

File No. 230969

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date October 25, 2023

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PLN General Plan Referral 8/17/2023</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PLN CEQA Determination</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>FYI Referral Mandated 9/15/2023</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>FYI Referral Planning 9/15/2023</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>FYI Referral Controller 9/15/2023</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>CON Costing Analysis Letter 10/18/2023</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Brent Jalipa Date October 19, 2023

Completed by: Brent Jalipa Date _____

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

2

3 **Ordinance calling and providing for a special election to be held in the City and County**
 4 **of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to**
 5 **San Francisco voters a proposition to incur bonded indebtedness of not to exceed**
 6 **\$300,000,000 to finance the construction, reconstruction, development, acquisition,**
 7 **improvement, rehabilitation, preservation, and repair of rental affordable housing**
 8 **projects, and to expand homeownership opportunities through the Downpayment**
 9 **Assistance Loan Program; and related costs necessary or convenient for the foregoing**
 10 **purposes; authorizing landlords to pass-through 50% of the resulting property tax**
 11 **increase to residential tenants under Administrative Code, Chapter 37; providing for**
 12 **the levy and collection of taxes to pay both principal and interest on such Bonds;**
 13 **incorporating the provisions of the Administrative Code relating to the Citizens'**
 14 **General Obligation Bond Oversight Committee's review of Affordable Housing Bond**
 15 **expenditures; setting certain procedures and requirements for the election; affirming a**
 16 **determination under the California Environmental Quality Act; and finding that the**
 17 **proposed Bond is consistent with the General Plan, and with the eight priority policies**
 18 **of Planning Code, Section 101.1.**

19 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
 20 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 21 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 22 **Board amendment additions** are in double-underlined Arial font.
 23 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 24 **Asterisks (* * * *)** indicate the omission of unchanged Code
 25 subsections or parts of tables.

24 Be it ordained by the People of the City and County of San Francisco:

1 Section 1. Findings.

2 A. The City and County of San Francisco (“City”)’s General Plan 2022 Housing
3 Element (“2022 Housing Element”) details the City’s goals, objectives, and corresponding
4 policies and programs to meet the housing needs of all San Francisco residents, with a focus
5 on racial and social equity. This includes the objective to substantially expand the amount of
6 affordable housing for extremely low- to moderate-income households and expand housing
7 opportunities for middle-income households (as defined in Section 3 below) (2022 Housing
8 Element, Objectives 4.A and 4.B), as well as the requirement for San Francisco to plan for
9 and support the production of 46,598 affordable housing units over the next eight years as
10 mandated by the Regional Housing Needs Allocation Plan.

11 B. The U.S Department of Housing and Urban Development (HUD) considers
12 housing to be “affordable” when a household spends 30 percent or less of its income on
13 housing costs, including rent and utilities. By this definition, the median condominium price of
14 \$1.2 million is affordable to households making \$222,000 annually. Less than 25 percent of
15 San Francisco households earn this income and less than 10 percent of San Francisco
16 workers have this salary. In 2022, the median rent for a 2-bedroom apartment was \$3,800,
17 affordable to a household earning \$137,000; less than 40 percent of San Francisco
18 households earn this income. (2022 Housing Element, Goal 4).

19 C. The need for affordable housing was severely exacerbated during the
20 COVID-19 pandemic, when the City’s unemployment rate rose to 13 percent in April 2020
21 from 2.2 percent in February 2020. As a result, the City invested in policies and programs to
22 support residents at risk of eviction, foreclosure, and displacement due to loss of income
23 related to the pandemic. These investments included (i) establishment of the Emergency
24 Rental Assistance Program, (ii) expansion of the Homeowner Emergency Loan Program, and
25 (iii) issuance of a moratorium on evictions due to nonpayment of rent.

1 D. While these policies and programs provided temporary support, overwhelming
2 demand far exceeded and continues to exceed the City's available resources. The City's
3 economy is still recovering from the pandemic, and the impacts of the pandemic will have
4 lasting effects, particularly for families and individuals that were disproportionately impacted
5 by the pandemic (2022 Housing Element, Figure 33).

6 E. The City's ability to produce the affordable rental housing it needs has been
7 significantly impacted by the limited availability of state and federal resources. From 2018 to
8 2022, for every \$1 of local funding invested by the City to create affordable housing, the City's
9 affordable housing projects received \$2 in funding from state and federal sources. As detailed
10 in the 2024 Affordable Housing Bond Report, the economic environment for affordable
11 housing has changed significantly in recent years, with state affordable housing funding
12 programs becoming more competitive and severely oversubscribed, including the state's
13 allocation of volume cap for tax-exempt housing revenue bonds.

14 F. The City contributes significant resources to ensure project delivery. San
15 Francisco voters have approved measures to create local funds dedicated to the construction,
16 preservation, and rehabilitation of affordable housing, including the 2012 Housing Trust Fund
17 and affordable housing general obligation bonds in 2015 and 2019. The City's local funds
18 from the 2015 and 2019 bonds are projected to be exhausted by 2028 (2024 Affordable
19 Housing Bond Report). Additional sources of affordable housing funds from the City's impact
20 fees have been decreasing due to the economic environment, such as the Jobs-Housing
21 Linkage Fee (Planning Code, Sec. 413), the Inclusionary Affordable Housing Program
22 (Planning Code, Sec. 415), various development agreements, and other impact fees. Funding
23 from such sources decreased by 95 percent between Fiscal Year 2019-2020 and Fiscal Year
24 2021-2022. Moreover, the Office of the Controller's FY 2023-2024 and 2024-2025 Revenue
25

1 Letter projects only modest tax revenue growth over the coming years, severely limiting the
2 amount of resources the City will have to fund the development of affordable housing.

3 G. The City’s economic future and ongoing recovery will ultimately depend on its
4 ability to produce and preserve enough affordable housing to ensure the City’s economically
5 diverse households can equitably access housing and remain stably housed in San
6 Francisco. Failure to meet this need will result in the displacement of more households to
7 areas with more affordable housing. This displacement could result in (i) greater disparity
8 between above moderate-income and lower-income households in the City with little change
9 to the City’s median income levels as determined by the U.S. Census Bureau; and (ii) long
10 commutes, road congestion, and environmental harm as people seek affordable housing at
11 greater distances from where they work.

