

April 15, 2026

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

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DEPARTMENT OF ELECTIONS

Dear Director Arntz:

We, the undersigned, are the proponents of a proposed initiative measure entitled the "Affordable Housing Guarantee Act." Enclosed herewith please find the following:

1. A copy of the text of a proposed initiative ordinance measure;
2. A Notice of Intent to Circulate Petition which sets forth the reasons for the proposed initiative measure;
3. A check for the filing fee in the amount of \$200 which I understand is refundable within one year if the measure qualifies for the ballot; and
4. A Declaration signed by me pursuant to California Elections Code Section 9608 relating to the proper use of signatures gathered on initiative petitions.

Pursuant to provisions of the California Elections Code and the San Francisco Municipal Elections Code , I request that a ballot title and summary be prepared by the City Attorney. It is my understanding that the City Attorney will prepare a title and summary within 15 days and that you will provide the summary to me upon receipt from the City Attorney.

Please provide the Title and Summary prepared by the City Attorney to me by email in a pdf format and by mail to:

Kyle Smeallie  
[REDACTED]  
San Francisco, CA 94102  
[REDACTED]

Please contact us if you require any additional information or have any questions. Thank you for your assistance.

Sincerely yours,

[REDACTED]  
Kyle Smeallie  
[REDACTED]  
San Francisco, CA 94102  
[REDACTED]

[REDACTED]  
Quintin Mecke  
[REDACTED]  
San Francisco, CA 94117  
[REDACTED]

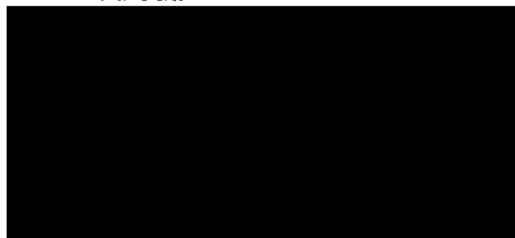
## NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the person whose name appears hereon of his intention to circulate the petition within the City and County of San Francisco for the purpose of qualifying an initiative for the San Francisco ballot entitled the "Affordable Housing Guarantee Act." A statement of the reasons of the proposed action as contemplated in the petition is as follows:

- In November 2020, San Francisco voters approved Proposition I with 58% support to increase the transfer tax on high-value real estate transactions, with the clear public expectation that these funds would support affordable housing and housing stability.
- Since its passage, Proposition I has generated more than \$400 million in revenue. However, in recent years, these funds have been diverted to non-housing purposes, even as San Francisco's housing affordability crisis has worsened.
- This measure does not create a new tax. It restores and dedicates an existing, voter-approved tax to its intended purpose: funding permanently affordable housing and preventing displacement.
- Proposition I is one of the only revenue sources capable of delivering funding at the scale required to address the crisis—generating approximately \$100 million annually on average, and up to \$200 million in strong market years.
- The measure ensures that funds are used to address the full spectrum of housing needs, including:
  - Building new permanently affordable housing
  - Preserving and acquiring existing housing to prevent displacement
  - Providing tenant protections, eviction defense, and homelessness prevention
- San Francisco faces an urgent and ongoing housing crisis, with rising rents, increasing displacement, and thousands of residents at risk of homelessness. The State has mandated the creation of tens of thousands of affordable homes, yet the City lacks a reliable, dedicated funding source to meet this need.
- The revenue for this measure comes from high-value (over \$10 million) property sales—particularly large commercial properties and luxury real estate—ensuring that those with the greatest ability to pay contribute to addressing the housing crisis.
- Therefore, by dedicating Proposition I revenues to affordable housing, this measure will guarantee a stable, long-term funding source to build, preserve, and protect housing for San Franciscans, and ensure that the will of the voters is carried out.

Dated: April 15, 2026

Dated: APR 15, 2026



**DECLARATION PURSUANT TO ELECTIONS  
CODE SECTION 9608**

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DEPARTMENT OF ELECTIONS...

