

3/29/06

FILE NO. 060311

ORDINANCE NO. 71-06

RO#06036
SA#36

[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

Fund	Index Code	Subobject	Description	Amount
1G AGF AAA - GF	*CON1GAGFAAA	99999B Beginning	Unappropriated	\$20,000,000
Non-Project		Fund Balance -	Fund Balance	
Controlled		Budget Basis		
Total SOURCE Appropriation				\$20,000,000

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

4
 5 **USES Appropriation**

Fund	Index Code	Project	Subobject	Description	Amount
Mayor's Office of Housing, Affordable Housing Programs					
1G AGF ACP	XXXXX	PMOXXX –	06700 – Buildings,	Acquisition, Construction,	\$9,000,000
GF Continuing		2006 Low	Structures, &	and Rehabilitation of Family	
Projects		Income	Improvements	Housing Affordable up to	
		Housing	Project - Budget	60% SFMI Adjusted for Household Size.	
1G AGF ACP	XXXXX	PMOXXX –	06700 – Buildings,	Acquisition, Construction,	\$4,500,000
GF Continuing		2006 Low	Structures, &	and Rehabilitation of	
Projects		Income	Improvements	Housing for Seniors &	
		Housing	Project - Budget	Persons with Disabilities Affordable up to 60% SFMI Adjusted for Household Size.	

	Fund	Index Code	Project	Subobject	Description	Amount
1						
2	1G AGF ACP	XXXXX	PMOXXX –	06700 – Buildings,	Supportive Housing for	\$4,500,000
3	GF Continuing		2006 Low	Structures, &	Homeless Individuals or	
4	Projects		Income	Improvements	Extremely Low Income at	
5			Housing	Project - Budget	Risk of Homelessness	
6					Living in Shelters, or in	
7					Tenuous Living Situations	
8	Mayor's Office of Housing, Real Ownership Opportunities for Tenants					
9	1G AGF ACP	XXXX	XXXX	XXXX	Affordable Permanent	\$1,000,000
10	GF Continuing				Cooperative Housing	
11	Projects					
12	Human Services Agency					
13	1G	XXXX	N/A	02700	Professional Services for	\$1,000,000
14					Family Rental Subsidies	
15	Total USES Appropriation					<u>\$20,000,000</u>

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

25

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

7
8 Section 5. The Controller shall not disburse any of the \$1,000,000 appropriated for the
9 Real Ownership Opportunities for Tenants Program and the City shall not expend such funds
10 until the Controller has certified that the Mayor's Office of Housing or the Board of Supervisors
11 has created the Real Ownership Opportunities for Tenants or equivalent program which shall
12 include all of the following components:

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

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

22 (1) Tenants benefiting from the grant must be households making no more than
23 80% of the Area Median Income;

24 (2) All housing purchases supported through the funds shall be purchased under a
25 formula that restricts the price for 99 years with resale restrictions enforced by recorded deed

1 restrictions and a ground lease with a validly formed Community Land Trust that gives the
2 Community Land Trust the right of first refusal to purchase the unit. Upon resale, a new 99
3 year ground lease would be executed with the new buyer, thereby maintaining the affordability
4 in perpetuity. The resale price may not be greater than the sum of the initial purchase price
5 plus 25% of the appreciation multiplied by the ratio of the initial purchase price divided by
6 appraised value at the time of initial purchase

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

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

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

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

19 (7) Once sold, units must be owner-occupied, with certain exceptions made for up
20 to 12 months in any 3 year period. Subletting to roommates is allowable, but rent charged
21 can be no higher than the prorated costs to the owner.
22

23 (8) Proposals that would prevent displacement of existing tenants from eviction will
24 be given priority in the selection process.
25

1 (c) After the Controller has authorized the disbursement of the Funds to the Mayor's
2 Office of Housing, the Mayor's Office of Housing shall thereafter make an annual report to the
3 Budget and Finance Committee on its expenditure of the Funds.
4

5 FUNDS AVAILABLE

6
7 APPROVED AS TO FORM:

EDWARD M. HARRINGTON

8
9 DENNIS J. HERRERA, City Attorney

Controller

10
11 By: See File for Signature

By: See File for Signature

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13 Deputy City Attorney
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Ordinance

File Number: 060311

Date Passed:

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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

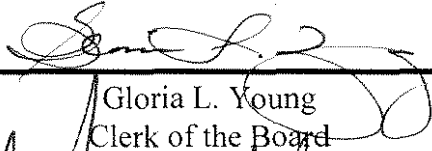
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval
Excused: 1 - Alioto-Pier

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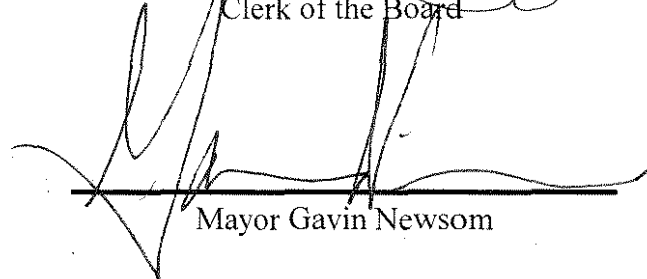
I hereby certify that the foregoing Ordinance was FINALLY PASSED on April 11, 2006 by the Board of Supervisors of the City and County of San Francisco.

4.20.06

Date Approved



Gloria L. Young
Clerk of the Board



Mayor Gavin Newsom