Appropriating $20,000,000 of General Fund balance for Affordable Housing Projects, Real Ownership Opportunities for Tenants, and Rental Subsidies for Fiscal Year 2005-06.

Ordinance appropriating $20,000,000 of General Fund balance for Fiscal Year 2005-06, including $18,000,000 to the Mayor's Office of Housing for the acquisition, construction, and rehabilitation of affordable family housing, housing for seniors and persons with disabilities, and housing for persons who are currently homeless or who are at risk of being homeless; $1,000,000 to the Mayor's Office of Housing to fund the Real Ownership Opportunities for Tenants project and to establish criteria for the creation of the Real Ownership Opportunities for Tenants project; and $1,000,000 for the Human Services Agency to fund Family Rental Subsidies for Fiscal Year 2005-06.

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

Section 1. The source of funding outlined below is herein appropriated to reflect the funding available for Fiscal Year 2005-06.

**SOURCE Appropriation**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Index Code</th>
<th>Subobject</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1G AGF AAA – GF</td>
<td>CON1GAGFAAA</td>
<td>99999B Beginning</td>
<td>Unappropriated</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Non-Project</td>
<td></td>
<td>Fund Balance</td>
<td>Fund Balance</td>
<td></td>
</tr>
<tr>
<td>Controlled</td>
<td></td>
<td>Budget Basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total SOURCE Appropriation</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$20,000,000</strong></td>
</tr>
</tbody>
</table>

Supervisor Chris Daly
Board of Supervisors
Section 2. The uses of funding outlined below are herein appropriated and reflect the uses of funding to support Affordable Housing Projects, Real Ownership Opportunities for Tenants, and Rental Subsidies for Fiscal Year 2005-06.

**USES Appropriation**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Index Code</th>
<th>Project</th>
<th>Subobject</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor's Office of Housing, Affordable Housing Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1G AGF ACP</td>
<td>XXXXX</td>
<td>PMOXXX</td>
<td>06700</td>
<td>Buildings, Acquisition, Construction, and Rehabilitation of Family</td>
<td>$9,000,000</td>
</tr>
<tr>
<td>GF Continuing</td>
<td>2006 Low</td>
<td>Income</td>
<td>Improvements</td>
<td>Housing Affordable up to 60% SFMI Adjusted for Household Size.</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>GF Continuing</td>
<td>2006 Low</td>
<td>Income</td>
<td>Improvements</td>
<td>Housing for Seniors &amp; Persons with Disabilities Affordable up to 60% SFMI Adjusted for Household Size.</td>
<td></td>
</tr>
<tr>
<td>Fund</td>
<td>Index Code</td>
<td>Project</td>
<td>Subobject</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>------------</td>
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<td>-------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>1G AGF ACP</td>
<td>XXXX</td>
<td>PMOXXX</td>
<td>06700</td>
<td>Buildings, Structures, &amp; Income Improvements</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>GF Continuing</td>
<td>2006 Low</td>
<td>Income</td>
<td>Housing</td>
<td>Project - Budget</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Supportive Housing for Homeless Individuals or Extremely Low Income at Risk of Homelessness Living in Shelters, or in Tenuous Living Situations</td>
<td></td>
</tr>
</tbody>
</table>

**Mayor's Office of Housing, Real Ownership Opportunities for Tenants**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Index Code</th>
<th>Project</th>
<th>Subobject</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1G AGF ACP</td>
<td>XXXX</td>
<td>XXXX</td>
<td>XXXX</td>
<td>Affordable Permanent Cooperative Housing</td>
<td>$1,000,000</td>
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<tr>
<td>GF Continuing</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Human Services Agency</td>
<td>1G</td>
<td>XXXX</td>
<td>N/A</td>
<td>02700 Professional Services for Family Rental Subsidies</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**Total USES Appropriation**

$20,000,000

Section 3. The $18,000,000 of General Fund balance appropriated for affordable housing programs shall be allocated as follows: $9,000,000 for the acquisition, construction, and rehabilitation of family housing affordable up to 60% of the San Francisco Median Income (SFMI) adjusted for household size; $4,500,000 for the acquisition, construction, and rehabilitation of housing for seniors and persons with disabilities affordable up to 60% of the SFMI adjusted for household size; and $4,500,000 for supportive housing for homeless individuals or those individuals at risk of homelessness who are extremely low income, living in shelters, or are in tenuous living situations.

