

File No. 230971

Committee Item No. 2

Board Item No. 9

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date November 1, 2023

Board of Supervisors Meeting

Date November 7, 2023

#### Cmte Board

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

#### OTHER (Use back side if additional space is needed)

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN General Plan Referral 9/22/2023</u>            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>PLN CEQA Determination</u>                         |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referral Mandated 9/15/2023</u>                |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referral Planning 9/15/2023</u>                |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>FYI Referral Controller 9/15/2023</u>              |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CON Costing Analysis Letter 10/18/2023</u>         |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MOHCD - 2024 Affordable Housing GO Bond Report</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MOHCD Presentation 10/25/2023</u>                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | <u> </u>  |

Completed by: Brent Jalipa

Date October 26, 2023

Completed by: Brent Jalipa

Date November 2, 2023

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

2

3 **Ordinance calling and providing for a special election to be held in the City and County**

4 **of San Francisco on Tuesday, March 5, 2024, for the purpose of submitting to**

5 **San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed**

6 **\$300,000,000, subject to independent citizen oversight and regular audits, to finance**

7 **the construction, development, acquisition, and/or rehabilitation of rental affordable**

8 **housing, including workforce housing and senior housing, for households ranging**

9 **from extremely low-income to moderate-income households; and related costs**

10 **necessary or convenient for the foregoing purposes; authorizing landlords to pass-**

11 **through 50% of the resulting property tax increase, if any, to residential tenants under**

12 **Administrative Code Chapter 37; providing for the levy and collection of taxes to pay**

13 **both principal and interest on such Bonds; incorporating the provisions of the**

14 **Administrative Code relating to the Citizens’ General Obligation Bond Oversight**

15 **Committee’s review of Affordable Housing Bond expenditures; setting certain**

16 **procedures and requirements for the election; affirming a determination under the**

17 **California Environmental Quality Act; and finding that the proposed Bond is consistent**

18 **with the General Plan, and with the eight priority policies of Planning Code, Section**

19 **101.1.**

20 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.

21 **Additions to Codes** are in *single-underline italics Times New Roman font*.

22 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.

23 **Board amendment additions** are in double-underlined Arial font.

24 **Board amendment deletions** are in ~~strikethrough Arial font~~.

25 **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 City places high importance on job quality and training opportunities in the  
9 local construction industry.

10 I. The City and past recipients of City funding have worked with local stakeholders  
11 to successfully implement the City's longstanding policy goal that all construction projects  
12 receiving public funds should advance, to the extent financially feasible and legally  
13 permissible, job quality and training opportunities.

14 J. It is in the best interest of the City that affordable housing construction projects  
15 be subject to strong labor standards and antidiscrimination protections, to the extent feasible,  
16 to ensure that such projects are built with the highest degree of skill and as quickly as  
17 possible, to meet the City's urgent need for housing.

18 K. It is in the best interest of the City that project developers of affordable housing  
19 projects work with local worker representatives and advocates to develop health and safety  
20 standards and protections, to the extent feasible, that will allow workers to construct essential  
21 affordable housing quickly and safely.

22 L. The Mayor's Office of Housing and Community Development ("MOHCD") and  
23 recipients of funding from bond proceeds authorized by this measure are strongly encouraged  
24 to work collaboratively with local stakeholders during the project development process, to  
25 adopt and implement strong labor standards, antidiscrimination protections, health and safety

1 standards, and protections, on all projects financed with bond proceeds authorized by this  
2 measure, to the extent feasible.

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

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

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

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

18 Q. New construction of affordable housing built on City-owned land will be subject  
19 to the green building standards under Environment Code Chapter 7.

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

23 S. MOHCD and recipients of funding from bond proceeds authorized by this  
24 measure are strongly encouraged to work collaboratively with local climate advocates and the  
25 Department of the Environment, during the project development process, to adopt and

1 implement strong climate standards and protections on all projects financed with bond  
2 proceeds authorized by this measure, to the extent feasible.

3 T. According to the Department of Homelessness and Supportive Housing (“HSH”),  
4 cisgender women and women-identified individuals make up 31% of the total number of  
5 homeless or marginally-housed individuals documented by the City, yet an exhaustive survey  
6 conducted by the Women’s Housing Coalition of HSH and MOHCD shelter and housing  
7 inventory found only 92 out of 23,500 units of permanent affordable housing and 101 out of  
8 3,084 total shelter beds dedicated for cisgender women and women-identified individuals,  
9 making up less than one percent and 3.27% of the need for women-specific safe permanent  
10 housing and shelter respectively.

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

15 V. According to HSH, 24% of homeless women have had to voluntarily give up  
16 primary caretaking responsibilities due to housing instability or homelessness, and 26% have  
17 been pregnant while homeless.

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

23 X. According to HSH’s 2022/2023 survey of women experiencing homelessness,  
24 56% indicated they had been homeless for over one year, including 11% who confirmed they

1 were homeless with their children with them and 21% who confirmed they could be with their  
2 children if they had different housing.

3 Y. HSH, the Department on the Status of Women, the Department of Public Health,  
4 MOHCD, and the Board convened a half-day retreat with the Women’s Housing Coalition and  
5 affordable housing providers who made recommendations on addressing the plight of  
6 unhoused and marginally housed cisgender and women-identified survivors of violence and  
7 abuse, including implementing easier and quicker access to housing, women-only safe and  
8 secure shelter and long-term housing.

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

16 AA According to the State’s Homeless Data Integration System, between 2017 and  
17 2021, while California’s senior population over the age of 55 years of age grew by 7%, the  
18 number of seniors who became homeless as a result of increased housing and healthcare  
19 costs, job loss or displacement increased by 84%, a national trend that is particularly  
20 exacerbated in the Bay Area, which is one of the most expensive areas to live in the United  
21 States.

22 BB. The California Department of Finance released a population forecast in 2023  
23 showing that San Francisco’s population of seniors 80 years of age or older is expected to  
24 triple in the next four decades, going from 48,000 seniors in 2020 to nearly 137,000 seniors by  
25 2060, while at the same time, the City’s overall population is expected to decline from about



1 870,000 people in 2020 to 845,000 in 2060, highlighting a significant need for affordable  
2 housing for seniors.

3 CC. San Francisco’s Department of Aging and Adult Services’ (DAAS) 2021  
4 Overview Report on Affordable Housing for Seniors and People with Disabilities confirms that  
5 seniors aging in place in San Francisco are spending 75% or more of their monthly, fixed  
6 income on rent each month, and struggling to pay for other necessities like food and bills.

7 DD. It is in the best interest of the City that housing for low-income seniors be  
8 prioritized in the City’s work to meet the state-mandated Housing Element requirement to  
9 build 46,000 new affordable housing units in the next eight years.

10 EEH. The proposed Bond is recommended in the City’s 10-year capital plan, approved  
11 each odd-numbered year by the Mayor and this Board of Supervisors (“BOARD”).

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

15

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

20 “SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$300,000,000 to construct,  
21 develop, acquire, and/or rehabilitate housing, including workforce housing and senior housing,  
22 that will be affordable to households ranging from extremely low-income to moderate-income  
23 households, subject to independent citizen oversight and regular audits; with a duration of up  
24 to 30 years from the time of issuance, an estimated average tax rate of \$0.0057/\$100 of  
25 assessed property value, and projected average annual revenues of \$25,000,000; and

1 authorizing landlords to pass-through to residential tenants in units subject to Administrative  
2 Code Chapter 37, as such Chapter may be amended (the “Residential Rent Stabilization and  
3 Arbitration Ordinance”) 50 percent of the resulting increase, if any, in the real property taxes  
4 attributable to the cost of the repayment of such Bonds, as set forth in Administrative Code  
5 Chapter 37, as it may be amended from time to time.”

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

8

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

24 A. CONSTRUCTION: Up to \$240,000,000 of Bond proceeds will be allocated to  
25 construct, develop, acquire, and/or rehabilitate new affordable rental housing, including senior

1 housing and workforce housing, serving extremely low-income households, very low-income  
2 households, and lower-income households.

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

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

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

14  
15 Section 4. BOND ACCOUNTABILITY MEASURES.

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

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

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

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

Resolution No. \_\_\_\_\_, on file with the Clerk of the Board in File No. 230972 \$300,000,000.

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

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

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

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

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

10  
11           Section 8.    The ballots to be used at the Bond Special Election shall be the ballots to  
12 be used at the Presidential Primary Election. The word limit for ballot propositions imposed by  
13 Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond  
14 Special Election, in addition to any other matter required by law to be printed thereon, shall  
15 appear the following as a separate proposition:

16           “SAN FRANCISCO AFFORDABLE HOUSING BONDS. To construct, develop,  
17 acquire, and/or rehabilitate housing, including workforce housing and senior housing, that will  
18 be affordable to households ranging from extremely low-income to moderate-income  
19 households; shall the City and County of San Francisco issue \$300,000,000 in general  
20 obligation bonds, subject to independent citizen oversight and regular audits, with a duration  
21 of up 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?”

23           The City’s current debt management policy is to maintain the property tax rate for City  
24 general obligation bonds below the 2006 rate by issuing new general obligation bonds as  
25

1 older ones are retired and the tax base grows, though this property tax rate may vary based  
2 on other factors.”

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

6  
7 Section 9. If at the Bond Special Election it shall appear that two-thirds of all the  
8 voters voting on the proposition voted in favor of and authorized the incurring of bonded  
9 indebtedness for the purposes set forth in such proposition, then such proposition shall have  
10 been accepted by the electors, and the Bonds authorized shall be issued upon the order of  
11 the Board. Such Bonds shall bear interest at a rate not exceeding that permitted by law.

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

15  
16 Section 10. The actual expenditure of Bond proceeds provided for in this ordinance  
17 shall be net of financing costs.

18  
19 Section 11. For the purpose of paying the principal and interest on the Bonds, the  
20 Board shall, at the time of fixing the general tax levy and in the manner for such general tax  
21 levy provided, levy and collect annually each year until such Bonds are paid, or until there is a  
22 sum in the Treasury of the City, or other account held on behalf of the Treasurer of the City,  
23 set apart for that purpose to meet all sums coming due for the principal and interest on the  
24 Bonds, a tax sufficient to pay the annual interest on such Bonds as the same becomes due  
25 and also such part of the principal thereof as shall become due before the proceeds of a tax

1 levied at the time for making the next general tax levy can be made available for the payment  
2 of such principal.

3  
4 Section 12. This ordinance shall be published in accordance with any State law  
5 requirements, and such publication shall constitute notice of the Bond Special Election and no  
6 other notice of the Bond Special Election hereby called need be given.

