

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: June 23, 2026
To: Planning Department / Commission
From: Victor Young, Clerk of the Rules Committee *Victor Young*
Subject: Board of Supervisors Legislation Referral - File No. 260537 (Version 2)
Charter Amendment - Housing Trust Fund

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - ☐ Ordinance / Resolution
 - ☒ Ballot Measure
- ☐ Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - ☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
 - ☐ Landmark (*Planning Code, Section 1004.3*)
 - ☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - ☐ Mills Act Contract (*Government Code, Section 50280*)
 - ☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Victor Young at Victor.Young@sfgov.org.

**Supervisor Melgar Proposed Amendments
Rules Committee – June 22, 2026
Item 2 – File No. 260537
Charter Amendment – Housing Trust Fund**

SUMMARY OF PROPOSED AMENDMENTS

- **Page 6 – Lines 12-14 “(d) Uses of Housing Trust Fund” subsection (2) Replace 120% with 200% of Area Median Income to update eligibility for households that qualify for loans to be used as a down payment on the purchase of a housing unit; and add the line “provided that the Board of Supervisors, by ordinance, may adjust the program’s maximum Area Median Income for these Households based on market conditions.”**

Rationale: The existing cap for some homeowners’ Down Payment Assistance Loan programs administered by the Mayor’s Office of Housing is 200% AMI. This amendment would align the Housing Trust Fund eligibility with existing programs and allow more flexibility in funding sources. While the eligibility for down payment assistance loans using the Housing Trust Fund will be capped at 200% AMI for households (not identified as First Responders), the Board of Supervisors will have the ability to update the AMI eligibility, if necessary, given unusual factors impacting the market

- **Page 6 – Line 17 Delete reference to “the Down Payment Assistance Loan Program”**

Rationale: This is a clerical amendment as the program already been established and developed. There is no other reference in the Charter Amendment to the “the Down Payment Assistance Loan Program” and thus no longer needs to be defined in this section.

- **Page 6 – Line 24 Delete reference to “the Housing Stabilization Program”**

Rationale: This is a clerical amendment as the program has already been established and developed. There is no other reference in the Charter Amendment to the “the Housing Stabilization Program” and thus no longer needs to be defined in this section.

[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.

Section 1. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 3, 2026, a proposal to amend the Charter of the City and County by revising Section 16.110, to read as follows:

NOTE: **Unchanged Charter text and uncodified text** are in plain font.
Additions are single-underline italics Times New Roman font.
Deletions are ~~strike-through italics Times New Roman font~~.
Asterisks (* * * *) indicate the omission of unchanged Charter subsections.

SEC. 16.110. HOUSING TRUST FUND.

(a) **Creation of Fund.** There is hereby established a Housing Trust Fund to support creating, acquiring and rehabilitating affordable housing and promoting affordable home ownership programs in the City, as provided in this Section 16.110.

(b) **Definitions.** For purposes of this Section:

1 “First Responder” shall mean a City employee who responds first in cases of natural disaster
2 or emergencies, including, but not limited to, all active uniformed, sworn members of the San
3 Francisco Police and Fire Departments.

4 “General Fund Discretionary Revenues” shall mean revenues that the City receives and
5 deposits in its treasury, that are unrestricted, and that the City may appropriate for any lawful
6 City purpose.

7 “Household” shall mean any person or persons who reside or intend to reside in the same
8 housing unit.

9 “Mayor’s Office of Housing” shall mean the Mayor’s Office of Housing and Community
10 Development or any successor City agency.

11 **(c) Funding.**

12 ~~(1) In the Fiscal Year 2013-2014 budget, the City shall appropriate to the~~
13 ~~Housing Trust Fund \$20 million.~~

14 ~~(2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year~~
15 ~~2014-2015 through Fiscal Year 2024-2025, the City shall appropriate to the Housing Trust Fund~~
16 ~~an amount increasing by \$2.8 million per year, until the annual appropriation required by this~~
17 ~~Section reaches \$50.8 million in the Fiscal Year 2024-2025 budget.~~

18 ~~(3)~~ In the annual budgets for ~~Fiscal Year 2025-2026 through Fiscal Year 2042-~~
19 ~~43~~ Fiscal Year 2027-28, the City shall appropriate to the Housing Trust Fund an amount equal to
20 the prior year’s appropriation, adjusted by the percentage increase or decrease in General Fund
21 Discretionary Revenues budgeted for the year compared to the prior year’s original budgeted
22 amount of General Fund Discretionary Revenues.

