



FOR IMMEDIATE RELEASE:

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***** STATEMENT *****

**MAYOR LONDON BREED ON CONTROLLER'S
ANNOUNCEMENT OF \$415 MILLION WINDFALL
AVAILABLE TO SAN FRANCISCO**

Mayor Breed seeks to prioritize funding for homelessness and affordable housing from the \$181 million that will be available from the General Fund

San Francisco, CA – Today Controller Ben Rosenfield announced that San Francisco will recognize a roughly \$415 million windfall in newly available property tax revenue. Approximately \$181 million will be available to be spent from the General Fund after various mandated baselines and Rainy Day Reserves requirements have been met. Mayor Breed seeks to work with the Board of Supervisors to fund critical affordable housing and homelessness programs while additional homelessness spending is potentially held up in the courts.

“This funding creates an opportunity to immediately address major needs facing our City and deliver results for the people of San Francisco. Most importantly, we can get to work now on meeting the goals of Prop C while we deal with the legal uncertainty of our voter-approved funding on homelessness. The voters have been clear that this is a top priority for our city, and I am committed to investing in effective solutions that will help people to move off the streets and into housing.

With this funding we can invest in affordable housing, continue to expand our shelter capacity under my plan to add 1,000 new shelter beds, increase mental health and substance use treatment beds and programs, and create more immediate housing opportunities through programs like small sites acquisition and master-leasing properties for formerly homeless people. This funding also can be directed towards our efforts to conduct a comprehensive performance review our existing homelessness programming so the people of San Francisco have confidence that we are most effectively using this funding to deliver results. We can make a difference now to help people to move off our streets and help those suffering from mental health and substance use disorders, and I am committed to working with the Board of Supervisors and the community to make these priorities happen.

As we plan for how to spend these funds, it's important that we treat this as a one-time funding source. This funding is new to the City and due to legislative risk we simply don't know if the funding will be there as ongoing support in the upcoming years or at what level it might be available, so we should be cautious in making long-term, ongoing commitments. That means making one-time investments or short-term funding commitments that serve as a bridge to more sustainable funding sources like Prop C that may be implemented soon.



As required under our Charter, a significant portion of this funding will also be going to our budget reserves and to uses like transportation, public schools, libraries, children and family programming, and tree maintenance. Again, it's crucial as decisions are made within each of these priorities that we focus on one-time funding commitments, or as a bridge to longer-term funding sources when appropriate.

I look forward to working with the Board of Supervisors on how we can best allocate this funding to meet the most pressing needs our city.”

San Francisco will recognize approximately \$415 million in property taxes. Under state law, property taxes are distributed by the Controller to the City, school district, and other taxing entities within its borders, with a unique formula for each county. In 1992 and 1993, as a means of balancing the State budget, the State directed all counties to create an Educational Revenue Augmentation Fund (ERAF) and shift local property tax revenue to the fund. In San Francisco, 25% of collections from base property tax rate is allocated to ERAF.

As the property tax roll has grown by 20% in the last two years, the revenue has increased funding for ERAF to a level that exceeds the City's funding obligation, and as a result the excess property tax contributions will be returned to the City. The funding total is approximately \$415 million for Fiscal Years 2017-18 and 2018-2019. Approximately \$78 million of this funding must be allocated to various baselines and approximately \$156 million must go to Rainy Day Reserves, leaving approximately \$181 million available for other purposes.

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