Proponent's title of measure: Affordable Housing Guarantee Act

With regard to the above initiative measure, I am (check one):

- A proponent (submit this completed form to the Department of Elections)
- A person, company official, or other organizational officer who is in charge of signature gathering (submit this completed form to the proponent)
- A paid circulator (submit this completed form to the person, company official, or other organizational officer who is in charge of signature gathering)

I, Kyle Smeallik, acknowledge that it is a misdemeanor under state law (California Elections Code Section 18650) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot.

I, Quintin Mecke, acknowledge that it is a misdemeanor under state law (California Elections Code Section 18650) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot.

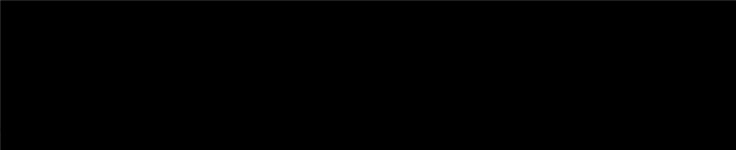
I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.



Signature

April 15, 2026

Date



Signature

April 15, 2026

Date

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DEPARTMENT OF CITY CLERK

**Affordable Housing Guarantee Act**

Ordinance dedicating revenue from the existing real estate transfer tax on properties valued at \$10 million or more exclusively to the protection, preservation, and production of affordable housing in San Francisco. It guarantees that funds cannot be diverted to other uses and creates new accountability requirements for how the money is spent.

NOTE: Unchanged Code text and uncodified text are in plain font.

Additions to Codes are in *single-underline italics* font.

Deletions to Codes are in *strikethrough-italics* font.

**WHEREAS**, San Francisco is in a housing emergency—working families, seniors, teachers, nurses, and longtime residents are being forced out of the city they call home because there is simply not enough affordable housing, and without urgent action, that crisis will only deepen; and

**WHEREAS**, Only 7% of San Francisco's public employees can afford current market rate rents, 40% of workers don't reside in San Francisco, median income public employees would have a rent-burden of 59% if they lived in non-rent-controlled housing, and San Francisco would have to triple affordable housing production to meet the range of housing needs to fit workers' wages according to the 2021 San Francisco Labor Council's Housing Our Workers Report; and

**WHEREAS**, the City must build 82,069 new homes by 2031 to meet its identified housing need, and more than half—nearly 47,000—must be affordable to the low- and moderate-income San Franciscans who cannot survive in the private market without help; and

**WHEREAS**, more than 17,000 affordable homes are fully approved and ready to build, but sit idle because the public funding to break ground has not been secured—every year of delay means more families displaced, more seniors evicted, more workers priced out, and building costs increase; and

**WHEREAS**, at our current pace, San Francisco is building affordable housing six times slower than required—averaging fewer than 900 affordable units per year when the City needs nearly 5,825—and faces a staggering \$26.6 billion funding gap over the next decade, with identified revenues covering less than 15 cents of every dollar needed; and

**WHEREAS**, San Francisco voters have already shown the way: the 2020 transfer tax on properties sold for \$10 million or more has generated more than \$200 million that prevented more than 25,000 evictions, removed hundreds of homes from the speculative market, and created over 550 new affordable homes, proving that when we spend this revenue on housing, it works; and

**WHEREAS**, this Measure does not raise taxes above rates already approved by the voters—it guarantees that money already collected from high-value property sales goes where San

Franciscans intended it to go: protecting, preserving, and producing affordable housing for the people who make this city run;

**THEREFORE**, the People of the City and County of San Francisco do ordain as follows:

Section 1. Purpose. The purposes of this Measure are to guarantee that the existing documentary transfer tax contributes to solving housing and homelessness in San Francisco by dedicating a portion of the existing revenue to specific housing and homelessness prevention strategies; to do so without raising taxes; to provide funding for new models of affordable and social housing; to prevent San Franciscans from falling into homelessness; to require mandatory audits and reporting of all monies raised and spent; and to ensure that these dedications and strategies cannot be changed without a vote of the people.