23 (2) In each fiscal year beginning in Fiscal Year 2028-2029, until the first fiscal
24 year immediately following the fiscal year in which the total annual appropriation under this
25

1 subsection (c) reaches or exceeds \$125 million, the City shall appropriate to the Housing Trust
2 Fund the greater of the following:

3 (A) An amount equal to the prior year's appropriation, plus an amount
4 equal to 20% of the City's share of the 1% ad valorem tax revenue resulting from the year-over-
5 year increase, if any, in the Net Total Basis of Levy, as published in the Controller's Certificate
6 of Assessed Valuation between the preceding two fiscal years.

7 (B) An amount equal to the prior year's appropriation, adjusted by the
8 percentage increase, if any, in General Fund Discretionary Revenues budgeted for the year
9 compared to the prior year's original budgeted amount of General Fund Discretionary
10 Revenues.

11 (3) Starting in the fiscal year immediately following the first fiscal year in which
12 the total annual appropriation under this subsection (c) reaches or exceeds \$125 million, the
13 City shall appropriate to the Housing Trust Fund an amount equal to the prior year's
14 appropriation, adjusted by the percentage increase, if any, up to 3%, in General Fund
15 Discretionary Revenues budgeted for the year compared to the prior year's original budgeted
16 amount of General Fund Discretionary Revenues.

17 (4) Should the City adopt a fixed two-year budget under Charter Section 9.101,
18 the adjustment for the Housing Trust Fund appropriation for the two years of the two-year
19 budget shall be based on the amount of General Fund Discretionary Revenues estimated for the
20 two-year period included in the budget.

21 (5) ~~During Fiscal Years 2025-2026 through 2042-2043~~In each fiscal year
22 through 2057-2058, if the Controller submits a revised estimate of General Fund Discretionary
23 Revenues for a given Fiscal Year or two-year budget period that is lower than the amount
24 originally budgeted for that period, then the Board of Supervisors may, by ordinance, reduce the
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1 appropriation to the Housing Trust Fund for that budget period in an amount that does not exceed
2 the amount proportionate to the percentage shortfall in the discretionary revenue projection.

3 (6) The Controller's method of calculating the amount of and changes in General
4 Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the
5 Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and
6 16.109. ~~Additionally, in determining General Fund Discretionary Revenues, the Controller shall~~
7 ~~not include revenues received by the City under the increased rates in Business and Tax~~
8 ~~Regulations Code Sections 953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d),~~
9 ~~and 953.8(i) adopted by the voters at the general municipal election on November 3, 2020, and~~
10 ~~shall not include revenues received by the City under Article 36 of the Business and Tax~~
11 ~~Regulations Code adopted by the voters at the general municipal election on November 3, 2020.~~

12 The Controller shall treat General Fund appropriations to the Housing Trust Fund as reductions
13 in General Fund Discretionary Revenues when calculating other funding allocations that are tied
14 to General Fund Discretionary Revenues, including funding allocations under Charter Sections
15 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate of discretionary
16 revenues for a fiscal year through an adjustment to the next fiscal year's estimate.

17 ~~(7) In any year during the term of this Section, the City may, in its discretion,~~
18 ~~reduce its annual contribution to the Housing Trust Fund for that year by an amount equal to or~~
19 ~~less than 56.7% of the annual debt service required to service any SB2113 Affordable Housing~~
20 ~~Bonds issued after January 1, 2013. "SB2113 Affordable Housing Bonds" are bonds issued by~~
21 ~~the City to support the acquisition and creation of replacement affordable housing citywide~~
22 ~~using property tax increment from former Redevelopment project areas under California Health~~
23 ~~and Safety Code Section 33333.7.~~

24 (8) The Controller shall set aside and maintain the amounts appropriated to the
25 Housing Trust Fund under this Section, together with any interest earned thereon, and any

1 amount unexpended or uncommitted at the end of the fiscal year shall be carried forward to the
2 next fiscal year and, subject to the budgetary and fiscal limitations of this Charter, shall be
3 appropriated for the purposes specified in this Section.

