



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

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

June 28, 2022

RE: File 220636 – Charter amendment and ordinance regarding rent control for residential units with additional density and height

Dear Ms. Calvillo,

Should the proposed Charter amendment and ordinance be approved by the voters, in my opinion, it would have a negative impact on City revenues.

The amendment would fix the City's residential height and numerical density limits as they existed in the Planning Code as of November 8, 2022. The numerical density limit is the number of dwelling units that are allowed per lot or lot area in certain residential zoning districts. The amendment would also allow the Board of Supervisors to approve numerical density or height increases by ordinance in the future, provided that the developer agrees all new residential units using those higher limits will be subject to rent control. This amendment only affects the new residential units in a development that rely on increased density or height. It would not apply to height limits increases for non-residential development.

Rent-controlled apartments tend to have a lower assessed value than comparable apartments not subject to rent control. Additionally, the rent control requirement could reduce the financial feasibility of some development projects, potentially limiting the level of new housing development in the city. For these reasons, to the extent that new housing is rent controlled, the City would likely experience a reduction in property tax revenue, compared to what it would receive without the amendment.

This statement does not address the potential impacts of the proposed amendment on the local economy or housing prices generally.

Sincerely,

A handwritten signature in cursive script that reads "Janice Levy".

FOR
Ben Rosenfield
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.