

## **Funding Rental Subsidies for Affordable Housing Developments Serving Low Income Seniors, Families, and Persons with Disabilities\***

Digest by the Ballot Simplification Committee

**Status:** Approved Digest  
**On:** Wednesday, July 24, 2024  
**Members:** Packard, Anderson, Wong, Troy, Wang

**Deadline to Request Reconsideration:** 4:00pm Thursday, July 25, 2024

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**The Way It Is Now:** State law requires San Francisco to adequately plan to meet the housing needs of people at all income levels in the community. Low-income households in San Francisco have incomes that do not exceed 80% of area median income (AMI). Extremely low-income (ELI) households have incomes that do not exceed 35% of AMI.

The City provides loans to acquire, build or rehabilitate affordable housing to meet the needs of low-income households, but these loan programs do not fully subsidize the difference between the cost to operate these units and the rents ELI households can afford. As a result, there is not enough affordable housing available for ELI households.

The City funds rental subsidies for a limited number of affordable housing developments that make rental units available to ELI seniors. The City provides the funds directly to the developer to subsidize the difference between the cost to operate these units and the amount ELI seniors can afford.

The City also provides rental subsidies for households that formerly experienced homelessness.

Some of the funding for these two subsidy programs comes from state or federal grants and other funding comes from the General Fund through the annual budget process. There is currently no permanent funding source or annual commitment to fund these programs.

The Mayor's Office of Housing and Community Development (MOHCD), which coordinates the City's affordable housing policies, administers these loan and rental subsidy programs.

**The Proposal:** Proposition \_\_\_ is a Charter amendment that would create an Affordable Housing Opportunity Fund for Seniors, Families and Persons with Disabilities (Fund).

Under Proposition \_\_\_, each year the City would be required to contribute to the Fund:

- beginning in fiscal year 2026-27, at least \$8.25 million a year; and
- until fiscal year 2045-46, at least the prior year amount, adjusted by up to 3% based on the City's revenues.

If, in any year the City's projected budget deficit is \$250 million or more, the City may reduce its contribution to the Fund, provided that the City contributes at least \$4 million in 2026-27 and at least \$8.25 million in each later year.

Under Proposition \_\_\_, MOHCD would administer the Fund by disbursing money to the developers of certain new and existing affordable housing developments in San Francisco to subsidize the rent of ELI households consisting of seniors, families or persons with disabilities with incomes up to 35% of AMI. The funds would subsidize the difference between the amount these tenants can afford and the rents required to operate the housing. The Fund would end on December 31, 2046, unless voters reauthorize it.

**A "YES" Vote Means:** If you vote "yes," you want to amend the Charter to appropriate at least \$8.25 million a year to pay for rental subsidies for affordable housing developments serving ELI households of seniors, families and persons with disabilities.

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

*\*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.*