

**LEGISLATIVE DIGEST**  
(First Draft - May 24, 2016)

[Charter Amendment - Homeless Housing and Services Fund; Transportation Improvement Fund - Budget Set-Asides]

**Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco, at an election to be held on November 8, 2016, to: create a Homeless Housing and Services Fund and appropriate \$11.5 million to the Fund in fiscal year 2016-2017 and \$47.75 million annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years, and create a Transportation Improvement Fund and appropriate \$23 million to the Fund in fiscal year 2016-2017 and \$95.5 million annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years.**

Existing Law

The City currently does not have a special fund or mandatory level of funding for homeless housing and services. The City has a Municipal Transportation Fund for operations of the Municipal Transportation Agency (MTA); the Municipal Transportation Fund receives various transit- and transportation-related revenues as well as an annual baseline appropriation. The City currently does not have a special fund or mandatory level of funding for street resurfacing.

Amendments to Current Law

The proposal is a charter amendment that would establish two new special funds/budget set-asides in the Charter.

First, the proposal would create a Homeless Housing and Services Fund. In fiscal year 2016-2017, the City would appropriate \$11.5 million to the Fund. Beginning in fiscal year 2017-2018 and for the next 24 years, the City would appropriate \$47.75 million to the Fund. The amount of the appropriation would be adjusted annually for changes in discretionary City revenues. Monies in the Fund would be used to provide services to the homeless, including programs to prevent homelessness, create exits from homelessness, and move homeless individuals into more stable situations. Such programs could be designed to address the needs of specific at-risk populations. Monies in the Fund could be used for both operations of these programs and capital investments required to maintain or expand system infrastructure needs.

The Fund would end on June 30, 2042. Up until January 1, 2017, the Mayor would have the one-time authority to terminate the Fund immediately, based on his or her review of the City's financial condition.

Appropriations to the Fund would not be counted as aggregate discretionary City revenues for purposes of adjusting other appropriations baselines and set-asides set in the Charter.

Second, the proposal would create a Transportation Improvement Fund. In fiscal year 2016-2017, the City would appropriate \$23 million to the Fund. Beginning in fiscal year 2017-2018 and for the next 24 years, the City would appropriate \$95.5 million to the Fund. The amount of the appropriation would be adjusted annually for changes in discretionary City revenues.

Monies in the Fund would be used to improve the transportation network in San Francisco through investments in the following categories and amounts:

(1) Transit Service and Affordability (Municipal Transportation Agency). Expenditures in this category 1 would prioritize measures to mitigate identified deficiencies in transit service to low-income and transit-dependent communities and to provide transit service affordability for low- and moderate-income youth, seniors, and people with disabilities. Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

(2) Muni fleet, facilities, and infrastructure repair and improvement (Municipal Transportation Agency). Expenditures in this category 2 would prioritize measures to mitigate identified deficiencies in transit service to low-income and transit-dependent communities. Appropriations for this purpose would equal 20 percent of appropriations to the Fund in that fiscal year.

(3) Transit optimization and expansion (County Transportation Authority). Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

(4) Regional transit (County Transportation Authority). Appropriations for this purpose would equal 15 percent of appropriations to the Fund in that fiscal year.

(5) Vision Zero Safer and Complete Streets (County Transportation Authority). Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

(6) Street resurfacing (Department of Public Works). Appropriations for this purpose would equal 35 percent of appropriations to the Fund in that fiscal year.

In any fiscal year in which the Municipal Transportation Agency (MTA) would otherwise be required to adopt service reductions as part of its budget, the MTA could transfer up to 25% of the appropriations otherwise required to go to category (2) to category (1) to offset those service reductions, in an amount not to exceed the cost of maintaining the services.

The Fund would end on June 30, 2042. Up until January 1, 2017, the Mayor would have the one-time authority to terminate the Fund immediately, based on his or her review of the City's financial condition.

Appropriations to the Fund would not be counted as aggregate discretionary City revenues for purposes of adjusting other appropriations baselines and set-asides set in the Charter.

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