

1 [General Obligation Bond Election - Affordable Housing - Not to Exceed \$300,000,000]

2

3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the construction, development, acquisition, and/or rehabilitation of rental affordable**
5 **housing projects, and related costs necessary or convenient for the foregoing**
6 **purposes; to be financed through bonded indebtedness in an amount not to exceed**
7 **\$300,000,000, subject to independent citizen oversight and regular audits; authorizing**
8 **landlords to pass-through 50% of the resulting property tax increase, if any, to**
9 **residential tenants under Administrative Code, Chapter 37; providing for the levy and**
10 **collection of taxes to pay both principal and interest on such bonds; affirming a**
11 **determination under the California Environmental Quality Act; and finding that the**
12 **proposed Bond is consistent with the General Plan, and with the eight priority policies**
13 **of Planning Code, Section 101.1**

14

15 WHEREAS, The General Plan 2022 Housing Element (“2022 Housing Element”) of the
16 City and County of San Francisco (“City”) details the City’s goals, objectives, and
17 corresponding policies and programs to meet the housing needs of all San Francisco
18 residents, with a focus on racial and social equity; and

19 WHEREAS, This includes the objective to substantially expand the amount of
20 affordable housing for extremely low- to moderate-income households and expand housing
21 opportunities for middle-income households (as defined in Section 3 below) (2022 Housing
22 Element, Objectives 4.A and 4.B), as well as the requirement for San Francisco to plan for
23 and support the production of 46,598 affordable housing units over the next eight years as
24 mandated by the Regional Housing Needs Allocation Plan; and.

25

1 WHEREAS, The U.S Department of Housing and Urban Development (HUD) considers
2 housing to be “affordable” when a household spends 30 percent or less of its income on
3 housing costs, including rent and utilities; and

4 WHEREAS, In 2022, the median rent for a 2-bedroom was \$3,800, affordable to a
5 household earning \$137,000; and

6 WHEREAS, Less than 40 percent of San Francisco households earn this income (2022
7 Housing Element, Goal 4); and

8 WHEREAS, The need for affordable housing was severely exacerbated during the
9 COVID-19 pandemic, when the City’s unemployment rate rose to 13 percent in April 2020
10 from 2.2 percent in February 2020; and

11 WHEREAS, As a result, the City invested in policies and programs to support residents
12 at risk of eviction, foreclosure, and displacement due to loss of income related to the
13 pandemic; and

14 WHEREAS, These investments included (i) establishment of the Emergency Rental
15 Assistance Program, (ii) expansion of the Homeowner Emergency Loan Program, and (iii)
16 issuance of a moratorium on evictions due to nonpayment of rent; and

17 WHEREAS, While these policies and programs provided temporary support,
18 overwhelming demand far exceeded and continues to exceed the City’s available resources;
19 and

20 WHEREAS, The City’s economy is still recovering from the pandemic, and the impacts
21 of the pandemic will have lasting effects, particularly for families and individuals that were
22 disproportionately impacted by the pandemic (2022 Housing Element, Figure 33); and

23 WHEREAS, The City’s ability to produce the affordable rental housing it needs has
24 been significantly impacted by the limited availability of state and federal resources; and
25

1 WHEREAS, From 2018 to 2022, for every \$1 of local funding invested by the City to
2 create affordable housing, the City’s affordable housing projects received \$2 in funding from
3 state and federal sources; and

4 WHEREAS, As detailed in the 2024 Affordable Housing Bond Report, the economic
5 environment for affordable housing has changed significantly in recent years, with state
6 affordable housing funding programs becoming more competitive and severely
7 oversubscribed, including the state’s allocation of volume cap for tax-exempt housing revenue
8 bonds; and

9 WHEREAS, The City contributes significant resources to ensure project delivery; and

10 WHEREAS, San Francisco voters have approved measures to create local funds
11 dedicated to the construction, preservation, and rehabilitation of affordable housing, including
12 the 2012 Housing Trust Fund and affordable housing general obligation bonds in 2015 and
13 2019; and

14 WHEREAS, The City’s local funds from the 2015 and 2019 bonds are projected to be
15 exhausted by 2028 (2024 Affordable Housing Bond Report); and

16 WHEREAS, Additional sources of affordable housing funds from the City’s impact fees
17 have been decreasing due to the economic environment, such as the Jobs-Housing Linkage
18 Fee (Planning Code, Sec. 413), the Inclusionary Affordable Housing Program (Planning Code,
19 Sec. 415), various development agreements, and other impact fees; and

