

1 [Affordable Housing Bonds Special Election.]

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3 **Ordinance calling and providing for a special election to be held in the City and County**
4 **of San Francisco (the “City”) on November 5, 2002, for the purpose of submitting to the**
5 **qualified voters of the City a proposition for the issuance of bonds by the City (or one**
6 **of its agencies, departments or enterprises) in the principal amount of Two Hundred**
7 **Fifty Million Dollars (\$250,000,000) to finance the acquisition, construction and/or**
8 **rehabilitation of housing affordable to low- and moderate-income households and**
9 **~~downpayment~~ financial assistance to low- and moderate-income first-time homebuyers and**
10 **authorizing landlords to passthrough fifty percent (50%) of the resulting property tax increase to**
11 **residential tenants ; finding that the estimated cost of the project is and will be too great**
12 **to be paid out of the ordinary annual income and revenue of the City and will require**
13 **expenditures greater than the amount allowed therefor by the annual tax levy; reciting**
14 **the estimated cost of such proposed project; fixing the date of and the manner of**
15 **holding the special election and the procedure for voting for or against the proposition;**
16 **fixing the maximum rate of interest on the bonds and providing for the levy and**
17 **collection of taxes to pay both principal and interest therefor; prescribing notice to be**
18 **given of the special election; finding the proposed project is in conformity with the**
19 **priority policies of Planning Code Section 101.1(b) and with the General Plan**
20 **consistency requirement of Administrative Code Section 2A.53; consolidating the**
21 **special election with the general election; establishing the election precincts, voting**
22 **places and officers for the special election; waiving the word limitation on ballot**
23 **propositions imposed by San Francisco Municipal Elections Code Section 510;**
24 **complying with Section 53410 of the California Government Code; ~~and~~ incorporating**
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1 **the provisions of Article V of Chapter V of the San Francisco Administrative Code;** and
2 imposing certain limitations on the use of bond proceeds.

3 Note: Board amendment additions are double underlined.
4 Board amendment deletions are ~~striketrough~~ normal.

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

6 Section 1. A special election is hereby called and ordered to be held in the City and
7 County of San Francisco (the "City") on Tuesday, November 5, 2002, for the purpose of
8 submitting to the qualified voters of the City a proposition to incur bonded indebtedness of the
9 City for the projects hereinafter described in the amount and for the purposes stated:

10 "AFFORDABLE HOUSING BONDS, 2002. \$250,000,000 to finance the
11 acquisition, construction and/or rehabilitation of housing affordable to low- and moderate-
12 income households and ~~downpayment~~ financial assistance to low- and moderate-income first-
13 time homebuyers."

14 The special election hereby called and ordered shall be referred to herein as the "Bond
15 Special Election."

16 Section 2. The estimated cost of the project described in Section 1 was fixed by the
17 Board of Supervisors of the City (the "Board of Supervisors") by the following resolution in the
18 amount specified below:

19 Resolution No. 378-02, \$250,000,000.

20 Such resolution was passed by two-thirds or more of the members of the Board of
21 Supervisors and approved by the Mayor of the City (the "Mayor"). In such resolution, it was
22 recited and found that the sum of money specified is too great to be paid out of the ordinary
23 annual income and revenue of the City in addition to the other annual expenses thereof or
24 other funds derived from taxes levied for those purposes and will require expenditures greater
25 than the amount allowed therefor by the annual tax levy.

1 The method and manner of payment of the estimated costs described herein are by the
2 issuance of bonds of the City not exceeding the principal amount specified.

3 Such estimate of costs as set forth in such resolution is hereby adopted and
4 determined to be the estimated cost of the such improvements and the financing.

5 Section ~~4~~3. The Bond Special Election shall be held and conducted and the votes
6 thereafter received and canvassed, and the returns thereof made and the results thereof
7 ascertained, determined and declared as herein provided, and in all particulars not herein
8 recited such election shall be held and the votes canvassed according to the applicable laws
9 of the State of California and the Charter of the City (the "Charter") and any regulations
10 adopted pursuant thereto, providing for and governing elections in the City, and the polls for
11 such election shall be and remain open during the time required by the laws and regulations.

12 Section ~~5~~4. The Bond Special Election hereby called shall be and hereby is
13 consolidated with the General Election of the City to be held Tuesday, November 5, 2002, and
14 the voting precincts, polling places and officers of election for the General Election are hereby
15 adopted, established, designated and named, respectively, as the voting precincts, polling
16 places and officers of elections for the Bond Special Election hereby called, and reference is
17 hereby made to the notice of election setting forth the voting precincts, polling places and
18 officers of election for the November 5, 2002 General Election by the Director of Elections to
19 be published in the official newspaper of the City on the date required under the laws of the
20 State of California.

21 Section ~~6~~5. The ballots to be used at the Bond Special Election shall be the ballots to
22 be used at the General Election. The word limit for ballot propositions imposed by San
23 Francisco Municipal Code Elections Section 510 is hereby waived. On the ballots to be used
24 at the Bond Special Election, in addition to any other matter required by law to be printed
25 thereon, shall appear the following proposition:

1 "AFFORDABLE HOUSING BONDS, 2002. Shall the City and County of San
2 Francisco (or one of its agencies, departments or enterprises) issue bonds and/or other forms
3 of financing in a principal amount not to exceed \$250,000,000, to finance the acquisition,
4 construction and/or rehabilitation of housing affordable to low- and moderate-income
5 households and ~~downpayment~~ financial assistance to low- and moderate-income first-time
6 homebuyers and authorize landlords to passthrough to residential tenants in units subject to Chapter
7 37 of the San Francisco Administrative Code (the Residential Rent Stabilization and Arbitration
8 Ordinance) 50% of the increase in the real property taxes attributable to the cost of repayment of the
9 bond?"

10 Each voter to vote for the proposition hereby submitted shall mark the ballot in the
11 location corresponding to a "YES" vote for the proposition, and to vote against the proposition
12 shall mark the ballot in the location corresponding to a "NO" vote for the proposition.

13 Section 76. If at the Bond Special Election it shall appear that two-thirds of all the
14 voters voting on the proposition voted in favor of and approving the proposition, then such
15 proposition shall have been authorized by the electors, and bonds may be issued and sold for
16 the purposes set forth above upon the order of the Board of Supervisors. Such bonds shall
17 bear interest at a rate not to exceed applicable legal limits.

18 The vote cast for and against the proposition shall be counted separately and when
19 two-thirds of the qualified electors, voting on the proposition, vote in favor thereof, the
20 proposition shall be deemed adopted.

21 Section 87. For the purpose of paying the principal of and interest on the bonds and
22 any premiums upon the redemption thereof, the Board of Supervisors, at the time of fixing and
23 in the manner for the general tax levy provided, shall levy and collect annually each year until
24 the bonds are paid, or until there is a sum in the Treasury of the City, or account held on
25 behalf of the Treasurer of the City, set apart for that purpose to meet all sums coming due for

1 the principal of and interest on the bonds, a tax sufficient to pay the annual interest on the
2 bonds as the same becomes due and also any part of the principal of the bonds that shall
3 become due before the proceeds of a tax levied at the time for making the next general tax
4 levy can be made available for the payment of the principal.

5 Section ~~98~~. The Board of Supervisors having reviewed the proposed legislation, finds
6 and declares (i) That the proposed project is in conformity with the priority policies of Section
7 101.1(b) of the City Planning code and (ii) in accordance with Section 2A.53(f) of the City
8 Administrative Code, that the proposed project is consistent with the City's General Plan, and
9 hereby adopts the findings of the City Planning Department, as set forth in the General Plan
10 Referral Report dated May 22, 2002 and incorporates said findings by reference.

11 Section ~~109~~. Pursuant to Section 53410 of the California Government Code, the bonds
12 shall be for the specific purpose authorized herein and the proceeds of such bonds will be
13 applied only to the project described herein. The City and County will comply with the
14 requirements of Sections 53410(c) and 53410(d) of the California Government Code.

15 Section ~~110~~. Pursuant to Proposition F approved by the voters of the City and County
16 in November 2001, the Affordable Housing Bonds are subject to, and incorporate by
17 reference, the provisions of Article V of Chapter 5 of the Administrative Code of the City and
18 County ("Proposition F Requirements"). Pursuant to Proposition F Requirements, to the
19 extent permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of the
20 Affordable Housing Project bonds shall be deposited in a fund established by the Controller's
21 Office and appropriated by the Board of Supervisors at the direction of the citizen's bond
22 oversight committee established by Proposition F Requirements to cover the costs of said
23 committee.

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1 Section ~~12~~11. This ordinance shall be published in accordance with any state law
2 requirements, and such publication shall constitute notice of the Bond Special Election and no
3 other notice of the Bond Special Election hereby called need be given.

4 Section ~~13~~12. The appropriate officers, employees, agents and representatives of the
5 City and County of San Francisco are hereby authorized and directed to do everything
6 necessary or desirable to the calling and holding of the Special Election, and to otherwise
7 carry out the provisions of this ordinance.

8 Section 13. Loans or grants funded by the proceeds of these bonds shall require that all
9 contracts funded by bond funds be awarded through a competitive selection process. The selection
10 process shall be competitive bids, competitive request for qualifications, or other competitive process
11 which is (a) consistent with industry standards for obtaining services and (b) appropriate for services
12 being procured. Sole source contracting shall not be permitted. If the Mayor of the City makes a
13 finding that only one source exists for a product or service, a waiver of this requirement may be
14 granted. Any such waiver shall be reported to the Board of Supervisors in the annual report.

15 Section 14. To the maximum extent feasible, projects funded with the proceeds of these bonds
16 shall be required to obtain funding from non-City sources for a substantial portion of the cost of the
17 project. Priority shall be given to projects which provide a high degree of leveraging of outside funds.
18 The Mayor's Office of Housing shall include an analysis of the leveraging of outside funds for each
19 project in its annual report to the Board of Supervisors.

20 Section 15. No proceeds of these bonds or program income generated from bond funded
21 projects shall be used for lobbying elected officials for political purposes.

22 Section 16. Loans or grants funded by the proceeds of these bonds shall require that, prior to
23 the disbursement of the final ten percent (10%) payment of the developer fee, the borrower or grantee
24 shall submit a project completion audit performed by an independent certified public accountant
25 identifying the sources and uses of all project funds including the bond program funds. If the project is

1 also receiving funding from the federal Section 202, Section 811, HOME or other program requiring
2 third party cost certification, such cost certification shall be acceptable for satisfaction of this audit
3 requirement.

4 Section 17. The loan underwriting guidelines used to evaluate applications for loans or
5 grants funded by the proceeds of these bonds shall incorporate limits on developer fees, administrative
6 costs and other payments to the developer which are at least as restrictive as the standards used in the
7 Affordable Housing Program of the Federal Home Loan Bank.

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9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney

11 By: _____
12 Theresa Alvarez
13 Deputy City Attorney

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