File No. 260537 **Committee Item No.** 2
Board Item No. 10

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Rules Committee **Date** June 29, 2026

Board of Supervisors Meeting **Date** July 7, 2026

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X	☐	Charter Amendment (Version 2)
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Completed by: Victor Young **Date** June 25, 2026
Completed by: ____________ **Date** ____________

[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:

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

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

"Household" shall mean any person or persons who reside or intend to reside in the same housing unit.

"Mayor's Office of Housing" shall mean the Mayor's Office of Housing and Community Development or any successor City agency.

(c) **Funding.**

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

~~*(2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year 2014-2015 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 required by this Section reaches $50.8 million in the Fiscal Year 2024-2025 budget.*~~

(~~*3*~~*1*) In the annual budget~~s~~ for ~~*Fiscal Year 2025-2026 through Fiscal Year 2042-43*~~*Fiscal Year 2027-28*, 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.

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

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

(A) 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.

(B) 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.

(3) Starting in the fiscal year immediately following the first fiscal year in which the total annual appropriation under this subsection (c) 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.

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

(5) ~~*During Fiscal Years 2025-2026 through 2042-2043*~~*In each fiscal year through 2057-2058*, if the Controller submits a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year budget period that is lower than the amount originally budgeted for that period, then the Board *of Supervisors* may, by ordinance, reduce the

appropriation to the Housing Trust Fund for that budget period in an amount that does not exceed the amount proportionate to the percentage shortfall in the discretionary revenue projection.

(6) The Controller's method of calculating the amount of and changes in General Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and 16.109.~~*. Additionally, in determining General Fund Discretionary Revenues, the Controller shall not include revenues received by the City under the increased rates in Business and Tax Regulations Code Sections 953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d), and 953.8(i) adopted by the voters at the general municipal election on November 3, 2020, and shall not include revenues received by the City under Article 36 of the Business and Tax Regulations Code adopted by the voters at the general municipal election on November 3, 2020.*~~ The Controller shall treat General Fund appropriations to the Housing Trust Fund as reductions in General Fund Discretionary Revenues when calculating other funding allocations that are tied to General Fund Discretionary Revenues, including funding allocations under Charter Sections 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate of discretionary revenues for a fiscal year through an adjustment to the next fiscal year's estimate.

~~*(7) In any year during the term of this Section, the City may, in its discretion, reduce its annual contribution to the Housing Trust Fund for that 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. "SB2113 Affordable Housing Bonds" are bonds issued by the City to support the acquisition and creation of replacement affordable housing citywide using property tax increment from former Redevelopment project areas under California Health and Safety Code Section 33333.7.*~~

(~~*8*~~*7*) The Controller shall set aside and maintain the amounts appropriated to the Housing Trust Fund under this Section, together with any interest earned thereon, and any amount unexpended or uncommitted at the end of the fiscal year shall be carried forward to the next fiscal year and, subject to the budgetary and fiscal limitations of this Charter, shall be appropriated for the purposes specified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

(f) **Bonding Authority.** Notwithstanding the limitations set forth in Sections 9.107, 9.108, and 9.109 of this Charter, upon recommendation of the Mayor, the Board of Supervisors may authorize the issuance, without limitation, of revenue bonds, lease financing, notes, or other evidences of indebtedness or other obligations ("Debt Obligations"), the proceeds of which are to be used for creating, acquiring, and rehabilitating rental and ownership housing affordable to Households earning up to 120% of the Area Median Income, including, without limitation, the acquisition of land for such purpose. Such Debt Obligations shall be secured by and/or repaid from any available funds pledged or appropriated by Board of Supervisors ordinance for such purpose, which amount may include funds in the Housing Trust Fund allocated under subsection (c). Debt Obligations authorized hereby shall be issued in accordance with the Mayor's Office of Housing policies, and upon the terms and conditions as the Board of Supervisors shall approve. Funds appropriated to pay debt service on the Debt Obligations in such fiscal year under the terms of this Section shall be set aside in an account for such use until such payment is made.

~~*(g) Legislation.*~~

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

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

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

~~*(A) For housing development projects consisting of ten dwelling units or more, but less than twenty five dwelling units, the requirements of the Planning Code, including but not limited to Section 415 et seq., in effect on the date this Charter Amendment is adopted1 by the voters shall apply.*~~

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

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

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

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

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

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

(~~*k*~~*h*) **Term.** ~~*Except as provided in subsection (l) below, t*~~*T*his Section shall become inoperative on July 1, ~~*2043*~~*2058*, and after such date shall have no further force or effect and shall be repealed.

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: ______________________________
VICTORIA WONG
Deputy City Attorney

4908-7295-8646, v. 1

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.

