

LEGISLATIVE DIGEST

(Revised 7/8/2024)

[Charter Amendment - Affordable Housing Opportunity Fund for Seniors, Families, and Persons with Disabilities]

Describing and setting forth a proposal to the voters at an election to be held on November 5, 2024, to amend the Charter of the City and County of San Francisco to establish the Affordable Housing Opportunity Fund for Seniors, Families, and People with Disabilities to fund project-based rental subsidies for extremely low-income households consisting of seniors, families, and persons with disabilities, and to require the City to appropriate at least \$8.25 million to the Fund annually starting in Fiscal Year 2026-2027.

Existing Law

The City currently provides funding to provide affordable housing, including project-based rental subsidies for low-income households, through a variety of programs. The Mayor's Office of Housing and Community Development ("MOHCD") administers a Local Operating Subsidy Program to subsidize affordable housing developments with rental units for formerly homeless households and a Senior Operating Subsidy program for affordable housing developments with rental units for extremely low-income seniors. Unless funded through a federal or state program, the Board of Supervisors and the Mayor have discretion to appropriate funds for these programs, but the City Charter does not require the City to appropriate a specific amount of money each year for project-based rental subsidies.

Amendments to Current Law

The proposed Charter amendment would establish an Affordable Housing Opportunity Fund for Seniors, Families, and Persons with Disabilities ("Fund") administered by MOHCD. The measure would require the City to appropriate to the Fund at least \$8.25 million in Fiscal Year 2026-2027, but if the City's projected budget deficit for that year exceeds \$250 million then the measure would require the City to appropriate at least \$4 million to the Fund that year. Thereafter and through Fiscal Year 2045-2046, the measure would require the City to appropriate to the Fund at least the amount appropriated the prior year, adjusted up by up to 3% based on the City's revenues. However, in Fiscal Year 2026-2027 or thereafter, the City may reduce the amount it appropriates to the Fund in the event of a projected budget deficit exceeding \$250 million. In such cases, the City must still appropriate at least \$8.25 million to the Fund.

Money in the Fund must be disbursed by MOHCD through grants or other types of payments to provide project-based rental subsidies for new and existing permanent affordable housing in the City, but no more than 20% of the Fund may be used for existing permanent affordable housing. The projects MOHCD may fund are those intended to benefit extremely low income

(“ELI”) households consisting of seniors and disabled adults earning up to 25% of median income and families earning up to 35% of median income. The legislation establishes categories of eligible projects to benefit these households, including acutely low-income disabled persons and seniors earning up to 15% of median income. Except that the funds may be used to expand available housing in existing Senior Operating Subsidies Program Fund programs, the Fund may not be used to fund other rental subsidy programs that already exist in the City. The Fund may not be used to provide subsidies directly to individuals or to solely subsidize a financial deficit of permanently affordable housing. The Fund will expire on December 31, 2046 unless it is extended by the voters.

Background Information

This legislative digest reflects amendments approved by the Rules Committee on July 8, 2024. Among other clarifying changes, the amendments modified the first draft of the proposed Charter amendment by changing the name of the Fund, expanding the definition of Extremely Low-Income Families, adding certain reporting requirements for the Controller and MOHCD, limiting the amount that may be expended from the Fund for subsidizing existing affordable housing, expanding the types of units eligible for subsidies, and reducing the amount of money the City must appropriate to the Fund each year after Fiscal Year 2026-2027.

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