12 H. The proposed Bond is recommended by the City’s 10-year capital plan,
13 approved each odd-numbered year by the Mayor and this Board (“Board”).

14 I. The proposed Bond will provide a portion of the critical funding necessary to
15 construct, reconstruct, develop, acquire, improve, rehabilitate, repair, and preserve rental
16 affordable housing projects in the City, and to expand homeownership opportunities for San
17 Franciscans (as further defined in Section 3 below).

18 Section 2. A special election is called and ordered to be held in the City on Tuesday,
19 March 5, 2024, for the purpose of submitting to the electors of the City a proposition to incur
20 bonded indebtedness of the City for the programs described in the amount and for the
21 purposes stated (herein collectively, the “Project”):

22 “SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$300,000,000 to construct,
23 reconstruct, develop, acquire, improve, rehabilitate, repair, and preserve housing that will be
24 affordable to households ranging from extremely low-income to moderate-income households;
25 and to expand downpayment assistance loan programs for eligible households, including

1 middle-income households, to support first-time homebuyers who would otherwise not be able
2 to purchase a primary residence in San Francisco; with a duration of up to 30 years from the
3 time of issuance, an estimated average tax rate of \$0.0057/\$100 of assessed property value,
4 and projected average annual revenues of \$25,000,000, all subject to independent citizen
5 oversight and regular audits; and authorizing landlords to pass-through to residential tenants
6 in units subject to Administrative Code Chapter 37 (the “Residential Rent Stabilization and
7 Arbitration Ordinance”) 50 percent of the increase in the real property taxes attributable to the
8 cost of the repayment of such Bonds.”

9 The special election called and ordered to be held hereby shall be referred to in this
10 ordinance as the “Bond Special Election.

11 Section 3. PROPOSED PROGRAM. The City intends to allocate the Bond
12 proceeds described below to provide to extremely low-, very low-, lower-, moderate- and
13 middle-income households in San Francisco affordable housing rental and homeownership
14 opportunities in accordance with policies and programs set forth by the 2022 Housing
15 Element. “Median Income” is the median income for the City and County of San Francisco
16 determined annually by the Mayor’s Office of Housing and Community Development
17 (“MOHCD”), adjusted solely for household size, and derived in part from the income limits and
18 area median income determined by HUD for the San Francisco Metro Fair Market Rent Area,
19 but not adjusted for a high housing cost area. For this Bond, income levels are defined as
20 follows: households earning up to 30 percent of Median Income are “extremely low-income”;
21 households earning up to 50 percent of Median Income are “very low-income”; households
22 earning up to 80 percent of Median Income are “lower-income households”; households
23 earning up to 120 percent of Median Income are “moderate-income households”; and
24 households earning 120 percent to 200 percent of Median Income are “middle-income
25 households.” Contractors and City departments shall comply with all applicable City laws

1 when awarding contracts or performing work funded with the proceeds of Bonds authorized by
2 this measure.

3 A. CONSTRUCTION: Up to \$258,000,000 of Bond proceeds will be allocated to
4 construct, reconstruct, develop, acquire, rehabilitate, repair, and improve new affordable
5 rental housing serving extremely low-income households, very low-income households, and
6 lower-income households.

7 B. PRESERVATION: Up to \$30,000,000 of Bond proceeds will be allocated to
8 acquire, construct, reconstruct, repair, develop, rehabilitate, and improve rental housing, so as
9 to preserve it as affordable for lower-income households and moderate-income households.

10 C. DOWNPAYMENT ASSISTANCE: Up to \$12,000,000 of Bond proceeds will be
11 allocated to expand the City's Downpayment Assistance Loan Program to assist prospective
12 first-time homebuyers who would otherwise not be able to purchase a market-rate residence
13 in San Francisco. This portion of the Bond shall be allocated to MOHCD's existing programs
14 that provide downpayment assistance loans to eligible households earning up to 200 percent
15 of Median Income, including loans to assist middle-income households described in 2022
16 Housing Element Objective 4.B.

17 D. CITIZENS' OVERSIGHT COMMITTEE. A portion of the Bond shall be used to
18 perform audits of the Bond, as further described in Section 4 and Section 16 below.

19 Section 4. BOND ACCOUNTABILITY MEASURES.

20 The Bonds shall include the following administrative rules and principles:

21 A. OVERSIGHT. The proposed Bond funds shall be subject to approval processes
22 and rules described in the San Francisco Charter and Administrative Code. Pursuant to
23 Administrative Code Section 5.31, the Citizens' General Obligation Bond Oversight
24 Committee shall conduct an annual review of Bond spending, and shall provide an annual
25 report of the Bond program to the Mayor and the Board.

1 B. TRANSPARENCY. The City shall create and maintain a web page outlining and
2 describing the bond program, progress, and activity updates. The City shall also hold an
3 annual public hearing and review on the bond program and its implementation before the
4 Capital Planning Committee and the Citizens' General Obligation Bond Oversight Committee.

5 Section 5. The estimated cost of the bond-financed portion of the project described
6 in Section 2 above was fixed by the Board by the following Resolution and in the amount
7 specified below:

8 Resolution No. _____, on file with the Clerk of the Board in File
9 No. 230970 \$300,000,000.

10 Such resolution was passed by two-thirds or more of the Board and approved by the
11 Mayor. In such resolution it was recited and found by the Board that the sum of money
12 specified is too great to be paid out of the ordinary annual income and revenue of the City in
13 addition to the other annual expenses or other funds derived from taxes levied for those
14 purposes and will require expenditures greater than the amount allowed by the annual tax
15 levy.

16 The method and manner of payment of the estimated costs described in this ordinance
17 are by the issuance of Bonds by the City not exceeding the principal amount specified.

18 Such estimate of costs as set forth in such resolution is adopted and determined to be
19 the estimated cost of such bond-financed improvements and financing, respectively.

20 Section 6. The Bond Special Election shall be held and conducted and the votes
21 received and canvassed, and the returns made and the results ascertained, determined, and
22 declared as provided in this ordinance and in all particulars not recited in this ordinance such
23 election shall be held according to the laws of the State of California ("State") and the Charter
24 of the City ("Charter") and any regulations adopted under State law or the Charter, providing
25

1 for and governing elections in the City, and the polls for such election shall be and remain
2 open during the time required by such laws and regulations.

3 Section 7. The Bond Special Election is consolidated with the Presidential Primary
4 Election scheduled to be held in the City on Tuesday, March 5, 2024 (“Presidential Primary
5 Election”). The voting precincts, polling places, and officers of election for the Presidential
6 Primary Election are hereby adopted, established, designated, and named, respectively, as
7 the voting precincts, polling places, and officers of election for the Bond Special Election
8 called, and reference is made to the notice of election setting forth the voting precincts, polling
9 places, and officers of election for the Presidential Primary Election by the City’s Director of
10 Elections to be published in the official newspaper of the City on the date required under the
11 laws of the State.

12 Section 8. The ballots to be used at the Bond Special Election shall be the ballots to
13 be used at the Presidential Primary Election. The word limit for ballot propositions imposed by
14 Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond
15 Special Election, in addition to any other matter required by law to be printed thereon, shall
16 appear the following as a separate proposition:

17 “SAN FRANCISCO AFFORDABLE HOUSING BONDS. To construct, reconstruct,
18 repair, develop, acquire, improve, rehabilitate, and preserve housing that will be affordable to
19 households ranging from extremely low-income to moderate-income households; and to
20 expand downpayment assistance loan programs for eligible households, including middle-
21 income households, to support first-time homebuyers who would otherwise not be able to
22 purchase a primary residence in San Francisco; shall the City and County of San Francisco
23 issue \$300,000,000 in general obligation bonds with a duration of up to 30 years from the time
24 of issuance, an estimated average tax rate of \$0.0057/\$100 of assessed property value, and
25

1 projected average annual revenues of \$25,000,000, subject to independent citizen oversight
2 and regular audits?”

3 The City’s current debt management policy is to maintain the property tax rate for City
4 general obligation bonds below the 2006 rate by issuing new general obligation bonds as
5 older ones are retired and the tax base grows, though this property tax rate may vary based
6 on other factors.

7 Each voter to vote in favor of the foregoing bond proposition shall mark the ballot in the
8 location corresponding to a “YES” vote for the proposition, and to vote against the proposition
9 shall mark the ballot in the location corresponding to a “NO” vote for the proposition.

10 Section 9. If at the Bond Special Election it shall appear that two-thirds of all the
11 voters voting on the proposition voted in favor of and authorized the incurring of bonded
12 indebtedness for the purposes set forth in such proposition, then such proposition shall have
13 been accepted by the electors, and the Bonds authorized shall be issued upon the order of
14 the Board. Such Bonds shall bear interest at a rate not exceeding that permitted by law.

15 The votes cast for and against the proposition shall be counted separately and when
16 two-thirds of the qualified electors, voting on the proposition, vote in favor, the proposition
17 shall be deemed adopted.

18 Section 10. The actual expenditure of Bond proceeds provided for in this ordinance
19 shall be net of financing costs.

20 Section 11. For the purpose of paying the principal and interest on the Bonds, the
21 Board shall, at the time of fixing the general tax levy and in the manner for such general tax
22 levy provided, levy and collect annually each year until such Bonds are paid, or until there is a
23 sum in the Treasury of the City, or other account held on behalf of the Treasurer of the City,
24 set apart for that purpose to meet all sums coming due for the principal and interest on the
25 Bonds, a tax sufficient to pay the annual interest on such Bonds as the same becomes due

1 and also such part of the principal thereof as shall become due before the proceeds of a tax
2 levied at the time for making the next general tax levy can be made available for the payment
3 of such principal.

4 Section 12. This ordinance shall be published in accordance with any State law
5 requirements, and such publication shall constitute notice of the Bond Special Election and no
6 other notice of the Bond Special Election hereby called need be given.

7 Section 13. The Planning Department has determined that the actions contemplated
8 in this ordinance comply with the California Environmental Quality Act (California Public
9 Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the
10 Board of Supervisors in File No. 230969 and is incorporated herein by reference. The Board
11 affirms this determination.

12 Section 14. On August 17, 2023, the Planning Department issued its General Plan
13 Referral Report finding that the actions contemplated in this ordinance are consistent, on
14 balance, with the City's General Plan and eight priority policies of Planning Code Section
15 101.1. The Board adopts these findings as its own. A copy of said General Plan Referral
16 Report is on file with the Clerk of the Board of Supervisors in File No. 230969, and is
17 incorporated herein by reference.

18 Section 15. Under Section 53410 of the California Government Code, the Bonds shall
19 be for the specific purpose authorized in this ordinance and the proceeds of such Bonds will
20 be applied only for such specific purpose. The City will comply with the requirements of
21 Sections 53410(c) and 53410(d) of the California Government Code.

22 Section 16. The Bonds are subject to, and incorporate by reference, the applicable
23 provisions of Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond
24 Oversight Committee"). Consistent with Administrative Code Section 5.31, to the extent
25 permitted by law, 0.1% of the gross proceeds of the Bonds shall be deposited in a fund

1 established by the Controller’s Office and appropriated by the Board of Supervisors at the
2 direction of the Citizens’ General Obligation Bond Oversight Committee to cover the costs of
3 such committee.