7  
8 Section 13. The Planning Department has determined that the actions contemplated  
9 in this ordinance comply with the California Environmental Quality Act (California Public  
10 Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the  
11 Board of Supervisors in File No. 230971 and is incorporated herein by reference. The Board  
12 affirms this determination.

13  
14 Section 14. On September 22, 2023, the Planning Department issued its General  
15 Plan Referral Report finding that the actions contemplated in this ordinance are consistent, on  
16 balance, with the City's General Plan and eight priority policies of Planning Code Section  
17 101.1. The Board adopts these findings as its own. A copy of said General Plan Referral  
18 Report is on file with the Clerk of the Board of Supervisors in File No. 230971, and is  
19 incorporated herein by reference.

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

1           Section 16. The Bonds are subject to, and incorporate by reference, the applicable  
2 provisions of Administrative Code Sections 5.30-5.36 (the “Citizens’ General Obligation Bond  
3 Oversight Committee”). Consistent with Administrative Code Section 5.31, to the extent  
4 permitted by law, 0.1% of the gross proceeds of the Bonds shall be deposited in a fund  
5 established by the Controller’s Office and appropriated by the Board of Supervisors at the  
6 direction of the Citizens’ General Obligation Bond Oversight Committee to cover the costs of  
7 such committee.

8  
9           Section 17. The time requirements specified in Administrative Code Section 2.34 are  
10 waived.

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

19           Each Expenditure was and will be either (a) of a type properly chargeable to a capital  
20 account under general federal income tax principles (determined in each case as of the date  
21 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring  
22 item that is not customarily payable from current revenues. The maximum aggregate principal  
23 amount of the Bonds expected to be issued for the Project is \$300,000,000. The City shall  
24 make a reimbursement allocation, which is a written allocation by the City that evidences the  
25 City’s use of proceeds of the applicable series of Bonds to reimburse an Expenditure, no later



1 than 18 months after the later of the date on which the Expenditure is paid or the related  
2 portion of the Project is placed in service or abandoned, but in no event more than three years  
3 after the date on which the Expenditure is paid. The City recognizes that exceptions are  
4 available for certain “preliminary expenditures,” costs of issuance, certain de minimis  
5 amounts, expenditures by “small issuers” (based on the year of issuance and not the year of  
6 expenditure) and Expenditures for construction projects of at least five years.

7

8 Section 19. Landlords may pass through to residential tenants ~~under the Residential~~  
9 ~~Stabilization and Arbitration Ordinance (Administrative Code Chapter 37), as such Chapter~~  
10 ~~may be amended,~~ 50 percent of any property tax increase that may result from the issuance  
11 of Bonds authorized by this ordinance, as set forth in Administrative Code Chapter 37, as it  
12 may be amended from time to time. ~~The City may enact ordinances authorizing tenants to~~  
13 ~~seek waivers from the pass through based on financial hardship.~~

14

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

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

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

4  
5 APPROVED AS TO FORM:  
6 DAVID CHIU, City Attorney

7  
8 By: /s/ KENNETH D. ROUX  
9       KENNETH D. ROUX  
      Deputy City Attorney  
      n:\financ\as2023\2300394\01713291.docx

**REVISED LEGISLATIVE DIGEST**  
(Amended in Committee, 10/25/2023)

[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, if any, 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 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.

<p><b>Items 1 &amp; 2</b>  <b>Files 23-0971 &amp; 23-0972</b>  <i>(Continued from 10/25/23 meeting)</i></p>	<p><b>Departments:</b>          Controller (CON)          Mayor’s Office of Housing &amp; Community Development (MOHCD)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

**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.

**File 23-0972:** is a resolution that would determine and declare that incurring the proposed debt is necessary and in the public interest.

**Key Points**

- The FY 2024-2033 Capital Plan includes a schedule of planned debt and other capital financing. The schedule shows a \$340 million general obligation bond for affordable housing and shelters will be requested for voter approval in March 2024. The Capital Planning Committee has since voted to shift \$40 million for shelters to the November 2024 election. Prior to issuing the proposed debt, the Board must find that such indebtedness is in the public interest and schedule an election to seek voter approval for the debt.
- The proposed funding allocations among the three affordable housing programs would provide an estimated 1,429 to 1,520 new or preserved affordable rental housing units.

**Fiscal Impact**

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

**Recommendation**

- Approval the proposed ordinance and resolution.

**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.<sup>1</sup>

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**

**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

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

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.

At the October 25, 2023 Budget & Finance meeting, the Mayor's Office of Housing and Community Development agreed to table their original affordable housing general obligation bond proposal (Files 23-0969 and 23-0970) and verbally endorsed the proposed ordinance and resolution. The Budget & Finance Committee amended Files 23-0971 and 23-0972 to add findings and recitals related to labor, climate, and the need for victim and survivor housing and also to clarify that the tenant pass-through only applies if property taxes are actually increased as a result of the proposed bonds.

Proposed uses of the bond proceeds are shown in Exhibit 1 below, together with the expected number of units each program may generate and the income limits for each program, based on the ordinance scheduling a special election. The proposed funding allocations would provide an estimated 1,429 to 1,520 new or preserved affordable rental housing units.

**Exhibit 1: Uses of Bond Funds**

<b>Affordable Rental Programs</b>	<b>Funding</b>	<b>Units</b>	<b>Household Area Median Income</b>
New	\$240,000,000	1,298	Up to 80% AMI
Preservation	30,000,000	60	30% - 120% AMI
Victims & Survivors*	30,000,000	71 - 162	Up to 80% AMI
<b>Total</b>	<b>\$300,000,000</b>	<b>1,429 – 1,520</b>	

Source: File 23-0971, BLA analysis of MOHCD data

Notes: 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. 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.

**RECOMMENDATION**

Approve the proposed ordinance and resolution.



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

**Legislative Objectives**

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

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

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

**Key Points**

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

**Fiscal Impact**

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

**Policy Consideration**

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

**Recommendation**

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

**MANDATE STATEMENT**

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

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

**BACKGROUND**

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

**2019 Affordable Housing General Obligation Bond**

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

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

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

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

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

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

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

**Sponsored by Board of Supervisors President Peskin:**

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

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

The proposed legislation would also:

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

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

**Exhibit 1: Possible Uses of Bond Funds**

<b>Uses</b>	<b>Mayor</b>	<b>Peskin</b>
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
<b>Total</b>	<b>\$300,000,000</b>	<b>\$300,000,000</b>

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**

<b>Program</b>	<b>Mayor</b>	<b>Peskin</b>	<b>Household Area Median Income</b>
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
<b>Rental Units</b>	<b>1,460</b>	<b>1,429 - 1,520</b>	
<b>Ownership Units</b>	<b>30</b>	<b>0</b>	

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.



# 2024 Affordable Housing General Obligation Bond Report



MAYOR'S OFFICE OF  
**HOUSING & COMMUNITY DEVELOPMENT**

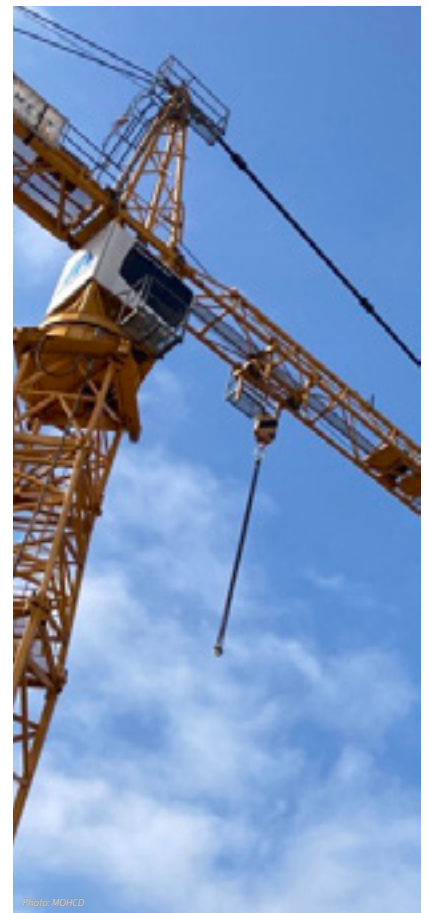
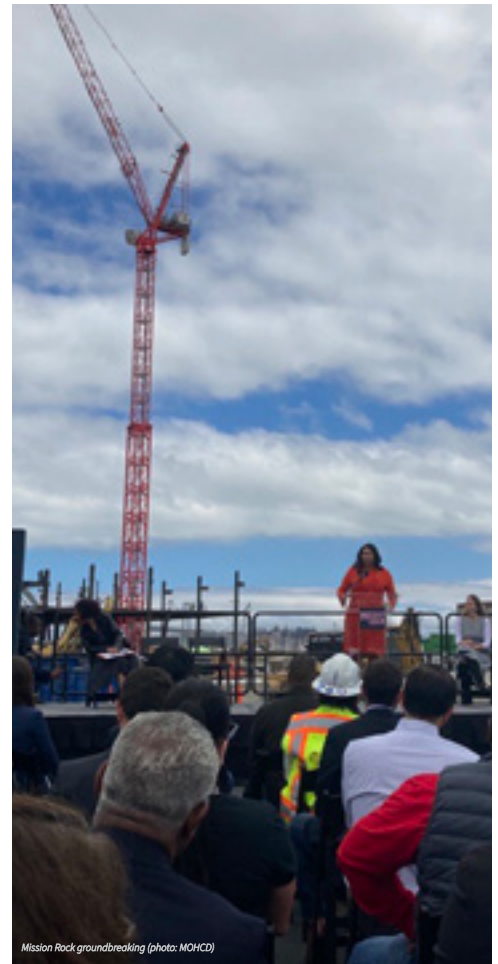


Photo: MHCDC



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Mission Rock groundbreaking (photo: MOHCD)

## Key Terms

**Affordable Housing:** Refers to housing with a rent or cost of ownership equal to 30% or less of the household’s income and/or housing that is funded by the government, rented or sold at prices that are below the local market rate, and restricted to income-qualifying households, as defined by a percentage of Area Median Income (AMI).

**AMI:** Area Median Income, which is the household income for the median—or middle—household in San Francisco. AMIs are different in every county. For 2023, San Francisco’s median income is \$100,850 for an individual and \$144,100 for a family of four. The income levels are defined as:

- **Extremely Low-Income:** Households earning up to 30% AMI.
- **Very Low-Income:** Households earning up to 50% AMI.
- **Lower-Income:** Households earning up to 80% AMI.
- **Moderate-Income:** Households earning between 80% and 120% AMI.
- **Middle-Income:** Households earning between 120% and 200% AMI.

**Market-Rate Housing:** No income limit restriction, although some market-rate housing may be subject to rent control regulations, which limit the annual allowable increase in rent.

