

PROPERTY OWNER AND OCCUPANT PREFERENCE PROGRAM
FOR THE RE-ESTABLISHMENT IN THE
WESTERN ADDITION AREA TWO
HUNTERS POINT
STOCKTON / SACRAMENTO AND
BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT
PROJECT AREA

*Dates Redevelopment Area were Approved by Board of Supervisors

| | | |
|-----------------------------|---|------------------|
| Western Addition Area Two | - | October 14, 1964 |
| Hunters Point | - | January 20, 1969 |
| Stockton / Sacramento | - | May 23, 1974 |
| Bayview Industrial Triangle | - | July 3, 1980 |

**Dates Funds were Received for Acquisition of Property

| | | |
|-----------------------------|---|--------------------|
| Western Addition Area Two | - | June 30, 1966 |
| Hunters Point | - | March 2, 1969 |
| Stockton / Sacramento | - | September 10, 1974 |
| Bayview Industrial Triangle | - | February 1, 1980 |

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I. Purpose

- A. To give certain preferences in consideration for housing and business opportunities to persons displaced by redevelopment activities.
- B. Preference shall be afforded in the project areas identified on the cover page of this document (the “Project Areas”) and in citywide housing assisted by Agency tax increment funds.
- C. The date of completion of the Project Area shall be the completion of the program.
- D. This program is not in lieu of the Relocation Benefits Program governed by applicable laws.

II. Definitions

- A. “Agency Property” – property acquired by the Agency for the purpose of disposition.
- B. “Business Certificate Holder” – means a Displaced Person, issued a Certificate of Preference by the Agency, who was engaged in business in a Project Area building that was acquired at the time by the Agency, or a business tenant in a building whose owner has entered into an Owner Participation Agreement with the Agency to extensively rehabilitate his/her property and the tenant has received a Notice of Eligibility from the Agency. This classification pertains to all Project Areas.
- C. “Business Occupant” – means a business occupant (business person), either an owner or renter, of a building located on real property in the Project Area lawfully acquired by the Agency after **; or a tenant engaged in business in a building whose owner has entered into an Owner Participation Agreement with the Agency to extensively rehabilitate their property and the tenant has received the Agency’s Notice of Displacement will be eligible for preference in re-establishment in the Project Area by purchase or rental of business property, or the purpose of engaging in business provided the business person meets the specified eligibility requirements and if the business meets the requirements prescribed in the redevelopment plan.
- D. “Certificate” – is an abbreviated term for Certificate of Preference.
- E. “Certificate of Preference” – is used to give certain preferences in consideration for housing and business opportunities to persons displaced by redevelopment activities.

- F. “Displaced Person” - means a person who was a legal resident of a building who permanently moves him or herself (or business) from the property as a result of acquisition of the property by the Agency, or by a private entity under contract with or on behalf of the Agency, or as a result of receipt of a notice of intention to acquire by the Agency. Displaced person also includes a person who moves as a result of the rehabilitation, demolition, or other activity of the Agency or private party acting on behalf of the Agency. A Displaced Person may be an owner or a tenant of the property from which he/she was displaced.
- G. “Family” – Two or more persons related by blood, marriage, or operation of the law and adult individuals displaced by Agency action.
- H. “Notice of Eligibility” – means a notice sent by the Agency which that a resident or business of potential eligibility for relocation benefits.
- I. “Property Owner / Non-Occupant Certificate Holder” – means the record owner of real estate prior to the acquisition of the property by the Agency, issued a Certificate of Preference by the Agency. Acquisition by the Agency includes both acquisition and sale or by eminent domain/condemnation. To be eligible for a Property Owner-Non-Occupant Certificate, the property owner must have been the owner of record that executed the grant deed to the Agency or the owner of record in the eminent domain at the time the Agency acquired the property. If the property owner was a corporation, partnership or other legal entity, the Certificate will be listed in the corporation or the partnership’s name. If there was more than one owner of record, only one certificate will be issued. The Certificate shall be valid until two years after completion of the Project Area from which the household was displaced.
- J. “Residential A Certificate Holder” – means a Displaced Person, issued a Certificate of Preference by the Agency, who moved after acquisition by the Agency or by a private entity under contract with or on behalf of the Agency. This classification pertains to all Project Areas**. The Certificate shall be valid until two years after completion of the Project Area from which the household was displaced or 10 years from citywide tax increment.
- K. “Residential B Certificate Holder” – means a Displaced Person, issued a Certificate of Preference by the Agency, who moved after the Agency received funds to acquire their residence, but before actual acquisition.** Residential B Certificates were issued when the Agency received Urban Renewal Grants and Loans from the Federal government. In order to be eligible for a Residential B Certificate, displacement must have occurred no later than February 1, 1980. This Certificate shall be valid until two years after the last date of proven residency.