Section 2. Article 12-C of the Business and Tax Regulations Code is hereby amended by revising Section 1102, to read as follows:

**SEC. 1102. TAX IMPOSED.**

There is hereby imposed on each deed, instrument or writing by which any lands, tenements, or other realty sold within the City and County of San Francisco shall be granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by ~~his or her~~ their direction, when the consideration or value of the interest or property conveyed (not excluding the value of any lien or encumbrances remaining thereon at the time of sale) (a) exceeds \$100 but is less than or equal to \$250,000, a tax at the rate of \$2.50 for each \$500 or fractional part thereof; or (b) more than \$250,000 and less than \$1,000,000, a tax at the rate of \$3.40 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$250,000; or (c) at least \$1,000,000 and less than \$5,000,000, a tax at the rate of \$3.75 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$1,000,000; or (d) at least \$5,000,000 and less than \$10,000,000, a tax at the rate of \$11.25 for each \$500 or fractional part thereof for the entire value or consideration, including, but not limited to, any portion of such value or consideration that is less than \$5,000,000; or (e) at least \$10,000,000 and less than \$25,000,000, a tax at the rate of ~~\$27.50~~ \$13.75 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$10,000,000; or (f) at least \$25,000,000, a tax at the rate of ~~\$30~~ \$15 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$25,000,000. The Board of Supervisors of the City and County of San Francisco may enact ordinances, without further voter approval, that will exempt rent-restricted affordable housing, as the Board may define that term, from the tax imposed by this section.

Section 3. Article 12-C of the Business and Tax Regulations Code is hereby amended by adding Section 1102.3, to read as follows:

SEC. 1102.3 HOUSE SF TAX IMPOSED

In addition to and separate from any tax imposed under Section 1102, there is hereby imposed a tax known as the "House SF Tax" on each deed, instrument or writing by which any lands, tenements, or other realty sold within the City and County of San Francisco shall be granted, assigned, transferred or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by their direction, when the consideration or value of the interest or property conveyed (not excluding the value of any lien or encumbrances remaining thereon at the time of sale) (a) exceeds \$10,000,000 and less than \$25,000,000, a tax at the rate of \$13.75 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$10,000,000; or (b) at least \$25,000,000, a tax at the rate of \$15 for each \$500 or fractional part thereof for the entire value or consideration, including but not limited to, any portion of such value or consideration that is less than \$25,000,000. The Board of Supervisors of the City and County of San Francisco may enact ordinances, without further voter approval, that will exempt rent-restricted affordable housing, as the Board may define that term, from the increased tax rate in this section. This tax shall be collected at the same time and in the same manner as the tax imposed by Section 1102.

Any deed, instrument or writing that is exempt from the tax imposed under Section 1102, or any portion of the tax imposed under Section 1102, shall be exempt from the tax imposed by this section to the same extent it is exempt from the tax imposed under Section 1102.

Notwithstanding, any deed, instrument or writing that qualifies for the reduced tax rate pursuant to Section 1108.8 shall be exempt from the tax imposed by this section.

Notwithstanding Section 1102 herein, the House SF Tax shall not be imposed on any deed, instrument or writing meeting all of the following conditions:

- (a) it is the first sale following the issuance of the certificate of occupancy (whether this is a permanent certificate of occupancy or temporary certificate of occupancy) issued for the property;
- (b) the real property being transferred contains 4 or more dwelling units designed for permanent residential occupancy;
- (c) the certificate of occupancy for the dwelling units was issued after the effective date of this ordinance;
- (d) the certificate of occupancy for the dwelling units was issued within the previous 5 years;  
and
- (e) the newly constructed dwelling units resulted in a net increase in the total number of dwelling units on the real property.

Section 4. Article 12-C of the Business and Tax Regulations Code is hereby amended by adding Section 1114.1, to read as follows:

SEC. 1114.1. DEPOSIT OF PROCEEDS.

- (a) All monies collected under Section 1102.3 shall be deposited to the credit of the House SF Fund established in Administrative Code Section 10.100-12. The Fund shall be maintained separate and apart from all other City funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of any fiscal year shall be deemed to have been provided for specified purposes within the meaning of Charter Section 9.113(a) and shall be carried forward and accumulated in the Fund for the purposes described in Section 1114.2.
- (b) The Controller shall conduct a mandatory audit and file annually with the Board of Supervisors, by February 15 of each year, a report containing the amount of monies collected in and expended from the House SF Fund during the prior fiscal year, the status of any project required or authorized to be funded by Section 1114.2, the results of the mandatory audit, and such other information as the Controller, in the Controller's sole discretion, shall deem relevant to the operation of this Article 12-C.

Section 5. Article 12-C of the Business and Tax Regulations Code is hereby amended by adding Section 1114.2, to read as follows:

SEC. 1114.2. EXPENDITURE OF PROCEEDS.

Subject to the budgetary and fiscal provisions of the Charter, monies in the House SF Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

- (a) To the Tax Collector and other City Departments, for administration of Section 1102.3 and administration of the House SF Fund, which shall be no more than 5% of annual revenue.
- (b) Refunds of any overpayments of the tax imposed by Section 1102.3, including any related penalties, interest, and fees.
- (c) All remaining amounts to provide funding, including administrative costs, for the following House SF Programs:
- (1) No less than 60% of annual revenue shall be allocated to Affordable Housing Production Programs, to be used as follows:
- (A) At least 50% of Affordable Housing Production Programs funding shall be used for Alternative Models for Permanent Affordable Housing, as described in Administrative Code Section 10.100-12(c)(2)(A).
- (B) The remainder of Affordable Housing Production Programs funding shall be used for Multifamily Affordable Housing as described in Administrative Code Section 10.100-12(c)(2)(B).
- (2) No less than 25% of annual revenue shall be allocated to Preservation/Acquisition Programs, to be used as follows:

- (A) At least 60% of Preservation/Acquisition Programs funding shall be used for New Acquisitions as described in Administrative Code Section 10.100-12(c)(3)(A).
- (B) The remainder of Preservation/Acquisition Programs funding shall be used for Rehabilitation and Capital Stabilization of Existing Affordable Housing as described in Administrative Code Section 10.100-12(c)(3)(B).
- (3) No less than 10% of annual revenue shall be allocated to Tenant Stabilization/Homelessness Prevention Programs, to be used as follows:
  - (A) At least 50% of Tenant Stabilization/Homelessness Prevention Programs funding shall be used for Eviction Defense and Prevention as described in Administrative Code Section 10.100-12(c)(4)(A).
  - (B) The remainder of Tenant Stabilization/Homelessness Prevention Programs shall be used for Emergency Rental Assistance, as described in Administrative Code Section 10.100-12(c)(4)(B).
- (d) To the extent the expenditure of any monies from the House SF Fund results in, or contributes to, the development, construction, or acquisition of low rent housing projects in the City and County of San Francisco by public agencies, that development, construction, or acquisition is hereby deemed authorized by the People of the City and County of San Francisco, having been duly approved by a majority of qualified electors of the City, and with such authorization constituting the approval required by Article XXXIV of the California Constitution. The development, construction, and/or acquisition of low rent housing units authorized by this section shall be in addition to any other authorization of the development, construction, and/or acquisition of such housing by the voters of the City before or after adoption of this section. This section in no way restricts or limits the City's authority to develop or assist in the development of housing that is not subject to Article XXXIV. This Section 1114.2(d) shall be interpreted to maximize affordable housing production and acquisition. As used in this Section 1114.2(d), the terms "public agency", "develop", "construct", "acquire", and "low rent housing projects" shall be interpreted in accordance with Article XXXIV of the California Constitution, California Health and Safety Code Section 37000 et seq., and any successor legislation thereto.
- (e) Nothing in this Ordinance shall limit the City's ability to issue bonds consistent with Charter Section 16.110(f) or any other authority, so long as the proceeds from bonds backed by monies collected under Section 1102.3 are expended consistent with this section.

Section 6. Article 12-C of the Business and Tax Regulations Code is hereby amended by repealing Section 1119:

**~~SEC. 1119. AMENDMENT OF ARTICLE.~~**

~~The Board of Supervisors may amend or repeal this Article 12-C by ordinance without a vote of the people except as limited by the California Constitution.~~

Section 7. Article XIII of Chapter 10 of the Administrative Code is hereby amended by adding Section 10.100-12, to read as follows:

**SEC. 10.100-12. HOUSE SF FUND.**

(a) **Establishment of Fund.** The House SF Fund (the "Fund") is established as a category eight fund to receive any monies appropriated or donated for the purpose of providing funds for the purposes enumerated in Section 10.100-12(b).

