

1 [Suspending Budget Stabilization Reserve Requirements - FY2015-2016]

2  
3 **Resolution suspending requirements for the Budget Stabilization Reserve in**  
4 **Administrative Code, Section 10.60(c), for FY2015-2016 for the purpose of using the**  
5 **funds to acquire property for future affordable housing developments.**  
6

7 WHEREAS, Charter, Section 9.120, authorizes the adoption of financial policies that  
8 will be binding upon the Mayor and Board of Supervisors in their adoption of City budget; and

9 WHEREAS, Acting pursuant to Charter, Section 9.120, the Board of Supervisors  
10 adopted Administrative Code, Section 10.60(c), which created a Budget Stabilization Reserve  
11 into which the Controller must make deposits under specified conditions; and

12 WHEREAS, Charter, Section 9.120, requires that all City budgets be consistent with  
13 the financial policies adopted pursuant to Charter, Section 9.120, and set forth in  
14 Administrative Code, Section 10.60(c); and

15 WHEREAS, The Controller projects that he will be required to make deposits to the  
16 Budget Stabilization Reserve for the upcoming budget period that encompasses  
17 FYs 2015-2016 and 2016-2017; and

18 WHEREAS, Deposits to the Budget Stabilization Reserve include 75% of "Real  
19 Property Transfer Tax proceeds in excess of the average annual actual receipts level for the  
20 prior five fiscal years;" and

21 WHEREAS, The Controller's "FY2014-2015 Nine-Month Budget Status Report" states  
22 that "a significant driver of property transfer tax is the escalation of value seen in San  
23 Francisco real estate;" and  
24  
25

1 WHEREAS, The dramatic escalation of real estate values has caused an  
2 unprecedented housing crisis in the City and County of San Francisco where low-income and  
3 moderate-income households are being displaced and struggling to stay in the City; and

4 WHEREAS, Administrative Code, Section 10.60(c), authorizes the Board of  
5 Supervisors, by a resolution approved by a two-thirds' vote, to suspend the provisions of the  
6 Budget Stabilization Reserve for the current or upcoming budget year; and

7 WHEREAS, Administrative Code, Section 10.60(c), further states that "following such a  
8 suspension, the City may appropriate funds from the Budget Stabilization Reserve for non-  
9 recurring expenditures, for infrastructure expenditures, for development of affordable housing,  
10 for prepayment of future debts or liabilities, for annual operating costs, or for any other lawful  
11 governmental purpose;" now, therefore, be it

12 RESOLVED, That the Board of Supervisors finds the current housing crisis poses a  
13 current and immediate threat to the economic and cultural diversity of the City; and, be it

14 FURTHER RESOLVED, That in light of the housing crisis, the Board of Supervisors  
15 finds that using funds from the Budget Stabilization Reserve for the one-time purpose of  
16 acquiring property for affordable housing is a prudent use of those funds; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby suspends the  
18 requirements for the Budget Stabilization Reserve in Administrative Code, Section 10.60(c),  
19 for the upcoming FY2015-2016, for the intended purpose of using the funds to acquire  
20 property that shall be dedicated for future affordable housing developments; and, be it

21 FURTHER RESOLVED, That suspension of the requirements for the Budget  
22 Stabilization Reserve for FY2015-2016 and for subsequent fiscal years will require approval  
23 by a two-thirds' vote of the Board of Supervisors in connection with its approval of the budget  
24 for FY2015-2016 and for subsequent fiscal years, and that expenditure of the funds will be  
25 subject to subsequent appropriation.