4 Section 17. The time requirements specified in Administrative Code Section 2.34 are
5 waived.

6 Section 18. The City hereby declares its official intent to reimburse prior expenditures
7 of the City incurred or expected to be incurred prior to the issuance and sale of any series of
8 the Bonds in connection with the Project. The Board hereby declares the City’s intent to
9 reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project
10 (the “Expenditures” and each, an “Expenditure”) made on and after that date that is no more
11 than 60 days prior to the passage of this ordinance. The City reasonably expects on the date
12 hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

13 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
14 account under general federal income tax principles (determined in each case as of the date
15 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring
16 item that is not customarily payable from current revenues. The maximum aggregate principal
17 amount of the Bonds expected to be issued for the Project is \$300,000,000. The City shall
18 make a reimbursement allocation, which is a written allocation by the City that evidences the
19 City’s use of proceeds of the applicable series of Bonds to reimburse an Expenditure, no later
20 than 18 months after the later of the date on which the Expenditure is paid or the related
21 portion of the Project is placed in service or abandoned, but in no event more than three years
22 after the date on which the Expenditure is paid. The City recognizes that exceptions are
23 available for certain “preliminary expenditures,” costs of issuance, certain de minimis
24 amounts, expenditures by “small issuers” (based on the year of issuance and not the year of
25 expenditure) and Expenditures for construction projects of at least five years.

1 Section 19. Landlords may pass through to residential tenants under the Residential
2 Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37) 50 percent of
3 any property tax increase that may result from the issuance of Bonds authorized by this
4 ordinance. The City may enact ordinances authorizing tenants to seek waivers from the pass-
5 through based on financial hardship.

6 Section 20. The appropriate officers, employees, representatives, and agents of the
7 City are hereby authorized and directed to do everything necessary or desirable to accomplish
8 the calling and holding of the Bond Special Election, and to otherwise carry out the provisions
9 of this ordinance.

10 Section 21. Documents referenced in this ordinance are on file with the Clerk of the
11 Board of Supervisors in File No. 230969, which is hereby declared to be a part of this
12 ordinance as if set forth fully herein.

13
14 APPROVED AS TO FORM:
15 DAVID CHIU,
16 City Attorney

17 By: /s/ KENNETH D. ROUX
18 KENNETH D. ROUX
19 Deputy City Attorney
20 n:\financ\as2023\2300394\01704184.docx

LEGISLATIVE DIGEST

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

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$300,000,000 to finance the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and to expand homeownership opportunities through the Downpayment Assistance Loan Program; and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

Existing Law

General Obligation Bonds of the City and County of San Francisco may be issued only with the assent of two-thirds of the voters voting on the proposition.

Ballot Proposition

This ordinance authorizes the following ballot proposition to be placed on the March 5, 2024 ballot:

“SAN FRANCISCO AFFORDABLE HOUSING BONDS. To construct, reconstruct, repair, develop, acquire, improve, rehabilitate, and preserve housing that will be affordable to households ranging from extremely low-income to moderate-income households; and to expand downpayment assistance loan programs for eligible households, including middle-income households, to support first-time homebuyers who would otherwise not be able to purchase a primary residence in San Francisco; shall the City and County of San Francisco issue \$300,000,000 in general obligation bonds with a duration of up to 30 years from the time of issuance, an estimated average tax rate of \$0.0057/\$100 of assessed property value, and projected average annual revenues of \$25,000,000, subject to independent citizen oversight and regular audits?”

The ordinance fixes the maximum rate of interest on the Bonds, and provides for a levy and collection of taxes to repay both the principal and interest on the Bonds. The ordinance also

FILE NO. 230969

describes the manner in which the Bond Special Election will be held, and the ordinance provides for compliance with applicable state and local laws. The proposed ordinance includes accountability and transparency measures.

The ordinance allows landlords to pass through to residential tenants 50% of any property tax increase to tenants under the under the Residential Rent Stabilization and Arbitration Ordinance, and authorizes the Board of Supervisors' to adopt future ordinances authorizing tenants to seek waivers from the pass-through based on financial hardship.

Background Information

The City and County of San Francisco ("City")'s General Plan 2022 Housing Element ("2022 Housing Element") details the City's goals, objectives, and corresponding policies and programs to meet the housing needs of all San Francisco residents, with a focus on racial and social equity. This includes the objective to substantially expand the amount of affordable housing for extremely low- to moderate-income households and expand housing opportunities for middle-income households (as defined in Section 3 below) (2022 Housing Element, Objectives 4.A and 4.B), as well as the requirement for San Francisco to plan for and support the production of 46,598 affordable housing units over the next eight years as mandated by the Regional Housing Needs Allocation Plan.

While City policies and programs provided temporary support, overwhelming demand far exceeded and continues to exceed the City's available resources. The City's economy is still recovering from the pandemic, and the impacts of the pandemic will have lasting effects, particularly for families and individuals that were disproportionately impacted by the pandemic (2022 Housing Element, Figure 33).

The proposed Bond will provide a portion of the critical funding necessary to construct, reconstruct, develop, acquire, improve, rehabilitate, repair, and preserve rental affordable housing projects in the City, and to expand homeownership opportunities for San Franciscans.

The Board of Supervisors found that the amount of money specified for this project is and will be too great to be paid out of the ordinary annual income and revenue of the City, and will require expenditures greater than the amount allowed therefor by the annual tax levy.

n:\financ\as2023\2300394\01704186.doc

<p>Items 8 - 11 Files 23-0969, 23-0970, 23-0971, 23-0972 <i>(Resolutions continued from 9/27/23 meeting)</i></p>	<p>Departments: Controller (CON) Mayor’s Office of Housing & Community Development (MOHCD)</p>
--	---

EXECUTIVE SUMMARY

Legislative Objectives

File 23-0969: is an ordinance that would call and provide for a special election on March 5, 2024 to request voter approval for a \$300 million of general obligation bond to fund three affordable housing programs: (1) \$258 million for new rental housing, (2) \$30 million to preserve rental housing, and (3) \$12 million for homeownership downpayment assistance.

File 23-0971: is an ordinance that would provide for a special election on March 5, 2024 to request voter approval for a \$300 million of general obligation bond to fund three affordable housing programs: (1) \$240 million for new rental housing, (2) \$30 million to preserve rental housing, and (3) \$30 million for rental housing for victims and survivors of homelessness and violence.

Files 23-0970 and 23-0972: are resolutions that would determine and declare that incurring the proposed debt is in the public interest and necessity.

