



FOR IMMEDIATE RELEASE:

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***** PRESS RELEASE *****

**MAYOR LONDON BREED INTRODUCES LEGISLATION TO
APPROPRIATE \$181 MILLION TO HOMELESSNESS AND
AFFORDABLE HOUSING PROGRAMS**

Mayor Breed seeks to prioritize recently announced one-time windfall funding to help people off of the streets and into housing

San Francisco, CA – Today, Mayor London N. Breed introduced legislation to appropriate \$181 million to homelessness and affordable housing programs in San Francisco. This funding is the discretionary portion of a recently announced windfall of approximately \$415 million that the City is recognizing from newly available property tax revenue. The remainder of the funding will go to budget reserves and dedicated baseline uses including transportation, public schools, libraries, early care and education, children and family programming, and tree maintenance.

Mayor Breed's legislation, which is co-sponsored by Board of Supervisors President Malia Cohen, would direct \$90.5 million for affordable housing programs to the Mayor's Office of Housing and Community Development and \$90.5 million for homelessness programs to the Department of Homelessness & Supportive Housing and the Department of Public Health in Fiscal Year 2018-2019. Since this is one-time funding, the spending is intended to focus on one-time investments or as a bridge to more sustainable funding sources.

"The voters have been clear that homelessness and affordable housing are a top priority, and I am committed to investing in proven programs that help people off of the streets and into housing," said Mayor Breed. "As we wait for additional homelessness funding to become available, we can move now to create new affordable housing, continue expanding our shelter capacity under my plan to open 1,000 new shelter beds, and increase our mental health and substance use treatment beds and programs. I look forward to working with the Board of Supervisors in the coming weeks to determine how to best fund these programs."

"Committing this funding to our most urgent needs—housing, site acquisition, homeless services, and rehabilitating our public housing—is essential for protecting our most vulnerable San Franciscans, and is fully aligned with the City's well-established budget priorities," said Board President Cohen. "As Chair of the Budget Committee, I hope that the discussion at the Board will be in this spirit of collaboration and shared priorities."

Controller Ben Rosenfield announced last week that San Francisco will recognize a windfall of approximately \$415 million from 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.

The supplemental ordinance must sit for 30 days after introduction, which means the Board of Supervisors can begin holding hearings in January.

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