

From: [Preston, Dean \(BOS\)](#)
To: [Angulo, Sunny \(BOS\)](#); [BOS Legislation, \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Cc: [Peskin, Aaron \(BOS\)](#); [Kilgore, Preston \(BOS\)](#); [Young, Victor \(BOS\)](#); [Lovett, Li \(BOS\)](#)
Subject: RE: PESKIN - Item 3 - ELI Subsidies Redline Amendments
Date: Monday, July 8, 2024 11:03:40 AM

Confirming: please add me as co-sponsor. Thank you.

Dean Preston
Supervisor, District 5

From: Angulo, Sunny (BOS) <sunny.angulo@sfgov.org>
Sent: Monday, July 8, 2024 10:56 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>
Cc: Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Preston, Dean (BOS) <dean.preston@sfgov.org>; Kilgore, Preston (BOS) <preston.kilgore@sfgov.org>; Young, Victor (BOS) <victor.young@sfgov.org>
Subject: FW: PESKIN - Item 3 - ELI Subsidies Redline Amendments

In addition, Supervisors Ronen, Safai, Walton please add also Supervisor Dean Preston to the co-sponsor byline for this Charter Amendment.

Thank you,
Sunny

From: Angulo, Sunny (BOS)
Sent: Monday, July 8, 2024 9:58 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Young, Victor (BOS) <victor.young@sfgov.org>; Ronen, Hillary (BOS) <hillary.ronen@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Walton, Shamann (BOS) <shamann.walton@sfgov.org>
Cc: Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; GIVNER, JON (CAT) <Jon.Givner@sfcityatty.org>; PEARSON, ANNE (CAT) <Anne.Pearson@sfcityatty.org>; Prager, Jackie (BOS) <jackie.prager@sfgov.org>; Buckley, Jeff (BOS) <jeff.buckley@sfgov.org>; Burch, Percy (BOS) <percy.burch@sfgov.org>
Subject: PESKIN - Item 3 - ELI Subsidies Redline Amendments

Good morning, colleagues –

Please find attached a Red Line Version of Changes to the Second Draft of the Affordable Housing Opportunity Fund for Seniors, Families and (now) Adults with Disabilities.

DCA Givner has reviewed and approved as to form, and will submit a clean version for the Clerk's Office shortly, along with Legislative Draft.

I have provided a brief summary of the changes below. Please let me know if you have any questions

and thank you so much for your consideration.

Best,
Sunny

Summary of Changes –

- **Short Title** - Adding “Persons with Disabilities” to the Scope of the Affordable Housing Opportunity Fund
- **Long Title** – Strike “require the Board of Supervisors set aside specified funds in the City’s budget each year, beginning in Fiscal Year 2026/2027” and replace with “establish the Affordable Housing Opportunity Fund for Seniors, Families and People with Disabilities...and require the City to appropriate at least \$8.25 million to the Fund annually starting in Fiscal Year 2026-2027.”
- **Technical Amendments in Findings on Pages 1-5**, including addition of four new findings, as follows:
 - (o) The intent of this measure is to establish a minimum annual commitment of no less than \$8.25 million starting in Fiscal Year 2026-2027 to ensure access for ELI households to the City’s affordable housing. If there is a budget deficit, the funding for the first fiscal year may be reduced to \$4 million and will increase to \$8.25 million in Fiscal Year 2027-2028.
 - (p) The City may fulfill its commitment to fund the expenditures this measure requires by appropriating funds from any number of sources, including but not limited to taxes collected under the Empty Homes Tax Ordinance (Business & Tax Regulations Code, Art. 29A) and the Homelessness Gross Receipts Tax Ordinance (Business & Tax Regulations Code Art. 28), or other similar special taxes, to the extent that the permissible expenditures in those special tax measures coincide with the expenditures this measure requires. Furthermore, any money in the Fund at the end of each fiscal year will be held in reserve for future use. Nothing in this measure requires that revenues from any special tax measure be appropriated for the uses in this measure.
 - (q) It is the further intent of this measure that the City maximize the number of ELI affordable housing units created by the fund by entering into long term rent subsidy agreements with the City making annual contributions. The duration of such agreements should reflect the requirements of competitive regional, state and federal funding sources.
 - (r) It is the further intent of this measure to support the future growth and expansion of the fund, subject to the future approval of voters, by developing sound, transparent, and effective policies with regular public reporting of program performance.
- **SEC. 16.132 (a) Establishment of the Fund – Page 6**
 - **Clarification** - Monies in the Fund shall accumulate interest which shall be credited to the Fund, provided that the balance in the Fund exceeds \$50,000. Any unexpended and unencumbered balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for a specific purpose within the meaning of Section 6.303 of the Charter and shall be accumulated to the Fund.
- **(c) Definitions –Pages 7-8**
 - **Clarify** “Extremely Low-Income Families” definition – shall mean single adults or families earning up to 35% of Median Income

Clarify “LOSP” definition to mean “the City’s Local Operating Subsidy Program that provides operating subsidies to residential buildings providing supportive housing for homeless individuals and families.”

- **Clarify** “Senior Housing” definition to mean “a multifamily residential building that is specifically designed for and occupied by senior households and complies with all applicable federal and state fair housing laws.”
- **Clarify** “Senior Operating Subsidies (SOS) Program Fund” definition to mean a program to receive any monies appropriated or donated for the purpose of providing project-based subsidies to new senior affordable housing developments funded by the City to maintain rents that are affordable to extremely low-income senior residents with incomes at or below 30% of area median income, as published by MOHCD, or any successor program.
- **Clarify** “SRO Unit” definition to mean “a dwelling unit or group housing room consisting of the following: (1) no more than one occupied room with a maximum gross floor area of 350 square feet and meeting the Housing Code’s minimum floor area standards; (2) may have a bathroom in addition to the occupied room; and (3) as a dwelling unit, has a cooking facility and bathroom or, as a group housing room, it shares a kitchen with one or more other single room occupancy unit(s) in the same building and may also share a bathroom.”

- **(d) Annual Appropriations to the Fund – page 9**

- **(1) Strike** _and replace with “except as provided in subsection (d)(3)”
- **(2) and (3) Move up the effective date** from 2029/2030 to 2026/2027 with a starting amount of **no less than \$4 million** in first year of 2026/27, with each fiscal year following no less than \$8.25 million
- **(5) Add** “Commencing with a report filed no later than March 1, 2025, the Controller shall file annually with the Board of Supervisors, by March 1 of each year, a report containing the amount of monies from each non-general fund source projected to be available that may be appropriated to the Fund under this subsection (d).”

- **(e) Use of the Fund. – Pages 11-12**

- **Add a 20% cap** for use of the Fund for the purpose of subsidizing existing Permanent Affordable Housing already in existing portfolio.
- **Prioritize families with children** in the ELI family uses and include SRO’s
- **Clarify that rental subsidies** are to close operating deficit

- **(f) Implementation Policies and Annual Report – Page 12**

- Add reporting requirement as follows - No later than June 1, 2025, MOHCD shall publish a report describing and analyzing implementation policy options that would maximize the number of ELI affordable senior, family, and accessible units through the provision of project-based rent subsidies in both new affordable housing and preservation projects.