- L. “Residential C Certificate Holder” – means a Displaced Person, issued a Certificate of Preference by the Agency, who is currently at least 18 years old or a legally emancipated minor who was a minor child or adult in the household at the time of displacement. In order to qualify for a Residential C Certificate an applicant’s name must appear in the Agency’s Site Occupant Record for a dwelling unit located in the Western Addition A-2 Project Area or the Hunters Point Project Area. The Certificate shall be valid until two years after completion of the Project Area from which the household was displaced.
- M. “Residential Certificate Holder” – generally refers to any class of Residential Displaced Person as referenced above.
- N. “Residential Occupant” – either an owner or renter of a building located on real property in the Project Area that was lawfully acquired by the Agency; or a residential tenant in a building whose owner entered into an Owner Participation Agreement with the Agency to extensively rehabilitate their property and the tenant has received the Agency’s Notice of Displacement will be eligible for preference in re-establishment in the Project Area by purchase or rental of residential property, provided that the resident meets the specified eligibility requirements.
- O. “Site Occupant Record” – means the Agency’s record of the occupants of a building at the time of acquisition of the building by the Agency. The Agency or a designated agent of the Agency shall be responsible for completing the Site Occupancy Record (S.O.R.) for each displaced household.
- P. “Used” – means a) in the case of a rental or purchase of a cooperative share, means the execution of a lease or rental agreement; b) in the case of a purchase, the execution of a deed by the Agency or a third party pursuant to an agreement with the Agency requiring priority in sales to Certificate Holders.

III. USE OF CERTIFICATES

A Certificate of Preference is issued to facilitate the priority entry of a displaced residential or business occupant into developments with the Certificate requirement. There are restrictions regarding the use of this reentry tool which are outlined below.

- A. If you are a Residential Certificate Holder the certificate can only be used for a given residential purpose. A Certificate of Preference may be used only once for a given purpose or use, provided, however, a Certificate of Preference used to rent a dwelling unit or purchase cooperative shares may

be used again to purchase a dwelling unit/real property if the tenancy or cooperative shares are relinquished.

- B. Business Certificate Holders can only use this certificate for a given business purpose. The Business Certificate of Preference cannot be used by any other person than the named recipient. The Business Certificate of Preference may only be used once for a given purpose for all Project Areas.
- C. The Agency can authorize a special disposition offering which does not give priority to Certificate Holders. In such cases, the offering must clearly state this. However, persons who have or are eligible to have a certificate who are successful in responding to a special disposition offering, either individually, jointly, or as members of a partnership or corporation, will be deemed to have exercised their certificate if they hold the minimum percentage of ownership specified in the special disposition.

IV. PRIORITY OF CERTIFICATES

A. **Housing**

1. Certificate Holders who are low-to-moderate income, in accordance with the California Health and Safety Code Section 33411.3, have preference for the rental or purchase of housing in the following descending order of priority:
 - a. Residents of Agency property in Project Area in which a given development is located.
 - b. Residents of Agency property referred to a development in another Project Area.
 - c. Residents who were relocated from Agency Property to the private market and desire referral to a below market interest rate development. Within each of the above categories, the priorities are as follows:
 - 1) Residential A Certificate Holders .
 - a) Low and Moderate Income Households
 - b) Market Rate Households
 - 2) Residential B Certificate Holders.
 - a) Low and Moderate Income Households
 - b) Market Rate Households.
 - 3) Residential C Certificate Holders.
 - a) Low and Moderate Income Households
 - Market Rate Households
 - d. Families or individuals displaced and who qualify for service from Central Relocation Services.

The Certificate entitles the holder to preferential consideration only; the owner/agent shall make the final decision on occupant selection.

In situations where there are multiple Certificate Holders of equal classification, and a determination must be made as to order of priority, the earlier date of certificate issuance will be used to establish the final order of priority with low income households having priority over market rate households.

B. Business Space

Business Certificate Holders who desire to rent business space which meet requirements of the redevelopment plan, have the benefit of priority consideration only. It is the property owners who will make the final determination on the business mix, rental rates and terms and conditions.

1. A partnership or corporation in which a Certificate Holder has an ownership interest, may use the Certificate in the purchase of property provided:
 - a. The Certificate Holder owns outright, fifty-one percent (51%) or more of the partnership or corporation. If two or more Certificate Holders have an ownership interest in the partnership or corporation, the total percentages of ownership held by all the certificate holders must be at least 51%. In the event such partnership or corporation uses the certificate, each certificate holder, regardless of percentage of ownership, shall be deemed to have exercised his or her certificate.
 - b. The fifty-one percent (51%) or more ownership interest was not funded by a loan from the partnership, corporation, or any member or shareholder thereof and the Certificate Holder so declares in writing under penalty of perjury if required by the Agency.
 - c. The Certificate Holder must sign a non-collusion affidavit if persons other than Certificate Holders own the partnership or corporation.
 - d. No sale of the Certificate Holder's interest in the corporation or partnership is contemplated at the time the Certificate is used and the Certificate Holder so declares in writing under penalty of perjury if required by Agency.
 - e. No sale of Certificate Holder interest in the Partnership or Corporation is made until after Agency certificate of completion of new improvements and/or rehabilitation.

In situations where there are multiple Certificate Holders of equal classification, and a determination must be made as to order of priority, the earlier date of certificate issuance will be used to establish the final order of priority.

C. Rehabilitated Structures

In the event the Agency acquires structures for rehabilitation, these structures may be sold to the Certificate Holders with the highest qualified bid who complies with the terms of offering. In the event identical bids are received from Certificate Holders who also have equal financial qualifications, selection will be made by lottery. Provided however:

1. A Business Certificate Holder may not use priority to bid on a residential rehabilitation offering unless there are at least two units and the property will be used to engage in business.
2. A Property Owner Non-Occupancy Certificate Holder may not use priority to bid on rehabilitation offering if the intended use is for private residency.

D. Agency Owned Property

Property owned by the Agency may be offered for purchase. Developers of such parcels are selected by the Agency based on the extent to which the proposed development serves the needs of the Project and the City of San Francisco. The Agency may extend preference to Certificate Holders. The major factors for evaluating proposals will include:

1. Economic feasibility of the proposal.
2. The financial capacity of the developer and the demonstrated ability of the development design team.
3. The ability of the developer to proceed expeditiously with development of the site.
4. Other factors included in the offering.

Where applicable, the Project Area Committee reviews all development proposals and may provide advice and comment to the Agency. Only when, in the judgement of the Agency, all evaluated criteria are approximately equal, preference will be given to a Certificate Holder, subject to other applicable priorities as described in this document.

- E. In situations where there are multiple Certificate Holders of equal classification, and a determination must be made as to order of priority, the earlier date of certificate issuance will be used to establish the final order of priority.

V. APPLICATION FOR AND NON-TRANSFERABILITY OF CERTIFICATES

- A. Application for all Certificates of Preference must be made to the Agency. A Certificate is not transferable voluntarily, by inheritance, by operation of law, or otherwise. A Certificate applicant is not entitled to certificate priorities until a Certificate has actually been issued. When a Certificate is requested and proof of eligibility cannot be established by Agency

records, the burden shall be upon the applicant to supply the Agency with the necessary documentation.

- B. When a Certificate is to be used for priority in preferential offerings, eligibility must be established and a certificate issued prior to the bid opening or the specified deadline for the Development proposal.

VI. PRIOR CERTIFICATES; EFFECTIVE DATE OF PROGRAM

- A. All non-exercised, validly issued Certificates issued prior to effective date of this program shall be honored. However, this Certificate Program shall govern the manner of exercising and prioritizing.
- B. The Certificate Program was adopted on April 18, 1978. The effective date of this program amendment is June 1, 1999.

VII. REVIEW AND APPEALS PROCEDURE

- A. Persons and Entities Entitled to Appeal - An appeal of the Agency's decision to deny a Certificate of Preference may be filed in by either of the following types of complainants:
 - 1. A person or business may appeal the decision to deny a Certificate of Preference.
 - 2. A person or business unable to find a Certificate of Preference allegedly issued, but for which the Agency claims to have no records, may appeal the decision to deny a Certificate of Preference.
- B. Informal Settlement - An appeal of the Agency's decision to deny a Certificate of Preference must be personally presented in writing to the Agency at its main office so that the denial may be discussed informally and settled without a hearing. The Agency will prepare a summary of such informal discussion (the "Summary") no later than one week from the date of the last meeting. The Summary will specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint, and will specify the procedure by which a hearing may be obtained if the complainant is not satisfied. The Summary shall either be delivered personally to the complainant or sent by regular mail to the complainant's address or such other address as the complainant specifies.
- C. Procedures to Obtain a Hearing - The complainant must submit a written request for a hearing addressed to the Agency's Housing Program Manager no later than two weeks from the date of the Summary. The written request must set forth the specific facts the complainant relies upon to be entitled to a Certificate of Preference.

- D. Hearing Officer - the Housing Manager, or her/his designee will hold The hearing. However, the Hearing Officer may not be a person who approved the decision to deny the Certificate of Preference or a subordinate of that person.
- E. Scheduling of Hearing - The Hearing Officer will notify the complainant in writing of the time, date, place, and procedures governing the hearing.
- F. Procedures Governing the Hearing - The complainant shall be afforded a fair hearing which shall include:
 - 1. The opportunity to examine before the hearing any Agency records and to copy any Agency records at the complainant's expense. If the Agency does not make the document available for examination upon request by the complainant, the Agency may not rely on such document at the hearing.
 - 2. The right to be represented by counsel or other person chosen as the complainant's representative, and to have such person make statements on the complainant's behalf.
 - 3. The right to a private hearing, unless the complainant requests a public hearing.
 - 4. The right to present evidence and arguments in support of the complainant's claim, to controvert evidence relied upon by the Agency, and to confront and cross-examine all witnesses upon whose testimony or information the Agency relies.
 - 5. A decision bases solely and exclusively upon the facts presented at the hearing.
- G. If the complainant or the Agency representative fails to appear at a scheduled hearing, the Hearing Officer may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived its right to a hearing.

Provided, however, that a determination that the complainant has waived the right to a hearing shall not constitute a waiver of any right the complainant may have to contest the Agency's disposition of the complaint in an appropriate judicial proceeding.
- H. At the hearing, the complainant must first make a showing of an entitlement to a Certificate of Preference, and thereafter the Agency has the burden to justify its decision to deny the issuance of the Certificate of Preference.
- I. The hearing shall be conducted informally by the hearing officer and oral or documentary evidence pertinent to the facts and issues may be received without regard to the rules of evidence applicable to judicial proceedings.

J. Decision of the Hearing Officer

1. The Hearing Officer shall prepare a written decision together with the reasons therefor within a reasonable time after the hearing. A copy of the decision will be sent to the complainant and the Agency's Housing Program Manager.
2. The decision of the Hearing Officer to issue a Certificate of Preference shall be binding on the Agency, and the Agency shall promptly issue a Certificate of Preference consistent with the Hearing Officer's decision.
3. A decision by the Hearing Officer that the complainant is not entitled to a Certificate of Preference shall not affect in any manner whatsoever any rights the complainant may have to a trial de novo or judicial review in any judicial proceedings which may thereafter be brought in the matter.

VIII. AMENDMENTS TO CERTIFICATE PROGRAM

This Certificate Program may be amended from time to time by the Agency Commissioners or the Executive Director.
