

Retiree Health Care Benefits for Former Employees of the San Francisco Housing Authority*

Digest by the Ballot Simplification Committee

Status: Draft for Consideration
On: Tuesday, November 26, 2019
Members: Packard, Anderson, Girardin, Patterson

Deadline to Request Reconsideration: TBD

The Way It Is Now: In January 2009, the City and County of San Francisco established the Retiree Health Care Trust Fund (“Fund”) to help pay for the health care costs of retirees from City service. Retiree health care coverage costs are shared between the City, retirees, and current City employees.

- After five years of service, City employees hired on or before January 9, 2009 are eligible for 100% of the City’s contribution towards retiree health care coverage. These City employees pay 1% of their compensation into the Fund.
- After 20 years of service, City employees hired on or after January 10, 2009 are eligible for 100% of the City’s contribution towards retiree health care coverage. These City employees pay 2% of their compensation into the Fund.

The San Francisco Housing Authority (“Housing Authority”) is a local government agency, separate from the City, which provides housing assistance to low-income people. The Housing Authority administers the Housing Choice Vouchers Program (“Vouchers Program”) and Low Rent Public Housing Program (“Public Housing Program”). Under Vouchers Program, very low income families, the elderly, and disabled tenants receive financial support to help pay for rent in privately-owned housing. Under Public Housing Program, tenants live in government-owned housing and pay a percentage of their monthly income or fixed amounts towards the cost of rent.

The U.S. Department of Housing and Urban Development (“HUD”) provides federal funding to support the Housing Authority. In March 2019, HUD notified the Housing Authority that the Housing Authority had defaulted on contracts with HUD. As a result, HUD directed the Housing Authority to outsource the Vouchers Program and Public Housing Program to third-party experts, and requested the City assume certain oversight and responsibility for the Housing Authority’s administration.

The City has begun to hire employees who have left the Housing Authority as a result of the transition. As of November 15, 2019, the City has hired 24 former Housing Authority employees. The City may hire more former Housing Authority employees in the next two years.

The Proposal: Proposition ___ is a Charter amendment that would grant certain former Housing Authority employees who are hired by the City the same retiree health care benefits as City employees based on their combined years of service.

Under Proposition ___, the following employees would be eligible for retiree health care benefits:

- After five years of employment with the City and the Housing Authority combined, employees hired by the Housing Authority before January 10, 2009, and later hired by the City between March 7, 2019 and before March 1, 2021, without a break in service, would be eligible for 100% of the City’s contribution towards retiree health care coverage. These employees would pay 1% of their compensation into the Fund.
- After 20 years of combined service, employees hired by the Housing Authority on or after January 10, 2009, and later hired by the City between March 7, 2019 and before March 1, 2021, without a break in service, would be eligible for 100% of the City’s contribution towards retiree health care coverage after. These employees would pay 2% of their compensation into the Fund.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

A "YES" Vote Means: If you vote "yes," you want to amend the Charter to make retiree health care benefits available to certain City employees who previously worked for the Housing Authority based on their combined years of service.

A "NO" Vote Means: If you vote "no," you do not want the City to make these changes.