(b) **Purposes of Fund.** The goals and purposes of the House SF Fund are:

- (1) Improving access to permanently affordable housing for vulnerable populations including but not limited to seniors in Lower Income Households, formerly homeless persons, persons with disabilities, veterans, single-parent households, youth in transition, and survivors of domestic violence.
- (2) Addressing the City's residents' need for affordable housing and tenant protections in each of the Supervisorial Districts, Affirmatively Furthering Fair Housing goals, Housing Element goals and Regional Housing Needs Assessment affordable housing allocations.
- (3) Prioritizing expenditure of housing production funding for Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, and Low Income Households categories and prioritizing expenditure of rental subsidy funding for Acutely Low Income Households and Extremely Low Income Households categories.
- (4) Increasing the supply of affordable housing served by transit, and providing housing stability and tenant protections in communities served by transit.
- (5) Preserving the City's existing supply of affordable housing, whether currently subsidized, facing expiration of subsidy, or unsubsidized.
- (6) Deploying programs and policies funded through this initiative in such a way as to address racial segregation, dismantle racially exclusionary practices, and promote racial equity in housing, academic, and economic opportunities.
- (7) Utilizing public land for affordable housing produced through this program, including but not limited to underutilized land owned by the City and County of San Francisco or other government agencies.
- (8) Establishing new funding and programs for the creation, preservation and acquisition of affordable housing and homelessness prevention that supplement existing City funding and programs.

(c) **Use of Fund.** All expenditures from this Fund shall be made for the purpose of administering and implementing the House SF Program in the amounts specified in Section 1114.2(c) of Article 12-C of the Business and Tax Regulations Code.

(1) **Definitions**

(A) "Acutely Low Income Households" shall have the same meaning as in Section 50063.5 of the California Health and Safety Code.

(B) "Affirmatively Furthering Fair Housing" shall have the same meaning as in Section 8899.50 of the California Government Code.

- (C) "City" means the City and County of San Francisco.
- (D) "Community Land Trust" means a nonprofit corporation within Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following: (I) Has as its primary purposes the creation and maintenance of permanently affordable single-family or multifamily residences; (II) All dwellings and units located on the land owned by the nonprofit corporation are sold to a qualified owner to be occupied as the qualified owner's primary residence or rented to Lower Income Households or Moderate Income Households, or held by the nonprofit corporation for the same purpose; (III) When a dwelling or unit that is situated on land owned by the nonprofit corporation is sold to a qualified owner, the land is leased by the nonprofit corporation to the qualified owner for the convenient occupation and use of that dwelling or unit for a renewable term of 99 years.
- (E) "Department" means the San Francisco Mayor's Office of Housing and Community Development, or any other agency or department designated by the Board of Supervisors.
- (F) "Extremely Low Income Households" shall have the same meaning as in Section 50106 of the California Health and Safety Code.
- (G) "Limited-Equity Housing Cooperative" shall have the same meaning as in Section 817 of the California Civil Code.
- (H) "Low Income Households" shall mean Lower Income Households whose gross incomes exceed the maximum for Very Low Income Households.
- (I) "Lower Income Households" shall have the same meaning as in Section 50079.5 of the California Health and Safety Code.
- (J) "Moderate Income Households" shall have the same meaning as the term "Persons and families of moderate income" as defined in Section 50093(b) of the California Health and Safety Code.
- (K) "Very Low Income Households" shall have the same meaning as in Section 50105 of the California Health and Safety Code.
- (2) Affordable Housing Production Program funds shall be allocated in the following categories, according to the allocations set forth in Section 1114.2 of the Business and Tax Regulations Code:
- (A) **Alternative Models for Permanent Affordable Housing.** Funding for Alternative Models for Permanent Affordable Housing may only be used for programs that result in the construction, acquisition, rehabilitation, adaptive reuse, lease, preservation, or operation of supportive or affordable rental or mixed rental/homeowner projects, or to pay the principal and interest on debt incurred for such purpose. This funding shall only be used for Social Housing Developments, as defined in Section 10.100-78(e), subject to the following conditions:
- i) Residents shall have the right to participate directly and meaningfully in decision-making concerning the operation and management of the project.



