

LEGISLATIVE DIGEST

[Funding Reallocation - Our City, Our Home Fund - Homelessness Gross Receipts Tax - Services to Address Homelessness]

Ordinance temporarily suspending the cap on the use of Homelessness Gross Receipts Tax revenues to fund short-term rental subsidies; and finding that temporarily allowing for increased expenditures on short-term rental subsidies will further the purposes of the Our City, Our Home Fund pursuant to Business and Tax Regulations Code, Section 2811.

Existing Law

November 2018's Proposition C, codified at Article 28 of the Business and Tax Regulations Code, imposed a Homelessness Gross Receipts Tax to help fund programs to prevent and address homelessness. The City deposits the proceeds of this tax in the Our City, Our Home ("OCOH") Fund. The City may use the OCOH Fund on several "eligible programs" as follows:

- At least 50% for permanent housing, of which up to 12% may fund short-term rental subsidies of five years or less, at least 20% must support homeless youth aged 18 through 29, and at least 25% must support homeless families with children under 18.
- Up to 10% for shelters and hygiene programs.
- Up to 15% for homelessness prevention.
- At least 25% for mental health for homeless individuals.

The Board of Supervisors may amend Article 28 by ordinance, by a two-thirds vote and only to further the overall findings and intent of Proposition C.

Amendments to Current Law

The ordinance would authorize the City spend more than 12 percent of permanent housing funds on short-term rental subsidies in Fiscal Year 2027-28. The ordinance does not adjust any other percentage allocations for OCOH expenditures in Fiscal Year 2027-2028 or in future fiscal years.