

1 Supportive and Affordable Rental Housing and Homeownership 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 2, 2004, for the purpose of submitting to the**
5 **qualified voters of the City a proposition for the issuance of bonds or other forms of**
6 **indebtedness by the City (or one of its agencies, departments or enterprises) in the**
7 **principal amount of Two-Hundred Million Dollars (\$200,000,000) to finance the costs of**
8 **the acquisition, construction and/or rehabilitation of supportive housing for homeless**
9 **individuals and families or persons at risk of becoming homeless who are extremely**
10 **low income, to finance the costs of the acquisition, construction and/or rehabilitation**
11 **of affordable rental housing for qualifying low and very low income individuals and/or**
12 **families, to finance the costs of construction of homeownership developments for**
13 **qualifying low and moderate income individuals and families, and to provide financial**
14 **assistance for a home ownership program to qualifying low and moderate income**
15 **homebuyers, and authorizing landlords to passthrough fifty percent (50%) of the**
16 **resulting property tax increase to residential tenants in accordance with Chapter 37 of**
17 **the San Francisco Administrative Code; finding that the estimated cost of the project is**
18 **and will be too great to be paid out of the ordinary annual income and revenue of the**
19 **City and will require expenditures greater than the amount allowed therefor by the**
20 **annual tax levy; reciting the estimated cost of such proposed project; fixing the date of**
21 **and the manner of holding the special election and the procedure for voting for or**
22 **against the proposition; fixing the maximum rate of interest on the bonds and/or other**
23 **forms of indebtedness and providing for the levy and collection of taxes to pay both**
24 **principal and interest therefor; prescribing notice to be given of the special election;**
25 **finding the proposed project is in conformity with the priority policies of Planning Code**

1 **Section 101.1(b) and with the General Plan consistency requirement of Administrative**
2 **Code Section 2A.53; consolidating the special election with the general election to be**
3 **held on November 2, 2004; establishing the election precincts, voting places and**
4 **officers for the special election; waiving the word limitation on ballot propositions**
5 **imposed by San Francisco Municipal Elections Code Section 510; complying with**
6 **Section 53410 of the California Government Code; incorporating the provisions of**
7 **Article V of Chapter V of the San Francisco Administrative Code, and imposing certain**
8 **limitations on the use of bond proceeds.**

9 Note: Additions are single underline italics Times New Roman.
10 Deletions are ~~strikethrough italics Times New Roman~~.

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

12 Section 1. A special election is hereby called and ordered to be held in the City and
13 County of San Francisco (the "City") on Tuesday, November 2, 2004, for the purpose of
14 submitting to the qualified voters of the City a proposition to incur bonded indebtedness of the
15 City for the projects hereinafter described in the amount and for the purposes stated:

16 "SUPPORTIVE AND AFFORDABLE RENTAL HOUSING AND
17 HOMEOWNERSHIP BONDS, 2004. \$200,000,000 to finance the costs of the acquisition,
18 construction and/or rehabilitation of supportive housing for homeless individuals and families
19 or persons at risk of becoming homeless who are extremely low income, to finance the costs
20 of the acquisition, construction and/or rehabilitation of affordable rental housing for low and
21 very low income individuals and families, to finance the costs of construction of
22 homeownership developments for qualifying low and moderate income individuals and
23 families, and to provide financial assistance for a home ownership program for qualifying low
24 and moderate income individuals and/or families."
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1 The special election hereby called and ordered shall be referred to herein as the “Bond
2 Special Election.”

3 Section 2. The estimated cost of the project described in Section 1 was fixed by the
4 Board of Supervisors of the City (the “Board of Supervisors”) by the following resolution in the
5 amount specified below:

6 Resolution No. 406-04, \$200,000,000.

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

13 The method and manner of payment of the estimated costs described herein are by the
14 issuance of bonds or other forms of indebtedness of the City not exceeding the principal
15 amount specified in Resolution No. 406 -04; provided however, that the indebtedness
16 authorized thereunder and hereunder (\$200,000,000) shall be allocated (less allocable
17 issuance costs) as follows:

18 a. \$90,000,000 of such amount shall be allocated to the acquisition,
19 construction, rehabilitation of supportive housing, such housing to be made available for
20 homeless individuals and families or persons at risk of becoming homeless who are extremely
21 low income (defined as households earning not more than 30% of the area median income,
22 adjusted for household size);

23 b. \$60,000,000 of such amount shall be allocated to the acquisition,
24 construction, rehabilitation of rental housing affordable to low and very low income
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1 households (defined as households earning not more than 60% of the area median income,
2 adjusted for household size);

3 c. \$50,000,000 of such amount shall be allocated to the development of a
4 program to provide funds for homeownership programs for qualifying low and moderate
5 income households allocated as follows: (i) one-half of such amount shall be used for home
6 purchase assistance for qualifying low and moderate income households (defined as
7 households earning between 60% and 100% of the area median income, adjusted for
8 household size); and (ii) one-half of such amount shall be used to provide financial assistance
9 for the development of affordable housing for qualifying low and moderate income households
10 (defined as households earning between 60% and 90% of the area median income, adjusted
11 for household size);

12 Notwithstanding the foregoing, the Board of Supervisors shall review, at such times as
13 the Board of Supervisors shall determine, the progress of applying funds for the purposes set
14 forth in subdivision (a) above in accordance with the following timetable:

Years from the date of certification of this measure by the Department of Elections	Percentage of bond funds committed under subdivision (a)
3 years	30%
4 years	40%
5 years	50%

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22 At the direction of the Board of Supervisors, the Mayor's Office of Housing shall prepare a
23 report about the progress of applying funds for the purposes set forth in subdivision (a). Such
24 report shall include recommendations to achieve the housing objectives as set forth herein. In
25 the event that the percentage of bond funds committed to the purposes set forth under

1 subdivision (a) does not equal or exceed the minimum percentage commitment, within the
2 periods specified in the table immediately above, the Board of Supervisors, upon the receipt
3 of the report with recommendations from the Mayor's Office of Housing, may elect by
4 Ordinance to apply some or all of the unused portion of funds allocated under subdivision (a)
5 to the purposes authorized in subdivision (b), except that the rental housing so assisted in
6 such event shall serve households earning not more than 30% of average area median
7 income, adjusted for household size. The estimate of costs as set forth in Resolution No. 406
8 04 is hereby adopted and determined to be the estimated cost of such improvements and the
9 financing.

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

17 Section 4. The Bond Special Election hereby called shall be and hereby is
18 consolidated with the General Election of the City to be held Tuesday, November 2, 2004, and
19 the voting precincts, polling places and officers of election for the General Election are hereby
20 adopted, established, designated and named, respectively, as the voting precincts, polling
21 places and officers of elections for the Bond Special Election hereby called, and reference is
22 hereby made to the notice of election setting forth the voting precincts, polling places and
23 officers of election for the November 2, 2004 General Election by the Director of Elections to
24 be published in the official newspaper of the City on the date required under the laws of the
25 State of California.

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

6 "SUPPORTIVE AND AFFORDABLE RENTAL HOUSING AND
7 HOMEOWNERSHIP BONDS, 2004. Shall the City issue bonds and/or other forms of
8 indebtedness in a principal amount not to exceed \$200,000,000, to finance the acquisition,
9 construction and/or rehabilitation of supportive and affordable rental housing for qualifying low
10 to extremely low income individuals and/or families, including housing with mental health, drug
11 treatment and/or job training for individuals or families who are homeless or at risk of
12 becoming homeless, and to finance the construction of homes or provide homebuyer financial
13 assistance for qualifying low and moderate income individuals and/or families?"

14 Each voter to vote for the proposition hereby submitted shall mark the ballot in the
15 location corresponding to a "YES" vote for the proposition, and to vote against the proposition
16 shall mark the ballot in the location corresponding to a "NO" vote for the proposition.

17 Section 6. If at the Bond Special Election it shall appear that two-thirds of all the voters
18 voting on the proposition voted in favor of and approving the proposition, then such
19 proposition shall have been authorized by the electors, and bonds may be issued and sold for
20 the purposes and up to the amounts set forth above upon the order of the Board of
21 Supervisors, and landlords are thereupon authorized to passthrough fifty percent (50%) of the
22 resulting property tax increase resulting from the issuance of such bonds to residential tenants
23 in accordance with Chapter 37 of the San Francisco Administrative Code. Such bonds shall
24 not bear interest at a rate or rates exceeding applicable legal limits.

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

4 Section 7. For the purpose of paying the principal of and interest on the bonds and any
5 premiums upon the redemption thereof, the Board of Supervisors, at the time of fixing and in
6 the manner for the general tax levy provided, shall levy and collect annually each year until
7 the bonds are paid, or until there is a sum in the Treasury of the City, or account held on
8 behalf of the Treasurer of the City, set apart for that purpose to meet all sums coming due for
9 the principal of and interest on the bonds, a tax sufficient to pay the annual interest on the
10 bonds as the same becomes due and also any part of the principal of the bonds that shall
11 become due before the proceeds of a tax levied at the time for making the next general tax
12 levy can be made available for the payment of the principal.

13 Section 8. The Board of Supervisors having reviewed the proposed legislation, finds
14 and declares (i) That the proposed project is in conformity with the priority policies of Section
15 101.1(b) of the City Planning code and (ii) in accordance with Section 2A.53(f) of the City
16 Administrative Code, that the proposed project is consistent with the City's General Plan, and
17 hereby adopts the findings of the City Planning Department, as set forth in the General Plan
18 Referral Report dated May 21, 2004 and incorporates said findings by reference.

19 Section 9. Pursuant to Section 53410 of the California Government Code, the bonds
20 shall be for the specific purpose authorized herein and the proceeds of such bonds will be
21 applied only to the project described herein. The City and County will comply with the
22 requirements of Sections 53410(c) and 53410(d) of the California Government Code.

