Choices.** Dramatically increase the range of quality affordable housing choices for residents by transforming the existing portfolio without losing any public housing units.
   - Maintain the commitment to no net loss of units affordable to public housing residents, but do this creatively through Project-based Rental Assistance, mixed-income development, and other strategies.
   - Work proactively with SFHA residents on a development level and other low-income residents in each neighborhood to assure that the location of new or replacement affordable housing opportunities reflect the needs and aspirations of those residents.

2. **Community-Based Housing.** Take advantage of the community-based housing providers in integrating the public housing stock and residents into the surrounding communities. Because San Francisco-based nonprofit housing developers have such unique skills to offer, their involvement should be prioritized in selection of development teams for disposition of SFHA properties, with qualifying points for community-based housing organizations as demonstrated by community participation on Boards of Directors, HUD-qualified CHDOs, previous experience in community and tenant organizing, neighborhood-level planning experience, etc.

3. **Social services and neighborhood integration.** This re-envisioning process should address the problem of the social and economic isolation of public housing tenants by the design and funding of robust and directed health and human services for current and future public housing tenants, and where possible such services should be available to residents of the neighborhoods in which the public housing development is located. Programs and practices must be adopted that aim to bring “neighbors” to public housing sites and public housing residents into the surrounding neighborhoods in mutually supportive activities;

4. **Services funding.** The City must look hard at its budget to see where we might identify either new or reprogrammed funds to support the critically needed social and economic support programs which will be required in any lasting “transformation” of public housing.

B. **Tenant Protections and Expectations – Developing the “San Francisco Model”**

We expect a good faith effort by the city and the SFHA to work with tenant advocates as changes are made to our public housing and section 8 programs. We hope for this to include informing advocates of major policy proposals, requesting input on key proposed changes, considering feedback from advocates on issues of concern brought forth and regular, ongoing communication about issues regarding tenants rights and resident participation. We look forward to sharing our ideas about how through this process of transformation we can help the city ensure that no loss of key rights occurs, as well as enhance residents sense of involvement and empowerment within their housing systems.

Recommendations

1. **Tenant Engagement.** Budget allocations (starting in 2013-14) should provide grants to CBOs to support active and effective tenant engagement/leadership development to ensure that public housing residents have a voice in planning.

2. **Clean Slate.** We suggest a “clean slate” approach be taken regarding lease enforcement, rent collections and renewed or initial enforcement of policies in place that have not been effectively followed or enforced in the past. This means that residents are not made to pay for violations that occurred prior to the implementation of the “re-envisioning” changes. It also means that advocates will focus on future problems as they occur and less on remedying issues resulting from poor management practices in the past. This relies on a demonstration of material improvement and concrete measurements of progress by the SFHA for it to be successful.

3. **Tenant Protections.** There are universal rights, values and principles that are currently embodied in the conventional public housing program that we believe should be preserved regardless of what direction the transformation of the SFHA becomes. These are generally under the category of due process, eviction protections, rent affordability, and resident organizing and participation rights which are currently guaranteed to residents by law. The following tenant
protections and rights should be carried over to any former SFHA units or replacement units in the case of conversion, demo or disposition, transfer of ownership or property management.

- Resident organizations are currently funded through HUD through resident participations funds ($25/unit). This should be preserved or otherwise funded.
- The grievance procedure for public housing residents is quite robust and has specific requirements including a two-step process, appeal rights, impartial hearing officers and right to representation. It is critically important that these procedural protections continue to apply to all residents.
- Resident association and organizing rights should not be weakened.
- Just cause eviction protections must apply across the board.
- All residents in good standing should have the right to remain (if no relocation is required) or return to appropriately sized units, in accordance with the
- One-for-one replacement of units at same affordability levels/ no net loss or termination of housing assistance should occur as a result.
- Rent remains income based/ affordable to extremely-low income residents
- In case of relocation, no additional screening criteria should be placed on existing residents
- Residents and advocates must be involved in the creation of relocation plans, management agreements, demo/ dispo applications and other such guiding documents.
- Former residents of public housing units or new residents in replacement units should continue to have the same opportunities to participate in any housing authority wide processes, decision-making opportunities, boards and commissions.

4. **Moving to Work.** Generally, CCHO supports the “fungibility” allowances of the Moving to Work program, but members have concerns about the waivers regarding tenant's rights that have been sought in other MTW jurisdictions. Such waivers have included: work requirements, drug testing, time limits, renting to higher income residents, requiring tenants to pay more than 30% income (major rent reform), removal of grievance procedure requirements, no requirement to have a Resident Advisory Board or Annual Plan process. We would like to see tenant protections related to due process rights, eviction protections, resident participation rights and rents remain as consistent with the conventional public housing rules as possible, while still allowing for the spending flexibility necessary to assure financial stability of the developments. Essentially, are open to a "basic MTW" model but not an "enhanced MTW". CCHO would like to be at the table in providing input into the MTW agreement between HUD and the SFHA.

