

File No. 230971

Committee Item No. 11

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

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<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 type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" 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
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
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OTHER (Use back side if additional space is needed)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>PLN General Plan Referral 9/22/2023</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>
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Completed by: Brent Jalipa Date October 19, 2023

Completed by: Brent Jalipa Date _____

[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 subject to independent citizen oversight and regular audits, to finance the construction, development, acquisition, and/or rehabilitation of rental affordable housing, including workforce housing and senior housing, for households ranging from extremely low-income to moderate-income households; 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.

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

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

1 Section 1. Findings.

2 A. The General Plan 2022 Housing Element (“2022 Housing Element”) of the City
3 and County of San Francisco (“City”) 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 their income on
13 housing costs, including rent and utilities. In 2022, the median rent for a 2-bedroom apartment
14 was \$3,800, affordable to a household earning \$137,000; less than 40 percent of San
15 Francisco households earn this income. (2022 Housing Element, Goal 4).

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

23 D. While these policies and programs provided temporary support, overwhelming
24 demand far exceeded and continues to exceed the City’s available resources. The City’s
25 economy is still recovering from the pandemic, and the impacts of the pandemic will have

1 lasting effects, particularly for families and individuals that were disproportionately impacted
2 by the pandemic (2022 Housing Element, Figure 33).

3 E. The City's ability to produce the affordable rental housing it needs has been
4 significantly impacted by the limited availability of state and federal resources. From 2018 to
5 2022, for every \$1 of local funding invested by the City to create affordable housing, the City's
6 affordable housing projects received \$2 in funding from state and federal sources. As detailed
7 in the 2024 Affordable Housing Bond Report, the economic environment for affordable
8 housing has changed significantly in recent years, with state affordable housing funding
9 programs becoming more competitive and severely oversubscribed, including the state's
10 allocation of volume cap for tax-exempt housing revenue bonds.

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

24 G. The City's economic future and ongoing recovery will ultimately depend on its
25 ability to produce and preserve enough affordable housing to ensure the City's economically

1 diverse households can equitably access housing and remain stably housed in San
2 Francisco. Failure to meet this need will result in the displacement of more households to
3 areas with more affordable housing. This displacement could result in (i) greater disparity
4 between above moderate-income and lower-income households in the City with little change
5 to the City's median income levels as determined by the U.S. Census Bureau; and (ii) long
6 commutes, road congestion, and environmental harm as people seek affordable housing at
7 greater distances from where they work.

8 H. The proposed Bond is recommended in the City's 10-year capital plan, approved
9 each odd-numbered year by the Mayor and this Board of Supervisors ("Board").

10 I. The proposed Bond will provide a portion of the critical funding necessary to
11 construct, develop, acquire, and/or rehabilitate rental affordable housing projects in the City
12 (as further defined in Section 3 below).

13 Section 2. A special election is called and ordered to be held in the City on Tuesday,
14 March 5, 2024, for the purpose of submitting to the electors of the City a proposition to incur
15 bonded indebtedness of the City for the programs described in the amount and for the
16 purposes stated (herein collectively, the "Project"):

17 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$300,000,000 to construct,
18 develop, acquire, and/or rehabilitate housing, including workforce housing and senior housing,
19 that will be affordable to households ranging from extremely low-income to moderate-income
20 households, subject to independent citizen oversight and regular audits; with a duration of up
21 to 30 years from the time of issuance, an estimated average tax rate of \$0.0057/\$100 of
22 assessed property value, and projected average annual revenues of \$25,000,000; and
23 authorizing landlords to pass-through to residential tenants in units subject to Administrative
24 Code Chapter 37 (the "Residential Rent Stabilization and Arbitration Ordinance") 50 percent
25 of the increase in the real property taxes attributable to the cost of the repayment of such

1 Bonds.”

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

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

19 A. CONSTRUCTION: Up to \$240,000,000 of Bond proceeds will be allocated to
20 construct, develop, acquire, and/or rehabilitate new affordable rental housing, including senior
21 housing and workforce housing, serving extremely low-income households, very low-income
22 households, and lower-income households.

23 B. PRESERVATION: Up to \$30,000,000 of Bond proceeds will be allocated to
24 construct, develop, acquire, and/or rehabilitate rental housing, so as to preserve it as
25 affordable for lower-income households and moderate-income households.

1 C. VICTIMS AND SURVIVORS HOUSING: Up to \$30,000,000 of Bond proceeds
2 will be allocated to construct, develop, acquire, and/or rehabilitate housing for extremely-low
3 income households, very low-income households, and/or lower-income households who need
4 safe and stable housing, and are experiencing (i) trauma-informed homelessness, (ii) street
5 violence, (iii) domestic violence and abuse, (iv) sexual abuse and assault, and/or (v) human
6 trafficking.