- adequate to manage and administer the affordable housing project, through a process determined by the Department.
- iii) All units shall be subject to a covenant that meets the requirements of subsection 10.100-12(c)(5)(B).
  - iv) Notwithstanding the affordability provisions set forth in subsections 10.100-12(c)(5)(A) and 10.100-12(c)(5)(B) of this Section, existing residents of properties acquired pursuant to this New Acquisitions program shall not be permanently displaced, even if their incomes exceed the Lower Income Household limits, or any lower income limit set for a unit. Projects shall achieve 100 percent occupancy by Lower Income Households (or any lower project-specific income limit) over time through unit turnover.
  - v) Through a process that the Department shall determine, the entity that acquires a property shall submit a plan for engaging residents in building management and operations, which may include a plan for tenant ownership such as a Limited-Equity Housing Cooperative. The Department shall cooperate with and facilitate plans for tenant ownership, and shall not unreasonably impose requirements that prohibit such ownership conversion.
  - vi) Project funding may take the form of grants or loans, but shall not require the leveraging of additional forms of funding if such additional funding makes any of the conditions set forth in this subsection infeasible, or if funding precludes the future conversion of the property to tenant ownership.
  - vii) Funds may be used to acquire, install, construct, or rehabilitate housing, including Accessory Dwelling Units ("ADUs") and Junior Accessory Dwelling Units ("JDUs"), so long as all ADUs and JDUs are used as affordable rental housing or affordable homeownership. The Department may verify the use of ADUs and JDUs covered by this provision from time to time.
- (B) Rehabilitation and Capital Stabilization of Existing Affordable Housing.** Funding for Rehabilitation and Capital Stabilization of Existing Affordable Housing may only be used for programs that result in the improvement or stabilization of existing affordable housing, including capital repairs, seismic upgrades, energy retrofits, operating subsidies, the creation or replenishment of operating reserves, or to pay the principal and interest on debt incurred for such purpose, subject to the following conditions:
- i) Properties receiving funding must either be subject to a recorded covenant or restriction limiting occupancy of at least 80% of the property's residential units to households earning at or below 120% of area median income, or owned by a Limited-Equity Housing Cooperative.

- ii) Operating subsidies may only be provided for units subject to a recorded covenant or restriction limiting occupancy to Very Low Income Households, Extremely Low Income Households, or Acutely Low Income Households.
  - iii) No funds may be used if the rehabilitation or repair will result in the permanent displacement of residents.
  - iv) If the rehabilitation or repair will result in the temporary relocation of existing residents, any such award of funds must be inclusive of the costs of temporary relocation consistent with federal, state, and local law.
  - v) Funds may be used for the acquisition of affordable housing only if being used to make offers to purchase assisted housing developments which are required to provide qualified entities an opportunity to purchase under California Government Code Section 65863.11, by acting within the deadlines established by that law.
- (4) Tenant Stabilization/Homelessness Prevention Program funds shall be allocated in the following categories, according to the allocations set forth in Section 1114.2 of the Business and Tax Regulations Code:
- (A) **Eviction Defense and Prevention.** Funding for Eviction Defense and Prevention may only be used for programs that provide funding for a right-to-counsel program to provide housing-related legal services to tenants threatened with eviction; programs that provide tenant outreach, education, and navigation services, including but not limited to providing information about tenant rights and the Tenant Stabilization/Homelessness Prevention Program; and/or programs that fund nonprofit organizations to monitor and enforce protections against tenant harassment and other tenant rights, and to inform tenants of such protections and support them in exercising their rights.
  - (B) **Emergency Rental Assistance.** Funding for Emergency Rental Assistance may only be used for programs that provide short-term emergency funding to tenant households at risk of becoming homeless. Funds must stabilize low-income tenants at risk of losing their housing due to one-time economic shocks, and may cover the entirety of rent payments for up to 6 months. Priority eligibility shall be established for Lower Income Households.
- (5) For purposes of the programs described in subsections 10.100-12(c)(2) and 10.100-12(c)(3) of this Section, the following shall apply to the maximum extent allowed by federal and state law:
- (A) **Affordability.** All units in a funded project shall be affordable to and occupied by Acutely Low Income Households, Extremely Low Income Households, Very Low Income Households, or Low Income Households, except as allowed by subsections 10.100-12(c)(2)(A) and 10.100-12(c)(3)(A)(iv). The Department shall adopt a policy to prevent the

displacement of households that qualified for a unit upon initial occupancy but thereafter exceed the income limits. Such households may be charged a rent commensurate with their current income levels.

