



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Mr. John Arntz
Department of Elections
City Hall 1 Dr. Carlton B. Goodlett Place Room 48
San Francisco, CA 94102-4689

August 19, 2022

RE: Proposition D – Affordable Housing – Initiative Petition

Dear Mr. Arntz,

Should the proposed Charter amendment and initiative be approved by the voters, in my opinion, it would minimally impact the cost of government.

The proposed Charter amendment would expedite approval of multi-family housing in three cases: where 100 percent of the residential units are affordable; with 10 or more residential units and at least 15 percent on-site affordable housing more than required by City law; and where 100 percent of residential units are for households that include at least one San Francisco Unified School District or City College employee, and where at least 80 percent of the residential units are affordable.

The proposed Charter amendment would exempt these affordable housing developments from any discretionary approvals if they comply with the Planning Code and would allow developments to proceed without environmental review under State law. San Francisco would have five to eight months to approve these developments, depending on the number of units.

To the extent that this Charter amendment shortens the approval process, the City's affordable housing projects could see cost savings due to shorter development and construction timelines on project costs. To the extent the Charter amendment results in an increase in affordable versus market rate housing production, either at lower assessed values or as tax-exempt properties, it could result in a future loss of property tax revenues. We consider it likely that both of these impacts will be modest given likely ranges of projects that would be eligible for the measure's accelerated review.

The Charter amendment also requires sponsors of projects with 10 or more residential units to pay prevailing wages. For projects of 40 or more residential units, project sponsors must pay for health coverage and have an apprenticeship program. This would require the City to adopt an ordinance to allow the Office of Labor Standards Enforcement to enforce these requirements.

Sincerely,
Janice Levy
Ben Rosenfield

FOR 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.