

Ballot Simplification Committee - DRAFT for Consideration on Tuesday, July 31, 2012

Affordable Housing *(working title only, subject to change)*

The Way It Is Now:

The Charter does not require the City to set aside money for affordable housing programs, but the City uses federal, State and local funds to support a number of affordable housing programs. These include programs to create and improve affordable housing, provide loans to assist with down payments, and help eligible homeowners and renters stay in their homes.

One of City's affordable housing programs requires private residential developers to either pay a fee to support affordable housing, provide on-site affordable housing units, or provide off-site affordable housing units. The percentage of required affordable units is usually 12-15% for on-site units or 17-20% for off-site units.

The State Constitution requires local voter approval before using public funds to develop, construct, or acquire low-income rental units.

The Proposal:

Proposition ___ would amend the Charter to establish a Housing Trust Fund ("the Fund"). The City would contribute \$20 million to the Fund in 2013 and an increased amount each year after that, up to a maximum of \$50.8 million in 2024. After 2024, the City would contribute an amount based on the \$50.8 million, but adjusted for changes in the City's General Fund revenues over time.

The City would use the Fund to:

- Build, purchase, and improve affordable housing;
- Provide \$15 million for a loan program that would provide down payment assistance for affordable housing or housing for emergency first responders, such as a police officers and firefighters; and
- Provide up to \$15 million for a program that would help eligible households avoid foreclosure or eviction, or improve the safety, accessibility, efficiency, or sustainability of their homes.

The City could also use money from the Fund for certain infrastructure projects to support increased residential density. Additionally, the City could issue revenue bonds for affordable housing and pay back those bonds with money from the fund.

Proposition ___ would also change the affordable housing requirements for private residential developments in two ways:

- Reduce the on-site affordable housing requirement to approximately 12% for most projects.
- Prohibit the City from increasing affordable housing requirements beyond those in place on January 1, 2013. This prohibition would not apply to certain projects, including those that receive specified incentives from the City or the State.

Proposition __ would expire automatically after 30 years. Also, the Mayor could cancel the amendment at any time before January 1, 2013, after considering the City's financial situation.

Proposition __ would authorize the development of up to 30,000 low income rental units in the City.

A "YES" Vote Means: If you vote "yes," you want to amend the Charter to create a Housing Trust Fund and change the affordable housing requirements imposed on private residential developers.

A "NO" Vote Means: If you vote "no," you do not want to make this change.

word count: 453 [suggested word limit: 300]