

1 [Establishing the HOPE SF Fund and provide for appropriations to the Fund.]

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3 **Ordinance amending the San Francisco Administrative Code by adding**
4 **Section 10.100-370, to: establish the HOPE SF Fund; direct the City to appropriate**
5 **\$5,000,000 to the Fund for FY 2007-2008 and set City policy regarding future**
6 **appropriations to the Fund; identify the permitted uses of moneys so deposited; and,**
7 **set forth provisions for the administration of such fund.**

8 Note: Additions are *single-underline italics Times New Roman*;
9 deletions are *strikethrough italics Times New Roman*.
10 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The San Francisco Administrative Code is hereby amended by adding
13 Section 10.100-370, to read as follows:

14 **SEC. 10-100-370. SAN FRANCISCO HOPE SF FUND.**

15 *(a) Establishment of Fund. The HOPE SF Fund is hereby established as a category four fund*
16 *for the purpose of assisting in the replacement and/or rehabilitation of distressed public housing*
17 *projects in the City and County of San Francisco.*

18 **(b) Deposits to Fund.**

19 *1. Base Deposit. The City shall appropriate \$5,000,000 from the General Fund into the*
20 *HOPE SF Fund for fiscal year 2007-2008. In subsequent years, it shall be City policy to appropriate*
21 *the same base amount to the HOPE SF Fund, as well as the additional deposits described in*
22 *subsection (b)(2), below.*

23 *2. Additional Deposits. It shall be City policy to increase the base deposit described in*
24 *subsection (b)(1), above, each fiscal year in an amount equal to the tax revenues generated during the*
25 *prior fiscal year through construction and development activities on projects funded in whole or in part*

1 by the HOPE SF Fund. The Controller's calculation of the amount of such revenues with reference to
2 any particular project shall include the following:

3 A. The portion of property and possessory interest tax revenues allocated to the City's
4 General Fund under state law;

5 B. Property transfer tax revenues derived from the City's Real Property Transfer Tax
6 Ordinance (Article 12-C of the City Business and Tax Regulations Code);

7 C. Sales and use tax revenues derived from the Bradley-Burns Uniform Local Sales and
8 Use Tax Law (the 1% levy authorized under California Revenue and Taxation Code Section 7203.1);
9 and

10 D. Payroll tax revenues derived from the City's Payroll Expense Tax Ordinance
11 (Article 12-A of the City Business and Tax Regulations Code).

12 (c) Use of Fund.

13 1. The fund shall be used exclusively for the purpose of providing financial assistance to
14 the San Francisco Housing Authority and housing developers, where the contribution of monies from
15 the fund to a specific eligible HOPE SF Project described in clause (2) below will be accompanied by
16 an agreement as to the affordability of some or all units in such HOPE SF Project for persons and
17 families of very-low, low and moderate income as defined by the United States Department of Housing
18 and Urban Development. Such affordability shall be maintained for a period of not less than the
19 greater of fifty years or the useful life of the project.

20 2. There are two eligible types of HOPE SF Projects: public housing developments in
21 need of substantial rehabilitation; and public housing developments in need of demolition and new
22 construction of public housing in conjunction with affordable housing and market-rate housing. Funds
23 may be used to pay for the following:

1 A. Capital expenses typically associated with the development and/or rehabilitation of
2 public housing or affordable housing, including but not limited to infrastructure costs, construction
3 costs, design costs, permit fees, financing fees, capitalized reserves, and developer fees;

4 B. Administrative costs required to oversee the program;

5 C. Payment of debt service on any bond or lease financing issued by the City for HOPE
6 SF Fund-eligible purposes; and

7 D. Other activities associated with the development of any HOPE SF Project, subject to
8 the adopted rules and regulations described in paragraph (d) below.

9 3. Grants, Bequests, and Other Sources. The Controller shall also cause the following
10 to be deposited in the HOPE SF Fund: any and all grants, gifts, or bequests from private sources for
11 the purposes cited above; any monies repaid to the City as a result of loans of made by City to
12 developers from monies in the HOPE SF Fund to assist in the development of replacement public
13 housing and/or affordable housing associated with the replacement of public housing; any repayments
14 of monies to City where the City is beneficiary under a promissory note which was acquired as a result
15 of the City's housing affordability assistance from monies in the HOPE SF Fund; and any monies
16 otherwise allocated to the fund, all to the extent such monies are not required to be deposited in other
17 funds or applied to other purposes.

1 (d) Administration of Fund. The fund shall be administered by the Mayor's Office of Housing.
2 The Director of the Mayor's Office of Housing shall promulgate such rules and regulations as he or she
3 may deem appropriate to carry out the provisions of the fund. Such rules and regulations shall be
4 developed in consultation with any appropriate agencies or organizations with which the Director, or
5 his or her designee, may choose to consult. The rules and regulations shall be subject to a public
6 hearing and approved by resolution of the Board of Supervisors.

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8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10 By:

Michael J. Martin
Deputy City Attorney

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