- (B) **Covenants.** The programs described herein are intended to provide dedicated housing that is affordable to households at the respective levels of income that occupy the housing units, whether as owner-occupants or tenants, and whose housing cost or rent does not exceed the affordable housing cost or affordable rent for households at such income levels. Each property and each affordable housing unit funded pursuant to subsections 10.100-12(c)(2) and 10.100-12(c)(3) of this Section shall be made subject to a recorded covenant acceptable to the Department and recorded with the San Francisco Assessor-Recorder's Office, that meets each of the following requirements:
- i) Each housing unit in the project shall be used exclusively as a residence for households at the respective income level.
  - ii) The housing cost or rent for such housing unit shall be no more than an affordable housing cost or affordable rent at the respective level of income.
  - iii) No housing unit may be leased or subleased, except to a household at the level of affordability and for no more than an affordable rent for which the unit was dedicated.
  - iv) Any resale of rental property funded by this initiative shall be restricted to nonprofit entities or Limited-Equity Housing Cooperatives, including but not limited to affordable housing corporations and Community Land Trusts, to ensure the continued use of the dwelling units as affordable housing as provided in this section. This restriction may be lifted only in cases of transfers by foreclosure or other similar conveyance.
  - v) In the case of owner-occupied housing units, initial sales and all resales shall be restricted to purchasers whose household income does not exceed the income level to which the unit is dedicated and who do not pay in excess of affordable housing cost at that income level; or to Limited-Equity Housing Cooperatives or similar entities providing for resident ownership and affordability in perpetuity.
  - vi) The term of the affordability restrictions contained in the covenant shall be in perpetuity, or such other maximum length of time as may be permitted by applicable law, except that an affordability covenant with a fixed term of no less than 55 years shall be acceptable only if necessary to meet requirements of other funding sources.
  - vii) The affordability restrictions shall be senior to and not subordinated to any lien, deed of trust or condition or restriction to

be recorded against the property, except for any land use-related affordability covenant, such that any entity taking title to the property or a dwelling unit by foreclosure or deed-in-lieu of foreclosure shall take subject to the affordability restrictions. This requirement may be relaxed to the minimum extent necessary to provide flexibility regarding the seniority of affordability restrictions, in a manner to be determined based on the requirements of other public funders.

- (C) **Replacement, Relocation and Right of First Refusal.** Funding provided pursuant to the Affordable Housing Production Program or Preservation/Acquisition Program shall comply with all federal, state, and local requirements regarding replacement housing, relocation assistance, and rights of first refusal for displaced persons.
- (D) To qualify for funding from the Affordable Housing Production Program or Preservation/Acquisition Program, an applicant must demonstrate a history of affordable housing development and/or affordable housing property management experience, as the Department defines those terms consistently with the purpose of the House SF Fund. Community Land Trusts and Limited- Equity Housing Cooperatives may demonstrate a history of affordable housing development and/or affordable property management experience, as the Department defines those terms consistently with the purpose of the House SF Fund, by (a) partnering with experienced nonprofit organizations, or (b) showing evidence of staff capacity adequate to manage and administer the affordable housing project, as determined by the Department and consistent with the purpose of the House SF Fund.
- (E) Notwithstanding this Section, Affordable Housing Production Program funds and/or Preservation/Acquisition Program funds may be used to repay bonded indebtedness provided that the bond proceeds are used consistent with the requirements of those programs.
- (6) Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 3, 2026, the appropriations limit for the City shall be increased by the aggregate sum collected by the levy of the tax imposed under Section 1102.3 of the Business and Tax Regulations Code.
- (d) **Administration of Fund.** The Department shall administer the House SF Fund, and in that capacity may expend funds for a range of eligible uses in accordance with annual program goals and priorities set forth per subsection 10.100-12(b), and enter into loan or grant agreements under terms as determined in the House SF Fund regulations.
- (e) **Reporting.** The Department shall submit a report annually by February 15 to the Board of Supervisors and the Mayor, on the use of the House SF Fund during the preceding calendar year, which shall include, but need not be limited to, the amounts approved for disbursement to specific uses, the number and size of sites acquired and type (including

