

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

Digest by the Ballot Simplification Committee

Status: Draft for Consideration
On: Wednesday, July 24, 2024
Members: Packard, Anderson, Wong, Troy, Wang

Deadline to Request Reconsideration: TBD

The Way It Is Now: Low income households in San Francisco have income up to 80% of area median income (“AMI”). The City provides loans to build some affordable housing developments with rental units for low income households. But the City cannot use these loan programs to pay for rental subsidies to help finance those developments.

Extremely low-income households have income up to 35% of AMI. The City funds rental subsidies for some affordable housing developments that make rental units available to extremely low-income seniors. The City provides the funds directly to the project sponsor for the development to subsidize the difference between the amount extremely low-income seniors can afford to pay for rent and the amount they would otherwise owe. The City provides other 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. City law does not require the City to fund these subsidy 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 set aside monies from its General Fund to contribute to the Fund, as follows:

- beginning in fiscal year 2026-27, the City would contribute at least \$8.25 million a year;
- for every fiscal year after that, until fiscal year 2045-46, the measure would require the City to appropriate at least the amount appropriated the prior year, adjusted by up to 3% based on the City’s revenues; and
- for any fiscal year the City’s projected budget deficit is \$250 million or more, the City may reduce the amount it contributes to the Fund, provided that the City contributes at least \$4 million in Fiscal Year 2026-27 and at least \$8.25 million in each later year.

Under Proposition ___, MOHCD would administer the Fund by disbursing money to the project sponsors of certain new and existing affordable housing developments in San Francisco to subsidize the rent of extremely low-income households consisting of seniors, families, or persons with disabilities with income between 15% and 35% of AMI. The funds would subsidize the difference between the amount these tenants can afford and the amount they would otherwise owe. The Fund would sunset on December 31, 2046, unless the voters reauthorize it.

A "YES" Vote Means: If you vote "yes," you want to amend the Charter to set aside from the General Fund until June 30, 2046 at least \$8.25 million a year, with possible adjustments due to changes in the City’s revenues and projected budget deficits, to pay for rental subsidies for affordable housing developments serving extremely low-income households of seniors, families and persons with disabilities.

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