**Public Housing:** Affordable housing subsidized by federal funds; Low-Income housing restricted to households with incomes of up to 80% AMI.

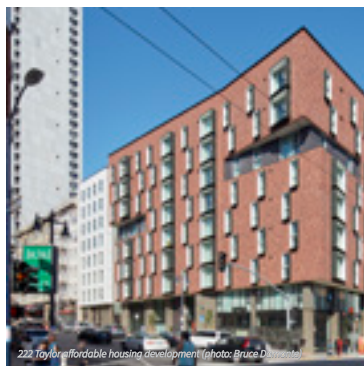
# Executive Summary

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

- Create new affordable housing that aligns with the goals set by the 2022 Housing Element<sup>1</sup> of providing equitable opportunities, especially for those who are most vulnerable, access to high resource neighborhoods, and stabilization of communities.
- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair and protect San Franciscans living in apartments who are at risk of displacement, including those covered by rent-control.
- Expand affordable homeownership opportunities for the City’s middle-income residents and workforce, including educators, first responders, nonprofit workers, and service industry employees.

The estimated funding program for the 2024 Affordable Housing Bond is shown below in Table 1.

Table 1: Proposed 2024 Affordable Housing Bond	
Program Area	Funding Amount
Production of Low-Income Housing (up to 80% AMI)	\$258 million
Affordable Housing Preservation (30% to 120% AMI)	\$30 million
Downpayment Assistance Loan Programs for First-Time Homebuyers (up to 200% AMI)	\$12 million
<b>TOTAL</b>	<b>\$300 million</b>



## Background

Since 2012, City leaders and voters have repeatedly demonstrated their support for policies and investments that address the housing needs of San Francisco’s workforce and vulnerable residents. In 2012, voters approved the creation of the Housing Trust Fund. In 2015, 74% of voters approved Proposition A, a \$310 million General Obligation Affordable Housing Bond. In 2016, voters passed Proposition C to repurpose \$260 million in unused bond capacity to fund the Preservation and Seismic Safety (PASS) program to acquire, rehab, and convert at-risk buildings to permanent affordable housing. In 2018, over 60% of voters said yes to Proposition C, which created a gross receipts tax on high-earning corporations for the purpose of providing homelessness prevention measures, shelters, and permanent exits from homelessness. In 2019, 71% of voters approved Proposition A, a \$600 million General Obligation Affordable Housing Bond.

As San Francisco emerged out of the pandemic, it approved the ambitious 2022 Housing Element Update in January 2023. The 2022 Housing Element calls for a substantial increase in housing in the coming years to meet a wide range of income levels and to provide more geographic distribution of affordable housing. To help meet the need for affordable units, Mayor London Breed and the Board of Supervisors support the 2024 General Obligation Affordable Housing Bond for \$300 million.

1. The Housing Element is one of several General Plan elements required by State law. The Housing Element must be updated every eight years to provide the policy roadmap for housing. The 2022 update to the Housing Element is at: <https://sfplanning.org/project/housing-element-update-2022>



# Affordable Housing Bond Impacts

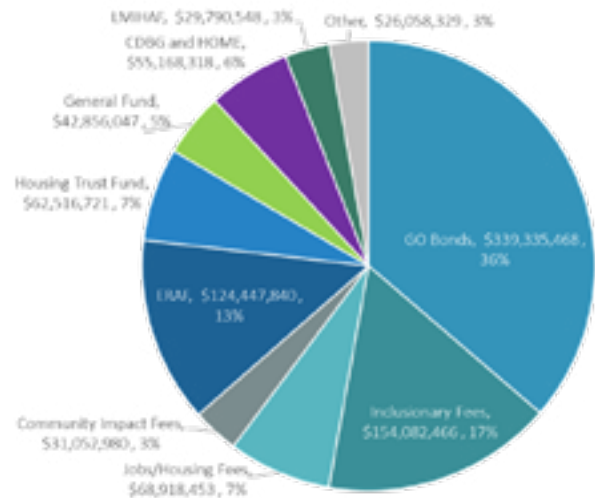
The 2024 Affordable Housing Bond builds on the goals, successes, and lessons learned from the 2015 and 2019 Housing Bonds. Altogether, those earlier measures provided \$910 million for low- and middle-income housing, public housing, and senior housing. The specific program breakdown and accomplishments of the 2019 Housing Bond are shown in Table 2.

Table 2: 2019 Affordable Housing Bond		
Program Area	Funding Amount	# of New or Preserved Affordable Housing Opportunities Created
Public Housing	\$150 million	965 units (Completion year: 2028)
Low-Income Housing (up to 80% AMI)	\$220 million	1,050 units (Completion year: 2028)
Affordable Housing Preservation and Middle-Income Housing Programs	\$60 million	
<i>Preservation of affordable housing for households earning 30% to 120% AMI</i>	<i>\$30 million (estimated)</i>	<i>94 units (Completion year: 2026)</i>
<i>Downpayment Assistance Loan Program for first-time homebuyers who earn up to 175% AMI, and the Teacher Next Door loan program for educators who earn up to 200% AMI and are first-time homebuyers</i>	<i>\$30 million (estimated)</i>	<i>101 units (Completion year: 2027)</i>
Senior Housing (up to 80% AMI)	\$150 million	500 units (Completion year: 2028)
Educator Housing (30% to 140% AMI)	\$20 million	60 units (Completion year: 2028)
<b>TOTAL</b>	<b>\$600 million</b>	

In recent years, for every dollar of local funding that the City has allocated to affordable housing, it has received twice the amount of funding from state, federal, and other sources. Specifically, from 2018 to 2022, San Francisco spent approximately \$1 billion of local funding on affordable housing, and leveraged \$2 billion from state, federal, and other sources (see Figure 1).

However, as the City recovers from the COVID-19 pandemic, and the economic environment for the development of affordable housing continues to change, a number of factors are impacting the City’s ability to meet its affordable housing goals (see Page 5). These factors mean that local funds support fewer projects given rising costs. Local funds also need to be flexible and responsive to both opportunities and setbacks. The pipeline of affordable housing development is dynamic, and the City benefits most from our local bond funds when the funding is nimble. The 2024 Affordable Housing Bond aims to address these concerns and take into account key lessons learned from past affordable housing bonds.

**Figure 1:  
San Francisco Affordable Housing  
Funding Sources, 2018-2022**



LMIHAF: Low- and Moderate-Income Housing Asset Fund; CDBG: Community Development Block Grants; HOME: HOME Investment Partnerships Program; ERAF: Educational Revenue Augmentation Fund.



1036 Mission affordable housing development (photo: MOHCD)

## Key Factors

- **Project schedules are less certain today than in past years.** Bond and tax credit funding from the State is not guaranteed anymore, creating an unpredictable financing environment for affordable housing.
- **Construction and operating costs are increasing.** The supply chain issues of the pandemic have had lasting impacts. Material and labor costs continue to rise.
- **High interest rates** are impacting financing options and costs.
- The **cost and limited availability of insurance** are driving up the costs of affordable housing. Both construction insurance and operating coverage costs are escalating.
- **Senate Bill 35 (2017)** has significantly shortened the entitlement timeline in San Francisco, removing a hurdle and reducing pre-development timelines and costs. Virtually all affordable housing developments now use SB 35 to streamline entitlements.
- **Moderate- and middle-income affordable housing** (for households earning 80% to 200% AMI) struggles to leverage state funding. Limited state funds are oversubscribed and lower-income households are a priority.



455 Fell affordable housing development (photo: Bruce Damonte)

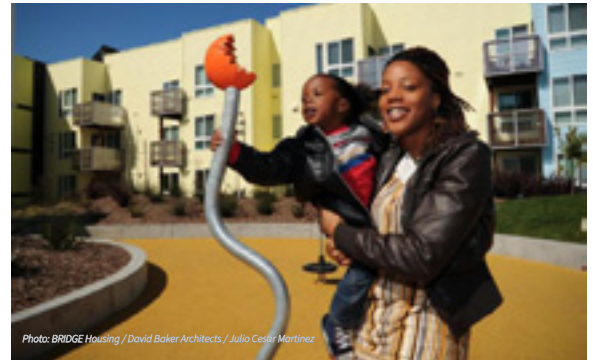
# The Need for Investment

Renters in San Francisco need to earn \$68.17 an hour—four times the City’s minimum wage—to afford the average monthly asking rent of \$3,545. More than 18,000 low-income households in San Francisco do not have access to an affordable home.<sup>2</sup>

The 2024 Affordable Housing Bond would provide a financial foundation to make progress towards our production goals and would address the imminent need for local funding for projects already underway.

## The 2022 Housing Element Update

Adopted in January 2023, this update details the policy framework for meeting San Francisco’s housing needs for the coming eight years (January 31, 2023, to January 31, 2031). It is the City’s first Housing Element centered on racial and social equity. Its policies and programs express San Francisco’s collective vision for the future of housing, guiding policymaking, housing programs, and the allocation of resources. The Housing Element’s five goals focus on fostering a diverse, inclusive city with healthy housing opportunities for all. It will take a substantial investment of resources — federal, state and local—for the City to make progress toward those goals.



## Housing for All

In February 2023, Mayor London Breed launched Housing for All, a strategy to fundamentally change how San Francisco approves and builds housing and to implement key programs and policies from the Housing Element.

The first step was issuing a Mayoral Executive Directive that sets the immediate and near-term actions. It consists of governmental organization actions, administrative actions, and legislative actions the City will take to meet the bold goal set in the Housing Element of building 82,000 new homes over eight years.

The Housing for All Executive Directive focuses on three areas:

- Establishing Housing Element accountability and oversight
- Requiring administrative department actions
- Setting legislative actions and timelines

As these efforts continue, they will facilitate the process of funding and producing affordable housing, helping to reduce costs and make our bond dollars go farther.

## Affordable Housing is a Driver of Economic Recovery

Although the immediate impacts of the pandemic are behind us, the economic impacts are still felt in a shifting and unpredictable job market, a volatile housing market, and a rising cost of living. Affordable housing development creates jobs, activates blighted or underutilized areas, and generates economic activity. In 2022, 42% of all completed housing units in San Francisco were affordable housing units.

## Racial and Social Equity

Advancing racial and social equity is a guiding principle for the City’s investments in affordable housing. Stable housing is essential for households to live happy and healthy lives. Black, Indigenous, and People of Color (BIPOC) populations, seniors, and people living with disabilities face significant obstacles in securing safe and stable housing (Figures 2, 3, 4 and 5).