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

9 Section 4. BOND ACCOUNTABILITY MEASURES.

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

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

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

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

23 Resolution No. _____, on file with the Clerk of the Board in

24 File No. 230970 \$300,000,000.

25 Such resolution was passed by two-thirds or more of the Board and approved by the

1 Mayor. In such resolution it was recited and found by the Board that the sum of money
2 specified is too great to be paid out of the ordinary annual income and revenue of the City in
3 addition to the other annual expenses or other funds derived from taxes levied for those
4 purposes and will require expenditures greater than the amount allowed by the annual tax
5 levy.

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

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

10 Section 6. The Bond Special Election shall be held and conducted and the votes
11 received and canvassed, and the returns made and the results ascertained, determined, and
12 declared as provided in this ordinance and in all particulars not recited in this ordinance such
13 election shall be held according to the laws of the State of California ("State") and the Charter
14 of the City ("Charter") and any regulations adopted under State law or the Charter, providing
15 for and governing elections in the City, and the polls for such election shall be and remain
16 open during the time required by such laws and regulations.

17 Section 7. The Bond Special Election is consolidated with the Presidential Primary
18 Election scheduled to be held in the City on Tuesday, March 5, 2024 ("Presidential Primary
19 Election"). The voting precincts, polling places, and officers of election for the Presidential
20 Primary Election are hereby adopted, established, designated, and named, respectively, as
21 the voting precincts, polling places, and officers of election for the Bond Special Election
22 called, and reference is made to the notice of election setting forth the voting precincts, polling
23 places, and officers of election for the Presidential Primary Election by the City's Director of
24 Elections to be published in the official newspaper of the City on the date required under the
25 laws of the State.

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

6 “SAN FRANCISCO AFFORDABLE HOUSING BONDS. To construct, develop,
7 acquire, and/or rehabilitate housing, including workforce housing and senior housing, that will
8 be affordable to households ranging from extremely low-income to moderate-income
9 households; shall the City and County of San Francisco issue \$300,000,000 in general
10 obligation bonds, subject to independent citizen oversight and regular audits, with a duration
11 of up to 30 years from the time of issuance, an estimated average tax rate of \$0.0057/\$100 of
12 assessed property value, and projected average annual revenues of \$25,000,000?”

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

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

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

1 The votes 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, the proposition
3 shall be deemed adopted.

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

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

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

18 Section 13. The Planning Department has determined that the actions contemplated
19 in this ordinance comply with the California Environmental Quality Act (California Public
20 Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the
21 Board of Supervisors in File No. 230971 and is incorporated herein by reference. The Board
22 affirms this determination.

23 Section 14. On September 22, 2023, the Planning Department issued its General
24 Plan Referral Report finding that the actions contemplated in this ordinance are consistent, on
25 balance, with the City's General Plan and eight priority policies of Planning Code Section

1 101.1. The Board adopts these findings as its own. A copy of said General Plan Referral
2 Report is on file with the Clerk of the Board of Supervisors in File No. 230971, and is
3 incorporated herein by reference.

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

8 Section 16. The Bonds are subject to, and incorporate by reference, the applicable
9 provisions of Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond
10 Oversight Committee"). Consistent with Administrative Code Section 5.31, to the extent
11 permitted by law, 0.1% of the gross proceeds of the Bonds shall be deposited in a fund
12 established by the Controller's Office and appropriated by the Board of Supervisors at the
13 direction of the Citizens' General Obligation Bond Oversight Committee to cover the costs of
14 such committee.

15 Section 17. The time requirements specified in Administrative Code Section 2.34 are
16 waived.

17 Section 18. The City hereby declares its official intent to reimburse prior expenditures
18 of the City incurred or expected to be incurred prior to the issuance and sale of any series of
19 the Bonds in connection with the Project. The Board hereby declares the City's intent to
20 reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project
21 (the "Expenditures" and each, an "Expenditure") made on and after that date that is no more
22 than 60 days prior to the passage of this ordinance. The City reasonably expects on the date
23 hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

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

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

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

Section 21. Documents referenced in this ordinance are on file with the Clerk of the Board of Supervisors in File No. 230971, which is hereby declared to be a part of this ordinance as if set forth fully herein.