20 WHEREAS, Funding from such sources decreased by 95 percent between Fiscal Year
21 2019-2020 and Fiscal Year 2021-2022; and

22 WHEREAS, Moreover, the Office of the Controller’s FY 2023-2024 and 2024-2025
23 Revenue Letter projects only modest tax revenue growth over the coming years, severely
24 limiting the amount of resources the City will have to fund the development of affordable
25 housing; and

1 WHEREAS, The City’s economic future and ongoing recovery will ultimately depend on
2 its ability to produce and preserve enough affordable housing to ensure the City’s
3 economically diverse households can equitably access housing and remain stably housed in
4 San Francisco; and

5 WHEREAS, Failure to meet this need will result in the displacement of more
6 households to areas with more affordable housing; and

7 WHEREAS, This displacement could result in (i) greater disparity between above
8 moderate-income and lower-income households in the City with little change to the City’s
9 median income levels as determined by the U.S. Census Bureau; and (ii) long commutes,
10 road congestion, and environmental harm as people seek affordable housing at greater
11 distances from where they work; and

12 WHEREAS, The City places high importance on job quality and training opportunities in
13 the local construction industry; and

14 WHEREAS, The City and past recipients of City funding have worked with local
15 stakeholders to successfully implement the City’s longstanding policy goal that all construction
16 projects receiving public funds should advance, to the extent financially feasible and legally
17 permissible, job quality and training opportunities; and

18 WHEREAS, It is in the best interest of the City that affordable housing construction
19 projects be subject to strong labor standards and antidiscrimination protections, to the extent
20 feasible, to ensure that such projects are built with the highest degree of skill and as quickly
21 as possible, to meet the City’s urgent need for housing; and

22 WHEREAS, It is in the best interest of the City that project developers of affordable
23 housing projects work with local worker representatives and advocates to develop health and
24 safety standards and protections, to the extent feasible, that will allow workers to construct
25 essential affordable housing quickly and safely; and

1 WHEREAS, In 2021, the City adopted its San Francisco Climate Action Plan (“CAP”),
2 which identifies that one of the most effective ways to reduce greenhouse gas emissions is to
3 ensure San Francisco has dense and affordable infill housing, with not less than 30% of its
4 projected goals of 5,000 new housing units affordable to low- and lower-income households;
5 and

6 WHEREAS, The CAP states that providing more housing in San Francisco affordable
7 to workers will make it easier for the City’s first-responders, service industry workforce,
8 teachers and medical workers to live close to where they work, instead of commuting long
9 distances by car and generating more greenhouse gas emissions; and

10 WHEREAS, This Board of Supervisors (“Board”) unanimously approved the CLEE
11 Report (Center for Law, Energy and the Environment at UC Berkeley), which outlined
12 potential funding sources for the CAP, and unanimously recommended to the Office of
13 Resilience and Capital Planning that a Climate Bond be incorporated into the City’s 10 year
14 Capital Plan; and

15 WHEREAS, It is in the best interest of the City that all construction projects, including
16 affordable housing construction projects, incorporate strong climate protections, to the extent
17 feasible, to ensure that such projects are built with the strongest possible climate standards;
18 and

19 WHEREAS, New construction of affordable housing built on City-owned land will be
20 subject to the green building standards under Environment Code Chapter 7; and

21 WHEREAS, It is in the best interest of the City that project developers of affordable
22 housing projects work with local climate advocates to develop appropriate climate standards
23 and protections, to the extent feasible; and

24 WHEREAS, According to the Department of Homelessness and Supportive Housing
25 (“HSH”), cisgender women and women-identified individuals make up 31% of the total number

1 of homeless or marginally-housed individuals documented by the City, yet an exhaustive
2 survey conducted by the Women’s Housing Coalition of HSH and the Mayor’s Office of
3 Housing and Community Development (“MOHCD”) shelter and housing inventory found only
4 92 out of 23,500 units of permanent affordable housing and 101 out of 3,084 total shelter beds
5 dedicated for cisgender women and women-identified individuals, making up less than one
6 percent and 3.27% of the need for women-specific safe permanent housing and shelter
7 respectively; and

8 WHEREAS, According to HSH, over 75% of women and women-identified homeless
9 have experienced violence on the streets or in shelters, with over 43% experiencing sexual
10 violence, with a 2019 statewide study by the CA Policy Lab documenting that 80% of
11 unsheltered women reporting sexual or violent abuse as the cause of their homelessness; and

12 WHEREAS, According to HSH, 24% of homeless women have had to voluntarily give
13 up primary caretaking responsibilities due to housing instability or homelessness, and 26%
14 have been pregnant while homeless; and

15 WHEREAS, Between 2019-2020, while 900 women survivors were reported to have
16 received placement in victim-specific shelter and permanent housing programs, over 2,684
17 women survivors of street violence, sexual exploitation and/or domestic violence were turned
18 away from Victim Service Provider-Emergency and Transitional Housing, demonstrating that
19 for every survivor who received safe housing that year, at least another three did not; and

20 WHEREAS, According to HSH’s 2022/2023 survey of women experiencing
21 homelessness, 56% indicated they had been homeless for over one year, including 11% who
22 confirmed they were homeless with their children with them and 21% who confirmed they
23 could be with their children if they had different housing; and

24 WHEREAS, HSH, the Department on the Status of Women, the Department of Public
25 Health, MOHCD, and the Board convened a half-day retreat with the Women’s Housing

1 Coalition and affordable housing providers who made recommendations on addressing the
2 plight of unhoused and marginally housed cisgender and women-identified survivors of
3 violence and abuse, including implementing easier and quicker access to housing, women-
4 only safe and secure shelter and long-term housing; and

5 WHEREAS, According to the State’s Homeless Data Integration System, between
6 2017 and 2021, while California’s senior population over the age of 55 years of age grew by
7 7%, the number of seniors who became homeless as a result of increased housing and
8 healthcare costs, job loss or displacement increased by 84%, a national trend that is
9 particularly exacerbated in the Bay Area, which is one of the most expensive areas to live in
10 the United States; and

11 WHEREAS, The California Department of Finance released a population forecast in
12 2023 showing that San Francisco’s population of seniors 80 years of age or older is expected
13 to triple in the next four decades, going from 48,000 seniors in 2020 to nearly 137,000 seniors
14 by 2060, while at the same time, the City’s overall population is expected to decline from
15 about 870,000 people in 2020 to 845,000 in 2060, highlighting a significant need for
16 affordable housing for seniors; and

17 WHEREAS, San Francisco’s Department of Aging and Adult Services’ (DAAS) 2021
18 Overview Report on Affordable Housing for Seniors and People with Disabilities confirm that
19 seniors aging in place in San Francisco are spending 75% or more of their monthly, fixed
20 income on rent each month, and struggling to pay for other necessities like food and bills; and

21 WHEREAS, The proposed Bond will provide a portion of the critical funding necessary
22 to construct, reconstruct, develop, acquire, improve, rehabilitate, repair, and preserve rental
23 affordable housing projects in the City, and to expand homeownership opportunities for San
24 Franciscans; now, therefore, be it

1 RESOLVED, The Board determines and declares that the public interest and necessity
2 demand the construction, development, acquisition, and/or rehabilitation of rental affordable
3 housing projects in the City for households ranging from extremely low-income to moderate-
4 income households, and the payment of related costs necessary or convenient for the
5 foregoing purposes; and, be it

6 FURTHER RESOLVED, Proceeds of the Bonds will be used to fund the costs of capital
7 projects that will (i) construct, develop, acquire, and/or rehabilitate new affordable rental
8 housing serving extremely low-income households, very low-income households, and lower-
9 income households; (ii) acquire, construct, develop, and/or rehabilitate rental housing, so as
10 to preserve it as affordable for lower-income households and moderate-income households;
11 and (iii) acquire, construct, develop, and/or rehabilitate housing for extremely-low income
12 households, very low-income households, and/or lower-income households who need safe
13 and stable housing and are experiencing (a) trauma-informed homelessness, (b) street
14 violence, (c) domestic violence and abuse, (d) sexual abuse and assault, and/or (e) human
15 trafficking; and, be it

16 FURTHER RESOLVED, The estimated cost of \$300,000,000 for the San Francisco
17 Affordable Housing Bond is and will be too great to be paid out of the ordinary annual income
18 and revenue of the City, will require an expenditure greater than the amount allowed by the
19 annual tax levy, and will require the incurrence of bonded indebtedness in an amount not to
20 exceed \$300,000,000, subject to independent citizen oversight and regular audits; and, be it

21 FURTHER RESOLVED, That MOHCD and recipients of funding from bond proceeds
22 authorized by this measure are strongly encouraged to work collaboratively with local
23 stakeholders during the project development process, to adopt and implement strong labor
24 standards, antidiscrimination protections, health and safety standards, and protections, on all
25

1 projects financed with bond proceeds authorized by this measure, to the extent feasible; and
2 be it

3 FURTHER RESOLVED, That MOHCD and recipients of funding from bond proceeds
4 authorized by this measure are strongly encouraged to work collaboratively with local climate
5 advocates and the Department of the Environment, during the project development process,
6 to adopt and implement strong climate standards and protections on all projects financed with
7 bond proceeds authorized by this measure, to the extent feasible; and be it

8 FURTHER RESOLVED, That MOHCD will work with HSH and relevant stakeholders to
9 ensure that up to \$30,000,000 of Bond proceeds will be allocated to construct, develop,
10 acquire, and/or rehabilitate housing for extremely-low income households, very low-income
11 households, and/or lower-income households who need safe and stable housing, and are
12 experiencing (i) trauma-informed homelessness, (ii) street violence, (iii) domestic violence and
13 abuse, (iv) sexual abuse and assault, and/or (v) human trafficking, which population is
14 overwhelming cisgender women and women-identified; and be it

15 FURTHER RESOLVED, That it is in the best interest of the City that housing for low-
16 income seniors be prioritized in the City's work to meet the state-mandated Housing Element
17 requirement to build 46,000 new affordable housing units in the next eight years; and be it

18 FURTHER RESOLVED, The Planning Department has determined that the actions
19 contemplated in this resolution comply with the California Environmental Quality Act
20 (California Public Resources Code Section 21000 et seq.); and, be it

21 FURTHER RESOLVED, Said determination is on file with the Clerk of the Board of
22 Supervisors in File No. 230972 and is incorporated herein by reference; and be it

23 FURTHER RESOLVED, The Board affirms this determination; and, be it

24 FURTHER RESOLVED, On September 22, 2023, the Planning Department issued its
25 General Plan Referral Report finding that the actions contemplated in this resolution are

1 consistent, on balance, with the City’s General Plan and eight priority policies of Planning
2 Code Section 101.1; and, be it

3 FURTHER RESOLVED, The Board adopts these findings as its own; and, be it

4 FURTHER RESOLVED, A copy of said General Plan Referral Report is on file with the
5 Clerk of the Board of Supervisors in File No. 230972, and is incorporated herein by reference;
6 and, be it

7 FURTHER RESOLVED, The time limit for approval of this resolution specified in
8 Administrative Code, Section 2.34 is waived; and, be it

9 FURTHER RESOLVED, Under Administrative Code, Section 2.40, the ordinance
10 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-
11 through 50% of the resulting property tax increases, if any, to residential tenants in
12 accordance with Administrative Code, Chapter 37, as such chapter may be amended from
13 time to time; and, be it

14 FURTHER RESOLVED, The City hereby declares its official intent to reimburse prior
15 expenditures of the City incurred or expected to be incurred prior to the issuance and sale of
16 any series of the Bonds in connection with the San Francisco Affordable Housing Bond. The
17 Board hereby declares the City’s intent to reimburse the City with the proceeds of the Bonds
18 for the expenditures with respect to the San Francisco Affordable Housing Project (the
19 “Expenditures” and each, an “Expenditure”) made on and after that date that is no more than
20 60 days prior to the adoption of this Resolution; and, be it

21 FURTHER RESOLVED, The City reasonably expects on the date hereof that it will
22 reimburse the Expenditures with the proceeds of the Bonds; and, be it

23 FURTHER RESOLVED, Each Expenditure was and will be either (i) of a type properly
24 chargeable to a capital account under general federal income tax principles (determined in
25 each case as of the date of the Expenditure), (ii) a cost of issuance with respect to the Bonds,

1 (iii) a nonrecurring item that is not customarily payable from current revenues, or (iv) a grant to
2 a party that is not related to or an agent of the City so long as such grant does not impose any
3 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
4 City. The maximum aggregate principal amount of the Bonds expected to be issued for the
5 Project is \$300,000,000. The City shall make a reimbursement allocation, which is a written
6 allocation by the City that evidences the City's use of proceeds of the applicable series of
7 Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on
8 which the Expenditure is paid or the related portion of the Project is placed in service or
9 abandoned, but in no event more than three years after the date on which the Expenditure is
10 paid. The City recognizes that exceptions are available for certain "preliminary expenditures,"
11 costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the
12 year of issuance and not the year of expenditure) and Expenditures for construction projects
13 of at least 5 years; and, be it

14 FURTHER RESOLVED, Documents referenced in this resolution are on file with the
15 Clerk of the Board of Supervisors in File No. 230972, which is hereby declared to be a part of
16 this resolution as if set forth fully herein.

17
18 APPROVED AS TO FORM:
19 DAVID CHIU
20 City Attorney

21
22 By: /s/ KENNETH D. ROUX
23 KENNETH D. ROUX
24 Deputy City Attorney
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