FILE NO. 260537

LEGISLATIVE DIGEST

(Revised 6/22/2026)

[Charter Amendment - Housing Trust Fund]

Describing and setting forth a proposal to the voters at an election to be held on November 3, 2026, to amend the Charter of the City and County of San Francisco to increase the amount of funding the City must appropriate to the Housing Trust Fund each fiscal year that is used for the creation, acquisition, and rehabilitation of affordable rental and ownership housing, for downpayment loans and housing stabilization for certain households, and for housing-related infrastructure; provide for a temporary freeze and temporary reduction in the annual appropriation to the Housing Trust Fund under certain circumstances; extend the sunset date of the Housing Trust Fund from July 1, 2043 to July 1, 2058; and delete obsolete provisions.

Existing Law

Charter Section 16.110 established the Housing Trust Fund to support creating, acquiring and rehabilitating affordable housing and promoting affordable home ownership programs in the City.

Section 16.110 requires that in the Fiscal Year 2013-2014 budget, the City shall appropriate to the Housing Trust Fund $20 million. It further requires that through Fiscal Year 2024-2025, the City shall appropriate to the Housing Trust Fund an amount increasing by $2.8 million per year, until the annual appropriation reaches $50.8 million in the Fiscal Year 2024-2025 budget. It further requires that in the annual budget~~s~~ for Fiscal Year 2025-2026 through Fiscal Year 2042-43, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year’s appropriation, adjusted by the percentage increase or decrease in General Fund Discretionary Revenues budgeted for the year compared to the prior year’s original budgeted amount of General Fund Discretionary Revenues.

It further requires that in determining General Fund Discretionary Revenues, the Controller shall not include certain revenues received by the City under the Business and Tax Regulations Code.

It further requires that the City may, in its discretion, reduce its annual contribution to the Housing Trust Fund for a given fiscal year by an amount equal to or less than 56.7% of the annual debt service required to service any SB2113 Affordable Housing Bonds issued after January 1, 2013.

It also authorizes the City to use monies in the Housing Trust Fund to fund the creation, acquisition, and rehabilitation of rental and ownership housing; provide downpayment assistance loans; provide a housing stabilization program; operate a Complete Neighborhoods Infrastructure Grant Program; and to issue revenue bonds, lease financing, notes, or other evidences of indebtedness or other obligations, the proceeds of which are to be used for creating, acquiring, and rehabilitating affordable rental and ownership housing.

The sunset date for the Housing Trust Fund is July 1, 2043.

Amendments to Current Law

The proposed measure would amend Section 16.110 to require that, beginning in Fiscal Year 2028-2029, until the first fiscal year immediately following the fiscal year in which the total annual appropriation reaches or exceeds $125 million, the City shall appropriate to the Housing Trust Fund the greater of the following:

- An amount equal to the prior year's appropriation, plus an amount equal to 20% of the City's share of the 1% ad valorem tax revenue resulting from the year-over-year increase, if any, in the Net Total Basis of Levy, as published in the Controller's Certificate of Assessed Valuation between the preceding two fiscal years.
- An amount equal to the prior year's appropriation, adjusted by the percentage increase, if any, in General Fund Discretionary Revenues budgeted for the year compared to the prior year's original budgeted amount of General Fund Discretionary Revenues.

The measure would also require that in the fiscal year immediately following the first fiscal year in which the total annual appropriation reaches or exceeds $125 million, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year's appropriation, adjusted by the percentage increase, if any, up to 3%, in General Fund Discretionary Revenues budgeted for the year compared to the prior year's original budgeted amount of General Fund Discretionary Revenues.

The measure would also provide for a discretionary temporary freeze due to a budget deficit or a reduction in the Housing Trust Fund appropriation if conditions exist triggering the ability to withdraw from the City Rainy Day Reserve under Charter Section 9.113.5.

The measure would also clarify that the Housing Trust Fund can be used for the creation, acquisition, and rehabilitation of Limited Equity Housing Cooperatives and Social Housing Developments, as well as other types of rental and ownership housing.

The measure would also modify the use of the Housing Trust Fund for downpayment loan assistance, changing the maximum Area Median Income (AMI) limit from 120% to 200% for households generally, and providing that the Board of Supervisors, by ordinance, may adjust the maximum AMI limit based on market conditions.

The measure would also eliminate the Complete Neighborhoods Infrastructure Grant Program and instead authorize the use of the Housing Trust Fund to generally fund housing-related infrastructure required to support the development and ongoing use of residential development.

The measure would also extend the sunset date of the Housing Trust Fund to July 1, 2058.

The measure would also delete obsolete provisions regarding appropriations to the Housing Trust Fund in past fiscal years; consideration by the Controller of certain rates and revenues in the Business and Tax Regulations Code in determining General Fund Discretionary Revenues; discretionary reduction of the appropriation to the Housing Trust Fund based on debt service on AB2113 Affordable Housing Bonds; enactment of inclusionary or affordable housing ordinances; and early termination of the Housing Trust Fund.

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