

1 [Funding Reallocation - Our City, Our Home Homelessness Gross Receipts Tax - Services to  
2 Prevent Homelessness - \$60,000,000]

3 **Ordinance reallocating approximately \$60,000,000 in unencumbered revenues from the**  
4 **Our City, Our Home Fund to allow the City to use revenues from the Homelessness**  
5 **Gross Receipts Tax for certain types of services to prevent homelessness; and finding**  
6 **that the reallocation is necessary to achieve purposes of the Our City, Our Home Fund**  
7 **pursuant to Business and Tax Regulations Code, Section 2811.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
10 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.  
11 **Board amendment additions** are in Arial font.  
12 **Board amendment deletions** are in ~~Arial font~~.  
13 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Background and Findings.

17 (a) In November 2018, the voters approved Proposition C and imposed a  
18 Homelessness Gross Receipts Tax to fund programs to prevent and address homelessness.  
19 As stated in the measure, “San Francisco is experiencing a housing crisis of historic  
20 proportions that has led to a major humanitarian and public health crisis in large-scale  
21 homelessness for which the City has insufficient resources to address.”

22 (b) Recognizing the scope of the crisis, the voters identified a range of purposes for  
23 the tax, the proceeds of which the City deposits in the Our City, Our Home (“OCOH”) Fund.  
24 Among other things, the tax is intended to help the City house the homeless; expand the  
25 number of shelter beds; eliminate waiting periods for shelter; decrease the visible presence of  
homeless people and tent encampments on City streets; move unhoused people into stable

1 housing; fund legal assistance, rent subsidies, mental health services, and substance abuse  
2 services to keep people housed; reduce overall costs for the City; and fund certain specified  
3 programs. The purposes of November 2018 Proposition C are codified at Business and Tax  
4 Regulations Code Section 2802.

5 (c) To achieve these purposes, Business and Tax Regulations Code Section 2810  
6 identifies four eligible programs that the City may spend OCOH funds on – Permanent  
7 Housing, Homeless Shelters, Homelessness Prevention, and Mental Health Treatment for  
8 Homeless Individuals – and identifies a maximum or minimum percentage of the total OCOH  
9 Fund balance that each eligible program receives. Section 2810 further states that OCOH  
10 funds shall be appropriated subject to the budgetary and fiscal provisions of the Charter, and  
11 that any amounts remaining in the OCOH Fund at the end of a fiscal year shall be held in the  
12 OCOH Fund to be added to amounts available for appropriation on eligible programs in any  
13 future year. In Section 2811, the voters also authorized the Board of Supervisors to amend  
14 the measure, by ordinance, by a two-thirds vote and only to further the findings and intent  
15 summarized above in subsection (b).

16 (d) The City is fully funding all of the programs recommended by the OCOH  
17 Oversight Committee, which makes recommendations for the use of the Fund. And yet, there  
18 is a significant unencumbered balance in the Fund, in large part because the City has  
19 obtained approximately \$94 million in state and federal funds for permanent housing for  
20 families and transitional age youth. The original percentage allocations in Section 2810 are  
21 based on the total Fund balance and did not anticipate these additional revenues, and as  
22 Fund revenues sit unspent, thousands are still on the streets without adequate shelter. In  
23 April 2023, the City published a new citywide Strategic Plan that concludes it is necessary to  
24 urgently fund shelter, prevention, and housing resources to significantly reduce homelessness  
25 in the next five years. The Board of Supervisors finds that to achieve the purposes of

1 November 2018 Proposition C, the City must meet the crisis where it is currently most acute,  
2 and hereby approves a reallocation of certain unencumbered and future revenues so it can  
3 spend these revenues during the next two fiscal years on shelter, homelessness prevention,  
4 limited-time rental assistance, and other forms of permanent housing, as generally set forth in  
5 the Strategic Plan.

6 (e) In approving this one-time reallocation of funds for the next two fiscal years, the  
7 Board of Supervisors does not intend to otherwise adjust the percentage allocations for  
8 OCOH expenditures in future fiscal years. The reallocation is intended to supplement and  
9 enhance the effectiveness of the programs already funded on recommendation of the OCOH  
10 Oversight Committee.

11  
12 Section 3. Under the authority in Business and Tax Regulations Code Section 2811,  
13 for fiscal year 2023-2024:

14 (a) Expenditures under Section 2810(b)(3)(A) on permanent housing, not limited to  
15 supporting homeless youth aged 18 through 29 and homeless families with children under  
16 age 18 at the time of entry into housing, may be \$3,418,500 more than the percentages  
17 specified in Sections 2810(b)(3)(A) and 2810(b)(3)(A)(i);

18 (b) Expenditures under Section 2810(b)(3)(B) on homeless shelters and hygiene  
19 programs may be \$8,140,000 more than the percentage specified in Section 2810(b)(3)(B);

20 (c) Expenditures under Section 2810(b)(3)(C) on homelessness prevention may be  
21 \$9,082,000 more than the percentage specified in Section 2810(b)(3)(C);

22 (d) Expenditures under Section 2810(b)(3)(A) on permanent housing that supports  
23 homeless youth aged 18 through 29 may be \$11,798,000 below the percentage specified in  
24 Section 2810(b)(3)(A); and

1 (e) Expenditures under Section 2810(b)(3)(A) on permanent housing that supports  
2 homeless families with children under age 18 at the time of entry into housing may be  
3 \$8,842,500 below the percentage specified in Section 2810(b)(3)(A).  
4

5 Section 4. Under the authority in Business and Tax Regulations Code Section 2811,  
6 for fiscal year 2024-2025:

7 (a) Expenditures under Section 2810(b)(3)(A) on permanent housing, not limited to  
8 supporting homeless youth aged 18 through 29 and homeless families with children under  
9 age 18 at the time of entry into housing, may be \$14,831,500 more than the percentages  
10 specified in Sections 2810(b)(3)(A) and 2810(b)(3)(A)(i);

11 (b) Expenditures under Section 2810(b)(3)(B) on homeless shelters and hygiene  
12 programs may be \$13,440,000 more than the percentage specified in Section 2810(b)(3)(B);

13 (c) Expenditures under Section 2810(b)(3)(C) on homelessness prevention may be  
14 \$11,088,000 more than the percentage specified in Section 2810(b)(3)(C);

15 (d) Expenditures under Section 2810(B)(3)(A) on permanent housing that supports  
16 homeless youth aged 18 through 29 may be \$20,157,500 below the percentage specified in  
17 Section 2810(b)(3)(A); and

18 (e) Expenditures under Section 2810(b)(3)(A) on permanent housing that supports  
19 homeless families with children under age 18 at the time of entry into housing may be  
20 \$19,202,000 below the percentage specified in Section 2810(b)(3)(A).  
21

22 Section 5. Effective Date. This ordinance shall become effective 30 days after  
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
24 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
25 of Supervisors overrides the Mayor's veto of the ordinance.