APPROVED AS TO FORM:
DAVID CHIU,
City Attorney

By: /s/ KENNETH D. ROUX
KENNETH D. ROUX
Deputy City Attorney
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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 subject to independent citizen oversight and regular audits, to finance the construction, development, acquisition, and/or rehabilitation of rental affordable housing, including workforce housing and senior housing, for households ranging from extremely low-income to moderate-income households; 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, develop, acquire, and/or rehabilitate housing, including workforce housing and senior housing, that will be affordable to households ranging from extremely low-income to moderate-income households; shall the City and County of San Francisco issue \$300,000,000 in general obligation bonds, subject to independent citizen oversight and regular audits, 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?"

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 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 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 (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, develop, acquire, and/or rehabilitate rental affordable housing projects in the City, including senior housing and workforce housing.

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.

Items 8 - 11 Files 23-0969, 23-0970, 23-0971, 23-0972 <i>(Resolutions continued from 9/27/23 meeting)</i>	Departments: Controller (CON) Mayor's Office of Housing & Community Development (MOHCD)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <p>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.</p> <p>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.</p> <p>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.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> 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. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> 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. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> 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. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> 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-income 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 230971 – 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

September 22, 2023

Case No.: 2023-008826GPR
Block/Lot Nos.: Various, Citywide
Project Sponsor: San Francisco Board of Supervisors
Applicant: Brent Jalipa - (415) 554-7712
Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Brent.Jalipa@sfgov.org
Staff Contact: Amnon Ben-Pazi – (628) 652-7428
Amnon.Ben-pazi@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 Board of Supervisors is proposing Proposition for the March 5, 2024 ballot that would allow the City to incur bonded indebtedness of not to exceed \$300,000,000 subject to independent citizen oversight and regular audits, to finance the construction, development, acquisition, and/or rehabilitation of rental affordable housing, including workforce housing and senior housing, for households ranging from extremely low-income to moderate-income households; and related costs necessary or convenient for the foregoing purposes; and authorize landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37.

Bond proceeds would be allocated to provide to extremely low-, very low-, lower-, and moderate-income households in San Francisco affordable housing rental opportunities in accordance with policies and programs set forth by the 2022 Housing Element:

- **CONSTRUCTION:** Up to \$240,000,000 of Bond proceeds will be allocated to construct, develop, acquire, and/or rehabilitate new affordable rental housing, including senior housing and workforce housing, serving extremely low-income households, very low-income households, and lower-income households.
- **PRESERVATION:** Up to \$30,000,000 of Bond proceeds will be allocated to construct, develop, acquire, and/or rehabilitate rental housing, so as to preserve it as affordable for lower-income households and moderate-income households.
- **VICTIMS AND SURVIVORS HOUSING:** Up to \$30,000,000 of Bond proceeds will be allocated to construct, develop, acquire, and/or rehabilitate housing for extremely-low income households, very low-income households, and/or lower-income households who need safe and stable housing, and are experiencing (i) trauma-informed homelessness, (ii) street violence, (iii) domestic violence and abuse, (iv) sexual abuse and assault, and/or (v) human trafficking.
- **CITIZENS' OVERSIGHT COMMITTEE.** A portion of the Bond shall be used to perform audits of the Bond.

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.

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.

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 and preserve existing housing.

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.
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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. 230971 and 230972
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 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.

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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 Supervisor Aaron Peskin. These matters are being referred to you in accordance with Administrative Code 2.33.

File No. 230971

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 subject to independent citizen oversight and regular audits, to finance the construction, development, acquisition, and/or rehabilitation of rental affordable housing, including workforce housing and senior housing, for households ranging from extremely low-income to moderate-income households; 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. 230972

Resolution determining and declaring that the public interest and necessity demand the construction, development, acquisition, and/or rehabilitation of rental affordable housing projects, 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 subject to independent citizen oversight and regular audits; 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

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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 Supervisor Aaron Peskin.

File No. 230971

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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. 230972

Resolution determining and declaring that the public interest and necessity demand the construction, development, acquisition, and/or rehabilitation of rental affordable housing projects, 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 subject to independent citizen oversight and regular audits; 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

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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 Supervisor Aaron Peskin:

File No. 230971

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 subject to independent citizen oversight and regular audits, to finance the construction, development, acquisition, and/or rehabilitation of rental affordable housing, including workforce housing and senior housing, for households ranging from extremely low-income to moderate-income households; 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.

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Resolution determining and declaring that the public interest and necessity demand the construction, development, acquisition, and/or rehabilitation of rental affordable housing projects, 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 subject to independent citizen oversight and regular audits; 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 under the California Environmental Quality Act, and 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: Jonas Ionin, Director of Commission Affairs
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

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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. 230971 and 230972
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.

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: