OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

6/16/2026

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

RE: File 260537 – Charter amendment - Housing Trust Fund

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.