Key Points

- The FY 2024-2033 Capital Plan includes a schedule of planned debt and other capital financing. The schedule shows a \$340 million general obligation bond for affordable housing and shelters will be requested for voter approval in March 2024. The Capital Planning Committee has since voted to shift \$40 million for shelters to the November 2024 election. Prior to issuing the proposed debt, the Board must find that such indebtedness is in the public interest and schedule an election to seek voter approval for the debt.

Fiscal Impact

- According to the Office of Public Finance, the proposed bonds are projected to have an annual interest rate of 6.5 percent over approximately 20 years, with estimated total debt service payments of \$544.5 million, including approximately \$244.5 million in interest and \$300 million in principal. The Office of Public Finance estimates average annual debt service payments of \$24.8 million.

Policy Consideration

- The proposed legislation includes two different proposals for the single affordable housing general obligation bond request to voters scheduled in the City’s capital plan for March 2024. The Mayor’s proposal includes \$12 million for downpayment assistance whereas President Peskin’s proposal includes \$30 million for rental housing for victims and survivors.

Recommendation

- Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Administrative Code Section 2.34 requires that a resolution determining the public interest and necessity for the acquisition, construction or completion of any municipal improvement funded by property taxes be adopted by the Board of Supervisors not less than 141 days before the election at which such proposal will be submitted to the voters. Approval of such resolutions requires a 2/3 vote by the Board of Supervisors.

According to Article 16, Section 18(a) of the State of California Constitution, no county, city, town, township, board of education, or school district, shall incur any indebtedness or liability for any purpose exceeding in any year the income and revenue provided for such year, without the approval of two-thirds of the voters of the public entity voting at an election to be held for that purpose.

BACKGROUND

The FY 2024-2033 Capital Plan includes a schedule of planned debt and other capital financing. The schedule shows a \$340 million general obligation bond for affordable housing and shelters will be requested for voter approval in March 2024. The Capital Planning Committee has since voted to shift \$40 million for shelters to the November 2024 election. According to the Office of Public Finance, a resolution will be introduced for the Board of Supervisors to amend the capital plan to reflect this change.

2019 Affordable Housing General Obligation Bond

Voters approved a \$600 million general obligation bond in 2019, of which \$425 million has been issued. Of the \$425 million in bond proceeds, approximately \$7 million was for issuance costs and \$254 million has been spent or encumbered as of June 2023, leaving a remaining balance of \$165 million in bond proceeds.¹

The 2019 general obligation bond has approximately \$175 million in authorized but unissued bonds, which is allocated among the following programs: \$35 million in low-income housing, \$13 million for preservation/downpayment assistance, \$107.5 million for senior housing, and \$20 million for educator housing.

DETAILS OF PROPOSED LEGISLATION

Files 23-0969 and 23-0971 are ordinances that each call for a special election on March 5, 2024 to request voter approval for a \$300 million general obligation to fund various affordable

¹ The remaining \$165 million balance of issued but unspent bond proceeds is allocated among the following programs: \$95 million for public housing, \$35 million for low-incoming housing, \$29 million for preservation and downpayment assistance, and \$5 million for senior housing.

housing programs, detailed in Exhibit 1 below. Files 23-0970 and 23-0972 are resolutions that determine such indebtedness is in the public interest. In particular:

Sponsored by the Mayor’s Office and Board of Supervisors President Peskin:

File 23-0969: is an ordinance that would call and provide for a special election on March 5, 2024 to request voter approval for a \$300 million general obligation to fund three affordable housing programs: (1) \$258 million for new rental housing, (2) \$30 million to preserve rental housing, and (3) \$12 million for homeownership downpayment assistance.

File 23-0970: is a resolution that would determine and declare that the public interest and necessity demand: (1) construction and rehabilitation of new affordable rental housing, (2) preservation of affordable rental housing, and (3) expansion of the City’s Downpayment Assistance Program.

Sponsored by Board of Supervisors President Peskin:

File 23-0971: is an ordinance that would provide for a special election on March 5, 2024 to request voter approval for a \$300 million general obligation to fund three affordable housing programs: (1) \$240 million for new rental housing, (2) \$30 million to preserve rental housing, and (3) \$30 million for rental housing for victims and survivors of homelessness and violence.

File 23-0972: is a resolution that would determine and declare that the public interest and necessity demand: (1) construction and rehabilitation of new affordable rental housing, (2) preservation of affordable rental housing, and (3) develop or rehabilitate housing for households that have survived homelessness, street violence, domestic violence and abuse, sexual abuse and assault, and/or human trafficking.

The proposed legislation would also:

- Find that the estimated cost of \$300 million for such proposed projects will be too great to be paid out of the ordinary annual income and revenue of the City and will require expenditures greater than the amount allowed by the annual tax levy;
- Find that the bond proposal is not subject to review under the California Environmental Quality Act (CEQA);
- Find that the proposed bonds are in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b);
- Waive the time requirements specified in Administrative Code, Section 2.34;
- Authorize landlords to pass-through 50 percent of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; and,
- Declare the City’s intention to use bond proceeds to reimburse capital expenses incurred prior to the issuance of the proposed bonds

Possible uses of the bond proceeds are shown in Exhibit 1 below, based on the ordinances scheduling a special election.

Exhibit 1: Possible Uses of Bond Funds

Uses	Mayor	Peskin
New & Rehab	\$258,000,000	\$240,000,000
Preservation	30,000,000	30,000,000
Downpayment Assistance	12,000,000	0
Victims & Survivors*	0	30,000,000
Total	\$300,000,000	\$300,000,000

Source: Files 23-0969 and 23-0971

Note: Victim and Survivor housing is defined in File 23-0972 as serving households that have survived homelessness, street violence, domestic violence and abuse, sexual abuse and assault, and/or human trafficking.

Exhibit 2 below shows each program's expected unit count and area median income (AMI) limits, as defined in the respective ordinances.