23 Section 10. Pursuant to Proposition F approved by the voters of the City and County in
24 November 2001, the bonds are subject to, and incorporate by reference, the provisions of
25 Article V of Chapter 5 of the Administrative Code of the City and County ("Proposition F

1 Requirements"). Pursuant to Proposition F Requirements, to the extent permitted by law,
2 one-tenth of one percent (0.1%) of the gross proceeds of Supportive and Affordable Rental
3 Housing and Homeownership Bonds shall be deposited in a fund established by the
4 Controller's Office and appropriated by the Board of Supervisors at the direction of the
5 Citizen's General Obligation Bond Oversight Committee established by Proposition F
6 Requirements to cover the costs of said committee.

7 Section 11. This ordinance shall be published in accordance with any State law
8 requirements, and such publication shall constitute notice of the Bond Special Election and no
9 other notice of the Bond Special Election hereby called need be given.

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

14 Section 13. Loans or grants funded by the proceeds of these bonds shall require that
15 all contracts funded by bond funds be awarded through an open and competitive selection
16 process. The selection process shall be competitive bids, competitive request for
17 qualifications, or other competitive process, that are (a) consistent with industry standards for
18 obtaining services and (b) appropriate for services being procured. Sole source contracting
19 shall not be permitted; provided however, if the Mayor of the City makes a finding that only
20 one source exists for a product or service, this provision may be waived by the Mayor. Any
21 such waiver shall be reported to the Board of Supervisors in the annual report.

22 Section 14. To the maximum extent feasible, projects funded with the proceeds of
23 bonds authorized hereunder shall be required to obtain funding from non-City sources for
24 substantial portion of the cost of the project. Priority shall be given to projects that provide a
25 high degree of leveraging of outside funds. The Mayor's Office of Housing shall include an

1 analysis of the leveraging of outside funds for each project in its annual report to the Board of
2 Supervisors.

3 Section 15. No proceeds of these bonds or program income generated from any
4 bond-funded projects shall be used for lobbying elected officials or for any other political
5 purposes.

6 Section 16. Upon certification of the passage of this measure by the Director of
7 Elections, the Mayor's Office of Housing, in consultation with the Department of the
8 Environment, shall develop standards for sustainable building methods to be used in ranking
9 or selecting projects to be constructed, acquired or rehabilitated with the proceeds of bonds
10 authorized hereunder. Such standards shall meet or exceed one or more generally
11 recognized standards for sustainable building methods, such as the Leadership in Energy
12 and Environmental Design (LEED) standards developed by the U.S. Green Building Council,
13 or the regulations set forth by the California Tax Credit Allocation Committee.

14 Section 17. The City shall urge all entities receiving housing bond proceeds for the
15 development of affordable housing units to utilize responsible employment practices with
16 respect to building service workers and/or sub-contractors who will work in the buildings after
17 construction and once operations of such affordable housing units begin. Specifically, the City
18 urges that direct (and sub-contracted) janitorial, maintenance, security and other residential
19 building service jobs created in projects receiving housing bonds proceeds should be jobs
20 paying living wages, family health benefits, and where employees' rights under the law to form
21 unions are respected.

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23 Section 18. (a) An applicant for housing bond funding may seek the written advice
24 of the Landmarks Preservation Advisory Board ("Advisory Board") as to whether proposed
25 alterations to an historic property are consistent with the Secretary of the Interior's Standards

1 for Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating Restoring,
2 and Reconstructing Historic Buildings (“Secretary of the Interior’s Standards”). An applicant
3 may submit the Advisory Board’s written advice to the Mayor’s Office of Housing with its
4 application for housing bond funding. Based upon the project’s consistency with the
5 Secretary of the Interior’s Standards, the Mayor’s Office of Housing may award the application
6 additional points in its overall applicant ranking system, in accordance with a process
7 developed in consultation with the Advisory Board and the Planning Director.

8 (b). Prior to completion of final design and prior to completion of environmental
9 review under the California Environmental Quality Act, all recipients of housing bond funding
10 whose projects will include the alteration of an historic property shall seek the advice of the
11 Advisory Board as to whether the proposed alterations are consistent with the Secretary of the
12 Interior’s Standards.

13 (c). An historic property, for the purposes of Section 18(a) and (b), shall be defined
14 as (i) any property listed in Article 10 of the Planning Code as a Landmark, Structure of Merit,
15 or as a contributing property to an Historic District, (ii) a property listed in Article 11 of the
16 Planning Code as a Category I, II, III, or IV property, or (iii) a property listed or formally
17 determined eligible for individual listing or listed or formally determined eligible for listing as a
18 contributing property to a historic district in the National Register of Historic Places or the
19 California Register of Historic Resources.

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1 Section 19. No proceeds of bonds authorized hereunder shall be used to assist in the
2 purchase of a property that is subject to a recorded Ellis Act eviction.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Mark D. Blake
8 Deputy City Attorney

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