



**Written Testimony of San Francisco Mayor London N. Breed
On Behalf of the U.S. Conference of Mayors and Mayors and CEOs for U.S. Housing
Investment**

**Subcommittee on Housing, Community Development, and Insurance
Virtual Hearing – Flexible Federal Funding: Examining the Community Development Block
Grant Program and Its Impact on Addressing Local Challenges
June 16, 2021**

Since the Community Development Block Grant (“CDBG”) program was created in 1974, the City and County of San Francisco (“City”) has been at the forefront of creative and targeted utilization of this vital resource. CDBG funding has been critical for providing neighborhood stabilization and resident supports since the program’s inception. San Francisco deploys its CDBG funds in a variety of innovative ways, combining various strategies to best serve our residents and weaving together service provision, housing rehabilitation, economic development supports, and resources for capital improvements to community facilities to seamlessly respond to the needs of our community. Over the past two decades, CDBG funds have allowed San Francisco to serve over 300,000 individuals, including more than 16,000 last year alone.

One of San Francisco’s highest priorities is stabilizing the housing of our most vulnerable residents. Preventing the displacement of San Franciscans from their home and community represents both housing and cultural preservation. When San Franciscans are displaced from their home, particularly low-income and longtime San Franciscans, they are left to contend with finding housing in one of the most expensive rental markets in the country. They typically move far away from their workplaces and social networks, or into a housing situation with even more severe housing problems, such as overcrowding, unsafe or unsanitary conditions, and rent they cannot

afford. Displacement can also have a direct and long-lasting detrimental impact on a household's mental and financial wellbeing.

San Francisco's Mayor's Office of Housing and Community Development ("MOHCD") is charged with supporting residents with affordable housing opportunities and essential services to build strong communities. MOHCD funds community-based organizations to deliver essential anti-displacement services to our residents, including:

- Eviction legal assistance, including implementation of the groundbreaking Tenant Right to Counsel program;
- Tenants' rights counseling, education and outreach;
- Tenant-landlord mediation and technical assistance to housing providers; and
- Emergency rental assistance and tenant-based subsidies.

One of San Francisco's most innovative programs is our nationally recognized Tenant Right to Counsel program, which is CDBG-funded. In Fiscal Year 2019-20, San Francisco began implementation of a landmark policy that all residential tenants facing eviction have a right to full-scope legal representation. Tenant Right to Counsel is intended to ensure that tenants receive legal representation in the case of an eviction, from start to finish, rather than rely upon self-help, legal advice and counsel, and limited-scope representation. This representation includes, but is not limited to: filing responsive pleadings, appearing on behalf of a tenant in court proceedings, and providing legal advice.

We have seen that full-scope representation gets better results for tenants. Based on a review of the first phase of implementation, 67% of full-scope clients stayed in their homes, as compared to 38% of limited-scope clients who stayed in their homes. Among African American tenants who received full-scope representation, 80% stayed in their homes. Almost as many tenants received full-scope representation during this period than in the entire 12-month period prior. The efficacy of this CDBG-funded program is proven and dramatic.

Eviction defense increases its effectiveness when paired with emergency rental assistance, a program that MOHCD has been administering for years in order to pair legal remedies with the appropriate financial supports necessary for stabilization. The COVID pandemic increased the need for such assistance exponentially as so many residents have been negatively impacted economically since the epidemic struck. For high-rent, high-cost cities such as San Francisco, the need for such emergency rental assistance is essential and the increased demands for these funds post-COVID is painfully evident.

Community Development Block Grants are most effective when driven by the community, who know exactly what is needed and how to reach those in need. Flexibility and the ability of local jurisdictions to create programs that can meet these unique needs is crucial. To the extent that communities rely upon receiving essential services, the existing limitations on CDBG public services can limit a jurisdiction's ability to deliver what their communities are requesting. While the approval of Neighborhood Revitalization Strategy Areas is one method of expanding the reach of services, as San Francisco has done, this methodology is a significant undertaking and may not be achievable for all jurisdictions despite the overwhelming need of their residents to receive these

services. Smaller jurisdictions may face such challenges in deploying funds in the way that best serves their communities. Allowing each jurisdiction to set their public services cap through the Consolidated Planning process and thereby replacing the one-size-fits all existing cap requirement would recognize local community expertise, acknowledge the greater needs for services that some communities face, and be more in line with the place-based policy framework upon which the concept of true community development is built. Additionally, our service providers that are grounded in the community should be able to access technical assistance and capacity building with greater flexibility to meet those organizations where they are. For our communities to thrive, anchor institutions need to be given the support needed to address the broad and often overwhelming disparities faced by our residents.

The Consolidated Plan serves as the application for a number of federal funding sources, and provides additional context for the City's programs and investment. The 2020-2024 Consolidated Plan was completed during Fiscal Year 2019-20. As part of our community planning process this past year, San Francisco connected with its residents in an unprecedented manner, reaching deep into communities to understand their priorities and their challenges. The community outreach process engaged nearly 4,000 residents and stakeholders.

These discussions highlighted once again the long-standing unmet needs of our African American community, the Native American community's disenfranchisement for centuries; the very real fear felt by the Asian American community, which has faced xenophobia historically and most recently targeted due to the deliberate misinformation connected to the COVID pandemic; the Latinx community's ongoing fears about family separation and their portrayal in society as the reason for

the economic insecurity of the working class; and the transgender community's daily concern about their safety and personal survival as transgender women of color are consistently targeted for physical and emotional violence and struggle for basic subsistence. San Francisco updated our Theory of Change to include two new objectives, an anti-displacement objective and a racial equity objective. My administration is committed to the principles of racial equity and the elimination of racial disparities.

The 2020-2024 San Francisco's Theory of Change includes five objectives and five target populations, and has determined that the optimum way to address our priority needs is to work towards a set of five interconnected, multidisciplinary objectives that cross program areas and utilize leveraged strategies both internally and across multiple city departments. These five objectives are: » Objective 1: Families and individuals are stably housed » Objective 2: Families and individuals are resilient and economically self-sufficient » Objective 3: Communities have healthy physical, social, and business infrastructure » Objective 4: Communities at risk of displacement are stabilized » Objective 5: Work to eliminate the causes of racial disparities

These community portraits illustrate the current need to support our most vulnerable communities is greater now than it has ever been. The devastating effects of the COVID pandemic are long-lasting and have been tragic for communities already suffering from economic disenfranchisement and years of structural inequities based on racial divides, homophobia, transphobia, and anti-immigrant fearmongering. Over the last two decades, San Francisco has seen a consistent decline in CDBG

resources¹, while the need has become more pronounced and population of need continues to grow. This mismatch is unworkable for cities and must be reexamined.

An increase in the overall allocation of Community Development Block Grants would not only support San Francisco, but would help every state, city, and local jurisdiction which relies on this crucial source for the poorest residents across the country. In San Francisco's most recent request for CDBG funding, the request for dollars exceeded the CDBG amount available by 350 %. The demand for housing development dollars similarly outpaces our available resources. San Francisco has already done the hard work to determine how best to allocate every CDBG dollar it receives and would be able to deploy additional resources immediately.

San Francisco urges Congress to recognize the needs of local communities by providing resources that are commensurate with need and offering jurisdictions the flexibility to provide solutions that will result in long-term economic and social benefits for residents in every community. Local governments have proven that when provided the necessary resources, we are able to partner with our local neighbors and communities to implement the right policies to keep individuals housed and help families thrive.

¹ In FY 01, San Francisco's CDBG allocation was \$25,819,000. In FY 21, San Francisco's CDBG allocation is \$18,887,307, showing a 27% decrease twenty years later.