4 **(d) Temporary Freeze or Reduction of Appropriation Amount.**

5 **(1) Temporary Freeze.** *Notwithstanding the provisions of subsection (c), the City*
6 *may, through a standalone ordinance considered as part of the annual budget process, freeze the*
7 *City's annual contribution to the Housing Trust Fund for any fiscal year through Fiscal Year*
8 *2057-2058 at the then-current amount when the City's projected budget deficit for the upcoming*
9 *fiscal year, as stated in the Joint Report or Update to the Five-Year Financial Plan prepared*
10 *jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget*
11 *Analyst, exceeds \$250 million, which threshold shall be adjusted annually beginning with Fiscal*
12 *Year 2028-2029 by the percentage increase or decrease in General Fund Discretionary*
13 *Revenues, as determined by the Controller, based on calculations consistent from year to year.*

14 **(2) Temporary Reduction.** *Notwithstanding the provisions of subsection (c), the*
15 *City may, through a standalone ordinance considered as part of the annual budget process,*
16 *decrease the contribution the City would otherwise be required to make to the Housing Trust*
17 *Fund by up to 10% for any fiscal year through Fiscal Year 2057-2058 in which the City may*
18 *withdraw funds from the City Rainy Day Reserve under Charter Section 9.113.5. If such a*
19 *decrease takes effect, then for the first subsequent fiscal year in which the City does not decrease*
20 *the contribution to the Housing Trust Fund under this subsection (d)(2), the City's annual*
21 *contribution to the Housing Trust Fund shall be calculated as set forth in subsection (c), using as*
22 *a baseline the amount appropriated to the Housing Trust Fund for the most recent preceding*
23 *year in which a decrease under this subsection (d)(2) was not made.*

24 **(de) Uses of the Housing Trust Fund.** The City may disburse monies from the Housing
25 Trust Fund through loans, grants or other types of payments, on terms determined by the

1 Mayor's Office of Housing in its sole discretion. Any repayment of a loan or grant from the Fund
2 that the City receives, or any interest from a loan from the Fund that the City receives, will be
3 returned to the Housing Trust Fund. The City, acting through the Mayor's Office of Housing,
4 shall disburse the monies from the Housing Trust Fund for the following eligible expenditures:

5 (1) The creation, acquisition, and rehabilitation of rental and ownership housing,
6 including but not limited to Limited Equity Housing Cooperatives as defined in Subdivision Code
7 Section 1399.3 and Social Housing Developments as defined in Administrative Code Section
8 10.100-78(e), as those definitions may be amended in the Municipal Code from time to time,
9 affordable to Households earning up to 120% of the Area Median Income, including, without
10 limitation, the acquisition of land for such purpose.

11 (2) ~~No later than July 1, 2018, the City shall appropriate \$15 million from the~~
12 ~~Housing Trust Fund to a~~ program that provides loans to Households earning up to ~~120%~~200%
13 of the Area Median Income, provided that the Board of Supervisors, by ordinance, may adjust
14 the program's maximum Area Median Income for these Households based on market conditions,
15 and to Households including a First Responder (subject to Area Median Income limits
16 designated by the Mayor's Office of Housing) for use as a down payment on the purchase of a
17 housing unit (~~"the Down Payment Assistance Loan Program"~~). ~~As soon as is practical, the~~
18 ~~Mayor's Office of Housing shall develop and implement a manual for the Down Payment~~
19 ~~Assistance Loan Program.~~

20 (3) ~~No later than July 1, 2018, the City shall appropriate up to \$15 million from~~
21 ~~the Housing Trust Fund to a~~ program that provides funds to Households earning up to 120% of
22 Area Median Income for use as assistance to reduce the risk to current occupants of a loss of
23 housing and/or to help current occupants make their homes safer, more accessible, more energy
24 efficient, and more sustainable (~~the "Housing Stabilization Program"~~). ~~As soon as is practical,~~
25

1 ~~the Mayor's Office of Housing shall implement and develop a manual for the Housing~~
2 ~~Stabilization Program.~~

3 (4) The City may use monies in the Housing Trust Fund to ~~operate and~~
4 ~~administer the Infrastructure Grant Program as described in subsection (e). The City may not~~
5 ~~allocate to the Infrastructure Grant Program in any fiscal year an amount exceeding the greater~~
6 ~~of \$2 million or 10% of the amount appropriated to the Housing Trust Fund for that fiscal year~~
7 ~~under subsection (e). fund housing-related infrastructure required to support the development~~
8 ~~and ongoing use of residential development.~~

9 (5) In any fiscal year, the City may allocate a sufficient amount from the Housing
10 Trust Fund to pay for all legally permissible administrative costs of the Fund, including, without
11 limitation, legal costs, associated with any use of the Housing Trust Fund.