Exhibit 2: Units and Households Served

Program	Mayor	Peskin	Household Area Median Income
New Rental	1,400	1,298	Up to 80% AMI
Preservation Rental	60	60	30% - 120% AMI
Downpayment Assistance	30	0	Up to 200% AMI
Victims & Survivor Rental	0	71-162	Up to 80% AMI
Rental Units	1,460	1,429 - 1,520	
Ownership Units	30	0	

Source: BLA and MOHCD

Note: Unit estimates are based on the following assumptions: \$185,000 per unit local funding for new rental housing, \$500,000 per unit local funding for preservation, \$400,000 per unit for downpayment assistance, and \$185,000 - \$420,000 for victim and survivor housing, which may not be able to leverage the same funding sources as rental affordable housing for the general population.

Approval of the proposed \$300 general obligation bond would require approval by at least two-thirds of San Francisco voters. All issuances of the bonds and appropriations of the bond fund proceeds would be subject to Board of Supervisors approval. At that time, CEQA review and approval of the specific projects may be required, and the project costs would be identified.

FISCAL IMPACT**Debt Service**

According to Vishal Trivedi, Financial Analyst in the Office of Public Finance, the proposed bonds are projected to have an annual interest rate of 6.5 percent over approximately 20 years, with estimated total debt service payments of \$544.5 million, including approximately \$244.5 million in interest and \$300 million in principal. The Office of Public Finance estimates average annual debt service payments of \$24.8 million.

Property Taxes

Repayment of such annual debt service would be recovered through property tax revenues. According to the Office of Public Finance, the average property tax rate for the proposed bonds would be \$5.70 per \$100,000 of assessed valuation, half of which could be passed through to tenants.

Debt Limit

According to the FY 2024-2033 Capital Plan, the proposed bonds are consistent with the City's current debt management policy to maintain the property tax rate for City general obligation bonds below the FY 2005-06 rate of \$0.12 per \$100 of assessed value.

POLICY CONSIDERATION

The proposed resolutions are competing proposals for the single affordable housing general obligation bond request to voters scheduled in the City's capital plan for March 2024.

RECOMMENDATION

Approval of the proposed resolutions is a policy matter for the Board of Supervisors.



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

October 18, 2023

RE: File 230969 – Ordinance authorizing \$300 Million General Obligation Bond Issuance for Affordable Housing

Dear Ms. Calvillo,

Should the proposed \$300 million in bonds be authorized and sold under current assumptions, the approximate costs will be as follows:

- a) In Fiscal Year (FY) 2025-2026, following issuance of the first series of bonds, the best estimate of the tax required to fund this bond issue would result in a property tax rate of \$0.0041 per \$100 (\$4.10 per \$100,000) of assessed valuation.
- b) In FY 2027-2028, following issuance of the last series of bonds, the best estimate of the tax required to fund this bond issue would result in a property tax rate of \$0.0079 per \$100 (\$7.90 per \$100,000) of assessed valuation.
- c) The best estimate of the average tax rate for these bonds from FY 2025-2026 through FY 2046-2047 is \$0.0057 per \$100 (\$5.70 per \$100,000) of assessed valuation.
- d) Based on these estimates, the highest estimated annual property tax cost for these bonds for the owner of a home with an assessed value of \$700,000 would be approximately \$55.00.

The best estimate of total debt service, including principal and interest, that would be required to be repaid if all proposed \$300 million in bonds are issued and sold, would be approximately \$544.5 million. These estimates are based on projections only, which are not binding upon the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City's current non-binding debt management policy is to keep the property tax rate for City general obligation bonds below the 2006 rate by issuing new bonds as older ones are retired and the tax base grows, though this property tax rate may vary based on other factors.

Sincerely,

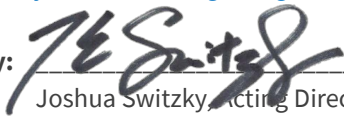
Janice Levy FOR
Ben Rosenfield
Controller

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.



GENERAL PLAN REFERRAL

August 17, 2023

Case No.: 2023-006110GPR
Block/Lot Nos.: Various, Citywide
Project Sponsor: Mayor's Office of Housing and Community Development
Applicant: Eric Shaw, Director
eric.shaw@sfgov.org
1 South Van Ness, 5th Floor
San Francisco, CA 94103
Staff Contact: Jessica Look – (628) 652-7455
jessica.look@sfgov.org
Recommended By: 
Joshua Switzky, Acting Director of Citywide Policy for
Rich Hillis, Director of Planning

Finding: The project, on balance, is **in conformity** with the General Plan.

Project Description

The City and County of San Francisco is proposing a \$300 million General Obligation Affordable Housing Bond for the March 2024 ballot. The Bond aims to address critical housing needs, protect residents, and stabilize communities. With this investment, the City can:

- Create new affordable homes that align with the Housing Element's goals of providing equitable opportunities, especially for those who are most vulnerable, access to high resource neighborhoods, and stabilization of communities.
- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair and protect San Franciscans living in apartments at risk of displacement, including those covered by rent-control.
- Expand affordable home ownership opportunities for the City's middle-income residents and workforce, including educators, first responders, nonprofit workers, and service industry employees.

To address the immediate and serious need for more affordable housing in San Francisco, the 2024 Affordable Housing Bond proposes three categories of investments, each of which supports people earning a range of incomes, from low-income households to middle-income households.

The estimated funding program for the 2024 affordable housing bond is as follows:

Program Categories	2024 GO Bond Funding
Production of Low-Income Housing (up to 80% AMI)	\$258 Million
Affordable Housing Preservation (30% to 120% AMI)	\$30 Million
Homeownership Opportunities (Up to 200% AMI)	\$12 Million
TOTAL	\$300 Million

For all investment categories, State Constitutional requirements regarding eligible uses of general obligation bond funding apply. For each investment, specific eligible uses will be prioritized with the overall goal of protecting the City’s most vulnerable residents; stabilizing communities, especially neighborhoods in which there has been limited affordable housing production; enhancing the City’s economic health; and planning for a future San Francisco that maintains its diversity and vibrancy.

1. Production: \$258 Million

The City’s goal is to maintain a steady pipeline of new construction affordable units moving through the development process. As of summer 2023, MOHCD has a robust portfolio of pre-development opportunities that could produce more than 4,700 units.

Eligible Uses:

The construction of permanently affordable rental housing serving individuals and families earning from 0% to 80% AMI.