5. **RAD and Conversion to Project-based Section 8.** The regulations regarding project-based section 8 have some important distinctions from the conventional public housing program concerning resident rights, specifically related to grievance rights and eviction protections. For example: If converted to PBRA, there is no longer a PHA plan process or requirements for residents to sit on commission, serve on Resident Advisory Boards be on a jurisdiction-wide council. These rights should be agreed to by SFHA, City, and the development partner. We would like the existing protections to be retained through binding language (an example of such language which could be included in the SFHA’s ACOP and Administrative plans has been drafted by advocates).

C. **Section 8 Program.**

While not as well understood by the general public, the problems facing tenants and landlords in the Section 8 program are also deeply troubling. Tenants have long experienced problems with basic program components like income certifications, inadequate staff training, poor customer service, and untimely response to basic program activities. Landlords also experience challenges related to timely inspections and referrals, which makes the program less desirable to participate in.

**Recommendations**

1. **Find an effective program administrator to carry out the basic tasks of the program now:** whether this is HSA, MOH, or even a private contractor, residents deserve quality and responsive service. We are open to a variety of administrative solutions, as long as the changes come
quickly and have effective oversight. If there is a significant ramp-up time with MOH or HSA, it may be appropriate to consider an interim solution such as contracting with the regional Section 8 Administrator, while a longer-term strategy is developed.

- HSA is a strong candidate for eventually administering the tenant-based voucher program and should take the lead on integrating the voucher program into efforts to address homelessness. Since the wait list concept is fundamentally flawed as it relates to homelessness, HSA and DPH should work together to incorporate homeless families and individuals more effectively into the referral system for vouchers and integrate those resources into the citywide referral system associated with the Local Operating Support Program.

- For non-homeless individuals and families, the referral process should be completely redone, by addressing the problem with thousands of inactive people on the current waiting list.

2. **MOH and HSA should play leadership roles in program development and policy making:** regardless of who directly administer the tenant-based voucher programs, MOH and HSA each have important roles to play in aligning these resources with other city efforts related to HOPE SF and the Ten Year Plan to End Homelessness.

- MOH should take the lead in directing the use of project-based vouchers and oversee any related activities: this is critical to ensuring that these resources are leverage to the transformation of the HOPE SF sites and to create permanent supportive housing.

- As noted above, there is a great opportunity to integrate section 8 into a system for housing resources related to homelessness. This should be actively managed by the city agencies charged with this task.

**D. Governance Structure and Public Accountability**

The “political” isolation of public housing must be addressed by giving the Housing Authority a role that integrates it into other City priorities and not leaving it isolated and aloof from all other departments and programs. The Mayor’s re-envisioning process must devise an *integrated* role of the Housing Authority in achieving broader city objectives (eg, programs integrating tenants and adjacent neighborhood residents in joint programs, employment training and placement programs in the health sector; fostering community gardens and urban agriculture programs for neighborhood residents and tenants, etc.), so that the Housing Authority does not shrink back into “policy isolation” that has so characterized it in the past and has led to the isolation of its residents. The Housing Authority Commission must enact robust standards for transparency and conflict of interest, in order to inspire confidence in its ability to move forward in the re-envisioning process, including an independent evaluation process. Finally, opportunities must be found to integrate tenants in decision-making where they can have the most impact in shaping how public housing affects their daily lives.

**Recommendations**

1. Prioritizing the role of the Housing Authority as a **policy and programmatic body**, while dispersing operational capacity to other appropriate agencies.

2. **Transparency.** The Housing Authority Commission must strive for transparency in all its actions, including centralized regular meetings at City Hall, televised recording of meetings, and thorough minutes of both discussion and decisions accessible to the public.

3. **Conflict of Interest Standards.** Commissioners must adhere to strict conflict of interest standards as do many other City commissions, including direct and indirect financial conflicts.

4. **Independent third party evaluator**, providing information analysis and performance evaluation to the City, reporting to the Mayor, independent of the Housing Authority Commission or Director, and providing annual reports at a public hearing of the Board of Supervisors.

5. Representation on the Housing Authority Commission, in addition to required tenant seats, should include positions for **Commissioners with specific skills and functions**, such as finance, housing development, etc.
6. Creating **opportunities for tenant participation** and leadership through bodies where tenants can have the most impact, that emphasize representation of resident communities and demographics, as well as representation of Section 8 participants

Again, the Council of Community Housing Organizations stands ready to assist the Mayor in this process in any way you deem appropriate.