12 ~~—— (e) **Complete Neighborhoods Infrastructure Grant Program.** After conferring with the~~
13 ~~Director of Planning, the Director of the Mayor's Office of Housing shall design and administer~~
14 ~~a Complete Neighborhoods Infrastructure Grant Program ("Infrastructure Grant Program").~~
15 ~~The purpose of the Infrastructure Grant Program is to accelerate the build-out of the public~~
16 ~~realm infrastructure needed to support increased residential density in the City's neighborhoods.~~
17 ~~The City may use monies from the Infrastructure Grant Program only for public facilities~~
18 ~~identified in the Community Facilities District law (Cal. Govt. Code §§et seq., as amended), and~~
19 ~~shall give priority to the use of such monies by residential development project sponsors,~~
20 ~~community based organizations, and City departments for public realm improvements associated~~
21 ~~with proposed residential development projects.~~

22 (f) **Bonding Authority.** Notwithstanding the limitations set forth in Sections 9.107,
23 9.108, and 9.109 of this Charter, upon recommendation of the Mayor, the Board of Supervisors
24 may authorize the issuance, without limitation, of revenue bonds, lease financing, notes, or other
25 evidences of indebtedness or other obligations ("Debt Obligations"), the proceeds of which are to

1 be used for creating, acquiring, and rehabilitating rental and ownership housing affordable to
2 Households earning up to 120% of the Area Median Income, including, without limitation, the
3 acquisition of land for such purpose. Such Debt Obligations shall be secured by and/or repaid
4 from any available funds pledged or appropriated by Board of Supervisors ordinance for such
5 purpose, which amount may include funds in the Housing Trust Fund allocated under subsection
6 (c). Debt Obligations authorized hereby shall be issued in accordance with the Mayor's Office of
7 Housing policies, and upon the terms and conditions as the Board of Supervisors shall approve.
8 Funds appropriated to pay debt service on the Debt Obligations in such fiscal year under the
9 terms of this Section shall be set aside in an account for such use until such payment is made.

10 ~~(g) Legislation.~~

11 ~~(1) The City may enact an ordinance adopting inclusionary or affordable~~
12 ~~housing obligations, including definitions that differ from those set forth in subsection (b) of this~~
13 ~~Section 16.110. After any such ordinance becomes effective, the City Attorney shall cause to be~~
14 ~~removed from the Charter this subsection (g) of Section 16.110, and shall cause the subsequent~~
15 ~~subsections to be renumbered accordingly. Thereafter, the City may by ordinance set and change~~
16 ~~the minimum or maximum inclusionary or affordable housing obligations, and may adopt~~
17 ~~definitions for inclusionary and affordable housing programs. In doing so, the City shall~~
18 ~~endeavor to meet affordable housing needs across a broad range of household incomes, family~~
19 ~~sizes and neighborhood conditions and may update the method of fee calculation based on~~
20 ~~different building types and sizes, and may set policies controlling conversion of rental units to~~
21 ~~ownership units, among other programmatic changes.~~

22 ~~(2) Until the City enacts an ordinance amending the Planning Code, including~~
23 ~~but not limited to Section 415, adopting inclusionary or affordable housing obligations different~~
24 ~~from those called for in previously existing Charter subsections (g) and (h), the following~~
25 ~~requirements for inclusionary housing shall apply during such interim period for any housing~~

1 ~~development project that has not procured a final first discretionary development entitlement~~
2 ~~approval, which shall include approval following any administrative appeal to the relevant City~~
3 ~~board, or has not entered into a development agreement or other binding agreement with the~~
4 ~~City as of January 12, 2016:~~

5 ~~(A) For housing development projects consisting of ten dwelling units or~~
6 ~~more, but less than twenty five dwelling units, the requirements of the Planning Code, including~~
7 ~~but not limited to Section 415 et seq., in effect on the date this Charter Amendment is adopted~~
8 ~~by the voters shall apply.~~

9 ~~(B) For housing development projects consisting of twenty five dwelling~~
10 ~~units or more, the requirements of the Planning Code, including but not limited to Section 415 et~~
11 ~~seq., in effect on the date this Charter Amendment is adopted by the voters shall apply, except~~
12 ~~that the amounts of the inclusionary housing requirement shall be modified as follows:~~

13 ~~(i) Fee. The development project shall pay an affordable housing~~
14 ~~fee equivalent to a requirement to provide 33% of the units in the principal project as affordable~~
15 ~~units, using the method of fee calculation set forth in Planning Code Section 415.5(b). In the~~
16 ~~event the City's Nexus Analysis in support of the Inclusionary Affordable Housing program~~
17 ~~demonstrates that a lower affordable housing fee is lawfully applicable based on an analysis of~~
18 ~~all relevant impacts, the City may utilize the method of fee calculation supported by the Nexus~~
19 ~~Analysis in lieu of the 33% requirement set forth herein.~~

20 ~~(ii) On-Site Housing. If the project sponsor elects and is eligible~~
21 ~~to construct units affordable to qualifying households on-site of the principal project as set forth~~
22 ~~in Planning Code Section 415.5(g), the project sponsor shall construct 25% of all units~~
23 ~~constructed on the project site as affordable housing units, with 15% of the units affordable to~~
24 ~~low and very low income households and 10% affordable to middle income households, and~~
25 ~~shall comply with all otherwise applicable requirements of Section 415.6.~~

1 ~~(iii) Off Site Housing. If the project sponsor of a housing~~
2 ~~development project elects and is eligible to provide units affordable to qualifying households~~
3 ~~off site of the principal project as set forth in Planning Code Section 415.5(g), the project~~
4 ~~sponsor shall construct or cause to be constructed affordable housing units equal to 33% of all~~
5 ~~units constructed on the principal project site as affordable housing, with 20% of the units~~
6 ~~affordable to low and very low income households and 13% of the units affordable to middle-~~
7 ~~income households, and shall comply with all otherwise applicable requirements of Section~~
8 ~~415.7.~~

9 ~~(C) Interim definitions of "Lower Income" and "Middle Income"~~
10 ~~households. For purposes of the interim period before the City enacts an ordinance amending~~
11 ~~the Planning Code, including but not limited to Section 415 et seq., "lower income" households~~
12 ~~shall be defined as households whose total household income does not exceed 55% of Area~~
13 ~~Median Income for purposes of renting an affordable unit, or 80% of Area Median Income for~~
14 ~~purposes of purchasing an affordable unit, and "middle income" households shall mean~~
15 ~~households whose total household income does not exceed 100% of Area Median Income for~~
16 ~~purposes of renting an affordable unit, or 120% of Area Median Income for purposes of~~
17 ~~purchasing an affordable unit.~~

18 **(jg) Disclaimer.** Nothing in this Section shall be construed to limit or restrict the ability
19 of the City to adopt any fees or exactions related to public benefits other than affordable housing,
20 including, but not limited to, transit infrastructure, streetscape, public realm improvement, or
21 child care fees.

22 ~~(kh) Term. Except as provided in subsection (l) below, t~~This Section shall become
23 inoperative on July 1, ~~2043~~2058, and after such date shall have no further force or effect and
24 shall be repealed.
25

1 ~~(l) Early Termination. At any time before January 1, 2013, the Mayor, after consulting~~
2 ~~with his or her Budget Director and the Controller, and after taking into account the City's~~
3 ~~projected revenues and expenditures in the City's financial plans, may terminate implementation~~
4 ~~of this Section by issuing a written notice to the Board of Supervisors and the Controller. The~~
5 ~~termination shall be irrevocable and apply to the entire Section 16.110. Upon the Mayor's~~
6 ~~signing of the notice, this Section shall become inoperative and after such date shall have no~~
7 ~~force or effect and shall be repealed.~~

8
9 APPROVED AS TO FORM:
10 DAVID CHIU, City Attorney

11 By: _____
12 VICTORIA WONG
13 Deputy City Attorney

14 4908-7295-8646, v. 1
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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 budgets 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.