2. California Housing Partnership 2023 Affordable Housing Needs Report, [https://chpc.wpenginepowered.com/wp-content/uploads/2023/05/San-Francisco\\_Housing\\_Report.png](https://chpc.wpenginepowered.com/wp-content/uploads/2023/05/San-Francisco_Housing_Report.png)



## The Changing Economic Environment for Affordable Housing

Until 2020, San Francisco’s affordable housing developers enjoyed easy access to tax-exempt bonds and 4% tax credits, allocated by the State, to finance new construction and preservation projects. In late 2020, however, the State bond funding program became oversubscribed for the first time, leading the State to allocate resources through a competitive process. In response, the City is advocating at the federal level for the expansion of tax-exempt bonds to keep up with the demand for affordable housing and at the State level for new regulations that will prioritize projects like San Francisco’s that deliver permanent affordability and proximity to jobs and transit. In addition, State policy prioritizes funding for new construction projects that demonstrate greatest cost efficiency, while deprioritizing preservation projects; it also prioritizes projects in High Resource Areas, at the expense of San Francisco’s large scale, multiphase revitalization projects which are often located in Lower Resource Areas.

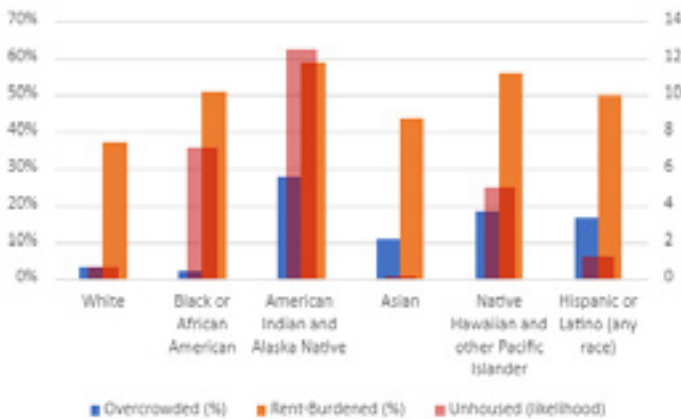
Compounding the State and federal funding challenges, San Francisco’s inclusionary fees from market rate development have essentially dried up, forcing the City to do more with dwindling local funds.

Additional market shocks are impacting financing options and development costs, creating new hurdles. Inflation affects costs across the board. Lingering COVID supply chains issues continue to disrupt budgets and timelines. Surging and volatile interest rates are impacting holding costs, construction contracts, and permanent mortgages. Climate change and natural disasters are increasing insurance costs.

Collectively, these factors are making it increasingly difficult to produce affordable housing across the country.

Figure 2:

Overcrowding, Housing Rent Burden, and Homelessness by Race



Source: ACS 2019 1-year Estimates; 2019 San Francisco Point-In-Time Homeless Count and Survey Report, Department of Homeless and Supportive Housing.

Figure 3:

Percentage of People Experiencing Homelessness by Age Group



Source: San Francisco 2019 Point-In-Time Homeless Count and Survey Report, Department of Homeless and Supportive Housing.

Figure 4:

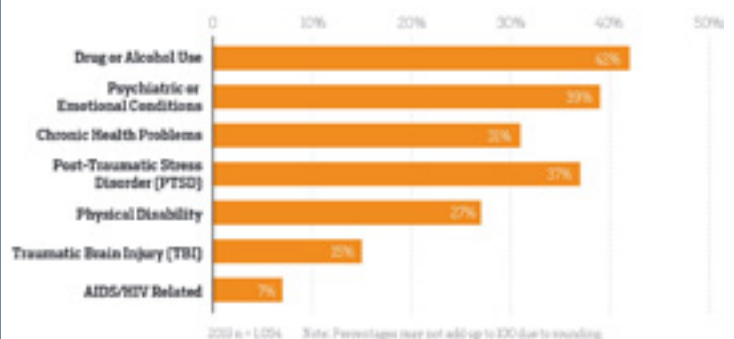
Percentage of Households that are Rent Burdened by Race and Ethnicity



Source: ACS 2018 5 Year Estimates (IPUMS-USA).

Figure 5:

Percentage of People Experiencing Homelessness with Different Health Conditions



Source: San Francisco 2019 Point-In-Time Homeless Count and Survey Report, Department of Homeless and Supportive Housing.

# 2024 Affordable Housing Bond Program Elements

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

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

## Production

**\$258 million**

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

### Eligible Uses

The construction of permanently affordable rental housing serving individuals and families earning up to 80% AMI. This range is set based on State financing requirements.

### Who is Served?

Low-income housing protects vulnerable populations, such as:

- Working families
- Veterans
- Seniors
- People with disabilities
- Transitional aged youth (ages 18-24)
- People experiencing homelessness

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

### Priorities

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



*Casa de la Mision Groundbreaking (Photo: MOHCD)*



*La Fenix affordable housing development (photo: Bruce Damonte)*



*Construction at Sunnydale HOPE SF site (photo: MOHCD)*

# Preservation

## \$30 million

Acquisition and preservation programs, including the Small Sites Program<sup>3</sup> and the Preservation and Seismic Safety Program<sup>4</sup>, protect San Francisco residents of properties that are vulnerable to market pressure and resulting property sales, increased evictions, and rising tenant rents. Acquired properties are converted to permanently affordable housing with rents at an average of 80% AMI, and available to families earning 30% to 120% AMI.

Through Fiscal Year 2022, these acquisition and preservation programs have deployed over \$217 million in funding to preserve 50 projects with 39 commercial spaces and 519 residential units.

### Eligible Uses

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

### Who is Served?

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

- Current residents living in housing at-risk of losing affordability (e.g. Ellis Act or unlawful evictions)
- Future generations of tenants, because preserved units add to San Francisco's permanently affordable rental stock.

### Priorities

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



## Small Sites Program

Established in 2014 and funded by local sources, the Small Sites Program is an acquisition and rehabilitation loan program for multi-family rental buildings of 5 to 40 units. In 2022, updated program guidelines responded to current market conditions and aligned with the City's Preservation Goals of Community Stabilization, Geographic Equity, Housing Affordability, and Maximizing the City's Impact. The new guidelines also expand on the long-term Small Sites Program goal of preventing the displacement of San Franciscans through investments in nonprofit ownership. MOHCD's Preservation team is working to build capacity for existing sponsors along with eight new qualified nonprofit sponsors, which will support the City's racial and geographic equity goals.

## Preservation and Seismic Safety Program (PASS)

Authorized by voters in 2016 and funded by approximately \$260.7 million in General Obligation bonds, PASS provides low-cost and long-term first mortgage financing to fund the acquisition and preservation of affordable housing, as well as seismic retrofits to existing buildings. The first series of bonds totaling \$72.4 million was issued in February 2019, and the second series of bonds totaling \$102.6 million was issued in December 2020. In FY21-22, MOHCD funded PASS loans on six projects comprised of 208 residential units and 12 commercial spaces. MOHCD's financing provided critical funds for both acquisition and rehabilitation and will ensure that these buildings are permanently operated as affordable housing.

3. The guidelines and processes for the Small Sites Program are available online at: <https://sf.gov/information/about-small-sites-program>

4. PASS regulations are available online at: [https://sfmohcd.org/sites/default/files/Documents/MOH/PASS/PASS%20Program%20Regulations\\_20190315%20Final.pdf](https://sfmohcd.org/sites/default/files/Documents/MOH/PASS/PASS%20Program%20Regulations_20190315%20Final.pdf)



## Downpayment Assistance Loan Programs for First-Time Homebuyers

**\$12 million**

Homeownership is one of the primary sources of building wealth for most U.S. families. Racially and socially inclusive neighborhoods rely on low-income American Indian, Black, and other communities of color having the opportunity to build wealth to pass on to future generations. The 2022 Housing Element specifically calls for policies to retain and increase the number of moderate- and middle-income households by increasing their homebuying opportunities and reversing the shortage in housing that is affordable to these households.

The Downpayment Assistance Loan Programs, managed by MOHCD, provide financial support to help moderate- and middle-income first-time homebuyers who would otherwise not be able to purchase a primary residence in San Francisco. The programs include targeted assistance for United Educators of San Francisco (UESF) members, including teachers, paraprofessionals, and other certificated staff through the Teacher Next Door program, and targeted assistance for historically underserved households through the Dream Keeper Initiative. MOHCD also oversees below-market-rate (BMR) homeownership programs, where unit purchase prices are set below market.

In Fiscal Year 2021-2022, these programs combined to help more than 300 low- to moderate-income households purchase their first home in San Francisco.

### Eligible Uses

Expanding existing MOHCD Downpayment Assistance Loan Programs.

### Who is Served?

San Francisco households earning up to 200% AMI.

- The Downpayment Assistance Loan Program (DALP) serves households earning up to 200% of AMI.
- Teacher Next Door Downpayment Assistance Loans (TND) serve households earning up to 200% of AMI and support all United Educators of San Francisco (UESF) members, including teachers, paraprofessionals, and other certificated staff (e.g., counselors, deans, nurses, speech pathologists, psychologists, behavioral analysts, social workers, Special Education (SPED) Content Specialists and librarians), as well as those who work in the SFUSD Early Education department.
- The First Responders Downpayment Assistance Loan Program (FRDALP) is for first-time homebuyers who are active sworn members of the San Francisco Police, Fire, or Sheriff's departments.

## MOHCD Homeownership Opportunities

*Fiscal Year 2021-2022*

**233** BMR homes purchased

**67** downpayment assistance loans provided to first-time homebuyers who purchased market-rate homes

**10** downpayment assistance loans provided to first-time homebuyers who purchased BMR homes

**3** Teacher Next Door downpayment assistance loans provided to help educators purchase their first home



# Program Summary

Table 3 summarizes the 2024 Affordable Housing Bond program and projected timeline for expenditures.

Table 3: 2024 Affordable Housing Bond Program Summary					
Program Area	Funding Amount	Eligible and Prioritized Uses	Populations Served	Affordable Homes Produced or Preserved (estimated)	Timeline
<b>Production of Low-Income Housing</b>	\$258 million	Construction of affordable rental housing, focusing on shovel-ready projects in a diversity of neighborhoods	<ul style="list-style-type: none"> <li>Households earning up to 80% AMI</li> <li>Families</li> <li>Seniors</li> <li>Former public housing residents</li> <li>Households experiencing homelessness</li> </ul>	1,400	2024 to 2027
<b>Affordable Housing Preservation</b>	\$30 million	Acquisition and/or rehabilitation of existing residential buildings at risk of losing affordability, either by conversion to market-rate rents or through physical decline	<ul style="list-style-type: none"> <li>Residents of at-risk buildings earning 30% to 120% AMI (units preserved at rents for an average of 80% AMI)</li> </ul>	60 <i>Assumes acquisition and/or rehabilitation cost of \$500,000 per unit.</i>	2024 to 2026
<b>Downpayment Assistance Loan Programs for First-Time Homebuyers</b>	\$12 million	Home ownership opportunities for first-time homebuyers earning up to 200% AMI, focusing on downpayment assistance loan programs	<ul style="list-style-type: none"> <li>Households earning up to 200% AMI</li> <li>UESF member and first responder households earning up to 200% AMI</li> </ul>	30 <i>Assumes average downpayment assistance loan amount of \$400,000.</i>	2024 to 2028
<b>TOTAL</b>	<b>\$300 million</b>				



Alice Griffith HOPE-SF (photo: MCHCD)





# Accountability

The 2024 Affordable Housing Bond will include strict standards of accountability, fiscal responsibility, and transparency. In addition to California state bond accountability requirements, the Mayor’s Office of Housing and Community Development (MOHCD), in collaboration with other relevant City departments such as the Controller’s Office and City Attorney’s Office, will follow a comprehensive public oversight and accountability process for the duration of the Bond program.

The following principles apply to all related programs funded through the 2024 Affordable Housing Bond.

## **Policy Compliance**

The proposed bond funding level complies with the City’s policy to keep property taxes constrained at or below their 2006 level. The 2024 Affordable Housing Bond program is also consistent with the Housing Element of the San Francisco General Plan and with the eight priority policies set forth in Planning Code Section 101.1 of the Planning Code.

## **CGOBOC Audits**

The City’s Citizens’ General Obligation Bond Oversight Committee (CGOBOC) would be responsible for auditing the implementation of the 2024 Housing Bond per the Administrative Code (Sections 5.30 to 5.36). This independent, nine member committee is appointed by the Mayor, the Board of Supervisors, the Controller, and the Civil Grand Jury. One-tenth of one percent (0.1%) of the bond funds would pay for the committee’s audit and oversight functions. Should CGOBOC determine that any funds were not spent in accordance with the express will of the voters, they are empowered to deny subsequent issuances of bond funds.

## **Annual Public Review**

The proposed bond funds are subject to the approval processes and rules described in the San Francisco Charter’s Administrative Code. The bond will be subject to annual public reviews before the Capital Planning Committee and Board of Supervisors.

## **Bond Accountability Reports**

Per the Administrative Code (Section 2.70 to 2.74), 60 days prior to the issuance of any portion of the bond authority, MOHCD will submit a 2024 Affordable Housing Bond accountability report to the Clerk of the Board, the Controller, the Treasurer, the Director of Public Finance, and the Budget Analyst describing the current status and description of each project and whether it conforms to the express will of the voters.

## **Transparency**

For project selections, MOHCD will issue and advertise transparent Requests for Proposals or Requests for Qualifications that clearly set forth selection criteria and rules, including objective means of prioritizing projects in conformance to the Affordable Housing Bond’s express eligible and priority uses.

# Capital Plan

Adopted through legislation by the Mayor and Board of Supervisors in 2005, the Capital Planning Committee was created to guide and prioritize capital needs citywide.

The Capital Plan is developed by the Committee and adopted biennially by the Board of Supervisors prior to adoption of the City budget. The City invests significant General Fund dollars into the repair and rehabilitation of its capital assets every year. However, the City cannot rely on annual funds alone to address these critical infrastructure needs. Where annual funds are not adequate to pay the costs of major capital improvements, the Plan recommends using one of two sources of long-term debt financing:

- **General Obligation (G.O.) bonds** backed by property taxes upon approval by voters
- **General Fund debt programs** backed by the City’s General Fund upon approval by the Board of Supervisors and the Mayor

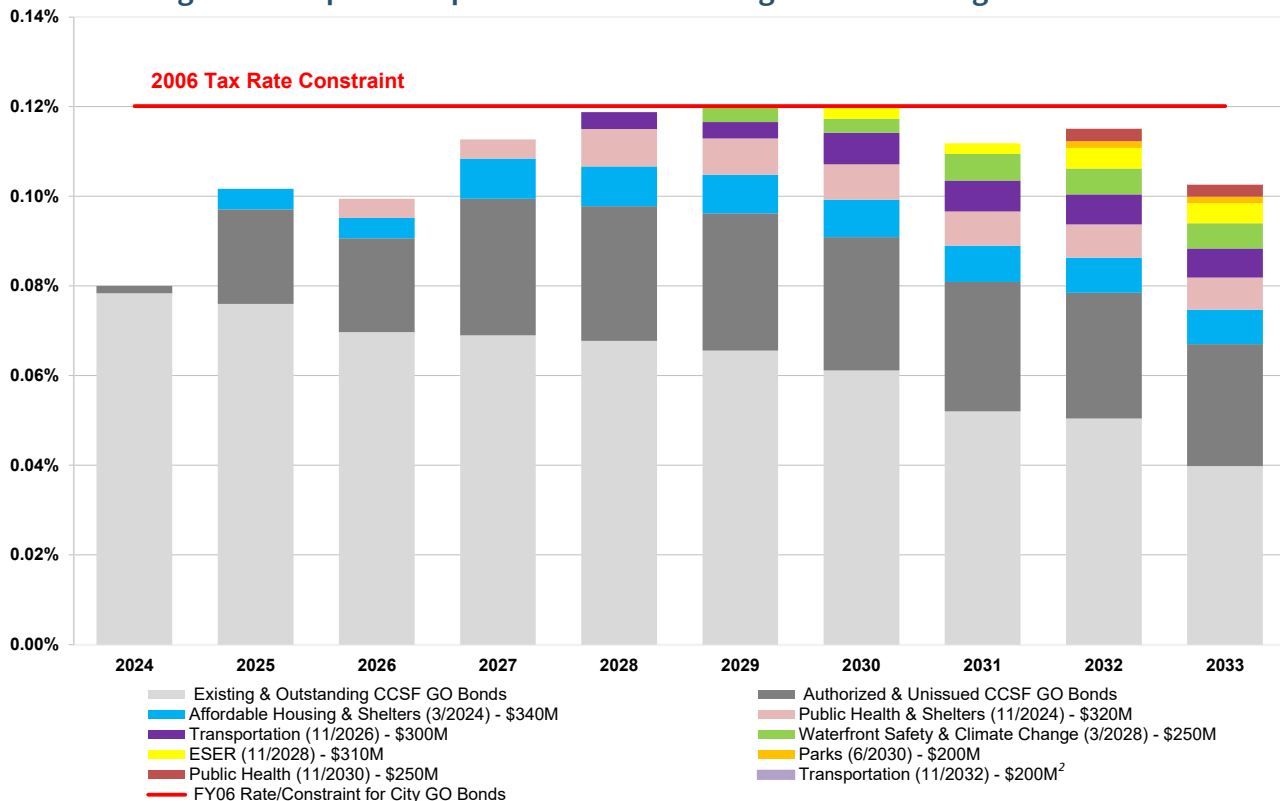
General Obligation bonds and General Fund debt programs are appropriate means of funding capital improvements as they spread the costs over their long, useful lives and across the generations of San Franciscans that will reap their benefits.

The Plan prioritizes critical capital projects to protect the public’s safety and well-being; places a strong emphasis on accountability and transparency; and, most importantly, demonstrates the highest levels of fiscal restraint and responsibility. Since its inception, the top priorities of the Capital Plan have been improvement of critical City infrastructure, including San Francisco’s public health and safety, transportation, and parks and open space. As the City’s affordability crisis has grown, affordable housing has entered the G.O. Bond Program, first in 2015 and again in 2019. The most recent Capital Plan includes \$300 million for the 2024 Affordable Housing Bond.

The Capital Plan G.O. Bond Program chart in Figure 6 illustrates the relationship between the G.O. Bond Program and the local tax rate, including existing and outstanding issuance and voter-approved bonds. This view shows the City’s policy constraint that G.O. Bonds will not increase the property tax rate above 2006 levels.

For more information on the City’s Capital Plan, please visit [www.onesanfrancisco.org](http://www.onesanfrancisco.org).

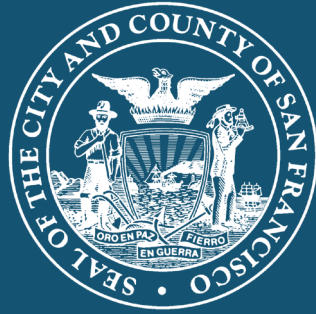
**Figure 6: Proposed Capital Plan General Obligation Debt Program — 2024-2033**



<sup>1</sup> Updated size and timing of Affordable Housing & Shelters (3/2024) and Public Health & Shelters (11/2024) authorizations

<sup>2</sup> First tax levy for Transportation (11/2032) authorization does not occur until FY2034

AV growth assumption of 1.14%, 1.03%, 0.87%, 1.01%, 1.48% from FY24-28, 3% per year thereafter