4935-9426-0909, v. 2

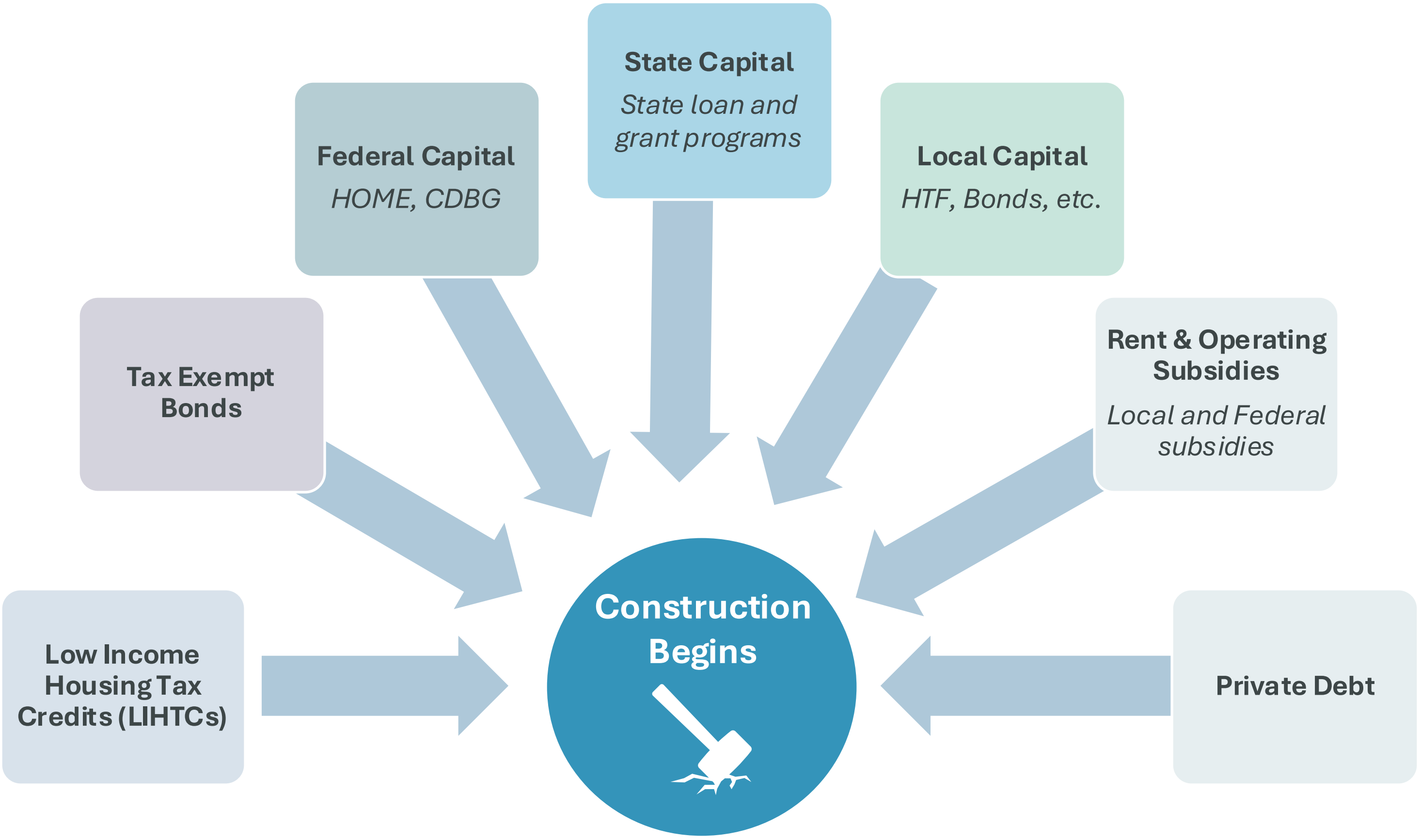
Housing Trust Fund Renewal and Expansion

Rules Committee

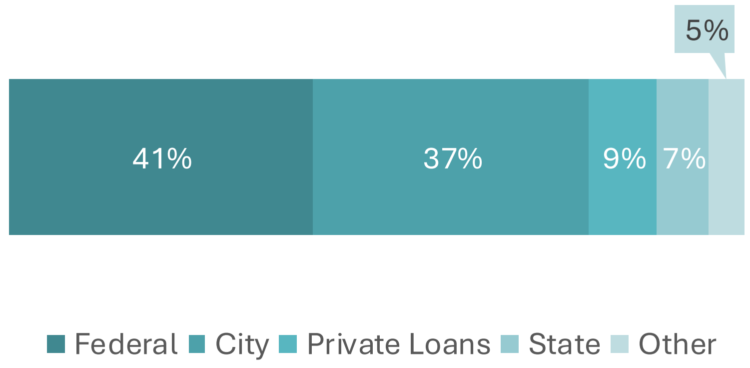
June 22, 2026

Affordable Housing Funding Stack

Assembling the funding portfolio for affordable housing is complex and dynamic



Typical Project Capital Stack



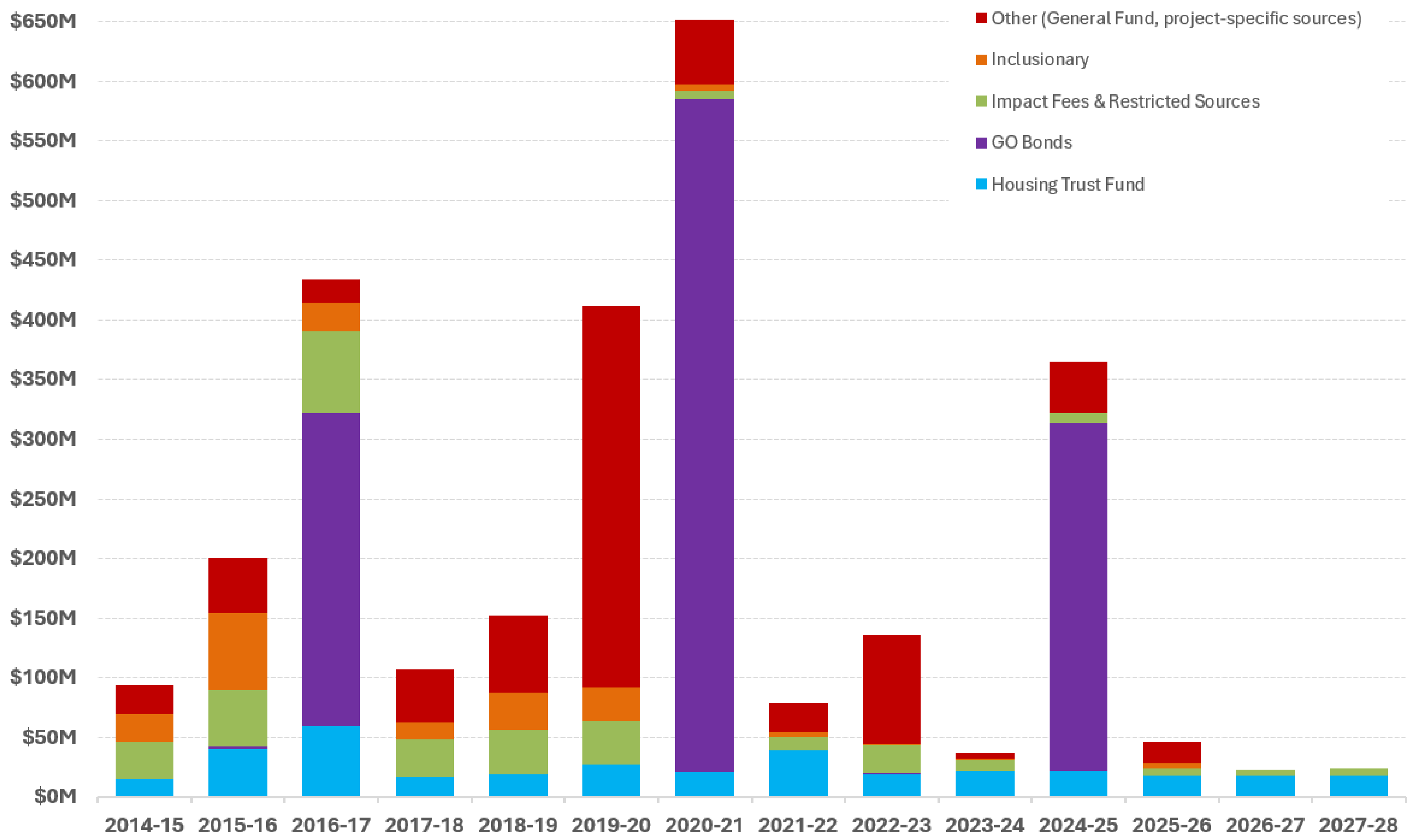
Local funds leverage federal and state funds

Local Funding Sources

Most sources are targeted and have specific constraints

Source	Restrictions
General Obligation (GO) Bonds	Voter-approved: measure language specifies eligible uses Can only be used for capital, not operations
Housing Trust Fund	**Generally flexible for construction, acquisition, and rehabilitation of affordable rental and ownership up to 120% AMI**
Certificate of Participation (COP) Bonds	Board of Supervisors approval needed Can only be used for capital, not operations
Area-Specific Impact Fees	e.g., *Eastern Neighborhoods, Market-Octavia, Van Ness Residential SUD* Funds can only be spent on eligible projects within the geographic area as specified
Citywide Fees	e.g., *Jobs-Housing Linkage, Inclusionary, Condo Conversion Fees* Eligible uses codified in the Charter via ordinance or ballot measure
Project-Specific Development Agreements	Funds can only be spent on projects within a specific range of the project, usually with AMI restrictions
Subsidy Programs	e.g., *Local Operating Subsidy Program, Affordable Housing Opportunity Fund* Restricted to specific populations and AMIs

Local Funding for Affordable Housing Construction

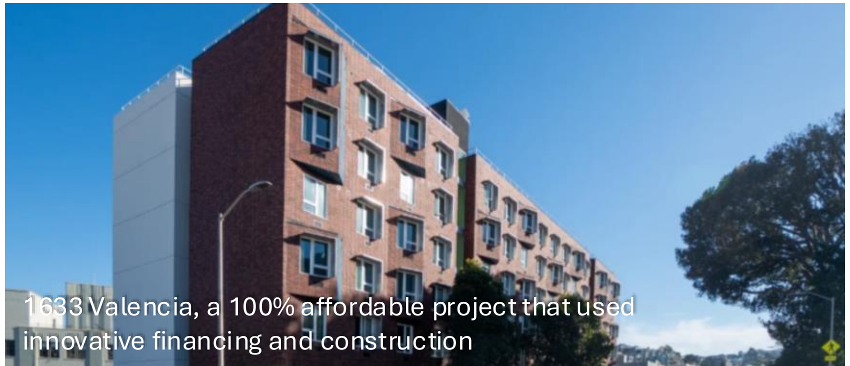


- Approaching a **fiscal cliff** in FY29
- **Fluctuating funding** creates uncertainty for production
- **Voter-approved bonds** have invested $1.2B in the past decade but **aren't recurring or reliable**
- **Housing Trust Fund** is the most stable funding source
- Local funds **leverage** other sources 1:2

New and Emerging Funding & Financing

Name	*Description*	*Timeline*
Affordable Housing Opportunity Fund	Charter amendment requiring annual appropriation of at least $8.25 million to fund project-based rental subsidies for seniors, families and persons with disabilities	Implemented; first NOFA issued February 2026
Expansion of Housing Trust Fund	Proposed charter amendment to more than double annually allocated amount	Nov. 2026 ballot
Statewide Affordable Housing Bond	$10 billion for existing programs placed on ballot via legislation	Nov. 2026 ballot
Regional Financing Agency & Affordable Funding Measure	Supported creation of Bay Area Housing Finance Authority in 2019; ballot measure pending	Nov. 2028 ballot

Mayor Lurie at Housing Trust Fund press conference


1633 Valencia, a 100% affordable project that used innovative financing and construction


Ongoing advocacy at the State Capitol for the affordable housing bond measure

Housing Trust Fund Uses

A flexible source for affordable housing

Create, Acquire, and Rehab Homes

New construction and related infrastructure

Land and building acquisition

Rehab to modernize for the next generation

Housing Stabilization Programs

Support to avoid foreclosure or eviction

Improvements to the safety, accessibility or efficiency of homes

Downpayment Loan Assistance

Support first-time homebuyers

Options for purchasing income-restricted or market-rate units

Layered with homeownership education programs

Photos: The Kelsey Civic Center

Housing Trust Fund Funding Formula

Current Housing Trust Fund

- Established in 2012, with a **current annual appropriation of $50.8M**
- Annual appropriation increases or decreases by the **percent change in General Fund discretionary revenue (ADR)**
- Housing Trust Fund set to **sunset in FY 2043**

Housing Trust Fund Funding Formula

Growing in tandem with the City's overall tax base

Expanded Housing Trust Fund

- Starting in FY 2029, annual appropriation would grow by the *higher of*:
  - The annual percent increase in ADR, or
  - An amount equal to 20% of the City's share of property tax revenue generated by **incremental annual growth in citywide Assessed Value**
- Once the annual **appropriation amount reaches $125M**, the annual appropriation would grow by the annual percent increase in ADR, up to 3%
- Housing Trust Fund would be **extended through FY 2058**

Housing Trust Fund Fiscal Guardrails

Growing affordable housing funding, responsibly

- **No change to FY 2027 or 2028** appropriations
- Starting in FY 2029, **gradually ramp up annual funding** based on growth in City's overall tax base
- **Cap the annual appropriation at $125M**, with annual escalation capped at 3% per year
- **Maintain a sunset** for the Housing Trust Fund (2058)
- The Board may **temporarily freeze** the annual contribution in years where the upcoming fiscal year deficit is more than $250M
- The Board may **temporarily reduce** the annual contribution by up to 10% in years where the City may tap the Rainy Day Reserve

BOARD of SUPERVISORS

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MEMORANDUM

TO: Carol Isen, Director, Department of Human Resources

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

DATE: June 23, 2026

SUBJECT: LEGISLATION INTRODUCED – MEET AND CONFER DETERMINATION

The Board of Supervisors' Rules Committee has received the following Charter Amendment. This matter is being **re-referred** to you as it may require the Department of Human Resources to fulfill "**Meet and Confer**" requirements. Please review, assess the impact and provide proper noticing as required and report back to on the status of the "Meet and Confer" requirement.

File No. 260537 (ver2)

Charter Amendment - Housing Trust Fund

Charter Amendment (Second Draft) 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; at an election to be held on November 3, 2026.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

****

RESPONSE FROM THE DEPARTMENT OF HUMAN RESOURCES - Date: 06/24/26

____ **Meet and Confer/Noticing requirement has been fulfilled.**

x____ **Meet and Confer/Noticing requirement not applicable.**

____ **Additional information attached.**

Kate Howard

Department of Human Resources

c: Gigi Whitley, Department of Human Resources
Aliya Chisti, Department of Human Resources
Ardis Graham, Department of Human Resources
Jonathan Wright, Department of Human Resources

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:

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

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

"Household" shall mean any person or persons who reside or intend to reside in the same housing unit.

"Mayor's Office of Housing" shall mean the Mayor's Office of Housing and Community Development or any successor City agency.

(c) **Funding.**

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

~~*(2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year 2014-2015 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 required by this Section reaches $50.8 million in the Fiscal Year 2024-2025 budget.*~~

(~~*3*~~*1*) In the annual budget~~s~~ for ~~*Fiscal Year 2025-2026 through Fiscal Year 2042-43*~~*Fiscal Year 2027-28*, 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.

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

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

(A) 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.

(B) 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.

(3) Starting in the fiscal year immediately following the first fiscal year in which the total annual appropriation under this subsection (c) 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.

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

(5) ~~*During Fiscal Years 2025-2026 through 2042-2043*~~*In each fiscal year through 2057-2058*, if the Controller submits a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year budget period that is lower than the amount originally budgeted for that period, then the Board *of Supervisors* may, by ordinance, reduce the

appropriation to the Housing Trust Fund for that budget period in an amount that does not exceed the amount proportionate to the percentage shortfall in the discretionary revenue projection.

(6) The Controller's method of calculating the amount of and changes in General Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and 16.109. ~~*Additionally, in determining General Fund Discretionary Revenues, the Controller shall not include revenues received by the City under the increased rates in Business and Tax Regulations Code Sections 953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d), and 953.8(i) adopted by the voters at the general municipal election on November 3, 2020, and shall not include revenues received by the City under Article 36 of the Business and Tax Regulations Code adopted by the voters at the general municipal election on November 3, 2020.*~~ The Controller shall treat General Fund appropriations to the Housing Trust Fund as reductions in General Fund Discretionary Revenues when calculating other funding allocations that are tied to General Fund Discretionary Revenues, including funding allocations under Charter Sections 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate of discretionary revenues for a fiscal year through an adjustment to the next fiscal year's estimate.

~~*(7) In any year during the term of this Section, the City may, in its discretion, reduce its annual contribution to the Housing Trust Fund for that 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. "SB2113 Affordable Housing Bonds" are bonds issued by the City to support the acquisition and creation of replacement affordable housing citywide using property tax increment from former Redevelopment project areas under California Health and Safety Code Section 33333.7.*~~

(~~*8*~~*7*) The Controller shall set aside and maintain the amounts appropriated to the Housing Trust Fund under this Section, together with any interest earned thereon, and any amount unexpended or uncommitted at the end of the fiscal year shall be carried forward to the next fiscal year and, subject to the budgetary and fiscal limitations of this Charter, shall be appropriated for the purposes specified in this Section.

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

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

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

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

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

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

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

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

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

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

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

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

(f) **Bonding Authority.** Notwithstanding the limitations set forth in Sections 9.107, 9.108, and 9.109 of this Charter, upon recommendation of the Mayor, the Board of Supervisors may authorize the issuance, without limitation, of revenue bonds, lease financing, notes, or other evidences of indebtedness or other obligations ("Debt Obligations"), the proceeds of which are to be used for creating, acquiring, and rehabilitating rental and ownership housing affordable to Households earning up to 120% of the Area Median Income, including, without limitation, the acquisition of land for such purpose. Such Debt Obligations shall be secured by and/or repaid from any available funds pledged or appropriated by Board of Supervisors ordinance for such purpose, which amount may include funds in the Housing Trust Fund allocated under subsection (c). Debt Obligations authorized hereby shall be issued in accordance with the Mayor's Office of Housing policies, and upon the terms and conditions as the Board of Supervisors shall approve. Funds appropriated to pay debt service on the Debt Obligations in such fiscal year under the terms of this Section shall be set aside in an account for such use until such payment is made.

~~*(g) Legislation.*~~

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

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

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

~~*(A) For housing development projects consisting of ten dwelling units or more, but less than twenty-five dwelling units, the requirements of the Planning Code, including but not limited to Section 415 et seq., in effect on the date this Charter Amendment is adopted1 by the voters shall apply.*~~

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

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

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

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

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

(~~*j*~~<u>*g*</u>) **Disclaimer**. Nothing in this Section shall be construed to limit or restrict the ability of the City to adopt any fees or exactions related to public benefits other than affordable housing, including, but not limited to, transit infrastructure, streetscape, public realm improvement, or child care fees.

(~~*k*~~<u>*h*</u>) **Term.** ~~*Except as provided in subsection (l) below, t*~~<u>*T*</u>his Section shall become inoperative on July 1, ~~*2043*~~<u>*2058*</u>, and after such date shall have no further force or effect and shall be repealed.

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: ______________________________
VICTORIA WONG
Deputy City Attorney

4908-7295-8646, v. 1

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.

4935-9426-0909, v. 2

BOARD of SUPERVISORS

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

MEMORANDUM

TO: Adam Thongsavat, Liaison to the Board of Supervisors, Mayor's Office
Brad Russi, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
Patrick Ford, Executive Director, Ethics Commission
Shireen McSpadden, Executive Director, Homelessness and Supportive Housing
Teho Miller, Director, HOPE SF
Tonia Lediju, Chief Executive Officer, Housing Authority

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

DATE: June 23, 2026

SUBJECT: CHARTER AMENDMENT – VERSION 2
November 3, 2026

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the November 3, 2026, Election. This matter is being **re-referred** to you in accordance with Rules of Order 2.22.4.

File No. 260537 (ver2)

Charter Amendment - Housing Trust Fund

Charter Amendment (Second Draft) 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; at an election to be held on November 3, 2026.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Michael Canning, Ethics Commission
Aly Bonde, Mayor's Office
Dylan Schneider, Homelessness and Supportive Housing
Emily Cohen, Homelessness and Supportive Housing
Bridget Badasow, Homelessness and Supportive Housing
Barbara Amaro, HOPE SF
Linda Martin-Mason, Housing Authority

BOARD of SUPERVISORS

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MEMORANDUM

Date: June 23, 2026

To: Planning Department / Commission

From: Victor Young, Clerk of the Rules Committee

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

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or reasonably foreseeable indirect physical change in the environment.

6/24/2026 Joy Navarrete

☐ 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.

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

6/24/2026

RE: File 260537 – Charter amendment - Housing Trust Fund (Second Draft)

Dear Ms. Calvillo,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have a significant impact on the cost of government of approximately $6 million in additional General Fund costs in FY 2028-29 and $13 million in FY 2029-30. In subsequent years, the General Fund cost of the proposal would grow by an additional $9 million annually up to approximately $60 million by FY 2034-35.

The proposed Charter amendment extends and increases the existing Housing Trust Fund (Fund) General Fund spending mandate for affordable housing by an additional fifteen years. A General Fund spending mandate is a voter-adopted spending requirement that directs the government to appropriate funding for specific purposes in future years without identifying a new funding source. For context, voter-adopted spending requirements currently total approximately $2 billion, or 30%, of the approximately $7 billion General Fund sources. If the Housing Trust Fund spending mandate is extended and increased, it would reallocate funds that would otherwise be available in the General Fund.

The proposed Charter amendment extends the Housing Trust Fund sunset date from 2043 to 2058 and modifies the required funding formula beginning in Fiscal Year 2028-29 so that the fund reaches or exceeds $125 million. For context, in Fiscal Year 2024-25, approximately $50 million was appropriated to the Fund. The costs of the proposed Charter amendment represent the extra amount the City would have to pay into the Fund on top of what the current funding formula already requires.

The proposed Charter amendment allows the Mayor or the Board of Supervisors to introduce ordinances during the annual budget process to temporarily freeze or reduce the City's annual contributions. If the City projects a budget deficit exceeding $250 million, the annual contribution to the Fund may be temporarily frozen at the then-current amount. If the City withdraws funds from the City Rainy Day Reserve, the annual contribution to the Fund may be temporarily reduced by up to 10%.

The fund may be used to 1) create, acquire, or rehabilitate affordable rental and ownership housing, 2) provide down payment loans and housing stabilization for qualified households meeting required income levels, and 3) fund housing-related infrastructure, including streetscape improvements. The Charter amendment removes obsolete language regarding 1) past allocations to the Fund, 2) eliminating the Fund before 2013, 3) how the Controller's Office may determine General Fund Discretionary Revenue, and 4) discretion to reduce Fund contributions based on debt service for SB 2113 Affordable Housing Bonds. Additionally, the proposed Charter amendment eliminates the Complete Neighborhoods Infrastructure Grant Program, which has not been funded since FY2019-2020.

This proposed amendment is not in compliance with a non-binding, voter-adopted city policy regarding voter-adopted spending requirements. The policy seeks to limit General Fund spending mandates 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, voter-adopted spending requirements currently total approximately $2 billion, or 30%, of the approximately $7 billion General Fund sources.

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.

From: Aaron Goodman
To: Jalipa, Brent (BOS)
Cc: SherrillStaff; MandelmanStaff (BOS); Waltonstaff (BOS)
Subject: File #260537 (Housing Trust Fund) and/or File #260535 (Public Bank)
Date: Monday, June 22, 2026 3:13:53 AM

Brent Jalipa (Clerk of the commission)

Please note my support for a serious financial Housing Trust Fund, and public Bank to acquire the largest sites in SF for permanently affordable essential rental housing.

Per the SF Standard's recent article on Parkmerced and Robert Rosania, the financial implications and issues have gone on for WAY TOO LONG. People have been impacted financially and planning wise for their futures. Especially families and seniors living in the community.

Without the financial means to solve the lacking construction of affordable essential workforce housing of the size and scale of Parkmerced and other HOPE SF sites in SF there is a serious lacking vision for the importance of open space, layered gardens and protective spaces for people to live and meet daily.

The courtyards and towers can easily be re-imagined as a co-op or public housing space with infill to the parking garages with 2-3 story layered studio and granny flats for seniors and caretakers as a solution. Teacher housing and workforce housing was all in Parkmerced prior alongside stones town apartments.

To lose sight of this factor and the impacts of institutional growth (SFSU-CSU Masterplan) and its impacts on the westside housing loss is a critical miss-step in the SFBOS vision for housing and essential needs in the city.

As I worked on Parkmerced's issues, HOPE SF (SFHA - HD+MOD) and helped with micro and macro projects from transit connectivity and linking neighborhoods I see these issues as intertwined to the success of the areas and any rebuild that may occur.

Do not let developers "cash-out" and flip the essential housing needed in SF

BUY IT BACK starting with the largest properties in SF first….

Regards

Aaron Goodman D7

MISSION HOUSING DEVELOPMENT CORPORATION

474 Valencia St. Suite 280
San Francisco, CA. 94103
www.missionhousing.org
415-864-6432

June 18, 2026

Members of the Rules Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Housing Trust Fund Charter Amendment

Dear Chair Walton and Members of the Rules Committee:

For almost 55 years, Mission Housing Development Corporation has worked alongside San Francisco residents to create and preserve affordable homes, strengthen neighborhoods, and support communities facing displacement and rising costs. Our experience has shown us that housing stability is one of the most important foundations for a healthy and inclusive city.

We support placing the Housing Trust Fund Charter Amendment before San Francisco voters in November 2026 because our city needs a sustainable path to continue investing in affordable housing. The need is clear: families, seniors, and working residents across San Francisco are struggling to remain in the communities they call home, while too many affordable housing opportunities remain out of reach due to a lack of available funding.

The Housing Trust Fund would provide a critical local resource to help move affordable housing projects forward, preserve existing communities, and ensure that nonprofit housing organizations can continue delivering homes that serve San Franciscans for generations.

At Mission Housing, we know that affordable housing is not just about creating units. It is about creating opportunity, stability, and belonging. Investments in affordable housing strengthen neighborhoods, support local jobs, and help ensure San Francisco remains a city where people from all backgrounds can build a future.

We encourage the Rules Committee to advance this Charter Amendment to the November 2026 ballot and allow San Francisco voters to decide the future of this important investment.

Thank you for your consideration.

Sincerely,

Mission Housing Development Corporation

West of Twin Peaks Central Council
A Resource for Neighborhood Organizations West of Twin Peaks in San Francisco since 1936
WTPCC
PO Box 27112
San Francisco, CA 94127
http://www.westoftwinpeaks.org/

San Francisco Board of Supervisors
Rules Committee
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Housing Trust Fund Charter Amendment - Request to Continue

Dear Chair and Members of the Rules Committee:

The West of Twin Peaks Central Council recognizes that housing affordability and housing production are among San Francisco's most important challenges. We support policies that increase housing opportunities, encourage housing construction, and help ensure that San Franciscans can continue to live and work in our city.

The question before the Committee is not whether housing is important.

The question is whether this particular Charter Amendment - which would dedicate future property-tax growth, expand the scope of the Housing Trust Fund, and bind future taxpayers and policymakers through 2058 - has received the level of public discussion, fiscal scrutiny, and accountability that a commitment of this magnitude deserves.

Our concern is that the measure is being presented primarily as an affordable housing initiative when it is also a significant fiscal and governance decision with long-term implications for future City budgets, taxpayer resources, and the ability of future elected officials to respond to changing priorities and unforeseen challenges.

The Controller's analysis makes clear that this measure would impose significant new General Fund obligations, beginning at approximately $6 million annually in FY 2028-29 and growing to approximately $60 million annually by FY 2034-35. The Controller further states that these expenditures would come from revenues that would otherwise remain available for future General Fund priorities and that the proposal is inconsistent with the City's voter-adopted policy discouraging additional spending mandates.

That finding alone warrants serious discussion.

<u>*A Thirty-Year Commitment of Future Revenues*</u>

This proposal would dedicate a growing share of future property-tax revenues to housing-related programs for more than three decades. Those revenues would otherwise remain available to support future infrastructure improvements, public safety needs, transportation investments, neighborhood services, economic recovery efforts, climate adaptation projects, or other priorities that future policymakers and voters may determine are most urgent.

Such a long-term commitment of public resources deserves a full public discussion regarding the tradeoffs involved. Yet many San Franciscans are only now learning of the breadth and duration of the proposal.

The measure would effectively divert future revenue growth away from other potential public investments for decades. Before making that commitment, voters deserve a clear understanding of the opportunity costs, tradeoffs, and long-term fiscal consequences. For homeowners and taxpayers, these tradeoffs are not

theoretical. As future City costs increase and General Fund flexibility declines, pressure inevitably grows for additional taxes, fees, assessments, and revenue measures. Residents who have invested in San Francisco's neighborhoods deserve a clear understanding of how a thirty-year dedication of future property-tax growth may influence future fiscal decisions and taxpayer obligations.

An Unusual Direction During a Period of Fiscal Uncertainty

The timing of this proposal raises additional questions.

City leaders have repeatedly emphasized the need for greater flexibility in responding to budget challenges, economic uncertainty, and changing public priorities. At a time when the City is seeking broader authority to manage its finances and allocate resources where they are most needed, this measure moves in the opposite direction by creating a new long-term spending mandate.

Future elected officials may face recessions, public safety challenges, major infrastructure failures, transportation needs, natural disasters, or other unforeseen circumstances. Dedicated spending requirements reduce the ability of future leaders to respond to those challenges as conditions evolve.

Moreover, this proposal would bind future Boards of Supervisors, future Mayors, and future voters to decisions being made today. Residents who do not yet own homes, taxpayers who do not yet live in San Francisco, and future generations of civic leaders would inherit these commitments without having participated in their creation. Such a long-term obligation warrants exceptional scrutiny and public discussion.

The Controller's warning regarding reduced General Fund flexibility should not be dismissed lightly.

This Measure Does Far More Than Fund Affordable Housing

Public discussion has focused almost exclusively on affordable housing production.

However, the proposed Charter Amendment substantially expands the Housing Trust Fund into a much broader housing policy platform.

In addition to affordable housing production and preservation, the measure authorizes funding for:

- Social Housing Developments
- Limited-Equity Housing Cooperatives
- Acquisition of land and housing properties
- Public and nonprofit-owned housing models
- Housing stabilization programs
- Down-payment assistance programs
- Homeownership assistance programs for households earning up to 120% of Area Median Income
- Homeownership assistance for households that include first responders
- Housing-related infrastructure
- Bond financing programs backed by future revenues
- Administrative, legal, compliance, procurement, outreach, and operational costs associated with these programs

This is not simply an affordable housing funding measure.

It is a substantial expansion of housing policy, housing finance, housing ownership models, infrastructure spending authority, and administrative authority under a dedicated revenue stream that would continue until 2058. Also embedded is a workforce recruitment and retention tool subsidizing home purchase for public employees. Those benefits have traditionally been addressed through salaries, benefits, collective bargaining agreements, pension systems, workforce housing programs, and direct employer initiatives.

Voters deserve to understand the full scope of what they are being asked to approve.

<u>Questions Regarding Developer Obligations and the Broader Housing Package</u>

Another issue that deserves public discussion is the relationship between this Charter Amendment and the broader housing package currently being advanced by City leaders.

While this Charter Amendment does not itself reduce inclusionary housing requirements or development impact fees, numerous press accounts have reported that the measure is being advanced as part of a broader housing policy "deal" or "grand bargain." Under that framework, a significant expansion of long-term public funding for affordable housing would occur alongside separate proposals to reduce certain developer obligations and housing-production costs.

Whether one agrees or disagrees with that approach, it represents a major policy choice regarding the balance between public and private responsibility for funding affordable housing.

Residents, taxpayers, neighborhood organizations, and homeowners have not been participants in these negotiations and have not been at the table as these discussions have occurred. As a result, much of the public's understanding of the relationship between these proposals has come from media accounts rather than from a transparent public process.

If City leaders believe that dedicating future property-tax growth through 2058 is necessary to offset reductions in private-sector affordable housing obligations, that rationale should be fully disclosed, debated, and evaluated on its merits. Voters deserve a clear explanation of the complete policy framework being proposed and how responsibilities for affordable housing production may shift between developers and taxpayers over time.

Major changes involving both taxpayer commitments and developer obligations should not be assembled through parallel negotiations and presented as separate decisions. The public deserves an opportunity to understand the entire package before being asked to approve a multi-decade commitment of public resources.

<u>Accountability and Oversight</u>

Finally, the proposal leaves important questions regarding long-term oversight and accountability unanswered.

The City is being asked to dedicate substantial revenues to a wide range of housing programs over the next thirty years, yet it remains unclear what performance standards, reporting requirements, independent audits, or accountability mechanisms will govern those expenditures.

San Franciscans have seen significant public investments in housing over many years, yet concerns continue to be raised regarding production outcomes, administrative costs, project delivery, and overall effectiveness. Before voters commit future revenues through 2058, they deserve a clear understanding of how success will be measured, how funds will be monitored, and what safeguards will exist to ensure public resources are producing meaningful results.

Good intentions alone are not a substitute for strong governance and transparent oversight. Before expanding and extending a dedicated funding source through 2058, the City should also provide a comprehensive accounting of the outcomes achieved through existing housing expenditures. San Francisco has committed substantial public resources to housing programs over many years. Voters deserve clear information regarding production results, project delivery timelines, administrative costs, and overall effectiveness before being asked to approve an even larger long-term commitment of public revenues.

Homeowners and Taxpayers Deserve a Voice

For nearly ninety years, the West of Twin Peaks Central Council has represented neighborhood residents, homeowners, and taxpayers who care deeply about the long-term health of San Francisco. Those who invest in our neighborhoods, rely on City services, and contribute to the City's tax base deserve meaningful participation in decisions that dedicate public revenues and shape fiscal priorities for decades into the future.

Homeowners and neighborhood residents deserve the same seat at the table afforded to developers, nonprofit housing organizations, affordable housing advocates, and other special interests when long-term decisions affecting San Francisco and our public resources are being made.

Accordingly, we respectfully urge the Rules Committee to continue consideration of this proposal, broaden public outreach, fully evaluate the Controller’s fiscal findings, and ensure that voters receive a complete understanding of the long-term implications of this measure - not only for housing policy, but also for fiscal flexibility, taxpayer accountability, governance, oversight, and the future allocation of public revenues.

Respectfully submitted,

Denise LaPointe
President
West of Twin Peaks Central Council

Cc:

WTPCC Delegates and Officers

Mayor Daniel Lurie

Board of Supervisors