Who is Served?

Low-income housing protects vulnerable populations, such as

- Working families
- Veterans
- Seniors
- People with disabilities
- Transitional aged youth
- People experiencing homelessness

Low-income housing also serves vital members of the City's workforce in jobs with traditionally low pay scales, such as school district employees, nonprofit workers, health care attendants, and hotel, restaurant, and retail employees.

Priorities:

- Shovel-ready projects able to start construction within four years
- Sites in a diversity of neighborhoods that can either open housing opportunities in high resource neighborhoods or that stabilize equity communities
- Projects positioned to leverage substantial investment from state, federal and other non-City sources
- Proximity to public transit

2. Preservation: \$30 million

Eligible Uses:

The acquisition and/or rehabilitation of rental housing at risk of losing affordability, whether through speculative market forces or a building's physical decline.

Who is Served?

Lower- to middle-income households earning between approximately 30% and 120% of AMI, such as:

- Current residents living in housing at-risk of losing affordability (e.g. Ellis Act or unlawful evictions)
- Future generations of tenants

Priorities:

- Acquisitions and/or rehabilitations that create or enhance permanent affordability
- Acquisitions and/or rehabilitations of buildings at imminent risk of conversion to market-rate rents
- Districts with limited affordable housing production
- Districts with high documented eviction rates

Acquisition and preservation programs, including the Small Sites Program and the Preservation and Seismic Safety Program, protect San Francisco residents of properties that are vulnerable to market pressure and resulting property sales, increased evictions, and rising tenant rents. Acquired properties are converted to permanently affordable housing with rents at an average of 80% AMI, and available to families earning up to 120% AMI. Through FY22, these acquisition and preservation programs have deployed over \$217 million in funding to preserve 50 projects with 39 commercial spaces and 519 residential units.

3. Home Ownership: \$12 million

Eligible Uses:

The creation of new affordable housing opportunities through MOHCD's Downpayment Assistance Loan Programs.

Who is served?

Households earning between 80% and 200% of AMI. Some programs include:

- The Down Payment Assistance Loan Program (DALP) serves households earning up to 175% of AMI
- Teacher Next Door Down Payment Assistance Loans (TND) serve households earning up to 200% of AMI and support all United Educators of San Francisco (UESF) members, including teachers, paraprofessionals, and other certificated staff (e.g., counselors, deans, nurses, speech pathologists, psychologists, behavioral analysts, social workers, Special Education (SPED) Content Specialists and librarians), and also including those who work in the SFUSD Early Education department.

Environmental Review

The proposed bond is within the scope of the 2022 Housing Element Update Final EIR certified by the Planning Commission on November 17, 2022, Motion No. 21206. Any physical projects would require separate environmental analysis or General Plan Evaluation under the 2022 Housing Element EIR.

General Plan Compliance and Basis for Recommendation

As described below, the proposed Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES

OBJECTIVE 1.B

ADVANCE EQUITABLE HOUSING ACCESS

POLICY 2

Preserve affordability of existing subsidized housing, government-owned or cooperative-owned housing, or SRO (single-room occupancy) hotel rooms where the affordability requirements are at risk or soon to expire.

POLICY 3

Acquire and rehabilitate privately-owned housing as permanently affordable to better serve residents and areas vulnerable to displacement with unmet affordable housing needs.

The proposed Bond, if approved, would provide resources to preserve affordability of existing housing that is at risk and protect renters at risk of displacement.

OBJECTIVE 3.B

CREATE A SENSE OF BELONGING FOR ALL COMMUNITIES OF COLOR WITHIN WELL-RESOURCED NEIGHBORHOODS THROUGH EXPANDED HOUSING CHOICE

POLICY 19

Enable low- and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

The proposed Bond, if approved, would provide funding to help construct permanently affordable housing. Priorities for affordable housing in this bond measure include sites that can open housing opportunities in high resource neighborhoods or that stabilize equity communities.

OBJECTIVE 4.A

SUBSTANTIALLY EXPAND THE AMOUNT OF PERMANENTLY AFFORDABLE HOUSING FOR EXTREMELY LOW- TO MODERATE-INCOME HOUSEHOLDS

POLICY 15

Expand permanently affordable housing investments in Priority Equity Geographies to better serve American Indian, Black, and other People of color within income ranges underserved, including extremely-, very low-, and moderate-income households.

POLICY 22

Create dedicated and consistent local funding sources and advocate for regional, State, and Federal funding to support building permanently affordable housing for very low-, low-, and moderate-income households that meets the Regional Housing Needs Allocation targets.

POLICY 23

Retain and increase the number of moderate- and middle-income households by increasing their homebuying opportunities and reversing the shortage in housing that is affordable to these households.

The proposed Bond, if approved, would provide funding to help construct permanently affordable rental housing serving individuals and families earning from 0% to 80% AMI. Priorities for affordable housing include sites that can open housing opportunities in high resource neighborhoods or that stabilize equity communities. The proposed Bond would also provide funding for down payment assistance loans for home ownership.

OBJECTIVE 4.B**EXPAND SMALL- AND MID-RISE MULTI-FAMILY HOUSING PRODUCTION TO SERVE OUR WORKFORCE, PRIORITIZING MIDDLE-INCOME HOUSEHOLDS**

The proposed Bond, if approved, would expand affordable housing for the City's workforce and middle-income households.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project would not have an adverse effect on neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The Project would enhance the economic diversity of our neighborhoods by increasing the production of affordable housing at a range of income levels, as well as preserving existing affordable rental housing.

3. That the City's supply of affordable housing be preserved and enhanced;

The Project would directly support the preservation and enhancement of the City's supply of affordable housing. The purpose of the bond is to create new affordable housing units that align with the Housing Element's goals, preserve existing housing, and expand home ownership opportunities.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking in San Francisco. The adopted Housing Element calls for parallel planning for both new housing and transportation. The City's goal is to advance well-connected neighborhoods consistent with the City's ConnectSF vision and encourage sustainable trips in new housing.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project would not cause displacement of the industrial or service sectors due to office development

and would not have an adverse effect on future opportunities for resident employment or ownership in these sectors.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The Project would not have an adverse effect on the City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The Project would not have an adverse effect on the City's landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The Project would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Finding: The project, on balance, is **in conformity** with the General Plan.

BOARD of SUPERVISORS




City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: September 15, 2023
To: Planning Department / Commission
From: Brent Jalipa, Clerk of the Budget and Finance Committee
Subject: Board of Supervisors Legislation Referral - File Nos. 230969 and 230970
General Obligation Bond Election - Affordable Housing - Not to Exceed \$300,000,000

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment. Individual projects will require separate environmental review.

09/22/2023 
- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302
- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Brent Jalipa at Brent.Jalipa@sfgov.org.

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office
Anne Pearson, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
Thaikkendiyil, Gayathri, Acting Executive Director, Ethics Commission
Carmen Chu, City Administrator, Office of the City Administrator
Eric D. Shaw, Director, Mayor's Office of Housing and Community
Development
Tonia Lediju, Acting Executive Officer, Housing Authority

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee
Board of Supervisors

DATE: September 15, 2023

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
March 5, 2024 Election

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond legislation for the March 5, 2024, Election, introduced by Mayor London Breed.

File No. 230969

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$300,000,000 to finance the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and to expand homeownership opportunities through the Downpayment Assistance Loan Program; and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond

Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

File No. 230970

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and the expansion of homeownership opportunities through the Downpayment Assistance Loan Program, and related costs necessary or convenient for the foregoing purposes; to be financed through bonded indebtedness in an amount not to exceed \$300,000,000; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7712 or email: brent.jalipa@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Andres Power, Mayor's Office
Michael Canning, Ethics Commission
Sophie Hayward, Office of the City Administrator
Vivian Po, Office of the City Administrator
Angela Yip, Office of the City Administrator
Lydia Ely, Mayor's Office of Housing and Community Development
Brian Cheu, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development
Sheila Nickolopoulos, Mayor's Office of Housing and Community Development
Nancy Rodriguez, Housing Authority
Linda Martin-Mason, Housing Authority

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

September 15, 2023

Rich Hillis, Director
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Director Hillis:

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond legislation for the March 5, 2024, Election, introduced by Mayor London Breed:

File No. 230969

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$300,000,000 to finance the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and to expand homeownership opportunities through the Downpayment Assistance Loan Program; and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

File No. 230970

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and the expansion of homeownership opportunities through the Downpayment Assistance Loan Program, and related costs necessary or convenient for the foregoing purposes; to be financed through bonded indebtedness in an amount not to exceed \$300,000,000; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance and resolution is being transmitted to the Planning Department for review and determination regarding consistency with the City's General Plan and eight priority policies of Planning Code, Section 101.1. The ordinance is pending before the Budget and Finance Committee and will be scheduled for hearing following receipt of your response.

Angela Calvillo, Clerk of the Board

Brent Jalipa

By: Brent Jalipa, Assistant Clerk
Budget and Finance Committee

Attachment

- c: Dan Sider, Chief of Staff
- Corey Teague, Zoning Administrator
- Tina Tam, Deputy Zoning Administrator
- Lisa Gibson, Environmental Review Officer
- Devyani Jain, Deputy Environmental Review Officer
- Aaron Starr, Manager of Legislative Affairs
- Josh Switzky, Acting Director of Citywide Planning
- Joy Navarrete, Environmental Planning
- Debra Dwyer, Principal Environmental Planner
- Elizabeth Watty, Current Planning Division

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: September 15, 2023
To: Planning Department / Commission
From: Brent Jalipa, Clerk of the Budget and Finance Committee
Subject: Board of Supervisors Legislation Referral - File Nos. 230969 and 230970
General Obligation Bond Election - Affordable Housing - Not to Exceed \$300,000,000

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan Planning Code, Section 101.1 Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Brent Jalipa at Brent.Jalipa@sfgov.org.

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee
Board of Supervisors

DATE: September 15, 2023

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
March 5, 2024 Election

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond legislation for the March 5, 2024, Election, introduced by Mayor London Breed. These matters are being referred to you in accordance with Administrative Code 2.33.

File No. 230969

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$300,000,000 to finance the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and to expand homeownership opportunities through the Downpayment Assistance Loan Program; and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

File No. 230970

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and the expansion of homeownership opportunities through the Downpayment Assistance Loan Program, and related costs necessary or convenient for the foregoing purposes; to be financed through bonded indebtedness in an amount not to exceed \$300,000,000; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

Please review and prepare a financial analysis of the proposed measure prior to the first Budget and Finance Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7712 or email: brent.jalipa@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
 Natasha Mihal, City Performance Director
 Janice Levy, Office of the Controller

From: [Conine-Nakano, Susanna \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Strong, Brian \(ADM\)](#); [Faust, Kate \(ADM\)](#); [Duning, Anna \(MYR\)](#); [ROUX, KENNETH \(CAT\)](#); [Nickolopoulos, Sheila \(MYR\)](#); [Hayward, Sophie \(ADM\)](#); [Ely, Lydia \(MYR\)](#); [Van Degna, Anna \(CON\)](#); [Angulo, Sunny \(BOS\)](#)
Subject: Mayor -- Ordinance -- Affordable Housing Bond
Date: Tuesday, September 12, 2023 4:38:56 PM
Attachments: [CAT approval.pdf](#)
[01704184.docx](#)
[01704186.doc](#)

Hello Clerks,

Attached for introduction to the Board of Supervisors is an Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed \$300,000,000 to finance the construction, reconstruction, development, acquisition, improvement, rehabilitation, preservation, and repair of rental affordable housing projects, and to expand homeownership opportunities through the Downpayment Assistance Loan Program; and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Affordable Housing Bond expenditures; setting certain procedures and requirements for the election; affirming a determination under the California Environmental Quality Act; and finding that the proposed Bond is consistent with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

Please note that Supervisor Peskin is a co-sponsor of this legislation.

Best,
Susanna

Susanna Conine-Nakano
Office of Mayor London N. Breed
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 200
San Francisco, CA 94102
415-554-6147