Supervisor Daly
Board of Supervisors
Section 4. The Mayor's Office of Housing shall administer the uses of funding for the affordable housing programs. Prior to expending any portion of these funds, the Mayor's Office of Housing shall present a plan for review by the Board of Supervisors. By December 6, 2006, and every six months thereafter until the appropriation is fully expended, the Mayor's Office of Housing shall report to the Board of Supervisors on the uses of these funds toward the development of affordable housing.

Section 5. The Controller shall not disburse any of the $1,000,000 appropriated for the Real Ownership Opportunities for Tenants Program and the City shall not expend such funds until the Controller has certified that the Mayor's Office of Housing or the Board of Supervisors has created the Real Ownership Opportunities for Tenants or equivalent program which shall include all of the following components:

(a) Provide a program designed to give grants only to 501(c)(3) non-profit organizations specifically chartered to provide permanent affordable housing. The types of organizations eligible for grants shall be clearly defined by the Mayor's Office of Housing or by ordinance by the Board of Supervisors and may either be a Resident Association or an outside organization working with residents.

(b) The program must provide that all projects funded with funds from this Supplemental Appropriation ("Funds") meet the following criteria to be outlined in a program manual established by the Mayor's Office of Housing or in an ordinance approved by the Board of Supervisors:

(1) Tenants benefiting from the grant must be households making no more than 80% of the Area Median Income;

(2) All housing purchases supported through the funds shall be purchased under a formula that restricts the price for 99 years with resale restrictions enforced by recorded deed.
restrictions and a ground lease with a validly formed Community Land Trust that gives the
Community Land Trust the right of first refusal to purchase the unit. Upon resale, a new 99
year ground lease would be executed with the new buyer, thereby maintaining the affordability
in perpetuity. The resale price may not be greater than the sum of the initial purchase price
plus 25% of the appreciation multiplied by the ratio of the initial purchase price divided by
appraised value at the time of initial purchase.

(3) Eligible projects must split the ownership of the land (which would be held by a
non-profit entity chartered to provide affordable housing) and the building with its
improvements (held by a residents association).

(4) Eligible projects must demonstrate that tenants representing a majority (60%) of
the units in a building must sign "Intent to Purchase" forms to begin the process. Applicants
must demonstrate how their cooperative is structured to provide a democratic decision making
process.

(5) This fund is intended to fund the creation of permanently affordable cooperatives
as defined by applicable local, state and federal laws. All buildings converted from rental to
cooperative housing are still subject to state and local condominium laws and restrictions.

(6) Tenants who do not wish to become cooperative owners must be allowed to rent
from the cooperative at the price as they did pre-conversion using a lifetime lease.

(7) Once sold, units must be owner-occupied, with certain exceptions made for up
to 12 months in any 3 year period. Subletting to roommates is allowable, but rent charged
can be no higher than the prorated costs to the owner.

(8) Proposals that would prevent displacement of existing tenants from eviction will
be given priority in the selection process.
After the Controller has authorized the disbursement of the Funds to the Mayor's Office of Housing, the Mayor's Office of Housing shall thereafter make an annual report to the Budget and Finance Committee on its expenditure of the Funds.

FUNDs AVAILABLE

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: See File for Signature

Deputy City Attorney

EDWARD M. HARRINGTON

Controller

By: See File for Signature
Ordinance appropriating $20,000,000 of General Fund balance for Fiscal Year 2005-06, including $18,000,000 to the Mayor’s Office of Housing for the acquisition, construction, and rehabilitation of affordable family housing, housing for seniors and persons with disabilities, and housing for persons who are currently homeless or who are at risk of being homeless; $1,000,000 to the Mayor’s Office of Housing to fund the Real Ownership Opportunities for Tenants project and to establish criteria for the creation of the Real Ownership Opportunities for Tenants project; and $1,000,000 for the Human Services Agency to fund Family Rental Subsidies for Fiscal Year 2005-06.

April 4, 2006 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

April 11, 2006 Board of Supervisors — FINALLY PASSED
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Excused: 1 - Alioto-Pier
I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 11, 2006 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom