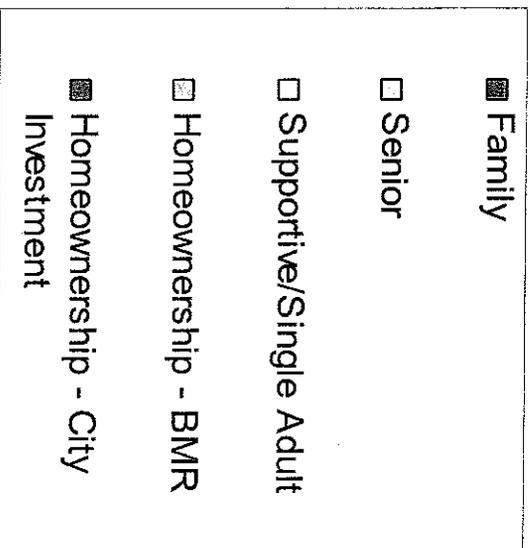
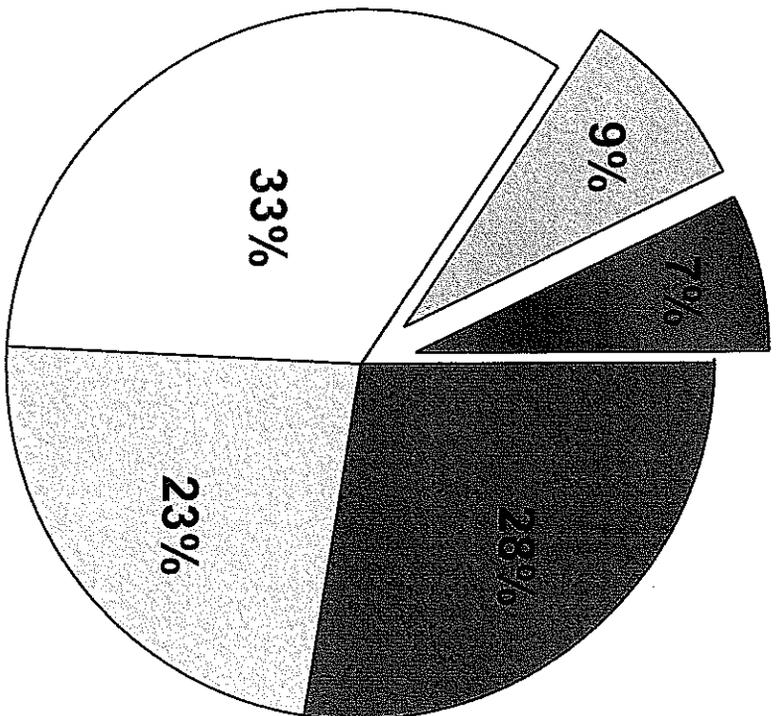




# Total Affordable Housing Production



Source: Mayor's Office of Housing

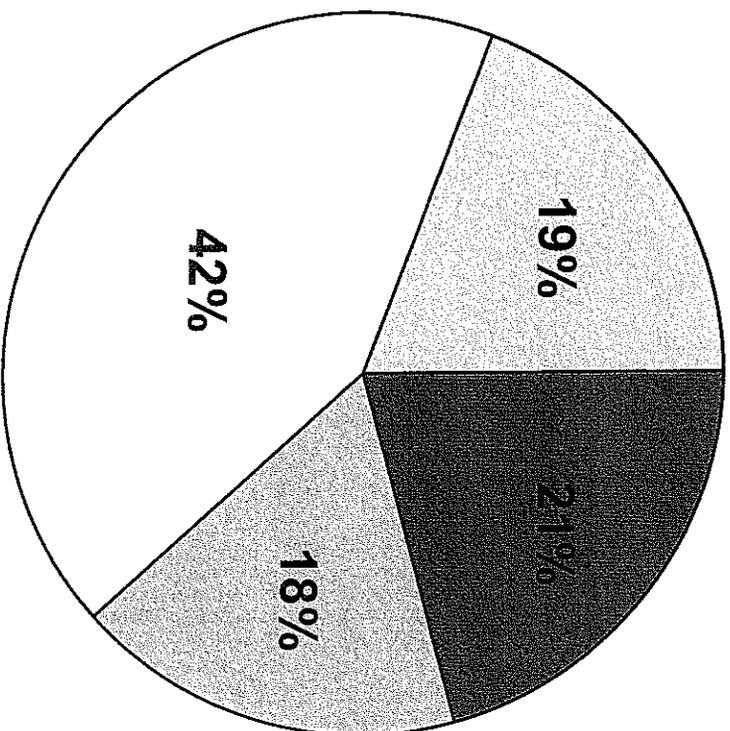


	Unit Count
Family	1,459
Senior	1,233
Supportive/Single Adult	1,766
Homeownership - BMR	456
Homeownership - City Investment	388
<b>Total</b>	<b>5,302</b>

# Completed New Affordable Units since January 2004

- Family
- Senior
- Supportive/Single Adult
- Homeownership

Source: Mayor's Office of Housing

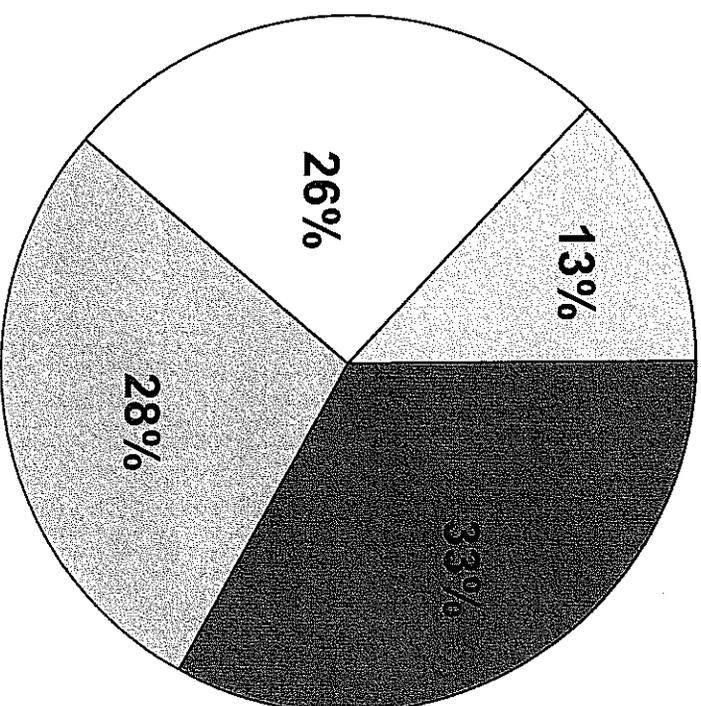


	Unit Count
Family	503
Senior	424
Supportive/Single Adult	1,024
Homeownership	464
<b>Total</b>	<b>2,415</b>

# Future Pipeline of New Affordable Units

- Family
- ▨ Senior
- Supportive/Single Adult
- Homeownership

Source: Mayor's Office of Housing



	Unit Count
Family	956
Senior	809
Supportive/Single Adult	742
Homeownership	380
<b>Total</b>	<b>2,887</b>

*Presented in  
 Cmte by Sue Wong  
 Mayor's Budget Office  
 11/15/07*

**RESULTING GENERAL FUND DISCRETIONARY SPENDING CAPACITY**

After factoring in the above key baselines, set asides, and Charter-mandated spending as well as grant and federal, state and local employment provisions, the General Fund has an 'effective' level of discretionary spending capacity of less than 40 percent of total General Fund revenues and transfers-in sources. Said another way, only about \$1.1 billion of the total \$6.07 billion total City budget is available for general discretionary spending. A high-level summary of the General Fund's revenue and transfer-in sources less required set-asides, baselines and other earmarked funding provisions is summarized below.

**Chart N: How Much of General Fund is Available for Discretionary Spending? (\$ millions)**

	Proposed FY 2007-08 US\$ Millions
<b>General Fund Revenues &amp; Transfers In</b>	<b>\$ 2,832.6</b>
<b>Federal &amp; State Dedicated Funding</b>	
State Health, Welfare, Social Services	\$ (416.1)
Federal Health, Welfare, Social Services	\$ (215.0)
State Public Safety Sales Tax (1/2% for CA Prop 172)	\$ (73.3)
<b>Voter-Approved Baselines &amp; Required Programs</b>	
Police Staffing Baseline, 1,971 officers	\$ (200.9)
Fire Operations Baseline, (Prop F, November 2005)	\$ (165.1)
Baseline for Public Transportation, MUNI & PTC	\$ (178.9)
Baseline for Children's Services	\$ (97.5)
Baseline for Public Libraries	\$ (42.2)
Baseline for Public Education Enhancement Fund (Prop H, March 2004)	\$ (30.0)
Baseline for Human Services Homeless Care Fund (Prop N, Nov. 2002)	\$ (14.1)
Baseline for Public Education Fund (Prop H, March 2004)	\$ (5.6)
Baseline for City Services Auditor (Prop C, November 2003)	\$ (5.6)
Baseline for Municipal Symphony	\$ (1.6)
Office of Economic Analysis (Prop I, Nov. 2004)	\$ (0.3)
<b>Employee Benefit Costs</b>	
Health & Dental Benefit Costs (Charter)	\$ (130.4)
Pension Benefits - Req. Employer Match Only (Charter)	\$ (71.4)
Retiree Health Requirements (Charter)	\$ (53.2)
Social Security - Employer Portion Only (6.2% of salary)	\$ (35.3)
Medicare - Employer Portion Only (1.45% of salary)	\$ (16.4)
Unemployment Coverage (new rate of 0.0% of salary for FY 2007-08)	\$ -
Paid Sick Leave (Prop F, November 2006)	\$ (8.3)
<b>Other Operating Costs</b>	
Debt Service & Lease Revenue Bond Commitments	\$ (31.4)
<b>Estimated Discretionary Spending Capacity</b>	<b>\$ 1,112.6</b>
<b>% Discretionary Spending Capacity of General Fund</b>	<b>39.3%</b>
<b>% Discretionary Spending Capacity of Total Budget</b>	<b>18.3%</b>

*Baseline subtotal: \$ 741.8M (26.2% of GF revenue)*

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

November 14, 2007

**TO:** Rules Committee

**FROM:** Budget Analyst

**SUBJECT:** November 15, 2007 Rules Committee Meeting

Item 9 - File 07-1218

**Departments:** Mayor's Office of Housing (MOH)  
San Francisco Housing Authority (SFHA)  
Office of the Controller  
Department of Building Inspection (DBI)  
Department of Public Health (DPH)  
Human Services Agency (HSA) -  
Department of Human Services (DHS)

**Proposed Charter  
Amendment:**

To create a new San Francisco Affordable Housing Fund and to require an annual appropriation of General Fund monies, equivalent to annual Property Taxes of \$0.025 for each \$100 of assessed valuation, beginning in FY 2009-2010, above a baseline amount of \$88.7 million in FY 2006-2007 to such Fund for affordable housing programs.

**Draft:** First

**Section Affected:** Adding Section 16.127

**Description:**

The proposed Charter Amendment would appropriate General Fund monies each fiscal year, beginning in FY 2009-2010, in an amount equivalent to annual Property Taxes of \$0.025 for each \$100 of assessed valuation. Such monies would be deposited into a proposed new San Francisco Affordable Housing Fund, to be administered by the Mayor's Office of Housing (MOH), in accordance with the guidelines described below. The proposed new Fund would be a Category Eight Fund, because it would (a) be an automatic appropriation, (b) accumulate interest, and (c) carry forward any unspent balances annually.

The funds annually appropriated by the Mayor and the Board of Supervisors to the proposed new San Francisco Affordable Housing Fund would be expended on eligible expenditures related to the following purposes:

- a. Predevelopment, acquisition, construction, maintenance and rehabilitation of housing units, including properties with (1) units for families with dependents, (2) units with households that include persons who are senior, disabled, or HIV positive or living with AIDS, and (3) units for persons who were recently homeless or are at risk of becoming homeless, including transitional age youth leaving systems of care such as the foster care and the juvenile justice system;
- b. Programs to promote homeownership, including (1) ownership cooperatives that allow all existing tenants to purchase a unit or rent from the cooperative, and (2) assistance to first-time homebuyers, if such first-time homebuyers' households earn no more than 80 percent of the San Francisco Median Income (SFMI)<sup>1</sup> household;

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<sup>1</sup> According to the proposed Charter Amendment, San Francisco Median Income (SFMI) is defined as the median household income, adjusted for family size, in the City and County of San Francisco, as calculated by the Mayor's Office, using data from the United States Department of Housing and Urban Development or, if those data are unavailable, from other comparable, publicly available and credible data.

- c. Housing program administrative costs and rent subsidies, and housing-related services such as tenant counseling, eviction prevention services, and legal services; and,
- d. Repairs of existing San Francisco Housing Authority (SFHA) properties, limited to (1) urgent repairs that endanger residents' health and safety, (2) as determined by residents, in a petition signed by at least 10 percent of the residents of a subject property, in consultation with the Department of Building Inspection and the Department of Public Health.

In accordance with the proposed Charter Amendment: (a) at least 50 percent of all new units build must be two or more bedroom units, (b) at least 40 percent of all new units built must be affordable to households in the income range of 30 percent and below of San Francisco Median Income (SFMI), and (c) at least an additional 40 percent of all new units built must be affordable to households in the income range between 30 and 60 percent of the SFMI.

The proposed Charter Amendment provides that no later than January 30, 2009 and thereafter by January 30 of every third year, MOH, in cooperation with DPH and the Human Services Agency (HSA) must prepare an Affordable Housing Plan that identifies priority populations and program expenditures for affordable housing. Additionally, the proposed Charter Amendment provides that no later than January 30 of each year, MOH, in cooperation with DPH and HSA, shall prepare and present at a public hearing an Affordable Housing budget for the expenditure of both the annual set-aside required by the proposed Charter Amendment and the Baseline amount, as described below, during the upcoming fiscal year.

Each fiscal year, the Mayor's Office would be required to prepare a budget for expenditure of the affordable housing funds consistent with the Affordable Housing Plan. The Affordable Housing

Plan, annual updates to the Plan, and the annual Affordable Housing budgets would be subject to Board of Supervisors approval. The proposed Charter Amendment is not intended to limit the ability of the Board of Supervisors to dedicate additional revenues to affordable housing programs.

The proposed Charter Amendment specifies that the proposed annual set aside for the San Francisco Affordable Housing Fund shall be used exclusively to increase the aggregate City appropriations and expenditures for the "eligible expenditures" described above. As a result, the proposed Charter Amendment would establish the City's existing appropriations for such expenditures in FY 2006-2007 as a Baseline and states that "The City shall not deposit the Baseline amounts in the Fund." The proposed Charter Amendment further states that "The Controller shall adjust the Baseline for each year after Fiscal Year 2006-2007, based on calculations consistent from year to year, by the percentage increase or decrease in aggregate City discretionary revenues." (See Fiscal Impact Section of this report).

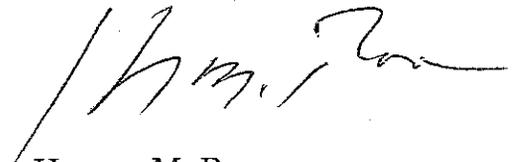
The proposed Charter Amendment also states that the monies set aside for the proposed San Francisco Affordable Housing Fund would not be included in the Controller's determination of total General Fund revenues for the purposes of calculating the allocation of monies to the Rainy Day Reserve under Charter Section 9.113.5(b).

**Fiscal Impact:**

The Attachment, which is a memorandum from the Controller to the Clerk of the Board of Supervisors, states that, based on the City's FY 2007-2008 budget, had the proposed Charter Amendment been in effect, \$33.4 million in General Fund revenues would not have been available for appropriation which would have otherwise been available for "any public purpose."

**Comment:** The Budget Analyst notes that the proposed Charter Amendment would not limit eligible expenditures of the proposed Affordable Housing Fund which would be made for housing administrative costs. However, as stated previously, the Affordable Housing Plan, annual updates to the Plan, and the annual Affordable Housing budgets would be subject to approval by the Board of Supervisors.

**Recommendation:** Approval of the proposed Charter Amendment is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Ammiano  
Supervisor Elsbernd  
President Peskin  
Supervisor Alioto-Pier  
Supervisor Chu  
Supervisor Daly  
Supervisor Dufty  
Supervisor Maxwell  
Supervisor McGoldrick  
Supervisor Mirkarimi  
Supervisor Sandoval  
Clerk of the Board  
Cheryl Adams  
Controller  
Nani Coloretti



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ed Harrington**  
Controller  
**Monique Zmuda**  
Deputy Controller

November 14, 2007

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

RE: File 071218 (First Draft) – Charter Amendment specifying funding for affordable housing

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would affect the cost of government for a fifteen year period beginning in fiscal year 2009-2010 in that it would set aside funds for affordable housing which are currently available for any public purpose. To the extent that funds are shifted to these programs, other City spending would have to be reduced or new revenues identified.

The amendment specifies that the City appropriate property tax revenues in the amount of 2.5 cents out of the one dollar base property tax collected on every \$100 of assessed valuation beginning in fiscal year 2009-2010 and dedicate those funds to affordable housing programs. As of the fiscal year 2007-2008 budget, that amount is \$33.4 million.

The amendment would also set a "baseline" amount as of fiscal year 2006-2007 City appropriations for certain types of affordable housing programs and require that the City not reduce its appropriations for those programs during the 15-year period of the set-aside. Based on our analysis, that baseline amount is estimated at \$88.7 million; however please note that this number may change pending further review of the City's housing program appropriations.

Sincerely,

Edward M. Harrington  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.



CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF THE CONTROLLER

Ed Harrington  
Controller  
Monique Zmuda  
Deputy Controller

November 14, 2007

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

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Sincerely,

*for Ed M. Harrington*  
Edward M. Harrington  
Controller

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克里斯·戴利

CHRIS DALY



Board of Supervisors  
District 6

October 16, 2007

Dear Colleague:

As you know, the great need for affordable housing remains to be one of the most vexing issue facing San Franciscans. In the last few years, we have passed numerous measures to prevent evictions, preserve rent-controlled housing, and promote the construction of housing affordable to San Franciscans of all income levels.

Our recent effort to improve the City's inclusionary housing program will certainly increase housing opportunities for moderate income and some low-income San Franciscans. Previous supplemental appropriations to build new housing for seniors, families, and formerly homeless folks have provided hundreds of new units for the most in need. However, we are in need of thousands, not hundreds of new units, to keep families and all the diverse communities that make up the soul of San Francisco.

Towards this end, I ask for your support and co-sponsorship of the enclosed San Francisco Affordable Housing Fund Charter Amendment for placement in the November 2008 ballot. This measure will provide a regular and flexible source of funds to build thousands of new units, establish a \$66 million baseline for housing programs, and provide greater transparency and public input in the City's administration of affordable housing dollars. .

**This Charter Amendment is the result of months of extensive discussion and collaboration with a broad coalition of stakeholders which include Coleman Advocates for Children & Youth, Coalition of Community Housing Organizations, Housing Rights Committee, La Voz Latina, San Francisco Organizing Project (SFOP), Senior Action Network, and South of Market Community Action Network.**

*Highlights of the Charter Amendment are:*

- 1) Establish a set aside of 2.5 cents of every local tax dollar, similar to the Children's fund, Open Space Fund, and Library Preservation fund. This set-aside would generate an estimated \$33 million dollars each year for the next 15 years;
- 2) Encourage a diverse unit-mix with at least 50% of the new units required to be 2 bed-rooms or more;
- 3) Establish a \$66 million baseline for City spending on housing programs and new construction;
- 4) Ensure that 40% of new units created by set-aside funds will be affordable to households with incomes less than 30% SFMI, and another 40% would be affordable to households between 30% and 60%SFMI;
- 5) Other eligible expenditures include: homeownership opportunities, community land trusts, eviction prevention, public housing repair, and rent subsidies.

Please fee free to contact Rachel Redondiez of my staff if you have any questions.

Sincerely,

  
CHRIS DALY

Chair, Budget and Finance Committee

Association of Bay Area Governments  
Bay Area Air Quality Management District  
Committee on Information Technology  
Joint Policy Committee  
Regional Planning Committee  
San Francisco County Transportation Authority  
Transbay Joint Powers Authority  
Treasure Island Development Authority  
Urban Counties Caucus

c:hos  
File # 071218

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