



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

SAN FRANCISCO  
FILED

**Ben Rosenfield**  
**Controller**

2016 MAR 14 PM 4:36

DEPARTMENT OF ELECTIONS • **Todd Rydstrom**  
**Deputy Controller**

March 14, 2016

Mr. John Arntz  
Department of Elections  
City Hall, Room 48  
San Francisco, CA 94102-4689

RE: Proposition C – Charter amendment regarding requirements and fees for affordable and inclusionary housing

Dear Mr. Arntz,

Should the proposed Charter amendment be approved by the voters, in my opinion, it would have both positive and negative impacts on City revenues. The City is likely to realize an increase in fees paid to develop affordable housing, an increase in the proportion of affordable housing units required in larger housing developments, and a reduction in property tax revenues given the lower taxable assessed values of these units. The magnitude of these changes will be affected by the requirements established in future ordinances, the impact of established fees on the rate of new housing unit construction, market conditions, and other factors.

The proposed amendment would remove the current Charter-mandated limits on the affordable and inclusionary housing requirements and fees that are applied to housing developments. The Board of Supervisors would instead be authorized to change these requirements and fees by ordinance.

The Charter amendment specifies varying interim requirements that would be in place for developments of 10 to 25 units and for developments of 25 units or more during the period between the passage of the amendment and the enactment of a future ordinance. These interim requirements are higher than those currently established in the Charter, and are likely to increase the proportion of units in these developments that are affordable or result in an increase in the one-time fees paid to the City to develop affordable housing. Increases in fees paid at these interim levels are likely to be offset by reductions in property taxes given lower assessed taxable value of affordable housing units versus market rate units. To the extent that requirements established in this interim period or in future ordinances slow the development of market-rate housing in the City, the loss of property tax revenues would be more pronounced.

This statement does not address the potential impacts of the proposed amendment on the local economy or housing prices generally.

Sincerely,

  
Ben Rosenfield  
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