improved or vacant), the scope of rehabilitation work for improved sites, the number of units developed or assisted by the House SF Fund, the neighborhoods/geography of projects funded, the impact on racial equity, and overall program implementation goals for the current fiscal year and proposed priorities for the next fiscal year. The report to the Board of Supervisors shall be accompanied by a draft motion for the Board to accept the report.

- (f) **Fund Regulations.** The Department is authorized to develop program rules and regulations regarding use of monies in the House SF Fund, including regulatory agreements to ensure perpetual affordability of funded projects, to best achieve the purposes of the Fund. No housing funded under this program shall be allowed to be used for Short-Term Residential Rental as defined in Administrative Code Section 41A.4.
- (g) **Amendment.** The People of the City and County of San Francisco authorize the Board of Supervisors to enact ordinances, without further voter approval, to amend this Section 10.100-12 or any other provision of the initiative measure which adopted it, provided, however, that:
- (1) Such amendments shall further or facilitate the purposes stated in subsection 10.100-12(b);
  - (2) No such amendment may increase the tax imposed pursuant to Sections 1102 or 1102.3 of Article 12-C of the Business and Tax Regulations Code within the meaning of California Government Code Section 53750(h) without the voter approval required by Article XIII of the California Constitution; and
  - (3) No such amendment may expand the eligible uses of the House SF Tax revenue or the House SF Fund to allow funding of Interim Housing or residential housing projects where fewer than 80% of the units are subject to a covenant restricting occupancy to income qualified households with a maximum average affordability of 80% of the median income. For purposes of this subsection, "Interim Housing" shall mean any facility whose primary purpose is to provide a temporary shelter and which (A) does not require occupants to sign residential leases or occupancy agreements, including but not limited to congregate shelter; or (B) does not provide residents with the tenant protections afforded under state and local landlord-tenant law.

Section 8. Scope of Ordinance. In enacting this ordinance, the People of the City and County of San Francisco intend to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Administrative Code and Business and Tax Regulations Code that are explicitly shown in this ordinance as additions or deletions, in accordance with the "Note" that appears under the official title of the ordinance.

Section 9. Amendment After Submission. Notwithstanding Section 8, in enacting this ordinance, the People of the City and County of San Francisco intend Sections 2 through 6 of this ordinance to amend Article 12-C of the Business and Tax Regulations code as it read on April 1, 2026. If Article 12-C of the Business and Tax Regulations code is amended between April 1, 2026 and the effective date of this ordinance, this ordinance does hereby reenact Article 12-C of the Business and Tax Regulations code as it read on April 1, 2026 as amended by Sections 2 through 6 of this ordinance.

Section 10. Effective Date. The effective date of this ordinance shall be ten days after the date the official vote count is declared by the Board of Supervisors.

Section 11. Competing Measures. In the event that this Measure and another local measure relating to the real estate transfer tax or affordable housing funding appear on the same ballot, the People of the City and County of San Francisco declare their intent that if both measures are approved, this Measure shall prevail over the other measure to the extent they are in conflict to the maximum extent permitted by law, regardless of the number of votes cast for each measure. If this Measure receives a greater number of affirmative votes than any competing measure, the provisions of this Measure shall control in the case of any conflict.

Section 12. Severability. If any provision of this Measure or the application thereof to any person or circumstance is held invalid, the remainder of the Measure and the application of such provision to other persons or circumstances shall not be affected thereby except that the legal effectiveness and actual collection of the tax authorized by this Measure is a condition precedent to the reduction of the tax rate imposed by Section 1102 of the Business and Tax Regulations Code.