



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
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Mr. John Arntz
Department of Elections
City Hall 1 Dr. Carlton B. Goodlett Place Room 48
San Francisco, CA 94102-4689

August 12, 2024

RE: Proposition G – Funding Rental Subsidies for Affordable Housing Developments Serving Seniors, Families, and Persons with Disabilities

Dear Mr. Arntz,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government in that it would reallocate funds that would otherwise be available, starting with at least \$4 million in fiscal year (FY) 2026-27, \$8.25 million in FY 2027-28, and increasing by up to 3% annually, rising to a maximum of approximately \$14 million in FY 2045-46.

The proposed Charter amendment would create the Affordable Housing Opportunity Fund for Seniors, Families, and People with Disabilities (Fund) for the Mayor's Office of Housing and Community Development (MOHCD) to provide rental subsidies to extremely low-income (ELI) households. The Fund would expire on December 31, 2046 unless extended by the voters. Beginning March 1, 2025, the Controller would report annually the amount of funding from each non-General Fund source available to be appropriated to the Fund.

The amendment would require the City to appropriate funding every year, starting with \$8.25 million in FY 2026-27. In subsequent years the City would be required to appropriate at least as much as the previous year and up to 3% more than the previous year through FY 2045-46. However, in years where the City projects a budget deficit of \$250 million or more, the proposed amendment would allow the City to reduce the annual appropriation to \$4 million in the first year and \$8.25 million in each of the following years. Over the 20-year period the Fund would be active, total costs would range from \$161 million to \$222 million, depending on the financial health of the City and budgetary decisions of the Mayor and Board of Supervisors.

This proposed amendment is not in compliance with a non-binding, voter-adopted city policy regarding set-asides. The policy seeks to limit set-asides which reduce General Fund dollars that could otherwise be allocated by the Mayor and the Board of Supervisors in the annual budget process. For context, in the FY 2023-24 budget, all baseline requirements totaled approximately \$2.1 billion, or 30.7%, of the approximately \$6.8 billion General Fund budget.

2 | Proposition G – Funding Rental Subsidies for Affordable Housing Developments Serving Seniors, Families, and Persons with Disabilities

Note that the proposed amendment would change the duties of the Controller's Office, which has prepared this statement.

Sincerely,



Greg Wagner
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.