MAYOR'S OFFICE OF  
**HOUSING & COMMUNITY DEVELOPMENT**

**SFMOHCD.ORG**



# 2024 Affordable Housing General Obligation Bond

Budget & Finance Committee

Oct 25, 2023



# Presentation Summary

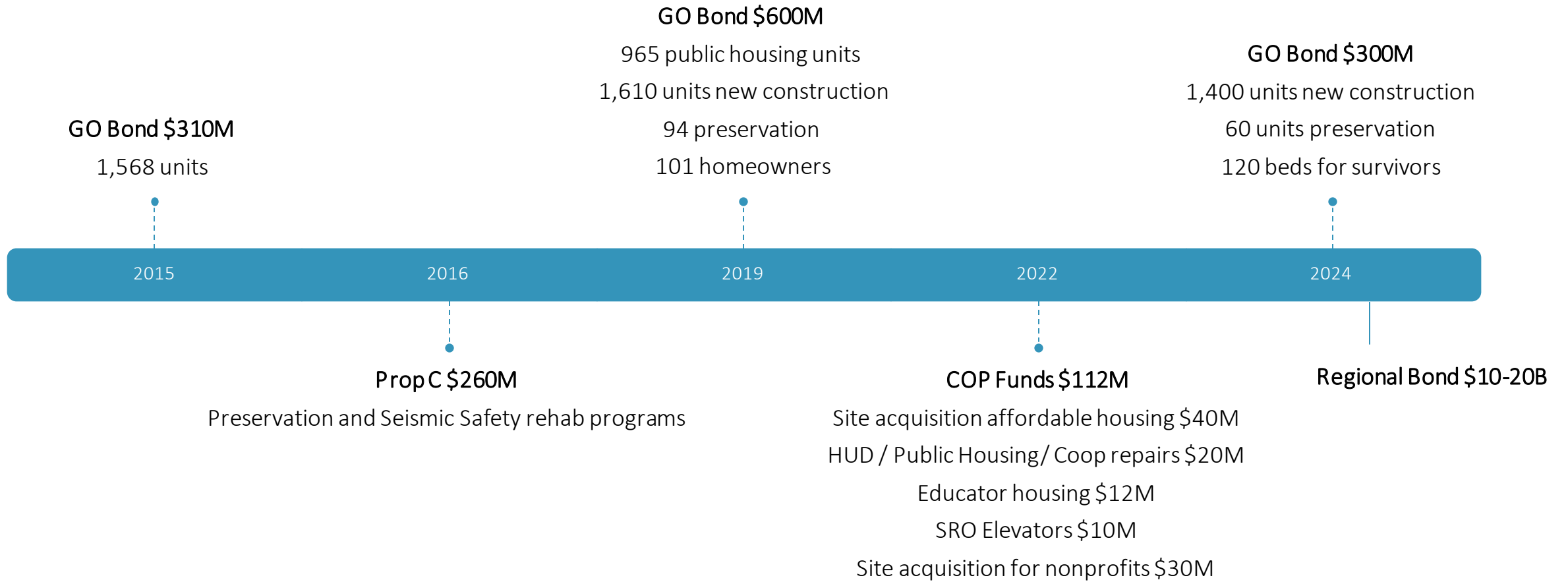
Affordable Housing Bonds to date

The complexity of assembling  
funding

The importance of leverage

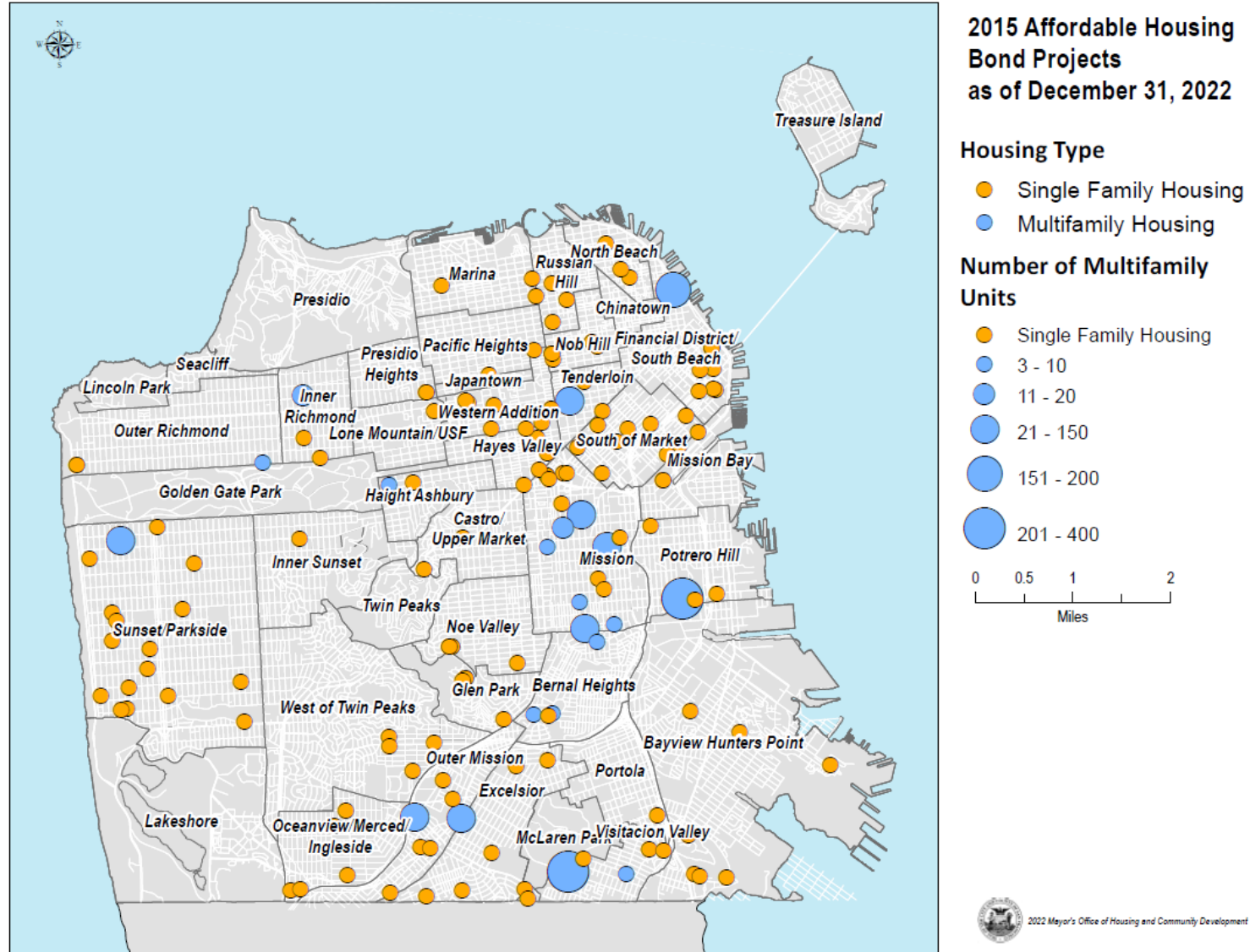
2024 Bond program

# Affordable Housing Bond Investments



*Few projects will utilize multiple bond sources. Projects utilizing both 2015 and 2019 bond funding are Potrero and Sunnydale HOPE SF, 4840 Mission, and Balboa Park Upper Yard. HOPE SF projects utilizing 2019 funds may also utilize 2024 bond proceeds. 2022 COP-funded projects will not utilize 2019 or 2024 bond proceeds.*

# 2015 GO Housing Bond Projects



# 2019 GO Housing Bond

- \$600 Million
- 3,105 units funded through June 2023
- \$426.1M available through two issuances so far; third issuance expected in 2024
- 57% of first issuance expended as of June 2023

	Issuance 1	Issuance 2	Other Issuances	TOTAL
Public Housing	\$ 50.6	\$ 97.9	\$ 1.5	\$ 150.0
Low-Income Housing	\$ 143.7	\$ 38.6	\$ 37.7	\$ 220.0
Preservation and Middle-Income Housing	\$ 37.1	\$ 9.4	\$ 13.5	\$ 60.0
Senior Housing	\$ 21.2	\$ 20.4	\$ 108.4	\$ 150.0
Educator Housing	\$ -	\$ -	\$ 20.0	\$ 20.0
<b>TOTAL</b>	<b>\$ 252.6</b>	<b>\$ 166.3</b>	<b>\$ 181.1</b>	<b>\$ 600.0</b>

\* Cost of issuance amounts are included in Other Issuances.

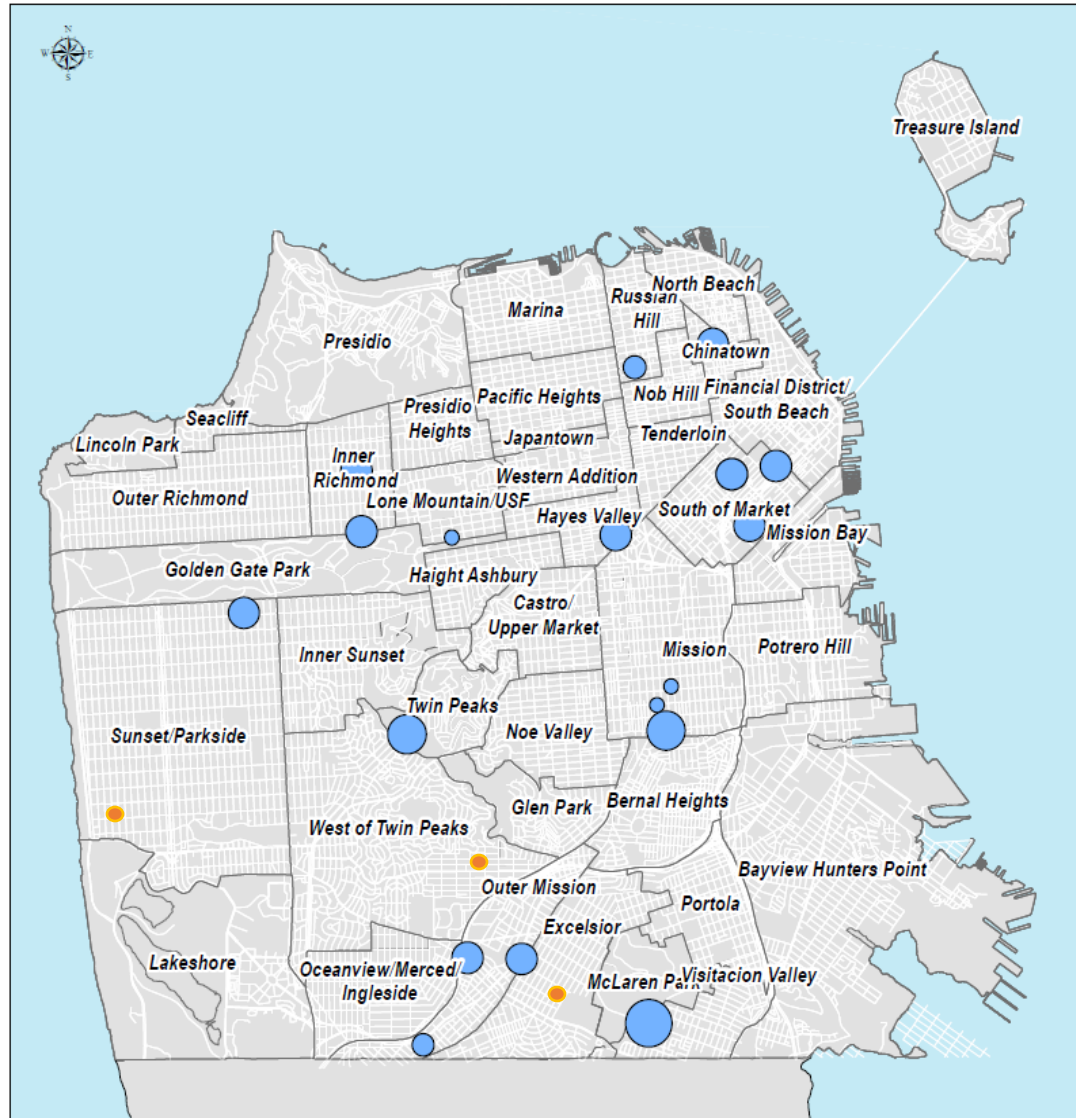


# 2015 GO Housing Bond

- \$310 Million
- 1,568 units funded
- 99% expended
  - Will be fully expended by mid-2024, due to \$25M allocation to educator housing at 43rd & Irving that began construction in fall 2022

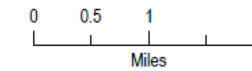
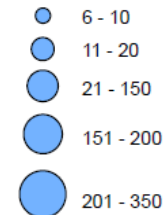
	<b>Issuance 1</b>	<b>Issuance 2</b>	<b>Issuance 3</b>	<b>TOTAL</b>
Public Housing	\$ 41.0	\$ 0.4	\$ 38.6	\$ 80.0
Low-Income Housing	\$ 24.2	\$ 68.4	\$ 7.4	\$ 100.0
Low-Income Housing (Mission)	\$ 6.1	\$ 43.1	\$ 0.8	\$ 50.0
Middle-Income Housing	\$ 3.8	\$ 30.2	\$ 46.0	\$ 80.0
<b>TOTAL</b>	<b>\$ 75.1</b>	<b>\$ 142.1</b>	<b>\$ 92.8</b>	<b>\$ 310.0</b>

# 2019 GO Housing Bond Projects



2019 Affordable Housing Bond Projects as of December 31, 2022

## Number of Multifamily Units



● Down Payment Assistance Loans / Teacher Next Door



# Lessons Learned from 2015/2019 Bonds



Project schedules are less certain today: bond and tax credit funding from the State is not guaranteed anymore



Construction and operating costs are increasing  
Local funds support fewer projects



Interest rates and cost risk require flexible per project funding



SB35 has simplified entitlements for Affordable Housing



Middle income affordable housing struggles to leverage State funding

# 2024 Bond: Racial and Equity Goals

- Provide housing opportunities in High Resource Areas
- Stabilize communities in priority geographies
- Provide a range of unit sizes and location to meet diverse housing needs
- Align with Housing Element Goals

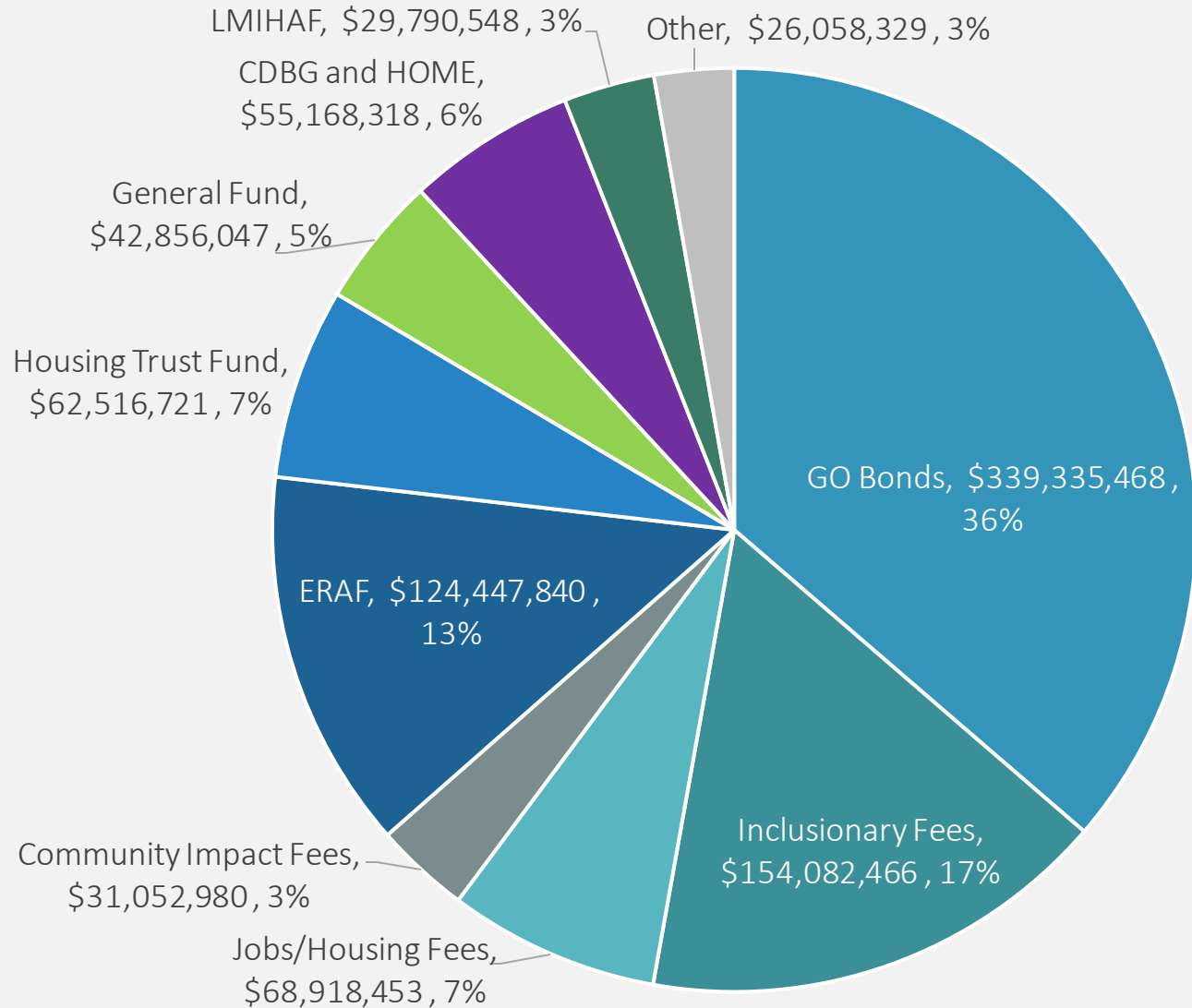


# Affordable Housing Funding

## **GO Bonds are the most reliable funding source for affordable housing in San Francisco**

- **Most other local funding sources are generated by private development** and therefore fluctuate with the market
- **Federal and state funding is less predictable** but still provides bulk of funding, leveraging City funds at a rate of 1:2
- **Funding falls short of what's needed by billions annually**
  - \$19B in local funds needed to achieve Housing Element targets based on current housing delivery models and costs
- **High development costs**, particularly hard costs, undermine housing goals

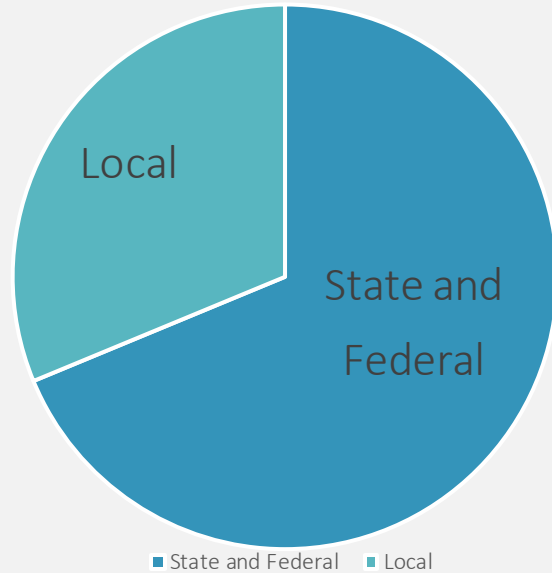
# Local Funding 2018-2022



- Nearly \$1 Billion in local funding over last 5 years
- \$200 million per year on average
- Most funding comes from property taxes (GO Bonds, ERAF, Housing Trust Fund, OCII tax increment) or **development fees**
- Gross receipts tax for homelessness ~\$200 million (not shown here)

# The Importance of Leveraging

SF Affordable Housing Funding

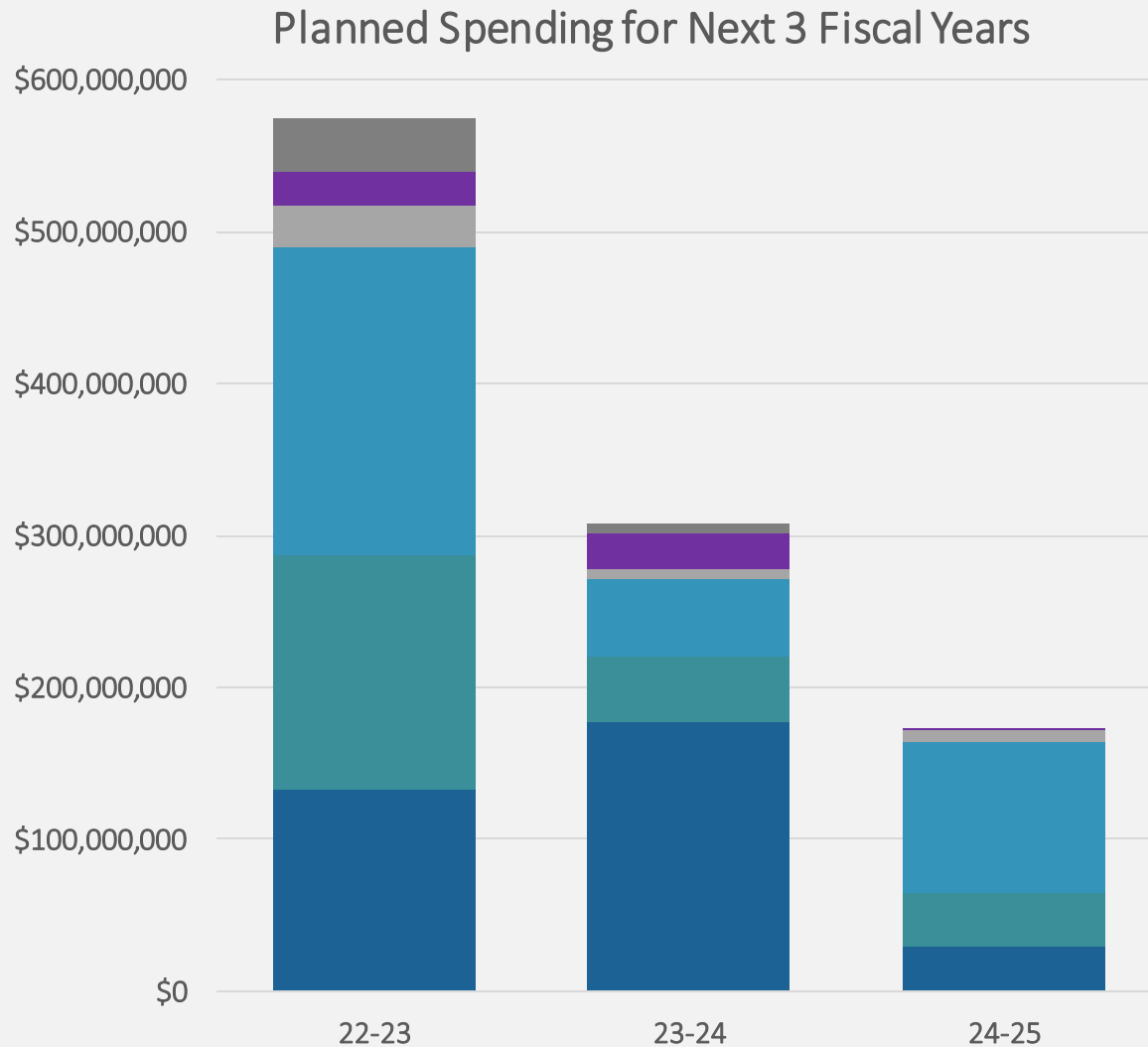


Every local housing dollar leverages almost two state and/or federal housing dollars

From 2018-2022 SF spent \$1 billion on affordable housing and leveraged \$2 billion in other funding



# Local Funding Trends



- Local funding is volatile, depending on voter approvals, development cycle, and one-time allocations
- Dramatic drop in inclusionary fees
- Available funding sources are being used up: \$770M+ anticipated funding gap from FY24-25 to FY26-27
- Substantial local spending in FY22-23 after State bottleneck was cleared

- State and Regional Sources
- Federal Sources (CBDG/HOME)
- Prop I/Bond Fees
- GO Bonds
- City Fees (Inclusionary, Job/Housing, etc)
- General Fund (HTF, HOPE SF, LMIHAF, ERAF)



# 2024 Bond Program Areas

Production of Low-Income Housing (up to 80% AMI)	\$240 Million
Affordable Housing Preservation (30% to 120% AMI)	\$30 Million
Victims and Survivors Housing (Up to 80% AMI)	\$30 Million
<b>TOTAL</b>	<b>\$300 Million</b>

# Affordable Housing Pipeline Gaps

New Development	Number of units	Public Housing	Low Income	Preservation	Senior	Total Funding Gap
Predevelopment	1,200+	\$96M	\$88M	\$52M	\$31M	\$268M
Pre-feasibility	3,550+	\$6.8M	\$586M	\$0	\$0	\$593M

Program Area	Number	Total Funding Gap
Preservation	60 units	\$30M
Victims & Survivors	120 beds	\$30M

**\$900M funding need to meet all pipeline and programmatic goals through FY28-29**



# New Construction

## Complete pipeline projects

- Geographic diversity
- 1,400+ units
- 15-80% AMI
- Projects include public housing, low-income, preservation, and senior housing
- Most projects include a 20% set-aside for homeless households



# Preservation Programs

- Geographic diversity
- 60+ units
- Buildings with 6+ units
- 30%-120% AMI (\$35,950-\$143,900 for a family of 3)
- Protects households across the widest range of incomes
- Funds critical repairs to existing housing stock

# Survivor Housing

New funding program for victims and survivors of domestic violence, street violence, abuse or human trafficking

- Transitional housing (HSH)
- Coupled with program subsidies
- Placement via Coordinated Entry



# 2024 Bond: Spending Timeline

New Construction: \$240M

~\$120M in loans will close in 24-25

Funds anticipated to be fully expended by Q3 of 25-26

~\$120M in loans will close in 25-26

Funds anticipated to be fully expended by Q3 of 26-27

\*\*Contingent on successful application to State for tax credits and bonds\*\*

Preservation: \$30M

Funds anticipated to be fully expended in 25-26

Survivor Housing: \$30M

Funds anticipated to be fully expended by Q1 of 27-28

# 2024 Regional Bond Measure

- November 2024 Ballot
- \$10-20 Billion, 9-county measure
- A \$10 billion bond would require a tax of \$10.26 per \$100,000 in assessed value—or about \$100/year for a million dollar home
- Would augment local bond if both are approved



# MOHCD Contacts

Eric Shaw

*Director*

[Eric.Shaw@sfgov.org](mailto:Eric.Shaw@sfgov.org)

Lydia Ely

*Deputy Director - Housing*

[Lydia.Ely@sfgov.org](mailto:Lydia.Ely@sfgov.org)

Sheila Nickolopoulos

*Director of Policy & Legislative Affairs*

[Sheila.Nickolopoulos@sfgov.org](mailto:Sheila.Nickolopoulos@sfgov.org)







**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](mailto:Brent.Jalipa@sfgov.org)  
**Staff Contact:** Amnon Ben-Pazi – (628) 652-7428  
[Amnon.Ben-pazi@sfgov.org](mailto: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.

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

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## MEMORANDUM

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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](mailto:Brent.Jalipa@sfgov.org).



**From:** [Dave Rhody](#)  
**To:** [Peskin, Aaron \(BOS\)](#); [Breed, Mayor London \(MYR\)](#)  
**Cc:** [Jalipa, Brent \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Ronen, Hillary](#); [shaman.walton@sfgov.org](mailto:shaman.walton@sfgov.org)  
**Subject:** New Housing Must Be All-Electric / Budget & Appropriations  
**Date:** Friday, October 20, 2023 2:02:48 PM

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Mayor Breed / Supervisor Peskin & Members of the SF Budget & Appropriations Committee

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Since you weren't able to pass a climate bond, it's essential that the Affordable Housing Bond include a provision to make sure that all building preservation includes electrification.

The house bond currently has \$30 million slated for preservation, rehab and/or acquisition of existing buildings for affordable housing. It needs to stipulate that all these projects electrify the buildings as well.

Air District rules will require replacing gas-powered water heaters and space heaters with electric upon burnout, beginning in 2027 and 2029 respectively. It's a waste of money to rehab a building in 2024 or 2025 with bond funds, and then have to go back in for electrification work when the gas appliances burn out.

As disappointing as it is that you weren't able to pass a climate bond, electrifying buildings that are part of the preservation/affordable housing process lets us know that you do have some concern about mitigating this city's climate impact.

Respectfully,

-Dave Rhody  
SF Policy Co-Chair  
[Climate Reality Project](#)

**From:** [Li Lovett](#)  
**To:** [Jalipa, Brent \(BOS\)](#)  
**Cc:** [Macy Leung](#)  
**Subject:** Re: \*ETA\* for Local Affordable Housing Bond at Budget & Finance Committee hearing this Wednesday, 10/25, 10am  
**Date:** Friday, October 27, 2023 3:34:38 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)

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Below is a public comment for agenda items #10-11 at 10/25/23 BFC, submitted by Macy Leung at Episcopal Community Services:

*“My name is Macy Leung, and I serve as the Senior Director of Housing Development at Episcopal community services of San Francisco (ECS). ECS have been providing quality supportive services and developing high quality, sustainable, and well-designed permanent supportive homes for our residents in the San Francisco Bay Area community for the past 40 years, and we are committed to providing the support and resources to uplift the most vulnerable community members in the region. With the high cost of housing in San Francisco, residents are living with greater housing insecurity and potential displacement that may also lead to homelessness.*

*Community-based affordable housing developers such as ECS are uniquely positioned to move the City forward and we are grateful for the City considering an investment in an affordable housing bond for the March 2024 election. The impact of the housing bond will allow ECS to provide the much needed resources for our residents, including the construction and repositioning of more Permanent Supportive Housing units with on-site wrap around, quality residential supportive services, in this diverse and wonderful city of San Francisco.*

*We appreciate the City and County’s partnership and look forward to continuing supporting the City’s goals. Thank you very much for your consideration.”*

Best Regards,

Macy

**Macy Leung** (*she, her, hers*)

**Senior Director of Housing Development**

**Episcopal Community Services**

165 Eighth Street, San Francisco, CA 94103

[Mleung@ECS-SF.org](mailto:Mleung@ECS-SF.org) | W: (415) 487-3300 x 1209 | C: (213) 822-2216

**From:** [Joni](#)  
**To:** [Jalipa, Brent \(BOS\)](#)  
**Cc:** [Chan, Connie \(BOS\)](#); [Safai, Ahsha \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#)  
**Subject:** 11/1/23 Meeting Agenda items 1 and 2, 230972 and 230971  
**Date:** Tuesday, October 31, 2023 2:12:40 PM

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Budget & Finance Committee Members,

On behalf of my colleagues in SF Climate Emergency Coalition, I must express our profound disappointment that not even the smallest actual, *required* commitment to reduce SF's greenhouse gas emissions has been included in the proposed Affordable Housing Bond, even as amended. The intention to reduce emissions is evident, and yet, as written, this measure fails to meet that goal.

We want a bond measure which, if it passes, will have teeth. Instead of general recommendations it needs real obligations. Phrases in the amendments like "strongly encouraged to work collaboratively," "It is in the best interest of the City," and the oft-repeated "to the extent feasible" are all, in effect, gaping loopholes. The entities strongly encouraged to work with "local climate advocates" like us - MOHCD, recipients of bond funding, project developers - are under no obligation to do so at all, let alone to commit to electrifying the 60 small-site units being rehabbed with bond funds.

We also wondered at Amendment O, citing the Board's unanimous approval of the CLEE Report's recommendation "to the Office of Resilience and Capital Planning that a Climate Bond be incorporated into the City's 10 year Capital Plan." Because none has.

The proverbial can, sadly, looks like it's again being kicked down the road. That poor can. Our City's poor potential as a climate leader.

Sincerely,

Joni Eisen  
SF Climate Emergency Coalition



November 1, 2023

Dear Budget & Appropriations Committee Chair Chan, Supervisor Mandelman, and Supervisor Safai

Please accept this letter on behalf of the Council of Community Housing Organizations (CCHO) to urge your support for the Board resolution and ordinance advancing a local \$300 million affordable housing bond in the March, 2024 election.

CCHO represents 22 member organizations rooted in BIPOC neighborhoods throughout San Francisco working to stabilize local communities, prevent displacement, and partner with our city to acquire and develop affordable housing.

Building the long term resources to achieve San Francisco's Housing Element's affordable housing goals AND stabilizing our local economy and its workforce is one of the most important decisions that the City will be making in the next couple of years.

The issuance of affordable housing bonds has been the most significant and consistent local revenue source to finance the production and preservation of affordable housing in San Francisco.

This bond will enable us to get to the hard work of growing our city's stock of affordable housing to stabilize neighborhoods that have experienced displacement, house the most vulnerable among us, support our elders, empower women that experience housing insecurity, house our workforce, and keep the next generation here in our City.

Voters recognize the value of including affordable housing as part of our Capital Plan. Together with a regional and state affordable housing bond planned for November, it demonstrates that all levels of government can show up to the conversation around housing affordability in 2024.

Respectfully

John Avalos  
Executive Director

BOARD of SUPERVISORS



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

## MEMORANDUM

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

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

DATE: September 15, 2023

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED  
March 5, 2024 Election

---

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond legislation for the March 5, 2024, Election, introduced by 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](mailto: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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TDD/TTY No. (415) 554-5227

## MEMORANDUM

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

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

DATE: September 15, 2023

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED  
March 5, 2024 Election

---

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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](mailto: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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San Francisco 94102-4689  
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Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

September 15, 2023

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

Dear Director Hillis:

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

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

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## MEMORANDUM

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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

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- 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](mailto: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: