

File No. 150490

Committee Item No. 4  
Board Item No. \_\_\_\_\_

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 22, 2015

Board of Supervisors Meeting

Date \_\_\_\_\_

**Cmte Board**

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
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**OTHER** (Use back side if additional space is needed)

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Completed by: Linda Wong Date June 18, 2015  
Completed by: Linda Wong Date \_\_\_\_\_

1 [General Obligation Bond Election - Affordable Housing - Not to Exceed \$250,000,000]

2  
3 **Ordinance calling and providing for a special election to be held in the City and County**  
4 **of San Francisco (City) on Tuesday, November 3, 2015, for the purpose of submitting to**  
5 **San Francisco voters a proposition to incur the following bonded indebtedness**  
6 **(Bonds) of the City: not to exceed \$250,000,000 to finance the construction, acquisition,**  
7 **improvement, rehabilitation, preservation, and repair of affordable housing**  
8 **improvements; and related costs necessary or convenient for the foregoing purposes;**  
9 **authorizing landlords to pass-through 50% of the resulting property tax increase to**  
10 **residential tenants under Administrative Code, Chapter 37; providing for the levy and**  
11 **collection of taxes to pay both principal and interest on such Bonds; incorporating the**  
12 **provisions of the Administrative Code relating to the Citizens' General Obligation Bond**  
13 **Oversight Committee's review of the Bonds; setting certain procedures and**  
14 **requirements for the election; adopting findings under the California Environmental**  
15 **Quality Act; and finding that the proposed Bonds are in conformity with the General**  
16 **Plan, and with the eight priority policies of Planning Code, Section 101.1(b).**

17 Note: Additions are single-underline italics Times New Roman;  
18 deletions are ~~strikethrough italics Times New Roman~~.  
19 Board amendment additions are double underlined.  
20 Board amendment deletions are ~~strikethrough normal~~.

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

22 Section 1. Findings.

23 A. The City has the highest median rent in the country with a one-bedroom asking  
24 rent of \$3,460, according to rental listing site Zumper.  
25

1 B. The City continues to be one of the highest-priced ownership markets in the  
2 country with a median home sales price of \$1.1 million, a 19.4% increase from the previous  
3 year, according to the real estate website Trulia.

4 C. The Mayor's Office of Housing and Community Development continues to see a  
5 widening affordability gap for low to moderate income households for both rental and  
6 homeownership.

7 D. Limited state and federal resources and the high cost of housing development  
8 puts a greater burden on local government to contribute their own limited resources, and thus  
9 means that the City's supply of affordable housing has not kept pace with demand.

10 E. Limited local funding for affordable housing can leverage federal, state and  
11 private investment at a 3:1 rate.

12 F. The affordability gap has the greatest impact on low-income households such as  
13 seniors, disabled persons, low-income working families, and veterans.

14 G. The housing need in the City is also particularly acute for moderate-income  
15 households, for whom there are no federal or state financing programs that the City can  
16 leverage with its own subsidies.

17 H. After federal sequestration took effect on March 1, 2013, the U.S. Congress  
18 slashed the US Department of Housing and Urban Development's contribution to the San  
19 Francisco Housing Authority (Housing Authority) from 92% to 82% of what it costs to operate  
20 public housing, and its Section 8 housing voucher program from 94% to 72% of operating  
21 costs.

22 I. The average annual household income for Housing Authority residents and  
23 voucher-holders is \$15,858.

24 J. The housing affordability gap that has arisen and expanded in the local housing  
25 market inhibits the City from ensuring that economic diversity can be maintained.

1 K. These high housing costs can inhibit healthy, balanced economic growth  
2 regionally.

3 L. Individuals and families who are increasingly locked out of the local housing  
4 market will be forced to leave the City and take on increasingly long employment commutes.

5 M. The Bonds will provide a portion of the funding necessary to construct, acquire,  
6 improve, rehabilitate, preserve and repair affordable housing in the City (as further defined in  
7 Section 3 below).

8 Section 2. A special election is called and ordered to be held in the City on Tuesday,  
9 the 3rd day of November, 2015, for the purpose of submitting to the electors of the City a  
10 proposition to incur bonded indebtedness of the City for the project described in the amount  
11 and for the purposes stated:

12 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$250,000,000 to construct,  
13 develop, acquire, and preserve housing affordable to low- and middle-income households  
14 through programs that will prioritize vulnerable populations such as San Francisco's working  
15 families, veterans, seniors, and disabled persons; to assist in the acquisition, rehabilitation,  
16 and preservation of affordable rental apartment buildings to prevent the eviction of long-term  
17 residents; to repair and reconstruct dilapidated public housing, to finance the development of  
18 a middle-income rental program; and to provide for homeownership down payment assistance  
19 opportunities for educators and middle-income households; all subject to independent citizen  
20 oversight and regular audits; and authorizing landlords to pass-through to residential tenants  
21 in units subject to Administrative Code Chapter 37 (the "Residential Stabilization and  
22 Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost  
23 of the repayment of such Bonds."

24 The special election called and ordered to be held hereby shall be referred to in this  
25 ordinance as the "Bond Special Election."

1 Section 3. PROPOSED PROGRAM. All contracts that are funded with the proceeds  
2 of Bonds authorized hereby shall be subject to the provisions of Chapter 83 of the  
3 Administrative Code (the "First Source Hiring Program"), which fosters construction and  
4 permanent employment opportunities for qualified economically disadvantaged individuals. In  
5 addition, all contracts that are funded with the proceeds of Bonds authorized hereby also shall  
6 be subject to the provisions of Chapter 14B of the Administrative Code (the "Local Business  
7 Enterprise and Non-Discrimination in Contracting Ordinance"), which assists small and micro  
8 local businesses to increase their ability to compete effectively for the award of City contracts,  
9 to the extent the Local Business Enterprise and Non-Discrimination Contracting Ordinance  
10 does not conflict with applicable state or federal law.

11 A. CITIZENS' OVERSIGHT COMMITTEE. A portion of the Bonds shall be used to  
12 perform audits of the Bonds, as further described in Section 15.

13 Projects to be funded from the proceeds of the proposed Bonds may include but are  
14 not limited to the following:

15 B. CONSTRUCT, DEVELOP AND REHABILITATE AFFORDABLE RENTAL  
16 HOUSING. A portion of the Bonds may be allocated to finance the development, construction,  
17 preservation and rehabilitation of affordable rental housing near established transit corridors  
18 or within priority development areas.

19 C. ACQUIRE EXISTING RENTAL HOUSING AS AFFORDABLE HOUSING. A  
20 portion of the Bonds may be allocated to acquire, rehabilitate, and preserve existing rental  
21 housing in order to prevent the loss of rental housing stock and the displacement of long-time  
22 residents of the City.

23 D. REPAIR AND RECONSTRUCT DILAPIDATED PUBLIC HOUSING. A portion of  
24 the Bonds may be allocated to repair and reconstruct dilapidated public housing  
25

1 developments or provide infrastructure improvements that allow for the repair or improvement  
2 of public housing sites.

3 E. CREATE A MIDDLE INCOME RENTAL HOUSING PROGRAM. A portion of the  
4 Bonds may be allocated to finance the development of middle income rental housing units.

5 F. CREATE A MIDDLE INCOME HOME OWNERSHIP PROGRAM. A portion of  
6 the Bonds may be allocated to assist City residents acquiring their first home in the City.

7 G. RENEW THE TEACHER NEXT DOOR PROGRAM. A portion of the Bonds may  
8 be allocated to assist educators in purchasing their first home in the City.

9 Section 4. BOND ACCOUNTABILITY MEASURES.

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

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

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

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

23 Resolution No. \_\_\_\_\_, \$250,000,000.

24 Such resolution was passed by two-thirds or more of the Board and approved by the  
25 Mayor. In such resolution it was recited and found by the Board that the sum of money

1 specified is too great to be paid out of the ordinary annual income and revenue of the City in  
2 addition to the other annual expenses or other funds derived from taxes levied for those  
3 purposes and will require expenditures greater than the amount allowed by the annual tax  
4 levy.

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

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

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

16 Section 7. The Bond Special Election is consolidated with the General Election  
17 scheduled to be held in the City on Tuesday, November 3, 2015 (General Election). The  
18 voting precincts, polling places and officers of election for the General Election are hereby  
19 adopted, established, designated and named, respectively, as the voting precincts, polling  
20 places and officers of election for the Bond Special Election called, and reference is made to  
21 the notice of election setting forth the voting precincts, polling places and officers of election  
22 for the General Election by the Director of Elections to be published in the official newspaper  
23 of the City on the date required under the laws of the State.

24 Section 8. The ballots to be used at the Bond Special Election shall be the ballots to  
25 be used at the General Election. The word limit for ballot propositions imposed by Municipal

1 Elections Code Section 510 is waived. On the ballots to be used at the Bond Special  
2 Election, in addition to any other matter required by law to be printed thereon, shall appear the  
3 following as a separate proposition:

4 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. To finance the construction,  
5 development, acquisition, and preservation of housing affordable to low- and middle-income  
6 households through programs that will prioritize vulnerable populations such as San  
7 Francisco's working families, veterans, seniors, disabled persons; to assist in the acquisition,  
8 rehabilitation, and preservation of affordable rental apartment buildings to prevent the eviction  
9 of long-term residents; to repair and reconstruct dilapidated public housing; to finance the  
10 development of a middle-income rental program; and to provide for homeownership down  
11 payment assistance opportunities for educators and middle-income households; shall the City  
12 and County of San Francisco issue \$250 million in general obligation bonds, subject to  
13 independent citizen oversight and regular audits?"

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

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

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



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

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

13 Section 12. The Board, having reviewed the proposed legislation, makes the following  
14 findings in compliance with the California Environmental Quality Act ("CEQA"), California  
15 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative  
16 Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code  
17 Chapter 31 ("Chapter 31"): The Environmental Review Officer determined that this legislation  
18 is not defined as a project subject to CEQA because it is a funding mechanism involving no  
19 commitment to any specific projects at any specific locations, as set forth in CEQA Guidelines  
20 Section 15378.

21 Section 13. The Board finds and declares that the proposed Bonds (i) were referred  
22 to the Planning Department in accordance with Section 4.105 of the San Francisco Charter  
23 and Section 2A.53(f) of the Administrative Code, (ii) are in conformity with the priority policies  
24 of Section 101.1(b) of the San Francisco Planning Code, and (iii) are consistent with the City's  
25 General Plan, and adopts the findings of the Planning Department, as set forth in the General

1 Plan Referral Report dated May 11, 2015, a copy of which is on file with the Clerk of the  
2 Board of Supervisors in File No. 150490 and incorporates such findings by this reference.

3 Section 14. Under Section 53410 of the California Government Code, the Bonds shall  
4 be for the specific purpose authorized in this ordinance and the proceeds of such Bonds will  
5 be applied only for such specific purpose. The City will comply with the requirements of  
6 Sections 53410(c) and 53410(d) of the California Government Code.

7 Section 15. The Bonds are subject to, and incorporate by reference, the applicable  
8 provisions of Administrative Code Sections 5.30 – 5.36 (the "Citizens' General Obligation  
9 Bond Oversight Committee"). Under Administrative Code Section 5.31, to the extent permitted  
10 by law, one-tenth of one percent (0.1%) of the gross proceeds of the Bonds shall be deposited  
11 in a fund established by the Controller's Office and appropriated by the Board of Supervisors  
12 at the direction of the Citizens' General Obligation Bond Oversight Committee to cover the  
13 costs of such committee.

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

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

23 Each Expenditure was and will be either (a) of a type properly chargeable to a  
24 capital account under general federal income tax principles (determined in each case as of  
25 the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a

1 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a  
2 party that is not related to or an agent of the City so long as such grant does not impose any  
3 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the  
4 City. The maximum aggregate principal amount of the Bonds expected to be issued for the  
5 Project is \$250,000,000. The City shall make a reimbursement allocation, which is a written  
6 allocation by the City that evidences the City's use of proceeds of the applicable series of  
7 Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on  
8 which the Expenditure is paid or the related portion of the Project is placed in service or  
9 abandoned, but in no event more than three years after the date on which the Expenditure is  
10 paid. The City recognizes that exceptions are available for certain "preliminary expenditures,"  
11 costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the  
12 year of issuance and not the year of expenditure) and Expenditures for construction projects  
13 of at least 5 years.

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

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

By: Kenneth David Roux  
Kenneth David Roux  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[General Obligation Bond Election - Affordable Housing]

**Ordinance calling and providing for a special election to be held in the City and County of San Francisco (City) on Tuesday, November 3, 2015, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded indebtedness (Bonds) of the City: not to exceed \$250,000,000 to finance the construction, acquisition, improvement, rehabilitation, preservation, and repair of affordable housing improvements, 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 the Bonds; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).**

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 November 3, 2015 ballot:

**SAN FRANCISCO AFFORDABLE HOUSING BONDS.** To finance the construction, development, acquisition, and preservation of housing affordable to low- and middle-income households through programs that will prioritize vulnerable populations such as San Francisco's working families, veterans, seniors, disabled persons; to assist in the acquisition, rehabilitation, and preservation of affordable rental apartment buildings to prevent the eviction of long-term residents; to repair and reconstruct dilapidated public housing; to finance the development of a middle-income rental program; and to provide for homeownership down payment assistance opportunities for educators and middle-income households; shall the City and County of San Francisco issue \$250 million in general obligation bonds, subject to independent citizen oversight and regular audits?

The ordinance fixes the maximum rate of interest on the Bonds, and provides for a levy and a 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.

Background Information

**FILE NO. 150490**

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.

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# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

*Date:* May 11, 2015  
*Case* 2015-005679GPR  
*Block/Lot No.:* Various, Citywide  
*Project Sponsor:* Mayor's Office of Housing  
1 South Van Ness Avenue  
San Francisco, CA 94103

*Staff Contact:* Menaka Mohan – (415) 575-9141  
[menaka.mohan@sfgov.org](mailto:menaka.mohan@sfgov.org)

*Recommendation:* Finding the proposed General Obligation Bond, on balance, in conformity with the General Plan.

*Recommended*  
*By:*   
John Bahaim, Director of Planning

### PROJECT DESCRIPTION

The City and County of San Francisco is proposing a \$250 million General Obligation Bond for the November 2015 ballot. The purpose of the Bond is to provide funding for the affordable housing, speed and complete the rebuilding of public housing, protect existing residents in rent-controlled housing, and expand rental and homeownership opportunities for San Francisco's workforce including first responders, educators, non-profit workers, and service employees.

The \$250 million general obligation bond acknowledges the City's well-documented affordability gap for both rental and ownership housing across a range of income levels and the capital investment in housing made possible by the GO bond will help stabilize existing neighborhoods and increase the livability of our city.

The 2015 Affordable Housing General Obligation Bond proposes three categories of investments, each of which supports a range of incomes.

Table 1: Program Categories and Funding Ranges for the 2015 General Obligation Bond

Program Categories	General Obligation Fund
Public Housing	\$50-\$100 million
Affordable Housing (up to 80% AMI)	\$100-\$150 million
Middle-Income Housing (80% AMI and above)	\$50-\$100 million

Individual projects funded by the bond program will require additional project level General Plan Referral and Environmental Reviews as they are identified.

### ENVIRONMENTAL REVIEW

Not a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

### GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The proposed Bond to fund Affordable Housing is, on balance, in conformity with the General Plan, as described in the body of this Report. If the Bond is approved and funds for affordable housing become available, some projects may require project-level General Plan referrals, as required by San Francisco Charter §4.105 and § 2A.53 of the Administrative Code, Environmental Review and/or other discretionary actions by the Planning Department.

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

**IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.**

#### POLICY 1.1

**Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.**

#### POLICY 1.10

**Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.**

*Comment: The Bond focuses on building and maintaining San Francisco's affordable housing stock and would provide additional funds to construct and rehabilitate public housing as well as locating new affordable housing near transit.*



**OBJECTIVE 2**

**RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.**

**POLICY 2.4**

Promote improvements and continued maintenance to existing units to ensure long term habitation and safety

*Comment: The proposed Bond, if approved, would provide resources to maintain existing affordable housing units including rental units and to stabilize existing neighborhoods.*

**OBJECTIVE 4**

**FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.**

**POLICY 4.4**

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

*Comment: The proposed Bond if approved may acquire existing rental housing as affordable housing and preserve existing rental housing in order to prevent the loss of rental housing stock.*

**OBJECTIVE 7**

**SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.**

**POLICY 7.1**

Expand the financial resources available for permanently affordable housing, especially permanent sources.

**POLICY 7.3**

Recognize the importance of funds for operations, maintenance and services to the success of affordable housing programs

**POLICY 7.6**

Acquire and rehabilitate existing housing to maximize effective use of affordable housing resources.

**POLICY 7.8**

Develop, promote, and improve ownership models which enable households to achieve homeownership within their means, such as down-payment assistance, and limited equity cooperatives.

*Comment: The proposed Bond, if approved, would provide funding to maintain and preserve existing affordable housing, acquire and construct new affordable units and promote homeownership for first time homeowners in San Francisco.*

**OBJECTIVE 8**

**BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING**

**POLICY 8.1**

Support the production and management of permanently affordable housing.

**POLICY 8.2**

Encourage employers located within San Francisco to work together to develop and advocate for housing appropriate for employees.

*Comment: If the Bond is approved, it will create new affordable housing units, speed the rehabilitation and reconstruction of public housing, protect existing residents in rent-controlled housing and expand rental and homeownership opportunities.*

<p><b>RECOMMENDATION:</b></p> <p>If approved, the following types of projects funded by the Bond should be referred to the Planning Department to determine whether they require separate General Plan referral(s), pursuant to Section 4.105 of the Charter and Sections 2A.52 and 2A.53 of the Administrative Code or other authorization:</p> <ul style="list-style-type: none"> <li>▪ Demolition of buildings / structures</li> <li>▪ Construction of new buildings / structures</li> <li>▪ Additions to existing structures (enlargement)</li> </ul>	<p><b>Finding the General Obligation Bond, on balance, in-conformity with the General Plan</b></p>
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**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, the proposed \$250,000,00 General Obligation Bond for Transportation Improvements, proposed to be placed on the November 2014 ballot, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

**Eight Priority Policies Findings**

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

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 will not displace or restrict access to any existing neighborhood-serving or restrict future opportunities.*

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

*The project will 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 will 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, speed and complete the rebuilding of public housing, protect existing residents in rent-controlled housing, and expand rental and homeownership opportunities for our city's workforce.*

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

*The proposed project will not impede Muni transit service, nor overburden our streets or neighborhood parking.*

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 residential employment and ownership in these sectors be enhanced.

*The project will not displace any individual businesses.*

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

*The proposed project will not hinder earthquake preparedness efforts. Further, any new construction supported by proceeds from the Bond will be up to current seismic and safety codes and standards.*

7. That landmarks and historic buildings be preserved.

*The project would not have an adverse effect on landmarks or historic buildings. No specific projects have been identified and the Bond is a financing mechanism for future improvements.*

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

*The project will not impact parks and open spaces.*

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *for* Mayor Edwin M. Lee *EW*  
RE: General Obligation Bond Election - Affordable Housing  
DATE: May 12, 2015

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Attached for introduction to the Board of Supervisors is an ordinance calling and providing for a special election to be held in the City and County of San Francisco (City) on Tuesday, November 3, 2015, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded indebtedness (Bonds) of the City: \$250,000,000 to finance the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements, 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 the Bonds; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act (CEQA); and finding that the proposed Bonds are in conformity with the priority policies of Planning Code, Section 101.1(b), and with the General Plan.

Please note this item is co-sponsored by Supervisors Breed, Christensen, Cohen, Farrell, Tang, and Wiener.

I respectfully request that this item be calendared in Budget & Finance Committee on June 24<sup>th</sup>, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

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orig. - File

President, District 5  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-7630  
Fax No. 554-7634  
TDD/TTY No. 544-5227

London Breed

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**PRESIDENTIAL ACTION**

Date: 6/4/15  
To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)  
File No. 150490 Breed  
(Primary Sponsor)  
Title. Affordable Housing - Not to Exceed \$250,000

Transferring (Board Rule No. 3.3)  
File No. \_\_\_\_\_  
(Primary Sponsor)  
Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee  
To: \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)  
Supervisor \_\_\_\_\_  
Replacing Supervisor \_\_\_\_\_  
For: \_\_\_\_\_ Meeting  
(Date) (Committee)

London Breed, President  
Board of Supervisors

**Wong, Linda (BOS)**

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**From:** Caldeira, Rick (BOS)  
**Sent:** Thursday, June 18, 2015 1:31 PM  
**To:** Wong, Linda (BOS)  
**Subject:** FW: File 150490 FW: Mayor's Housing Bond and City Budget

For file.

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**From:** Board of Supervisors, (BOS)  
**Sent:** Thursday, June 18, 2015 11:24 AM  
**To:** BOS-Supervisors; Wong, Linda (BOS); Caldeira, Rick (BOS)  
**Subject:** File 150490 FW: Mayor's Housing Bond and City Budget

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**From:** Marco Montenegro [<mailto:mmontenegro@bhnc.org>]  
**Sent:** Thursday, June 18, 2015 11:01 AM  
**To:** Board of Supervisors, (BOS)  
**Subject:** Mayor's Housing Bond and City Budget

Dear Board of Supervisors,

I am writing you to request that you strongly consider amending Mayor Lee's Housing Bond proposal.

In 2002 I was the field organizer for San Francisco's Proposition B, a \$250,000,000 affordable housing bond; 75% of the bond was to create rental housing through new construction or rehabilitation of apartments and 25% was to be used for down payment assistance for first-time home buyers.

SPUR estimated that if passed, the program would produce 3,700 rental units and as many as 1,000 down payment assistance loans. In 2002, through a sampling of recent market-rate projects, SPUR estimated an average per unit cost of \$325,000. That was 13 years ago and over that time we've seen a dramatic increase in land values and other housing costs, and the dissolution of the redevelopment agency.

Therefore, today's rising housing costs requires a greater investment than the proposed \$250,000,000 housing bond. A greater investment means an opportunity to produce enough units to give our families a fair chance at staying in the city where they live, work, worship, are raising their families, and go to school. *I urge you to consider increasing the amount of the Mayor's housing bond proposal.*

Thank you,

--  
Marco A. Montenegro  
Excelsior Community Hub Program Manager  
Excelsior Community Center  
4468 Mission Street  
San Francisco, CA 94112

Phone: (415) 990-4012  
[mmontenegro@bhnc.org](mailto:mmontenegro@bhnc.org)

BOS-11, B+F Clerk

Leg Dir. 0013

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**SAN FRANCISCO CHAMBER OF COMMERCE**

June 15, 2015

Supervisor London Breed, President  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, #244  
San Francisco, CA 94102

RE: SUPPORT #150490: General Obligation Bond Election -- Affordable Housing -- Not to Exceed \$250,000,000 (amended to \$300,000,000)

Dear Supervisor Breed,

The San Francisco Chamber of Commerce, representing over 1,500 local businesses with 200,000 employees, urges you and the Board of Supervisors to support Mayor Ed Lee's San Francisco Affordable Housing Bond proposed for the November 2015 ballot. This \$300 million bond will pay for construction, development, acquisition and preservation of housing affordable to low- and middle-income households through programs that prioritize San Francisco's working families, veterans, seniors, and disabled persons.

This bond issue will provide funding for the reconstruction of public housing, accelerate construction of new affordable units, acquire existing rent controlled buildings and increase middle income loan programs. Our understanding is that, as part of the City's rolling ten year capital plan, at the \$300 million level, approval of this General Obligation bond will not result in an increase in the City's \$1.17 property tax rate.

Supervisor John Avalos's proposed \$500 million housing bond as currently written will require raising property taxes to repay the bonds, while the cost of the Mayor's bond will not require raising property taxes.

Given the challenge of keeping San Francisco homeowners in their homes, the impact of raising property taxes would only exacerbate the housing affordability issues we are grappling with. In recent years San Francisco has successfully approved bond issues because the well thought out capital plan has assured voters that property tax rates will remain steady. Any proposed bond issue that breaks this covenant with the voters puts at risk the passage of future bonds.

The San Francisco Chamber of Commerce urges you to approve the Mayor's \$300 million housing bond as the only housing bond on the November ballot.

Sincerely,

Jim Lazarus  
Senior Vice President of Public Policy

cc: Clerk of the Board, to be distributed to all Supervisors; Mayor Ed Lee

